



Construction & Building  
Industry Super

UNITED SUPER PTY LTD  
A.B.N. 46 006 261 623  
A.C.N. 006 261 623

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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**UNITED SUPER PTY LTD  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2016**

## **Directors' report**

The Directors present their report together with the financial statements of United Super Pty Ltd ("the Company") for the year ended 30 June 2016 and the auditor's report thereon.

The names of the Directors in office during or since the end of the financial year are:

Mr S Beynon	Mr J Murray (resigned 23/02/2016)	Ms G Kearney
Mr S Bracks	Mr D Noonan	Mr E Setches
Mr W Harnisch	Mr F O'Grady	Mr M Zelinsky
Mr P Kennedy	Mr P Smith	Ms A Milner
Mr A McDonald	Mr G Thompson	Mr S Dunne (appointed 02/02/2016)
Ms R Mallia	Mr J Dawkins	

Alternate Director – Ms A Donnellan

Alternate Director – Mr B Davis

Alternate Director – Mr A Hicks

### **Company particulars**

United Super Pty Ltd was incorporated in Australia. The address of the registered office is:

Level 28  
2 Lonsdale Street  
Melbourne, VIC 3000

### **Principal activities**

The principal activity of the Company during the course of the year was to act as Trustee for the Construction & Building Unions Superannuation Fund ("the Fund"). In addition, the Company has incurred expenditure on behalf of the Fund and in accordance with the Trust Deed, the Company received income from the Fund for reimbursement of expenditure incurred. All costs of the Company are borne by the Fund.

### **Review of operations**

The profit/(loss) after income tax for the year ended 30 June 2016 amounted to (\$2,899) (30 June 2015: \$578).

### **Risk Management**

No regulatory breaches of note occurred during the year.

### **Dividends**

No dividend has been paid or declared in respect of the year ended 30 June 2016 (30 June 2015: \$nil).

### **State of affairs**

There were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

### **Likely developments**

The Company will continue to act solely as Trustee of the Fund and, at the date of this report, the Directors believe the Company will not carry out any business actively on its own behalf in the foreseeable future.

### **Environmental regulations**

The Company's operations are not regulated by any significant environmental regulations under Commonwealth, State or Territory legislation.

The Directors are not aware of any significant breaches of environmental regulations during the period covered by the report.

### **Matters subsequent to the end of the financial year**

No matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect:

- the operations of the Company in future financial years, or
- the results of those operations in future financial years, or
- the state of affairs of the Company in future financial years.

Directors of the responsible entity have the power to amend and reissue the financial statements.

**UNITED SUPER PTY LTD  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2016**

**Indemnification and insurance of officers and auditors**

During the financial year the Fund has paid premiums, \$352,897 (2015: \$318,774) for insurance contracts on behalf of the Company in respect of directors' and officers' liability and legal expenses for the year ended 30 June 2016. Since the financial year end, the Fund has paid or agreed to pay on behalf of the Company, premiums in respect of such insurance contracts for the year ending 30 June 2017. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been Directors or executive officers of the Company.

The Directors have not included details of the nature of the liabilities covered in respect of the directors' and officers' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

**Auditor's Independence declaration**

The lead auditor's independence declaration is set out on page 22 and forms part of the Directors' Report for the financial year 2016.

This report is made in accordance with the resolution of the Directors.

  
\_\_\_\_\_  
DIRECTOR  
  
\_\_\_\_\_  
DIRECTOR

Dated at Melbourne this 9th day of September 2016.

<p style="text-align: center;">UNITED SUPER PTY LTD STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016</p>
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		30 JUNE 2016	30 JUNE 2015
	Notes	\$	\$
Revenue from continuing operations	6	1,629,123	1,332,569
Director & Committee expenses		(1,632,269)	(1,331,744)
<b>Profit before income tax</b>		<b>(3,146)</b>	<b>825</b>
Income tax (expense)/benefit	9	247	(247)
<b>Profit for the year</b>		<b>(2,899)</b>	<b>578</b>
<b>Total comprehensive income for the year</b>		<b>(2,899)</b>	<b>578</b>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

