



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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

TABLE OF CONTENTS

	Page
Directors' Report	3 – 4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 – 19
Directors' Declaration	20
Independence Declaration	21
Auditor's Report	22 – 23

UNITED SUPER PTY LTD
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2019

The directors of United Super Pty Ltd present their report, together with the financial statements of United Super Pty Ltd (the Company) for the year ended 30 June 2019.

Directors

The following persons held office as directors of the Company during the year or since the end of the year and up to the date of this report:

Mr S Beynon	Ms K Keys (Appointed 06/07/2018)	Mr E Setches
Mr S Bracks	Ms R Mallia	Mr P Smith (Resigned 06/07/2018)
Mr H Davis (Appointed 27/02/2019)	Mr A McDonald	Mr R Sputore (Appointed 06/07/2018)
Mr S Dunne	Ms A Milner	Mr G Thompson
Mr J Edwards	Mr D Noonan	Ms D Wawn
Mr P Kennedy (Resigned 12/12/2018)	Mr F O'Grady	Mr M Zelinsky

Alternate Director – Ms A Donnellan (Resigned 1 July 2019)

Alternate Director – Mr B Davis (Resigned 1 July 2019)

Alternate Director – Mr A Hicks (Resigned 1 July 2019)

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.

Company information

The Company is incorporated and domiciled in Australia. The registered office of the Company is located at Level 28, 2 Lonsdale Street, Melbourne, Victoria, 3000.

Review and results of operations

Results

The profit/(loss) after income tax for the year ended 30 June 2019 was \$23,920 (2018: \$1,370).

Dividends

No dividends have been paid or declared by the directors for the year ended 30 June 2019 (2018: \$nil).

Significant changes in state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Company that occurred during the financial year ended 30 June 2019.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2019 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.

Likely developments and expected results of operations

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.

Indemnity and insurance of officers and auditors

During the financial year the Fund paid insurance premiums totalling \$398,631 (2018: \$404,019) in regards to insurance cover provided to the directors of the Company.

The lead auditors of the Company are in no way indemnified out of the assets of the Company.

**UNITED SUPER PTY LTD
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

Environmental regulations

The operations of the Company are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

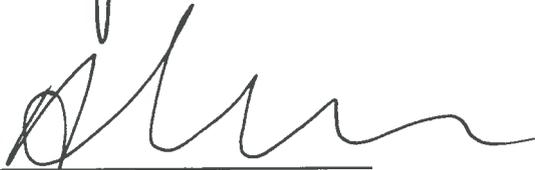
Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 21.

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



DIRECTOR



DIRECTOR

Dated at Melbourne this 17th day of September 2019.

UNITED SUPER PTY LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Jun-19 \$	Jun-18 \$
Income	4	1,563,812	1,248,447
Director & Committee expenses		(1,535,774)	(1,247,077)
Profit/(loss) before income tax for the year		28,038	1,370
Income tax (expense)/benefit	5(a)	(4,118)	-
Profit/(loss) after income tax for the year		23,920	1,370
Total comprehensive income/(loss) for the year		23,920	1,370

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

UNITED SUPER PTY LTD
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Notes	Jun-19 \$	Jun-18 \$
Assets			
Cash and cash equivalents	7(a)	54,212	22,278
Receivables		354,748	333,239
Total assets		408,960	355,517
Liabilities			
Payables		376,614	351,209
Current tax liability	5(b)	4,118	-
Total liabilities		380,732	351,209
Net assets		28,228	4,308
Equity			
Contributed equity	8	15	15
Retained earnings		28,213	4,293
Total equity		28,228	4,308

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

UNITED SUPER PTY LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Contributed equity	Retained earnings	Total equity
Notes	\$	\$	\$
Balance at 1 July 2017	15	2,923	2,938
Total comprehensive income/(loss) for the year	-	1,370	1,370
Transactions with owners in their capacity as owners	-	-	-
Balance at 30 June 2018	<u>15</u>	<u>4,293</u>	<u>4,308</u>
Total comprehensive income/(loss) for the year	-	23,920	23,920
Transactions with owners in their capacity as owners	-	-	-
Balance at 30 June 2019	<u>15</u>	<u>28,213</u>	<u>28,228</u>

