

SIV Asset Management Limited

ABN 39 143 194 165

Annual Report For the year ended 30 June 2017

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Corporate Governance Statement

The Board of Directors and management of SIV Asset Management Limited (the “Company” or “SAM”) and the entity it controlled (the “Group”) is committed to maintaining best practice in corporate governance, to achieving and demonstrating the highest standards of accountability and transparency and see the continued development of a cohesive set of corporate governance policies and practice as fundamental to the success of the Group.

A description of the Group’s main corporate governance practices is set out below. All these practices, unless otherwise stated, were in place for the entire year. The group has adopted what it believes to be the appropriate corporate governance policies and practices having regard to its size and the nature of its activities. The practices comply with the ASX Corporate Governance Principles and Recommendations.

At 30 June 2017, SAM’s corporate governance policies and practices meet the requirements of both the *Corporations Act 2001* (Cth) (“Corporations Act”) and the Listing Rules of the Australian Securities Exchange (ASX). In formulating its policies, the Group has endeavoured, as far as practicable, to be consistent with the ASX Corporate Governance Council’s ‘Corporate Governance Principles and Recommendations – 3rd edition’ released in March 2014 (ASX Principles). If there are instances where the Group is unable to comply with the ASX Principles, the Group has provided information within this report as to the reasons it has been unable to comply.

This statement is current as at 30 June 2017, and has been approved by the Board of SAM.

1. Lay solid foundations for management and oversight

Role and responsibilities of the Board

The Board has the primary responsibility for the oversight, management and performance of the Group which includes compliance with the Group’s corporate governance objectives.

The Board charter sets out, amongst other things the board requirements as described below:

- duties and responsibilities of the Board;
- powers of the Board;
- delegation to senior management;
- number and independence of directors;
- term of office of non-executive and executive directors;
- terms of appointment;
- responsibilities of the chair;
- Board proceedings;
- Board committees and delegation;
- evaluation of Board performance;
- directors’ indemnity and insurance;
- independent advice and access to information;
- related party transactions; and
- disclosures of interests.

The Board has in place procedures to assess the performance of executives, including the Managing Director. For the Managing Director, this process is ultimately decided by the Chairman who reviews the performance of the Managing Director across a range of key areas including profitability, business planning, stakeholder management and team leadership. For other executives, the Managing Director reviews each executive’s performance across the same key areas.

Role of management

Management is responsible for all matters not specifically the responsibility of the Board and for implementing the strategy and performance objectives of the Group and its day to day operations.

The Board has granted specific delegated authorities to management, including developing and implementing the Group’s strategies, business plans and annual budgets, managing the risk and compliance framework, the day to day management and administration of the Group and ensuring compliance with applicable laws and regulations. The Board oversees the activities of management and provides strategic guidance. The Board met for formal Board Meetings as required and the Board meet on an informal basis to discuss the directive of the Group where required. There is also constant telephone and e-mail contact between Management and the Board.

Corporate Governance Statement

The Company Secretary is responsible for the operation and management of the Group's secretariat function. The Company Secretary has a dual reporting line to the Managing Director and the Chairman (on behalf of the Board) with respect to the proper functioning of the Board.

2. Structure the board to add value

Board composition

The size and composition of the Board is determined by the Board within the parameters set by the Company's Constitution which requires that there are no less than three and no more than 10 directors.

At 30 June 2017, the Board comprised one executive director, three non-executive independent directors. The Managing Director is Mr Simon Lindsay. The non-executive directors are Mr Michael Melamed (appointed on 26 June 2017), Mr Yitzchok 'Isaac' Labkowski (appointed 26 June 2017) and Mr Oliver Morgan. Mr Morgan resigned as Chairman on 26 June 2017 and resigned from the Board on 11 July 2017. Mr Melamed took on the role of non-executive independent Chairman from 26 June 2017. Executive directors, Mr Stuart Roe and Mr John Corr resigned on 27 June 2017.

Directors' independence

Directors are expected to bring separate views and professional judgment to the Board's deliberations.

The Board has reviewed the position and associations of each of the directors in office, and last financial year has appointed an independent non-executive chairman.

The board has three independent directors (as defined by the ASX Principles) and one non-independent directors. As such, the company does comply with the requirement that a majority of the board should be independent. The board believes that, given the size of the Company, the nature of its operations and the ability of all incumbent directors to bring an independent judgement to bear in Board deliberations, the current Board composition is appropriate for the Company in its present stage of development.

Board members

Details of the members of the Board, their experience, expertise, qualifications, term of office, relationships affecting their independence and their independent status are set out in the directors' report under the heading 'Information on directors'.

Commitment

During the 2017 financial year, the Board met formally on 8 occasions. The Board do meet on an informal basis to discuss the directive of the Group where required. There is also constant telephone and e-mail contact between Management and the Board. On the invitation of the Board others may be invited to attend and make presentations at Board meetings. In addition, the Board may hold conference calls and strategic planning sessions with consultants and or advisors at which the Group's strategic plans are reviewed and agreed.

The number of meetings of the Group's board of directors held during the year ended 30 June 2017, and the number of meetings attended by each director is disclosed on page 11.

Board committees

It is the role of the Board of directors to monitor the management of the Group and the Board may establish appropriate committees to assist in this role. At the date of this statement, no committees have been established. The role of both and audit and remuneration committees is undertaken by the Board.

In the event that any committee is established by the Board, the Board may adopt a committee charter in respect of the committee, addressing the composition, responsibilities, administration and any other matters the Board determines relevant to such committee.

Corporate Governance Statement

3. Promote ethical and responsible decision making

Code of Conduct

The Group has established a Code of Conduct which outlines the acceptable standards of behaviour and attitudes expected from staff. The purpose of this Code of Conduct is to:

- Articulate the high standards of honest, ethical and law-abiding behaviour that the Group expects of its staff;
- Encourage the observance of those standards so as to protect and promote the interests of shareholders; and
- Set out the responsibilities and accountabilities of Directors to report and investigate reports of unethical practices.

