



CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
A.B.N. 75 493 363 262
ANNUAL FINANCIAL REPORT
30 June 2015



Prepared by
Superpartners Pty Ltd ABN 57 078 907 883

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

TABLE OF CONTENTS

	Page
Statement of Financial Position	3
Operating Statement	4
Statement of Cash Flows	5
Notes to and Forming Part of the Financial Statements	6 - 43
Trustee's Declaration	44
Auditor's Report	45 - 46

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2015

		CONSOLIDATED		FUND	
	Note	30 June 2015 \$000's	30 June 2014 \$000's	30 June 2015 \$000's	30 June 2014 \$000's
ASSETS					
CASH AND CASH EQUIVALENTS					
Cash at bank		41,863	36,451	37,938	28,086
RECEIVABLES					
Contributions receivable		216,716	207,112	216,716	207,112
Other receivables	5	18,360	19,722	5,406	12,583
INVESTMENTS					
Cash	4	3,195,919	3,365,557	3,195,919	3,365,557
Credit	4	1,960,156	1,307,585	1,960,156	1,307,585
Fixed interest securities	4	1,594,761	909,830	1,594,761	909,830
Australian equities	4	8,544,804	7,901,910	8,544,804	7,901,910
International equities	4	6,655,892	5,522,962	6,655,892	5,522,962
Alternative assets	4	6,256,364	4,872,783	6,256,364	4,872,783
Property	4	3,993,144	4,295,357	3,174,844	3,281,396
Derivative financial assets	4	23,453	91,412	23,453	91,412
TAX ASSETS					
Deferred tax asset	17	2,131	1,540	-	-
INTANGIBLE ASSETS					
Computer software	9	5,209	4,375	5,209	4,375
PROPERTY, PLANT AND EQUIPMENT					
Property, plant & equipment	10	2,181	2,037	1,587	1,731
TOTAL ASSETS		32,510,953	28,538,633	31,673,049	27,507,322
LIABILITIES					
PAYABLES					
Accounts payable	6	146,100	112,609	128,821	95,998
Benefits payable		39,434	37,016	39,434	37,016
FINANCIAL LIABILITIES					
Provisions	7	79,924	87,189	2,950	2,584
Borrowings	11	695,107	907,034	-	-
Derivative financial liabilities	4	176,396	17,867	168,189	12,629
TAX LIABILITIES					
Current tax liabilities	16	151,149	86,488	120,459	77,016
Deferred tax liability	17	476,963	364,715	467,316	356,364
TOTAL LIABILITIES		1,765,073	1,612,918	927,169	581,607
NET ASSETS AVAILABLE TO PAY BENEFITS		30,745,880	26,925,715	30,745,880	26,925,715
LIABILITY FOR ACCRUED BENEFITS					
Members' funds	12	30,654,779	26,848,005	30,654,779	26,848,005
Operational Risk Financial Reserve	13	57,649	33,657	57,649	33,657
General Reserve	13	19,364	29,996	19,364	29,996
Insurance Reserve	13	14,088	14,057	14,088	14,057
LIABILITY FOR ACCRUED BENEFITS		30,745,880	26,925,715	30,745,880	26,925,715

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

		CONSOLIDATED		FUND	
	Note	30 June 2015	30 June 2014	30 June 2015	30 June 2014
		\$000's	\$000's	\$000's	\$000's
REVENUE					
INVESTMENT INCOME					
Interest		106,919	77,012	106,847	76,761
Distributions and dividends		1,635,803	1,034,306	1,635,803	1,034,306
Other income		107,871	43,670	21,501	14,382
Property rentals		117,586	148,148	-	-
Movement in net market value of investments	15	1,112,793	2,204,993	1,216,427	2,308,679
Direct investment expenses	15	(100,686)	(82,938)	(100,686)	(82,938)
		2,980,286	3,425,191	2,879,892	3,351,190
CONTRIBUTIONS					
Employer		2,378,107	2,220,164	2,378,107	2,220,164
Member		293,617	202,352	293,617	202,352
Government		26,928	25,029	26,928	25,029
Transfers from other funds		668,981	592,501	668,981	592,501
		3,367,633	3,040,046	3,367,633	3,040,046
OTHER					
Proceeds on insurance claims		212,998	190,211	212,998	190,211
Interest on cash at bank		1,240	755	1,222	742
Sundry income		16,372	13,587	311	971
		230,610	204,553	214,531	191,924
TOTAL REVENUE		6,578,529	6,669,790	6,462,056	6,583,160
EXPENSES					
Group life insurance premiums		373,600	187,531	373,600	187,531
Operating expenses		21,528	33,522	-	-
Borrowing costs		31,994	32,515	-	-
Administration and financial management expenses	8	151,650	122,139	126,528	108,321
Superannuation contributions surcharge		5	1	5	1
TOTAL EXPENSES		578,777	375,708	500,133	295,853
BENEFITS ACCRUED AS A RESULT OF OPERATIONS BEFORE INCOME TAX		5,999,752	6,294,083	5,961,923	6,287,307
Income tax expense accrued as a result of operations	16	471,341	538,353	433,512	531,577
BENEFITS ACCRUED AS A RESULT OF OPERATIONS AFTER INCOME TAX		5,528,411	5,755,730	5,528,411	5,755,730

The above Operating Statement should be read in conjunction with the accompanying notes.

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

		CONSOLIDATED		FUND	
	Note	30 June 2015 \$000's	30 June 2014 \$000's	30 June 2015 \$000's	30 June 2014 \$000's
CASH FLOWS FROM OPERATING ACTIVITIES					
		Inflows (outflows)	Inflows (outflows)	Inflows (outflows)	Inflows (outflows)
Interest on cash at bank received		1,240	755	1,222	742
Contributions and transfers received		3,358,029	3,010,564	3,358,029	3,010,564
Sundry income		10,557	6,745	311	971
Claims received from insurer		212,998	190,211	212,998	190,211
Group life insurance premiums		(358,389)	(186,941)	(358,389)	(186,941)
Administration and financial management expenses		(146,750)	(144,464)	(122,426)	(125,839)
Benefits paid to members		(1,483,459)	(1,267,004)	(1,483,459)	(1,267,004)
Death and disablement claims paid		(217,684)	(201,693)	(217,684)	(201,693)
Other operating payments		(29,126)	(14,746)	-	-
Borrowing costs		(31,994)	(32,515)	-	-
Acquisitions of plant & equipment		(1,516)	(3,987)	(1,353)	(3,949)
Superannuation contribution surcharge received/(paid)		(3)	(1)	(3)	(1)
Income tax paid		(324,536)	(297,392)	(308,630)	(285,583)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	18(ii)	989,366	1,059,532	1,080,616	1,131,478
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments		(13,522,322)	(9,437,113)	(13,522,322)	(9,437,113)
Redemption of investments		12,538,367	8,309,190	12,451,558	8,310,766
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(983,954)	(1,127,923)	(1,070,764)	(1,126,347)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		5,412	(68,391)	9,852	5,131
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		36,451	104,842	28,086	22,955
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	18(i)	41,863	36,451	37,938	28,086

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1. REPORTING ENTITY

The Construction and Building Union Superannuation Fund (Fund) is a superannuation fund domiciled in Australia. The address of the Fund's registered office is Level 28, 2 Lonsdale Street, Melbourne, Victoria, Australia.

The Cbus Group (Group) Annual Financial Report comprises of the Fund and its controlled entities (financial statements), as referred to in Note 20. The Group is primarily involved in providing retirement benefits to members.

The Fund is constituted by a Trust Deed dated 18 April 1984, as amended, to provide superannuation benefits to its members.

The Trustee of the Fund is United Super Pty Ltd (Trustee).

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standard "AAS 25 *Financial Reporting by Superannuation Plans*" (AAS 25), Urgent Issues Group Interpretations View, *Corporations Act 2001*, other applicable Accounting Standards, the provisions of the Trust Deed and the requirements of the *Superannuation Industry (Supervision) Act 1993 and Regulations*.

The financial statements were authorised for issue by the Board of Directors of the Trustee on 27 October 2015.

(b) Functional and presentation currency

The Annual Financial Report is presented in Australian dollars, which is the functional currency of the Fund.

Amounts have been rounded to the nearest thousand dollars except where otherwise noted.

(c) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Application of estimates, assumptions and critical judgements are particularly relevant to the valuation of directly held investment properties within the Fund's controlled entities (see Note 3b(iii)).

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group (see Note 20). Control exists when the Group has the power directly, or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control is achieved until the date that control ceases during the reporting year. Intercompany transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of asset impairment. The accounting policies of subsidiaries have been changed where necessary to align them with policies adopted by the Group.

Investments in subsidiaries are carried at net market value in the Group's financial statements.

(ii) Joint ventures

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement.

Jointly controlled entities

In the consolidated financial statements, investments in jointly controlled entities, including partnerships, are accounted for at their net market value. Investments in joint venture entities are carried at the net market value in the Fund's financial statements.

Movement in the Group's share of the investment in the controlled entities is recognised in the consolidated Operating Statement from the date joint control commenced until the date joint control ceases during the reporting year.

Intercompany transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the asset's impairment.

(b) Valuation of assets

Assets of the Group are recorded in the Statement of Financial Position at net market value as at year end and movement in the net market value is recognised in the Operating Statement in the reporting year it occurs.

Estimated costs of disposal are included in the determination of net market value. As disposal costs are generally immaterial, unless otherwise stated, net market value approximates fair value.

The Group recognises financial assets on the date it becomes a party to the contractual provisions of the asset. Financial assets are recognised using trade date accounting. From this date any gains and losses arising from changes in net market value are recorded.

(i) Credit/Fixed interest securities /Australian shares/ International shares

The value of these investments have been determined using externally published market price data. All such investments are net of any realisation costs which may apply in the event of disposal.

(ii) Pooled superannuation trusts/Unit trusts/Mortgages

These investments are valued at the redemption price at reporting date as advised by the respective investment manager and reflect the interest in the underlying value of the assets within the pooled superannuation trust, unit trust or mortgage.

(iii) Direct investment properties and joint venture investment properties

Investment properties comprise investment interests in land and buildings (including integral plant and equipment). The amount of investment property is the net market value of the property as determined by a registered independent appraiser having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. Net market values were determined using the capitalisation of net income and the discounted cash flow methods and also having regard to recent market transactions for similar properties in the same location as the Group's investment property. The valuation dates of property investments approximate to 30 June each year.

(iv) Alternative assets

Alternative assets have been valued at net market value. Net market value has been estimated on the basis of investment manager valuations, independent valuations or directors' valuations. Alternative asset values are net of any estimated disposal costs.

(v) Property, plant and equipment

Plant and equipment, fixtures and fittings and leasehold improvements are measured based on directors' valuations at net fair value that approximates net market value. A gain or loss arising from a change in fair value is recognised in the Operating Statement.

Motor Vehicles and Office Equipment are included in the Statement of Financial Position at net market value as at reporting date and movements in the net market value of these assets are recognised in the Operating Statement for the periods in which they occur.

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(vi) Other assets

Unless otherwise stated, other assets are included in the Statement of Financial Position at net market value as at reporting date and movements in the net market value of other assets are recognised in the Operating Statement for the periods in which they occur.

(vii) Intangible assets

IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits are capitalised as intangible assets in accordance with the Fund's asset policy.

Amortisation of complete IT development and software is used as a proxy for fair value assessment at the reporting date calculated over the asset's useful life ranging from 2 to 7 years.

Costs associated with IT development and software are recorded as WIP until completion.

(c) Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Changes in net market values

Changes in the net market value of investments are recognised in the Operating Statement in the periods in which they occur. Changes in net market value of investments (including investment property) are recognised as income and are determined as the difference between the net market value at year end or consideration received (if sold during the year) and the net market value as at the prior year end or cost (if the investment was acquired during the reporting period).

(ii) Contributions revenue and transfers in

Contributions revenue and transfers in are recognised on an accruals basis.

(iii) Interest

Interest income is recognised in the Operating Statement as it accrues, using the original effective interest rate of the instrument calculated at the acquisition or origination date. Interest income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest bearing instrument and its amount at maturity calculated on an effective interest rate basis.

(iv) Dividends and Distributions

Revenue from dividends is recognised on the date shares are quoted ex-dividend. Distributions from managed investment schemes are recognised as at the date the unit value is quoted ex-distribution and if not received at reporting date, are reflected in the Statement of Financial Position within the net market value of the investment.

(v) Property rentals

Property rental income from operating leases is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

(vi) Foreign exchange gains/losses

Foreign exchange gains/losses are recognised as part of changes in net market value of investments.

(d) Income tax

Income tax on the benefits accrued as a result of operations for the year comprises current and deferred tax. Income tax is recognised in the Operating Statement except to the extent that it relates to items recognised directly in members' funds.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted at the Statement of Financial Position date and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets and liabilities that affect neither accounting nor taxable profit, and differences relating to investments in controlled entities to the extent that it is not probable they will reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation of the asset or settlement of the liability, using tax rates enacted or substantively enacted at reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent it is no longer probable that the related tax benefit will be realised.

Income tax has been provided in the current year at the rate of 15% as it is the expectation of the Trustee that the Fund will be treated as a complying superannuation fund. If the Fund is subsequently deemed to be a non-complying fund for the current year, then income tax will be payable at a rate of 47% on the Fund's taxable income.

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The expense (and any corresponding liability) is brought to account in the period in which the assessments are received by the Trustee and are properly payable by the Fund.

(e) Superannuation contributions (surcharge) tax

The Trustee recognises amounts paid or payable in respect of the surcharge tax as an expense of the Fund.

The expense (and any corresponding liability) is brought to account in the period in which the assessments are received by the Trustee and are properly payable by the Fund. The surcharge was abolished with effect from 1 July 2005 by the passing of the *Superannuation Laws Amendment (Abolition of Surcharge) Act 2005*. The last reporting of contributions for surcharge purposes was in respect of contributions made up to and including 30 June 2005.

(f) Derivatives

(i) Purpose of derivative financial products

Derivatives are financial products, the values of which are derived from the value of, or change in the value of, an underlying asset. Certain investment management agreements permit (within the limitations prescribed) investment managers to utilise derivatives such as futures, forwards and options to gain access to, and allow flexibility in, the financial markets in order to manage and structure the Group's investment portfolio in line with the Group's investment strategy.