<p style="text-align: center;">UNITED SUPER PTY LTD STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016</p>
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		30 JUNE 2016	30 JUNE 2015
	Notes	\$	\$
<b>CURRENT ASSETS</b>			
Cash		27,699	18,958
Receivables		376,652	387,972
<b>Total current assets</b>		<b>404,351</b>	<b>406,930</b>
<b>CURRENT LIABILITIES</b>			
Payables		394,254	393,687
Current Tax Liability	9	-	247
<b>Total current liabilities</b>		<b>394,254</b>	<b>393,934</b>
<b>NET ASSETS</b>		<b>10,097</b>	<b>12,996</b>
<b>EQUITY</b>			
Contributed Equity	5	15	15
Retained Earnings		10,082	12,981
<b>TOTAL EQUITY</b>		<b>10,097</b>	<b>12,996</b>

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

<p style="text-align: center;">UNITED SUPER PTY LTD STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016</p>
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	Notes	Contributed equity \$	Retained earnings \$	Total \$
<b>Balance at 1 July 2014</b>		15	12,403	12,418
Total comprehensive income/(loss) for the year		-	578	578
Transactions with owners in their capacity as owners		-	-	-
<b>Balance at 30 June 2015</b>		15	12,981	12,996
Total comprehensive income/(loss) for the year		-	(2,899)	(2,899)
Transactions with owners in their capacity as owners		-	-	-
<b>Balance at 30 June 2016</b>		15	10,082	10,097

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

<p style="text-align: center;">UNITED SUPER PTY LTD STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016</p>
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	Note	30 JUNE 2016	30 JUNE 2015
<b>Cash flows from operating activities</b>			
Cash receipts from Trustee Services		1,642,963	1,277,620
Cash paid to suppliers and employees		(1,634,222)	(1,363,045)
Income tax paid		-	220
<b>Net cash from operating activities</b>	10(ii)	<u><b>8,741</b></u>	<u><b>(85,206)</b></u>
Net increase/(decrease) in cash		8,741	(85,206)
Cash at the beginning of the year		18,958	104,164
<b>Cash at the end of the year</b>		<u><b>27,699</b></u>	<u><b>18,958</b></u>
Cash at Bank		27,699	18,958
<b>Total Cash</b>	10(i)	<u><b>27,699</b></u>	<u><b>18,958</b></u>

The above is a representation of the Statement of Cash Flows and a reconciliation of cash movements for the year.



**UNITED SUPER PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**1. Corporate Information**

United Super Pty Ltd is a company limited by shares that is incorporated and domiciled in Australia.  
The registered office of United Super Pty Ltd is located at:

Level 28  
2 Lonsdale Street  
Melbourne Victoria 3000

The principal activity of the Company during the year was to act as trustee of the Fund. The Company also holds an Australian Financial Services Licence ("ASFL") and a Registrable Superannuation Entity (RSE) Licence. The Company is a for-profit entity for the purpose of preparing financial statements.

**2. Basis of Preparation**

**(a) Statement of compliance**

In the opinion of the Directors, the Company is a small proprietary company and is not a reporting entity. The financial report of the Company has been drawn up as a general purpose financial report for distribution to the members. The general purpose financial report has been prepared in accordance with Australian Accounting Standards, ("AASB") adopted by the Australian Accounting Standards Board ("AASB"), the Corporations Act 2001, Urgent issues Group Interpretations and the Company's APRA licence.

The financial statements were approved by the Board of the Directors on 9th September 2016.

**(b) Functional and presentation currency**

These financial statements are presented in Australian dollars, the Company's functional currency.

**(c) Historical cost convention**

These financial statements have been prepared under the historical cost convention.

**(d) 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, 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.

**(e) Rounding**

The company is an entity of the kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191, issued by ASIC, relating to the rounding off to the nearest thousand dollars in accordance with that Corporations Instrument, unless otherwise indicated.

**UNITED SUPER PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**3. Significant Accounting Policies**

**(a) Income Tax**

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

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

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

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

**(b) Goods & Services Tax**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is 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.

**(c) Cash**

Cash comprises cash on hand and cash at bank. For the purpose of the Statement of Cash Flows, cash consists of cash as defined above.

**(d) Revenue**

Revenue from the rendering of administration services to the Fund is based upon expenditure reimbursed by the Fund.

**(e) Receivables and payables**

Receivables and payables are subject to normal trade credit terms. Receivables are carried at the amount due. Payables are recognised when there is an obligation to make future payment for services received and are carried at the amount payable on demand which approximates to fair value.

