



A.B.N 56 286 625 181

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2015**

## Statement of Financial Position

As at 30 June 2015

	Note	Jun-15 \$	Jun-14 \$
<b>ASSETS</b>			
Cash and Cash Equivalents		4,869,065	5,024,145
Investments	4	2,316,026,623	2,132,610,911
Plant and Equipment	5	59,666	39,783
Trade and Other receivables	6	757,737	398,412
Deferred tax asset	17b	418,244	305,857
<b>TOTAL ASSETS</b>		<b>2,322,131,336</b>	<b>2,138,379,108</b>
<b>LIABILITIES</b>			
Trade and Other payables	7	(5,957,105)	(7,129,257)
Benefits payable		(776,540)	(685,714)
Current tax liabilities		2,218,108	(7,420,100)
Deferred tax liability	17c	(15,878,449)	(4,600,854)
<b>TOTAL LIABILITIES (excluding net assets available to pay benefits)</b>		<b>(20,393,987)</b>	<b>(19,835,925)</b>
<b>NET ASSETS AVAILABLE TO PAY BENEFITS</b>		<b>2,301,737,349</b>	<b>2,118,543,183</b>
Represented By:			
<b>LIABILITY FOR ACCRUED BENEFITS</b>			
<b>Members' funds balance</b>	8	2,284,778,179	2,090,414,734
<b>Reserves</b>			
Operational Risk Reserve		6,276,559	6,120,736
Administration Reserve		10,372,114	10,092,202
Investment Reserve		60,498	11,665,511
Regulatory Reserve		250,000	250,000
<b>Total Reserves</b>	13	<b>16,959,170</b>	<b>28,128,449</b>
<b>Members Funds and Reserves</b>		<b>2,301,737,349</b>	<b>2,118,543,183</b>
<b>LIABILITY FOR ACCRUED BENEFITS</b>		<b>2,301,737,349</b>	<b>2,118,543,183</b>

The statement of financial position is to be read in conjunction with the notes to the financial statements set out in pages 5 to 24

## Operating Statement

For the year ended 30 June 2015

	Note	Jun-15 \$	Jun-14 \$
<b>INVESTMENT INCOME</b>			
Interest income		9,586,488	10,910,003
Dividends and distributions		149,078,143	84,467,680
Other income		1,531,626	1,929,682
Movement in net market value of investments	15	38,712,515	146,104,854
Less: direct investment expenses		(2,603,257)	(2,409,411)
Interest Income - Bank		102,189	93,833
	14	<u>196,407,705</u>	<u>241,096,641</u>
<b>CONTRIBUTION REVENUE</b>			
Employer contributions		130,049,249	122,631,988
Member contributions		11,095,350	9,066,248
Transfers from other funds		27,299,618	27,173,102
Govt Co-contrs & LISC		2,241,817	2,369,863
		<u>170,686,034</u>	<u>161,241,201</u>
<b>OTHER REVENUE</b>			
Group life insurance proceeds		17,996,700	17,100,900
Sundry Income		159,984	-
		<u>18,156,685</u>	<u>17,100,900</u>
<b>TOTAL REVENUE</b>		<u>385,250,424</u>	<u>419,438,742</u>
<b>EXPENSES</b>			
Group life insurance premiums		(18,259,785)	(18,735,022)
Administration and Investment	16	(13,072,191)	(11,582,859)
<b>TOTAL EXPENSES</b>		<u>(31,331,976)</u>	<u>(30,317,881)</u>
<b>BENEFITS ACCRUED AS A RESULT OF OPERATIONS BEFORE INCOME TAX</b>		<u>353,918,447</u>	<u>389,120,861</u>
Income tax expense attributable to benefits accrued	17a	(25,305,842)	(29,690,087)
<b>BENEFITS ACCRUED AS A RESULT OF OPERATIONS</b>		<u>328,612,605</u>	<u>359,430,774</u>

The operating statement is to be read in conjunction with the notes to the financial statements set out in pages 5 to 24.

## Statement of Cash Flows

For the year ended 30 June 2015

	Note	Jun-15 \$	Jun-14 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Employer contributions received		130,049,249	122,631,988
Member contributions received		13,337,167	11,436,111
Contribution Roll-ins received		27,299,618	27,173,102
Interest received		102,189	93,833
Sundry income		1,558,821	1,928,959
Admin reserves amounts received		170,043	44,459
Proceeds from group life policies		17,996,700	17,100,900
Group life proceeds paid to members		(17,996,700)	(17,100,900)
Group life premiums paid		(18,259,785)	(18,735,022)
Administration expenses paid		(14,611,931)	(9,154,905)
Direct investment expenses paid		(2,603,257)	(2,409,411)
Benefits paid		(127,500,961)	(119,637,402)
Income tax paid		(23,646,052)	(20,049,087)
<b>Net cash from operating activities</b>	<b>18</b>	<b>(14,104,899)</b>	<b>(6,677,375)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Placements of cash for investment		13,961,440	5,880,198
Payments for fixed assets and other items		(11,620)	(23,723)
<b>Net cash used in investing activities</b>		<b>13,949,819</b>	<b>5,856,475</b>
<b>Net increase / (decrease) in cash and cash equivalents held</b>		<b>(155,079)</b>	<b>(820,900)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>5,024,145</b>	<b>5,845,045</b>
<b>Cash and cash equivalents at the end of the financial year</b>		<b>4,869,066</b>	<b>5,024,145</b>

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out in pages 5 to 24.

# Notes to the Financial Statements

For the year ended 30 June 2015

## 1 REPORTING ENTITY

First Super Superannuation Fund (the "Fund") is a superannuation fund domiciled in Australia. The address of the Fund's registered office is Level 3, 200 Arden Street, North Melbourne VIC 3051. The Fund was established by a Trust Deed dated 25 March 1985, as amended.

For the purposes of the Superannuation Industry (Supervision) Act 1993 and its Regulations, the Fund is a defined contribution and pension fund.

The Fund provides retirement benefits for its members which are in the forest and wood products industry.

In accordance with amendments to the Superannuation Industry (Supervision) Act 1993, the Fund was registered with the Australian Prudential Regulation Authority on the 9th June 2006 (registration no. R106735).

The trustee of the Fund is First Super Pty Ltd (RSE No L0003049).

## 2 BASIS OF PREPARATION

### (a) Statement of compliance

The financial statement is a general purpose financial report which has been prepared in accordance with Australian Accounting Standard AAS 25, other applicable Accounting Standards, and the provisions of the Trust Deed and the requirements of the Superannuation Industry (Supervision) Act 1993 and Regulations.

International Financial Reporting Standard ("IFRS") form the basis of Australian Accounting Standards adopted by the AASB. Certain requirements of AAS 25 however differ from the equivalent requirements that would be applied under IFRS.

The financial statements were authorised for issue by the Board of Directors of the Trustee, First Super Pty Ltd on 22nd of September 2015. The accounting policies adopted are consistent with those of the prior year unless otherwise stated.

### (b) Basis of measurement

The financial statements have been prepared in accordance with the historical cost convention, except for the valuation of investments, which are measured at net market value.

Assets of the plan are recorded at net market value as at the reporting date and changes in the net market value of assets are recognised in the Operating Statement in the periods in which they occur. Net market values have been determined as follows: in the case of shares in listed companies and government and other fixed interest securities, by reference to relevant middle market quotations. In the case of other assets on the basis of Trustees' assessments in accordance with its policies.

### (c) Functional and presentation currency

The financial statements are presented in Australian dollars, which is the functional currency of the Fund.

### (d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and 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.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Valuation of Investments and Derivatives - Note 4

## Notes to the Financial Statements

For the year ended 30 June 2015

### 3 SIGNIFICANT ACCOUNTING POLICIES

#### (a) Plant and equipment

##### (i). Recognition and measurement

Plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

##### (ii). Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day to day servicing of property, plant and equipment are recognised in profit or loss as incurred.