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

UNITED SUPER PTY LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Jun-19 \$	Jun-18 \$
Cash flows from operating activities			
Cash receipts from Trustee Services		1,554,399	1,243,216
Cash paid to suppliers and employees		<u>(1,522,465)</u>	<u>(1,240,077)</u>
Net cash inflow/(outflow) from operating activities	7(b)	<u>31,934</u>	<u>3,139</u>
Net increase/(decrease) in cash and cash equivalents		31,934	3,139
Cash and cash equivalents at the beginning of the year		<u>22,278</u>	<u>19,139</u>
Cash and cash equivalents at the end of the year	7(a)	<u>54,212</u>	<u>22,278</u>

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

UNITED SUPER PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1. General information

United Super Pty Ltd (the Company) is a company limited by shares incorporated and domiciled in Australia. The registered office of the Company 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 for the Construction & Building Unions Superannuation Fund (the Fund). The Company holds an Australian Financial Services Licence (AFSL) and a Registrable Superannuation Entity (RSE) Licence.

2. Summary of significant accounting policies

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

(a) Basis of preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. The Company is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with International Financial Reporting Standards

The financial statements of the Company also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Company

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2018 that would be expected to have an impact on the Company.

(iii) Early adoption of standards

The Company has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2018.

(iv) Financial statement presentation

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and not distinguished between current and non-current.

(v) Fair value measurement

These financial statements have been prepared on a fair value basis, except where otherwise stated.

The financial and presentation currency of the Company is Australian dollars.

The financial statements for the year ended 30 June 2019 were authorised for issue in accordance with a resolution of the directors on 17 September 2019. The directors have the power to amend and reissue the financial statements.

(b) Critical accounting estimates, judgements and assumptions

In applying the Company's accounting policies management continually evaluates estimates, judgements and assumptions based on experience and other factors including expectations of future events that may have an impact on the entity. All estimates, judgements and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the estimates, judgements and assumptions.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank and at call. For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents as defined above.

UNITED SUPER PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2. Summary of significant accounting policies (continued)

(d) Receivables and payables

All receivables, unless otherwise stated, are non-interest bearing, unsecured and generally received within 30 days of recognition.

Collectability of receivables is reviewed regularly. Receivables which are known to be uncollectable are written off by reducing the carrying amount directly.

Payables include liabilities and accrued expenses owing by the Company which are unpaid as at the end of the reporting period.

All payables, unless otherwise stated, are non-interest bearing, unsecured and generally paid within 30 day terms.

(e) Income and expense recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Company and the income can be reliably measured.

Expenses are recognised in the Statement of Comprehensive Income when the Company has a present obligation (legal or constructive) as a result of a past event that can be reliably measured and where the expenses do not produce future economic benefits that qualify for recognition in the Statement of Financial Position.

The following specific recognition criteria must also be met before income and expenses are recognised:

Interest income

Interest income is recognised as the interest accrues (using the effective interest method, which is the rate that discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Trustee services fee income

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

(f) Income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss or in respect of taxable temporary differences associated with investments in subsidiaries, associates or interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments where the Fund is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(g) Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

UNITED SUPER PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

3. 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. As at the end of the reporting period, 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.

4. Income

	Jun-19	Jun-18
	\$	\$
Interest income	772	461
Sundry income	27,946	930
Trustee services fee income	1,535,094	1,247,056
Total income	<u>1,563,812</u>	<u>1,248,447</u>

5. Income tax

	Jun-19	Jun-18
(a) Income tax expense/(benefit)	\$	\$
Current tax	4,118	-
Total income tax expense/(benefit)	<u>4,118</u>	<u>-</u>

(b) Numerical reconciliation of income tax expense to prima facie tax payable

Profit/(loss) before income tax for the year	28,038	1,370
Prima facie tax at the Australian tax rate of 30% (2018: 30%)	8,411	411
Increase in income tax expense due to:		
Superannuation expenses	20	-
Decrease in income tax expense due to:		
Tax losses not booked	(4,313)	(411)
Income tax expense/(benefit)	<u>4,118</u>	<u>-</u>

6. Auditor's remuneration

During the year the following fees were paid or payable for services by the auditor of the Company:

	Jun-19	Jun-18
	\$	\$
Amounts paid or payable to PricewaterhouseCoopers for audit services:		
- Audit and review of financial statements	3,647	3,534
- Audit of the Australian Financial Services Licence	30,070	29,284
Total auditor's remuneration	<u>33,717</u>	<u>32,818</u>

