

**AustralianSuper Pty Ltd**

**ABN 94 006 457 987**

**Financial Statements**

**For the year ended 30 June 2016**

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The directors present their report on AustralianSuper Pty Ltd (the "Company") at 30 June 2016 and on the results for the year then ended.

## **Directors**

The following persons were directors of the Company during the financial year and up to the date of this report:

### **Member nominated**

P. Bastian  
B. Daley  
S. McDine  
D. Oliver  
G. Pinnell

### **Employer nominated**

L. Di Bartolomeo  
J. Ingram  
H. Ridout  
G. Willis  
I. Willox (appointed 9 December 2014)

The following persons were Alternate Directors of the Trustee during the financial year and up to the date of this report:

### **Member nominated**

N. Apple  
M. Boyd (ceased 3 May 2016)  
B. Crofts  
L. O'Brien (ceased 12 January 2016)  
F. Jordan (ceased 1 July 2016)  
W. Kensett-Smith (appointed 22 February 2016)  
M. O'Neil

### **Employer nominated**

P. Burn (appointed 23 February 2015)  
A. Flanagan (appointed 26 October 2015)  
R. Maddox (appointed 23 February 2015)  
G. Stamas

The following persons were Directors or Alternate Directors during the prior financial year:

T. Poole (resigned 18 June 2015)  
A. Terry (resigned 28 October 2014)  
L. Carter (ceased 31 July 2014)

## **Principal activities**

The Company is the trustee of AustralianSuper (the 'Fund'). During the year, the principal activities of the Company consisted of providing trustee services to the Fund. It is also the holder of the Australian Financial Services licence and the APRA licence.

The Company incurs operating and administration expenses in providing trustee services to the Fund. Under the terms of the Trust Deed of AustralianSuper, the Company is entitled to receive trustee services fees, calculated by reference to the costs incurred by the Company in running the Fund.

## **Significant changes in the state of affairs**

There have been no significant changes to the state of affairs.

**Matters subsequent to the end of the financial year**

No significant events have occurred since the end of the reporting period which would impact on the balances of the Company as disclosed in the statement of financial position as at 30 June 2016 or on the results of operations of the Company for the year ended on that date.

**Likely developments**

Information on likely developments in the operations of the Company have not been included in this report because the directors believe it would likely result in unreasonable prejudice to the Company.

**Environmental regulation**

The Company is not subject to significant environmental regulation in respect of its activities.

**Rounding off**

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, unless otherwise stated.

**Insurance of officers**

During the financial year, the Company paid premiums of \$779,171 (2015: \$605,091) to insure the directors and officers of the Company.

**Auditor's independence declaration**

The auditor's independence declaration is set out on page 5.

This report is made in accordance with a resolution of directors.



H. Ridout  
Director



G. Willis  
Director

Melbourne  
15 September 2016



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

To: the directors of AustralianSuper Pty Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2016 there have been:

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

*kpmg*

KPMG

*Sean Hill*

Sean Hill  
*Partner*

Melbourne

15 September 2016

**AustralianSuper Pty Ltd**  
**Statement of comprehensive income**  
**For the year ended 30 June 2016**

	Notes	2016 \$'000	2015 \$'000
<b>Income from continuing operations</b>			
Trustee services	15	344,978	289,550
Other income		427	495
Total income from continuing operations		<u>345,405</u>	<u>290,045</u>
<b>Expenses</b>			
Administration costs		134,004	135,133
Staff costs		103,049	69,328
Director costs		3,419	3,209
Professional services		36,940	31,636
Communications and development		35,684	31,797
Travel costs		4,064	2,774
Facilities costs		24,266	14,789
Depreciation and amortisation		5,028	3,034
Motor vehicle costs		260	252
Total expenses		<u>346,714</u>	<u>291,952</u>
<b>Profit / (loss) before income tax</b>		<b>(1,309)</b>	<b>(1,907)</b>
Income tax expense	5	42	44
<b>Profit / (loss) for the year</b>		<b>(1,351)</b>	<b>(1,951)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>(1,351)</b>	<b>(1,951)</b>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

