

CUBS SUPERANNUATION FUND

ABN 90 120 177 925

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

CUBS SUPERANNUATION FUND
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CUBS SUPERANNUATION FUND
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
Cash and cash equivalents			
Cash and cash equivalents	10(a)	7,929,272	10,025,389
Total cash and cash equivalents		7,929,272	10,025,389
Receivables			
Distribution receivable		784,012	636,068
Due from brokers		1,853,185	117,707
Other receivables		153,268	32,570
Total receivables		2,790,465	786,345
Investments held at fair value	14	69,743,264	67,456,849
Other assets			
Deferred tax assets	9	65,955	-
Total other assets		65,955	-
Total assets		80,528,956	78,268,583
Liabilities			
Accounts payable		183,117	117,839
Due to brokers		306,362	570,607
Current tax liability	9	113,004	38,712
Deferred tax liabilities	9	-	285,111
Total liabilities (excluding member benefits)		602,483	1,012,269
Net assets available for member benefits		79,926,473	77,256,314
Member benefits			
Defined contribution member liabilities	6(a)	79,561,713	76,794,505
Total member liabilities		79,561,713	76,794,505
Total net assets		364,760	461,809
Equity			
Operational risk reserve	7	292,414	313,597
Unallocated to members		72,346	148,212
Total equity		364,760	461,809

The Statement of Financial Position is to be read in conjunction with the accompanying notes to the financial statements set out on pages 6 to 29.

CUBS SUPERANNUATION FUND
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Superannuation Activities			
Revenue			
Changes in fair value of investments	5	(1,753,445)	1,232,881
Distributions		1,519,823	1,288,299
Interest		605,726	943,452
Other operating income		111,587	4,942
Total revenue		<u>483,691</u>	<u>3,469,574</u>
Expenses			
Investment expenses		(24,558)	(30,227)
General administration expenses	4	(562,717)	(504,310)
Total expenses		<u>(587,275)</u>	<u>(534,537)</u>
Operating results		<u>(103,584)</u>	<u>2,935,037</u>
Net benefits allocated to defined contribution member accounts		(193,235)	(3,031,834)
Operating result before income tax		<u>(296,819)</u>	<u>(96,797)</u>
Income tax benefit/(expense)	8(a)(b)	331,329	(303,138)
Operating result after income tax		<u>34,510</u>	<u>(399,935)</u>

The Income Statement is to be read in conjunction with the accompanying notes to the financial statements set out on pages 6 to 29.

CUBS SUPERANNUATION FUND
STATEMENT OF CHANGES IN MEMBER BENEFITS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Opening balance of Member Benefits		76,794,505	75,284,024
Contributions:			
- Employer contributions		2,362,544	2,196,429
- Member contributions		928,557	1,515,313
Transfers from other superannuation entities		9,102,889	9,290,333
Death and disability benefits credited to member accounts		250,000	-
Income tax on contributions	8(c)	(470,641)	(464,170)
Net after tax contributions		<u>12,173,349</u>	<u>12,537,905</u>
Benefits to members		(9,516,063)	(13,922,707)
Insurance premiums charged to members' accounts		(104,496)	(106,660)
Reserve transferred to/(from) members		21,183	(29,891)
Net benefits allocated, comprising:			
- Net investment income		223,483	3,058,629
- Net administration fees		(30,248)	(26,795)
Closing balance of Member Benefits	6	<u>79,561,713</u>	<u>76,794,505</u>

The Statement of Changes in Members Benefits is to be read in conjunction with the accompanying notes to the financial statements set out on pages 6 to 29.

CUBS SUPERANNUATION FUND
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Operational risk reserve \$	Unallocated to members \$	Total equity \$
Opening balance as at 1 July 2019	313,597	148,212	461,809
Transfer from reserves	(21,183)	(237,656)	(258,839)
Transfer to reserves		127,280	127,280
Operating result	-	34,510	34,510
Closing balance as at 30 June 2020	292,414	72,346	364,760

	Operational risk reserve \$	Unallocated to members \$	Total equity \$
Opening balance as at 1 July 2018	283,706	91,841	375,547
Transfer to reserves	29,891	456,306	486,197
Operating result	-	(399,935)	(399,935)
Closing balance as at 30 June 2019	313,597	148,212	461,809

The Statement of Changes in Equity is to be read in conjunction with the accompanying notes to the financial statements set out on pages 6 to 29.