**(f) New Standards and interpretations not early adopted**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods and have not adopted by the Company. The directors' assessment of the impact of these new standards (to the extent relevant to the Company) and interpretations is that there are no new standards or interpretations relevant to the Company.

**UNITED SUPER PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**4. Trustee Liabilities and Right of Indemnity**

The financial statements have been prepared for the Company and as such do not record the assets and liabilities of the Fund. The Company will only be liable for the obligations of the Fund if it has committed a breach of its fiduciary duties, or to the extent that the Fund has insufficient assets to settle its obligations. At balance date, the assets of the Fund are sufficient to meet its liabilities, and there has been no breach of fiduciary duties of the Company in its capacity as Trustee of the Fund.

**5. CONTRIBUTED EQUITY**

	<b>30 JUNE 2016</b>	<b>30 JUNE 2015</b>
<b>Authorised capital</b>	\$	\$
10,000 shares of \$1 each	<u>10,000</u>	<u>10,000</u>
<b>Issued Capital</b>		
15 shares of \$1 each fully paid	<u>15</u>	<u>15</u>
Class A 7 Shares at \$1		
Class B 7 Shares at \$1		
Non-Voting 1 Share at \$1		

**6. REVENUE**

	<b>30 JUNE 2016</b>	<b>30 JUNE 2015</b>
	\$	\$
Interest Income	792	2,301
Trustee Services Income	1,628,331	1,330,268
	<u>1,629,123</u>	<u>1,332,569</u>

**UNITED SUPER PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**7. RELATED PARTIES**

**Key Management Personnel Disclosures**  
**Trustee Company**

The Company is the Trustee of the Fund.

**Directors**

The following persons held the position of Director of United Super Pty Ltd during part or all of the period from 1 July 2015 to the date of this report:

Mr S Beynon	Mr J Murray (resigned 23/02/2016)	Ms G Kearney
Mr S Bracks	Mr D Noonan	Mr E Setches
Mr W Harnisch	Mr F O'Grady	Mr M Zelinsky
Mr P Kennedy	Mr P Smith	Ms A Milner
Mr A McDonald	Mr G Thompson	Mr S Dunne (appointed 02/02/2016)
Ms R Mallia	Mr J Dawkins	

The following persons held the position of alternate Director of the Company during part or all of the period from 1 July 2015 to the date of this report:

Mr B Davis  
Ms A Donnellan  
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 Dunne
Mr S Beynon	Ms R Mallia	Mr F O'Grady	Mr A McDonald
Mr W Harnisch	Mr D Noonan	Mr P Kennedy	

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 Directors & CEO in relation to services to the Cbus Group is as follows:

	<b>30 June 2016</b>	<b>30 June 2015</b>
	<b>\$000's</b>	<b>\$000's</b>
Short-term employee benefits	1,822	1,817
Post-employment benefits	142	140
	<u>1,964</u>	<u>1,957</u>

The above compensation payments include Directors' fees paid directly to Sponsoring organisation, also disclosed at note 7(aa).

**Other related party transactions**

The Company's holds the Fund's assets in Trust. These are custodially held by JP Morgan Chase Bank (JPM) who have acted as the master custodian from 1 June 2014. USPL, as Trustee for the Fund, interacts with other related parties as detailed below.



**UNITED SUPER PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**7. RELATED PARTIES (CONTINUED)**

**Other related party transactions (continued)**

**(a) Superpartners Pty Ltd**

For part of the year ended 2015, Superpartners provided 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 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.

**(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 \$87,131,685 (2015: \$71,369,803). 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 \$167,798,525 (2015: \$169,710,709). 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 \$156,715,629 (2015: \$188,723,850) in SLT and the Fund receives investment returns from this investment.

**(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 \$3,812,031 (2015: \$5,047,083) 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 7(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 \$1,615,186 (2015: \$3,885,948), IFM Australian Private Equity Fund III \$20,290,926 (2015: \$30,830,432), IFM International Private Equity Fund I \$25,255,783 (2015: \$35,441,877), IFM Australian Infrastructure \$1,177,958,002 (2015: \$1,228,852,852), IFM International Infrastructure \$945,748,186 (2015: \$828,805,467), IFM AFIF Long \$225,879,524 (2015: \$216,466,308), IFM Enhanced Indexed Australian Equities \$2,210,287,740 (2015: \$2,270,059,445), IFM Australian Private Equity Fund IV \$37,029,000 (2015: \$47,583,570), IFM International Private Equity III \$111,985,086 (2015: \$106,479,238), IFM Acorp \$679,048,116 (2015: \$511,485,012), IFM Trans Cash \$253,974,053 (2015: \$247,635,423) and IFM Sub-investment Grade Debt \$91,366,795 (2015: \$62,284,348). 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 7(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 \$1,821,393 (2015: \$867,831) 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.