##### (iii). 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 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 current and comparative periods are as follows:

	2015	2014
Plant and Equipment	8 years	8 years
Motor vehicles	5 - 8 years	5 - 8 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

#### (b) Investments and Derivatives

Investments and derivatives of the Fund are recorded at net market value as at the reporting date. Net market values have been determined as follows:

##### (i). Fixed Interest Securities / Listed Shares - Australian and International

The value of these investments has been determined using the last sale price quoted at balance date. All such investments are net of any realisation costs (i.e. brokerage and stamp duty) which may apply in the event of disposal.

##### (ii). Pooled Superannuation Trusts / Unit Trusts / Property Trusts

These investments are valued at the redemption price at balance date as advised by the respective investment manager and reflects the Fund's interest in the underlying value of the assets.

## Notes to the Financial Statements

For the year ended 30 June 2015

### 3 SIGNIFICANT ACCOUNTING POLICIES (Cont.)

#### (c) Revenue Recognition

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. The following specific recognition criteria must also be met before revenue is recognised:

##### *Movement in net market values of Investments*

Changes in the net market value of investments (including investment property) are recognised as income and determined as the difference between the net market value at year end of consideration received (if sold during the year) and the net market value as the prior year end or cost (if the investment was acquired during the period).

##### *Contributions revenue and transfers*

Contributions revenue and transfers in are recognised when control and the benefit from the revenue have transferred to the Fund and is recognised gross of any taxes.

##### *Interest revenue*

Interest income is recognised in the operating statement as it accrues, using the original effective interest rate of the instrument calculated at the acquisition or origination date. Interest income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

##### *Dividend revenue*

Revenues from dividends is recognised on the date the shares are quoted ex-dividend and if not received at reporting date, is reflected in the statement of financial position as a receivable at net market value.

##### *Distributions*

Distributions from managed investment schemes are recognised as at the date the unit value is quoted ex-distribution and if not received at reporting date, are reflected in the statement of financial position as a receivable at net market value.

##### *Group life insurance proceeds*

Insurance claim amounts are recognised where the insurer has agreed to pay the claim lodged and has transferred the claim amount to the Fund.

#### (d) Income tax

The Fund is a complying superannuation Fund within the provisions of the Income Tax Assessment Act. Accordingly, the tax rate of 15% applies.

Income tax on the Operating Statement for the year comprises current and deferred tax. Income tax is reflected in the Operating Statement. Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at the statement of financial position date and any adjustment to tax payable in respect of previous years.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases on assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised, except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

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

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

## Notes to the Financial Statements

For the year ended 30 June 2015

### 3 SIGNIFICANT ACCOUNTING POLICIES (Cont.)

**(e) Foreign Currency**

Both the functional and presentation currency of the Fund is Australian dollars (\$).

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Australian dollars at the rate of exchange ruling at that date.

Foreign exchange differences arising on the translation are recognised in the operating statement in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

**(f) Benefits payable**

Benefits payable which comprises the entitlements of members who ceased employment prior to the year end but had not been paid at that time. Benefits payable are normally settled within 30 days.

**(g) Receivables and Other Payables**

Receivables are carried at nominal amounts due, which approximate net fair value.

Receivables are normally settled within 30 days. An allowance for uncollectible amounts is only made where there is objective evidence that the debt will not be collected.

Other payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the economic entity. Payables are normally settled on 30 day terms.

**(h) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

**(i) Accrued Benefits**

The liability for accrued benefits is the Fund's present obligation to pay benefits to members and beneficiaries arising from membership of the Fund up to reporting date.

This has been calculated as the difference between the carrying amount of the assets and the carrying amounts of the sundry liabilities and income tax liabilities as at reporting date.

**(j) Employee Benefits**

**(i). Long-term service benefits**

The funds net obligation in respect of long-term service benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Corporate bonds at the balance sheet date which have maturity dates approximating to the terms of the Company's obligations.

**(ii). Short-term benefits**

Liabilities for employee benefits for wages, salaries, annual leave and sick leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Company as the benefits are taken by the employees.

**(k) 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.

**(l) Superannuation Contribution Surcharge**

The Superannuation Laws Amendment (abolition of Surcharge) Act 2005 abolishes both the superannuation contributions surcharge and the termination payments surcharge in respect of superannuation contributions and certain termination payments made or received on or after 1 July 2005. Assessments for surcharge in respect of contributions and payments for the year ended 30 June 2005 and prior years will continue to be issued and remain payable.

Superannuation Contributions Surcharge is levied on surchargeable contributions for the relevant year on the basis of the individual members adjusted taxable income for that year. The liability for the Superannuation Contribution Surcharge is recognised when the assessment is received, as the Trustee considers this is when it can be reliably measured.

The superannuation surcharge liability recognised by the Fund has been charged to the relevant members' accounts.



## Notes to the Financial Statements

For the year ended 30 June 2015

### 3 SIGNIFICANT ACCOUNTING POLICIES (Cont.)

#### (m) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST) recoverable from the Australian Taxation Office (ATO) as a reduced input tax credit (RITC). In circumstances where the GST is not recoverable, the GST is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

#### (n) Derecognition of Financial Assets and Financial Liabilities

A financial asset is derecognised when:

- \* the rights to receive cash flows from the asset have expired; or
- \* the Fund transfers substantially all the risks and rewards of ownership of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

#### (o) Excess Contributions Tax

The Australian Taxation Office may issue release authorities to members of the Fund relating to the relevant member's excess contributions tax that is payable in respect of the member's concessional and/or non-concessional contributions for a particular year. Where a member receives an excess contributions tax release authority, the member:

- \* may give the release authority relating to the member's concessional contributions to a fund for payment; and
- \* must give the release authority relating to the member's non-concessional contributions to a fund for payment.

Release authorities may be issued by the Australian Taxation Office from 1 July 2007 in relation to transitional non-concessional contributions received by the Fund between 9 May 2006 and 30 June 2007. Release authorities in relation to concessional and/or non-concessional contributions received from 1 July 2007 may be issued from the Australian Tax Office from 1 July 2008. The liability for the excess contributions tax will be recognised when the relevant release authorities are received from the members, as the Trustee considers this is when it can be reliably measured. The excess contributions tax liability recognised by the Fund will be charged to the relevant member's accounts.

#### (p) Comparatives Figure

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

#### (q) New standards and Interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 30 June 2015, and have not been applied in preparing these financial statements. Those which may be relevant to the fund are set out below. The fund does not plan to adopt these standards early.

AASB9 Financial Instruments (2013), AASB 9 Financial Instruments (2010) and AASB9 Financial Instruments (2009) (together AASB9)

AASB9 introduces new requirements for the classification and measurement of financial assets. Under AASB9(2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows.

AASB9 (2010) introduces additional changes relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of AASB9 and add new requirements to address the impairment of financial assets. AASB9 (2013) introduces new requirements for hedge accounting.

AASB9 is effective for annual periods beginning on or after 1 January 2017. The effective date is subject to review pending the finalisation of the outstanding phases of the standard. However, early adoption is permitted. The early adoption of these standards is expected to have an impact on the funds financial assets, but no impact on the funds financial liabilities. The fund has not yet determined the impact on its hedging operations.

AASB1056 Superannuation Entities (effective 30 June 2017)

Issued in June 2014, AASB1056 replaces AAS25 Financial Reporting by Superannuation Plans and is first applicable to the Fund for the year ended 30 June 2017. AASB1056 will have a number of impacts on the financial statements of the fund, including:

- The requirement to prepare five statements as follows:

- Statement of Financial Position;
- Income Statement;
- Statement of Changes in Equity/Reserves;
- Statement of Cashflows; and
- Statement of Changes in Member Benefits.

-Recognise member benefits as a liability on the face of the Statement of Financial Position

-The Statement of Financial Position will need to disclose the surplus or deficit of funds

-Net assets will reflect the funds reserves, including the Operational Risk Financial Requirement Reserve

-Increased disclosure in relation to insurance arrangements

## Notes to the Financial Statements

For the year ended 30 June 2015

### 4 INVESTMENTS

The investments and derivatives of the Fund (other than short term deposits) are managed on behalf of the Trustee by selected investment managers. The custodian holding the shares and fixed interest securities is National Asset Servicing. The Fund is invested in the following funds, managed investment schemes and trusts.