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

UNITED SUPER PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

7. Cash and cash equivalents

(a) Components of cash and cash equivalents

	Jun-19	Jun-18
	\$	\$
Cash at bank	54,212	22,278
Total cash and cash equivalents	<u>54,212</u>	<u>22,278</u>

(b) Reconciliation of profit/(loss) after income tax for the year to net cash inflow/(outflow) from operating activities

	Jun-19	Jun-18
	\$	\$
Profit/(loss) after income tax for the year	23,920	1,370
(Increase)/decrease in assets		
Receivables	(21,509)	(1,126)
Increase/(decrease) in liabilities		
Payables	29,523	2,895
Net cash inflow/(outflow) from operating activities	<u>31,934</u>	<u>3,139</u>

8. Contributed equity

	Jun-19	Jun-18
	\$	\$
Authorised capital		
10,000 shares of \$1 each	<u>10,000</u>	<u>10,000</u>

Issued capital		
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

UNITED SUPER PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

9. Related parties

Trustee Company

The Company is the Trustee of the Fund.

Key Management Personnel Disclosures

The following tables list key management personnel who held the position of Director of United Super Pty Ltd during the year or since the end of the year end up to the date of this report along with the Chief Executive Officer of the Fund during this period. The remuneration paid to these key management personnel for services to the Board, Committees of the Board and the Fund are as follows:

Year ended 30 June 2019

Name	Director Fee / Remuneration	Superannuation	Total	Fees paid to
	\$	\$	\$	
D ATKIN ^{2,7}	688,939	25,000	713,939	CEO
S BEYNON ²	58,352	5,543	63,895	Director
S BRACKS	157,344	14,948	172,292	Director
B DAVIS ¹	19,807	1,882	21,689	AWU
H DAVIS ³	11,629	1,105	12,734	Director
A DONNELLAN ¹	14,891	1,415	16,306	AMWU
S DUNNE ²	164,704	15,647	180,351	Director
J EDWARDS ²	113,500	10,782	124,282	Director
A HICKS ¹	2,635	250	2,885	CEPU
P KENNEDY ^{2,4}	59,458	5,649	65,107	Director
K KEYS ⁶	41,670	3,959	45,629	ACTU
R MALLIA ²	76,444	7,262	83,706	CFMEU
A MCDONALD ²	98,400	9,348	107,748	Director
A MILNER ²	55,929	5,313	61,242	Director
D NOONAN ²	81,886	7,779	89,665	CFMEU
F O'GRADY ²	55,858	5,307	61,165	CFMEU/Director
E SETCHES ²	55,701	5,292	60,993	CEPU
P SMITH ⁵	13,669	1,289	14,858	Director
R SPATORE ⁶	54,329	5,161	59,490	Director
G THOMPSON	70,800	6,726	77,526	AMWU
D WAWN	79,458	7,549	87,007	MBA
M ZELINSKY	53,294	5,063	58,357	AWU
Total	2,028,597	152,269	2,180,866	

¹ Alternate Director (Resigned 01/07/2019)

² Member of the Fund

³ Appointed Director 27/02/2019

⁴ Resigned 12/12/2018

⁵ Resigned 06/07/2018

⁶ Appointed 06/07/2018

⁷ Fund CEO

During the year, back payments relating to the prior year were made to the following former directors:

Name	Director Fee / Remuneration	Superannuation	Total	Fees paid to
	\$	\$	\$	
W HARNISCH	568	54	622	Director
G KEARNEY	874	83	957	ACTU

UNITED SUPER PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

9. Related parties (continued)

Key Management Personnel Disclosures (continued)

