



First Super Pty Ltd

ABN: 42 053 498 472

Financial Statements

For the year ended 30 June 2018

First Super Pty Ltd

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First Super Pty Ltd

Directors Report

For the year ended 30 June 2018

Directors

The Directors have pleasure in submitting the financial statements of First Super Pty Ltd (the Company) for the year.

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

Michael O'Connor (Co-chair)
Candy Broad
Julie George
Mike Radda
Alex Millar
Frank Vari
Allan Stewart

Lisa Marty (Co-chair)
Denise Campbell-Burns
Janet Gilbert
David Kirner (resigned 1 September 2017)
Scott McDine (appointed 1 September 2017)
Timothy Chatfield (appointed 22 September 2017)

Principal Activity

The principal activity of the Company during the financial year was to act as Trustee of First Super (the Fund).

Results

The Company has a loss after tax during the year of \$775 (2017: loss \$7,836).

Dividends

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

Events Subsequent to reporting date

There are no significant events which have occurred subsequent to 30 June 2018.

Environmental Regulation and performance

The Company is not governed by any environmental regulations.

Auditor's Independence Declaration

The Auditor's Independence Declaration is set out on page 16 and forms a part of the Directors' Report for the financial year ended 30 June 2018. The Auditor continues in office in accordance with Section 327 of the Corporations Act 2001.

First Super Pty Ltd

Directors Report

Directors' Benefits

During or since the financial year end, the Directors of First Super Pty Ltd have received or become entitled to receive a benefit, by reason of a contract entered into by the Company or by any entity that the Company controlled or a body corporate that was related to the Company when the contract was made, or when the Directors received, or become entitled to receive, the benefit with:

- a Director or,
- a firm of which a Director is a member, or
- an entity in which a Director has a substantial financial interest.

The aggregate amount of emoluments received or due to be received by the Directors is shown in Note 15 of the financial statements.

This Directors' Report is made out in accordance with a resolution of the Directors.



Director



Director

Dated this 24th day of September 2018
Melbourne

First Super Pty Ltd

Statement of Comprehensive Income

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
Revenue	4	1,293,016	821,315
Expenses	5	(1,294,085)	(822,418)
Profit/(Loss) before tax		<u>(1,069)</u>	<u>(1,103)</u>
Income Tax Expense/(Benefit)	6a	(294)	6,733
Profit/Loss for the year		<u>(775)</u>	<u>(7,836)</u>
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		<u><u>(775)</u></u>	<u><u>(7,836)</u></u>

The Statement of Comprehensive Income is to be read in conjunction with the notes to the financial statements.

First Super Pty Ltd

Balance Sheet

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents	8	51,680	19,147
Prepayments		110,609	108,973
Receivables	7	184,888	151,024
Current Tax Asset	11	7,876	17,534
TOTAL CURRENT ASSETS		<u>355,053</u>	<u>296,678</u>
NON CURRENT ASSETS			
Plant and equipment	10	6,895	8,527
Deferred Tax Asset		46,626	28,819
TOTAL NON CURRENT ASSETS		<u>53,521</u>	<u>37,346</u>
TOTAL ASSETS		<u>408,574</u>	<u>334,024</u>
CURRENT LIABILITIES			
Sundry Creditors/Payables	9	287,254	223,451
TOTAL CURRENT LIABILITIES		<u>287,254</u>	<u>223,451</u>
NON CURRENT LIABILITIES			
Deferred tax liability		50,092	38,570
TOTAL NON CURRENT LIABILITIES		<u>50,092</u>	<u>38,570</u>
TOTAL LIABILITIES		<u>337,346</u>	<u>262,021</u>
NET ASSETS		<u>71,228</u>	<u>72,003</u>
EQUITY			
Contributed equity	12	270	270
Reserves		-	-
Retained earnings	13	70,958	71,733
TOTAL EQUITY		<u>71,228</u>	<u>72,003</u>

The Balance Sheet is to be read in conjunction with the notes to the financial statements

First Super Pty Ltd

Statement of Cash Flows

For the year ended 30 June 2018

	Note	2018	2017
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Income received		1,252,122	697,086
Operating expenses paid		(1,223,888)	(741,352)
Income tax (paid)/benefit received		3,667	(3,143)
Interest received		632	599
NET CASH (USED) / FROM OPERATING ACTIVITIES	14	<u>32,533</u>	<u>(46,810)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		32,533	(46,810)
Cash and cash equivalents at 1 July		19,147	65,957
Cash and cash equivalents at end of period	8	<u><u>51,680</u></u>	<u><u>19,147</u></u>

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements

First Super Pty Ltd

Statement of Changes in Equity

For the year ended 30 June 2018

2018:

