

CARE SUPER PTY LTD
A.B.N. 91 006 670 060
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

**CARE SUPER PTY LTD
A.B.N. 91 006 670 060**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

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DIRECTORS' REPORT

The Directors present their report together with the financial statements of CARE Super Pty Ltd (the Company) for the year ended 30 June 2017 and the auditor's report thereon.

Directors

The Directors of the Company at any time during or since the end of the financial year are:

Employer Representatives

Graeme Grant (resigned 31/03/2017)
Claire Keating (appointed 01/01/2017)
David Michaelis (resigned 31/12/2016)
Katherine Sampson
Mark Sibree
Gabriel Szondy (appointed 27/06/2017)
Andrea Waters
Terence Wetherall

Member Representatives

Catherine Wood (Chair)
Julie Bignell
Chris Christodoulou
Keith Harvey
Michelle Gardiner
Gregory McLean

Independent Director

Gabriel Szondy (resigned 27/06/2017)

Principal Activity

The principal activity of the company during the financial year was to act as Trustee of CARE Super and it did not trade in its own right during the year. No significant change in the nature of the activity occurred during the year. CARE Super Pty Ltd held an Australian Financial Services Licence and APRA Licence during the year.

Operating and financial review

The company derived income of \$2,215,110 (2016: \$1,999,414) for the provision of Trustee Services to CareSuper. Expenses of \$2,215,110 (2016: \$1,999,414) were incurred during the year resulting in \$0 net profit.

Dividends

No amounts have been paid or are recommended to be paid by way of dividend during the financial year.

Significant Changes in the 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 under review.

Events subsequent to reporting date

From balance date to the date of this report there have been no significant events that should be included in this financial report.

Environment Regulation and Performance

The company is not impacted by any environmental regulations.

Insurance of Officers

During the financial year, the Company paid premiums of \$285,881 (2016: \$272,544) to insure the directors and officers of the Company.

Lead Auditor's Independence and declaration

The Lead auditor's independence declaration is set out on page 12 and forms part of the directors' report for the financial year ended 30 June 2017.

DIRECTORS' REPORT (CONTINUED)

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

On behalf of the board


..... 19/9/2017
(Director)


..... 19/9/2017
(Director)

CARE SUPER PTY LTD
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STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2017 \$	2016 \$
CURRENT ASSETS			
Trustee liability insurance prepayment		229,488	233,070
Cash on hand		72	-
Receivables		-	72
TOTAL ASSETS		<u>229,560</u>	<u>233,142</u>
CURRENT LIABILITIES			
Payables		229,488	233,070
TOTAL LIABILITIES		<u>229,488</u>	<u>233,070</u>
EQUITY			
Contributed equity	6	72	72
TOTAL EQUITY		<u>72</u>	<u>72</u>

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
Revenue from ordinary activities		
Trustee Services	2,215,110	1,999,414
General Administration Expenses		
Director fees	848,807	790,372
Trustee liability insurance	289,463	267,908
Meetings and travel	1,076,840	941,134
Profit from ordinary activities before income tax	<u>-</u>	<u>-</u>
Income tax (benefit)/expense	-	-
Profit/(loss) for the year	<u>-</u>	<u>-</u>
Other comprehensive income for the year, net of tax	<u>-</u>	<u>-</u>
Total comprehensive income for the year, net of tax	<u>-</u>	<u>-</u>

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

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Contributed Equity \$	Retained Equity \$	Total Equity \$
Balance at 1 July 2015	<u>72</u>	<u>-</u>	<u>72</u>
Total comprehensive income for the year	-	-	-
Balance as 30 June 2016	<u>72</u>	<u>-</u>	<u>72</u>
Total comprehensive income for the year	-	-	-
Balance as 30 June 2017	<u>72</u>	<u>-</u>	<u>72</u>

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
Cash flows from operating activities	<u>-</u>	<u>-</u>
Net cash (outflow)/inflow from operating activities	-	-
Net cash inflow from investing activities	<u>-</u>	<u>-</u>
Net cash inflow from financing activities	<u>-</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	<u>-</u>	<u>-</u>
Cash and cash equivalents at the beginning of the financial year	72	72
Cash and cash equivalents at the end of the financial year	<u><u>72</u></u>	<u><u>72</u></u>

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1. REPORTING ENTITY

CARE Super Pty Ltd is a company limited by shares that is incorporated and domiciled in Australia.