Year ended 30 June 2018

Name	Director Fee / Remuneration \$	Superannuation \$	Total \$	Fees paid to
D ATKIN ^{2,9}	674,255	25,000	699,255	CEO
S BEYNON ²	49,562	4,708	54,270	Director
S BRACKS	146,034	13,873	159,907	Director
J DAWKINS ³	26,587	2,526	29,113	Director
B DAVIS ¹	15,971	1,517	17,488	AWU
A DONNELLAN ¹	13,689	1,301	14,990	AMWU
S DUNNE ²	153,026	14,538	167,564	Director
J EDWARDS ^{2,6}	44,793	4,255	49,048	Director
W HARNISCH ^{2,4}	36,360	3,454	39,814	MBA/Director
A HICKS ¹	6,845	650	7,495	CEPU
G KEARNEY ⁵	40,023	3,802	43,825	ACTU
P KENNEDY ²	70,096	6,659	76,755	Director
K KEYS ⁸	-	-	-	-
R MALLIA ²	53,805	5,112	58,917	CFMEU
A MCDONALD ²	88,997	8,455	97,452	Director
A MILNER ²	49,562	4,708	54,270	Director
D NOONAN ²	53,554	5,088	58,642	CFMEU
F O'GRADY ²	42,717	4,058	46,775	CFMEU/Director
E SETCHES ²	51,318	4,875	56,193	CEPU
P SMITH	58,688	5,575	64,263	Director
R SPATORE ⁸	-	-	-	-
G THOMPSON	59,657	5,667	65,324	AMWU
D WAWN ⁷	17,465	1,659	19,124	MBA
M ZELINSKY	44,998	4,275	49,273	AWU
Total	1,798,002	131,755	1,929,757	

¹ Alternate Director

² Member of the Fund

³ Resigned 15/06/2017

⁴ Resigned 12/12/2017

⁵ Resigned 26/03/2018

⁶ Appointed 30/10/2017

⁷ Appointed Alternate Director 30/10/2017; Appointed Director 12/12/2017

⁸ Appointed 06/07/2018; no director fees were earned for year ended 30 June 2018

⁹ Fund CEO

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

Other related party transactions

The Company holds the Fund's assets in Trust. These are custodially held by JPMorgan 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.

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

USPL has a 17.9% holding in Industry Super Holdings Pty Ltd (ISH), amounting to \$179,342,294 (2018: \$149,552,539). Industry Fund Services Pty Ltd, Industry Funds Management Pty Ltd and Industry Super Australia Pty Ltd are wholly owned subsidiaries of ISH.

USPL also has a 18.9% holding in Members Equity Bank Pty Ltd amounting to \$236,830,588 (2018: \$225,128,813). Members Equity Bank Pty Ltd provides banking products to superannuation fund members and others.

Members Equity Bank Pty Ltd manages Super Business Loans (SBL) and Super Home Loans (SMHL) through the Members Equity Super Loans Trust (SLT). USPL has an investment of \$30,595,885 (2018: \$35,660,351) in SLT and the Fund receives investment returns from this investment.

(b) Industry Fund Services Pty Ltd

Industry Fund Services Pty Ltd (IFS) provides a range of services including 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. Fees of \$2,850,119 (2018: \$2,818,006) were 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 9(a)).

**UNITED SUPER PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

9. Related parties (continued)

(c) Industry Funds Management Pty Ltd

Industry Funds Management Pty Ltd (IFM) is the investment manager of various investment products in which USPL invests. USPL has investments in IFM Australian Private Equity Fund II \$nil (2018: \$(20)), IFM Australian Private Equity Fund III \$7,349,439 (2018: \$6,432,451), IFM International Private Equity Fund I \$6,187,077 (2018: \$5,101,729), IFM Australian Infrastructure \$1,687,972,941 (2018: \$1,469,620,807), IFM International Infrastructure \$1,548,669,254 (2018: \$1,276,794,511), IFM AFIF Long \$nil (2018: \$58,855,905), IFM Enhanced Indexed Australian Equities \$3,557,996,088 (2018: \$3,116,913,727), IFM Australian Private Equity Fund IV \$19,435,015 (2018: \$19,815,029), IFM International Private Equity III \$95,460,359 (2018: \$100,660,830), IFM Acorp \$1,071,867,089 (2018: \$931,083,632), IFM Trans Cash \$271,473,008 (2018: \$265,029,194), IFM Sub-investment Grade Debt \$260,735,454 (2018: \$230,825,456), IFM Small Cap Absolute Return Fund \$63,508 (2018: \$152,721,362), IFM Buy Back \$69,123 (2018: \$nil), IFM Operational Cash \$1,733,054,591 (2018: \$nil) and IFM Australian Equity Overlay \$29,684,843 (2018: \$nil). 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 9(a)).

(d) Industry Super Australia Pty Ltd

Industry Super Australia Pty Ltd (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 and member of the advisory council. Mr S Bracks is a Director and member of the advisory council. There are no Directors' fees payable to these Directors.

(e) 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.