	Notes	Capital \$	Reserves \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2017	12	270	-	71,733	72,003
Profit for the year	13	-	-	(775)	(775)
Total Comprehensive Income for the year		-	-	(775)	(775)
<i>Transactions with owners in their capacity as owners</i>					
Shares issued at cost		-	-	-	-
Balance at 30 June 2018		270	-	70,958	71,228

2017:

	Notes	Capital \$	Reserves \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2016	12	270	-	79,569	79,839
Profit/(loss) for the year	13	-	-	(7,836)	(7,836)
Total Comprehensive Income for the year		-	-	(7,836)	(7,836)
<i>Transactions with owners in their capacity as owners</i>					
Shares issued at cost		-	-	-	-
Balance at 30 June 2017		270	-	71,733	72,003

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

First Super Pty Ltd

Notes to the Financial Statements

1. REPORTING ENTITY

The financial report of First Super Pty Ltd for the year ended 30 June 2018 was authorised for issue in accordance with a resolution by the Directors.

First Super Pty Ltd is a small proprietary company incorporated in Australia. The nature of the operations and principal activities of the Company was to act as the Trustee of First Super and to pay various trustee expenses on behalf of the fund.

First Super Pty Ltd is economically dependent on the fund First Super. First Super Pty Ltd is domiciled in Victoria, Australia and its registered office address: Level 3, 200 Arden Street, North Melbourne, Victoria, 3051.

2. BASIS OF PREPARATION

(a) Statement of compliance

The 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 Registrable Superannuation Entity Licence conditions. The financial statements of the Company also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

The financial statements were approved by the Directors on 24 September 2018.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

The preparation of financial statements in conformity with Australian Accounting Standards 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) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2018 reporting period and have not been early adopted by the Company. The directors' assessment of the impact of these new standards (to the extent relevant to the Company) is set out below:

AASB 9 Financial Instruments (and applicable amendments), (effective for years commencing 1 January 2018)

AASB 9 addresses the classification, measurement, recognition and de-recognition of financial assets and financial liabilities. AASB9 introduced revised rules around hedge accounting and impairment. The standard is not applicable until 1 January 2018 but is available for early adoption.

The directors do not expect this to have a significant impact on the Company's financial instruments as they are carried at fair value through profit and loss.

The Company intends to adopt AASB 9 from its commencement.

AASB 15 Revenue from Contracts with Customers (effective for years commencing 1 January 2018)

AASB 15 introduces changes in the recognition of revenue from customers. Given the nature of the Company's revenue, the directors do not expect this to have a significant impact on the Company's financial statements.

The Company intends to adopt AASB 15 from its commencement.

First Super Pty Ltd

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES

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

Receivables

Receivables are recognised initially at fair value and subsequently at amortised cost less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of an amount is no longer probable. Bad debts are written off when identified. Amounts are generally received within 30 days of being recorded as receivables. Due to the short term nature of these receivables, the carrying amount of these receivables approximate fair value.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Trade Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

Share Capital

Ordinary share capital is recognised at the fair value of the consideration received by the Company.

Revenue services

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in statement of comprehensive income on a mainly diminishing value basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The estimated useful lives for the 2018 year for furniture and fittings is 8 years (2017: 8 years).

First Super Pty Ltd

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax

Income tax comprises of current and deferred tax. Current and deferred tax are recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and temporary differences related to investments in subsidiaries and associates and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Goods and services tax (GST)

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 balance sheet.

Cash flows are included in the statement of cash flows on a net basis.

4. REVENUE FROM ORDINARY ACTIVITIES

	2018	2017
	\$	\$
Revenues from operating activities		
Interest income	632	599
Revenue from Trustee Services	1,292,384	820,716
Total revenues from operating activities	<u>1,293,016</u>	<u>821,315</u>

5. EXPENSES AND LOSSES / (GAINS)

Administration	1,294,085	822,418
Total Expenses	<u>1,294,085</u>	<u>822,418</u>

First Super Pty Ltd

Notes to the Financial Statements

6. INCOME TAX

(a) Major components of income tax expense

Income Tax expenses and assets arising from the levying of income tax of the Company have been determined in accordance with the provisions of Australian Accounting Standards AASB 112 - Income Taxes.