**AustralianSuper Pty Ltd**  
**Statement of financial position**  
**As at 30 June 2016**

	Notes	2016 \$'000	2015 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	24,343	22,879
Trade and other receivables	6	12,857	8,648
Total current assets		<u>37,200</u>	<u>31,527</u>
<b>Non-current assets</b>			
Property, plant and equipment	7	2,098	3,493
Intangible assets	8	17,455	9,802
Deferred tax assets	5	968	1,301
Total non-current assets		<u>20,521</u>	<u>14,596</u>
<b>Total assets</b>		<u><b>57,721</b></u>	<u><b>46,123</b></u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	9	37,649	32,282
Provisions	10	4,361	3,501
Total current liabilities		<u>42,010</u>	<u>35,783</u>
<b>Non-current liabilities</b>			
Trade and other payables	9	15,737	9,599
Provisions	10	4,664	3,789
Deferred tax liabilities	5	1,078	1,369
Total non-current liabilities		<u>21,479</u>	<u>14,757</u>
<b>Total liabilities</b>		<u><b>63,489</b></u>	<u><b>50,540</b></u>
<b>Net liabilities</b>		<u><b>(5,768)</b></u>	<u><b>(4,417)</b></u>
<b>EQUITY</b>			
Contributed equity	11	-	-
Accumulated losses		(5,768)	(4,417)
<b>Total equity</b>		<u><b>(5,768)</b></u>	<u><b>(4,417)</b></u>

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

AustralianSuper Pty Ltd  
Statement of changes in equity  
For the year ended 30 June 2016

**Attributable to owners of AustralianSuper Pty Ltd**

	Notes	Contributed Equity \$'000	Accumulated Losses \$'000	Total Equity \$'000
<b>Balance at 30 June 2014</b>	11	-	(2,466)	(2,466)
Total comprehensive income for the year		-	(1,951)	(1,951)
<b>Balance at 30 June 2015</b>	11	-	(4,417)	(4,417)
Total comprehensive income for the year		-	(1,351)	(1,351)
<b>Balance at 30 June 2016</b>	11	-	(5,768)	(5,768)

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



**AustralianSuper Pty Ltd**  
**Statement of cash flows**  
**For the year ended 30 June 2016**

	Notes	2016 \$'000	2015 \$'000
<b>Cash flows from operating activities</b>			
Trustee services fee receipt		347,398	288,587
Payments to suppliers and employees		(346,362)	(268,106)
		<b>1,036</b>	<b>20,481</b>
Other income		61	123
Interest received		367	371
<b>Net cash inflow / (outflow) from operating activities</b>	16	<b>1,464</b>	<b>20,975</b>
<b>Net cash inflow / (outflow) from investing activities</b>		-	-
<b>Net cash inflow / (outflow) from financing activities</b>		-	-
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>1,464</b>	<b>20,975</b>
Cash and cash equivalents at the beginning of the financial year		22,879	1,904
<b>Cash and cash equivalents at end of year</b>		<b>24,343</b>	<b>22,879</b>

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

## **1 Corporate information**

These financial statements are the financial statements of AustralianSuper Pty Ltd (the "Company") and are presented in the Australian currency.

The Company is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Level 33, 50 Lonsdale Street, Melbourne, Victoria.

The Company is the trustee of AustralianSuper (the 'Fund'). During the year, the principal activities of the Company consisted of providing trustee services to the Fund. It is also the holder of the Australian Financial Services licence and the APRA licence.

The financial statements were authorised for issue by the directors on 15 September 2016. The directors have the power to amend and reissue the financial statements.

## **2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. Unless otherwise stated, these policies are consistent with those applied in the previous year.

### **(a) Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. AustralianSuper Pty Ltd is a for-profit entity for the purpose of preparing the financial statements.

The financial statements of the AustralianSuper Pty Ltd also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

These financial statements have been prepared under the historical cost convention.

### **(b) Cash and cash equivalents**

Cash and cash equivalents include deposits held at call with financial institutions.

### **(c) Income recognition**

Income is recognised to the extent that it is probable that the economic benefits will flow to the Company and the income can be reliably measured.