Security Trading

The Group has established a Security Trading Policy which applies to all staff, directors and officers. The aim of the policy is to ensure that public confidence is maintained in the Group's employees and the trading of shares in the Company.

The Security Trading Policy prohibits trading in the Company's shares by persons in possession of non-public inside information and regulates trading during trading windows and blackouts.

Under the policy, staff, directors and officers must obtain approval from the Chairman or a Director to trade in the Company's shares. Details of any trades of shares in the Company must be provided to the Company Secretary.

4. Safeguard integrity in financial reporting

In accordance with section 295A of the *Corporations Act 2001*, the Managing Director and Chairman/Chief Financial Officer, have declared in writing to the Board that the financial records of the Group for the financial year have been properly maintained and the Group's financial statements present a true and fair view of the financial position and performance and are in accordance with relevant accounting standards.

Deloitte Touche Tohmatsu is the current auditor for the Group. The Board reviews the results of the external audit process annually. External auditors are required to make an annual independence declaration, addressed to the Board, declaring that the auditors have maintained their independence in accordance with relevant accounting standards and the rules of the professional auditing standards.

As at the date of this statement, no board committees have been established by the Group. Given the size and scope of the Group's operations, the Board considers that board committees will add no positive value.

5. Make timely and balanced disclosure

The Group has a policy to ensure compliance with the continuous disclosure requirements of the ASX Listing Rules and the *Corporations Act 2001*. The policy requires timely disclosure of any information concerning the Group that a reasonable person would expect to have a material effect on the price of the Group's securities, subject only to the exclusions identified in the ASX Listing Rules.

The Group was not able to lodge the 2016 Annual Financial Statements on time. This resulted in the Company being suspended by the ASX. The Group has employed additional resources and has worked to rectify this situation and to make sure that all compliance obligations have been met.

The Managing Director and the Company Secretary have been appointed as the persons responsible for communicating with the ASX. These people are also responsible for ensuring compliance with the continuous disclosure requirements of the ASX rules.

Corporate Governance Statement

6. Respect the rights of shareholders

The Group is committed to providing shareholders and the market with timely information regarding the Group. It does this by:

- Continuously reporting development through the ASX Announcements Platform;
- Reporting of results via half yearly financial report and the annual report;
- Encouraging shareholder participation at the Annual General Meeting and other general meetings and allowing adequate time to address any queries or questions put by shareholders; and
- Requiring the attendance of the external auditor at the Annual General Meeting and to be available to answer questions concerning the conduct of the audit and the preparation and content of the Auditor's Report.

7. Recognise and manage risk

The Board recognises that the identification, assessment and management of risks is vital to the growth and success.

The Board and management recognise that having a well-developed system in place for risk management is an integral part of good management practice. The Group actively promotes a culture of compliance and risk management awareness with the aim of ensuring all activities comply with laws, regulations, policies and procedures.

The Group has a risk management policy in place, in addition, reports are provided to the Board on issues such as compliance, insurance, and financial issues as and when they are required for input and approval from the Board. Management is ultimately responsible to the Board for the Group's system of internal control and risk management.

The Managing Director and the Chief Financial Officer provide the Board with an annual written statement that the statement given with respect to the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.

8. Remunerate fairly and responsibly

In the past, the senior executive team were required to sign a formal employment contract at the time of their appointment. This covered a range of matters including their duties, rights, responsibilities and any entitlements on termination. The standard contract refers to a specific formal job description. In the future when senior executives are employed, they will be required to sign a formal employment contract.

The Board is responsible for the review of the performance of the Board and senior management. The review of the managing director is carried out, and approved by, the Board. The performance of senior management (that is, those who report directly to the Managing Director) is reviewed at the end of each financial year by the Directors.

At the review:

- a) performance objectives and development plans are set (having regard to both the corporate goals set by the Board and individual performance goals) for the forthcoming financial year; and
- b) individual performance is assessed against last year's performance objectives and the amount of "at risk" remuneration to be paid and securities to be granted under the Group's incentive plan is determined by reference to that individual's performance.

During the 2017, financial year consulting fees were paid to the Managing Director. These consulting fees were paid for specific tasks undertaken that were approved by the Board. A performance review was not undertaken by the Board.

Directors Report

The Directors of SIV Asset Management Limited (ASX: SAM) present their report on SIV Asset Management Limited (“SAM” or “the Company”), and the entity it controls (the “Group”) for the year ended 30 June 2017.

Directors

The following persons were directors of the Group during the whole or part of the financial year and up to the date of this report unless otherwise indicated:

Simon Lindsay
Michael Melamed (*appointed 26 June 2017*)
Yitzchok (Isaac) Labkowski (*appointed 26 June 2017*)
Steuart Roe (*resigned 27 June 2017*)
John Corr (*resigned 27 June 2017*)
Oliver Morgan (*resigned 11 July 2017*)

Principal activities

On 10 April 2017, the Shareholders of the Company at the Annual General Meeting (“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.

Financial results for the year

The consolidated loss before tax attributable to shareholders of SIV Asset Management Limited was \$254,776 (Restated 2016: operating profit \$372,914). The consolidated loss after tax attributable to shareholders of SIV Asset Management Limited was \$254,776 (Restated 2016: profit \$372,914). Please refer to the consolidated statement of profit or loss and other comprehensive income on page 16 for further information.

Review and results of operations

Significant Investor Visa (SIV) programme

On 10 April 2017, the Shareholders of the Company at the AGM, approved the entering into an agreement with the Funds, for the Notes to be redeemed for their face value. The Company has entered into an agreement with Pritchard Equities Limited (“Pritchard”) for the loans to be transferred to Pritchard for their face value. The proceeds of the sale of the loans was used by the Company to repay the Notes. The Funds and Pritchard have agreed with the Company that the cash component of these transactions can proceed by way of set off so no net cash transfer will occur in relation to the redemption of the Notes or transfer of the loans. The net financial effect of this is that the Company will reduce its liabilities and assets by corresponding amounts with no change to the net position.

The Company have paid a net fee to the manager of the Funds of \$114,000 (excl. GST) in consideration of the manager arranging for the Funds and Pritchard to take over the ongoing administration of the loans.

