

CARE SUPER PTY LTD
A.B.N. 91 006 670 060
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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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 2018 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

Claire Keating
Katherine Sampson
Mark Sibree (resigned 31 December 2017)
Gabriel Szondy
Andrea Waters
Terence Wetherall (Chair)*
Jeremy Johnson (appointed 1 January 2018)

Member Representatives

Catherine Wood^
Julie Bignell
Chris Christodoulou
Keith Harvey
Michelle Gardiner
Gregory McLean (resigned 31 May 2018)
Alessandra Peldova-McClelland (appointed 14 August 2018)

* Appointed as Chair 1 April 2018

^ Resigned as Chair 1 April 2018

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 \$2,551,028 (2017: \$2,215,110) for the provision of Trustee Services to CARE Super. Expenses of \$2,551,028 (2017: \$2,215,110) 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 \$327,490 (2017: \$285,881) to insure the directors and officers of the Company.

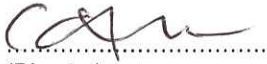
Lead Auditor's Independence and declaration

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 2018.

DIRECTORS' REPORT (CONTINUED)

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

On behalf of the board


.....
(Director)

18/9/2018


.....
(Director)

18/9/2018

CARE SUPER PTY LTD
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STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 \$	2017 \$
CURRENT ASSETS			
Trustee liability insurance prepayment		262,889	229,488
Cash on hand		72	72
TOTAL ASSETS		<u>262,961</u>	<u>229,560</u>
CURRENT LIABILITIES			
Payables		262,889	229,488
TOTAL LIABILITIES		<u>262,889</u>	<u>229,488</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 2018

	2018 \$	2017 \$
Revenue from ordinary activities		
Trustee services	2,551,028	2,215,110
General Administration Expenses		
Director fees	832,892	848,807
Trustee liability insurance	294,089	289,463
Trustee office meetings, travel and education	1,424,047	1,076,840
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 2018

	Contributed Equity \$	Retained Equity \$	Total Equity \$
Balance at 1 July 2016	72	-	72
Total comprehensive income for the year	-	-	-
Balance as 30 June 2017	72	-	72
Total comprehensive income for the year	-	-	-
Balance as 30 June 2018	72	-	72

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 2018

	2018 \$	2017 \$
Cash flows from operating activities	-	-
Net cash (outflow)/inflow from operating activities	-	-
Net cash (outflow)/inflow from investing activities	-	-
Net cash (outflow)/inflow from financing activities	-	-
Net (decrease)/increase in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the financial year	72	72
Cash and cash equivalents at the end of the financial year	72	72

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 2018

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 principal activity during the financial year was to act as Trustee of CARE Super. The financial statements were authorised for issue by the directors on 18 September 2018. 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 2018

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 2018.

(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 2018, and have not been applied in preparing these financial statements. The directors do not expect the new standards to have a material effect on the financial statements of the company.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 4. TRUSTEE LIABILITIES AND RIGHT OF INDEMNITY

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

	2018 \$	2017 \$
CURRENT LIABILITIES		
Payables	13,731,394	11,644,669
Tax Liabilities	7,124,420	28,672,344
TOTAL CURRENT LIABILITIES	<u>20,855,814</u>	<u>40,317,013</u>
NON-CURRENT LIABILITIES		
Provisions	245,816,477	211,131,423
TOTAL NON-CURRENT LIABILITIES	<u>245,816,477</u>	<u>211,131,423</u>
TOTAL LIABILITIES	<u>266,672,291</u>	<u>251,448,436</u>
Rights of indemnity for liabilities incurred by the company on behalf of CARE Super:	<u>266,672,291</u>	<u>251,448,436</u>

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 2018.

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 2018 (2017: nil), we do not believe that there are any contingent liabilities.

NOTE 6. CONTRIBUTED EQUITY

	2018 \$	2017 \$
72 Ordinary Shares of \$1 each	<u>72</u>	<u>72</u>

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.

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:

	2018 \$	2017 \$
Audit of financial statements	6,025	5,850
	<u>6,025</u>	<u>5,850</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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

Claire Keating
Katherine Sampson
Mark Sibree (resigned 31 December 2017)
Gabriel Szondy
Andrea Waters
Terence Wetherall (Chair)*
Jeremy Johnson (appointed 1 January 2018)

Member Representatives

Catherine Wood^
Julie Bignell
Chris Christodoulou
Keith Harvey
Michelle Gardiner
Gregory McLean (resigned 31 May 2018)
Alessandra Peldova-McClelland (appointed 14 August 2018)

Key Management Personnel

Julie Lander (CEO)
Belinda Ray (EM)
Peter Theodorakopoulos (EM)
Rachel Reynolds (EM)
Suzanne Branton (CIO)
Paul Northey (EM)
Mark Lyons (EM)

* Appointed as Chair 1 April 2018

^ Resigned as Chair 1 April 2018

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

	2018 \$	2017 \$
Short term benefits	2,020,569	1,611,950
Post employment	174,038	155,128
	<u>2,194,608</u>	<u>1,767,078</u>

Directors fees of \$832,892 (2017: \$848,807) 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 \$2,551,028 (2017: \$2,215,110) during the 2018 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.

Industry Superannuation Property Trust Pty Ltd and IIPT Pty Ltd

CARE Super Pty Ltd as trustee for CARE Super 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 IIPT Pty Ltd the trustee of ISPT International Property Trust.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 8. RELATED PARTIES (CONTINUED)

Industry Super Holdings Pty Ltd

CARE Super Pty Ltd as trustee for CARE Super 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 Limited. CARE Super Pty Ltd as trustee for CARE Super holds investments in IFM. Industry Fund Services Limited (IFS) has a number of subsidiaries including Industry Funds Investments Limited, Super Members Investments Limited and IFS Insurance Solutions Pty Ltd. CARE Super engages the services of a number of these entities. Ms Catherine Wood is a Director of Industry Super Australia Pty Ltd and IFM Shareholder Advisory Board. Remuneration relating to the IFM position is paid directly to CareSuper.

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.

CARE SUPER PTY LTD
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DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2018

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 2018 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 18 Day of September 2018

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 2018 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

18 September 2018



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 2018 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 2018;
- 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; and
- Directors' Declaration.

Basis for opinion

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

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

We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (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 and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

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

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

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the Audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf
This description forms part of our Auditor's Report.



KPMG



Sean Hill

Partner

18 September 2018