CUBS SUPERANNUATION FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Interest received		145,639	96,156
General administration expenses paid		(234,682)	(240,192)
Investment expenses paid		(24,558)	(5,477)
Other expenses paid		(314,911)	(257,011)
Income tax refunded/(paid)		76,398	(497,881)
Net cash outflows from operating activities	10(b)	<u>(352,114)</u>	<u>(904,405)</u>
Cash flows from investing activities			
Proceeds from sale of investments		62,003,647	44,184,997
Payments for purchase of investments		<u>(66,211,266)</u>	<u>(43,930,107)</u>
Net cash inflows/(outflows) from investing activities		<u>(4,207,619)</u>	<u>254,890</u>
Cash flows from financing activities			
Employer contributions		2,362,544	1,883,033
Member contributions		928,557	1,515,313
Transfer to unallocated		(110,376)	-
Benefits paid to members		(9,516,061)	(13,290,201)
Net transfers from other funds		9,102,888	9,427,529
Death and Disability Benefits		250,000	-
Income tax paid on contributions		(470,641)	(464,170)
Insurance premiums charged to members accounts		<u>(83,295)</u>	<u>(105,388)</u>
Net cash inflows/(outflows) from financing activities		<u>2,463,616</u>	<u>(1,033,884)</u>
Net decrease in cash held		(2,096,117)	(1,683,399)
Cash at the beginning of the year		10,025,389	11,708,788
Cash at the end of the year	10(a)	<u>7,929,272</u>	<u>10,025,389</u>

The Statement of Cash Flows is to be read in conjunction with the accompanying notes to the financial statements set out on pages 6 to 29.

CUBS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. GENERAL INFORMATION

CUBS Superannuation Fund (the 'Fund') is a defined contribution superannuation fund domiciled in Australia. The purpose of the Fund is to provide retirement benefits to its members. The Fund is constituted by a Trust Deed dated 18 June 1987 as amended.

In accordance with amendments to the Superannuation Industry (Supervision) Act 1993, the Fund is registered with the Australian Prudential Regulation Authority ("APRA") as a Registrable Superannuation Entity ("RSE") (R1068832).

The Trustee of the Fund during the reporting period was Equity Trustees Superannuation Limited (the "Trustee") (ABN 50 055 641 757, AFSL 229757, RSE L0001458), domiciled in Australia and registered with APRA. The address of the Fund's registered office is Level 1, 575 Bourke Street, Melbourne VIC 3000.

The Administrator of the Fund is Mainstream Superannuation Services Pty Ltd (ABN 83 082 989 142). The Promoter of the Fund is Mainstream Superannuation Services Pty Ltd (ABN 83 082 989 142).

The Asset Consultant to the Fund is TAG Asset Consulting Group Pty Ltd (ABN 58 097 703 047).

2. BASIS OF PREPARATION

(a) Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Interpretations, the Superannuation Industry (Supervision) Act 1993 and provisions of the Trust Deed.

The financial statements were authorised and issued by the board and directors of Equity Trustees Superannuation Limited on 15 October 2020. The Directors of the Trustee have the power to amend and re-issue the Financial Statements. For the purposes of preparing the financial statements, the Fund is a not-for-profit entity.

(b) 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 expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

CUBS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. BASIS OF PREPARATION (CONTINUED)

(b) Use of Estimates and Judgements (continued)

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities.

Estimates are evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over-the-counter derivatives or other unquoted financial instruments, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models or market prices) are used to determine fair values, they are validated and periodically reviewed by experienced personnel. Refer to note 15 for details.

Particular consideration has been given in the preparation of these financial statements, to areas that may be impacted by COVID-19. Refer to Note 19.

(c) New Standards and Interpretations adopted during the year

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2019 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

(d) Accounting Standards and Interpretations issued, but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2020 and have not been early adopted in preparing these financial statements.

None of these are expected to have a material effect on the financial statements of the Fund.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2020 and the comparative information presented in these financial statements for the year ended 30 June 2019.

(a) Cash and cash equivalents

Cash comprises cash on hand and on demand deposits.

Cash equivalents are short term, highly liquid investments with maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

CUBS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial Instruments

Classification

The Fund's investments are classified at fair value through profit or loss. These investments are managed and their performance is evaluated on a fair value basis in accordance with the Fund's investment strategy.

(i) Recognition/de-recognition

Financial assets and financial liabilities are recognised on the date the Fund becomes a party to the contract relating to the asset. Financial assets are recognised using the quoted price at the trade date. From this date, any gains and losses arising from changes in fair value are recorded.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Fund has transferred substantially all of the risks and rewards of ownership.

(ii) Measurement

At initial recognition, the Fund measures a financial asset or liability at fair value.

Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value. Gains and losses are presented in the income statement in the period in which they arise as net changes in fair value of financial instruments.

The fair values of underlying investments are net of any distributions.

For further details on how the fair values of financial instruments are determined refer to note 15.

(iii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability at the same time.

(c) Accounts Payable

Accounts payable are recognised when the Fund becomes obliged to make future payments resulting from the purchase of goods and services and are recognised at their nominal value which is equivalent to fair value. These amounts are unsecured and are usually paid within 60 days of recognition.

