



First Super Pty Ltd

ABN: 42 053 498 472

FINANCIAL STATEMENTS

For the year ended 30 June 2019

First Super Pty Ltd

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First Super Pty Ltd

Directors Report

For the year ended 30 June 2019

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:

Candy Broad	Robyn Burns (appointed 1 July 2019)
Denise Campbell-Burns	Timothy Chatfield
Julie George	Janet Gilbert
Lisa Marty (Co-chair)	Scott McDine
Alex Millar	Michael O'Connor (Co-chair)
Mike Radda	Allan Stewart (resigned 30 June 2019)
Frank Vari	

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 \$3,649 (2018: loss \$775).

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

Apart from the appointment of Robyn Burns as a director as noted above, there are no other significant events which have occurred subsequent to 30 June 2019.

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 2019. 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 Director 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 23rd day of September 2019
Melbourne

First Super Pty Ltd

Statement of Comprehensive Income

For the year ended 30 June 2019

	Note	2019	2018
		\$	\$
Revenue	4	824,611	1,293,016
Expenses	5	(829,644)	(1,294,085)
Profit/(Loss) before tax		<u>(5,033)</u>	<u>(1,069)</u>
Income Tax Expense/(Benefit)	6a	(1,384)	(294)
Profit/Loss for the year		<u>(3,649)</u>	<u>(775)</u>
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		<u>(3,649)</u>	<u>(775)</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 2019

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	8	38,768	51,680
Prepayments		123,857	110,609
Receivables	7	163,690	184,888
Current tax asset	11	6,805	7,876
TOTAL CURRENT ASSETS		333,120	355,053
NON CURRENT ASSETS			
Plant and equipment	10	1,367	6,895
Deferred tax asset		38,624	46,626
TOTAL NON CURRENT ASSETS		39,991	53,521
TOTAL ASSETS		373,111	408,574
CURRENT LIABILITIES			
Sundry creditors/payables	9	263,104	287,254
TOTAL CURRENT LIABILITIES		263,104	287,254
NON CURRENT LIABILITIES			
Deferred tax liability		42,428	50,092
TOTAL NON CURRENT LIABILITIES		42,428	50,092
TOTAL LIABILITIES		305,532	337,347
NET ASSETS		67,579	71,228
EQUITY			
Contributed equity	12	270	270
Reserves		-	-
Retained earnings	13	67,309	70,958
TOTAL EQUITY		67,579	71,228

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 2019

	Note	2019	2018
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Income received		858,541	1,252,122
Operating expenses paid		(874,762)	(1,223,888)
Income tax (paid)/benefit received		2,793	3,667
Interest received		516	632
NET CASH (USED) / FROM OPERATING ACTIVITIES	14	(12,912)	32,533
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(12,912)	32,533
Cash and cash equivalents at 1 July		51,680	19,147
Cash and cash equivalents at end of period	8	38,768	51,680

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 2019

2019:

	Notes	Capital \$	Reserves \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2018	12	270	-	70,958	71,228
Profit for the year	13	-	-	(3,649)	(3,649)
Total Comprehensive Income for the year		-	-	(3,649)	(3,649)
<i>Transactions with owners in their capacity as owners</i>					
Shares issued at cost		-	-	-	-
Balance at 30 June 2019		270	-	67,309	67,579

2018:

	Notes	Capital \$	Reserves \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2017	12	270	-	71,733	72,003
Profit/(loss) 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

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 2019 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 2, 165 Bouverie Street, Carlton, Victoria, 3053.

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 23rd September 2019.

(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

AASB 9 Financial Instruments became effective for reporting periods beginning on or after 1 January 2018. It addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in AASB 139.

To the extent that AASB 9 is applicable to the Company, it has been applied retrospectively without the use of hindsight. The adoption did not result in a change to the classification or measurement of financial instruments, including from the application of the new expected credit loss impairment model, in either the current or comparative period as all financial assets and liabilities remain at fair value through profit or loss.

AASB 15 Revenue from Contracts with Customers became effective for reporting periods commencing on or after 1 January 2018. The standard introduces changes in the recognition of revenue from customers. Given the nature of the Company's revenue, the adoption of this standard did not have an impact on the Company's financial statements.

First Super Pty Ltd

Notes to the Financial Statements

2. BASIS OF PREPARATION (continued)

(f) New and amended standards not yet adopted by the Company

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2019 reporting period and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is set out below:

AASB 16 Leases

AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

Although the financial impact is still yet to be quantified, the Company's activities as a lessor are not material and the Company does not expect any significant impact on the financial statements. However, some additional disclosure may be required from next year.

The Company will apply the standard from its mandatory adoption date of 1 January 2019. The Company intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right of use assets for property leases will be measured on transition as if the new rules had always been applied. All other right of use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

There are no other standards that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable transactions.

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.

First Super Pty Ltd

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2019 year for furniture and fittings is 8 years (2018: 8 years).