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. In April 2017, the Company entered into an agreement with Pritchard for the loans to be transferred to Pritchard for their face value. The nominal value of the loans and receivables was \$nil at 30 June 2017, (2016: \$139,373,000), which in the past were discounted to present value, with the net gains/(loss) on initial recognition and interest recognised in the statement of profit or loss and other comprehensive income. During the 2017 financial year no new loans (2016: Nominal Value \$64,970,000) were made.

Strategy and future outlook

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.

Directors Report

In July and August 2017, the Company was able to raise additional funds totalling ~\$84,000 for working capital purposes and to enable the Company to conduct a review of various business options, including the seeking out of suitable investment opportunities, including opportunities in sectors different to that of its previous business, that the Directors believe could have the potential to generate shareholder returns. In the event that the Directors decide to pursue one or more new business opportunities, it is likely that the Company will be required to raise further funds to cover the related business acquisition costs, and provide funds for general working capital and administration expenses. The Company is currently considering a number of options to raise additional capital.

Significant changes in state of affairs

On 10 April 2017, the Shareholders of the Company at the AGM, approved the entering into an agreement with the Funds, for the Notes to be redeemed for their face value. The Company has entered into an agreement with Pritchard for the loans to be transferred to Pritchard for their face value. Other than the up-front profit component, economically the Notes and Loans were essentially on the same commercial terms and so represented an equal and opposite assets and liabilities of the Company.

The Company paid a net fee to Pritchard of \$114,000 (excl. GST) in consideration of Pritchard arranging for the Funds and for Pritchard to take over the ongoing administration of the Loans.

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.

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.

Environmental regulation

The Group's operations are not subject to any particular, or significant environmental regulations under a Commonwealth, State or Territory law.

Dividends

No dividend was declared and payable to shareholders for the period to 30 June 2017 (2016: nil).

The Group is subject to the Australian corporate tax rate of 27.5% (2016: 30%).

Auditor's Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 15.

Directors Report

Non-audit services

An accrual has been raised for non-audit services to be provided by Deloitte Touche Tohmatsu, the auditors of the Group.

Details of the expected costs are detailed below. The Directors have considered the position and are satisfied, given the nature and scope of the non-audit services that the provision of the non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

Amounts paid or payable to the auditors of the Group for non-audit services provided during the year

	2017
Tax compliance services*	1,500

* This represents the Company's accrual of \$5,000 for the preparation and lodgement of the 2017 tax returns, less a \$3,500 adjustment for an over accrual for previous years.

Insurance of officers

During the financial year, the Group paid premiums in respect of a contract insuring the directors of the Group and all executive officers of the Group against any liability incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Group, other than conduct involving a wilful breach of duty in relation to the Group. The contract of insurance prohibits disclosure of the amount of the premium.

Proceedings on behalf of the Group

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

Information on directors

The qualifications, experience and responsibilities of each person who has been a director of SIV Asset Management Limited at any time during or since the end of the financial year are provided below.

Simon Lindsay

B. BUS, Managing Director, Age 46

Expertise

Simon is the Managing Director and a founding director of SIV Asset Management Limited. He brings to the Group over 25 years' experience in financial services, and has an extensive knowledge of the Australian financial services industry from his previous roles at Challenger International Limited, Aurora Funds Management and Ord Minnett Limited.

Other current directorships in publicly listed companies

N/A

Former directorships in last three years in publicly listed companies

N/A

Special responsibilities

Managing Director of SIV Asset Management Limited

Interests in shares and options

254,338 SAM shares

Michael Melamed (Appointed 26 June 2017)

B. BUS, Chartered Accountant (CA), Current Non-Executive Chairman of the Board, Age 42

Expertise

Michael the Chairman of SIV Asset Management Limited. Michael is a chartered accountant and brings to the Company over 20 years' of extensive experience in accounting, corporate advisory and acts as the CFO for several listed and unlisted entities. Michael brings to the Company his extensive network and business opportunities.

Directors Report

Other current directorships in publicly listed companies

N/A

Former directorships in last three years in publicly listed companies

N/A

Special responsibilities

Chairman of SIV Asset Management Limited (*appointed 26 June 2017*)

Interests in shares and options

N/A

Yitzchok (Isaac) Labkowski (Appointed 26 June 2017)

Current Independent Non-Executive Director, Age 36

Expertise

Yitzchok is a prominent investor, business owner, diamond dealer and is based in United States of America. Yitzchok has extensive experience in both established and start-up companies.

Other current directorships in publicly listed companies

N/A

Former directorships in last three years in publicly listed companies

N/A

Special responsibilities

Non-executive Director

Interests in shares and options

N/A

John Corr (resigned 27 June 2017)

B Comm, Executive Director, Age 54

Expertise

John was an Executive Director and a founding director of SIV Asset Management Limited. John was the founder of Fortitude Capital Pty Ltd ("Fortitude"). Fortitude is a subsidiary of the Company. John has over 28 years' experience in the financial markets. Prior to establishing Fortitude, he was a director at Citigroup Global Markets Australia. He worked in proprietary trading for eight years, trading local and overseas equities and equity derivatives, and was responsible for the management and development of a team of equity proprietary traders.

Other current directorships in publicly listed companies

N/A

Former directorships in last three years in publicly listed companies

N/A

Special responsibilities

Director of SIV Asset Management Limited

Interests in shares and options

1,813,814 SAM shares at date of resignation (27 June 2017)

Ian Steuart Roe (resigned 27 June 2017)

BSc MAppFin, Executive Director, Age 50

Directors Report

Expertise

Steuart was an Executive-Director and a founding director of the Company. Steuart was the founder of Sandringham Capital Pty Ltd, which was a subsidiary of the Company until it was deregistered in 2013. Prior to founding Sandringham Capital Pty Ltd in 2005, Steuart was Executive Director and Head of Equity Risk Management Products for UBS in Australasia. His responsibilities included the origination, structuring and distribution of equity derivative and cash products to corporate, financial intermediaries and retail clients. From 1992 to 2001 he worked for Citigroup (formerly Salomon Smith Barney and County NatWest) holding numerous roles including, Director and Head of Corporate and Retail Equity Derivative Products, Head of Equity Risk Management, Associate Director and Portfolio Manager Structured investments.