CUBS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Benefits Paid and Payable

The Fund recognises a benefit to be payable to a member when a valid withdrawal notice is received from the employer sponsor, and it has been approved by the Trustee in accordance with the Fund's Trust Deed. Benefits paid and payable are measured at their nominal values as prescribed by the Fund's Trust Deed. The benefits payable represents amounts which have not been paid where a valid withdrawal notice has been received.

(e) Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised to the extent in which it is probable that economic benefits will flow to the Fund and the amount of revenue can be reliably measured.

The following recognition criteria relates to the different items of revenue the Fund receives:

(i) Interest revenue

Interest income is recognised in the Income 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 amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

(ii) Distributions from investments

Distributions 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 fair value.

(iii) Movement in fair value of investments

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

(f) Contributions and transfers from other funds

Contributions and transfers in are recognised when the control and the benefits have transferred to the Fund and are recognised gross of any taxes.

(g) Income Tax

Income tax as a result of operations for the year comprises current and deferred tax. Income tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in members' funds, in which case it is recognised directly in the Statement of Changes in Member Benefits.

CUBS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Income Tax (continued)

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Fund expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities can be offset when they relate to income taxes levied by the same taxation authority and the Fund intends to settle its current tax assets and liabilities on a net basis.

Income tax has been provided in the current year at the rate of 15%, as it is the expectation of the Trustee that the Fund will be treated as a complying superannuation fund. If the Fund is subsequently deemed to be a non-complying fund for the current year, then income tax will be payable at a rate of 45% on the Fund's taxable income.

In line with the expectation to be treated as a compliant superannuation fund, financial assets held for less than 12 months are provided to be taxed at the Fund's rate of 15%. For financial assets held for more than 12 months, the Fund is entitled to a further discount on the tax rate leading to an effective tax rate of 10% on any gains/(losses) arising from the disposal of investments.

CUBS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Goods and Services Tax

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), except:

- Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of the asset or as part of an item of expense; and
- For receivables and payables which are recognised inclusive of GST.

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.

(i) Receivables

Collectability of receivables is reviewed regularly. Debts which are known to be uncollectable are written off by reducing the carrying amount.

Interest receivable represents accrued interest revenue from term deposits, government securities, other fixed interest securities, money market securities and derivatives.

(j) Amounts due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. Trades are recorded on the trade date. The amount disclosed on the financial statements is the net amount due from/to brokers.

(k) Functional and Presentation Currency

The financial statements are presented in Australian dollars which is the functional currency of the Fund and have been rounded to the nearest thousand unless otherwise stated.

All foreign currency transactions during the year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Exchange differences are recognised in the income statement in the period in which they arise.

(l) Comparative Amounts

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements. As a result, some line items in the notes to the financial statements have been amended. Comparative figures have been adjusted to conform to the current year's presentation.

CUBS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

4. GENERAL ADMINISTRATION EXPENSES

	2020	2019
	\$	\$
Administration fees	263,408	238,164
Legal fees	25,289	21,630
Marketing fees	6,346	28,277
Trustee fees	138,724	80,210
Promoter' fees	37,333	29,185
Custodian fees	37,273	38,000
APRA levy fees	7,748	7,959
Audit fees	32,604	34,320
Tax fees	10,450	7,700
Other expenses	3,542	18,865
	<u>562,717</u>	<u>504,310</u>

For expenses incurred by and reimbursed to the trustee, refer to note 13 (e).

5. CHANGES IN FAIR VALUE OF INVESTMENTS

	2020	2019
	\$	\$
Investments held at the reporting date:		
Unlisted unit trusts	<u>(1,632,470)</u>	<u>1,492,448</u>
	<u>(1,632,470)</u>	<u>1,492,448</u>
 Investments realised during the reporting period:		
Unlisted unit trusts	<u>(120,975)</u>	<u>(259,567)</u>
	<u>(120,975)</u>	<u>(259,567)</u>
 Total changes in fair value	<u>(1,753,445)</u>	<u>1,232,881</u>

CUBS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

6. MEMBER LIABILITIES

(a) Recognition and measurement of member liabilities

The entitlements of members to benefit payments are recognised as liabilities. They are measured at the amount of the accrued benefits as at the reporting date, being the benefits that the Fund is presently obliged to transfer to members or their beneficiaries in the future as a result of the membership up to the end of the reporting period.

Defined contribution member account balances are measured using unit prices based on the underlying investment option values selected by members.

(b) Defined Contribution Member Liabilities

Defined contribution member liabilities are measured as the amount of member account balances as at the reporting date.

Defined contribution members bear the investment risk relating to the underlying assets of the Fund. Unit prices are updated on a daily basis for movements in investment markets. The Fund's management of the investment market risks is as disclosed within note 14.

