Oasis Fund Management Limited

ABN 38 106 045 050

Financial Report – 30 June 2021

Oasis Fund Management Limited
Contents
30 June 2021

Oasis Fund Management Limited
Directors' Report
30 June 2021

The Directors present their report, together with the financial statements of Oasis Fund Management Limited ("the Company") for the year ended 30 June 2021 and the auditor's report thereon. The comparative period is the transitional period of 9 months from 1 October 2019 to 30 June 2020, reflecting the prior year change in financial year end so as to align the financial year end with that of the ultimate parent entity, IOOF Holdings Ltd ("IOOF").

Directors
The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Robert Andrew Bloore
Mr Alan Harold Chonowitz
Ms Carolyn Judith Colley
Ms Karen Nita Gibson (appointed 31 March 2021)
Ms Jane Margaret Harvey
Mr Lindsay Raymond Smartt (appointed 18 January 2021)
Mr Geoffrey Martin Walsh (appointed 31 March 2021)
Ms Victoria Sophia Mary Weekes (resigned 31 December 2020)

Principal activity
The principal activity of the Company during the year was to act as Registrable Superannuation Entity Trustee ("RSE") under an instrument of approval granted by the Australian Prudential Regulation Authority ("APRA") for the Oasis Superannuation Master Trust ("OSMT") and the Operator of two Investor Directed Portfolio Services ("IDPSs"). The company retired as the operator of the IDPSs on the 30 June 2021.

Dividends
A dividend of $3,600,000 was paid for the period ended 30 June 2021 (2020: $10,000,000).

On 19 August 2021 the Directors declared a final dividend for the period ended 30 June 2021 of $2,000,000 to be paid in September 2021.

Review of operations
The profit after income tax of the Company was $4,684,419 (2020: $2,992,697) for the year ended 30 June 2021. The operating revenue and expenses of the Company are higher in the current year compared to the prior period given there were only nine months in the prior comparative transitional period.

State of affairs
There have been no significant changes in the state of affairs of the Company during the year.

Matters subsequent to the end of the reporting period
There have been no significant events from 30 June 2021 to the date of signing this report.

Future developments
Information about likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

Environmental regulation
The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Company secretary
The following persons were Company Secretaries during the whole of the financial year and up to the date of this report, unless otherwise stated:

Ms Adrianna Bisogni (appointed 21 December 2020)
Ms Varni Thivianathan (appointed 9 February 2021, resigned 31 May 2021)
Ms Thi Kieu Hanh Tran (resigned 10 December 2020)

Meeting of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2021 and the number of meetings attended by each Director were:

	Attended	Held*
Mr Robert Andrew Bloore	17	18
Mr Alan Harold Chonowitz	18	18
Ms Carolyn Judith Colley	16	18
Ms Karen Nita Gibson	3	3
Ms Jane Margaret Harvey	18	18
Mr Lindsay Raymond Smartt	8	8
Mr Geoffrey Martin Walsh	2	3
Ms Victoria Sophia Mary Weekes	10	10

*Held: represents the number of meetings held during the time that the Director held office.

Indemnification and insurance of officers

During the financial year, IOOF Holdings Ltd (the ultimate parent company) and its controlled entities (collectively referred to as the "Group") paid a premium to insure the Directors, secretaries and general officers of the Group (including the Company). No such insurance cover has been provided for the benefit of any external auditor of the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the consolidated group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage to themselves or someone else or to cause detriment to the Company.

Auditor's independence declaration

The lead auditor's independence declaration is set out on page 3 of the financial report and forms part of the Directors' report for the financial year ended 30 June 2021.

This report is made in accordance with a resolution of the Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

Lindsay Smartt
Director

20 August 2021

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

To the Directors of Oasis Fund Management Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Oasis Fund Management Limited for the financial year ended 30 June 2021, there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Maria Trinci

Maria Trinci

Partner

Melbourne

20 August 2021

Oasis Fund Management Limited
Statement of comprehensive income
For the year ended 30 June 2021

	Note	12 months ended 30 June 2021	9 months ended 30 June 2020
		$	$
Revenue			
Management fee income		21,569,043	19,958,942
Interest revenue		7,424	57,055
Other income		563,938	-
Expenses			
Commission expenses		(4,623,285)	(6,365,786)
Operating expenditure		(11,128,634)	(8,927,911)
Remediation expense		359,840	(458,055)
Other expenses		(56,299)	(1,110)
Profit before income tax expense		**6,692,027**	**4,263,135**
Income tax expense	4	(2,007,608)	(1,270,438)
Profit after income tax for the period		**4,684,419**	**2,992,697**
Other comprehensive income		-	-
Total comprehensive income for the period		**4,684,419**	**2,992,697**