	Jun-15 \$	Jun-14 \$
<b>Australian Equities</b>		
<i>Listed Equities</i>		
Eley Griffiths Small Co Mandate	37,586,204	35,900,084
IFM Enhanced Index Fund	161,700,301	153,788,110
Invesco Small Caps Australian Equity Fund	31,796,212	35,179,650
Orbis/SM Australian Opportunity Fund	102,783,744	103,159,965
Perpetual Australian Equity Mandate	162,975,011	155,571,947
<b>Total Listed Equities</b>	<b>496,841,473</b>	<b>483,599,756</b>
<i>Unlisted/Private Equities</i>		
Frontier Pty Ltd	330,000	337,000
M.E Bank Limited	29,924,387	-
Industry Super Holdings	12,743,522	37,946,287
Super Benefits Administration Pty Ltd	1,280,959	1,565,237
The New Daily Pty Ltd	2,000,000	1,000,000
ROC Partners Trust III (prev Macquarie Alternative Investment Trust III)	9,384,196	12,136,419
ROC Partners Trust IV (prev Macquarie Alternative Investment Trust IV)	17,025,049	18,700,532
Quay Australian 3 Fund	3,656,936	4,059,581
Quay Australian 4 Fund	1,978,664	2,349,572
Quay Partners First Trust	91,687,550	56,029,450
<b>Total Unlisted Equities</b>	<b>170,011,264</b>	<b>134,124,078</b>
<b>International Equities</b>		
<i>International Share funds</i>		
BlackRock Unhedged World Equity Fund	39,619,290	31,475,350
BlackRock Hedged World ex-Australia Equity Index Fund	117,388,907	105,311,613
Capital International Global Equity Fund (Unhedged)	130,220,877	103,914,951
Deutsche Global Thematic Fund	88,701,940	71,861,512
Orbis Global Equity Fund	125,864,919	106,129,462
<b>Total International Share fund</b>	<b>501,795,932</b>	<b>418,692,888</b>
<i>International Private Equity</i>		
IFM Global Equities Trust	2,101,471	2,317,796
Wilshire Pooled Superannuation Trust	11,302,012	10,429,913
<b>Total International Private Equity</b>	<b>13,403,483</b>	<b>12,747,709</b>
<b>Property</b>		
AMP Property Income Fund	133,577	2,484,957
Fortius Opportunistic Property Fund I	7,795,089	6,443,081
Franklin International Real Estate Fund 2	3,435,486	2,735,019
ISPT Core Fund	123,198,947	112,079,989
QIC Property Fund	73,770,877	68,857,934
<b>Total Property</b>	<b>208,333,977</b>	<b>192,600,980</b>
<b>Australian Infrastructure</b>		
Hastings UTA	14,549,608	12,403,966
IFM Australian Infrastructure Fund	83,922,911	82,838,053
<b>Total Australian Infrastructure</b>	<b>98,472,519</b>	<b>95,242,019</b>

## Notes to the Financial Statements

For the year ended 30 June 2015

### 4 INVESTMENTS (Cont.)

<b>International Infrastructure</b>		
AMP Capital Investors	-	9,072,242
IFM International Infrastructure Fund	91,939,692	64,950,310
<b>Total International Infrastructure</b>	<b>91,939,692</b>	<b>74,022,552</b>
<b>Fixed Interest</b>		
IFM Alternative Fixed Income Fund	64,480,618	32,210,178
BlackRock Indexed Australian Bond Fund	112,375,350	106,387,556
BlackRock Overseas Bond Index Fund	48,605,800	46,072,528
IFM Australian Credit Opportunities Mandate	33,602,276	61,235,363
PIMCO Global Fund	86,194,188	-
PIMCO Fixed Interest Fund	119,426,055	193,993,966
Super Loans Trust (Members Equity)	7,000,056	9,156,059
Westbourne Infra Debt	36,227,432	41,940,564
<b>Total Fixed Interest</b>	<b>507,911,775</b>	<b>490,996,214</b>
<b>Cash &amp; Capital Guaranteed</b>		
IFM Cash Fund	10,774,991	27,942,754
Term Deposits	157,143,422	202,641,959
M.E Bank - Cash	59,398,095	-
<b>Total Cash &amp; Capital Guaranteed</b>	<b>227,316,508</b>	<b>230,584,713</b>
<b>Total Investments</b>	<b>2,316,026,623</b>	<b>2,132,610,911</b>

Refer to Note 3b for the methods and assumptions adopted in determining the fair values of investments.

### 5 PLANT AND EQUIPMENT

	Jun-15	Jun-14
	\$	\$
Vehicles - cost	47,624	59,833
Vehicles - accumulated depreciation	(11,103)	(24,333)
Office Equipment - cost	30,040	6,210
Office Equipment - accumulated depreciation	(6,894)	(1,927)
<b>Total plant and equipment</b>	<b>59,666</b>	<b>39,783</b>

### 6 TRADE AND OTHER RECEIVABLES

	Jun-15	Jun-14
	\$	\$
<b>Recoverable within 12 months</b>		
Sundry Debtor	8,491	4,856
Prepayments	517,206	150,510
GST Receivable	232,040	243,046
<b>Total other receivables</b>	<b>757,737</b>	<b>398,412</b>

### 7 TRADE AND OTHER PAYABLES

	Jun-15	Jun-14
	\$	\$
<b>(a) General</b>		
Administration	(483,262)	(633,229)
Audit/tax/legal services	(55,001)	(101,739)
Custodian fees	(172,810)	(163,028)
Insurance	(4,016,925)	(4,997,484)
Investment Consulting	(39,520)	(39,474)
Investment Management	(785,423)	(744,220)
PAYG Withholding - Benefits	(11,968)	(93,350)
PAYG Withholding - Staff	-	(1,325)
APRA Lodgement Fees	(36,485)	(36,488)
	<b>(5,601,394)</b>	<b>(6,810,337)</b>
<b>(b) Provisions</b>		
Provision for annual leave	(92,869)	(74,492)
Provision for long service leave	(57,349)	(38,934)
Provision for redundancy	(205,494)	(205,494)
	<b>(355,712)</b>	<b>(318,920)</b>
<b>Total accounts payable</b>	<b>(5,957,105)</b>	<b>(7,129,257)</b>

## Notes to the Financial Statements

For the year ended 30 June 2015

### 8 LIABILITY FOR ACCRUED BENEFITS AND FUNDING ARRANGEMENT - MEMBERS' BALANCE

The liability for accrued benefits is the Fund's present obligation to pay benefits to members and beneficiaries arising from membership of the Fund up to reporting date. It is measured as the difference between the carrying amount of the assets and the sum of the sundry liabilities and income tax liabilities as at reporting date.

#### (a) Changes in liability for accrued benefits

	Jun-15 \$	Jun-14 \$
Opening balance for accrued benefits - total members' funds	2,090,414,734	1,878,272,911
<b>Revenue</b>		
Contributions and member transfers	170,686,034	161,241,201
Earnings allocated to members	195,182,979	213,459,699
Proceeds on insurance	17,996,700	17,100,900
<b>Expenditure</b>		
Insurance	(18,203,857)	(18,727,728)
Administration levies deducted from members' accounts	(6,636,495)	(5,900,914)
Adjustments	-	(3)
Cost of member protection	-	6,759
Anti-detriment benefits	492,010	397,969
Tax expense	(19,565,444)	(18,483,628)
Benefits paid/payable	(145,588,487)	(136,952,431)
<b>Closing balance for accrued benefits - members' funds</b>	<b>2,284,778,174</b>	<b>2,090,414,734</b>

#### (b) Funding arrangements

Members' contributions were made in accordance with the requirements of the Trust Deed pursuant to applications contained in the Product Disclosure Statement, supplements and Key Features Statements on issue by the Trustee during the year.