Other current directorships in publicly listed companies

N/A

Former directorships in last three years in publicly listed companies

N/A

Special responsibilities

Director of SIV Asset Management Limited

Interests in shares and options

1,415,751 SAM shares at date of resignation (27 June 2017)

Oliver Morgan (resigned 11 July 2017)

B.E. Civil B.A. Accounting, Grad Dip Fin PI, Independent Non-Executive Chairman of the Board, Age 72

Expertise

Oliver was the Independent Non-Executive Chairman of SIV Asset Management Limited until his resignation on 26 June 2017. Oliver has over 42 years' experience in stockbroking, corporate banking and funds management. Prior to his appointment as Chairman, Oliver served as an Executive Director of Aurora Funds Management Limited ("AFML") and has held numerous business development roles in stockbroking, local and international banks and financial services companies. Oliver was responsible for the existence of an effective strategic planning program and for the consideration of future development possibilities of the Group. He has acted as an advisor for the Managing Director and other members of the Board.

Other current directorships in publicly listed companies

N/A

Former directorships in last three years in publicly listed companies

N/A

Special responsibilities

Chairman of SIV Asset Management Limited (resigned as Chairman on 26 June 2017)

Interests in shares and options

690,696 SAM shares

Company Secretary

Adrien Wing (B. Bus, CPA) is the Company's Secretary. Adrien was appointed on 26 June 2017. Adrien is a Certified Practising Accountant and specialises in the public company environment. He practised in the audit and corporate divisions of a chartered accounting firm before providing corporate/accounting consulting and company secretary services to public companies.

His experience includes accounting, administration, compliance, company secretarial, re-structuring and recapitalising companies on ASX. Adrien currently provides these services to several public companies on the ASX. He has served on several public company boards and related committees.

Ms Betty Poon B.Bus (Acc) CA. Betty was Company Secretary from 31 January 2014 to 24 April 2017. Mr William John Ballhausen was Company Secretary from 24 April 2017 until his resignation on 26 June 2017.

Directors Report

Shares issued on the exercise of options

No shares were issued during or since the end of the financial year as a result of exercise of options. No options have been issued over the share capital of the Group.

Directors' Meeting

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director.

Director	Number of Board Meetings Held		Number of Board Meetings Attended	
	2017	2016	2017	2016
John Corr (<i>resigned 27 June 2017</i>)	8	-	6	-
Simon Lindsay	8	-	7	-
Oliver Morgan (<i>resigned 11 July 2017</i>)	8	-	3	-
Ian Steuart Roe (<i>resigned 27 June 2017</i>)	8	-	6	-
Michael Melamed (<i>appointed 26 June 2017</i>)	2*	n/a	2	n/a
Yitzchok (Isaac) Labkowski (<i>appointed 26 June 2017</i>)	2*	n/a	2	n/a

* Number of Board meetings since date of appointment. Appointed to the board on 26 June 2017.

n/a - Not Applicable

Remuneration report (audited)

This remuneration report outlines the remuneration arrangements of the Group for the year ended 30 June 2017. It details the remuneration arrangements for Key Management Personnel (KMP) of the Group who are identified as those persons and corporate entities having authority and responsibility for planning, directing and controlling activities of the Group, directly or indirectly.

In the 2017 financial year, the KMP for the Group included a Non-Executive Director and Executive Directors as set out below:

Name	Position	Term as KMP
Non-Executive Director		
Oliver Morgan (<i>resigned 11 July 2017</i>)	Independent Chairman	Full Year
Yitzchok (Isaac) Labkowski (<i>appointed 26 June 2017</i>)	Director	5 days**
Michael Melamed (<i>appointed 26 June 2017</i>)	Chairman	5 days**
Executive Directors		
Simon Lindsay	Managing Director	Full Year
John Corr (<i>resigned 27 June 2017</i>)	Director	362 days*
Ian Steuart Roe (<i>resigned 27 June 2017</i>)	Director	362 days*

* Until date of resignation – 362 days

** From date of appointment until 30 June 2017 – 5 days

The Board does not grant options to KMP under its remuneration policy.

Directors Report

Remuneration report (audited)

1. Remuneration Policy

The Group aims to provide remuneration that is competitive in the market and linked to the Group's long term growth and value. The Board of directors seeks to ensure that the Group attracts and retains talented and motivated employees who can enhance business performance through their contributions and leadership.

The nature and extent of remuneration is reviewed and agreed upon annually by the Board. Remuneration of employees is made up of the following components:

Fixed remuneration: includes base salary and employer superannuation contributions. All employees, including directors, have salary reviews on an annual basis. When making changes to an individual's base remuneration the Board as a whole considers the employee's responsibilities, historic performance and length of employment with the Group, as well as the applicable industry rate.

Performance bonuses: the Board is currently reviewing the remuneration policy. Once the Company has identified business opportunities, the structure of performance bonuses will be determined.

Short-term incentives: refers to performance based bonuses. All employees will in the future have the opportunity to earn an annual short-term incentive (STI) if predefined targets are achieved. These targets will be set by the Board and align to the Group's strategic and business objectives in the future. Bonus allocations will be subject to Board approval, and must include the approval of the independent chairman. In the event the independent director votes against or abstains, the Board must obtain independent advice on the fairness and reasonableness for shareholders before distributing bonuses.

2. Relationship between Remuneration Policy and Group Performance

The following compares financial results for the last five years to incentive payments to key management personnel:

	2017	Restated* 2016	2015	2014	2013
Profit/(loss) before tax	(\$254,776)	\$372,914	\$569,091	\$516,167	(\$508,403)
Profit/(loss) after tax	(\$254,776)	\$372,914	(\$274,307)	\$1,079,408	(\$508,403)
Total performance fees from funds	-	-	\$38,931	\$522,479	\$498,069
Basic earnings per share from continuing operations	(2.28)	3.34	(2.50)	9.98	(5.68)
Total KMP short term incentives as a percentage of total income for the financial year	n/a	n/a	10.41%	7.36%	4.85%

* Refer Note 24.