The above Statement of comprehensive income should be read in conjunction with the accompanying notes to the financial statements

Oasis Fund Management Limited
Statement of financial position
As at 30 June 2021

	Note	30 June 2021	30 June 2020
		$	**$**
Assets			
Cash and cash equivalents - cash at bank		3,620,951	3,303,689
Trade and other receivables		1,216,436	1,240,179
Deferred tax assets	5	88,201	176,022
Total assets		**4,925,588**	**4,719,890**
Liabilities			
Trade and other payables		-	116,359
Payables to related parties		435,190	904,815
Provisions	6	-	458,055
Unearned income		294,002	128,684
Total liabilities		**729,192**	**1,607,913**
Net assets		**4,196,396**	**3,111,977**
Equity			
Share capital	7	1,450,001	1,450,001
Retained earnings		2,746,395	1,661,976
Total equity		**4,196,396**	**3,111,977**

The above Statement of financial position should be read in conjunction with the accompanying notes to the financial statements

Oasis Fund Management Limited
Statement of changes in equity
For the year ended 30 June 2021

	Share Capital	Retained Earnings	Total Equity
	$	**$**	**$**
Balance at 1 October 2019	1,450,001	8,669,279	10,119,280
Profit after income tax for the period	-	2,992,697	2,992,697
Other comprehensive income	-	-	-
Total comprehensive income	-	2,992,697	2,992,697
Dividends paid	-	(10,000,000)	(10,000,000)
Balance at 30 June 2020	**1,450,001**	**1,661,976**	**3,111,977**

	Share Capital	Retained Earnings	Total Equity
	$	**$**	**$**
Balance at 1 July 2020	1,450,001	1,661,976	3,111,977
Profit after income tax for the period	-	4,684,419	4,684,419
Other comprehensive income	-	-	-
Total comprehensive income	-	4,684,419	4,684,419
Dividends paid	-	(3,600,000)	(3,600,000)
Balance at 30 June 2021	**1,450,001**	**2,746,395**	**4,196,396**

The above Statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements

Oasis Fund Management Limited
Statement of cash flows
For the year ended 30 June 2021

	Note	12 months ended 30 June 2021	9 months ended 30 June 2020
Cash flows from operating activities		**$**	**$**
Receipts from customers and related parties		52,963,353	46,594,178
Payments to suppliers and related parties		(47,078,615)	(40,814,401)
		5,884,738	5,779,777
Interest income received		7,424	57,055
Income tax paid		(1,974,900)	(3,699,335)
Net cash from operating activities	11	**3,917,262**	**2,137,497**
Cash flows from financing activities			
Dividends paid		(3,600,000)	(10,000,000)
Net cash used in financing activities		**(3,600,000)**	**(10,000,000)**
Net increase/(decrease) in cash and cash equivalents		**317,262**	**(7,862,503)**
Cash and cash equivalents at the beginning of the period		3,303,689	11,166,192
Cash and cash equivalents at the end of the period		**3,620,951**	**3,303,689**

The above Statement of cash flows should be read in conjunction with the accompanying notes to the financial statements

Note 1. General information

The financial statements cover Oasis Fund Management Limited as an individual entity. The financial statements are presented in Australian dollars, which is Oasis Fund Management Limited's functional and presentation currency.

Oasis Fund Management Limited is a company limited by shares, incorporated and domiciled in Australia. The address of the Company's registered office and principal place of business are:

Registered office	**Principal place of business**
Level 6 161 Collins Street Melbourne VIC 3000	Level 6 161 Collins Street Melbourne VIC 3000

A description of the nature of the Company's operations and its principal activities are included in the Directors' report, which is not a part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of the Directors, on 19 August 2021.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The comparative period is the transitional period of 9 months from 1 October 2019 to 30 June 2020, reflecting the prior year change in financial year end so as to align the financial year end with that of the ultimate parent entity, IOOF Holdings Ltd ("IOOF").