### 9 VESTED BENEFITS

	Jun-15	Jun-14
Vested benefits as at the end of the period	2,284,778,179	2,090,414,734

Vested benefits represents the members' right to which, under the terms of a superannuation plan, are not conditional upon continued plan membership or any factor other than resignation from the plan.

### 10 GUARANTEED BENEFITS

No guarantees have been made in respect to any part of the liability for accrued benefits.

### 11 BENEFITS PAID/PAYABLE

	Jun-15 \$	Jun-14 \$
Death	(6,583,394)	(6,655,500)
Disability	(1,266,981)	(249,702)
Hardship	(2,380,212)	(2,427,272)
Retirement	(32,106,350)	(30,046,497)
Pension	(9,210,024)	(6,556,020)
Rollovers to another Fund / Partial Withdrawal/Leaving Industry	(76,044,826)	(73,916,540)
Group Life Benefits	(17,996,700)	(17,100,900)
<b>Total benefits paid/payable</b>	<b>(145,588,487)</b>	<b>(136,952,431)</b>

## Notes to the Financial Statements

For the year ended 30 June 2015

	Jun-15 \$	Jun-14 \$
<b>12 ALLOCATED PENSION FUND</b>		
Members' Funds Opening Balance	75,584,941	47,082,597
<b>Revenue</b>		
Transfers	49,236,993	37,815,882
Employee contributions	-	-
Interest	7,770,135	6,070,260
<b>Total Revenue</b>	<b>57,007,128</b>	<b>43,886,142</b>
<b>Expenditure</b>		
Pensions	(9,143,829)	(6,563,768)
Partial Withdrawal	(3,427,054)	(2,024,236)
Roll out	(17,614,109)	(6,533,649)
Foregone Benefit	(7,447)	(260)
Administration fees	(348,624)	(261,884)
<b>Total Expenditure</b>	<b>(30,541,063)</b>	<b>(15,383,797)</b>
<b>Net Movement</b>	<b>26,466,065</b>	<b>28,502,345</b>
<b>Members Funds Closing Balance</b>	<b>102,051,005</b>	<b>75,584,942</b>
<b>Allocation by Investment Choice</b>		
Balanced	58,247,581	40,964,345
Cash	11,708,829	11,908,968
Shares Plus	3,833,817	2,621,910
Conservative Balanced	25,231,351	18,601,623
Growth	3,029,427	1,488,096
<b>Total Allocation Closing balance</b>	<b>102,051,005</b>	<b>75,584,942</b>
<b>13 LIABILITY FOR ACCRUED BENEFITS - RESERVES</b>		
Opening balance for accrued benefits - reserves	28,128,449	17,748,192
<b>Regulatory Reserve</b>	<b>250,000</b>	<b>250,000</b>
<b>Operational Risk Reserve</b>	<b>6,120,736</b>	<b>6,010,473</b>
Transfers in (out)	-	-
Earnings on reserve	155,823	110,263
<b>Operational Risk Reserve</b>	<b>6,276,559</b>	<b>6,120,736</b>
<b>Administration Reserve</b>		
Opening Balance	10,092,202	7,740,026
Transfer from General Reserve	-	3,637,430
Group life insurance deducted from members accounts	18,203,857	18,727,728
Administration levies deducted from members accounts	6,636,495	5,900,914
Cost of member protection	-	(6,759)
Administration	(13,072,191)	(11,582,859)
Other sundry income	186,206	109,543
Income Tax benefit	4,699,796	5,006,796
The New Daily Ltd drawdown	(1,000,000)	(1,000,000)
Investment expenses transferred out	1,427,867	1,401,858
Other items	1,000,000	(1,802,458)
Group Life Insurance premiums paid	(18,259,785)	(18,735,022)
Foregone Benefits	(492,010)	(397,969)
Earnings on reserve	949,676	1,092,974
<b>Administration Reserve</b>	<b>10,372,114</b>	<b>10,092,202</b>
<b>Investment Reserve</b>		
Opening Balance	11,665,511	-
Investment Income	196,305,515	241,002,808
Interest on cash at bank	102,189	93,833
Sundry income	159,984	-
The New Daily Ltd drawdown	1,000,000	1,000,000
Investment expenses transferred in	(1,427,867)	(1,401,858)
Other items	(1,016,163)	1,846,919
Income Tax expense	(10,440,195)	(16,213,255)
Earnings allocated to Admin reserve	(949,676)	(1,092,974)
Earnings allocated to OFR reserve	(155,823)	(110,263)
Earnings Allocated to Members	(195,182,979)	(213,459,699)
<b>Investment Reserve</b>	<b>60,498</b>	<b>11,665,511</b>
<b>Closing balance of accrued benefits - Reserves</b>	<b>16,959,170</b>	<b>28,128,449</b>

## Notes to the Financial Statements

For the year ended 30 June 2015

### 13 LIABILITY FOR ACCRUED BENEFITS - RESERVES (CONT.)

	2015	2014
Operational Risk Financial Requirement reserve	6,276,559	6,120,736

Under APRA Prudential Standards SPS 114: Operational Risk Financial Requirements (ORFR), the Fund is required to maintain an ORFR reserve of at least 0.25% of the Funds assets. The ORFR reserve is part of the financial management of the Fund and is operated in accordance with Operational Risk Reserve Policy which is reviewed annually. The ORFR may be used in certain circumstances to address operational risk events or claims against the fund arising from operational risk.

### 14 REVENUE - INVESTMENTS

	Jun-15	Jun-14
	\$	\$
IFM Alternative Fixed Income Fund	2,267,015	2,262,565
AMP Capital Investors	116	224,085
AMP Core Property Fund	23,774	181,905
Blackrock Unhedged World Equity Fund	8,538,151	26,062,935
BlackRock Hedged World ex-Australia Equity Index Fund	12,077,294	16,800,725
BlackRock Indexed Australian Bond Fund	5,989,338	6,135,759
BlackRock Overseas Bond Index Fund	2,140,569	934,892
BT Aust Equities	-	(28,757)
Capital International Global Equity Fund (Unhedged)	26,316,638	21,130,487
Deutsche International Equities	16,840,428	12,680,174
Domestic Equity Transition	(27,703)	12,443
Eley Griffiths Mandate	2,490,382	6,023,437
First Trust	-	7,494,818
Forestry Direct Investment	-	768
Fortius Opportunistic Property Fund I	1,811,005	855,878
Franklin International Real Estate Fund 2	685,911	60,233
Frontier	0	64,044
Hastings UTA	2,145,642	1,465,400
Industry Super Holdings	3,744,515	2,648,891
IFM Trans CF Realised	6,007,298	(5,231)
IFM Australian Credit Opportunities Mandate	1,822,955	4,769,402
IFM Enhanced Index Fund	(2,087,187)	187,110
IFM Global Equities Trust	531,058	570,198
IFM International Infrastructure Fund	6,989,375	2,687,516
IFM Trans CF	6,230,506	(908,547)
IFM Australian Infrastructure Fund	1,222,197	8,589,175
ING PE	-	(12,298)
ISPT Core Fund	11,708,662	9,280,439
Invesco Small Caps Australian Equity Fund	(3,383,438)	4,413,106
ISPT	75,875	215,849
ROC Partners Trust III (prev Macquarie Alternative Trust III)	487,053	2,041,492
ROC Partners Trust IV (prev Macquarie Alternative Trust IV)	1,923,871	5,999,666
Macquarie Alternative Investment Trust	-	195
Orbis Global Equity Fund	19,735,456	22,787,876
Orbis/Allan Gray Australian Equity Fund	(376,221)	20,385,268
PIMCO Global	2,017,524	-
PIMCO Fixed Interest Fund	9,608,753	11,130,336
Perpetual Australian Equities Mandate	8,316,825	26,573,976
QIC Property Fund	6,487,421	5,605,527
Quay Australian 3 Fund	320,858	1,100,682
Quay Australian 4 Fund	307,721	775,433
Quay Partners First Trust	22,679,458	617,620
Short term Cash	6,689,882	6,471,685
Super Benefits Administration Pty Ltd	(284,278)	-
Super Loans Trust (Members Equity)	557,534	761,898
Wilshire Pooled Superannuation Trust	2,756,126	1,083,047
Westbourne YF 1	2,694,108	2,886,158
Investment Manager Fees	(1,582,232)	(1,921,619)
International Foreign Exchange	(92,530)	-
<b>REVENUE - INVESTMENTS</b>	<b>196,407,705</b>	<b>241,096,641</b>