As at 30 June 2020, the net assets attributable to defined contribution members have been substantially allocated. Unallocated amounts are shown in the statement of financial position as "Unallocated to members" within reserves.

7. RESERVES

The Trustee maintains an Operational Risk Reserve (ORR) and an Unallocated Reserve.

(a) Operational Risk Reserve (ORR)

Under APRA Prudential Standard SPS114: Operational Risk Financial Requirement (ORFR), the Trustee determined it would maintain an ORFR Target Amount of 0.25% of the Fund's net assets available for member benefits wholly within the ORR.

The reserve has met the funding target and is above the upper tolerance limit of the target amount. The ORR will continue to be supplemented by the bank interest and investment returns earned on the operating account or the investments of the ORR. The Trustee will review the funding methodology of the ORR if it falls below 90% of the Target Amount. The level and appropriateness of the ORR will be reviewed as part of the annual review of the Risk Management Strategy.

The ORR is part of the financial management of the Fund. The ORR may be used in certain circumstances to address operational risk events or claims against the Fund arising from operational risk.

At 30 June 2020, the ORR represented 0.36% (2019: 0.41%) of the Fund's net asset available for member benefits.

CUBS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

7. RESERVES (CONTINUED)

(b) Unallocated to members

This reserve is utilised by the Fund to maintain the difference between the amounts allocated to members as at the end of the financial year and the net assets of the Fund. It includes unallocated contributions and the amounts which will be utilised by the Fund in regards to any future income or tax credits arising from the completion of the tax position following the year end. This income will be allocated to members during the course of the following years.

8. INCOME TAX EXPENSE

(a) Recognised in the Income Statement:

	2020	2019
	\$	\$
Current tax expense		
Current year	19,737	347,443
Deferred tax expense		
Movement in temporary differences	(223,208)	(44,305)
Prior year provision	(127,858)	-
Total income tax (benefit)/expense in Income Statement	(331,329)	303,138

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

	2020	2019
	\$	\$
Operating result before income tax expense	(103,584)	2,935,037
Tax at the complying superannuation fund tax rate of 15% (2019: 15%)	(15,538)	440,256
<i>Increase/(decrease) in income tax expense due to:</i>		
Prior year over provision	(127,858)	-
Exempt pension income	(76,170)	(103,077)
Imputation and foreign tax credits	(149,589)	(176,885)
Capital gains tax discount concession	37,826	142,844
Income tax (benefit)/expense	(331,329)	303,138

CUBS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

8. INCOME TAX EXPENSE (CONTINUED)

(c) Recognised in the Statement of Changes in Member Benefits:

	2020	2019
	\$	\$
Contributions and transfers in recognised in the Statement of Changes in Member Benefits	12,393,990	13,002,075
Tax at the complying superannuation fund rate of 15%	1,859,098	1,950,311
Non-assessable contributions	(1,378,152)	(1,495,542)
Tax on group life premiums	(10,305)	-
Other	-	9,401
Total	470,641	464,170

9. TAX ASSETS AND LIABILITIES

Current tax assets and liabilities

The current tax payable for the Fund of \$113,004 (2019: \$38,712) represents the amount of income taxes payable in respect of current and prior financial periods.

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2020	2019
	\$	\$
<i>Deferred tax assets</i>		
Unrealised losses in investment	56,357	-
Accrued expenses	9,598	-
Total deferred tax assets	65,955	-
<i>Deferred tax liabilities</i>		
Unrealised gains in investment	-	(285,111)
Total deferred tax liabilities	-	(285,111)

CUBS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

9. TAX ASSETS AND LIABILITIES (CONTINUED)

Movement in temporary differences during the year

	Balance 1 July 2019 \$	Recognised in Income Statement \$	Balance 30 June 2020 \$
Deferred tax assets			
Unrealised losses in investment	(285,111)	351,066	65,955
	(285,111)	351,066	65,955

	Balance 1 July 2018 \$	Recognised in Income Statement \$	Balance 30 June 2019 \$
Deferred tax liabilities			
Unrealised gains in investment	(329,416)	44,305	(285,111)
	(329,416)	44,305	(285,111)

10. CASH FLOWS RECONCILIATION

(a) Reconciliation of cash and cash equivalents

	2020 \$	2019 \$
Cash at bank – Operation accounts	7,929,272	10,025,389
Total cash and cash equivalents	7,929,272	10,025,389

CUBS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

10. CASH FLOWS RECONCILIATION (CONTINUED)

(b) Reconciliation of cash flows from operating activities

	2020	2019
	\$	\$
Profit/(Loss) after income tax	34,510	(399,935)
Adjustments for:		
Net changes in fair value of financial instruments	(78,520)	(4,601,855)
(Increase)/decrease in receivable	(120,698)	(6,591)
(Increase)/decrease in trust distributions receivable	(147,944)	662,772
Increase in payable and investments in transit	44,077	582,271
Increase/(decrease) in deferred tax assets	(65,955)	-
Increase/(decrease) in income tax payable	74,292	(128,596)
Allocation to members' accounts	193,235	3,031,834
Increase/(decrease) in deferred tax liabilities	(285,111)	(44,305)
Net cash outflows from operating activities	(352,114)	(904,405)

11. COMMITMENTS

There are no commitments that the Trustee is aware of as of 30 June 2020 and 30 June 2019.