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Basis of measurement
The financial information has been prepared in accordance with the historical cost convention except for certain assets and liabilities as described in the accounting policies below.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Changes in accounting policies
The accounting policies adopted in the preparation and presentation of these financial statements are materially consistent with those adopted and disclosed in the Oasis Fund Management Limited's Financial Report for the period ended 30 June 2020. The Company has applied, where relevant, all new or revised Australian Accounting Standards and AASB Interpretations applicable to the year ended 30 June 2021, however these do not have a material impact on the Company.

Note 2. Significant accounting policies (continued)

New or amended Accounting Standards and Interpretations adopted

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective;

New standards or amendments	Effective first financial year end
AASB 17 *Insurance Contracts*	30 June 2024
AASB 101 *Classification of Liabilities as Current or Non-Current*	30 June 2024
AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2019-2020 and Other Amendments	30 June 2023

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company.

Functional and presentation currency
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

The Company's financial statements are presented in Australian dollars ("AUD"), which is the Company's functional and presentation currency.

Revenue recognition

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Management fee income
Management fee income is recognised in the Statement of comprehensive income over the period in which the service is provided, net of any fees rebated.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income
Other income arises primarily from fund manager fees charged in advance on an annual basis and is recognised over the relevant period on a straight-line basis.

Expense recognition

Commission, operating and other expenses are recognised as they are incurred.

Note 2. Significant accounting policies (continued)

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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 losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. 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.

The Company was part of the ANZ tax consolidated group until the IOOF acquisition, whereby it left the ANZ tax consolidated group and joined the IOOF tax consolidated group. Both the Australia and New Zealand Banking Group Ltd (“ANZ”) and IOOF Holdings Ltd (“the head entities”) have formed an income tax consolidated group under the tax consolidation regime with their respective wholly owned Australian subsidiaries. As part of its departure from the ANZ tax consolidation, the Company estimated the outstanding tax liability with ANZ and upon settlement of this amount, received confirmation from ANZ that no further payments were required. Subsequent to this, the Company determined the actual tax liability for the period within the ANZ tax consolidation group. This liability differed from the estimate and this difference results in a permanent difference in the Company’s tax expense.

The head entities and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

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 each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Note 2. Significant accounting policies (continued)

Assets

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with other financial institutions, and other short-term, highly liquid investments with original terms to maturity 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.

Receivables
Other receivables, management fee receivables and receivables from related parties are measured at amortised cost less impairment losses.

Liabilities

Payables
Trade payables and other payables to related parties are measured at amortised cost.

Provisions
Provisions arise when there is a present obligation (legal or constructive) as a result of a past event and a probable outflow of resources will be required to settle the obligation. Provisions are recognised when a reliable estimate can be made on the amount of the obligation. The expense relating to a provision is presented in the Statement of comprehensive income net of any reimbursements.

Unearned Income
Unearned income arises from member and fund manager fees charged in advance on an annual basis. The income in relation to this amount will be recognised over the relevant period on a straight-line basis.

Equity

Ordinary shares in the Company are recognised at the amount paid per ordinary share net of directly attributable issue costs.

Presentation

Offsetting of income and expenses
Income and expenses are not offset unless required or permitted by an accounting standard. This generally arises in the following circumstances:
- where gains and losses arise from a group of similar transactions, such as rebates on management fee income;
- where amounts are collected on behalf of third parties, where the Company is, in substance, acting as an agent only; or
- where costs are incurred on behalf of customers from whom the Company is reimbursed.

Where the Company has received Advisor Service Fees (“ASF”) from the funds and paid ASF to dealer groups, the Company offsets these receipts and payments in the Statement of comprehensive income and structured entities note as they are collected in an agent capacity. The ASF receipts and payments are not offset in the Statement of cash flows as they are separate cash transactions.

Note 2. Significant accounting policies (continued)

Presentation (continued)
Offsetting assets and liabilities
Assets and liabilities are offset and the net amount reported in the Statement of financial position only where there is:
- a current enforceable legal right to offset the asset and liability; and
- an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Goods and services tax
Income, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the ATO is paid by a related entity within the wholly owned group with a corresponding intercompany balance recognised by the Company.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from or payable to the ATO are classified as operating cash flows.