### **(d) Trade and other receivables and accounts payable**

Trade and other receivables are carried at nominal amounts due which approximate net market value.

Accounts payable are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company. Payables are normally settled on 30 day terms.

## 2 Summary of significant accounting policies (continued)

### (e) Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. Depreciation is calculated using the diminishing value method to allocate the cost or revalued amounts, net of their residual values over their estimated useful lives or in the case of leasehold improvements, over the lease term. The useful lives are as follows:

- |                                 |            |
|---------------------------------|------------|
| • Leasehold improvements        | lease term |
| • Computer equipment            | 3 years    |
| • Office equipment              | 3-5 years  |
| • Office furniture and fittings | 10 years   |
| • Motor vehicles                | 8 years    |

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit and loss.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

### (f) Intangibles

Costs incurred in developing products and systems and costs incurred in acquiring software and licences that will contribute to future period financial benefits through income generation and / or cost reduction are capitalised. Software development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Company has an intention and ability to use the asset. Amortisation is calculated on a straight-line basis over a period of 5 years.

### (g) Employee benefits

#### *Short term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, and annual leave are recognised in respect of the employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short term benefit obligations are presented as payables.

#### *Other long term employee benefits*

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits. This is measured as the present value of the expected future payments to be made in respect of services provided by the employees up to the end of reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

## **2 Summary of significant accounting policies (continued)**

### **(h) Income tax**

Tax expense in the statement of comprehensive income for the year comprises current and deferred tax.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for tax purposes. The amount of deferred tax provided is based on the expected manner of realisation of assets or settlement of the liability.

### **(i) Goods and Services Tax (GST)**

Income, expenses and assets, with the exception of receivables and payables are recognised net of the amount of GST to the extent that the GST is recoverable from the taxation authority. Where GST is not recoverable, it is recognised as part of the cost of acquisition of the asset or as a part of the expense item as applicable. Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from the taxation authority is included as part of receivables in the statement of financial position.

### **(j) Leases**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

### **(k) New accounting standards and interpretations**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 30 June 2016 and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements.

## **3 Trustee liabilities and right of indemnity**

The Company acts as the trustee of AustralianSuper. Assets are held in trust on behalf of members and other beneficiaries and liabilities have been incurred on behalf of AustralianSuper in the Company's capacity as trustee.

The Company has a right of indemnity for liabilities incurred in performing its fiduciary duties as a trustee. The assets of AustralianSuper, which lie behind the right of indemnity, are not directly available to meet any liabilities of the Company acting in its own right.

#### 4 Financial risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet obligations when due. At the end of the reporting period the Company held cash and cash equivalents of \$24,343,000 (2015: \$22,879,000). Under the terms of the Trust Deed of AustralianSuper, the Company is indemnified out of the assets of the Fund for the costs incurred by the Company in running the Fund.

The Company monitors cash and cash equivalents on the basis of expected cash flows.

#### 5 Income tax

##### (a) Income tax expense

	2016 \$'000	2015 \$'000
<b>Income tax expense</b>		
Deferred tax expense	42	44
<b>Total income tax expense</b>	<b>42</b>	<b>44</b>

##### (b) Numerical reconciliation between tax expense and profit before income tax

	2016 \$'000	2015 \$'000
<b>Profit before income tax</b>	(1,309)	(1,907)
<b>Tax at the Australian Tax rate of 30%</b>	(393)	(572)
<b>Adjusted for tax effect of the following items:</b>		
<b>Increase in income tax expense due to</b>		
Non-deductible entertainment expense	42	44
Accrued expense not yet deductible	1,893	140
Provision for annual leave and long service leave	554	432
Amortisation of intangible assets	574	123
Recognition of deferred tax liability (intangible assets)	-	1,282
<b>Decrease in tax expense due to</b>		
Deductible intangible assets	(282)	(1,405)
Reduction of deferred tax liability (intangible assets)	(291)	-
Accrued income not yet assessable	(2,055)	-
<b>Income tax expense on profit</b>	<b>42</b>	<b>44</b>

##### (c) Deferred tax asset

	2016 \$'000	2015 \$'000
Carried forward tax losses	968	1,301
<b>Deferred tax asset</b>	<b>968</b>	<b>1,301</b>