## Notes to the Financial Statements

For the year ended 30 June 2015

### 15 CHANGES IN NET MARKET VALUES OF INVESTMENT ASSETS

#### (a) INVESTMENTS REALISED DURING THE YEAR

	Jun-15 \$	Jun-14 \$
<b>Property</b>		
Fortius Opportunistic Property Fund I	348,517	-
Franklin International Real Estate Fund 2	7,705	277
ISPT Core Fund	-	-
<b>Total - property</b>	<b>356,222</b>	<b>277</b>
<b>Shares - Australian</b>		
Eley Griffiths Mandate	(505,118)	977,079
Blackrock Aust Alpha Equity Fund	-	22,776,397
IFM Trans CF Realised	(54,574)	(5,231)
IFM enhanced	(696,196)	(68,951)
Perpetual Australia Equities Mandate	4,736,284	6,387,365
ING Pr Cap 1	-	(12,299)
<b>Total - shares (Australian)</b>	<b>3,480,396</b>	<b>30,054,360</b>
<b>Development Capital</b>		
IFM	(369,595)	-
	<b>(369,595)</b>	<b>-</b>
<b>Fixed Interest Securities</b>		
BlackRock Indexed Australian Bond Fund	231	(103)
Superannuation Business Loans	(41,089)	(37,327)
<b>Total - Fixed Interest Securities</b>	<b>(40,859)</b>	<b>(37,430)</b>
<b>International Shares</b>		
BlackRock Unhedged World Equity Fund	2,201	419
Orbis Global Fund	-	2,722,966
Capital International Global Equity Fund (Unhedged)	-	4,701,375
IFM Global Equities Trust	56,423	143,634
<b>Total - shares (International)</b>	<b>58,624</b>	<b>7,568,394</b>
<b>International Private Equity</b>		
Wilshire Pooled Superannuation Trust	-	28
	<b>-</b>	<b>28</b>
<b>Cash and Capital Guaranteed</b>		
Total Cash	-	-
<b>TOTAL CHANGE IN NET MARKET VALUE - INVESTMENTS REALISED</b>	<b>3,484,790</b>	<b>37,585,629</b>

## Notes to the Financial Statements

For the year ended 30 June 2015

### 15 CHANGES IN NET MARKET VALUES OF INVESTMENT ASSETS (cont.)

#### (b) INVESTMENTS HELD AT BALANCE DATE

	Jun-15 \$	Jun-14 \$
<b>Cash and Capital Guaranteed</b>		
IFM Trans Fund	4,056,883	(1,362,977)
National Bank 11am	-	(4)
<b>Total - cash</b>	<b>4,056,883</b>	<b>(1,362,981)</b>
<b>Property</b>		
AMP Core Property Fund	(433,148)	(338,830)
Fortius Opportunistic Property Fund I	1,376,154	305,640
Franklin International Real Estate Fund 2	679,828	53,189
ISPT Core Fund	4,343,189	2,563,550
QIC Property	3,506,297	2,401,678
<b>Total - property</b>	<b>9,472,320</b>	<b>4,985,227</b>
<b>Fixed Interest Securities</b>		
PIMCO Global	(1,867,926)	-
IFM Alternative Fixed Income Fund	278,632	768,743
BlackRock Indexed Australian Bond Fund	978,112	1,652,259
BlackRock Overseas Bond Index Fund	2,096,332	886,086
IFM Australian Credit Opportunities Mandate	(263,900)	(101,637)
PIMCO Fixed Interest Fund	(4,447,501)	5,992,044
Westbourne Infra Debt	(11,206,365)	(3,656,563)
Super Loans Trust (Members Equity)	(18,560)	(36,712)
<b>Total - fixed interest securities</b>	<b>(14,451,175)</b>	<b>5,504,220</b>
<b>Development Capital</b>		
AMP Capital Investors	-	(439,723)
Hastings UTA	609,994	889,836
Industry Super Hold III	3,154,811	2,648,891
IFM International Infrastructure Fund	2,522,000	(559,392)
IFM Australian Infrastructure Fund	(1,155,312)	6,923,360
Industry Funds Management	-	-
<b>Total - development capital</b>	<b>5,131,493</b>	<b>9,462,972</b>
<b>Shares (Australian)</b>		
Domestic Equity	(43,626)	12,443
Eley Griffiths Mandate	1,980,954	3,841,957
Frontier	(7,000)	(156,200)
IFM Enhanced Index Fund	(1,718,987)	69,101
Invesco Small Caps Australian Equity Fund	(4,795,672)	2,939,685
ROC Partners Trust III (prev Macquarie Alternative Investment Trust III)	1,307,859	(1,421,185)
ROC Partners Trust IV (prev Macquarie Alternative Investment Trust IV)	(2,994,305)	(3,593,404)
Orbis/SM Australian Opportunity Fund	(3,722,955)	15,904,153
Perpetual Australian Equity Mandate	(3,652,675)	14,296,814
Quay Australian Fund	(1,186,295)	(789,676)
Quay Partners First Trust	7,407,454	617,800
Super Benefits Administration Pty Ltd	(284,278)	-
<b>Total - shares (Australian)</b>	<b>(7,709,526)</b>	<b>31,721,488</b>
<b>Shares (International)</b>		
Blackrock Unhedged World Equity Fund	7,384,767	833,550
BlackRock Hedged World ex-Australia Equity Index Fund	9,415,966	16,499,025
Capital International Global Equity Fund (Unhedged)	4,493,842	14,199,402
Deutsche Global Thematic Fund	15,497,766	11,558,548
IFM Global Equities Trust	474,624	426,515
Orbis Global Equity Fund	(348,984)	15,722,174
Wilshire Pooled Superannuation Trust	1,809,750	(1,030,915)
<b>Total - shares (International)</b>	<b>38,727,731</b>	<b>58,208,299</b>
<b>TOTAL CHANGE IN NET MARKET VALUE - INVESTMENTS HELD</b>	<b>35,227,726</b>	<b>108,519,225</b>
<b>TOTAL CHANGE IN NET MARKET VALUE OF INVESTMENT ASSETS</b>	<b>38,712,515</b>	<b>146,104,854</b>



## Notes to the Financial Statements

For the year ended 30 June 2015

16 EXPENDITURE - ADMINISTRATION & INVESTMENT COSTS	Jun-15 \$	Jun-14 \$
<b>Administration Costs</b>		
<i>Professional fees</i>		
Audit	(339,319)	(216,564)
Tax	(51,788)	(139,161)
Legal	(43,887)	128,089
Merger	(26,923)	(27,072)
Accounting & Other fees	(10,250)	-
Other Consultants	(189,753)	(186,228)
<i>Travel &amp; Accommodation</i>		
Accommodation	(20,070)	(11,019)
Airfares	(19,271)	(13,295)
Taxis & Parking	(12,104)	(5,838)
Meetings	-	(2,277)
Meals	(2,878)	(981)
Entertainment	(11,004)	(2,269)
Administration	(4,504,879)	(4,300,220)
Archive	(18,957)	-
Bank charges	(30,871)	(29,164)
Co-ordinators	(1,719,989)	(1,729,748)
Depreciation Expense	(15,548)	(10,224)
Director fees	-	(565,915)
Employment	(1,245,049)	(973,235)
General Interest Charge - ATO	-	(56,316)
Government Fees & APRA Levies	(317,874)	(486,301)
Information Technology Expenses	(1,031,455)	(16,379)
Marketing	(705,265)	(502,241)
Motor Vehicle	(14,032)	(12,054)
Occupancy	(126,313)	(146,497)
Office Administration	(54,874)	(39,437)
Printing & Postage Annual Report	(82,708)	(138,443)
Profit/Loss on Sale of Assets	(2,439)	-
Project	-	(98,526)
Subscriptions & Lodgements	(156,808)	(161,265)
Training, Seminars & Conferences	(43,438)	(100,852)
Trustee Liability Insurance	(83,317)	(109,551)
Trustee Services Fee	(763,261)	(113,795)
Written off assets	-	(871)
<b>Total expenditure - administration</b>	<b>(11,644,324)</b>	<b>(10,067,649)</b>
<b>Investment Costs</b>		
Custodial Services	(753,060)	(703,508)
Investment Manager Fees	(52,418)	-
Financial Planning	(144,525)	(132,148)
Investment consulting	(477,863)	(453,491)
Direct Investment Expenses	-	(209,400)
Shareholder Advisory & Voting Services	-	(16,663)
<b>Total expenditure - investment</b>	<b>(1,427,867)</b>	<b>(1,515,210)</b>
<b>TOTAL ADMINISTRATION &amp; INVESTMENT COSTS</b>	<b>(13,072,191)</b>	<b>(11,582,859)</b>