Note 3. Critical estimates, judgements and assumptions used in applying accounting policies

The Company prepares its financial statements in accordance with policies which are based on Australian Accounting Standards, other authoritative accounting pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*. This involves the Company making estimates and assumptions that affect the reported amounts within the financial statements. Estimates and judgements are continually evaluated and are based on historical factors, including expectations of future events that are believed to be reasonable under the circumstances.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Provisions
In relation to customer remediation, determining the amount of the provisions, which represent management's best estimate of the cost of settling the identified matters, requires the exercise of significant judgement. It will often be necessary to form a view on a number of different assumptions, including, the number of impacted customers, the average refund per customer, the associated remediation project costs, and the implications of regulatory exposures and customer claims having regard to their specific facts and circumstances. Consequently, the appropriateness of the underlying assumptions is reviewed on a regular basis against actual experience and other relevant evidence including expert legal advices and adjustments are made to the provisions where appropriate.

Note 4. Income tax expense

	12 months ended 30 June 2021	9 months ended 30 June 2020
	$	$
Recognised in statement of comprehensive income		
Current tax		
Current period	2,095,429	1,094,416
Deferred tax – original and reversal of temporary differences	(87,821)	176,022
Aggregate income tax expense	**2,007,608**	**1,270,438**

Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	**6,692,027**	**4,263,135**
Tax at the statutory tax rate of 30% (2020: 30%)	2,007,608	1,278,941
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses		
Permanent difference on completion settlement with ANZ	-	(8,503)
Total income tax expense	**2,007,608**	**1,270,438**

Note 5. Deferred tax assets

	30 June 2021	30 June 2020
	$	$
Deferred tax assets comprise of temporary differences attributable to:		
Provisions	-	137,417
Unearned income	88,201	38,605
Total deferred tax assets	**88,201**	**176,022**
Reconciliation of movements		
Net carrying amounts at the beginning of the period	176,022	-
Recognised in profit or loss	(87,821)	176,022
Carrying amount at the end of the period	**88,201**	**176,022**

Note 6. Provision

	30 June 2021	30 June 2020
	Remediation Costs	Remediation costs
	$	$
Balance at the beginning of the period	458,055	-
Recognised during the period*	-	458,055
Utilised during the period	(98,215)	-
Excess amounts reversed during the period*	(359,840)	-
Balance at the end of the period	**-**	**458,055**
Current	-	458,055
Non-Current	-	-
Total	**-**	**458,055**

*Provision movements are recognised as remediation expense in the Statement of comprehensive income

Note 7. Share Capital

	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	Shares	Shares	$	$
Ordinary shares - fully paid	5,000,001	5,000,001	1,450,001	1,450,001

Ordinary shares

Ordinary shares have no par value and entitle holders to receive dividends payable to ordinary shareholders and to participate in the proceeds available to ordinary shareholders on winding up of the Company in proportion to the number of shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote and upon a poll one vote for each share held.

There was no change to the number of issued shares during the year (2020: Nil).

Note 8. Capital management

The Company manages capital to ensure that the Company will be able to continue as a going concern.

The Company considers share capital and retained earnings to be capital for management purposes. The Company's policy is to maintain a strong capital base so as to maintain shareholder, creditor and market confidence and to sustain future development of the business. The Company recognises the need to maintain a balance between the high returns that might be possible with gearing and the advantage and security afforded by a sound capital position.

The Company is regulated by APRA and has been issued a Registrable Superannuation Entity ("RSE") Licence.

In complying with APRA's Prudential Standard SPS 114 "Operational Risk Financial Requirement" ("ORFR"), the Company has taken steps to meet the ORFR Target. To achieve this, the Company has allocated an RSE trustee reserve, within the Oasis Superannuation Master Trust ("OSMT"), of $11.0 million at 30 June 2021 (2020: $11.3 million) for the purpose of meeting the ORFR requirement.

There were no changes in the Company's approach to capital management since the prior financial period. The Company has met the externally imposed capital requirements at all times during the current year and prior financial period.

Note 9. Risk management policies and procedures

The financial condition and operating results of the Company are affected by a number of key financial and non-financial risks. Financial risks include market risk, credit risk, interest rate risk and liquidity risk. The non-financial risks are primarily compliance risk, operational, reputational and strategic risks. The Company's objectives and policies in respect of managing its risks are set out below.

The Company's compliance and operational risks are monitored by the Audit Committee, Risk and Compliance Committee and the Board.

The Company's objective is to satisfactorily manage these risks in line with the Board approved Risk Management Framework, policies, Risk Management Strategy and Risk Appetite Statement. Various procedures are put in place to control and mitigate the risks faced by the Company depending on the nature of the risk. The Company's overall risk is monitored by Management with regular reporting to the Company's Audit Committee and Risk Committees and the Board.