(f) IFS Insurance Solutions Pty Ltd

The Fund paid brokerage fees of \$1,497,418 (2018: \$1,247,616) to IFS Insurance Solutions Pty Ltd (IFSIS) during the year for the provision of insurance broking services. USPL utilises IFSIS for various insurance related services, including sourcing group life cover. IFSIS is a 65% owned subsidiary of IFS.

(g) Frontier Investment Consulting Pty Ltd

During the year, the Fund paid Frontier Investment Consulting Pty Ltd (Frontier) asset consulting fees of \$3,836,427 (2018: \$2,893,067) on normal terms and conditions. Mr D Atkin is a Director of Frontier for which the Fund received \$9,940 (2018: \$14,447) for Director fees. The Fund has an investment amounting to \$1,821,000 in Frontier (2018: \$1,852,000).

(h) Industry Superannuation Property Trusts

USPL has an investment of \$1,354,938,263 (2018: \$1,325,032,951) in the Industry Superannuation Property Trust (Core) No.1, \$232,645 (2018: \$277,236) in the Industry Superannuation Property Trust (Grosvenor) and \$57,785,824 (2018: \$55,582,038) in the Industry Superannuation Development Trust. ISPT Pty Ltd is the Trustee Company for these trusts. Mr F O'Grady is a Director of ISPT Pty Ltd and Director fees of \$66,500 were paid during the period (2018: \$59,950) by ISPT Pty Ltd. USPL holds 1 \$1 share in ISPT Pty Ltd.

(i) Morrison and Co. Utilities Trust of Australia

USPL has an investment of \$1,396,756,531 (2018: \$1,036,688,683) in Utilities Trust of Australia (UTA) which invests in infrastructure assets. USPL holds 1 \$1 share in Utilities of Australia Pty Ltd. Utilities of Australia Pty Ltd is the Trustee Company for Utilities Trust of Australia. Peter Kennedy is a Director of UTA and Director fees of \$39,807 were paid during the period (2018: \$75,825) by UTA.

(j) United Super Investments Pty Ltd

United Super Investments Pty Ltd (USI) is an investment company that is wholly owned by the Fund. USI was the ultimate holding company for various entities that were established to hold development properties managed by Cbus Property Pty Ltd (refer to Note 9(m)). All properties held by the entities owned by USI have been sold, and proceedings are being undertaken to wind up the remaining entity, Australian Super Developments Pty Ltd, 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 these Directors.

(k) Australian Super Developments Pty Ltd

Australian Super Developments Pty Ltd (ASD) is an investment company that is wholly owned by the Fund, through the 100% ownership by USI. ASD has been utilised within the USI investment structure for various property developments, however there are no remaining property developments held within this structure. Mr J Murray (resigned 22 August 2017), Mr D Noonan and Mr S Bracks (appointed 22 August 2017) are Directors of ASD. There are no fees payable to these Directors.

UNITED SUPER PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

9. Related parties (continued)

Other related party transactions (continued)

(l) 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 New South Wales for residential and commercial use.

Financing Agreement

On 21 June 2019 USI (Breakfast Point) Pty Ltd in its capacity as Trustee for Breakfast Point Unit Trust entered into a facility agreement with St. George Bank for a total facility limit of \$9.4M. Tranche 1 (\$4.0M) and Tranche 2 (\$5.4M) are repayable 18 months from the first drawdown date, a further Tranche 3 (\$9.4M) is applicable after the repayment of Tranche 1 and 2, and is itself repayable 24 months from the expiry of Tranches 1 and 2. Interest is charged at a margin on BBSY. As at 30 June 2019 \$31,267 (at 100% share) had been drawn on the facility.

(m) 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 investments in Australia on behalf of the Fund in accordance with the 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:

	Gross Asset Value Jun-19 \$'000	Gross Asset Value Jun-18 \$'000	Net Market Value Jun-19 \$'000	Net Market Value Jun-18 \$'000
Development Projects and Sites	1,316,259	960,906	757,273	615,752
Joint Venture Development Projects	406,647	224,032	259,945	172,874
Income Earning Properties	3,067,236	2,719,886	2,189,220	1,753,572
Other	(12,235)	(11,181)	(12,235)	(11,181)
	<u>4,777,907</u>	<u>3,893,643</u>	<u>3,194,203</u>	<u>2,531,017</u>

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

	Jun-19 \$'000	Jun-18 \$'000
Short-term employee benefits	396	336
Post-employment benefits	38	22
	<u>434</u>	<u>358</u>

The above compensation payments include Directors' fees paid directly to sponsoring organisations.