The above highlights the impact that performance fees have in determining the total bonus pool available to all employees including key management personnel. For further details on performance bonuses payable to all staff including key management personnel, refer to note 17.

Directors Report

Remuneration report (audited) (continued)

3. Remuneration Summary of KMP

A summary of the remuneration for the directors for the financial year ended 30 June 2017 is as follows:

30 June 2017	Short-term benefits	Post-employment benefits	Short term incentive payments	Total	% Fixed Remuneration	% Remuneration linked to performance
Name	Cash salary and fees	Superannuation				
<i>Directors:</i>						
Ian Steuart Roe**	-	-	-	-	-%	-%
John Corr**	-	-	-	-	-%	-%
Simon Lindsay#	22,000	-	-	22,000	-%	-%
Oliver Morgan***	-	-	-	-	-%	-%
Michael Melamed*	-	-	-	-	-%	-%
Yitzchok (Isaac) Labkowski*	-	-	-	-	-%	-%
<i>Senior Executives:</i>						
Adrien Wing##	-	-	-	-	-%	-%
William John Ballhausen###	2,794	-	-	2,794	-%	-%
Betty Poon~	-	-	-	-	-%	-%
Total key management personnel compensation	24,794	-	-	24,794		

* Appointed 26 June 2017

** Resigned 27 June 2017

*** Resigned 11 July 2017

Managing Director - Consulting fees

Appointed 26 June 2017

Appointed 24 April 2017 and Resigned 26 June 2017. Mr Ballhausen received consulting fees for his role as Company Secretary

~ Resigned 24 April 2017

30 June 2016	Short-term benefits	Post-employment benefits	Short term incentive payments	Total	% Fixed Remuneration	% Remuneration linked to performance
Name	Cash salary and fees	Superannuation				
<i>Directors:</i>						
Ian Steuart Roe	-	-	-	-	-%	-%
John Corr	-	-	-	-	-%	-%
Simon Lindsay	-	-	-	-	-%	-%
Oliver Morgan	-	-	-	-	-%	-%
<i>Senior Executives:</i>						
Betty Poon	-	-	-	-	-%	-%
Total key management personnel compensation	-	-	-	-		

Directors Report

Remuneration report (audited) (continued)

4. Directors' interest in shares

Number of shares* held by key management personnel and their associates:

Directors	Balance 1 July 2016	Movement	Balance 30 June 2017
Simon Lindsay	720,477	(466,139) ⁺	254,338
John Corr	1,813,814	-	1,813,814 ^{**}
Ian Steuart Roe*	1,659,481	-	1,659,481 ^{**}
Oliver Morgan ^{##}	690,696	-	690,696 ^{##}
Michael Melamed	- [#]	-	-
Yitzchok (Isaac) Labkowski	- [#]	-	-

* Includes holding of Mr Roe's partner. This is not included on the Appendix 3Z at the date of his resignation.

**At date of resignation- resigned 27 June 2017

At date of appointment – appointed 26 June 2017

Resigned 11 July 2017

+ Share sale on 27 June 2017. The Appendix 3Y was lodged with the ASX on 5 July 2017.

5. Loans to key management personnel

During the financial year, there were no loans to key management personnel, including their related parties. Refer to Note 17 for details of transactions with related parties. There were no other transactions with related parties during the year other than those detailed in Note 17 of the financial statements.

6. Voting and comments made at the Group's 2016 Annual General Meeting

At the Group's most recent Annual General meeting, a resolution to adopt the prior year remuneration report was put to the vote and the resolution was not carried as there were less than 75% of the votes in favour of the resolution. The Company received its "First strike" at the 2016 Annual General meeting.

The report is made in accordance with a resolution of the Directors.



Simon Lindsay
Managing Director
28 September 2017

Independence Declaration

Deloitte.

Deloitte Touche Tohmatsu
A.C.N. 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1217 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

The Directors
SIV Asset Management Limited
Level 17, 500 Collins Street
Melbourne VIC 3000

28 September 2017

Dear Sirs,

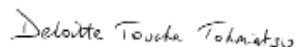
SIV Asset Management Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of SIV Asset Management Limited and the entities it controlled for part of the year.

As lead audit partner for the audit of the financial report of SIV Asset Management Limited and the entities it controlled for part of the year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Declan O'Callaghan
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

Financial Statements

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

	Notes	2017 \$	Restated* 2016 \$
Revenue from continuing operations			
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		-	-
Total income		511,168	512,706
Expenses			
Interest paid		26	-
Other expenses	7	765,918	139,792
Total operating expenses		765,944	139,792
Profit/(loss) before tax		(254,776)	372,914
Income tax benefit/(expense)	6	-	-
Profit/ (loss) for the year from continuing operations		(254,776)	372,914
Discontinued operations			
Loss for the year from discontinued operations		-	-
Profit/(loss) attributable to shareholders of SIV Asset Management Ltd		(254,776)	372,914
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		-	-
Total comprehensive income/(loss) attributable to the shareholders of SIV Asset Management Ltd		(254,776)	372,914
Earnings per share:			
<u>From continuing and discontinued operations</u>			
Basic earnings per share (cents)	21	(2.28)	3.34
Diluted earnings per share (cents)	21	(2.28)	3.34
<u>From continuing operations</u>			
Basic earnings per share (cents)	21	(2.28)	3.34
Diluted earnings per share (cents)	21	(2.28)	3.34

* Refer Note 24

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

Financial Statements

Consolidated Statement of financial position

as at 30 June 2017

	Notes	2017 \$	Restated* 2016 \$
Current assets			
Cash and cash equivalents	8	238,729	464,705
Trade and other receivables	9	-	155,069
Deferred expenses		-	330,859
Other current assets	10	27,456	111,642
Total current assets		266,185	1,062,275
Non-current assets			
Loans and receivables	10	-	120,304,143
Total non-current assets		-	120,304,143
Total assets		266,185	121,366,418
Current liabilities			
Trade and other payables	11	91,247	110,836
Other current liabilities	13	-	50,256
Unearned revenue		-	471,469
Total current liabilities		91,247	632,561
Non-current liabilities			
Financial liabilities	12	-	120,304,143
Total non-current liabilities		-	120,304,143
Total liabilities		91,247	120,936,704
Net assets		174,938	429,714
Equity			
Share capital	14	7,709,252	7,709,252
Accumulated losses	15	(7,534,314)	(7,279,538)
Total equity		174,938	429,714