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no outstanding contingent assets or liabilities as at 30 June 2020 and 30 June 2019.

CUBS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

13. RELATED PARTY DISCLOSURES

(a) Trustee

The Trustee of the Fund is Equity Trustees Superannuation Limited (ACN 055 641 757, RSE Licensee L0001458).

(b) Key management personnel

Key management personnel include persons who were directors of Equity Trustees Superannuation Limited at any time during the reporting period and up until signing date as follows.

Name	Title	Appointed	Resigned
Mr Anthony Jude Lally	Non-Executive Director and Chairman		
Mr Michael O'Brien	Managing Director and Executive Director		
Ms Catherine Robson	Non-Executive Director		05-May-20
Mr Ellis Varejes	Non-Executive Director		
Mr Mark Blair	Executive Director		
Ms Susan Granville Everingham	Non-Executive Director		
Mr Paul Douglas Rogan	Non-Executive Director	27-Aug-19	
Mr Jezy (George) Zielinski	Non-Executive Director	06-Jul-20	

None of the above directors of the Trustee are members of the Fund.

(c) Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly during the period.

(d) Remuneration of directors of the Trustee

There have been no transactions between the Trustee and the Fund other than trustee fees, custodian fees and reimbursement fees for services disclosed in the Income Statement and the notes below.

The compensation due and receivable to the Trustee from the Fund or any related party in relation to services to the Fund was:

	2020	2019
	\$	\$
Trustee fees paid to Equity Trustees Superannuation Limited	138,724	80,210
Custodian fees paid to Equity Trustees Limited	37,273	40,000
Total	175,997	120,210

CUBS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

13. RELATED PARTY DISCLOSURES (CONTINUED)

(d) Remuneration of directors of the Trustee (continued)

As at 30 June 2020, nil (30 June 2019: \$11,493) was payable to the trustee and is included in the Statement of Financial Position.

(e) Expenses paid by and reimbursed to the trustee

The following expenses were paid or payable by and reimbursed to the trustee by the Fund during the period.

	2020	2019
	\$	\$
Internal audit fees	3,407	4,750
Regulatory fees – ASIC & AFC	5,515	2,597
RMF audit fees	2,613	2,640
Total expenses paid or payable to the trustee	11,535	9,987

14. FINANCIAL RISK MANAGEMENT

(a) Financial instruments management

The investments of the Fund (other than cash held for meeting daily administrative and benefit expenses), are managed on behalf of the Trustee by specialist fund managers in accordance with the investment strategy to achieve the Fund's investment objectives.

The Trustee has engaged TAG Asset Consulting (ABN 58 097 703 047), an asset consultant, to monitor and provide regular reports on the Fund's investments to the Trustee. The Trustee may seek information from the manager of each collective investment (and also may seek independent advice from other qualified persons) so as to determine the nature and extent of any risks, and the expected returns, associated with each investment prior to determining its suitability as an investment for the Fund.

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

(b) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 3 to the Financial Statements.

CUBS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Capital risk management

The Trustee has established an Operational Risk Reserve ("ORR") to provide funding for incidents where material losses may arise from an operational risk event (as opposed to investment risk) relating to the Fund. The level of reserve is determined by the Trustee based on an assessment of the risks faced by the Fund. The Trustee has an operational risk financial requirement strategy to manage assets held in the ORR. According to Superannuation Prudential Standard 114: Operational Risk Financial Requirement, (SPS 114) which became effective 1 July 2013, the financial resources held to meet the ORR must be held either as;

- An operational risk reserve held within an RSE;
- Operational risk trustee capital held by the RSE licensee; or
- A combination of both an operational risk reserve held within an RSE and operational risk trustee capital held by the RSE Licensee.

The target amount has been met as at the reporting date.

(d) Financial risk management objectives

The Fund is exposed to a variety of financial risks as a result of its activities. These risks include market risk (including currency risk, cash flow interest rate risk, fair value interest rate risk and price risk), credit risk and liquidity risk. The Fund's risk management and investment policies, approved by the Trustee, seek to minimise the potential adverse effects of these risks on the Fund's financial performance. These policies may include the use of certain financial derivative instruments.