The Company's income and operating cash flows are affected by movements in funds under management which are impacted by changing market conditions. Information has been provided below only on the direct impact of changing market conditions to the Company's income and operating cash flows.

Note 10. Financial risk management

Financial Risk Management as discussed below considers the significant financial risks borne by the Company.

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market variables such as interest rates, equity prices and foreign currency exchange rates.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

Measurement
The following provides an analysis of the exposures of the different types of market risks.

Interest rate risk
Interest rate risk is the risk of loss arising from adverse changes in interest rates and the impact on future cash flows or the fair value of financial instruments.

Note 10. Financial risk management (continued)

Market risk (continued)

Interest rate risk (continued)
The Company's exposure to interest rate risk is as follows:

	30 June 2021	30 June 2020
	$	$
Financial assets		
Cash and cash equivalents - cash at bank	3,620,951	3,303,689
Total financial assets	**3,620,951**	**3,303,689**

Interest rate sensitivity analysis
An increase or decrease in variable interest rates of 25 basis points (2020: 25 basis points) in interest rates would have a direct impact, net of tax, on the profit and loss and equity position as shown below:

	Profit or Loss		Equity	
	Increase	Decrease	Increase	Decrease
	$	$	$	$
30 June 2021 (25 bps)	6,337	(6,337)	6,337	(6,337)
30 June 2020 (25 bps)	5,781	(5,781)	5,781	(5,781)

Other market risk
The Company has no material exposure to foreign exchange risk or other price risk.

Credit risk
Credit risk refers to the risk that a counterparty will fail to meet its contractual obligations resulting in financial loss to the Company. Credit risk arises for the Company from cash and cash equivalents, term deposits and trade and other receivables.

The Company mitigates its credit risk by ensuring cash deposits and term deposits are held with high quality financial institutions.

Receivables consist of management fees receivable, service fees receivable and other amounts receivable from related parties. These counterparties generally do not have an independent credit rating, and the Company assesses the credit quality of the debtor taking into account its financial position, past experience with the debtor, and other available credit risk information.

The maximum exposure to credit risk at the reporting date is the carrying value of the financial assets. No financial assets are considered past due and management does not expect any counterparty to fail to meet its obligations. The Company does not hold any collateral as security over its receivables and loans.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting commitments associated with financial liabilities.

Demands for funds can usually be met through ongoing normal operations and the sale of assets or borrowing. Expected liquidity demands within the Company are managed through a combination of treasury, investment and asset-liability management guidelines, which are monitored on an ongoing basis. The Company regularly assesses and monitors the liquidity risk profile through analysis of liabilities that increase liquidity risk, reviews the investment portfolio to ensure adequate liquidity, and performs analysis of the expected asset and liability cash flows in regard to the ability of the business to meet cash demands.

All financial assets and liabilities are expected to be received and settled within one year.

Note 11. Notes to the Statement of cash flows

	12 months ended 30 June 2021 $	9 months ended 30 June 2020 $
Reconciliation of cash flows from operating activities		
Profit after tax for the period	**4,684,419**	**2,992,697**
Non-cash items		
- Excess provisions reversed during the year	(359,840)	
Changes in operating assets and liabilities		
- Changes in trade and other receivables	23,743	836,035
- Changes in deferred tax assets	87,821	(176,022)
- Changes in trade and other payables	(116,359)	(61,213)
- Changes in provisions	(98,215)	458,055
- Changes in unearned Income	165,318	128,684
- Changes in payables to related parties	(469,625)	(2,040,739)
Net cash from operating activities	**3,917,262**	**2,137,497**

Note 12. Compensation of auditors

	30 June 2021 $	30 June 2020 $
Audit services – KPMG Australia		
Audit of the financial statements	28,478	28,478
Other services – KPMG Australia		
Other statutory audit related services	35,216	31,589

All amounts payable to the Auditors of the Company were paid by a related entity on behalf of the Company.

Note 13. Related party disclosures

(a) Immediate and ultimate controlling entity

The immediate parent entity is OnePath Investment Holdings Pty Ltd, a company incorporated in Australia.