The investment management agreements prohibit derivatives being used in a speculative manner. Whenever derivative positions are created, cash or securities are to be held to cover any derivative exposures.

Derivatives have a relatively minor role to play as part of the overall investment strategy. Their use will be primarily on the basis that they provide an opportunity to reduce risk and/or enhance investment returns. The Group permits the use of financial derivatives by investment managers, provided:

- these investments are not used to gear the portfolio;
- there are sufficient cash assets to back any exposure to derivatives at all times; and
- the value of derivatives is reported at net market value.

(ii) Accounting policy for derivative products

Derivative financial instruments are accounted for on a mark to market basis using the most recent verifiable sources of market price or generally accepted valuation principles. Any gains or losses are recorded in the relevant period as a change in net market value of investments in the Operating Statement.

(iii) Offsetting derivative products

Derivative assets and liabilities are not offset and are reported gross in the Statement of Financial Position. Additional disclosure is included in Note 4 detailing the difference between the net position reported in Note 4 and the gross position reported in the Statement of Financial Position where the derivative assets and derivative liabilities are separately disclosed. In addition, Net Settled Derivatives are disclosed in Note 19.

(g) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST) recoverable from the Australian Taxation Office (ATO) as a reduced input tax credit (RITC). In circumstances where the GST is not recoverable, 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 included as a current asset or liability in the Statement of Financial Position. 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.

(h) Benefits Payable

Benefits paid in the first five working days of the new financial year are accrued as benefits payable at the end of the current financial year. This policy has been adopted as it reflects the contractual arrangements with the Fund's administrator whereby benefits are mostly paid within five days of completed documentation being received.

(i) Contributions receivable

Contributions receivable reflects contributions received within 28 days after year end.

(j) Other receivables and payables

Other amounts receivable are carried at the amount due. Other amounts payable are recognised when there is an obligation to make future payments for services received and are carried at the amount payable on demand which approximates net fair value.

(k) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(l) Reclassification of financial information

When necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year information and other disclosures.

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Foreign currency

Transactions in foreign currencies are converted to local currency at the foreign exchange rate effective at the date of the transaction.

Financial asset and liabilities at reporting year end denominated in foreign currencies have been converted to local currency using the foreign exchange rate effective at the end of the reporting year. Resulting exchange rate differences are included in the Operating Statement.

(n) Investment manager fees

Investment manager fees are brought to account on an accruals basis.

(o) Operating expenses

Unless otherwise stated, expenditure, including rates, taxes and other outgoings, is brought to account on an accruals basis.

(p) Borrowing costs

Borrowing costs comprise interest payable on borrowings calculated using the effective interest method. Borrowing costs are expensed as incurred.

(q) Liabilities

Current liabilities are classified as those which become due and payable within 12 months of the current financial year. Non-current liabilities are classified as those that fall due and payable after 12 months of the current financial year.

(r) Change in accounting policy

There is no change in accounting policy.

(s) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods and have not been adopted by the Fund. The directors' assessment of the impact of these new standards (to the extent relevant to the Fund) and interpretations is set out below:

The Group has elected not to early adopt the following standards and amendments:

- (i) AASB 9 Financial Instruments (2009 or 2010 version), AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010), AASB 2012-6 Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures and AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments (effective from 1 January 2018)**

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2018 but is available for early adoption. The standard is not applicable to the Fund and therefore will have no impact. In addition the directors do not expect this to have a material impact on the recognition and measurement of the financial instruments of the Group as they are carried at fair value through the Operating Statement.

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) AASB 1056 Superannuation Entities (effective 30 June 2017)

Issued in June 2014, AASB 1056 replaces AAS 25 Financial Reporting by Superannuation Plans and is first applicable to the Fund for the year ended 30 June 2017.

The new standard will apply to regulated superannuation funds under the *Superannuation Industry (Supervision) Act 1993*. The standard is to provide greater transparency and consistency in reporting by superannuation entities, and to align their reporting practices with those of other entities applying Australian Accounting Standards.

Under the new standard the Fund will prepare the following statements:

- Statement of Financial Position
- Income Statement
- Statement of Changes in Equity/Reserves
- Statement of Cashflows, and
- Statement of Changes in Member Benefits

The Fund must recognise member benefits as a liability on the face of the Statement of Financial Position. The Statement of Financial Position will need to disclose the surplus or deficit of funds. Net assets will reflect the Fund's reserves, including the Operational Risk Reserve.

There is a requirement for the Fund to assess whether to recognise liabilities and assets arising from its insurance and reinsurance arrangements. The Fund has assessed its insurance arrangements and determined that Cbus acts only as agent for an external insurer (HLRA) and therefore does not hold insurance risk. On this basis, there is disclosure in the financial statements of premium cash inflows from member premiums charged to member accounts and insurance benefits paid to members is adequate.

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

4. INVESTMENTS

INVESTMENTS BY ASSET CLASS	CONSOLIDATED		FUND	
	30 June 2015 \$000's	30 June 2014 \$000's	30 June 2015 \$000's	30 June 2014 \$000's
Cash				
AXA Capital Guarantee Insurance	-	25,323	-	25,323
CFS Insurance Reserve	14,551	-	14,551	-
Cbus Self Managed	5,182	-	5,182	-
Cbus Strategic Less Liquid - Cash	946,879	-	946,879	-
Colonial First State Enhanced Cash	1,715,866	2,303,517	1,715,866	2,303,517
Colonial First State Premium Cash Fund	207,194	246,680	207,194	246,680
IFM Transactional Cash	247,635	240,898	247,635	240,898
Members Equity Cash Notice Account 31 Day	-	358,282	-	358,282
Members Equity NCDs	-	162,966	-	162,966
Operational Risk Finance Reserve	34,389	14,591	34,389	14,591
Other Cash	23	-	23	-
Cash in Transit	24,200	13,300	24,200	13,300
Total Cash	3,195,919	3,365,557	3,195,919	3,365,557
Credit				
Babson Global Loan Fund	617,162	406,066	617,162	406,066
Currency Overlay Credit	(1,420)	1,738	(1,420)	1,738
Goldmans SIBP	318,988	-	318,988	-
Hayfin Direct Lending Fund LP	104,358	34,152	104,358	34,152
IFM Specialist Credit Fund	216,466	205,451	216,466	205,451
IFM Australian Credit Opportunities	511,485	411,873	511,485	411,873
Super Loans Trust	188,724	247,286	188,724	247,286
Total Credit	1,955,763	1,306,566	1,955,763	1,306,566
Fixed Interest Securities				
Fixed Interest				
Cbus Self Managed	1,259	-	1,259	-
SSGA Aust Fixed Interest	889,914	578,174	889,914	578,174
SSGA Global Fixed Interest	700,634	336,848	700,634	336,848
Total Fixed Interest	1,591,807	915,022	1,591,807	915,022
Australian Equities				
Airlie Australian Equities	684,262	646,697	684,262	646,697
Allan Gray Australia	534,594	525,058	534,594	525,058
Ausbil Australian Equities	789,117	753,741	789,117	753,741
Cbus Self Managed	10,088	-	10,088	-
Citi Aust Equities Lg Exposure	43	-	43	-
Ellerston Australian Equities	632,608	596,394	632,608	596,394
Ellerston Small Cap	109,545	101,004	109,545	101,004
Hyperion Australian Equities	931,639	884,290	931,639	884,290
IFM Australian Equities	2,270,058	1,897,491	2,270,058	1,897,491
IFM Small Cap Absolute Return Fund	98,720	-	98,720	-
Kinetic Australian Equities	151,157	160,245	151,157	160,245
Kosmos Australian Equities	5	(3,935)	5	(3,935)
Novaport Small Cap	104,223	100,592	104,223	100,592
Paradice Investment Management P/L Large Cap	785,883	931,093	785,883	931,093
Paradice Investment Management P/L Mid Cap	357,167	311,991	357,167	311,991
Paradice Investment Management P/L Small Cap	114,240	104,899	114,240	104,899
Perpetual Australian Equities	925,661	893,447	925,661	893,447
Telstra Buy Back	4	-	4	-
Transition Australian Equities	47,353	18	47,353	18
Total Australian Equities	8,546,367	7,903,025	8,546,367	7,903,025

Credit of \$1,955,763k (2014: \$1,306,566k) includes FFX Contracts, Swaps and Futures. The Assets Market Value for the FFX Contracts, Swaps and Futures is \$483k (2014: \$1,797k) and the Liabilities Market Value for FFX Contracts, Swaps and Futures is \$4,876k (2014: \$2,816k). Therefore the Credit balance on the face of the Statement of Financial Position is \$1,960,156k (2013: \$1,307,585k).

Fixed interest securities of \$1,591,807k (2014: \$915,022k) includes FFX Contracts. The Assets Market Value for the FFX Contracts is \$4,326k (2014: \$5,789k) and the Liabilities Market Value for FFX Contracts is \$7,280k (2014: \$597k). Therefore the Fixed Interest Securities balance on the face of the Statement of Financial Position is \$1,594,761k (2014: \$909,830k).

Australian Equities of \$8,546,367k (2014: \$7,903,025k) includes Options and Futures. The Assets Market Value for the Options and Futures is \$2,735k (2014: \$1,241k) and the Liabilities Market Value for Options and Futures is \$1,172k (2014: \$126k). Therefore the Australian Equities balance on the face of the Statement of Financial Position is \$8,544,804k (2014: \$7,901,910k).

Cbus Self Managed (CSM) is the Fund's member direct investment option. As at 30 June 2015, CSM assets comprised Cash, Fixed Interest and Australian Equities holdings.

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

4. INVESTMENTS (continued)

	CONSOLIDATED		FUND	
	30 June 2015 \$000's	30 June 2014 \$000's	30 June 2015 \$000's	30 June 2014 \$000's
International Equities				
Altrinsic Global Equities	434	323,759	434	323,759
AQR Defensive Equity	672,352	544,934	672,352	544,934
Baillie Gifford International Equities	759,468	552,815	759,468	552,815
Blackrock Emerging Markets	166,231	-	166,231	-
Blackrock International Equities	1,115,223	889,754	1,115,223	889,754
Citi International Equity Transition Account	196,414	615	196,414	615
Currency Overlay International Equities	(39,763)	29,574	(39,763)	29,574
First State Emerging Market Leaders	139,232	118,572	139,232	118,572
Genesis Emerging Market	262,348	233,490	262,348	233,490
Global Thematic Partners	724,953	424,472	724,953	424,472
International Ex Managers	22	18	22	18
MFS Global Equities	822,263	652,197	822,263	652,197
Orbis International Equities	669,018	448,928	669,018	448,928
RealIndex Global Equities	489,136	309,819	489,136	309,819
Trilogy Emerging Markets	188,459	282,081	188,459	282,081
Walter Scott International Equities	1,223	360,438	1,223	360,438
Warakiri International Equities	1,751	1,124	1,751	1,124
Wellington Emerging Markets	447,275	386,653	447,275	386,653
Total International Equities	6,616,039	5,559,243	6,616,039	5,559,243
Alternative Assets				
Infrastructure				
Currency Overlay Infrastructure Mesirow	(5,953)	-	(5,953)	-
IFM Australian Infrastructure	1,228,854	1,248,815	1,228,854	1,248,815
IFM International Infrastructure	828,805	602,839	828,805	602,839
NSW Ports	207,459	184,493	207,459	184,493
Rare GBL Listed Infrastructure	175,099	-	175,099	-
Smarte Carte	-	71	-	71
Utilities Trust of Australia	702,328	598,905	702,328	598,905
Total Infrastructure	3,136,592	2,635,123	3,136,592	2,635,123
Opportunistic Growth				
Artwork	7,907	7,906	7,907	7,906
Bridgewater All W Fund	547,408	-	547,408	-
Bridgewater Pure Alpha II	91,381	81,794	91,381	81,794
Bridgewater Pure Alpha Major Markets	206,558	182,586	206,558	182,586
Currency Overlay Opp Growth	(13,076)	2,615	(13,076)	2,615
IFM Sub-Investment Grade Debt	62,284	18,892	62,284	18,892
Oaktree Mezzanine Fund III	35,933	27,639	35,933	27,639
TPG Opportunistic Partners II (B), L.P.	108,249	90,789	108,249	90,789
Total Opportunistic Growth	1,046,644	412,221	1,046,644	412,221
Australian Private Equity				
Direct Australian Private Equity				
Frontier Investment Consulting	1,461	1,492	1,461	1,492
Industry Super Holdings	71,370	61,534	71,370	61,534
Members Equity Bank	169,711	153,241	169,711	153,241
Superpartners	-	22,592	-	22,592
Total Direct Australian Private Equity	242,542	238,859	242,542	238,859

International Equities of \$6,616,039k (2014: \$5,559,243k) includes FFX Contracts, Futures and Options. The Assets Market Value for the FFX Contracts, Futures and Options is \$9,425k (2014: \$40,146K) and the Liabilities Market Value for the FFX Contracts, Futures and Options is \$49,278k (2014: \$3,865K). Therefore the International Equities balance on the face of the Statement of Financial Position is \$6,655,892k (2014: \$5,522,962k).