The registered office of CARE Super Pty Ltd is located at:

Level 18, 31 Queen Street
Melbourne, Victoria 3000

The company is a not-for-profit entity and its principle activity during the financial year was to act as Trustee of CARE Super. The financial statements were authorised for issue by the directors on 19 September 2017. The directors have the power to amend and reissue the financial statements.

NOTE 2. BASIS OF PREPARATION

2(a) Basis of accounting

This financial report is a general purpose financial report and has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board as required by the company's Registerable Superannuation Entity Licence and Australian Financial Services Licence conditions.

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

2(b) Basis of measurement

The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.

2(c) Functional and presentation currency

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the company and the amount can be reliably measured.

(b) Significant Accounting Judgements, Estimates and Assumptions

There have been no significant accounting estimates or judgements for the year ended 30 June 2017.

(c) Financial Risk Management Objectives and Policies

The company has no material financial risk.

(d) Trustee Liabilities and Right of Indemnity

The company acts solely as trustee of CARE Super and liabilities have been incurred on behalf of CARE Super in the company's capacity as corporate trustee.

Liabilities incurred on behalf of CARE Super are not recognised in the financial statements when it is not probable that the company will have to meet any of these trust liabilities from its own resources. When it is probable that the company will have to meet some trust liabilities, a liability for the deficiency in Trust Right of Indemnity is brought to account.

(e) New standards and Interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for the annual period beginning after 30 June 2017, and have not been applied in preparing these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 4. TRUSTEE LIABILITIES AND RIGHT OF INDEMNITY

Liabilities of CARE Super not recorded in the financial statements of the company were:

	2017	2016
	\$	\$
CURRENT LIABILITIES		
Payables	11,644,669	27,655,998
Tax Liabilities	28,672,344	36,110,675
TOTAL CURRENT LIABILITIES	40,317,013	63,766,673
NON-CURRENT LIABILITIES		
Provisions	211,131,423	155,084,565
TOTAL NON-CURRENT LIABILITIES	211,131,423	155,084,565
TOTAL LIABILITIES	251,448,436	218,851,238
Rights of indemnity for liabilities incurred by the company on behalf of CARE Super:	251,448,436	218,851,238

The assets of CARE Super, which lie behind the right of indemnity, are not directly available to meet any liabilities of the company acting in its own right. The assets of CARE Super were sufficient to discharge all of its liabilities at 30 June 2017.

NOTE 5. CONTINGENT LIABILITIES

A contingent liability exists relative to any future claims which may be made against the company arising from trusteeship dealings. However for the years ended 30 June 2017 (2016: nil), we do not believe that there are any contingent liabilities.

NOTE 6. CONTRIBUTED EQUITY

	2017	2016
	\$	\$
Authorised Share Capital 10,000 Ordinary Shares of \$1	10,000	10,000
Issued Share Capital 72 Ordinary Shares of \$1 each	72	72

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

All shares have a par value of \$1 each and are fully paid.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

NOTE 7. AUDITORS' REMUNERATION

Amounts received or due and receivable by KPMG for auditing services and other services paid by CARE Super on behalf of CARE Super Pty Ltd:

	2017	2016
	\$	\$
Audit of financial statements	5,850	5,650
	5,850	5,650

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 8. RELATED PARTIES

(a) Trustee and Key Management Personnel

The Trustee of the Fund is CARE Super Pty Ltd, the directors of which are:

Employer Representatives

Graeme Grant (resigned 31/03/2017)
 David Michaelis (resigned 31/12/2016)
 Katherine Sampson
 Mark Sibree
 Andrea Waters
 Terence Wetherall
 Claire Keating (appointed 01/01/2017)
 Gabriel Szondy (appointed 27/06/2017)