	2018 \$	2017 \$
Income Tax (Benefit)/Expense		
Current year income tax	5,991	(10,054)
Deferred income tax	(6,285)	9,751
Current income tax adjustments for the prior year	-	7,037
Total	<u><u>(294)</u></u>	<u><u>6,734</u></u>

(b) Reconciliation between income tax expenses and the accounting profit before income tax operating result

Changes in Net Assets before Tax	(1,069)	(1,103)
<i>Prima facie income tax at 27.5% (2017: 30%)</i>	(294)	(303)
Decrease in Tax Expenses Due to		
Prior period losses	-	7,037
Total income tax expense/(benefit) on operating profit	<u><u>(294)</u></u>	<u><u>6,734</u></u>

7. RECEIVABLES (CURRENT)

First Super	184,888	151,024
Total Receivables (Current)	<u><u>184,888</u></u>	<u><u>151,024</u></u>

8. CASH AND CASH EQUIVALENTS

Cash on hand	270	270
Cash at bank - NAB	51,410	18,877
	<u><u>51,680</u></u>	<u><u>19,147</u></u>

9. PAYABLES (CURRENT)

GST Liability	5,651	4,207
Other Payables	281,603	219,244
	<u><u>287,254</u></u>	<u><u>223,451</u></u>

10. PLANT AND EQUIPMENT

Fixtures and Fittings as cost	13,056	13,056
Less accumulated depreciation	(6,161)	(4,529)
	<u><u>6,895</u></u>	<u><u>8,527</u></u>

11. CURRENT TAX ASSET

Current Tax Asset	7,876	17,534
	<u><u>7,876</u></u>	<u><u>17,534</u></u>

First Super Pty Ltd

Notes to the Financial Statements

12. CONTRIBUTED EQUITY

	2018	2017
	\$	\$
Issued and paid up capital		
270 ordinary shares of \$1 each, fully paid (2017: 270)	270	270
Total issued and paid up capital	270	270

13. RETAINED PROFITS

Balance at the beginning of the period	71,733	79,569
Net profit	(775)	(7,836)
Total available for appropriation	70,958	71,733

14. STATEMENT OF CASH FLOWS

Reconciliation of the operating profit after tax to the net cash flows from operations

Operating profit after tax	(775)	(7,836)
Depreciation of non-current assets	1,632	1,631
Changes in assets and liabilities		
Current tax asset	9,658	(7,943)
Deferred tax asset	(17,807)	(28,819)
Prepayment	(1,636)	6,953
Receivables	(33,864)	(116,677)
Payables	63,803	67,310
Deferred tax liability	11,522	38,570
Net cash flow from/(used in) operating activities	32,533	(46,811)

15. RELATED PARTY TRANSACTIONS

(a) Director and Key Management Personnel

The Key Management personnel for the Company during the year were:

Directors

Michael O'Connor (Co-chair)	Lisa Marty (Co-chair)
Candy Broad	Denise Campbell-Burns
Julie George	Janet Gilbert
Mike Radda	David Kirner (resigned 1 September 2017)
Alex Millar	Scott McDine (appointed 1 September 2017)
Frank Vari	Timothy Chatfield (appointed 22 September 2017)
Allan Stewart	

Other key management personnel

William Watson is the Chief Executive Officer of First Super Pty Ltd. David Galloway was the joint Company Secretary of First Super Pty Ltd (resigned 7 July 2017). William Watson resigned as joint Company Secretary on 19 July 2017. Maxine Jacona was appointed as Company Secretary on 19 July 2017.