* Refer Note 24

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

Financial Statements

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

	Share Capital	Accumulated Profits/ (losses)	Total
	\$	\$	\$
Balance at 30 June 2015	7,709,252	(7,652,452)	56,800
Comprehensive income for the year		293,137	293,137
Balance at 30 June 2016 (as previously reported)	7,709,252	(7,359,315)	349,937
Adjustments – <i>Refer Note 24</i>	-	79,777	79,777
Balance at 30 June 2016 (Restated)	7,709,252	(7,279,538)	429,714
Comprehensive income for the year	-	(254,776)	(254,776)
Balance at 30 June 2017	7,709,252	(7,534,314)	174,938

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

Financial Statements

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

	Notes	2017 \$	Restated* 2016 \$
Cash flows from operating activities			
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)	-
Net cash generated by/ (used in) operating activities	20	(100,577)	(698,389)
Cash flows from investing activities			
Payment for plant and equipment		-	-
Loans to third parties	10	-	(64,970,000)
Net cash generated by/ (used in) investing activities		-	(64,970,000)
Cash flows from financing activities			
Proceeds from issue of corporate bonds	12	-	64,970,000
Repayment of receivable by third party		-	500,000
Transaction costs relating to loans and borrowings		(125,400)	-
Net cash generated by / (used in) financing activities		(125,400)	65,470,000
Net increase/(decrease) in cash and cash equivalents		(225,976)	(198,389)
Cash and cash equivalents at the beginning of the year		464,705	663,094
Cash and cash equivalents at the end of the financial year	8	238,729	464,705
Non-cash investing activities**	10	125,092,716	-
Non-cash financing activities**	12	(125,092,716)	-

* Refer Note 24

** The Funds and Pritchard have agreed with the Company that the cash component of these transactions can proceed by way of set off so no net cash transfer will occur in relation to the redemption of the Notes or transfer of the loans.

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

Notes to the Financial Statements

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Notes to the 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 be 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

The financial statements have been prepared on the going concern basis which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

In July and August 2017, the Company was able to raise additional funds totalling ~\$84,000 for working capital purposes and to enable the Company to conduct a review of various business options, including the seeking out of suitable investment opportunities, including opportunities in sectors different to that of its previous business, that the Directors believe could have the potential to generate shareholder returns. In the event that the Directors decide to pursue one or more new business opportunities, it is likely that the Company will be required to raise further funds to cover the related business acquisition costs, and provide funds for general working capital and administration expenses.

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

The Company is currently considering a number of options to raise additional capital.

Should the Company be unable to raise the additional funds required, there is material uncertainty as to whether the Company will be able to continue as a going concern and therefore, whether the Company will realise its assets and discharge its liabilities in the normal course of business.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

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.

(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 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 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 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.

Notes to the Financial Statements

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 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 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. 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 recognised deferred tax assets.

(b) Contingent assets and liabilities

The Group recognises contingent assets and liabilities ("Contingencies"). These Contingencies are based on the best estimate at this point in time and no liability has been raised. Contingent liabilities are not recognised, but are disclosed, unless the possibility of an outflow is remote. At 30 June 2017, the Company disclosed \$402,350 (2016: \$ nil) as a contingent liability (refer Note 11).

Notes to the Financial Statements

3. Critical accounting estimates and judgements (continued)

(c) 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.

(d) 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 10) and financial liabilities (refer Note 12) were written off.

4. Financial Risk Management

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

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 and term deposits.

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 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: \$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 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
	\$	\$	\$	\$	\$
As at 30 June 2017					
Trade and other payables	91,247	-	-	91,247	91,247
Other current liabilities	-	-	-	-	-
Financial liabilities	-	-	-	-	-
Total non-derivatives	91,247	-	-	91,247	91,247

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
	\$	\$	\$	\$	\$
As at 30 June 2016					
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
Total non-derivatives	161,092	-	139,373,000	139,534,092	120,465,235

(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 Financial Statements

6. Income tax

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

	2017 \$	Restated 2016 \$
(Loss)/ profit before income tax expense	(254,776)	372,914
Prima facie income tax (benefit)/ expense at 27.5% (2016: 30%)	(70,063)	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	48,394	98,644
Current year income tax expense/(benefit) on discontinued operations	-	-
Total current income tax expense/(benefit)	48,394	98,644
Income tax (benefit) from previously unrecognized tax losses used to reduce current tax expense	(48,394)	(98,644)
Recognition of previously unused tax losses as deferred tax assets	-	-
Derecognition of prior year tax losses recognized as deferred tax assets	-	-
Income tax (expense)/revenue recognised in profit or loss (relating to continuing and discontinued operations)	-	-
(b) Components of income tax revenue/(expense)		
Deferred tax benefit/(liability)	-	-
Income tax (expense)/revenue reported in the consolidated statement of profit or loss and other comprehensive income	-	-

The Group had unused revenue tax losses at 30 June 2017 of ~\$2,335,036 (2016: ~\$2,383,430) and capital tax losses \$4,729,959 (2016: \$4,729,959).

Notes to the Financial Statements

7. Other expenses

	2017 \$	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**	256,933	(22,157)
Total other expenses	765,918	139,792

* 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 held at call*	81,736	79,777
Total cash and cash equivalents	238,729	464,705

* 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
Total trade and other receivables	-	155,069

a. Impaired trade receivables

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

Notes to the Financial Statements

10. Other current assets

	2017 \$	2016 \$
Prepayments	4,666	12,575
Goods and service tax	22,790	99,067
Total other current assets	27,456	111,642
	\$	\$
Loan to Centenary Advisory Group	-	26,961,038
Loan to Investors of SIV Investment Fund	-	93,343,105
Total loans and receivables	-	120,304,143

*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 original 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 at 30 June 2017 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 \$	2016 \$
Current liabilities		
Trade payables	35,747	52,692
Audit fees payable	32,000	32,320
Expense accruals*	23,500	25,824
Total current liabilities	91,247	110,836

* Includes \$12,500, relating to expenses incurred in relation to AFML's services as trustee of the SIV Funds (refer Note 18).