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

4. INVESTMENTS (continued)

	CONSOLIDATED		FUND	
	30 June 2015 \$000's	30 June 2014 \$000's	30 June 2015 \$000's	30 June 2014 \$000's
Managed Australian Private Equity				
IFM Fund III Private Equity	30,830	42,130	30,830	42,130
IFM Fund II Private Equity	3,886	5,131	3,886	5,131
IFM Fund IV Private Equity	47,584	70,547	47,584	70,547
Pomona Private Equity	4,388	4,660	4,388	4,660
Pomona Private Equity Fund 4	19,950	35,971	19,950	35,971
Pomona Private Equity Fund 3	29,605	26,675	29,605	26,675
ROC Australian Private Equity	244,554	153,248	244,554	153,248
ROC Alternate Investment Trust IV	34,680	37,580	34,680	37,580
ROC Alternate Investment Trust V	38,040	52,380	38,040	52,380
Stafford Partners 2 Fund	8,305	9,183	8,305	9,183
Stafford Partners 3 Fund	36,575	40,602	36,575	40,602
Stafford Partners 4 Fund	49,491	58,767	49,491	58,767
Wilshire Australian Private Markets 1	2,264	3,088	2,264	3,088
Wilshire Private Markets Australian 2	4,722	4,984	4,722	4,984
Total Managed Australian Private Equity	554,874	544,946	554,874	544,946
Total Australian Private Equity	797,416	783,805	797,416	783,805
International Private Equity				
Adveq Euro III	18,282	19,717	18,282	19,717
Adveq Technology VCV	60,469	44,622	60,469	44,622
Currency Overlay International PE	(75,709)	31,436	(75,709)	31,436
IFM International Private Equity I	35,442	39,096	35,442	39,096
IFM International Private Equity III	106,479	81,005	106,479	81,005
Lexington Capital Part VI	61,427	76,938	61,427	76,938
Lexington Capital Partners Vi B (offshore), L.P.	3,839	4,808	3,839	4,808
LGT Capital Partners	42,394	48,284	42,394	48,284
LGT Crown European Buyout Opportunities II PLC	27,922	25,775	27,922	25,775
LGT Crown European Middle Mkts II	27,429	28,268	27,429	28,268
Mesirow Capital Partners 10	55,071	53,260	55,071	53,260
Mesirow Equity Fund 3	78,140	72,758	78,140	72,758
Mesirow Equity Fund 4	88,384	75,201	88,384	75,201
Mesirow Equity Fund 9	11,313	11,570	11,313	11,570
Greenspring Global Partners IV	81,076	54,952	81,076	54,952
Newbury Equity II	67,547	55,082	67,547	55,082
Newbury Equity Partners 3	38,117	7,553	38,117	7,553
Performance Venture Capital	41,162	33,386	41,162	33,386
Performance Venture Capital II	70,663	45,472	70,663	45,472
Siguler Guff Dist Opp Fund II	8,411	10,878	8,411	10,878
Siguler Guff Dist Opp Fund III	43,299	55,700	43,299	55,700
Siguler Guff Small Buyout	44,023	46,137	44,023	46,137
Siguler Guff Small Buyouts Opportunities Fund II	115,558	58,828	115,558	58,828
Vencap 12	73,648	46,996	73,648	46,996
Weathergag	41,959	36,635	41,959	36,635
Wilshire Private Market Fund VII Asia	3,316	2,900	3,316	2,900
Wilshire Australia Private Markets PST Fund VII Class J	5,236	4,365	5,236	4,365
Wilshire Australia Private Markets PST Fund VII Class K	5,650	6,130	5,650	6,130
Total International Private Equity	1,180,547	1,077,752	1,180,547	1,077,752
Total Alternative Assets	6,161,199	4,908,901	6,161,199	4,908,901

Alternative Assets of \$6,161,199k (2014: \$4,908,901k) includes FFX Contracts and Futures. The Assets Market Value for the FFX Contracts and Futures is \$5,483k (2014: \$41,334K) and the Liabilities Market Value for FFX Contracts and Futures is \$100,648k (2014: \$5,216k). Therefore the Alternative Assets balance on the face of the Statement of Financial Position is \$6,256,364k (2014: \$4,872,783k).

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

4. INVESTMENTS (continued)

	CONSOLIDATED		FUND	
	30 June 2015 \$000's	30 June 2014 \$000's	30 June 2015 \$000's	30 June 2014 \$000's
Property				
Managed Property				
AMP Capital Diversified Property Fund	470,722	500,355	470,722	500,355
Blackrock Japan Core Plus Property Fund	3,541	24,041	3,541	24,041
Citi Transition GREIT	79	-	79	-
Currency Overlay GREIT	(3,796)	-	(3,796)	-
Currency Overlay International Property	(139)	1,096	(139)	1,096
Franklin Intl Real Estate 2	6,000	5,737	6,000	5,737
Fortius Active Property Trust No.1	129,918	107,386	129,918	107,386
Industry Superannuation Property Trust (Core)	828,586	760,592	828,586	760,592
Industry Superannuation Development Trust	33,615	31,405	33,615	31,405
Industry Superannuation Property Trust (Grosvenor)	1,105	8,677	1,105	8,677
ISPT Retail Australia Property Trust	131,088	85,070	131,088	85,070
Resolution GREIT	106,466	-	106,466	-
Total External Manager	1,707,185	1,524,359	1,707,185	1,524,359
Domestic Direct Property				
Cbus Property Commercial Trust	1,184,034	1,875,925	605,619	1,180,172
Cbus Property Industrial Trust	150,226	133,871	149,156	134,051
Cbus Property Pty Ltd	2,952	4,596	55	1,034
Cbus Property Residential Operations Trust	302,663	169,733	228,567	158,536
Cbus Property 313 Spencer Street Unit Trust	143,259	158,344	53,138	63,235
Cbus Property 447 Collins Street Unit Trust	96,595	88,335	47,551	39,900
SESP No. 1 Unit Trust	347,717	296,887	346,231	152,555
United Super Investments Pty Ltd	46	46	46	46
USI (Breakfast Point) Pty Ltd	46,327	39,119	33,362	28,604
Total Domestic Direct Property	2,273,819	2,766,856	1,463,725	1,758,133
Total Property	3,981,004	4,291,215	3,170,910	3,282,492
Total Investments by Asset Class	32,048,098	28,249,529	31,238,004	27,240,806

Property (for the Fund) of \$3,170,910k (2014: \$3,282,492k) includes FFX Contracts. The Assets Market Value for the FFX Contracts is \$1,001k (2014: \$1,105k) and the Liabilities Market Value for FFX Contracts is \$4,935k (2014: \$9k). Therefore the Property (for the Fund) balance on the face of the Statement of Financial Position is \$3,174,844k (2014: \$3,281,396k).

Property (for the Group) of \$3,981,004k (2014: \$4,291,215k) includes FFX Contracts. The Assets Market Value for the FFX Contracts is \$1,001k (2014: \$1,105k) and the Liabilities Market Value for the FFX Contracts is \$13,141k (2014: \$5,247k). Therefore the Property (for the Group) balance on the face of the Statement of Financial Position is \$3,993,144k (2014: \$4,295,357k).

Total Assets Market Value for the Derivatives (for the Group) is \$23,453k (2014: \$91,412k) and the Total Liabilities Market Value for the Derivatives (for the Group) is \$176,396k (2014: \$17,867k). Total Assets Market Value for the Derivatives (for the Fund) is \$23,453k (2014: \$91,412k) and the Total Liabilities Market Value for the Derivatives (for the Fund) is \$168,189k (2014: \$12,629k).

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

5. OTHER RECEIVABLES

	CONSOLIDATED		FUND	
	30 June 2015 \$000's	30 June 2014 \$000's	30 June 2015 \$000's	30 June 2014 \$000's
GST recoverable	3,409	2,709	3,409	2,709
Other assets	1,997	9,874	1,997	9,874
Other receivables	12,954	7,139	-	-
Total Other Receivables	18,360	19,722	5,406	12,583

6. ACCOUNTS PAYABLE

	CONSOLIDATED		FUND	
	30 June 2015 \$000's	30 June 2014 \$000's	30 June 2015 \$000's	30 June 2014 \$000's
Administration and financial management	4,045	2,246	4,045	2,246
Investment manager fees payable	14,191	3,758	14,191	3,758
Custodian fees payable	798	-	798	-
Death and disablement benefits payable to members	60,657	55,971	60,657	55,971
Insurance premiums	29,611	14,400	29,611	14,400
Present value lease liability - Mitchell Plaza	19,545	19,651	19,545	19,651
Surcharge payable	(26)	(28)	(26)	(28)
Accounts payable	17,279	16,611	-	-
Total Accounts Payable	146,100	112,609	128,821	95,998

Mitchell Centre joint venture was sold on 21st December 2009, from which Cbus retains a commitment for rental of the land associated with the Mitchell Centre on a 63 year lease with the Uniting Church. The present value of this obligation has been determined as \$19.5m (2014: \$19.7m). Refer Note 22 (o).

7. PROVISIONS

	CONSOLIDATED		FUND	
	30 June 2015 \$000's	30 June 2014 \$000's	30 June 2015 \$000's	30 June 2014 \$000's
Current Provisions				
Cbus Property project accruals	27,548	35,146	-	-
Cbus Property 447 Collins Street Unit Trust - ISPT	40,000	-	-	-
Employee entitlements and other provisions	4,376	4,043	2,950	2,584
Non Current Provisions				
Cbus Property 447 Collins Street Unit Trust - ISPT	8,000	48,000	-	-
Total Provisions	79,924	87,189	2,950	2,584

8. ADMINISTRATION AND FINANCIAL MANAGEMENT EXPENSES

	CONSOLIDATED		FUND	
	30 June 2015 \$000's	30 June 2014 \$000's	30 June 2015 \$000's	30 June 2014 \$000's
Superannuation administration expenses	126,528	108,321	126,528	108,321
Investment Property Expenses				
Cbus Property Pty Ltd	14,976	14,342	-	-
United Super Investments Pty Ltd	-	(2,151)	-	-
SESP No. 1 Unit Trust	9,375	706	-	-
USI (Breakfast Point) Pty Ltd	114	189	-	-
Cbus Property 313 Spencer Street Unit Trust	730	195	-	-
Cbus Property 447 Collins Street Unit Trust	(73)	537	-	-
Total Expenditure - Administration and Financial Management	151,650	122,139	126,528	108,321

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

9. INTANGIBLE ASSETS

	CONSOLIDATED		FUND	
	Computer Software \$000's	Total \$000's	Computer Software \$000's	Total \$000's
Year ended – 2015				
Opening net book value	4,375	4,375	4,375	4,375
Additions and assets under construction	1,572	1,572	1,572	1,572
Disposals	-	-	-	-
Movement in market value	(738)	(738)	(738)	(738)
Closing Balance as at 30 June 2015	5,209	5,209	5,209	5,209
Year ended – 2014				
Opening net book value	772	772	772	772
Additions and assets under construction	3,758	3,758	3,758	3,758
Disposals	-	-	-	-
Movement in market value	(155)	(155)	(155)	(155)
Closing Balance as at 30 June 2014	4,375	4,375	4,375	4,375

Intangible assets represent the Cbus Self Managed platform and Governance and Risk Software. The pension administration platform acquired as part of bringing the Super Income Stream product in house effective 1 July 2009 has been written off following management's fair value assessment of assets at 30 June 2015 in accordance the Fund's asset policy.

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

10. PROPERTY, PLANT AND EQUIPMENT

CONSOLIDATED

	Plant & Equipment \$000's	Fixtures & Fittings \$000's	Leasehold Improvements \$000's	Motor Vehicles \$000's	Total \$000's
Year ended – 2015					
Opening net book value	476	272	1,024	265	2,037
Additions	447	82	127	-	656
Disposals	(3)	(5)	-	(11)	(19)
Movement in market value	(171)	(42)	(216)	(64)	(493)
Closing Balance as at 30 June 2015	749	307	935	190	2,181
Year ended – 2014					
Opening net book value	617	235	1,122	369	2,343
Additions	45	71	131	94	341
Disposals	-	-	-	(112)	(112)
Movement in market value	(186)	(34)	(229)	(86)	(535)
Closing Balance as at 30 June 2014	476	272	1,024	265	2,037

FUND

	Plant & Equipment \$000's	Fixtures & Fittings \$000's	Leasehold Improvements \$000's	Motor Vehicles \$000's	Total \$000's
Year ended – 2015					
Opening net book value	170	272	1,024	265	1,731
Additions	48	82	127	-	257
Disposals	-	(5)	-	(11)	(16)
Movement in market value	(63)	(42)	(216)	(64)	(385)
Closing Balance as at 30 June 2015	155	307	935	190	1,587
Year ended – 2014					
Opening net book value	260	235	1,122	369	1,986
Additions	7	71	131	94	303
Disposals	-	-	-	(112)	(112)
Movement in market value	(97)	(34)	(229)	(86)	(446)
Closing Balance as at 30 June 2014	170	272	1,024	265	1,731

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

11. BANK DEBT AND BORROWINGS

On 23 July 2007, Cbus Property 140 William Street Pty Ltd in its own capacity and in its capacity as trustee of 140 William Street Unit Trust entered into a Facility Agreement with the Commonwealth Bank of Australia for an amount of up to \$207M, initially repayable in February 2015. Interest is payable on a monthly basis at a bank bill rate plus a margin of 0.625%. The Facility was secured by the property at 140 William Street in Perth, Western Australia. In February 2015 \$5M was repaid to CBA while the remaining \$185M was effectively rolled into the Club Facility Agreement under Cbus Property Finance Pty Ltd (a related entity). The property held under 140 William Street Pty Ltd is held as security within the Club Facility.

On 21 December 2006, Cbus Property CBW Pty Ltd in its own capacity and in its capacity as trustee of CBW Unit Trust entered into a Facility Agreement with the Commonwealth Bank of Australia for an amount of up to \$262M. On completion of the development in 2008 the Facility was converted from a construction facility to term loan finance at a bank bill rate plus a line fee of 0.6375% with a reduced limit of \$234.4M, all other terms of the Facility Agreement continue. The Facility was secured by the property at the corner of Bourke and William Street in Melbourne, Victoria.

The facility was repaid 19 December 2013 through a refinancing facility under Cbus Property Finance Pty Ltd (a related entity).

On 21 June 2012, Bourke Junction No.2 Pty Ltd in its own capacity and in its capacity as trustee of the Bourke Junction Trust No.2 entered into a Facility Agreement with the National Bank of Australia for an amount up to \$150M. The initial facility (Tranche A) was a construction facility which converted to a 3 year term loan (Tranche B) on 31 July 2013. Interest is payable on Tranche A monthly at the BBSY rate plus a margin of 1% and a line fee of 0.95%. For Tranche B the line fee increases to 1.8% and the margin is nil. The Facility was secured by the property at the 700 Bourke Street, Melbourne, Victoria. The facility was repaid December 2013 through a financing facility under Cbus Property Finance Pty Ltd (a related entity).