## Notes to the Financial Statements

For the year ended 30 June 2015

<b>17a INCOME TAX EXPENSE</b>	<b>Jun-15</b>	<b>Jun-14</b>
	<b>\$</b>	<b>\$</b>
<b>Recognised in the operating Statement</b>		
<b>Current Tax Expense</b>		
Current year	17,255,209	20,609,540
Under/Over provision from prior periods	(3,226,963)	(1,924,211)
<b>Deferred Tax Expense</b>		
Movement in temporary differences	11,277,596	11,004,758
<b>Total income tax expense</b>	<b>25,305,842</b>	<b>29,690,087</b>
<b>Reconciliation between tax expense and benefits accrued as a result of operations before income tax</b>		
Benefits accrued as a result of operations	353,918,447	389,120,861
<i>Prima facie tax at the complying superannuation fund tax rate of 15%</i>	53,087,767	58,368,129
Exempt pension income	(210,928)	(490,634)
Non Deductible administration expenses	-	145
Differences between Tax and Accounting arising in Prior Periods	(3,226,963)	(1,924,211)
Group Life proceeds	(2,699,505)	(2,565,135)
Franking and foreign tax credits	(8,387,990)	(2,928,644)
Non Assessable Member contributions	(1,664,303)	(1,715,417)
Non Assessable Transfers in	(4,094,943)	(4,075,965)
Non Assessable Government contributions	(336,272)	(355,479)
Non Assessable Investment Income	(7,161,021)	(14,622,702)
<b>Income tax expense on benefits accrued as a result of operations</b>	<b>25,305,842</b>	<b>29,690,087</b>
<b>17b Deferred tax asset relates to the following:</b>		
Other items	126,064	-
Accrued expenses	62,673	76,460
Annual and long service leave	22,533	17,014
Insurance premiums	206,974	212,383
	<b>418,244</b>	<b>305,857</b>
<b>17c Deferred tax liability relates to the following:</b>		
Net unrealised and realised capital gains/losses	(15,402,816)	(5,073,507)
Unrealised ordinary investment income	(475,633)	472,654
Net Deferred Income Tax Liability	<b>(15,878,449)</b>	<b>(4,600,853)</b>
<b>18 Reconciliation of Cash flows Provided by Operating Activities to Benefits Accrued from Ordinary Activities after Income Tax</b>	<b>Jun-15</b>	<b>Jun-14</b>
	<b>\$</b>	<b>\$</b>
Benefits accrued from ordinary activities after tax	328,612,605	359,430,774
Benefits paid and payable	(145,588,487)	(136,952,431)
Depreciation expense	(15,548)	(10,224)
<b>(Increase)/decrease in assets</b>		
Trade & other receivables	(226,536)	17,556
Investments	(197,377,151)	(241,482,537)
Deferred Tax Assets	112,387	6,709,761
<b>Increase/(decrease) in liabilities</b>		
Benefits payable	90,826	214,129
Trade and Other payables	(1,172,152)	2,464,921
Deferred tax Liability	11,277,595	4,294,996
Income tax payable	(9,638,208)	(1,363,758)
Other items	(180,230)	(562)
<b>Net cash flow provided by operating activities</b>	<b>(14,104,899)</b>	<b>(6,677,375)</b>

# Notes to the Financial Statements

For the year ended 30 June 2015

## 19 RELATED PARTIES

### (a) Key management personnel disclosures

The Trustee of the Fund throughout the year was First Super Pty Ltd (ABN 42 053 498 472), RSE Licence No. L000666, Registration No. R1000948). As an RSE Licensee, the Trustee is regarded as being the Key Management Person and the names of the directors of the Trustee who held office at any time during the financial year ended 30 June 2015 are:

#### Directors

Michael O'Connor (Co-chair)	Alex Millar	Frank Vari
Allan Stewart (Co-chair)	Denise Campbell-Burns	
David Kirner	Lindsay Morling (resigned 1 February 2015)	
Martin Lewis	Mike Radda	
Lisa Marty	Bob Smith	
Julie George (appointed 1 February 2015)	Candy Broad (appointed 21 April 2015)	

#### Officers

William Watson is the Chief Executive Officer of First Super Pty Ltd.  
David Galloway is the Company Secretary of First Super Pty Ltd.

#### Transactions with related parties

The following Directors/officers (or former Directors/officers) of the Trustee Company are or were also members of the Fund:

Michael O'Connor (Co-chair)	Lindsay Morling	Alex Millar	William Watson
Allan Stewart (Co-chair)	Martin Lewis	Julie George	Lisa Marty
Mike Radda	Denise Campbell-Burns		

Contributions and benefits are determined using the same Trust Deed provisions which apply to all members.

#### Other Related Party Transactions

M.Lewis and M.O'Connor are directors of Super Benefits Administration Pty Ltd, which provides administration and other services to the Fund on normal terms and conditions.

M. Lewis is a Director of Frontier Investment Consulting Pty Ltd, which provides consulting services to the Fund on normal terms and conditions.

W. Watson is a Director of The New Daily Limited. First Super has an investment in The New Daily Limited.

First Super owns 100% of Super Benefits Administration Pty Ltd which provides administration services to the Fund at a commercial basis at arm's length.

First Super owns 7% of Frontier Advisors Ltd which provides investment advisory services to the Fund at a commercial basis at arm's length.

The following amounts are listed at year end in relation to Super Benefits Administration Pty Ltd

	2015	2014
Administration fees paid to Super Benefits Administration Pty Ltd	4,504,879	4,300,220

The following amounts are listed at year end in relation to Super Benefits Administration Pty Ltd

	2015	2014
Trade & Other Payables - Administration Fees Owing	351,651	342,825

The Trustee applied for a license from the Australian Prudential Regulation Authority. The RSE license was granted on 9 June 2006 (license no L0003049) and amended for First Super on the 6th June 2008 effective 1st July 2008.

#### Compensation of Key Management Personnel

	2015	2014
Directors' fees and Salary	806,975	818,997
Post-employment benefits	25,026	23,185
<b>Total</b>	<b>832,001</b>	<b>842,182</b>

The Fund pays each director of the Trustee fees for services rendered to the Fund.

#### Co-ordinator Fund Payments

There were eight co-ordinators employed by CFMEU supplied on contract to First Super. The total payments for the year ended 30 June 2015 were \$1,719,989 (2014: \$1,729,748).

## 20 INSURANCE

The Fund provides death and disability benefits to members. These benefits are greater than the members' vested benefit. The Trustee has taken out insurance to cover the part of the benefit in excess of the vested benefit.

## 21 SEGMENT INFORMATION

The Fund operates solely in one reportable business segment, being the provision of benefits to members. The Fund also operates from one reportable geographic segment, being Australia, from where its activities are managed. Revenue is derived from interest, dividends, property rentals, gains on the sale of investments, unrealised changes in the value of investments, and contributions revenue.