It is ultimately the responsibility of the Trustee to ensure that there is an effective risk management control framework in place. Consistent with regulatory requirements the Trustee has the function of overseeing the establishment and maintenance of risk-based systems and controls for the Fund. The Trustee has developed, implemented and maintains a Risk Management Framework ("RMF").

The RMF identifies the Trustee's policies and procedures, processes and controls that comprise its risk management and control systems. These systems address all material risks, financial and non-financial, likely to be faced by the Fund. Annually, the Trustee is required to certify to APRA whether adequate strategies have been put in place to monitor those risks, that the Trustee has systems in place to ensure compliance with legislative and prudential requirements and that the Trustee has satisfied itself as to the compliance with the RMF.

(e) Investment risk

The Fund's assets principally consist of financial instruments which comprise of cash, fixed interest and unlisted unit trusts. The Trustee has determined that this type of investment is appropriate for the Fund and is in accordance with the Fund's investment strategy.

CUBS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Investment risk (continued)

The Fund's investment activities expose it to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

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: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

To mitigate market risk, the Fund undertakes due diligence prior to the approval of fund managers to ensure that they have appropriate expertise and skill for monitoring of the market conditions and benchmark analysis. Further the Fund's asset consultant provides additional expert advice as required.

(i) Currency risk

Currency risk arises on financial instruments that are denominated in a foreign currency that is in a currency other than that in which they are measured. The Fund does not currently have any investments denominated in a foreign currency.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The majority of the Fund's financial instruments are interest-bearing with cash and cash equivalents being directly subject to interest rate risk. Any excess cash and cash equivalents above immediate working capital requirements are invested in accordance with the member's investment strategy. As a result, the Fund is subject to exposure to interest rate risk due to fluctuations in the prevailing levels of market interest rates. The Fund's exposure to interest rate risk is set out below.

	2020	2019
	\$	\$
Variable interest rate		
Cash and cash equivalents	7,929,272	10,025,389
Fixed interest instruments	38,744,274	35,753,868
Total	46,673,546	45,779,257

The following table demonstrates the sensitivity of the Fund's net assets available to pay benefits, where interest rates - vary by 25bps (30 June 2019: 100bps). This table has been provided to illustrate the sensitivity of the Fund's investment portfolio to interest rate fluctuations. This analysis assumes that all other variables remain constant.

CUBS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Investment risk (continued)

(ii) Interest rate risk (continued)

Cashflow sensitivity analysis - variable rate instruments

	Change in fair value of assets \$		Effect on net assets available to pay benefits \$	
	25bps Decrease	25bps Increase	25bps Decrease	25bps Increase
2020				
Cash and cash equivalents	(19,823)	19,823	(19,823)	19,823
Fixed interest instruments	(96,861)	96,861	(96,861)	96,861
	<u>(116,684)</u>	<u>116,684</u>	<u>(116,684)</u>	<u>116,684</u>
	100bps Decrease	100bps Increase	100bps* Decrease	100bps* Increase
2019				
Cash and cash equivalents	(100,254)	100,254	(100,254)	100,254
Fixed interest instruments	(375,539)	375,539	(375,539)	375,539
	<u>(457,793)</u>	<u>457,793</u>	<u>(457,793)</u>	<u>457,793</u>

* Prior year numbers have been updated to enhance comparability with current year disclosure. Effect on net assets has been shown instead of total movement of assets.

(iii) Other market price risk

Other market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As all of the Fund's financial instruments are carried at fair value with changes recognised in the Income Statement, all changes in market conditions will directly affect changes in fair value.

The Fund's assets are invested in cash and units in unitholdings. The Fund's exposure to other market price risk is therefore limited to the market price movement of these investments.

The Trustee has determined that these investments are appropriate for the Fund and are in accordance with the Fund's investment strategy.

CUBS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Investment risk (continued)

(iii) Other market price risk (continued)

The table below illustrates the impact of other market price risk to the Fund should each asset class fluctuate by a 10% increase or decrease from the investment objective. This analysis assumes that all other variables remain constant.

	Carrying amount \$	Change in fair value of assets \$		Effect on net assets available to pay benefits* \$	
		10% Decrease	10 % Increase	10% Decrease	10% Increase
2020					
Unlisted unit trusts	30,998,990	(3,099,899)	3,099,899	(3,099,899)	3,099,899
	30,998,990	(3,099,899)	3,099,899	(3,099,899)	3,099,899
2019					
Unlisted unit trusts	31,702,981	(3,170,298)	3,170,298	(3,170,298)	3,170,298
	31,702,981	(3,170,298)	3,170,298	(3,170,298)	3,170,298

* Prior year numbers have been updated to enhance comparability with current year disclosure. Effect on net assets has been shown instead of total movement of assets.

Credit Risk

Credit risk refers to the risk that the counterparty to the financial instrument will default on its contractual obligations resulting in a financial loss to the Fund.