Notes to the Financial Statements

12. Financial liabilities

	2017 \$	2016 \$
Corporate Bonds	-*	120,304,143
Total financial liabilities	-	120,304,143

*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 were 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 \$	2016 \$
Orion Investment Fund – fees payable	-	30,000
Payable to Aurora Funds Management Limited	-	20,256
Total other current liabilities	-	50,256

14. Contributed equity

(a) Issued capital

	2017 \$	2016 \$
Ordinary shares	7,709,252	7,709,252
Total contributed equity	7,709,252	7,709,252

(b) Movement in ordinary share capital

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

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 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, an ASX announcement was made on this date.

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 \$
Retained earnings	7,511,748	7,279,538
Balance at beginning of year	(7,279,538)	(7,652,452)
Profit/(loss) attributable to owners of the Group	(254,776)	372,914
Payment of dividends	-	-
Balance at end of year	(7,534,314)	(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 \$
Deloitte Touche Tohmatsu (DTT) Australia		
<i>Audit and other assurance services</i>		
Audit and review of financial statements*	64,000	64,640
<i>Taxation Services</i>		
Taxation compliance services**	1,500	22,500
Total remuneration of DTT audit firms	65,500	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.

Notes to the Financial Statements

17. Related party disclosure (continued)

	2017	2016
	\$	\$
Executive Directors		
Short-term employee benefits	22,000	-
Post-employment benefits	-	-
	22,000	-
Non-Executive Directors		
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 12 to 14 and above.

Notes to the 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 Stuart 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 ⁺	67,890 ⁺
Ian Stuart Roe	Ian Stuart Roe was a director of SIV Asset Management Limited	Payments made directly to Mr. Roe in lieu of AFML, in respect of AFML's bonus pool relating to the SIV 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 the balance was \$nil (2016: \$330,859). At 30 June 2017, \$- (2016: \$30,000) was payable to Mr Roe – refer Note 13.

⁺ 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

On 17 May 2017 and 1 June 2017, the Company announced to the ASX, that it had 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 of the sale in March 2015, in respect of the SIV Investment Fund and the Orion Investment Options Fund after adjusting for costs incurred in relation to AFML's services as trustee of the SIV Funds that have been accrued at 30 June 2017 (refer Note 11).

The Board strongly denies that these funds are payable to AFML. It is the Company's position that this liability has already been satisfied with payments made directly to Mr. Roe (refer Note 17(b)).

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 Financial Statements

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

	2017 \$	2016 \$
Profit/(loss) from ordinary activities after incometax	(254,776)	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	570,115	(110,646)
Decrease/(increase) in prepayments	-	-
Increase/(decrease) in payables	(541,315)	(960,657)
Net cash flows from operating activities	(100,577)	(698,389)

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	(2.28)	(254,776)	3.34	372,914
- Discontinuing operations	-	-	-	-
Total diluted earnings per share attributable to the ordinary equity holders of the Group:				
- Continuing operations	(2.28)	(254,776)	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		11,167,231		11,167,231

*Refer Note 24

Notes to the 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 \$
Balance Sheet		
Current assets	266,185	1,062,275
Non-current assets	-	120,304,143
Total assets	266,185	121,366,418
Current liabilities	91,247	632,561
Non-current liabilities	-	120,304,143
Total liabilities	91,247	120,936,704
Shareholders' equity		
Share capital	7,709,252	7,709,252
Accumulated losses	(7,534,314)	(7,279,538)
Total equity	174,938	429,714
Profit or (loss) for the year from continuing operations	(254,776)	372,914
Profit or (loss) for the year from discontinued operations	-	-
Total comprehensive income/ (loss)	(254,776)	372,914

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 Financial Statements

24. Correction of prior year errors (continued)

	30 June 2016		
	Previously Stated \$	Adjustments \$	Restated \$
Statement of Comprehensive Income			
Interest income from financial assets not held at fair value	41,995	9,328*	51,323
Profit attributable to shareholders of the Company	293,137	79,777*	372,914
Statement of Financial Position			
Cash and bank on hand (Note 8)	384,928	79,777*	464,705
Net assets	349,937	79,777*	429,714
Accumulated Losses	(7,359,315)	79,777*	(7,279,538)
Statement of cash flows			
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

79,777

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.

Directors' Declaration

The directors of the Group declare that:

- (a) In the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;
- (b) In the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards as stated in Note 2(a) to the financial statements; and
- (c) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Trust.

This declaration is made in accordance with a resolution of the directors of SIV Asset Management Limited.



Simon Lindsay
Managing Director
28 September 2017



Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney, NSW 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

Independent Auditor's Report to the members of SIV Asset Management Limited

Opinion

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

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; 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 Group in accordance with the auditor independence requirements of 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.