**5 Income tax (continued)**

**(d) Deferred tax liability**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Intangible assets	1,078	1,369
<b>Deferred tax liability</b>	<b>1,078</b>	<b>1,369</b>

**6 Trade and other receivables**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade receivables	8,844	3,961
Other receivables	2,510	2,111
Prepayments	1,503	2,576
	<b>12,857</b>	<b>8,648</b>

**7 Property, plant and equipment**

	Leasehold improvements	Computer equipment	Office furniture, fittings and equipment	Motor vehicles	Low value asset pool	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 July 2014</b>						
Cost	8,161	1,798	1,187	994	34	12,174
Accumulated depreciation	(4,934)	(1,186)	(777)	(357)	(26)	(7,280)
<b>Net book amount</b>	<b>3,227</b>	<b>612</b>	<b>410</b>	<b>637</b>	<b>8</b>	<b>4,894</b>
<b>Year ended 30 June 2015</b>						
Opening net book amount	3,227	612	410	637	8	4,894
Additions	333	241	561	359	-	1,494
Disposals / Trade-ins	-	-	-	(271)	-	(271)
Depreciation charge	(1,752)	(308)	(373)	(188)	(3)	(2,624)
Closing net book amount	1,808	545	598	537	5	3,493
<b>At 1 July 2015</b>						
Cost	8,494	2,039	1,748	946	34	13,261
Accumulated depreciation	(6,686)	(1,494)	(1,150)	(409)	(29)	(9,768)
<b>Net book amount</b>	<b>1,808</b>	<b>545</b>	<b>598</b>	<b>537</b>	<b>5</b>	<b>3,493</b>
<b>Year ended 30 June 2016</b>						
Opening net book amount	1,808	545	598	537	5	3,493
Additions	638	94	326	244	-	1,302
Disposals / Trade-ins	-	-	-	(212)	-	(212)
Depreciation charge	(1,692)	(234)	(356)	(201)	(2)	(2,485)
Closing net book amount	754	405	568	368	3	2,098
<b>At 30 June 2016</b>						
Cost	9,132	2,133	2,074	740	34	14,113
Accumulated depreciation	(8,378)	(1,728)	(1,506)	(372)	(31)	(12,015)
<b>Net book amount</b>	<b>754</b>	<b>405</b>	<b>568</b>	<b>368</b>	<b>3</b>	<b>2,098</b>

**8 Intangible assets**

	<b>Software development costs \$'000</b>
<b>At 1 July 2014</b>	
Cost	5,190
Accumulated amortisation	(4,899)
Net book amount	<u>291</u>
<b>Year ended 30 June 2015</b>	
Opening net book amount	291
Additions	9,920
Amortisation	(409)
Closing net book amount	<u>9,802</u>
<b>At 1 July 2015</b>	
Cost	15,110
Accumulated amortisation	(5,308)
Net book amount	<u>9,802</u>
<b>Year ended 30 June 2016</b>	
Opening net book amount	9,802
Additions	10,196
Amortisation	(2,543)
Closing net book amount	<u>17,455</u>
<b>At 30 June 2016</b>	
Cost	25,306
Accumulated amortisation	(7,851)
Net book amount	<u>17,455</u>

Software includes capitalised development costs being an internally generated intangible asset.

Amortisation of \$2,543,000 (2015: \$409,000) is included in depreciation and amortisation expense in the statement of comprehensive income.

**9 Trade and other payables**

	<b>2016 \$'000</b>	<b>2015 \$'000</b>
<b>Current</b>		
Trade payables	2,076	1,927
Other payables	35,573	30,355
<b>Non current</b>		
Expenses prepaid by the Fund	15,737	9,599
	<u>53,386</u>	<u>41,881</u>



**10 Provisions**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Employee benefits	4,361	3,387
Service error provision	-	114
<b>Non current</b>		
Employee benefits	4,664	3,789
	<b>9,025</b>	<b>7,290</b>

**(a) Movements in provision**

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Service error provision</b>		
Carrying amount at start of year	114	534
Additional provisions recognised	68	114
Used during the year	(182)	(534)
Carrying amount at end of year	<b>-</b>	<b>114</b>

**11 Contributed equity**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Issued and paid up capital</b>		
Issued capital – 6 “A” class shares of \$1 each, fully paid	6	6
Issued capital – 6 “B” class shares of \$1 each, fully paid	6	6
<b>Total issued and paid up capital</b>	<b>12</b>	<b>12</b>

Under the terms of the Company’s constitution, the owners of the Company are not entitled to receive dividends from the Company.