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

	2019	2018
	\$	\$
Revenues from operating activities		
Interest income	516	632
Revenue from Trustee Services	824,095	1,292,384
Total revenues from operating activities	824,611	1,293,016

5. EXPENSES AND LOSSES / (GAINS)

Administration	829,644	1,294,085
Total Expenses	829,644	1,294,085

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.

	2019 \$	2018 \$
Income Tax (Benefit)/Expense		
Current year income tax	(1,722)	5,991
Deferred income tax	338	(6,285)
Current income tax adjustments for the prior year	-	-
Total	<u>(1,384)</u>	<u>(294)</u>

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

Changes in Net Assets before Tax	(5,033)	(1,069)
<i>Prima facie income tax at 27.5% (2018: 27.5%)</i>	(1,384)	(294)
Decrease in Tax Expenses Due to		
Prior period losses	-	-
Total income tax expense/(benefit) on operating profit	<u>(1,384)</u>	<u>(294)</u>

7. RECEIVABLES (CURRENT)

First Super	163,690	184,888
Total Receivables (Current)	<u>163,690</u>	<u>184,888</u>

8. CASH AND CASH EQUIVALENTS

Cash on hand	270	270
Cash at bank - NAB	38,498	51,410
	<u>38,768</u>	<u>51,680</u>

9. PAYABLES (CURRENT)

GST Liability	(1,205)	5,651
Other Payables	264,309	281,603
	<u>263,104</u>	<u>287,254</u>

10. PLANT AND EQUIPMENT

Fixtures and Fittings as cost	3,396	13,056
Less accumulated depreciation	(2,029)	(6,161)
	<u>1,367</u>	<u>6,895</u>

11. CURRENT TAX ASSET

Current Tax Asset	6,805	7,876
	<u>6,805</u>	<u>7,876</u>

First Super Pty Ltd

Notes to the Financial Statements

12. CONTRIBUTED EQUITY

	2019	2018
	\$	\$
Issued and paid up capital		
270 ordinary shares of \$1 each, fully paid (2018: 270)	<u>270</u>	<u>270</u>
Total issued and paid up capital	<u>270</u>	<u>270</u>

13. RETAINED PROFITS

Balance at the beginning of the period	70,958	71,733
Net profit	<u>(3,649)</u>	<u>(775)</u>
Total available for appropriation	<u>67,309</u>	<u>70,958</u>

14. STATEMENT OF CASH FLOWS

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

Operating profit after tax	(3,649)	(775)
Depreciation and write-off of non-current assets	5,528	1,632
Changes in assets and liabilities		
Current tax asset	1,071	9,658
Deferred tax asset	8,002	(17,807)
Prepayment	(13,248)	(1,636)
Receivables	21,198	(33,864)
Payables	(24,150)	63,803
Deferred tax liability	<u>(7,664)</u>	<u>11,522</u>
Net cash flow from/(used in) operating activities	<u>(12,912)</u>	<u>32,533</u>

15. RELATED PARTY TRANSACTIONS

(a) Director and Key Management Personnel

The Key Management personnel for the Company during or since the end of the financial year were:

Directors

Candy Broad	Robyn Burns (appointed 1 July 2019)
Denise Campbell-Burns	Timothy Chatfield
Julie George	Janet Gilbert
Lisa Marty (Co-chair)	Scott McDine
Alex Millar	Michael O'Connor (Co-chair)
Mike Radda	Allan Stewart (resigned 30 June 2019)
Frank Vari	

Other key management personnel

William Watson is the Chief Executive Officer of First Super Pty Ltd. Maxine Jacona is the Company Secretary of First Super Pty Ltd.