First Super Pty Ltd

Notes to the Financial Statements

15. RELATED PARTY TRANSACTIONS (continued)

(b) Compensation of Key Management Personnel

Director Remuneration ¹								
Directors	Position Held	FY Year	Meeting Fees Paid and Payable	Travel allowance and expenses paid	Total remuneration	Remuneration from related entities		Recipient Organisation/Entity
						SBA ³	Frontier ⁴	
Michael O'Connor	Co-Chair	2016/2017	\$74,525	\$5,144	\$79,669	\$11,250	n/a	CFMMEU ²
		2017/2018	\$75,350	\$22,704	\$98,054	\$9,900		
Allan Stewart	Director	2016/2017	\$52,004	\$30,041	\$82,045	n/a	n/a	Allan Stewart & Associates Pty Ltd
		2017/2018	\$34,100	\$16,432	\$50,532	\$15,600		Allan Stewart
Bob Smith ⁵	Independent Director	2016/2017	\$47,850	\$19,261	\$67,111	n/a	n/a	Robert Patrick Smith
		2017/2018	\$0	\$815	\$815			
David Kirner ⁶	Director	2016/2017	\$18,150	\$10,450	\$28,600	n/a	n/a	CFMMEU ²
		2017/2018	\$1,650	\$1,100	\$2,750			
Alex Millar	Director	2016/2017	\$29,700	\$1,928	\$31,628	n/a	n/a	CFMMEU ²
		2017/2018	\$24,750	\$2,062	\$26,812			
Mike Radda	Director	2016/2017	\$14,025	\$4,840	\$18,865	n/a	n/a	UCI Projects Pty Ltd
		2016/2017	\$13,200	\$1,928	\$15,128		\$7,790	Sterad Pty Ltd
		2017/2018	\$9,900	\$0	\$9,900		n/a	\$2,046
Martin Lewis ⁷	Director	2016/2017	\$8,250	\$4,400	\$12,650	\$36,300	\$4,490	Kylken Pty Ltd
		2017/2018	n/a	n/a	n/a	n/a	n/a	n/a
Frank Vari	Director	2016/2017	\$23,100	n/a	\$23,100	n/a	n/a	CFMMEU ²
		2017/2018	\$31,350	\$2,062	\$33,412			
Lisa Marty	Co-Chair	2016/2017	\$76,589	\$8,638	\$85,228	n/a	n/a	Lisa Marty
		2017/2018	\$81,015	\$19,461	\$100,476			
Denise Campbell - Burns	Director	2016/2017	\$34,650	\$1,928	\$36,578	n/a	n/a	CFMMEU ²
		2017/2018	\$28,050	\$1,100	\$29,150			
Julie George	Director	2016/2017	\$41,250	\$22,833	\$64,083	n/a	n/a	Busi Culture Pty Ltd
		2017/2018	\$36,300	\$12,751	\$49,051			
Candy Broad	Independent Director	2016/2017	\$39,000	\$8,053	\$47,053	n/a	n/a	Candy Broad
		2017/2018	\$50,800	\$1,875	\$52,675			
Janet Gilbert	Director	2016/2017	\$13,200	\$16,228	\$29,428	n/a	n/a	Crescor Pty Ltd
		2017/2018	\$23,100	\$10,862	\$33,962			Crescor Pty Ltd
		2017/2018	\$10,500	\$1,796	\$12,296			Janet Gilbert
Timothy Chatfield ⁸	Director	2016/2017	n/a	n/a	n/a	n/a	n/a	n/a
		2017/2018	\$31,500	\$1,875	\$33,375			Timothy Chatfield
Scott McDine ⁹	Director	2016/2017	n/a	n/a	n/a	n/a	n/a	n/a
		2017/2018	\$37,770	\$12,838	\$50,608		\$11,003	CFMMEU ²

¹ The remuneration above includes GST and Superannuation where applicable. Not all directors are registered for GST.

² The full name of the recipient organisation is the Construction Forestry Maritime Mining & Energy Union – Manufacturing Division. The previous organisation, prior to a merger between two unions, was the Construction Forestry Mining and Energy Union - Forestry, Furnishing, Building Products & Manufacturing Division.

³ SBA = Super Benefits Administration Pty Ltd.

⁴ Frontier = Frontier Advisors Pty Ltd.

⁵ Bob Smith resigned as a director on 30 June 2017.

⁶ David Kirner resigned as a director on 1 September 2017.

⁷ Martin Lewis resigned as a director on 27 September 2016.

⁸ Timothy Chatfield was appointed as a director on 1 September 2017.

⁹ Scott McDine was appointed as a director on 22 September 2017.

First Super Pty Ltd

Notes to the Financial Statements

15. RELATED PARTY TRANSACTIONS (continued)

(b) Compensation of Key Management Personnel

Executive Remuneration						
Executive Officers	Position Held	FY Year	Paid - Cash Component	Superannuation Contributions includes SG and Salary Sacrifice	Other ¹	Total remuneration
William Watson	Chief Executive Officer	2016/2017	\$312,845	\$39,457	\$9,235	\$361,538
		2017/2018	\$333,315	\$24,960	\$10,309	\$368,584
David Galloway ²	Operations and Governance Manager	2016/2017	\$170,304	\$35,953	\$6,687	\$212,944
		2017/2018	\$77,326	\$243	\$0	\$77,569
Maxine Jacona ³	Executive Manager Governance	2017/18	\$162,524	\$16,105	\$4,500	\$183,129

¹ Other includes salary sacrificed benefits and long service leave accrued in the financial year.

² David Galloway resigned on 7 July 2017. The remuneration above is for payment of his accrued entitlements including long service leave, backpay and unused annual leave.

³ Maxine Jacona was appointed as Company Secretary on 19 July 2017. The remuneration shown above is for the period Maxine Jacona has been classified as key management personnel.

16. AUDITORS REMUNERATION

2018	2017
\$	\$

Amounts received or due and receivable by the Auditors for Auditing services:

Remuneration paid or payable for services provided by the auditor:

PwC - Audit and review of the Financial Statements	7,370	7,230
PwC - Other Assurance Services	-	-
	<u>7,370</u>	<u>7,230</u>

First Super Pty Ltd pays for the audit of the Company and Australian Financial Services Licence. Other fees are paid by the fund.

17. SUBSEQUENT EVENTS

There are no significant events which have occurred subsequent to 30 June 2018.

Directors' Declaration

In the opinion of the directors of First Super Pty Limited ("the Company"):

The financial statements and notes that are set out here-in, and 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 2018 and of its performance, for the financial year ended on that date.
- (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001: and
- (iii) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors draw attention to Note 2(a) to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors.

Director

Director

Dated this 24th day of September 2018
Melbourne