(n) 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 the Cbus Property Commercial Unit Trust.

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

Trust	Trustee Company
Direct	
140 William Street Unit Trust	Cbus Property 140 William Street 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	N/A
Circular Quay Developments 2015 Unit Trust	Cbus Property Circular Quay Pty Ltd
311 Spencer Street Unit Trust	Cbus Property 311 Spencer Street Pty Ltd
Pirie Street Unit Trust	Cbus Property Pirie Street Pty Ltd
Melbourne Q Unit Trust	Cbus Property Melbourne Q Pty Ltd

The Cbus Property Bent Street Unit Trust has a one third Joint Venture interest in a commercial property development at 1 Bligh Street, Sydney, New South Wales.

UNITED SUPER PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

9. Related parties (continued)

Other related party transactions (continued)

(n) Cbus Property Commercial Unit Trust (continued)

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

5 Martin Place Unit Trust has a 50% Joint Venture interest with Dexin in 5 Martin Place Joint Venture, a commercial property development at 5 Martin Place, Sydney, New South Wales. 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 property development at 1 William Street, Brisbane, Queensland. The development comprises office and 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.

(o) 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 under the Investment Management Agreement. Cbus Property Residential Operations Pty Ltd is the Trustee Company for the Cbus Property Residential Operations Unit Trust.

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

Trust	Trustee Company
Direct	
35 Spring Street Unit Trust	Cbus Property 35 Spring Street Pty Ltd
North Melbourne Unit Trust	Cbus Property North Melbourne Pty Ltd
Vision 2016 Unit Trust	Cbus Property Vision 2016 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 88 Alfred Street Pty Ltd
Langston Place Unit Trust	Cbus Property Langston Place Pty Ltd
Sydney Residential 2015 Unit Trust	Cbus Property Sydney Residential Pty Ltd
East Melbourne Unit Trust	Cbus Property East Melbourne Pty Ltd
13 Spring Street (Land) Unit Trust	Cbus Property RL1 Pty Ltd
13 Spring Street (Business) Unit Trust	Cbus Property RB1 Pty Ltd

East Melbourne Unit Trust undertook the development of residential apartments at 22-40 Clarendon Street, East Melbourne, jointly with Brookfield Office Properties Australia Pty Ltd via Sovereign Residential Developer Pty Ltd (the jointly owned development entity). The Trust owns 5 shares in Sovereign Residential Developer Pty Ltd representing 50% of the issued share capital.

(p) 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 under the Investment Management Agreement. Cbus Property Hospitality Pty Ltd is the Trustee Company for the Cbus Property Hospitality Unit Trust.

There are no assets held within the Cbus Property Hospitality Unit Trust which is currently dormant.

(q) 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 under the Investment Management Agreement. Cbus Property Industrial Pty Ltd is the Trustee Company for the Cbus Property Industrial Unit Trust.

The following trust and trustee company are held 100% directly by Cbus Property Industrial Unit Trust and used for industrial property development

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

(r) 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.

The following trust is held 100% directly by 313 Spencer Street Holding Unit Trust.

Trust	Trustee Company
313 Spencer Street Unit Trust	Cbus Property 313 Spencer Street Holdings Pty Ltd

**UNITED SUPER PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

9. Related parties (continued)

Other related party transactions (continued)

(s) 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 property development at 720 Bourke Street, Melbourne, Victoria, undertaken by Cbus Property under the Investment Management Agreement. Cbus Property SESP No.1 Pty Ltd is the Trustee Company for the SESP No.1 Unit Trust.

The following trust and trustee company 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

(t) 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 property residential and hotel development at 447 Collins Street, Melbourne, Victoria undertaken by Cbus Property under the Investment Management Agreement. Cbus Property 447 Collins Street Holdings Pty Ltd is the Trustee Company for the 447 Collins Street Holdings Unit Trust.

The following trust and trustee company are held 100% directly by 447 Collins Street Holdings Unit Trust.

Trust	Trustee Company
447 Collins Street Unit Trust	Cbus Property 447 Collins Street Pty Ltd

(u) 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 properties held within this head trust. The Trust received revenue from project underwriting in relation to the commercial property development at 1 William Street, Brisbane, Queensland.