The carrying amounts of financial assets best represent the maximum credit risk exposure at reporting date. No collateral is held as security or other credit enhancement exists for all financial assets held. No financial assets are considered past due as all payments are considered recoverable when contractually due. The Fund's financial assets exposed to credit risk amounted to the following:

CUBS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Investment risk (continued)

	2020	2019
	\$	\$
Cash and cash equivalents	7,929,272	10,025,389
Unlisted unit trusts	3,037,901	3,170,298
Fixed interest instruments	38,744,274	35,753,868
Trust distribution receivable	784,012	636,068
Other receivables	126,307	128,433
	50,621,766	49,714,056

Liquidity Risk

Liquidity risk is the risk that the Fund will not be able to meet its obligations when they fall due. The risk is controlled through the Fund's investment in financial instruments which under normal market conditions are readily convertible to cash. In addition, the Fund maintains sufficient cash and cash equivalents to meet normal operating conditions. The Fund's overall liquidity risks are monitored by the Trustee at least annually and in accordance with policies and procedures in place.

The following table summarises the maturity profile of the Fund's financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Fund can be required to pay.

Maturities of financial liabilities

The tables below show the Fund's financial liabilities based on their contractual maturities using undiscounted cash flows. Liabilities to defined contribution members are payable upon request. The Fund considers it unlikely that all liabilities to members would fall due at the same time.

	Carrying amount	Less than 1 month	1-3 Months	Over 3 Months
	\$	\$	\$	\$
30 June 2020				
Accounts payable	183,117	183,117	-	-
Due to brokers	306,362	306,362	-	-
Current tax liabilities	113,004	-	113,004	-
Member liabilities	79,561,713	79,561,713	-	-
	80,164,196	80,051,192	113,004	-
30 June 2019				
Accounts payable	117,839	117,839	-	-
Due to brokers	570,607	570,607	-	-
Current tax liabilities	38,712	-	38,712	-
Member liabilities	76,794,505	76,794,605	-	-
	77,521,663	77,482,951	38,712	-

CUBS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Investment risk (continued)

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

15. FAIR VALUE MEASUREMENTS

Fair value hierarchy

The Fund classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. Table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

- Level 1 fair value measurements are those instruments valued based on quoted prices (unadjusted) in active markets for identical assets and liabilities. These inputs are readily available in the market and are normally obtainable from multiple sources.
- Level 2 fair 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 (that is, as prices) or indirectly. The Trustee values fixed interest securities held by the Fund using broker quotes, units in unit trusts using the unit price provided by the underlying fund manager.
- Level 3 fair value measurements are those instruments valued based on inputs where one or more of the significant inputs are not based on observable market data, examples include discount rates and other material unobservable inputs. The Trustee values units in unit trusts classified as level 3 using the unit price provided by the underlying fund manager. These unit trusts hold illiquid investments such as unlisted property and private equity. The Fund classifies suspended and delisted securities that have not been actively traded at least in the last 3 months as Level 3 investments, and these securities are priced in the accounting system based on the last available price. for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
30 June 2020				
<i>Financial assets</i>				
Fixed interest instruments	38,744,274	-	-	38,744,274
Units in unlisted unit trusts	-	30,998,990	-	30,998,990
Total	38,744,274	30,998,990	-	69,743,264

CUBS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

15. FAIR VALUE MEASUREMENTS (CONTINUED)

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
30 June 2019				
<i>Financial assets</i>				
Fixed interest instruments	35,753,868	-		35,753,868
Units in unlisted unit trusts	-	31,702,981	-	31,702,981
Total	35,753,868	31,702,981	-	67,456,849

16. STRUCTURED ENTITIES

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, and the relevant activities are directed by means of contractual arrangements.

The Fund considers all investments in managed investment schemes (funds) to be structured entities. The Fund invests in underlying managed funds for the purpose of capital appreciation and or earning investment income.

The investee funds' objectives are to achieve medium to long term capital growth.

The exposure to investments in investee funds at fair value, by investment strategy, is disclosed below:

	Fair value as at 30 June 2020 \$	Fair value as at 30 June 2019 \$
Australian equity	11,128,637	11,286,261
International equity	16,832,452	17,246,422
Australian fixed income	898,971	919,386
International fixed income	2,138,930	2,250,912
	30,998,990	31,702,981

The fair value of financial assets amounting to \$30,998,990 (2019: \$31,702,981) is included under units in unlisted unit trusts in the statement of financial position.

CUBS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

16. STRUCTURED ENTITIES (CONTINUED)

The Fund's maximum exposure to loss from its interests in investee funds is equal to the total fair value of its investments in the investee funds.

During the year the Fund earned fair value gains and distribution income as a result of its interests in other funds.