**UNITED SUPER PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**7. RELATED PARTIES (CONTINUED)**

**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 \$1,405,200 in Frontier (2015: \$1,461,000). During the year, the Fund paid Frontier asset consulting fees of \$3,008,153 (2015: \$3,144,645) on normal terms and conditions. Mr D. Atkin is a Director of Frontier for which the Fund received \$13,886 (2015: \$13,482) for Director fees.

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

USPL has an investment of \$996,725,209 (2015: \$828,585,696) in the Industry Superannuation Property Trust (Core) No.1, \$937,706 (2015: \$1,105,338) in Industry Superannuation Property Trust (Grovesnor) and \$42,764,676 (2015: \$33,614,792) 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.

**(j) The New Daily**

USPL had an investment of \$2,000,000 in The Free News Pty Ltd which provides free online newspaper to members with subscriptions which it sold to Industry Super Holdings during 2016. Glenn Thompson was appointed as a Director on 31 August 2013. Provision is made by USPL for the payment of Directors' fees services of \$8,767 (2015: \$12,730).

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

USPL has an investment of \$949,165,765 (2015: \$702,328,107) 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 7(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 (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 \$18.96m (2015: \$19.55m) 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.

**(o) 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.

**UNITED SUPER PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**7. RELATED PARTIES (CONTINUED)**

**Other related party transactions (continued)**

**(o) USI (Breakfast Point) Pty Ltd (continued)**

**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. A second variation deed was entered into on 4th September 2015 to increase the facility limit to \$145M and extend the expiry date to November 2017. Effective 1 July 2016 the facility limit was permanently reduced to \$125M. The loan is held within the books and records of The Breakfast Point Unit Trust. USI (BP) has a share of \$32.7M (2015: \$14.4M) 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 \$64K of the hedge liability which is reflected as part of the investment value in BPUT.

**(p) 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, as amended. Cbus Property does not have ownership of any direct property assets.

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

	<b>Gross Asset Value 30 June 2016 \$000s</b>	<b>Gross Asset Value 30 June 2015 \$000s</b>	<b>Net Market Value 30 June 2016 \$000s</b>	<b>Net Market Value 30 June 2015 \$000s</b>
Development Projects and Sites	987,165	469,042	418,893	469,042
Joint Venture Development Projects	383,179	289,758	196,678	289,758
Income Earning Properties	1,832,053	1,282,093	1,142,374	711,349
Other	(9,900)	(6,423)	(9,900)	(6,423)
<b>Total</b>	<b>3,192,497</b>	<b>2,034,470</b>	<b>1,748,045</b>	<b>1,463,726</b>

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

	<b>30 June 2016 \$000's</b>	<b>30 June 2015 \$000's</b>
Short-term employee benefits	356	346
Post-employment benefits	25	24
	<b>381</b>	<b>370</b>

The above compensation payments include Directors' fees paid directly to Sponsoring organisation, also disclosed at note 7(aa).

**(q) 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.



**UNITED SUPER PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**7. RELATED PARTIES (CONTINUED)**

**Other related party transactions (continued)**

**(q) Cbus Property Commercial Unit Trust (continued)**

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

<b>Trust</b>	<b>Trustee Company</b>
<b>Direct</b>	
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
311 Spencer Street Unit Trust	Cbus Property 311 Spencer Street Unit Trust
<b>Indirect</b>	
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.

5 Martin Place Unit Trust has a 50% Joint Venture interest with Dexus in 5 Martin Place Joint Venture, a commercial development at 5 Martin Place, Sydney. The development comprises office and retail premises.

Cbus Property Commercial Unit Trust has a 50% Joint Venture interest with ISPT in 1 William Street Unit Trust, a commercial development at 1 William Street, Brisbane. The development comprises office and small retail premises.

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.