## **12 Key management personnel**

Key management personnel include persons who were Directors of the Trustee at any time during the financial year, and up to the date of this report, as follows:

<b>Member nominated</b>	<b>Employer nominated</b>
P. Bastian	L. Di Bartolomeo
B. Daley	J. Ingram
S. McDine	H. Ridout
D. Oliver	G. Willis
G. Pinnell	I. Willox (appointed 9 December 2014)

The following persons were Alternate Directors of the Trustee during the financial year and up to the date of this report:

<b>Member nominated</b>	<b>Employer nominated</b>
N. Apple	P. Burn (appointed 23 February 2015)
M. Boyd (ceased 3 May 2016)	A. Flanagan (appointed 26 October 2015)
B. Crofts	R. Maddox (appointed 23 February 2015)
L. O'Brien (ceased 12 January 2016)	G. Stamas
F. Jordan (ceased 1 July 2016)	
W. Kensett-Smith (appointed 22 February 2016)	
M. O'Neil	

The following persons were Directors or Alternate Directors during the prior financial year:

T. Poole (resigned 18 June 2015)  
A. Terry (resigned 28 October 2014)  
L. Carter (ceased 31 July 2014)

Members of the Committees of the Board who are not Directors or Alternate Directors of the Trustee are considered key management personnel of the Fund. These Committee members are, P. Burn (appointed Alternate Director on 23 February 2015), R. Maddox (appointed 15 July 2014 and appointed Alternate Director on 23 February 2015), T. Poole (ceased on the Board on 18 June 2015, ceased as Committee member on 23 September 2015), J. Craig (appointed 15 June 2016), M. Nicolaidis and S. Weston (appointed 19 May 2015).

The other key management personnel of the Fund are I. Silk, Chief Executive Officer, M. Delaney, Deputy Chief Executive Officer and Chief Investment Officer, S. Blackmore, Group Executive Member Experience and Advice, A. Cavanagh, Group Executive Corporate Services, J. Foley, Group Executive Strategy, People and Performance, P. Schroder, Group Executive Membership, G. Williams, Group Executive Engagement, Advocacy and Brand.

## 12 Key management personnel (continued)

### Key management personnel compensation

	2016 \$'000	2015 \$'000
Short term benefits	5,096	4,635
Post employment benefits (superannuation)	355	347
Long term benefits (long service leave)	148	152
<b>Total key management personnel compensation</b>	<b>5,599</b>	<b>5,134</b>

## 13 Auditor's remuneration

	2016 \$'000	2015 \$'000
<b>Amounts paid / payable to KPMG for:</b>		
Audit of the financial statements for Company and Fund	729	568
Other assurance services	176	186
Tax services	427	350
Other services	1,165	2,384
	<b>2,497</b>	<b>3,488</b>

Other services provided by KPMG relate to the provision of internal control assessment services including assessing process, risk and controls across various departments at the Fund and Trustee.

## 14 Commitments

Lease commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2016 \$'000	2015 \$'000
Within one year	8,418	6,494
Later than one year but not later than five years	29,446	8,221
Later than five years	42,028	-
	<b>79,892</b>	<b>14,715</b>

## 15 Related parties

The Company is owned by the Australian Industry Group and ACTU Super Shareholding Pty Ltd. ACTU Super Shareholding Pty Ltd holds the shares on behalf of the Australian Council of Trade Unions and participating unions. Under the terms of the Company's constitution, the owners of the Company are not entitled to receive dividends from the Company.

**15 Related parties (continued)**

The Company paid the Australian Industry Group \$201,000 (2015: \$192,000) and the Australian Council of Trade Unions \$225,000 (2015: \$199,000) for advertising related opportunities and general marketing for AustralianSuper.