On the 19 December 2013, this facility was repaid and Cbus Property Finance Pty Ltd in its own capacity entered into a new Club Facility Agreement under a 50/50 split with Commonwealth Bank of Australia and National Australia Bank for a total amount of \$560M comprising a cash advance facility of \$480M and a contingent liability facility of \$80M. Interest is payable on the cash advance facility on a monthly basis at a bank bill rate plus a margin on each Tranche ranging from 0.60% to 0.75%. The Facility is secured by the properties held in the related entities of CBW Unit Trust, The Bourke Junction Trust No.2 and 50% holding of 171 Collins Street and the 1/3 holding in The Bent Street Trust. Separate contracts of sale were exchanged for the 100% sale of properties more commonly known as CBW and 700 Bourke Street, settlement occurred on 1 and 15 October 2014 respectively. As these properties are secured against the Club Facility, \$360M of the Club facility loan was repaid from the sales proceeds on the settlement dates. In December 2014 the \$175M CBA loan in Bourke Junction Trust No.1 (a related entity) was repaid on entry of 720 Bourke Street to the security of the Club facility. In February 2015 the \$185M CBA loan to 140 William Street Unit Trust (a related entity) was repaid on entry of 140 William Street to the security pool in the Club facility, increasing the amount drawn at 30 June 2015 to \$480M (2014: \$480M). \$56M in contingent liabilities issued to secure the obligations of owner entities under the management of Cbus Property Pty Ltd. The \$360M of additional loans drawn from the Club facility during the year are secured by the properties held in the related entities of 140 William Street Unit Trust and The Bourke Junction Trust No.1. The Facility has an initial maturity date of 16 December 2016.

On 22 May 2014, Cbus Property 50 Flinders Street Pty Ltd in its own capacity and in its capacity as Trustee of 50 Flinders Street Unit Trust entered into a Facility Agreement with the ANZ Banking Group for an amount of up to \$82M, repayable in December 2015. Interest is calculated on a compounded daily basis at a bank bill rate plus a margin of 0.60% and capitalised to the facility. A line fee of 0.4% on the total facility is capitalised monthly to the facility balance. The Facility is secured by the property at 50 Flinders Street in Adelaide, South Australia. As at 30 June 2015, \$64.8M had been drawn down (2014: \$11.6M).

On 27 November 2013, Cbus Property 313 Spencer Street Pty Ltd in its own capacity and in its capacity as Trustee of 313 Spencer Street Unit Trust entered into a Facility Agreement with the Commonwealth Bank of Australia for an amount of up to \$155M. Interest was calculated on a monthly basis at a bank bill rate plus a margin of 0.55% and capitalised to the facility. A line fee of 0.55% on the total facility was also capitalised monthly to the facility balance. The Facility is secured by the property at 313 Spencer Street in Melbourne, Victoria. In April 2015 50% of the development settled as part of a sale and \$62.3M was repaid to CBA from the proceeds of sale. The remaining loan balance of \$82.6M converted to a facility loan and interest is calculated on a monthly basis at a bank bill rate with 0% margin and expensed through the statement of comprehensive income. A line fee of 0.8% on the total facility is also expensed through the statement of comprehensive income. The remaining loan balance is secured against the remaining 50% of the property and is repayable in December 2015.

On 27 November 2013, Bourke Junction No.1 Pty Ltd in its own capacity and in its capacity as trustee of The Bourke Junction Trust No.1 entered into a Facility Agreement with the Commonwealth Bank of Australia for an amount of up to \$200M, initially repayable in September 2014. An extension to the facility as a construction facility was granted to 12 December 2014. Interest was calculated on a monthly bank bill rate plus a margin of 0.50% and capitalised to the facility. A line fee of 0.50% on the total facility was also capitalised monthly to the facility balance. The Facility was secured by the property at 720 Bourke Street in Melbourne Victoria. In December 2014 \$2.7M was repaid to CBA while the remaining \$175M was effectively rolled into the Club Facility Agreement under Cbus Property Finance Pty Ltd (a related entity). The property held under Bourke Junction No.1 Pty Ltd is held as security within the Club Facility.

On 23 September 2014, Cbus Property 35 Spring Street Pty Ltd in its own capacity and in its capacity as Trustee of 35 Spring Street Unit Trust entered into a Facility Agreement with the ANZ Banking Group for an amount of up to \$208M, repayable in September 2017. Interest is calculated on a monthly basis at a bank bill rate plus a margin of 0.4% and capitalised quarterly to the facility. A line fee of 0.35% on the total facility is capitalised monthly to the facility balance. The Facility is secured by the property at 35 Spring Street in Melbourne, Victoria. As at 30 June 2015, \$49.1M had been drawn down (2014: N/A).

In connection with the Development Facility, and under the terms a subscription deed dated 23 September 2014, United Super Pty Ltd as trustee of the Construction and Building Unions Superannuation Fund, and Cbus Property Residential Operations Pty Ltd as trustee of the Cbus Property Residential Operations Unit Trust, have agreed that when called upon by Cbus Property, 35 Spring Street Pty Ltd to do so, they will make subscriptions for units in the Cbus Property Residential Operations Unit Trust and 35 Spring Street Unit Trust respectively up to a maximum of \$271.1M.

On 31 March 2015, Cbus Property 1 William Street Pty Ltd in its own capacity and in the capacity as Trustee of the 1 William Street Unit Trust entered into a Construction Facility Agreement with the Commonwealth Bank of Australia for an amount of up to \$462.5M, repayable in March 2017. Interest is calculated on a monthly basis at a bank bill rate plus a margin of 0.45% and capitalised to the facility. A line fee of 0.35% on the total facility is capitalised monthly to the facility balance. The Facility is secured by the property at 1 William Street in Brisbane, Queensland. As at 30 June 2015, \$37M had been drawn down (2014: n/a). Cbus Property Commercial Unit Trust has a 50% share in the units of 1 William Street Unit Trust and 50% of the debt balance is reflected in the financial statements.

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

11. BANK DEBT AND BORROWINGS (continued)

	CONSOLIDATED		FUND	
	30 June 2015 \$000's	30 June 2014 \$000's	30 June 2015 \$000's	30 June 2014 \$000's
Financing facilities				
Current liability				
ANZ Loan - 50 Flinders Street Unit Trust	64,831	-	-	-
CBA Loan - 140 William Street	-	190,000	-	-
CBA Loan - 313 Spencer Street	82,630	87,939	-	-
CBA Loan - Bourke Junction No.1	-	137,503	-	-
CBA/NAB Club Facility Loan - Cbus Property Finance Pty Ltd	-	360,000	-	-
Non Current liabilities – Secured Bank Loans				
CBA Loan - 1 William Street (50%)	18,523	-	-	-
ANZ Loan - 35 Spring Street	49,123	-	-	-
CBA/NAB Club Facility Loan - Cbus Property Finance Pty Ltd	480,000	120,000	-	-
ANZ Loan - 50 Flinders Street Unit Trust	-	11,592	-	-
	695,107	907,034	-	-

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

12. LIABILITY FOR ACCRUED BENEFITS - MEMBERS' FUNDS

The liability for accrued benefits is the present obligation to pay benefits to members and beneficiaries arising from membership up to reporting date. It is measured as the difference between the carrying amount of the assets and the total liabilities at reporting date.

	CONSOLIDATED		FUND	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	\$000's	\$000's	\$000's	\$000's
Liability for accrued benefits at the beginning of the financial year	26,848,005	22,556,426	26,848,005	22,556,426
Plus: Benefits accrued as a result of operations	5,515,021	5,776,244	5,515,021	5,776,244
Less: Benefits paid/payable during the year (note 14)	(1,708,247)	(1,484,665)	(1,708,247)	(1,484,665)
Liability for accrued benefits at the end of the financial year	30,654,779	26,848,005	30,654,779	26,848,005

Vested Benefits

Vested benefits are benefits which are not conditional upon continued membership of the Fund (or any factor other than resignation from the Fund) and include benefits which members were entitled to receive had they terminated their membership at reporting date.

The vested benefits which follow reflect the totals of individual member accounts at reporting date. Members' funds shown on the Statement of Financial Position is a higher amount as this amount includes the total of individual member accounts plus contributions receivable (net of tax applicable) and unallocated monies which have not yet been applied to individual member accounts at the reporting date.

	CONSOLIDATED		FUND	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	\$000's	\$000's	\$000's	\$000's
The vested benefits for the Fund are as follows:				
Growth (Cbus MySuper)	26,901,539	23,822,274	26,901,539	23,822,274
High Growth	1,258,243	1,036,223	1,258,243	1,036,223
Conservative	658,248	611,814	658,248	611,814
Cash Savings	409,073	420,233	409,073	420,233
CBUS Self Managed	16,568	-	16,568	-
Cbus Super Income Stream	1,411,108	957,461	1,411,108	957,461
Total accrued benefits	30,654,779	26,848,005	30,654,779	26,848,005
Less:				
Contributions receivable (net of tax)	(184,208)	(176,045)	(184,208)	(176,045)
Unallocated monies	(5,379)	(6,485)	(5,379)	(6,485)
Benefits paid/payable	64,534	56,879	64,534	56,879
Total unvested benefits	(125,053)	(125,651)	(125,053)	(125,651)
Total vested benefits	30,529,726	26,722,354	30,529,726	26,722,354

Guaranteed Benefits

No guarantees have been made in respect of the liability for accrued benefits.

Funding Arrangements

The contribution rates to the Fund are:

Employer contributions	2015 Minimum 9.5% per annum
	2014 Minimum 9.25% per annum
Member contributions	2015 On a voluntary basis
	2014 On a voluntary basis

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

13. LIABILITY FOR ACCRUED BENEFITS - RESERVES

Operational Risk Financial Reserve

The Fund retains an Operational Risk Financial Reserve (Reserve), which is used to cover potential operational losses. Cbus has determined it prudent to target an amount equal to 0.25% of Fund net assets to meet this requirement. This Reserve has been funded initially by a reduction of 0.063% in the crediting rates applied to all members' accounts for the years ended 30 June 2013 and 2014 (or approximately one quarter of the total funding obligation) then a further reduction of 0.063% for the year ended 30 June 2015. The remaining 25% of the target is expected to be progressively funded over the next year.

	CONSOLIDATED		FUND	
	30 June 2015 \$000's	30 June 2014 \$000's	30 June 2015 \$000's	30 June 2014 \$000's
Operational Risk Financial Reserve				
Opening balance	33,657	14,272	33,657	14,272
Revenue				
Investments	732	341	732	341
Reimbursement of risk event	13	-	13	-
Transfer from General Reserve	23,376	19,044	23,376	19,044
Expenditure				
Risk event 1	(13)	-	(13)	-
Risk event 2	(116)	-	(116)	-
Closing balance	57,649	33,657	57,649	33,657

General Reserve

The Fund retains a General Reserve which is used to cover unexpected and unforeseen expenses of the Fund and to meet any other expenses which the Trustee deems ought to be met from the General Reserve rather than directly from member accounts. The long-term aim is to hold a General Reserve within a range of 0.05%-0.25% (2014: 0.10%-0.50%) of Fund net assets.

	CONSOLIDATED		FUND	
	30 June 2015 \$000's	30 June 2014 \$000's	30 June 2015 \$000's	30 June 2014 \$000's
General Reserve				
Opening balance	29,996	55,739	29,996	55,739
Revenue				
Investments	2,878,666	3,350,127	2,878,666	3,350,127
Interest on cash at bank	1,222	742	1,222	742
Other income	311	971	311	971
Administration levies deducted from members' accounts	57,876	55,871	57,876	55,871
Legislative member protection rebate of administration levies	-	36	-	36
Expenditure				
Earnings allocated to members	(2,679,223)	(3,099,007)	(2,679,223)	(3,099,007)
General administration expenditure	(105,035)	(90,784)	(105,035)	(90,784)
Transfer to Operational Risk Reserve	(23,376)	(19,044)	(23,376)	(19,044)
Income tax expense	(141,073)	(224,655)	(141,073)	(224,655)
Closing balance *	19,364	29,996	19,364	29,996

*Includes \$250,000 to meet APRA RSE Licence requirements.

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

13. LIABILITY FOR ACCRUED BENEFITS - RESERVES (continued)

Insurance Reserve

The Fund retains a Insurance Reserve which is used to account for Insurance related revenue and expenditure of the Fund.

	CONSOLIDATED		FUND	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	\$000's	\$000's	\$000's	\$000's
Insurance Reserve				
Opening balance	14,057	28,213	14,057	28,213
Revenue				
Investment income	494	722	494	722
Group life premium income	349,020	191,982	349,020	191,982
Expenditure				
Insurance operating costs	(21,377)	(18,643)	(21,377)	(18,643)
Group life premium expense	(373,600)	(187,531)	(373,600)	(187,531)
Group life premium rebate repayment	-	(686)	-	(686)
Income tax benefit	45,494	-	45,494	-
Closing balance	14,088	14,057	14,088	14,057

14. BENEFITS PAID/PAYABLE

	CONSOLIDATED		FUND	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	\$000's	\$000's	\$000's	\$000's
Benefits paid and payable by investment option				
Growth (Cbus MySuper)	1,055,736	962,775	1,055,736	962,775
High Growth	70,665	51,649	70,665	51,649
Conservative	124,531	91,264	124,531	91,264
Cash Savings	232,034	234,165	232,034	234,165
Growth Pension	100,039	57,224	100,039	57,224
Conservative Growth Pension (Default)	32,965	5,831	32,965	5,831
High Growth Pension	10,307	11,123	10,307	11,123
Conservative Pension	62,488	48,411	62,488	48,411
Cash Savings Pension	19,482	22,223	19,482	22,223
Total benefits paid and payable	1,708,247	1,484,665	1,708,247	1,484,665
Benefits paid and payable by benefit type				
Death	64,414	53,913	64,414	53,913
Disability	73,921	55,682	73,921	55,682
Hardship	32,843	30,612	32,843	30,612
Pension	225,259	144,800	225,259	144,800
Retirement and resignation benefits/rollovers	1,091,247	1,002,940	1,091,247	1,002,940
Transfers - Eligible rollover fund	7,565	6,507	7,565	6,507
Proceeds on insurance claims	212,998	190,211	212,998	190,211
Total benefits paid and payable	1,708,247	1,484,665	1,708,247	1,484,665