**(r) 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:

<b>Trust</b>	<b>Trustee Company</b>
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
Brisbane Unit Trust	Cbus Property Brisbane Pty Ltd
Collingwood Unit Trust	Cbus Property Collingwood Pty Ltd
Wharf Street Spring Hill Unit Trust	Cbus Property Spring Hill Pty Ltd
88 Alfred Street Unit Trust	Cbus Property Spring Hill Pty Ltd
Langston Place Unit Trust	Cbus Property 88 Alfred Street Pty Ltd
Sydney Residential 2015 Unit Trust	Cbus Property Sydney Residential Pty Ltd
East Melbourne Unit Trust ***	Cbus Property East Melbourne Pty Ltd ***

\*\*\* formerly 130 Elizabeth Street Unit Trust before name change

**Indirect**

The Caritas Joint Venture Development

In the prior year, an associate of Mr F 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.



**UNITED SUPER PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**7. RELATED PARTIES (CONTINUED)**

**Other related party transactions (continued)**

**(s) 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.

**(t) 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.

<b>Trust</b>	<b>Trustee Company</b>
Industrial Property No.1 Unit Trust	Industrial Property No.1 Pty Ltd

**(u) 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.

**(v) 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

<b>Trust</b>	<b>Trustee Company</b>
The Bourke Junction Trust No.1	Bourke Junction No.1 Pty Ltd

**(w) 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.

**(x) Cbus Property Developments Unit Trust**

Cbus Property Developments Unit Trust is an investment holding trust that is wholly owned by the Fund. There is currently no activity within this head trust.

**(y) Cbus Property Group Funding Unit Trust**

Cbus Property Group Funding Unit Trust is a head trust that is wholly owned by the Fund. There is currently no activity within this head trust.

**(z) Construction & Building Unions Superannuation Fund (Cbus)**

The Company is the trustee of the Fund. During the year, the Company received from the Fund a Trustee fee of \$1,628,331 (\$2015: \$1,275,514) for administration and financial management services.

**(aa) 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 CPPL) to these organisations:

	<b>30 June 2016</b>	<b>30 June 2015</b>
	<b>\$</b>	<b>\$</b>
Sponsoring Organisations	2,452,444	1,659,820

**UNITED SUPER PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**8. FINANCIAL INSTRUMENTS**

**(a) Financial risk management objective**

The Company's financial risks are considered low and as such does not enter into complex financial instruments to manage risk. The cash held by the Company is held in a standard operating bank account and is subject to insignificant risk of change in value. The receivables and payables of the Company are in relation to transactions with Directors and the Fund and are subject to normal trade credit terms.

**(b) Significant accounting policies**

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

**(c) Exposure to risk**

Exposure to credit and interest rate risk arises in the normal course of the Company's business.

**(d) Effective interest rates and repricing analysis**

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the Balance date.

2016	Effective interest rate	Weighted average interest			
		Total	rate	Floating interest rate	Non interest bearing
Financial Assets					
Cash	1.60%	27,699	-	27,699	-
Receivables	0%	376,652	-	-	376,652
Financial Liabilities					
Payables	0%	394,254	-	-	394,254
		10,097	-	27,699	(17,602)

2015	Effective interest rate	Weighted average interest			
		Total	rate	Floating interest rate	Non interest bearing
Financial Assets					
Cash	1.85%	18,958	-	18,958	-
Receivables	0%	387,972	-	-	387,972
Financial Liabilities					
Payables	0%	393,687	-	-	393,687
		13,243	-	18,958	(5,715)

UNITED SUPER PTY LTD  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

**9. INCOME TAX EXPENSE**

	30 June 2016 \$	30 June 2015 \$
<b>Recognised in the Statement of Comprehensive Income</b>		
Current year tax expense	(247)	247
<b>Total income tax expense in Statement of Comprehensive Income</b>	<u>(247)</u>	<u>247</u>
 <b>Reconciliation between tax expense and profit before income tax</b>		
<b>Profit before income tax</b>	(3,146)	825
Tax at the Company tax rate of 30% (2015 30%)	-	247
<b>Increase in income tax expense due to:</b>		
Legal expenses	-	-
Entertainment expenses	-	-
Under/(over) provided in prior years	(247)	-
<b>Decrease in income tax expense due to:</b>		
FBT accrual	-	-
Tax losses not booked	-	-
<b>Income tax expense in Statement of Comprehensive Income</b>	<u>(247)</u>	<u>247</u>
 <b>Total income tax expense is made up of:</b>		
Current income tax provision	-	247
Under/(over) provided in prior years	(247)	-
<b>Total</b>	<u>(247)</u>	<u>247</u>
 <b>Income Tax Provision</b>		
Current income tax provision	-	247
PAYG instalments for the year	-	-
<b>Current Tax Liability</b>	<u>-</u>	<u>247</u>

**UNITED SUPER PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**10. 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.