## Notes to the Financial Statements

For the year ended 30 June 2015

### 22 RISK MANAGEMENT

#### Financial Risk Management Objectives, Policies and Processes

The Fund's assets principally consists of financial instruments which comprise shares in Listed Companies, units in collective investment vehicles such as pooled superannuation trusts and other unithold investments. The Trustee has determined that this type of investment is appropriate for the Fund and is in accordance with the Fund's published investment strategy.

The main risks arising from the Fund's financial instruments are interest rate risk, credit risk, market price risk and foreign currency risk. The nature and extent of the financial instruments employed by the Fund are discussed below. This note represents information about the fund's exposure to each of the risks, the Fund's objectives, policies and processes for measuring and managing the risk.

The Board of Directors of the Trustee has overall responsibility for the establishment and oversight of the Fund's risk management framework. The Trustee's risk management policies are established to identify and analyse the risks faced by the Fund, including those risks managed by the Fund's Investment Manager, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

Information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment mandate limits, is monitored by the Trustee. These mandate limits reflect the investment strategy and market environment of the Fund, as well as the level of risk that the Fund is willing to accept. This information is prepared and reported to the Trustee on a regular basis.

The Trustee has the overall responsibility for the establishment and oversight of the funds risk management framework. The Trustee's risk management policies are established to identify and analyse the risks faced by the Fund, including those risks contained within the Funds investment portfolio, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the funds activities.

The Trustee acknowledges that an integral part of its good governance practice is a sound and prudent risk management framework. The risk framework is documented in the Fund's Risk Management Plan and Strategy which is subject to regular review both by management and the Board and an annual audit of compliance.

The Board has established an Investment committee consisting of selected Board Members with appropriate Investment experience. The Investment Committee which is responsible for developing and monitoring the Fund's risk management policies related to investment activities. This includes oversight of the allocation of investments to fund managers, evaluating their performance and providing recommendations to the Board who has ultimate responsibility for the appointment of fund managers.

Further, the Fund undertakes extensive due diligence to ensure Fund Managers have appropriate skills and expertise to manage the Fund's allocated investments prior to their appointment. The Trustee office tracks the Fund's investment value on a daily basis through appropriate monitoring of the market conditions and benchmark analysis. Frontier Investment Advisors has been appointed to provide expert advice regarding the management of the Fund's investment portfolio in accordance with the investment strategy.

The Trustee's Audit and compliance committee oversees how management monitors compliance with the Fund and its controlled entities' risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The Trustee's Audit and Compliance Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the Audit and Compliance Committee.

#### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: price risk, foreign currency risk and interest rate risk. Market risk is managed and monitored using sensitivity analysis, and minimising through ensuring that all investment activities are undertaken in accordance with established mandates and investment strategies.

To mitigate market risk, the Fund undertake extensive due diligence prior to the appointment of fund managers to ensure they have appropriate expertise and skill for monitoring of the market conditions and benchmark analysis. Further Frontier Investment Advisors have been appointed to provide expert investment advice.

## Notes to the Financial Statements

For the year ended 30 June 2015

### 22 RISK MANAGEMENT (Cont.)

#### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. As a result of its investment diversification the Fund holds significant investments in overseas markets and its Statement of Financial Position and Operating Statement can be affected by movements in US Dollars, Euros and British Pounds when translated to Australian Dollars. The fund manages its exposure to foreign currency risk by adhering to mandate limits and allowing individual managers to take out foreign exchange contracts. This foreign exchange policy is monitored against actual on an ongoing basis throughout the year.

The Fund's total net exposure to fluctuations in foreign currency exchange rates at the balance sheet date was as follows:

Following review of the deviation of currencies during the past 10 years and expected currency movements in 2015 the following movements in other currency risk are considered reasonably possible for the 2015 reporting period.

Currency	Up	Down	Carrying Value	Increase on Net Assets	Decrease on Net Assets
<b>30-Jun-15</b>					
USD	15%	-15%	12,621,284	2,227,285	(1,646,254)
EUR	15%	-15%	2,117,438	373,666	(276,188)
GBP	N/A	N/A	-	-	-
<b>30-Jun-14</b>					
USD	10%	-10%	11,362,004	1,262,445	(1,032,909)
EUR	10%	-10%	2,251,054	250,117	(204,641)
GBP	N/A	N/A	203,124	22,569	(18,466)

#### Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Fund's exposure to market risk for changes in interest rates relate primarily to investments held in interest bearing securities held for trading and cash and capital guarantee investments. The Fund has set investment allocation ranges to meet its objectives in each investment option and monitors these ranges.

The sensitivity of the Statement of Financial Position is the effect of the assumed changes in interest rates on the interest income for one year, based on the floating rate financial assets held at 30 June 2015 and changes in fair value of investments for the year, based on revaluing fixed rate financial assets at 30 June 2015.

At the reporting date the interest rate profile of the Fund's interest-bearing instruments were:

Interest Bearing Instrument	2015	2014
Cash & Cash Equivalents	4,869,065	5,024,145
Cash & Capital Guaranteed	227,316,508	230,584,713
Fixed Interest	507,911,775	490,996,216
<b>Total</b>	<b>740,097,348</b>	<b>726,605,074</b>

The following table demonstrates the sensitivity of the Fund's Statement of Financial Position to a reasonably possible change in interest rates based on historical data and expected future movements over the next 12 months, with all other variables held constant.

Interest Bearing Instrument	Up	Down	Carrying Value Fixed Interest / Cash	Increase on Net Assets	Decrease on Net Assets
<b>2015</b>					
Cash & Cash Equivalents	175bp	-175bp	4,869,065	85,209	(85,209)
Cash & Capital Guaranteed	175bp	-175bp	227,316,508	3,978,039	(3,978,039)
Fixed Interest	175bp	-175bp	507,911,775	8,888,456	(8,888,456)
<b>Total</b>			<b>740,097,348</b>	<b>12,951,704</b>	<b>(12,951,704)</b>
<b>2014</b>					
Cash & Cash Equivalents	50bps	-50bp	5,024,145	25,121	(25,121)
Cash & Capital Guaranteed	50bps	-50bp	230,584,713	1,152,924	(1,152,924)
Fixed Interest	50bps	-50bp	490,996,216	2,454,981	(2,454,981)
<b>Total</b>			<b>726,605,074</b>	<b>3,633,025</b>	<b>(3,633,025)</b>

## Notes to the Financial Statements

For the year ended 30 June 2015

### 22 RISK MANAGEMENT - (Cont.)

#### Other price risk

Price risk is the risk that the fair value of investments in equities decreases or increases as a result of changes in market prices, whether those changes are caused by factors specific to the individual share price or factors affecting all equity instruments in the market. equity price risk exposure arises from the Fund's investment portfolio.

To limit price risk the Trustee diversifies its investment portfolios in line with the Fund's various investment options asset allocations. The majority of equity investments are of a high quality and are publicly traded on recognised, reputable exchanges. the Trustee monitors the fund's exposure to various indices on an ongoing basis throughout the year ensuring the mandates and asset allocations are maintained.

Following review of the deviation on relevant indices over the past 10 years and expected investment rate movements in 2015 the following movements in other price risks are considered reasonably possible for the 2015 reporting period.