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

15. INVESTMENT INCOME

Movement in net market value of investments

	CONSOLIDATED		FUND	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	\$000's	\$000's	\$000's	\$000's
Investments unrealised and held at year end				
Cash	1,331	1,914	1,331	1,914
Credit	(3,876)	8,321	(3,876)	8,321
Fixed interest securities	24,823	21,920	24,823	21,920
Australian equities	34,405	714,848	34,405	714,848
International equities	764,535	693,115	764,535	693,115
Alternative assets	245,296	367,515	245,296	367,515
Property	(398,056)	117,913	(294,422)	221,599
Total unrealised movement in net market value	668,458	1,925,546	772,092	2,029,232
Investments realised during the year				
Cash	5,740	8,071	5,740	8,071
Credit	905	467	905	467
Fixed interest securities	(12,340)	(19,286)	(12,340)	(19,286)
Australian equities	118,854	258,791	118,854	258,791
International equities	229,535	108,466	229,535	108,466
Alternative assets	(66,699)	(88,406)	(66,699)	(88,406)
Property	168,340	11,344	168,340	11,344
Total realised movement in net market value	444,335	279,447	444,335	279,447
Total movement in net market value of investments	1,112,793	2,204,993	1,216,427	2,308,679

Direct Investment Expenses

	CONSOLIDATED		FUND	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	\$000's	\$000's	\$000's	\$000's
Direct Investment Expenses				
Investment managers	(86,241)	(65,744)	(86,241)	(65,744)
Custody fees	(3,949)	(7,230)	(3,949)	(7,230)
Asset consulting fees	(3,143)	(3,034)	(3,143)	(3,034)
Other investment costs	(7,353)	(6,930)	(7,353)	(6,930)
Total Direct Investment Expenses	(100,686)	(82,938)	(100,686)	(82,938)

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

16. INCOME TAX EXPENSE

	CONSOLIDATED		FUND	
	30 June 2015 \$000's	30 June 2014 \$000's	30 June 2015 \$000's	30 June 2014 \$000's
Recognised in the Operating Statement				
Current tax expense	359,684	301,819	322,560	289,119
Deferred tax expense	111,657	236,534	110,952	242,458
Total income tax expense in income statement	471,341	538,353	433,512	531,577
Reconciliation between tax expense and benefits accrued as a result of operations before income tax				
Benefits accrued as a result of operations before income tax	5,999,752	6,294,083	5,961,923	6,287,307
Tax at the complying superannuation Fund tax rate of 15% (2014: 15%)	899,963	944,112	894,288	943,096
No-TFN tax provided at 31.5%	(5,204)	1,497	(5,204)	1,497
Increase in income tax expense due to:				
Imputation credits, withholding tax	22,016	18,426	22,016	18,426
Decrease in income tax expense due to:				
Non-assessable member contributions and transfers	(143,411)	(118,495)	(143,411)	(118,495)
Investment income	(81,898)	(147,983)	(114,052)	(153,743)
Group life insurance proceeds	(31,950)	(28,532)	(31,950)	(28,532)
Anti-detriment refunds	(5,110)	(4,500)	(5,110)	(4,500)
Exempt pension income	(6,783)	(3,025)	(6,783)	(3,025)
Superannuation contributions surcharge	1	-	1	-
Imputation credits, withholding tax	(144,541)	(122,037)	(144,541)	(122,037)
Under/(Over) provision in prior year	(31,742)	(1,110)	(31,742)	(1,110)
Income tax expense on benefits accrued as a result of operations	471,341	538,353	433,512	531,577
Total income tax expense is made up of:				
Current income tax provision	392,121	303,624	354,302	290,229
Deferred income tax provision	111,657	236,534	110,952	242,458
Under/(Over) provision in prior year	(32,437)	(1,805)	(31,742)	(1,110)
Total	471,341	538,353	433,512	531,577
Income tax provision				
Current income tax provision	392,121	303,624	354,302	290,229
Carried forward income tax provision	-	3,381	-	3,381
PAYG instalments for the year	(240,972)	(220,517)	(233,843)	(216,594)
Total	151,149	86,488	120,459	77,016

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

17. DEFERRED TAX ASSET AND LIABILITY

Deferred tax assets and liabilities are attributable to the following:

CONSOLIDATED

	Assets		Liabilities		Net	
	2015	2014	2015	2014	2015	2014
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Contributions receivable	-	-	(32,507)	(31,066)	(32,507)	(31,066)
Investment income receivable (includes movements in net market value)	-	-	(444,456)	(333,649)	(444,456)	(333,649)
Payables	2,131	1,540	-	-	2,131	1,540
Net tax assets/(liabilities)	2,131	1,540	(476,963)	(364,715)	(474,832)	(363,175)

Movement in temporary differences during the year:

	Balance 1 July 2014 \$000's	Recognised in income \$000's	Balance 30 June 2015 \$000's
Contributions receivable	(31,066)	(1,441)	(32,507)
Investment income receivable	(333,649)	(110,807)	(444,456)
Payables	1,540	591	2,131
	(363,175)	(111,657)	(474,832)

	Balance 1 July 2013 \$000's	Recognised in income \$000's	Balance 30 June 2014 \$000's
Contributions receivable	(26,644)	(4,422)	(31,066)
Investment income receivable	(101,512)	(232,137)	(333,649)
Payables	1,515	25	1,540
	(126,641)	(236,534)	(363,175)

FUND

	Assets		Liabilities		Net	
	2015	2014	2015	2014	2015	2014
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Contributions receivable	-	-	(32,507)	(31,066)	(32,507)	(31,066)
Investment income receivable (includes movements in net market value)	-	-	(439,251)	(327,458)	(439,251)	(327,458)
Payables	-	-	4,442	2,160	4,442	2,160
Net tax assets/(liabilities)	-	-	(467,316)	(356,364)	(467,316)	(356,364)

Movement in temporary differences during the year:

	Balance 1 July 2014 \$000's	Recognised in income \$000's	Balance 30 June 2015 \$000's
Contributions receivable	(31,066)	(1,441)	(32,507)
Investment income receivable	(327,458)	(111,793)	(439,251)
Payables	2,160	2,282	4,442
	(356,364)	(110,952)	(467,316)

	Balance 1 July 2013 \$000's	Recognised in income \$000's	Balance 30 June 2014 \$000's
Contributions receivable	(26,644)	(4,422)	(31,066)
Investment income receivable	(89,333)	(238,125)	(327,458)
Payables	2,072	88	2,160
	(113,905)	(242,459)	(356,364)

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

18. NOTES TO THE STATEMENT OF CASHFLOWS

(i) Reconciliation of cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand at bank and at call.

	CONSOLIDATED		FUND	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	\$000's	\$000's	\$000's	\$000's
Cash at Bank	37,938	28,086	37,938	28,086
Cbus Property Pty Ltd	93	63	-	-
Cbus Property Commercial Unit Trust	2,722	7,451	-	-
Cbus Property Residential Unit Trust	10	535	-	-
Cbus Property Industrial Unit Trust	546	47	-	-
Cbus Property SESP No.1 Pty Ltd	194	224	-	-
Cbus Property 313 Spencer Street Pty Ltd	360	16	-	-
Cbus Property 447 Collins Street Pty Ltd	-	29	-	-
Total Cash	41,863	36,451	37,938	28,086

(ii) Net cash flow from operating activities is reconciled to benefits accrued after tax as follows:

	CONSOLIDATED		FUND	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	\$000's	\$000's	\$000's	\$000's
Benefits accrued after tax	5,528,411	5,755,730	5,528,411	5,755,730
Benefits paid & payable	(1,708,247)	(1,484,665)	(1,708,247)	(1,484,665)
(Increase)/decrease in assets				
Contributions receivable	(9,604)	(29,482)	(9,604)	(29,482)
Other receivables	1,362	(410)	7,177	(9,584)
Deferred tax asset	(591)	(25)	-	-
Property, plant and equipment	(978)	(3,297)	(690)	(3,348)
Increase/(decrease) in liabilities				
Benefits payable	2,418	4,486	2,418	4,486
Accounts payable/provisions	26,226	80,574	33,189	25,624
Borrowings	(211,927)	151,062	-	-
Deferred tax liability	112,248	236,559	110,952	242,459
Income tax payable	64,661	(19,248)	43,443	(20,141)
Non-cash items as follows:				
Investment revenue received by investment managers	(2,815,899)	(3,632,443)	(2,927,556)	(3,350,202)
Depreciation	1,286	690	1,123	601
Net cash flow from operating activities	989,366	1,059,531	1,080,616	1,131,478

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

19. FINANCIAL RISK MANAGEMENT

The investments of the Fund are managed on behalf of the Trustee by those managers listed in Note 4. All investments of the Fund are held on behalf of the Trustee by JPMorgan Chase Bank, National Association (JPM) who have acted as the master custodian from 1 June 2014. Previously, all investments of the Fund were custodially held on behalf of the Trustee by National Asset Servicing (NAS). Each investment manager is required to invest the assets managed by it in accordance with the terms of a written mandate or Trust Deed. The Trustee has determined that appointment of these managers is appropriate for the Fund and is in accordance with Cbus investment strategy and outsourcing policy.

The Trustee determines the strategic asset allocations of each of the Fund's investment options. The Trustee receives advice from its investment adviser in making its determination. The asset allocation is reviewed throughout the year in accordance with the Fund's Risk Management Policy, Investment Policy and Procedures Manual.

risk and liquidity risk. The Fund manages this investment risk as part of its overall Risk Management Framework and Investment Governance Framework.

Financial risk management is carried out by the Trustee through the Board and various Committees with advice from external advisers and internal management.

The Fund obtains regular reports from each investment manager on the nature of the investments made on its behalf and the associated risks. The Fund obtains formal Derivative Risk Statements from each manager where available.

The Fund uses different methods to measure different types of risk to which it is exposed. These methods include asset allocation modelling, historical stress testing and forward looking scenario testing. The Fund's investment advisor uses a range of qualitative measures of risk when assessing the individual managers' and the Fund's overall investment arrangements.

(a) Market Risk

(i) Foreign Exchange Risk

The Fund holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk. Foreign exchange risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates. The risk is measured using sensitivity analysis. The Fund has a currency management policy within its Investment Policy Statement. Compliance with the Fund's policy is monitored on a regular basis.

The Fund currently utilises a currency overlay manager to assist with implementation management.

The table below summarises the Fund's assets and liabilities that are denominated in a currency other than the Australian dollar.

30 June 2014	US Dollar A\$'000	GB Pound A\$'000	Jap. Yen A\$'000	EURO A\$'000	Other A\$'000	Total \$'000
Net exposure	4,827,643	413,559	466,762	1,125,516	1,572,398	8,405,878
30 June 2014	US Dollar A\$'000	GB Pound A\$'000	Jap. Yen A\$'000	EURO A\$'000	Other A\$'000	Total \$'000
Net exposure	3,880,865	353,949	406,615	846,875	1,305,499	6,793,803

Unsettled sales and purchases, and dividends and interest receivable are not included in the net exposure figures shown above. Foreign Exchange Contracts are the fair value of the exchange exposure (rather than the market value of the hedged instrument).

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

19. FINANCIAL RISK MANAGEMENT (continued)

Sensitivity analysis

Based on an assessment of historical ranges of currency and one standard deviation expectation an assumption of +/- 8.5% (2014: +/- 8.5%) has been determined by the investment advisor as an appropriate assumption for this scenario analysis.

A 8.5% strengthening/weakening of the Australian dollar against the following currencies at 30 June 2015 would have (decreased)/increased the net assets available to pay benefits and the benefits accrued as a result of operations by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2014. The impact mainly arises from the reasonably possible change in foreign currency rates. The reasonably possible movements in the risk variables have been determined based on the Trustee's best estimate, having regard to a number of factors including the average absolute divergence between the unhedged and hedged MSCI World Index ex Australian annual returns over a 10 year period.

The amounts shown below are on the basis that all other variables remain constant.

		US Dollar	GB Pound	Jap. Yen	EURO	Other
		A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
30 June 2015						
	8.50%	(378,202)	(32,399)	(36,567)	(88,174)	(123,183)
	-8.50%	448,470	38,418	43,360	104,556	146,070
30 June 2014						
	8.50%	(304,031)	(27,729)	(31,855)	(66,345)	(102,274)
	-8.50%	360,518	32,881	37,773	78,671	121,276

(ii) Interest Rate Risk

The Fund's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The Fund's exposure to interest rate movements on those investments was as follows:

	Floating Interest	Fixed Interest
	rate	rate
	\$'000	\$'000
30 June 2015		
Financial assets and liabilities		
Cash and cash equivalents	1,303,019	45,751
Deposits held with broker margin accounts	8,724	-
Fixed Interest Securities	608,774	1,640,476
Money Market Securities	-	340,114
Futures	-	(72)
Swaps	5,221	(8,007)
Total	1,925,738	2,018,262
Net exposure	1,925,738	2,018,262
30 June 2014		
Financial assets and liabilities		
Cash and cash equivalents	750,051	75,000
Deposits held with broker margin accounts	2,396	-
Fixed Interest Securities	464,722	936,470
Money Market Securities	-	273,586
Futures	-	(324)
Swaps	6,737	(9,170)
Total	1,223,906	1,275,562
Net exposure	1,223,906	1,275,562

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

19. FINANCIAL RISK MANAGEMENT (continued)

This risk analysis section does not cover investments in managed trust vehicles as these risks are already covered through unit pricing risk.

Sensitivity analysis

Based on an assessment of historical movements in cash and bond rates over rolling 1 year periods, an assumption of +/-0.95% has been determined by the investment advisor as the appropriate assumption for this scenario analysis. A change of +0.95% in interest rates with all other variables remaining constant would have increased the net assets available to pay benefits and Benefits Accrued as a Result of Operations by \$37,468 thousand (2014: \$23,745 thousand). A change of -0.95% in interest rates with all other variables remaining constant would have decreased the net assets available to pay benefits and Benefits Accrued as a Result of Operations by \$37,468 thousand (2014: \$23,745 thousand). The analysis is performed on the same basis for 2014. The impact mainly arises from the reasonably possible change in interest rates on the net market value of fixed interest securities.

(iii) Price Risk

The Fund is exposed to equity securities and derivative securities price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates. The securities are classified on the Statement of Financial Position at net market value. All securities investments present a risk of loss of capital. The maximum risk is determined by the net market value of the financial instruments.

Market risk is minimised through ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies. Investment manager mandate compliance is monitored by the custodian and performance reports against benchmark are reported on a regular basis to the Investment Committee.