The ultimate parent entity is IOOF Holdings Ltd ("IOOF Holdings"). IOOF Holdings produces consolidated financial statements available for public use and is incorporated in Australia. Prior to the IOOF acquisition on 31 January 2020, Australia and New Zealand Banking Group Limited ("ANZ"), a company incorporated in Australia, was the ultimate parent entity.

As part of the completion of the sale to IOOF, the company along with another 7 companies (together referred to as the "P&I entities") were sold to IOOF on 31 January 2020. These entities were related parties of the Company for the whole of the current and prior financial periods.

(b) Related party transactions that occurred during the period

(i) Transactions with related parties in the wholly owned group

1. *With entities in the wholly owned group made up of IOOF Holdings and its subsidiaries ("the IOOF Group")*

The Company does not incur operating expenses directly, rather expenses are incurred by another IOOF entity and subsequently charged to the Company as a management expense. These management expenses charged to the Company are at normal commercial terms and conditions. Management expenses incurred during the period amounted to $3,863,434 (2020: $5,905,036).

Note 13. Related party disclosures (continued)

(b) Related party transactions that occurred during the period (continued)

(i) Transactions with related parties in the wholly owned group (continued)

1. With entities in the wholly owned group made up of IOOF Holdings and its subsidiaries ("the IOOF Group") (continued)

The Company paid commission expenses to IOOF subsidiaries both during the current year and prior financial period and $36,547 (2020: $17,842) is considered as a related party transaction, as these occurred subsequent to the IOOF acquisition in January 2020. Similarly, adviser service fees of $8,631,980 (2020: $3,960,745), which are deducted from the members' account at their request, were paid to IOOF subsidiaries are considered as related party transactions as they were paid following the IOOF acquisition. The Company also received $205,491 (2020: $171,509) in administration fees during the year.

Payables to entities within the Group includes any tax liability payable under the consolidated group agreement. Payables to entities within the IOOF Group totalled $435,190 at 30 June 2021 (2020: $904,815).

Transactions and balances between the entities within the IOOF group are made up of non-interest bearing funds and have no fixed terms of maturity.

2. With entities in the wholly owned group made up of ANZ and its subsidiaries ("the ANZ Group") from 1 October 2019 up until 31 January 2020

Transactions and balances between the entities when the Company was part of the ANZ Group were made up of non-interest bearing funds and had no fixed terms of maturity. There were no balances with ANZ related parties for the comparative period when the Company was considered a related party.

(ii) Transactions with the ultimate parent

1. Transactions with ultimate parent company IOOF Holdings from 31 January 2020

During the year, the Company joined the IOOF Group Syndicate Facility Agreement as a guarantor. As a guarantor, the Company is liable for the obligations (including repayment of debt, limitations on acquisitions and divestments) of the Borrowers, being IOOF Holdings Ltd, IOOF Service Co Pty Ltd and Australian Wealth Management Ltd. Each of these Borrowers support the continued operations and capital management of the Company. No other transactions occurred during the period with ultimate parent entity.

No outstanding amounts have been written down or recorded as allowances, as they are considered fully collectible.

2. Transactions with the former ultimate parent company ("ANZ") until 31 January 2020

During the comparative financial period, the Company earned in $33,012 in interest on cash and term deposits from ANZ on normal commercial terms and conditions.

Note 14. Key management personnel disclosures

Directors
The following persons were Directors of Oasis Fund Management Limited during the whole financial year and up to the date of this report unless otherwise stated:

Mr Robert Andrew Bloore
Mr Alan Harold Chonowitz
Ms Carolyn Judith Colley
Ms Karen Nita Gibson (appointed 31 March 2021)
Ms Jane Margaret Harvey
Mr Lindsay Raymond Smartt (appointed 18 January 2021)
Mr Geoffrey Martin Walsh (appointed 31 March 2021)
Ms Victoria Sophia Mary Weekes (resigned 31 December 2020)

Other key management personnel
The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, during the financial year:

Mr Renato Mota (Chief Executive Officer)
Mr David Chalmers (Chief Financial Officer)

The compensation of key management personnel ("KMP"), comprising of the Directors and senior management of the business, is provided by the ultimate parent company, IOOF Holdings. Prior to the IOOF acquisition at 31 January 2020, this compensation was provided by ANZ. The total of this compensation is as follows:

	12 months ended 30 June 2021	9 months ended 30 June 2020
	$	$
Short term employee benefits	3,115,392	5,550,942
Non-monetary benefits	-	11,342
Share based payments	485,884	678,027
Termination benefits	-	-
Total	**3,601,276**	**6,240,311**

The compensation of KMP has been disclosed in accordance with their roles within the entire IOOF/ANZ Groups ("Groups"). Employee service contracts do not include any compensation, including bonuses, specifically related to the role of KMP of the Company. As the roles of the KMPs within the Groups include activities relating to the Company as well as other entities within the Groups, KMP compensation amount has not been allocated to a particular entity and as such the entire compensation of the KMPs has been disclosed above.