Member Representatives

Catherine Wood (Chair)
 Julie Bignell
 Chris Christodoulou
 Keith Harvey
 Michelle Gardiner
 Gregory McLean

Independent Director

Gabriel Szondy (resigned 27/06/2017)

Key Management Personnel

Julie Lander (CEO)
 Belinda Ray (EM)
 Peter Theodorakopoulos (EM)
 Rachel Reynolds (EM)
 Suzanne Branton (EM)
 Paul Northey (EM) (appointed 01/05/2017)
 Mark Lyons (EM) (appointed 18/05/2017)

The Trustee applied for a licence from the Australian Prudential Regulation Authority. The RSE licence was granted on 16 February 2006 (licence no L0000956). The Trustee received authority to offer a MySuper product on 10 April 2013 (MySuper number 98172275725867).

(b) Key Management Personnel Compensation

	2017	2016
	\$	\$
Short term benefits	1,611,950	1,425,733
Post employment	155,128	145,750
	1,767,078	1,571,483

Directors fees of \$848,807 (2016: \$790,372) are disclosed in the Statement of Profit or Loss and Other Comprehensive Income.

Transactions between directors and the superannuation fund were transacted under normal terms and conditions with expenses incurred by the directors on the Fund's behalf fully reimbursed.

(c) Related party transactions

Trustee

CARE Super Pty Ltd invoiced CARE Super the amount of \$2,215,110 (2016: \$1,999,414) during the 2017 year for expenses incurred on behalf of the fund.

Trustee Directors

Certain directors are members of the Fund. Their membership terms and conditions are the same as those available to other members of the Fund.

ISPT Pty Ltd and IGIPT Pty Ltd

CARE Super Pty Ltd holds investments in the Industry Superannuation Property Trusts and the ISPT International Property Trust. The Industry Superannuation Property Trusts are property trust vehicles wherein the Fund together with other industry superannuation funds can make direct property investments. Ms Catherine Wood is a remunerated Director of ISPT Pty Ltd, the trustee of the Industry Superannuation Property Trust No 1 & No 2 and IGIPT Pty Ltd the trustee of ISPT International Property Trust.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 8. RELATED PARTIES (CONTINUED)

Industry Super Holdings Pty Ltd

CARE Super Pty Ltd is a shareholder in Industry Super Holdings Pty Ltd (ISH). ISH is the holding company for IFM Holdings Pty Ltd, Industry Super Australia Pty Ltd, The New Daily Pty Ltd and Industry Fund Services Ltd. CARE Super Pty Ltd holds investments in IFM. Industry Fund Services (IFS) has a number of subsidiaries including Industry Funds Investments Ltd, Super Members Investments Ltd and IFS Insurance Solutions Pty Ltd. CareSuper engages the services of a number of these entities. Ms Catherine Wood is a Director of Industry Super Australia Pty Ltd.

NOTE 9. SUBSEQUENT EVENTS

No significant events have occurred since the end of the reporting period which would materially impact the financial statements of the Company.

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DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2017

In the opinion of the directors:

(a) the financial report and notes of the company are in accordance with the Corporations Act 2001, including:

- i giving a true and fair view of the Company's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
- ii complying with Australian Accounting Standards and the Corporations Regulations 2001; 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.

(c) the directors draw attention to Note 2 to the Financial Statements which include a Statement of Compliance with the International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Board of the Directors and signed for and on behalf of the Directors by:



Director



Director

Dated this 19th Day of September 2017

Melbourne



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

To the Directors of Care Super Pty Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of Care Super Pty Ltd for the financial year ended 30 June 2017 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Sean Hill
Partner

Melbourne
19 September 2017



Independent Auditor's Report

To the members of Care Super Pty Ltd

Opinion

We have audited the **Financial Report** of Care Super Pty Ltd (the Company).

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

- giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2017
- Statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

Basis for opinion

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

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

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

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

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

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this 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_files/ar3.pdf
This description forms part of our Auditor's Report.



KPMG



Sean Hill

Partner

Melbourne

19 September 2017