Sensitivity analysis based on analysis of historical data in respect of asset class returns and using this analysis to formulate expected future ranges of returns, the investment advisor has determined that the following assumptions are appropriate for this scenario analysis. The assumptions below are based on an expected range of outcomes with a +/- 1 standard deviation.

Asset Class	+/- %
Australian Equities	14
International Equities	13
Alternatives	6
Direct Property	11
Credit	3
Fixed Interest	3
Cash	1

A percentage increase in the relevant asset classes as set out in the table above at the reporting date would have increased the assets available to pay benefits by \$2,969,139 thousand (2014: an increase of \$2,688,029 thousand). An equal change in the opposite direction would have decreased the net assets available to pay benefits by \$2,969,139 thousand (2014: a decrease of \$2,688,029 thousand). The impact on the net investment revenue would have been an increase or decrease of \$2,969,139 thousand (2014: \$2,688,029 thousand). The analysis is performed on the same basis for 2014. The impact mainly arises from the reasonably possible change in the net market value of listed equities, alternative assets, direct property and unlisted trusts.

(b) Credit Risk

Credit risk is in the risk that one party to a financial investment will cause financial loss for the other party by failing to discharge an obligation. Credit risk primarily arises from investments in debt securities and from trading derivative products. Other credit risk arises from cash and cash equivalents, and amounts due from brokers.

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

19. FINANCIAL RISK MANAGEMENT (continued)

The Fund invests in debt securities which carry credit risk. The Fund employs investment managers to manage the securities within approved credit limits within their mandate. Compliance of managers with their mandates is monitored by the Fund's custodian.

In relation to derivative financial instruments, whether recognised or unrecognised, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The risk associated with these contracts is minimised by ensuring that transactions are undertaken with a range of high quality counterparties, and by using exchange traded contracts where suitable.

The Fund does not have any significant exposure to any individual counterparty or industry. Its assets are invested by individual investment managers and in specific investment trusts and investment linked insurance policies.

The net market value of financial assets included in the Statement of Financial Position represent the Fund's exposure to credit risk in relation to those assets. An analysis of debt securities by rating is set out in the table below.

Rating	30 June 2015 \$'000	30 June 2014 \$'000
AAA	955,635	561,728
AA+	150,707	96,373
AA	17,671	13,371
AA-	131,899	65,801
A	79,081	73,943
A+	14,441	4,160
A-	25,040	19,489
A1	156,738	12,963
A1+	-	105,610
A-1	14,846	-
A-1+	38,860	-
A2	4,045	702
A-2	307,428	162,966
A3	572	1,432
Aa1	105,935	51,274
Aa2	1,049	-
Aa3	9,633	89,519
NR	374,979	230,040
B	1,341	2,129
Baa1	2,634	-
Baa2	61,183	13,886
B1	7,589	34,201
BBB	84,902	72,783
BBB+	27,914	31,788
BBB-	36,261	38,574
Total	2,610,383	1,682,732

(c) Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in raising cash to meet commitments associated with member benefits. Cash flow interest rate risk is the risk that future cash flows on a financial instrument will fluctuate because of changes in market interest rates.

To control liquidity and cash flow interest rate risk, the Fund invests the majority of its assets in financial instruments, which under normal market conditions are readily convertible to cash.

The Fund limits the allocation of illiquid assets and ensures that the allocation is consistent with the intended term of investment. The Fund's membership profile coupled with the bulk of its assets being invested in highly liquid asset classes allows the fund to tolerate an exposure to assets with lower levels of inherent liquidity (eg: property and infrastructure investments) in an expectation of higher investment returns in the longer term.

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

19. FINANCIAL RISK MANAGEMENT (continued)

The table below analyses the contractual maturities of the Fund's financial liabilities, excluding gross settled derivative liabilities, based on the remaining period to the contractual maturity date at the year end.

	Carrying Amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3-12 months \$'000	>12 months \$'000
30 June 2015					
Financial Liabilities					
Net Settled Derivatives	(144,736)	(89,766)	369	(52,548)	(2,791)
Total Financial Liabilities	(144,736)	(89,766)	369	(52,548)	(2,791)

	Carrying Amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3-12 months \$'000	>12 months \$'000
30 June 2014					
Financial Liabilities					
Net Settled Derivatives	78,783	56,583	2,050	(1,033)	21,183
Total Financial Liabilities	78,783	56,583	2,050	(1,033)	21,183

The above table does not include the funds "Liability for Accrued Benefits" as it is not practicable to determine the timing of when such liabilities will be paid.

The table below analyses the contractual maturities of the Fund's derivative financial instruments that will be settled on a gross basis, based on the remaining period to the contractual maturity date at the year end.

	Carrying Amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3-12 months \$'000	>12 months \$'000
30 June 2015					
Foreign currency forward contracts					
Inflows	6,050,738	3,219,813	975,846	1,855,079	-
(Outflows)	(6,195,474)	(3,309,579)	(975,477)	(1,907,627)	(2,791)

	Carrying Amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3-12 months \$'000	>12 months \$'000
30 June 2014					
Foreign currency forward contracts					
Inflows	3,516,803	1,747,015	558,081	592,165	619,542
(Outflows)	(3,438,020)	(1,690,432)	(556,031)	(593,198)	(598,359)

(d) Fair Value Hierarchy

The Fund has adopted the amendments to AASB 7, effective 1 July 2009. This requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following Levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1). These inputs are readily available in the market and are normally obtainable from multiple sources.
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2). These inputs must be observable for substantially the full term of the financial instrument.
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3). This includes any instrument that is not categorised in Level 1 or Level 2.

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

19. FINANCIAL RISK MANAGEMENT (continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The table below sets out the Fund's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2015.

2015 Consolidated	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial Assets				
Financial assets designated at fair value through profit and loss:				
Cash	3,181,368	14,551	-	3,195,919
Credit	-	1,960,156	-	1,960,156
Fixed interest securities	1,259	1,593,502	-	1,594,761
Australian equities	8,544,804	-	-	8,544,804
International equities	6,655,892	-	-	6,655,892
Alternative investment assets	-	-	6,256,364	6,256,364
Property	-	-	3,993,144	3,993,144
Derivatives	12,161	4,809	6,483	23,453
Total	18,395,484	3,573,018	10,255,991	32,224,493
Financial Liabilities				
Financial liabilities held for trading:				
Derivatives	(50,450)	(12,156)	(113,790)	(176,396)
Total	(50,450)	(12,156)	(113,790)	(176,396)
2014 Consolidated	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial Assets				
Financial assets designated at fair value through profit and loss:				
Cash	3,340,234	25,323	-	3,365,557
Credit	-	1,307,585	-	1,307,585
Fixed interest securities	-	909,830	-	909,830
Australian equities	7,901,910	-	-	7,901,910
International equities	5,522,962	-	-	5,522,962
Alternative investment assets	-	-	4,872,783	4,872,783
Property	-	-	4,295,357	4,295,357
Derivatives	41,388	7,585	42,439	91,412
Total	16,806,494	2,250,323	9,210,579	28,267,396
Financial Liabilities				
Financial liabilities held for trading:				
Derivatives	(3,991)	(3,413)	(10,463)	(17,867)
Total	(3,991)	(3,413)	(10,463)	(17,867)
2015 Fund	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial Assets				
Financial assets designated at fair value through profit and loss:				
Cash	3,181,368	14,551	-	3,195,919
Credit	-	1,960,156	-	1,960,156
Fixed interest securities	1,259	1,593,502	-	1,594,761
Australian equities	8,544,804	-	-	8,544,804
International equities	6,655,892	-	-	6,655,892
Alternative investment assets	-	-	6,256,364	6,256,364
Property	-	-	3,174,844	3,174,844
Derivatives	12,161	4,809	6,483	23,453
Total	18,395,484	3,573,018	9,437,691	31,406,193
Financial Liabilities				
Financial liabilities held for trading:				
Derivatives	(50,450)	(12,156)	(105,583)	(168,189)
Total	(50,450)	(12,156)	(105,583)	(168,189)

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

19. FINANCIAL RISK MANAGEMENT (continued)

2014 Fund	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial Assets				
Financial assets designated at fair value through profit and loss:				
Cash	3,340,234	25,323	-	3,365,557
Credit	-	1,307,585	-	1,307,585
Fixed interest securities	-	909,830	-	909,830
Australian equities	7,901,910	-	-	7,901,910
International equities	5,522,962	-	-	5,522,962
Alternative investment assets	-	-	4,872,783	4,872,783
Property	-	-	3,281,396	3,281,396
Derivatives	41,388	7,585	42,439	91,412
Total	16,806,494	2,250,323	8,196,618	27,253,435
Financial Liabilities				
Financial liabilities held for trading:				
Derivatives	(3,991)	(3,413)	(5,225)	(12,629)
Total	(3,991)	(3,413)	(5,225)	(12,629)

The following table presents the movement in level 3 instruments for the year ended 30 June 2015 by class of financial instrument.

**At 30 June 2015
Consolidation**

	Alternative Investment Assets	Property	Derivative Financial Instruments
Opening Balance	4,872,783	4,295,357	31,976
Purchases	1,505,795	1,897,933	139
Sales	(527,991)	(2,279,504)	-
Transfers into/(out of) from level 3	-	-	-
Gains and losses recognised in profit or loss	405,777	79,358	(139,422)
Closing Balance	6,256,364	3,993,144	(107,307)
Total gains or losses for the year included in the Operating Statement for financial assets and liabilities held at the end of the year	405,777	79,358	(139,422)

**At 30 June 2014
Consolidation**

	Alternative Investment Assets	Property	Derivative Financial Instruments
Opening Balance	4,595,689	3,733,075	(115,913)
Purchases	249,916	751,187	-
Sales	(206,625)	(635,231)	-
Transfers into/(out of) from level 3	-	-	-
Gains and losses recognised in profit or loss	233,803	446,326	147,889
Closing Balance	4,872,783	4,295,357	31,976
Total gains or losses for the year included in the Operating Statement for financial assets and liabilities held at the end of the year	233,803	446,326	147,889

The following table presents the movement in level 3 instruments for the year ended 30 June 2015 by class of financial instrument.

**At 30 June 2015
Fund**

	Alternative Investment Assets	Property	Derivative Financial Instruments
Opening Balance	4,872,783	3,281,396	37,214
Purchases	1,505,795	1,897,933	139
Sales	(527,991)	(2,279,504)	-
Transfers into/(out of) from level 3	-	-	-
Gains and losses recognised in profit or loss	405,777	275,019	(136,453)
Closing Balance	6,256,364	3,174,844	(99,100)
Total gains or losses for the year included in the Operating Statement for financial assets and liabilities held at the end of the year	405,777	275,019	(136,453)

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

19. FINANCIAL RISK MANAGEMENT (continued)

At 30 June 2014
Fund

	Alternative Investment Assets	Property	Derivative Financial Instruments
Opening Balance	4,595,689	3,000,603	(108,437)
Purchases	249,916	751,187	-
Sales	(206,625)	(635,231)	-
Transfers into/(out of) from level 3	-	-	-
Gains and losses recognised in profit or loss	233,803	164,837	145,651
Closing Balance	4,872,783	3,281,396	37,214
Total gains or losses for the year included in the Operating Statement for financial assets and liabilities held at the end of the year	233,803	164,837	145,651

Valuation inputs and relationships to fair value

Refer to note 3(b) for details of the valuation policy of level three investments including a description of the types of unobservable inputs.

In regard to Alternative Investment Assets, the most significant assets, at reporting date, relate to units held in pooled investment vehicles of unlisted securities. The net market value of these investments, that are not quoted in an active market, is determined primarily by reference to the latest available redemption price of such units, as determined by the fund manager. The unit valuation is based on the valuations of the underlying securities, which the fund manager values in accordance with its own valuation policies, which typically follow accepted accounting standards and/or industry guidelines, such as the valuation guidelines adopted by the Australian Private Equity and Venture Capital Association and its international counterparts.

The fund managers of unlisted assets typically appoint an independent valuer to value the underlying assets at least annually. Unlisted assets are typically valued using Discounted Cash Flow models combined with an assessment of actual sales of comparable assets and price indicators from listed markets.

Based on an assessment of unobservable inputs relating to the fair value of Cbus Property assets, the most significant unobservable input is the capitalisation rate. The range of unobservable input for the capitalisation rate is assumed to be 5.7% to 7.5% (2014: 6% to 9.5%). This range has been determined by Cbus Property as an appropriate assumption for this scenario analysis. A 0.25% increase or decrease of the unobservable input at 30 June 2015 based on a mid-point capitalisation rate would have (decreased)/increased the net assets available to pay benefits and the benefits accrued as a result of operations by the following amount +/- \$57,300,167 (2014: +/- \$49,301,505). The analysis is performed on the same basis for 2014.

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

20. CONTROLLED ENTITIES

The parent entity is the Construction and Building Unions Superannuation Fund, which owns more than half the voting power of the below entities and therefore accounting standards require these entities to be consolidated. The Fund's investments in each of its subsidiaries is detailed below:

Controlled entities	2015	2014
United Super Investments Pty Ltd	100%	100%
USI (Mitchell Plaza) Pty Ltd	100%	100%
USI (Breakfast Point) Pty Ltd	100%	100%
Cbus Property Pty Ltd	100%	100%
Cbus Property Commercial Pty Ltd	100%	100%
Cbus Property Residential Operations Pty Ltd	100%	100%
Cbus Property Industrial Pty Ltd	100%	100%
Cbus Property SESP No.1 Pty Ltd	100%	100%
Cbus Property 313 Spencer Street Holdings Pty Ltd	100%	100%
Cbus Property 447 Collins Street Holdings Pty Ltd	100%	100%

21. AUDITORS REMUNERATION

The Group's auditor is PricewaterhouseCoopers.

	CONSOLIDATED		FUND	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	\$000's	\$000's	\$000's	\$000's
Audit of financial statements and regulatory requirements	456	438	238	217
Other assurance services	35	68	35	68
Total auditor's remuneration	491	506	273	285

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

22. RELATED PARTIES

Key Management Personnel Disclosures
Trustee Company

The Trustee Company of the Fund is United Super Pty Ltd (USPL).