Note 15. Structured entities

A structured entity ("SE") is an entity in which voting or similar rights are not the dominant factor in deciding who controls the entity, such as when voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. Structured entities are generally created to achieve a narrow and well-defined objective with restrictions around their ongoing activities and are often thinly capitalised with a reliance on debt financing for support.

SEs are consolidated when control exists in accordance with the accounting standard *AASB 12 Disclosure of Interests in Other Entities*. In other cases, the Company may simply have an interest or may sponsor a SE but not consolidate it.

A disclosable 'interest' in an unconsolidated SE is not considered to exist where the Company's involvement does not establish more than a passive interest. On this basis, exposures to unconsolidated SEs that arise from the Company's investing activities are not considered disclosable interests.

Note 15. Structured entities (continued)

Sponsored unconsolidated structured entities

For the purposes of this disclosure, the Company considers itself the 'sponsor' of a SE where it is the primary party involved in the design and establishment of that SE and; where the Company is the majority user of that SE, or Company's name appears in the name of that SE or on its products, or the Company provides implicit or explicit guarantees of that entity's performance.

The Company is the sponsor of the Oasis Superannuation Master Trust ("the Trust"). The Trust is not consolidated by the Company and the Company does not have any interest during the period ended 30 June 2021, other than the fee income it received from the trust.

During the year, the Company recognised income of $18,600,772 (2020: $17,561,589) from the Trust, in the form of management fees.

Note 16. Contingent liability

The Company may from time to time be exposed to contingent liabilities and potential claims in respect of the activities of the underlying trust for which it acts as Registrable Superannuation Entity ("RSE") Trustee. As at the date of this report, there are no contingent liabilities where the underlying trusts are not expected to have sufficient assets to indemnify the RSE Trustee as appropriate.

As identified in Note 13, the Company is party to the IOOF Group Syndicate Facility Agreement as a guarantor. At the date of this report, there is no financial liability for the Company under this agreement.

As part of the operations of the business, the Company has been subject to various legal actions and claims. The Directors are of the view that the claims should not result in a significant loss to the Company, and as such no provision is required.

Note 17. Commitments

There were no capital or lease expenditure commitments as at 30 June 2021 (2020: $Nil).

Note 18. Liabilities as a trustee

The Company acts as a Trustee for the Trust which is managed and administered by Macquarie Investment Management Limited.

The financial statements reflect the fiduciary nature of the Company's responsibility and as such do not show the assets and liabilities of the Trust. The Company will only be liable if it commits a breach of its fiduciary duties.

At the balance sheet date, the assets of the Trust are sufficient to meet its liabilities.

Note 19. Events since the end of the reporting period

There have been no significant events from 30 June 2021 to the date of signing this report.

Directors' Declaration

The Directors of Oasis Fund Management Limited (the "Company") declare that:

a) in the Directors' opinion, the financial statements of the Company and the notes thereto, have been prepared in accordance with the *Corporations Act 2001*, including that:
   i. they comply with applicable Australian Accounting Standards and the *Corporations Regulations 2001;*
   ii. they give a true and fair view of the Company's financial position as at 30 June 2021 and of its performance as represented by the results of its operations and its cash flows, for the year ended on that date; and
   iii. the financial statements and notes to the financial statements of the Company comply with International Financial Reporting Standards as described in Note 2; and

b) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors, made pursuant to section 295(5)(a) of the *Corporations Act 2001* for the year ended 30 June 2021.

Lindsay Smartt
Director

20 August 2021

Independent Auditor's Report

To the shareholder of Oasis Fund Management Limited

Opinion

We have audited the ***Financial Report*** of Oasis Fund Management Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Statement of financial position as at 30 June 2021;
- Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

Other Information is financial and non-financial information in Oasis Fund Management Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001;*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our Auditor's Report.

KPMG

KPMG

Maria Trinci

Maria Trinci

Partner

Melbourne

20 August 2021