The Company is the trustee of AustralianSuper. Under the terms of the Trust Deed, the Company is entitled to receive trustee services fees, calculated by reference to the costs incurred by the Company in running the Fund.

	<b>2016</b>	<b>2015</b>
Trustee services fees paid and payable by the Fund to the Trustee	\$344,978,000	\$289,550,000
Amount payable by the Fund to the Trustee at the end of the reporting period	\$8,692,000	\$3,772,000
Prepayment with the Fund	\$15,737,000	\$9,599,000

AustralianSuper has a 32.9% (2015: 32.9%) shareholding in Industry Super Holdings Pty Ltd (ISH). I. Silk and P. Burn are directors of Industry Super Australia Pty Ltd which is a subsidiary of ISH. ISH has various other subsidiaries with which the Company transacts. These transactions that relate to financial planning, seminars and other member services totalled \$7,451,000 (2015: \$8,165,000).

On 20 June 2016, the Company sold its shareholding of ordinary shares in The New Daily Pty Ltd (valued at \$0 at 30 June 2015). The New Daily Pty Ltd provides an online news publication, The New Daily, which is made available to members.

During the year the Company contributed \$40,000 (2015: \$12,500) to The New Daily for marketing purposes.

A. Terry was a director of The New Daily Pty Ltd until 28 October 2014. L. Di Bartolomeo was appointed a director of The New Daily Pty Ltd on 30 April 2015. During the year, the Company paid A. Terry \$0 (2015: \$7,825) and L. Di Bartolomeo \$24,300 (2015: \$4,043) for being AustralianSuper's nominee on the Board of The New Daily Pty Ltd.

On 13 January 2016, the Company incorporated AustralianSuper (UK) Limited, a wholly owned subsidiary, with a carrying value of \$2 at 30 June 2016. AustralianSuper (UK) Limited will provide investment management services to the Fund and as at 30 June 2016 had not commenced operations.

The above transactions were made on normal commercial terms, under normal conditions and at market rates.

**16 Reconciliation of profit after income tax to net cash inflow from operating activities**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit / (loss) after tax	(1,351)	(1,951)
Depreciation and amortisation	5,028	3,034
Fixed asset movements	(1,091)	(1,223)
Intangible asset movements	(10,195)	(9,920)
Change in operating assets and liabilities		
(Increase) / decrease in receivables	(4,209)	32,690
(Increase) / decrease in deferred tax assets	333	(1,237)
Increase / (decrease) in payables	11,506	(2,860)
Increase / (decrease) in deferred tax liabilities	(291)	1,282
Increase / (decrease) in provisions	1,734	1,160
<b>Net cash (outflow) / inflow from operating activities</b>	<b>1,464</b>	<b>20,975</b>

**17 Subsequent events**

No significant events have occurred since the end of the reporting period which would impact on the balances of the Company as disclosed in the statement of financial position as at 30 June 2016 or on the results of operations of the Company for the year ended on that date.

**AustralianSuper Pty Ltd**  
**Directors' Declaration**  
**For the year ended 30 June 2016**


In the directors' opinion:

- (a) the financial statements and notes set out on pages 6 to 21 are in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
  - ii. complying with Accounting Standards and other mandatory professional reporting requirements, and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) Note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Signed in accordance with a resolution of the Board of Directors of AustralianSuper Pty Ltd.



H. Ridout  
Director

  
.....  
G. Willis  
Director

Melbourne  
15 September 2016



## **Independent audit report to the members of AustralianSuper Pty Ltd**

### **Report on the financial report**

We have audited the accompanying financial report, of AustralianSuper Pty Ltd (the Company) which comprises the statement of financial position as at 30 June 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 17 comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

#### *Directors' responsibility for the financial report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In note 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Company's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.



*Auditor's opinion*

In our opinion:

- (a) the financial report of AustralianSuper Pty Ltd is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

*KPMG*

KPMG

A handwritten signature in blue ink, appearing to read 'Sean Hill'.

Sean Hill  
*Partner*

Melbourne

15 September 2016