Directors

The following persons held the position of Director of United Super Pty Ltd during part or all of the period from 1 July 2014 to the date of this report:

Mr S Beynon	Mr J Murray	Ms G Kearney
Mr S Bracks	Mr D Noonan	Mr S McDine (resigned 04/08/2014)
Mr W Harnisch	Mr F O'Grady	Mr E Setches
Mr P Kennedy	Mr P Smith	Mr M Zelinsky (appointed 26/08/2014)
Mr A McDonald	Mr G Thompson	Ms A Milner (appointed 26/08/2014)
Ms R Mallia	Mr J Dawkins	

The following persons held the position of alternate Director of United Super Pty Ltd during part or all of the period from 1 July 2014 to the date of this report:

Mr B Davis
Ms A Donnellan (appointed 26/08/2014)
Mr A Hicks (appointed 25/08/2015)

The following key management personnel are also members of the Fund:

Mr D Atkin	Mr J Murray	Mr E Setches
Mr S Beynon	Ms R Mallia	Mr P Kennedy
Mr W Harnisch	Mr D Noonan	Mr F O'Grady

Contributions and benefits for key management personnel are determined using the same terms and conditions that apply to all other members.

The key management personnel compensation paid directly to the Directors & CEO in relation to services to the Fund is as follows:

	30 June 2015	30 June 2014
	\$000's	\$000's
Short-term employee benefits	1,817	1,608
Post-employment benefits	140	118
	1,957	1,726

The above compensation payments include Directors' fees paid directly to sponsoring organisations, also disclosed at note 22(z).

Other related party transactions

The Fund's assets are held in trust by USPL and custodially held by JP Morgan Chase Bank, National Association (JPM). USPL, as Trustee for the Fund, interacts with other related parties as detailed below.

(a) Superpartners Pty Ltd

Superpartners provide member administration and custodial services to the Fund and other institutional clients. In December 2014, Cbus sold its 17.95% shareholding in Superpartners Pty Ltd for \$25,132,260. Superpartners received \$29,998,990 (2014: \$78,781,577) in fees from Cbus up to the date of sale. All transactions were made on normal commercial terms, under normal conditions and at market rates.

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

22. RELATED PARTIES (continued)

Other related party transactions (continued)

(b) Industry Super Holdings Pty Ltd / Members Equity Bank Pty Ltd

USPL has a 16.1% holding in Industry Super Holdings Pty Ltd (ISH), amounting to \$71,369,803 (2014: \$61,534,388). Industry Fund Services Pty Ltd, Industry Funds Management Pty Ltd and Industry Superannuation Network are wholly owned subsidiaries of ISH.

USPL also has a 16.1% holding in Members Equity Bank Pty Ltd amounting to \$169,711,709 (2014: \$153,241,281). Members Equity Bank Pty Ltd provides banking products to superannuation fund members and others.

Members Equity manages Super Business Loans (SBL) and Super Home Loans (SMHL) through the Members Equity Super Loans Trust (SLT). USPL has an investment of \$188,723,850 (2014: \$247,286,640) in SLT and the Fund receives investment returns from this investment. The Fund has closed its investment in negotiable certificates of deposit issued by Members Equity Bank Pty Ltd (2014: \$162,966,363) and also closed its investment in Members Equity CNA 31 Day (2014: \$358,281,829).

(c) Industry Fund Services Pty Ltd

Industry Fund Services Pty Ltd (IFS) provides a range of services including financial planning and credit control to the Fund. IFS has been established to provide a broad range of wholesale and retail services to superannuation funds and their members. These services are provided under normal commercial terms and conditions. A consulting fee of \$5,047,083 (2014: \$5,327,891) was charged for the services rendered by IFS during the year. IFS is a wholly owned subsidiary of Industry Super Holdings Pty Ltd (refer to note 22(b)).

(d) Industry Funds Management Pty Ltd

Industry Funds Management (IFM) is the investment manager of various investment products in which USPL invests. USPL has investments in IFM Australian Private Equity Fund II \$3,885,948 (2014: \$5,131,184), IFM Australian Private Equity Fund III \$30,830,432 (2014: \$42,129,933), IFM International Private Equity Fund I \$35,441,877 (2014: \$39,095,956), IFM Australian Infrastructure \$1,228,852,852 (2014: \$1,248,815,460), IFM International Infrastructure \$828,805,467 (2014: \$602,838,675), IFM AFIF Long \$216,466,308 (2014: \$205,451,264), IFM Enhanced Indexed Australian Equities \$2,270,059,445 (2014: \$1,897,491,479), IFM Australian Private Equity Fund IV \$47,583,570 (2014: \$70,547,000), IFM International Private Equity III \$106,479,238 (2014: \$81,005,058), IFM Acorp \$511,485,012 (2014: \$411,873,202), IFM Trans Cash \$247,635,423 (2014: \$240,897,770) and IFM Sub-investment Grade Debt \$62,284,348 (2014: \$18,892,206). All management fees charged in relation to these investments are under normal commercial terms and conditions. IFM is a wholly owned subsidiary of Industry Super Holdings Pty Ltd (refer to note 22(b)).

(e) Industry Super Australia (formerly Industry Superannuation Network)

Industry Super Australia (ISA) is a wholly owned subsidiary of ISH. ISA provides marketing and Policy advocacy services.

The Fund CEO, Mr D Atkin is an alternate Director of ISA and Mr S.Bracks is a member of the advisory board of ISA. There are no Directors' fees payable to Directors.

(f) Industry Fund Investments Pty Ltd

Industry Fund Investments Pty Ltd is a wholly owned subsidiary of IFS and Trustee of AUSfund. AUSfund is the Fund's eligible rollover fund and also provides cross matching services to the Fund to enable consolidation of member accounts.

(g) IFS Insurance Broking Pty Ltd

The Fund paid brokerage fees of \$867,831 (2014: \$630,831) to IFS Insurance Broking Pty Ltd (IFSIB) during the year for the provision of insurance broking services. USPL utilises the services of IFSIB to source group life cover, trustee indemnity cover, general property cover, public liability cover and other classes of insurance. IFSIB is a 65% owned subsidiary of IFS.

(h) Frontier Investment Consulting Pty Ltd

Frontier Investment Consulting (Frontier) was established to provide asset consulting services for a range of superannuation funds. The Fund has an investment amounting to \$1,461,000 in Frontier (2014: \$1,492,000). During the year, the Fund paid Frontier asset consulting fees of \$3,142,645 (2014: \$3,033,806) on normal terms and conditions. Mr D.Atkin is a Director of Frontier for which the Fund received \$13,482 (2014: \$12,840) for Director fees.

(i) Industry Superannuation Property Trust (Core) No.1 and No.2

USPL has an investment of \$828,585,696 (2014: \$760,591,505) in the Industry Superannuation Property Trust (Core) No.1, \$1,105,338 (2014: \$8,676,843) in Industry Superannuation Property Trust (Grosvenor) and \$33,614,792 (2014: \$31,404,912) in Industry Superannuation Development Trust. ISPT Pty Ltd is trustee of these trusts. Mr F O'Grady is a Director of ISPT Pty Ltd and USPL holds 1 \$1 share in ISPT Pty Ltd. Provision is made by ISPT Pty Ltd for payment of Directors' fees for the services of Directors.

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

22. RELATED PARTIES (continued)

Other related party transactions (continued)

(j) The New Daily

USPL has an investment of \$2,000,000 (2014: \$2,000,000) in The Free News Pty Ltd which provides free online newspaper to members with subscriptions. Glenn Thompson is a Director of The Free News PTY Ltd. Provision is made by USPL for the payment of Directors' fees services of \$12,730 (2014: \$20,500).

(k) Hasting Funds Management (UTA) Utilities Trust of Australia

USPL has an investment of \$702,328,107 (2014: \$598,905,203) in Utilities Trust of Australia (UTA) which invests in infrastructure. USPL holds 1 \$1 share in Utilities of Australia Pty Ltd. Peter Kennedy was appointed as a Director on 1 January 2015. Provision is made by UTA for the payment of Directors' fees services.

(l) United Super Investments Pty Ltd

United Super Investments Pty Ltd (USI) is an investment company that is wholly owned by the Fund. USI is the ultimate holding company for various entities that were established to hold development properties managed by Cbus Property Pty Ltd (refer note 22(q)). All properties held by the entities owned by USI have been sold, and proceedings are being undertaken to wind up the remaining entities. Australian Super Developments Pty Ltd and United Super Investments (Frances Park) Pty Ltd are two entities which remain and which USI is the 100% owner.

The Fund CEO, Mr D Atkin, and CFO, Mr K Wells-Jansz are Directors of USI. There are no Directors' fees payable to Directors.

(m) Australian Super Developments Pty Ltd

Australian Super Developments Pty Ltd (ASD) is an investment company that is wholly owned by the Fund. ASD has been utilised within the USI investment structure for various property developments, however, there are no remaining property developments held within this structure. USI owns 100% of ASD. Mr J Murray and Mr D Noonan are Directors of ASD. There are no fees payable to Directors.

(n) United Super Investments (Frances Park) Pty Ltd

United Super Investments (Frances Park) Pty Ltd (USI (FP)) was an investment company that was wholly owned by the Fund. USI (FP) was a 50% Joint Venture Partner in the Frances Park Partnership Pty Ltd.

All the residential units have been sold within The Frances Park Partnership and the company has been deregistered effective 15 October 2014.

(o) United Super Investments (Mitchell Plaza) Pty Ltd

United Super Investments (Mitchell Plaza) Pty Ltd (USI (MP)) is an investment company that is wholly owned by the Fund. USI (MP) was a 50% Joint Venture Partner in the Mitchell Centre Joint Venture. The Fund retains the commitment for rental of the land associated with the Mitchell Centre, on a 63 year lease with the Uniting Church. The present value of this obligation has been determined as \$19.5m (2014: \$19.7m) and has been provisioned for as a liability that will be written off over the term of the lease within the books and records of the Fund. The valuation of the liability reflects the net present value of the lease liability.

(p) USI (Breakfast Point) Pty Ltd

USI (Breakfast Point) Pty Ltd (USI (BP)) is an investment company that is wholly owned by the Fund. USI (BP) has a 50% interest in Breakfast Point Unit Trust, which was established to develop the Breakfast Point Site in NSW for residential and commercial use.

In the prior year Mark Percy, Executive Manager of Residential purchased a property at the Breakfast Point development. The transaction was undertaken at arms length basis.

Financing Agreement

On 30 September 2011 Breakfast Point Unit Trust entered into a facility agreement with National Australia Bank Limited which expired 30 November 2013. On 2 December 2013 Breakfast Point Unit Trust entered into a variation deed to this facility agreement expiring 30 November 2016 for an amount of up to \$110M with National Australia Bank Limited. The loan is held within the books and records of The Breakfast Point Unit Trust. USI (BP) has a share of \$14.4M (2014: \$33.8M) of the principal balance of this facility. The purpose of the loan is to fund ongoing project costs. USI (BP) and United Super Investments Pty Ltd are guarantors under the facility, whereby liability is limited to their 50% share of the debt.

The Trust has entered into interest rate swap contracts under which it is obliged to receive interest at variable rates and to pay interest at fixed rates. The hedge has a maturity date 29 November 2016. USI(BP) has a share of \$229K of the hedge liability which is reflected as part of the investment value in BPUT.

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

22. RELATED PARTIES (continued)

Other related party transactions (continued)

(q) Cbus Property Pty Ltd

Cbus Property Pty Ltd (Cbus Property) is a 100% held subsidiary of the Fund and manages all the Fund's directly held property assets. Cbus Property is a service company charged with stewardship of the direct property investments of the Fund. It invests in direct property on behalf of the Fund in accordance with an Investment Management Agreement between Cbus Property and the Fund dated 1 January 2010. Cbus Property does not have ownership of any direct property assets.

Property assets under the stewardship of Cbus Property are as follows:

	Gross Asset Value 30 June 2015 \$000s	Gross Asset Value 30 June 2014 \$000s	Net Market Value 30 June 2015 \$000s	Net Market Value 30 June 2014 \$000s
Development Projects and Sites	469,042	793,652	469,042	470,294
Joint Venture Development Projects	289,758	277,718	289,758	273,403
Income Earning Properties	1,282,093	1,708,776	711,349	1,017,526
Other	(6,423)	279	(6,423)	275
Total	2,034,470	2,780,425	1,463,726	1,761,498

Mr D Noonan, Mr J Murray, Mr A McDonald and Mr S Bracks are Directors of Cbus Property. Cbus Property makes provision for payment of Directors fees as follows:

	30 June 2015 \$000's	30 June 2014 \$000's
Short-term employee benefits	346	334
Post-employment benefits	24	23
	370	357

The above compensation payments include Directors' fees paid directly to Sponsoring organisation, also disclosed at note 22(z).

(r) Cbus Property Commercial Unit Trust

Cbus Property Commercial Unit Trust is an investment holding trust that is wholly owned by the Fund. It was established solely for the purpose of acting as the head trust for commercial projects undertaken by Cbus Property under the Investment Management Agreement. Cbus Property Commercial Pty Ltd is the trustee company for Cbus Property Commercial Unit Trust.

The following trusts are held 100% directly or indirectly by Cbus Property Commercial Unit Trust and used for commercial activities:

Trust	Trustee Company
Direct	
8 Exhibition Street Unit Trust	USI (8 Exhibition Street) Pty Ltd
CBW Unit Trust	Cbus Property CBW Pty Ltd
140 William Street Unit Trust	Cbus Property 140 William Street Pty Ltd
SESP Unit Trust	Cbus Property SESP Pty Ltd
SESP (CB3) Unit Trust	Cbus Property SESP (CB3) Pty Ltd
Cbus Property (Bent Street) Unit Trust	Cbus Property Bent Street Pty Ltd
171 Collins Street Unit Trust	Cbus Property 171 Collins Street Pty Ltd
5 Martin Place Unit Trust	Cbus Property 5 Martin Place Pty Ltd
50 Flinders Street Unit Trust	Cbus Property 50 Flinders Street Pty Ltd
Cbus Property Finance Pty Ltd	Cbus Property Finance Pty Ltd
Circular Quay Developments Unit Trust	Cbus Property Circular Quay Pty Ltd
Indirect	
The Bourke Junction Trust No.2	Bourke Junction No.2 Pty Ltd
The Bourke Junction Trust No.3	Bourke Junction No.2 Pty Ltd
Bourke Junction Nominees Pty Ltd	

The Cbus Property (Bent Street) Unit Trust has a one third Joint Venture interest in a commercial investment at 1 Bligh Street, Sydney.