Material Uncertainty Related to Going Concern

We draw attention to note 2(b) in the financial report, which indicates the ability of the Group to continue as a going concern is dependent upon the raising of additional share capital. This condition, along with other matters set forth in note 2(b), indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our procedures in relation to going concern included, but were not limited to:

- Inquiring of management and the directors as to knowledge of events and conditions that may impact the assessment of the Group's ability to continue as a going concern;
- Challenging the assumptions and projected cash flows in management's forecast in relation to the Group's ability to continue as a going concern; and
- Assessing the adequacy of the disclosures in note 2(b) to the financial statements.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

Deloitte.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<p>Completeness of cash balances recorded</p> <p><i>Refer note 24.</i></p> <p>A restatement has been disclosed in the financial statements for 30 June 2017 as a result of a prior year error in the cash balance recorded due to a term deposit legally owned by the Company being incorrectly written-off.</p> <p>Management have restated the 2016 comparatives to reinstate this balance.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Holding discussions with management over the nature of the identified error including understanding the sale transaction leading to the error and how the error was identified in the current year; • Evaluating supporting documentation to verify the balance reinstated is legally owned by the Company and that the balance is recoverable; • Reviewing bank confirmations obtained to assess that all assets held in the entity's name have been recorded on the balance sheet; and • Assessing the appropriateness of the disclosures included in note 24 to the financial statements.
<p>Derecognition of the financial liabilities and loan receivables</p> <p><i>Refer note 10 and 12.</i></p> <p>On the 10th of April 2017, the Company entered into an agreement to transfer the investor funds held and corresponding loans to investors to Pritchard Equity Limited ("Pritchard") at their nominal value.</p> <p>As at 30 June 2017, the financial liabilities and loan receivables which were recorded at the discounted present value in the prior period balance sheet have been reduced to nil as a result of the sale.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Reviewing the signed Deed of Amendment documentation obtained to ensure the transfer has been conducted in line with the requirements of the agreement and that the legal ownership/obligations have been fully transferred out of the Company; • Discussing with management the details of the transaction performed to transfer out the loans and investments; • Reviewing the agreement to confirm that no profit was obtained as a result of the transfer; • Evaluating documentation for the costs of the transaction owed to Pritchard to ensure these are accurate and recorded appropriately; and • Assessing the appropriateness of the disclosures included in note 10 and 12 to the financial statements.
<p>Contingent Liability</p> <p><i>Refer notes 3(b) and 18.</i></p> <p>The Company is disputing a claim received from Aurora Funds Management Limited (AFML) in the amount of \$402,350 (plus GST) which relates to their share of profits generated by the Company post completion of the sale of AFML in March 2015, in respect of the SIV Investment Fund and the Orion Investment Options Fund.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Reviewing management's position paper on the recognition and disclosure of the contingent liability; • Reviewing correspondence between various parties involved including the Company's legal counsel and AFML; • Reviewing the Company's ASX announcements on the matter and reconciling to supporting documentation; and • Assessing the appropriateness of the disclosures in notes 3(b) and 18 to the financial statements.

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Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, 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 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, 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 ability of the Group 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 Group 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

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required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 14 of the Directors' Report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of SIV Asset Management Ltd, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



DELOITTE TOUCHE TOHMATSU



Declan O'Callaghan
Partner
Chartered Accountants
Sydney, 28 September 2017

Shareholder Information

The shareholder information set out below was applicable as at 18 September 2017.

Distribution of holdings

Range	Total holders	Shares	% of issued Share
1 to 1,000	27	21,550	0.17
1,001 to 5,000	174	317,979	2.48
5,001 to 10,000	11	78,951	0.61
10,001 to 100,000	18	829,184	6.46
100,001 and over	23	11,594,652	90.28
Total	253	12,842,316	100.00

Largest Shareholders

The names of the 20 largest holders of ordinary units as at 18 September 2017 are listed below:

Unitholder	Number held	% of issued shares
PAUL MELLING AND ASSOCIATES PTY LTD	1,673,170	13.03%
HALEVI PTY LTD	1,482,675	11.55%
MRS DIHNA NADA ZUVELA <DNZ DISCRETIONARY A/C>	927,272	7.22%
MR OLIVER JOHN MORGAN <THE MORGAN FAMILY S/F A/C>	690,696	5.38%
KUSHKUSH INVESTMENTS PTY LTD <ALEXANDRA DISCRETIONARY	626,269	4.88%
KNOXY HOLDINGS PTY LTD	543,075	4.23%
MR JOHN FREDERICK CORR	537,070	4.18%
MR IAN STEUART ROE	537,010	4.18%
J P MORGAN NOMINEES AUSTRALIA LIMITED	512,478	3.99%
SJ CAPITAL PTY LTD	481,000	3.75%
M + T K PTY LTD <MTK SUPERANNUATION FUND>	400,000	3.11%
MR PETER ANDREW PROKSA	400,000	3.11%
MR BIN LIU	375,085	2.92%
SL INVESTORS PTY LTD <SL SUPERFUND A/C>	373,730	2.91%
MRS DANCHE SIMENS	336,139	2.62%
NORTHERN STAR NOMINEES PTY LTD	300,000	2.34%
SWIFT GLOBAL LTD	260,000	2.02%
MR SIMON ANGUS LINDSAY	254,338	1.98%
MR PETER FREDERICK PHILLIPS	228,186	1.78%
SL INVESTORS PTY LTD <SL SUPERFUND A/C>	200,000	1.56%
Total	11,138,193	86.73%

Substantial Holders

Substantial holders of ordinary units as at 18 September 2017 are listed below:

Unitholder	Number of	%
PAUL MELLING AND ASSOCIATES PTY LTD	1,673,170	13.03
HALEVI PTY LTD	1,482,675	11.55
MR JOHN FREDERICK CORR, MS CHERRY CORE, KNOXY HOLDINGS PTY LTD	1,080,145	8.41
MRS DIHNA NADA ZUVELA <DNZ DISCRETIONARY A/C>	927,272	7.22
MR OLIVER JOHN MORGAN <THE MORGAN FAMILY S/F A/C>	690,696	5.38
Total	5,853,958	45.59

Corporate Directory

Directors of Company

Oliver Morgan (*resigned 11 July 2017*)

Simon Lindsay

Michael Melamed

Yitzchok (Isaac) Labkowski

Company Secretary

Adrien Wing (*Appointed 26 June 17*)

Registered Office

Level 17,

500 Collins Street

Melbourne, VIC 3000

Tel: + 61 (0) 3 9614 0600

Share Register

Registry Direct

Level 6,

2 Russell Street

Melbourne, VIC 3000

Auditor and Taxation Advisor

Deloitte Touche Tohmatsu

Grosvenor Place

225 George Street

Sydney, NSW 2000

Solicitors

Milcor Legal

Level 1

6 Thelma Street

West Perth, WA 6005

Securities Exchange Listing

Australian Securities Exchange (ASX)

ASX Code: (SAM)