	<b>30 June 2016</b>	<b>30 June 2015</b>
	\$	\$
Cash at bank	27,699	18,958
Total cash	<u>27,699</u>	<u>18,958</u>

**(ii) Net cash flow from operating activities is reconciled to total comprehensive income for the year as follows:**

	<b>30 June 2016</b>	<b>30 June 2015</b>
	\$	\$
<b>Total comprehensive income for the year</b>	(2,899)	578
<b>(Increase)/decrease in assets</b>		
Receivables	11,320	(91,021)
<b>Increase/(decrease) in Liabilities</b>		
Payables	567	4,770
Current tax liability	(247)	467
<b>Net cash flow from operating activities</b>	<u>8,741</u>	<u>(85,206)</u>

**11. AUDITOR'S REMUNERATION**

The Company's auditor is PricewaterhouseCoopers.

**Audit services**

	<b>30 June 2016</b>	<b>30 June 2015</b>
	\$	\$
Auditors of the Company		
Audit and review of financial reports	3,450	3,366
<b>Total auditor's remuneration</b>	<u>3,450</u>	<u>3,366</u>

Auditor's remuneration is paid by the Fund on behalf of the Company.

**12. SUBSEQUENT EVENT**

Brisbane City Council (BCC) issued development approval in late December 2015 for the planned residential development at 443 Queen Street Brisbane. Subsequently the validity of this approval was challenged and an application lodged with the Planning and Environment Court, claiming that the approval was not a properly made application. As a result of the subsequent court case and the uncertainty regarding development approval status as at 30 June 2016, the property has been written down to net realisable value. The hearing took place and concluded 3 June 2016 with the judge subsequently ruling on 15 July 2016 in favour of BCC and Brisbane Unit Trust. An application by the plaintiff is with the Court of Appeals to challenge this decision. Further assessment as to the carrying value of the asset will be made following finalisation on the appeals process.



## Auditor's Independence Declaration

As lead auditor for the audit of United Super Pty Ltd for the year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read 'D Coogan', with a long horizontal stroke extending to the right.

David Coogan  
Partner  
PricewaterhouseCoopers

9 September 2016

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**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](http://www.pwc.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.







## **Independent auditor's report to the members of United Super Pty Ltd**

### ***Report on the financial report***

We have audited the accompanying financial report of United Super Pty Ltd (the company), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

### ***Directors' responsibility for the financial report***

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### ***Auditor's responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Independence***

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

### ***Auditor's opinion***

In our opinion, the financial report of United Super Pty Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards including the Australian Accounting Interpretations and the *Corporations Regulations 2001*.

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**PricewaterhouseCoopers, ABN 52 780 433 757**

Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001  
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***Matters relating to the electronic presentation of the audited financial report***

This auditor's report relates to the financial report of United Super Pty Ltd (the company) for the year ended 30 June 2016 included on United Super Pty Ltd's web site. The company's directors are responsible for the integrity of United Super Pty Ltd's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

A stylized, handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A stylized, handwritten signature in blue ink that reads 'David Coogan'.

David Coogan  
Partner

Melbourne  
9 September 2016



**UNITED SUPER PTY LTD  
DIRECTOR'S DECLARATION  
FOR THE YEAR ENDED 30 JUNE 2016**

In the opinion of the Directors of United Super Pty Ltd ("the Company")

- (a) the Company is not a reporting entity;
- (b) the financial statements and notes, set out on pages 5 to 20, are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the financial position of the Company as at 30 June 2016 and of giving a true and fair view of the financial position of the Company as at 30 June 2016 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards, other mandatory professional reporting requirements to the extent described in Note 2(a), and the Corporations Regulations 2001; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

  
\_\_\_\_\_  
DIRECTOR  
\_\_\_\_\_  
DIRECTOR

Dated at Melbourne this 9th day of September 2016.