(v) Cbus Property Group Funding Unit Trust

Cbus Property Group Funding Unit Trust is a head trust that is wholly owned by the Fund. Cbus Property Group Funding Unit Trust is a funding vehicle which settles expenses and receipts on behalf of Cbus direct property portfolios. Transactions are administered via a series of intercompany loans with the relevant trust and head trusts.

(w) Cbus Property Developments No.2 Pty Ltd

Cbus Property Developments No.2 Pty Ltd is a 100% held subsidiary of the Fund and has been appointed to undertake and manage the development of the property at 311 Spencer Street, Melbourne, Victoria, on behalf of the joint developers and on-charges the cost of the development to the joint owners at cost.

(x) George Street Holdings Unit Trust

George Street Holdings Unit Trust is an investment holding trust for the George Street Unit Trust which is wholly owned by the Fund. There is currently no activity within this head trust.

The following trust and trustee company are held 100% directly by George Street Holdings Unit Trust.

Trust	Trustee Company
George Street Holdings Unit Trust	Cbus Property George Street Holdings Pty Ltd

(y) Cbus Property Retail Unit Trust

Cbus Property Retail 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 retail projects undertaken by Cbus Property under the Investment Management Agreement. Cbus Property Retail Pty Ltd is the Trustee Company for the Cbus Property Retail Unit Trust.

There are no assets held within the Cbus Property Retail Unit Trust which is currently dormant.

(z) Construction and Building Unions Superannuation Fund (the Fund)

The Company is the Trustee of the Fund. During the year, the Company received from the Fund a Trustee fee of \$1,589,085 (2018: \$1,290,086) for administration and financial management services.

UNITED SUPER PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

9. Related parties (continued)

Other related party transactions (continued)

(aa) Sponsoring Organisations

Marketing and promotion of the Fund includes partnership arrangements with the Fund's member and employer sponsoring organisations. The Fund invests in industry partnership arrangements that deliver effective and strategic benefits that outweigh the cost of these arrangements through growth of the level of employer/member support of Cbus, strengthening of Cbus' brand identity, awareness and image and support of the Building and Construction Industry. All proposed partnership arrangements are assessed for outcomes and benefits to be delivered to the Fund and its members. The amounts below include payments for partnership agreements to the Fund's seven sponsoring organisations.

	Jun-19	Jun-18
	\$	\$
Partnership Agreements		
Employer	422,355	534,843
Member	1,640,793	1,555,270
	<u>2,063,148</u>	<u>2,090,113</u>

10. 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 2 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 tables indicate their effective interest rates at the end of the reporting period.

2019	Effective interest rate	Total	Floating interest rate	Non-interest bearing
		\$	\$	\$
Financial Assets				
Cash and cash equivalents	1.10%	54,212	54,212	-
Receivables	0%	354,748	-	354,748
Financial Liabilities				
Payables	0%	376,614	-	376,614
		<u>32,346</u>	<u>54,212</u>	<u>(21,866)</u>

2018	Effective interest rate	Total	Floating interest rate	Non-interest bearing
		\$	\$	\$
Financial Assets				
Cash and cash equivalents	1.50%	22,278	22,278	-
Receivables	0%	333,239	-	333,239
Financial Liabilities				
Payables	0%	351,209	-	351,209
		<u>4,308</u>	<u>22,278</u>	<u>(17,970)</u>

**UNITED SUPER PTY LTD
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2019**

In the directors' opinion:

(a) the financial statements and notes set out on pages 5 to 19 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Australian Accounting Standards (including interpretations) and other mandatory professional reporting requirements, the *Corporations Regulations 2001* and are in accordance with the Company's Constitution; and

(ii) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(c) Note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations requested to be made to the directors in accordance with section 295A of the *Corporations Act 2001*.

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



DIRECTOR

DIRECTOR

Dated at Melbourne this 17th day of September 2019.



Auditor's Independence Declaration

As lead auditor for the audit of United Super Pty Ltd for the year ended 30 June 2019, 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 black ink, appearing to read 'D. Coogan', with a horizontal line extending to the right.

David Coogan
Partner
PricewaterhouseCoopers

Melbourne
17 September 2019



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

Our opinion

In our opinion:

The accompanying financial report of United Super Pty Ltd (the Company) 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 2019 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2019
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

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

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.



financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

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 for the year ended 30 June 2019 included on United Super Pty Ltd's web site. The directors of the Company 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 handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in cursive script that reads 'David Coogan'.

David Coogan
Partner

Melbourne
17 September 2019