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 ²	Frontier ³	
Candy Broad	Independent Director	2018/2019	\$66,700	\$22,989	\$89,689	n/a	n/a	Candy Broad
		2017/2018	\$50,800	\$1,875	\$52,675			
Robyn Burns ⁴	Director	2018/2019	\$4,500	\$1,000	\$5,500	n/a	n/a	Robyn Burns
Denise Campbell - Burns	Director	2018/2019	\$38,696	\$0	\$38,696	n/a	n/a	CFMMEU ⁵
		2017/2018	\$28,050	\$1,100	\$29,150			
Timothy Chatfield	Independent Director	2018/2019	\$32,250	\$2,178	\$34,428	n/a	n/a	Timothy Chatfield
		2017/2018	\$31,500	\$1,875	\$33,375			
Julie George	Director	2018/2019	\$39,600	\$12,341	\$51,941	\$16,500	n/a	Busi Culture Pty Ltd
		2017/2018	\$36,300	\$12,751	\$49,051	\$2,860		
Janet Gilbert	Director	2018/2019	\$28,000	\$9,004	\$37,004	n/a	n/a	Janet Gilbert
		2017/2018	\$10,500	\$1,796	\$12,296			Crescor Pty Ltd
		2017/2018	\$23,100	\$10,862	\$33,962			
David Kirner ⁶	Director	2018/2019	n/a	n/a	n/a	n/a	n/a	CFMMEU ⁵
		2017/2018	\$1,650	\$1,100	\$2,750			
Lisa Marty	Co-Chair	2018/2019	\$69,300	\$12,294	\$81,594	n/a	n/a	Lisa Marty
		2017/2018	\$81,015	\$19,461	\$100,476			
Scott McDine	Director	2018/2019	\$41,987	\$9,235	\$51,222	n/a	\$15,014	CFMMEU ⁵
		2017/2018	\$37,770	\$12,838	\$50,608		\$11,003	
Alex Millar	Director	2018/2019	\$31,664	\$0	\$31,664	n/a	n/a	CFMMEU ⁵
		2017/2018	\$24,750	\$2,062	\$26,812			
Michael O'Connor	Co-Chair	2018/2019	\$82,115	\$3,900	\$86,015	\$4,950	n/a	CFMMEU ⁵
		2017/2018	\$75,350	\$22,704	\$98,054	\$9,900		
Mike Radda	Director	2018/2019	\$19,800	\$0	\$19,800	n/a	n/a	Sterad Pty Ltd
		2017/2018	\$9,900	\$0	\$9,900		\$2,046	
Bob Smith ⁷	Independent Director	2018/2019	n/a	n/a	n/a	n/a	n/a	Robert Patrick Smith
		2017/2018	\$0	\$815	\$815			
Allan Stewart ⁸	Director	2018/2019	\$37,100	\$17,313	\$54,413	\$15,600	n/a	Allan Stewart
		2017/2018	\$34,100	\$16,432	\$50,532	\$15,600		
Frank Vari	Director	2018/2019	\$31,232	\$0	\$31,232	n/a	n/a	CFMMEU ⁵
		2017/2018	\$31,350	\$2,062	\$33,412			

Note:

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

² SBA = Super Benefits Administration Pty Ltd.

³ Frontier = Frontier Advisors Pty Ltd.

⁴ Robyn Burns was appointed as director on 1 July 2019 but attended meetings and training in the 2018/19 financial year.

⁵ The full name of the recipient organisation is the Construction Forestry Maritime Mining & Energy Union – Manufacturing Division.

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

⁷ Bob Smith resigned as a director on 30 June 2017.

⁸ Allan Stewart resigned as a director on 30 June 2019.

First Super Pty Ltd

Notes to the Financial Statements

15. RELATED PARTY TRANSACTIONS (continued)

(b) Compensation of Key Management Personnel

Executive ¹ Remuneration Report for last two Financial Years							
Executive Officers	Position Held	FY Year	Paid - Cash Component	Superannuation Contributions includes SG and Salary Sacrifice	Remuneration from Related Entities	Non-monetary Benefit	Long Service Leave Accrued
Bill Watson	CEO	2018/2019	\$356,022	\$24,978	nil	nil	\$8,900
		2017/2018	\$333,315	\$24,960	nil	\$1,875	\$8,434
Maxine Jacona ²	Executive Manager Governance	2018/2019	\$183,095	\$17,394	nil	nil	\$4,635
		2017/2018	\$162,524	\$16,105	nil	nil	\$4,500
Andrew Jewell	Executive Manager Financial Advice and Education	2018/2019	\$150,493	\$14,297	nil	nil	\$4,000
		2017/2018	\$134,189	\$12,746	nil	nil	\$3,382
Laurie Kennedy ³	Risk Manager	2018/2019	\$106,160	\$17,505	nil	nil	\$2,711
		2017/2018	\$98,725	\$16,279	nil	nil	\$2,632
David Galloway ⁴	Operations & Governance Manager	2017/2018	\$77,326	\$243	nil	nil	nil
David Goodear ⁵	SBA CEO	2018/2019	\$188,797	\$25,000	nil	\$23,396	\$5,303
		2017/2018	\$183,284	\$30,560	nil	\$23,396	\$5,413

Note:

¹ First Super Executives are not entitled to any other entitlements other than those listed.

² Maxine Jacona was appointed as company secretary on 19 July 2017. The remuneration above for 2017/18 is for the period 19 July 2017 to 30 June 2018.

³ Laurie Kennedy is employed on a part-time basis.

⁴ David Galloway resigned on 7 July 2017. The remuneration above is for payment of his accrued entitlements such as long service leave and unused annual leave.

⁵ David Goodear is remunerated by Super Benefits Administration Pty Ltd, a wholly owned subsidiary company of First Super.

16. AUDITORS REMUNERATION

2019	2018
\$	\$

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

Remuneration paid or payable for services provided by the auditor:

PricewaterhouseCoopers - Audit and review of the Financial Statements	2,620	2,570
PricewaterhouseCoopers - Other Assurance Services	4,890	4,800
PricewaterhouseCoopers - Non-audit Services	-	-
	<u>7,510</u>	<u>7,370</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

Robyn Burns was appointed as a director of First Super Pty Ltd on 1 July 2019. There are no other significant events which have occurred subsequent to 30 June 2019.

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 2019 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 23rd day of September 2019
Melbourne