The 171 Collins Street Unit Trust has a 50% Joint Venture interest with Charter Hall Collins Pty Ltd in a commercial development at 171 Collins Street, Melbourne. The development comprises office and retail premises.

In the prior year Cbus Property Commercial Unit Trust sold 50% of its units in the 1 William Street Unit Trust to ISPT.

As part of its management of the Fund's commercial property developments, where required, Cbus Property has entered into arrangements with external financiers to provide funding for certain developments.

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

22. RELATED PARTIES (continued)

Other related party transactions (continued)

(s) Cbus Property Residential Operations Unit Trust

Cbus Property Residential Operations Unit Trust is an investment holding trust that is wholly owned by the Fund. It was established solely for the purpose of acting as the head trust for residential projects undertaken by Cbus Property Pty Ltd under the Investment Management Agreement. Cbus Property Residential Operations Pty Ltd is the trustee company for Cbus Property Residential Operations Unit Trust.

The following trusts are held 100% directly by Cbus Property Residential Operations Unit Trust and used for residential development activities:

Trust	Trustee Company
Forbes Street Residential Unit Trust	Cbus Property Forbes Street Pty Ltd
35 Spring Street Unit Trust	Cbus Property 35 Spring Street Pty Ltd
Warleigh Grove Unit Trust	Cbus Property Warleigh Grove Pty Ltd
North Melbourne Unit Trust	Cbus Property North Melbourne Pty Ltd
West Melbourne Unit Trust	Cbus Property West Melbourne Pty Ltd
130 Elizabeth Street Unit Trust	Cbus Property 130 Elizabeth Street Pty Ltd
Brisbane Unit Trust	Cbus Property Brisbane Pty Ltd

Indirect

The Caritas Joint Venture Development

Cromwell Road Unit Trust wound up 26 June 2014.

An associate of Mr Frank O'Grady, a director of the Fund, purchased an apartment in the "Assembly" development in Queensberry Street, Melbourne in 2015. The transaction was undertaken at normal commercial terms.

During the prior year, Mark Percy, Executive Manager of Residential purchased a property at the Breakfast Point development. The transaction was undertaken at an arms length basis.

In the prior year, Ashley Reed, General Manager - Investments & Commercial, for Cbus Property purchased a property at 88 Alfred Street. The transaction was undertaken on an arms length basis. During the prior year Mark Percy, Executive Manager of Residential and Chris Kakoufas, General Manager - Developments, for Cbus Property have both purchased a property at 35 Spring Street. The transactions were undertaken on an arms length basis.

(t) Cbus Property Hospitality Unit Trust

Cbus Property Hospitality Unit Trust is an investment holding trust that is wholly owned by the Fund. It was established solely for the purpose of acting as the head trust for hospitality projects undertaken by Cbus Property Pty Ltd under the Investment Management Agreement. Cbus Property Hospitality Pty Ltd is the trustee company for Cbus Property Hospitality Unit Trust.

There are no assets held within the Cbus Property Hospitality Unit Trust.

(u) Cbus Property Industrial Unit Trust

Cbus Property Industrial Unit Trust is an investment holding trust that is wholly owned by the Fund. It was established solely for the purpose of acting as the head trust for industrial projects undertaken by Cbus Property Pty Ltd under the Investment Management Agreement. Cbus Property Industrial Pty Ltd is the trustee company for Cbus Property Industrial Unit Trust.

The following trusts are held 100% directly by Cbus Property Industrial Unit Trust and used for industrial development activities.

Trust	Trustee Company
Industrial Property No.1 Unit Trust	Industrial Property No.1 Pty Ltd

(v) 313 Spencer Street Holdings Unit Trust

313 Spencer Street Holdings Unit Trust is an investment holding trust that is wholly owned by the Fund. It was established solely for the purpose of acting as the head trust for a commercial development at 313 Spencer Street undertaken by Cbus Property Pty Ltd under the Investment Management Agreement. Cbus Property 313 Spencer Street Holdings Pty Ltd is the trustee company for 313 Spencer Street Holdings Unit Trust.

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

22. RELATED PARTIES (continued)

Other related party transactions (continued)

(w) SESP No.1 Unit Trust

SESP No.1 Unit Trust is an investment holding trust that is wholly owned by the Fund. It was established solely for the purpose of acting as the head trust for a commercial development at 720 Bourke Street undertaken by Cbus Property Pty Ltd under the Investment Management Agreement. Cbus Property SESP No.1 Pty Ltd is the trustee company for SESP No.1 Unit Trust.

The following trusts are held 100% directly by SESP No.1 Unit Trust

Trust	Trustee Company
The Bourke Junction Trust No.1	Bourke Junction No.1 Pty Ltd

(x) 447 Collins Street Holdings Unit Trust

447 Collins Street Holdings Unit Trust is an investment holding trust that is wholly owned by the Fund. It was established solely for the purpose of acting as the head trust for a commercial development at 447 Collins Street undertaken by Cbus Property Pty Ltd under the Investment Management Agreement. Cbus Property 447 Collins Street Holdings Pty Ltd is the trustee company for 447 Collins Street Holdings Unit Trust.

(y) United Super Pty Ltd (USPL)

The Trustee of the Fund is United Super Pty Ltd (USPL). During the year, the Fund paid USPL a Trustee fee of \$1,275,514 (2014: \$1,098,123) for administration and financial management services.

(z) Sponsoring Organisations

Marketing and promotion of the Fund includes sponsorship arrangements with the shareholders of the Trustee of the Fund, United Super Pty Ltd. Further, director fees for some Directors' are paid directly to those Directors' sponsoring organisations. The amounts below include sponsorship payments and Directors' fees (for the Fund and Cbus Property) to these organisations:

	30 June 2015	30 June 2014
	\$	\$
Sponsoring Organisation	1,659,820	2,463,824

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

23. INVESTMENT COMMITMENTS

	CONSOLIDATED		FUND	
	30 June 2015 \$m's	30 June 2014 \$m's	30 June 2015 \$m's	30 June 2014 \$m's
Credit	-	161	-	161
Australian Equities	-	100	-	100
Infrastructure	130	200	130	200
Alternative investment assets	860	889	860	889
Properties	1,886	1,106	1,736	348
Total Investment Commitments	2,876	2,456	2,726	1,698

24. CONTINGENT LIABILITIES

Australian Super Developments Pty Ltd (ASD) as trustee of the Australian Super Developments Unit Trust entered into a lease of the Regent Theatre commencing 13 September 1996 for a term of 50 years. ASD (Assignor) has entered into a Deed of Assignment of Lease dated 14 May 1998, assigning this lease to Regent Theatre Holdings Pty Ltd as trustee for The Marriner (Regent Theatre) Trust (Assignee). The Deed effectively transfers the rights and obligations of the Assignor (under the original Lease between the Landlord and the Assignor) to the Assignee. The Deed includes the Assignee's Covenants in favour of the Assignor and the Lessor to pay the rent, observe all lease obligations and to indemnify the Assignor against all costs associated with non-performance by the Assignee of these Lease obligations. At balance date, the Assignee had not defaulted and therefore, no liability has been recognised.

Cbus Property Commercial Pty Ltd as trustee for Cbus Property Commercial Unit Trust has entered into the following guarantees on behalf of a number of Cbus Property controlled entities. The guarantees have been undertaken in the normal course of business to secure the obligations of the relevant entity.

Entities Obligations Secured	Beneficiary	Amount \$
Cbus Property 5 Martin Place Pty Ltd	The Council of the City of Sydney	418,375
Cbus Property 1 William Street Pty Ltd	The State of Queensland & The Department of Transport	35,000,000
Cbus Property 50 Flinders Street Pty Ltd	Australian Central Credit Union Limited	2,000,000
Industrial Property No.1 Pty Ltd	Vic Roads	162,000
Industrial Property No.1 Pty Ltd	Melbourne Water Corporation	100,000
Industrial Property No.1 Pty Ltd	Greater Dandenong City Council	84,240
Industrial Property No.1 Pty Ltd	South East Water Limited	83,000
Cbus Property 88 Alfred Street	North Sydney Council	318,000
Cbus Property 313 Spencer Street Pty Ltd	Southern Cross Station Pty Ltd	250,000
Cbus Property Pty Ltd	Clarence Property Corporation Ltd	28,380
Bourke Junction No 1 Pty Ltd	Medibank Private Ltd	2,500,000
Cbus Property SESP No.1 Pty Ltd	Victorian Urban Development Authority	500,000
Cbus Property 447 Collins Street Pty Ltd	City of Melbourne	25,000
Cbus Property 447 Collins Street Pty Ltd	Enwerd Pty Ltd and SHL Nominees	137,717

The guarantees have been provided under separate facilities with the CBA which expire when the relevant guarantee expires or is returned. Fees are payable at 0.5% on the face value of the bank guarantee half yearly in advance and have been accounted for by the entity that has the obligation secured.

25. SUBSEQUENT EVENT

On 7 August 2015, the 100% owned Sydney Residential 2015 Unit Trust was established. On 14 August 2015, contracts were signed to purchase a property at Newmarket, Sydney for \$290M. Settlement occurred 30 September 2015 and involved an acquisition term facility provided by Commonwealth Bank of Australia Limited. The facility involved a letter of support provided by United Super Pty Ltd in favour of the Mortgagee.

In connection with the North Melbourne Development Facility; and under the terms of a subscription deed dated 20 July 2015, United Super Pty Ltd as trustee of the Construction and Building Unions Superannuation Fund and Cbus Property Residential Operations Pty Ltd as trustee of the Cbus Property Residential Operations Unit Trust have agreed that when called upon by Cbus Property North Melbourne Pty Ltd, they will make subscriptions for units in the Cbus Property Residential Unit Trust and North Melbourne Unit Trust respectively up to a maximum of the outstanding facility balance at that time.

On 1 June 2015 contracts were exchanged to purchase a residential site at 185 Wharf Street, Spring Hill, Brisbane for \$14.6M. A deposit of \$0.7M was paid with settlement occurring September 2015.

On 2 May 2014 contracts were exchanged to purchase a residential site at Dryburgh Street, West Melbourne for \$12M. A deposit of \$1.2M was paid with settlement occurring 31 July 2015.

On 28 August 2014 contracts were signed for the sale of the existing buildings more commonly known as Parcel 1 for \$39.6M, settlement occurred 12 August 2015. On 18 November 2014 contracts were signed for the sale of Retail Shopping Centre and Masters, more commonly known as Retail for \$54.3M, with settlement expected in December 2015.

On 13 October 2014 contracts were exchanged to purchase a residential site at Langston Place, Epping, Sydney for \$83.3M. A deposit of \$8.3M was paid on exchange of contracts with a settlement balance of \$74.8m paid on 13 October 2015.

Practical completion was granted on the commercial developments at 5 Martin Place (5 Martin Place Unit Trust) and 50 Flinders Street (50 Flinders Street Unit Trust), both on 1 September 2015.

CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

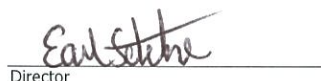
TRUSTEE'S DECLARATION TO THE MEMBERS

In the opinion of the Trustee of the Construction and Building Unions Superannuation Fund:

- (a). The accompanying financial statements of the Construction and Building Unions Superannuation Fund and its Controlled Entities for the year ended 30 June 2015 as set out on pages 3 to 43 are drawn up so as to present fairly the financial position of the Fund as at 30 June 2015, and the results of its operations and cash flows for the year then ended;
- (b). The accompanying financial statements are drawn up in accordance with Australian Accounting Standards, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and the provisions of the Trust Deed dated 18 April 1984 as amended;
- (c). The operation of Construction and Building Unions Superannuation Fund has been carried out in accordance with the Trust Deed and in compliance with the requirements of the *Superannuation Industry (Supervision) Act 1993*, and its accompanying Regulations and such guidelines as are relevant and the relevant requirements of the *Corporations Act 2001 and Regulations* (to the extent applicable); the requirements under *Section 13 of the Financial Sector (Collection of Data) Act 2001*; and the Guidelines issued by the Australian Prudential Regulation Authority on Risk Management Statements for Superannuation Entities Investing in Derivatives, during the year ended 30 June 2015; and
- (d). There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors of United Super Pty Ltd as Trustee for Construction and Building Unions Superannuation Fund.


Director


Director

Signed at Melbourne this 27th day of October 2015



Construction and Building Unions Superannuation Fund and its consolidated entities (ABN: 75 493 363 262) Report by the RSE Auditor¹ to the trustee and members

Financial statements

I have audited the financial statements of Construction and Building Unions Superannuation Fund and its consolidated entities for the year ended 30 June 2015 comprising the Consolidated Statement of Financial Position, Consolidated Operating Statement, Consolidated Statement of Cash Flows, summary of significant accounting policies and other explanatory notes.

Trustee's responsibility for the financial statements

The superannuation entity's trustee is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards² and the requirements of the *Superannuation Industry (Supervision) Act 1993* (SIS Act) and the *Superannuation Industry (Supervision) Regulations 1994* (SIS Regulations). The trustee is also responsible for such internal control as the trustee determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted an independent audit of the financial statements in order to express an opinion on them to the trustee and members of Construction and Building Unions Superannuation Fund and its controlled entities.

My audit has been conducted in accordance with Australian Auditing Standards³. These Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the trustee's preparation and fair presentation of the financial statements 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 trustee's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustee, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

¹ RSE Auditor as defined in Section 10 of the SIS Act.

² The Australian Accounting Standards issued by the Australian Accounting Standards Board.

³ The Australian Auditing Standards issued by the Auditing and Assurance Standards Board.

PricewaterhouseCoopers, ABN 52 780 433 757

*Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au*



Auditor's Opinion

In my opinion, the financial statements present fairly, in all material respects, in accordance with Australian Accounting Standards the financial position of Construction and Building Unions Superannuation Fund and its controlled entities as at 30 June 2015 and the results of its operations and its cash flows for the year ended 30 June 2015.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive, flowing script.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to be 'CK', followed by a period.

Claire Keating
Partner

Melbourne
27 October 2015