Asset Class	Up	Down	Carrying Value	Increase on Net Assets	Decrease on Net Assets
<b>2015</b>					
Australian listed Equities	38.3%	-21.8%	496,841,473	190,290,284	(108,311,441)
Australian Unlisted equities	18.6%	-2.3%	170,011,264	31,622,095	(3,910,259)
International listed equities	38.5%	-21.5%	501,795,932	193,191,434	(107,886,125)
Property	23.3%	-6.8%	208,333,977	48,541,817	(14,166,710)
International Private Equity	18.6%	-2.3%	13,403,483	2,493,048	(308,280)
Australian Infrastructure	18.6%	-2.3%	98,472,519	18,315,889	(2,264,868)
International Infrastructure	18.6%	-2.3%	91,939,692	17,100,783	(2,114,613)
<b>Total</b>			<b>1,580,798,340</b>	<b>501,555,349</b>	<b>(238,962,297)</b>
<b>2014</b>					
Australian listed Equities	10%	-10%	483,599,756	48,359,976	(48,359,976)
Australian Unlisted equities	10%	-10%	134,124,078	13,412,408	(13,412,408)
International listed equities	10%	-10%	418,692,888	41,869,289	(41,869,289)
Property	10%	-10%	192,600,980	19,260,098	(19,260,098)
International Private Equity	10%	-10%	12,747,709	1,274,771	(1,274,771)
Australian Infrastructure	10%	-10%	95,242,019	9,524,202	(9,524,202)
International Infrastructure	10%	-10%	74,022,552	7,402,255	(7,402,255)
<b>Total</b>			<b>1,411,029,982</b>	<b>141,102,998</b>	<b>(141,102,998)</b>

The Fund's financial assets and liabilities adopted in the Statement of Financial Position are carried at their net market value which approximates their fair values.

#### Credit risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss.

With respect to credit risk arising from the financial assets of the Fund, other than derivatives, the Fund's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these investments as disclosed in the Statement of Financial Position.

The Fund holds no collateral as security or any other credit enhancements. There are no significant financial assets that are past due or impaired. Credit risk is managed by the individual managers and monitored by the Trustee.

The credit quality of financial assets is managed by individual investment managers in accordance with investment mandates and regularly monitored.

Concentration of credit risk is managed by counterparty, by geographical region and by industry sector. There is no significant credit risk by geographical region. The Fund does not have a scrip lending program.

The Fund's financial assets are managed by individual investment managers according to the Investment Strategy which includes strategic asset allocations which are reviewed and monitored on a frequent basis. There is no significant industry sector exposure.

Asset Class	2015	2014
Cash & Cash Equivalents	4,869,065	5,024,145
Cash & Capital Guaranteed	227,316,508	230,584,713
Fixed Interest	507,911,775	490,996,215
Australian Listed Equities	496,841,473	483,599,757
Australian Unlisted Equities	170,011,264	134,124,078
International listed equities	501,795,932	418,692,889
Property	208,333,977	192,600,980
International Private Equity	13,403,483	12,747,709
Australian Infrastructure	98,472,519	95,242,017
International Infrastructure	91,939,692	74,022,552
<b>Total</b>	<b>2,320,895,688</b>	<b>2,137,635,056</b>

#### Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments. Cash flow interest rate risk is the risk that future cash flows on a financial instrument will fluctuate because of changes in market interest rates.

To control liquidity and cash flow interest rate risk, the Fund monitors its cash flow and invests in financial instruments, which under normal market conditions are readily convertible to cash. In addition the Fund monitors cash flow and maintains sufficient cash and cash equivalents to meet normal operating requirements.

## Notes to the Financial Statements

For the year ended 30 June 2015

### 22 RISK MANAGEMENT (Cont.)

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less Than 1 Month	1-3 Months	3-12 Months	More Than 12 Months
<b>2015</b>				
Sundry Creditors	5,601,394	-	-	-
Vested Benefits	2,284,778,179	-	-	-
Derivative Liabilities				
- Inflows	-	-	-	-
- Outflows	-	-	-	-
<b>2014</b>				
Sundry Creditors	6,810,337	-	-	-
Vested Benefits	2,090,414,734	-	-	-
Derivative Liabilities				
- Inflows	-	-	-	-
- Outflows	-	-	-	-

Vested benefits have been included in the less than one month column, as this is the amount that members could call upon as at year-end. This is the earliest date on which the Fund can be required to pay members' vested benefits, however members may not necessarily call upon amounts vested to them during this time.

#### Fair value measurements recognised in the statement of financial position

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 net market value measurements are those investments valued based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 net market value measurements are those instruments valued based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices)
- Level 3 net market value measurements are those instruments valued based on inputs for the asset or liability that are not based on observable market data (unobservable inputs) and the observable inputs have a significant effect on the instruments valuation.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>30 June 2015</b>				
Cash & Cash Deposits	236,932,161	-	-	236,932,161
Listed Equities	316,368,857	-	-	316,368,857
Listed Property Trusts	20,996,218	-	-	20,996,218
Listed Unit Trusts	5,675,561	-	-	5,675,561
Outstanding settlements	5,463,643	-	-	5,463,643
Floating Rate Notes	1,045,002	13,333,360	8,982,302	23,360,664
Mortgage Back Securities	-	7,314,263	-	7,314,263
Preference Shares	2,026,920	-	-	2,026,920
Unlisted Equities	-	-	46,278,868	46,278,868
Unlisted Managed Invest Scheme	-	1,649,176,390	2,433,076	1,651,609,466
	<b>588,508,362</b>	<b>1,669,824,013</b>	<b>57,694,246</b>	<b>2,316,026,621</b>

## Notes to the Financial Statements

For the year ended 30 June 2015

### 22 RISK MANAGEMENT (Cont.)

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>30 June 2014</b>				
Cash & Cash Deposits	222,505,156	-	-	222,505,156
Listed Equities	299,239,759	-	-	299,239,759
Listed Property Trusts	24,581,525	-	-	24,581,525
Listed Unit Trusts	4,416,862	-	-	4,416,862
Outstanding settlements	3,352,114	-	-	3,352,114
Floating Rate Notes	1,080,002	22,149,745	8,986,251	32,215,998
Mortgage Back Securities	-	23,143,621	-	23,143,621
Preference Shares	2,123,478	-	-	2,123,478
Unlisted Equities	-	-	40,848,523	40,848,524
Unlisted Managed Invest Scheme	-	1,477,161,095	3,022,780	1,480,183,875
	<b>557,298,896</b>	<b>1,522,454,461</b>	<b>52,857,554</b>	<b>2,132,610,912</b>

#### Reconciliation of level 3 net market value measurements of financial assets

	Net market value	
	2015	2014
Opening Balance	52,857,554	10,862,335
Total Gains or losses in profit or loss	4,836,692	(68,951)
Transfers into/out of level 3	-	42,064,170
<b>Closing Balance</b>	<b>57,694,246</b>	<b>52,857,554</b>

### 23 AUDITOR'S REMUNERATION

Remuneration paid or payable for services provided by the auditor:

KPMG - Audit and review of the Financial Statements

KPMG - Other Assurance Services

PWC - Audit and review of the Financial Statements

PWC - Other Assurance Services

	Jun-15 \$	Jun-14 \$
	-	124,250
	141,350	-
	<b>141,350</b>	<b>124,250</b>
	105,000	-
	-	-
	<b>105,000</b>	<b>-</b>

### 24 COMMITMENTS AND CONTINGENT LIABILITIES

#### Investments

The Fund has outstanding capital commitments in relation to unlisted investments contracted for as at the reporting date but not recognised as liabilities as follows.

Asset class	Jun-15 \$	Jun-14 \$
Private Equity	91,240,000	124,000,000
Infrastructure	20,000,000	-
Property	17,720,000	17,470,757
Floating Rate Debt	29,000,000	-
	<b>157,960,000</b>	<b>141,470,757</b>



## Trustees' declaration to the members

In the opinion of the Trustees of First Super:

1. The accompanying financial statements of First Super are drawn up so as to present fairly the financial position of the Fund as at 30 June 2015 and the benefits accrued as a result of its operations and cash flows for the year ended; and
2. The operations of First Super Superannuation Fund has been carried out in accordance with its Trust deed dated 25 March 1985, as amended and in compliance with
  - \* The requirements of the Superannuation Industry (Supervision) Act 1993 and Regulations;
  - \* Applicable sections of the Corporations Act 2001 and Regulations;
3. The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, other mandatory reporting requirements and the provisions of the Trust Deed dated (25 March 1985), as amended.

Signed in accordance with a resolution of First Super Pty Ltd (A.B.N. 42 053 498 472)

Dated in Melbourne this

22

day of

Sept

,2015

Director

Allan Stewart

Director

Michael O'Connor