17. EXTERNAL AUDITOR'S REMUNERATION

	2020	2019
	\$	\$
Audit and review of financial statements and compliance		
<i>UHY Haines Norton:</i>		
Audit and review of financial statements and APRA return	-	34,320
Tax compliance services	-	7,700
Total Audit and review services – UHY Haines Norton	-	42,020
<i>Deloitte Touche Tohmatsu:</i>		
Audit of Risk Management Strategy & Compliance with Prudential Standards	2,613	2,640
Audit and review of financial statements and APRA return	32,604	-
Tax compliance services	10,450	-
Total Audit and review services – Deloitte Touche Tohmatsu	45,667	2,640
Total Auditors remuneration	45,667	44,660

CUBS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

18. INSURANCE ARRANGEMENTS

The Fund provides death and disability benefits to its members. The Trustee has a group policy in place with a third-party insurance company to insure these death and disability benefits for the members of the Fund.

The Fund collects premiums from members on behalf of the insurance company. Insurance claim amounts are recognised where the insurer has agreed to pay the claim. Therefore, insurance premiums are not revenues or expenses of the superannuation entity and do not give rise to insurance contract liabilities or reinsurance assets. Insurance premiums charged to members' accounts and insurance claim proceeds credited to members accounts are recognised in the statement of changes in members' benefits.

The Trustee determined that the Fund is not exposed to material insurance risk because:

- members (or their beneficiaries) will only receive insurance benefits if the external insurer pays the claim,
- insurance premiums are only paid through the Fund for administrative reasons, and
- insurance premiums are effectively set directly by reference to premiums set by an external insurer.

19. IMPACT ON THE FUND DUE TO THE GOVERNMENT'S RESPONSE TO THE CORONAVIRUS (COVID-1 PANDEMIC)

Background

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. Since that time, the pandemic has had a significant impact on the community, the economy, investment markets, and the operations of businesses across the country and world. This new rule allowed individuals to access up to \$10,000 of their superannuation in 2019/20 and a further \$10,000 in 2020/21.

For the year ended 30 June 2020 the Fund paid out \$823,083 benefits to members seeking early access to their super. For the period 1 July 2020 to 16 September 2020, the Fund paid out \$628,062 early withdrawal benefits.

The Trustee has considered the impact of the government's response to COVID-19 and other market volatility in preparing its financial statements. The financial report has been prepared on a going concern basis, which contemplates the continuation of normal business operations and the realisation of assets and settlement of liabilities in the normal course of business and whilst the situation remains uncertain, the Trustee remains confident that the Fund will be able to continue as a going concern and has sufficient liquidity to meet its debts as and when they fall due.

CUBS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

19. IMPACT ON THE FUND DUE TO THE GOVERNMENT'S RESPONSE TO THE CORONAVIRUS (COVID-1 PANDEMIC) (CONTINUED)

The key areas of impact were as follows:

Investments

The Fund's assets principally consist of financial instruments which comprise of cash, fixed interest and unlisted unit trusts. The investments are measured at fair value through profit or loss in accordance with the Fund's accounting policies. Given the nature of investments there is limited uncertainty over their fair value. However, the impact of the Federal Government's response to COVID-19 on the markets in which the underlying investment are made, is not fully known due to limited transactional evidence since the outbreak of the pandemic.

Recoverability of Deferred Tax Balances

In assessing whether a deferred tax asset can be recognised and given the macro-economic conditions arising from COVID-19 existed at the reporting date, the Trustee has ensured the projections of future taxable earnings is robust and based on reasonable assumptions regarding the Trust's future investment performance and taxable contribution levels.

Risk management

The Trustee's robust risk management framework continues to be applied across the Funds operations and the Trustee continues to monitor the impact of government's response to COVID 19 on the Fund's risk profile. Non-financial risks emerging from global movement restrictions, and remote working by our staff, counterparties, clients and suppliers, are being identified, assessed, managed and governed through timely application of the Trustee's risk management framework.

The management of liquidity risk is a key element of the investment process. The risk is controlled through the Fund's investment in financial instruments which are readily convertible to cash. In addition, the Fund maintains sufficient cash and cash equivalents to meet normal operating conditions as well as additional cash requirements to fund the benefits to members seeking early access to their super.

20. EVENTS SUBSEQUENT TO REPORTING DATE

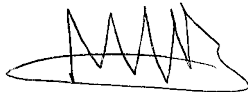
There has not arisen in the interval between the end of the financial year and the date of this financial report any item, transaction or event of an unusual nature likely to affect significantly the operations of the Fund, the result of the operations, or the state of affairs of the Fund. Accordingly, no adjustment has been made to the net assets of the Fund. In the event that COVID-19 impacts are more severe or prolonged than anticipated, the future fair value of the Fund's investments may be adversely impacted.

CUBS SUPERANNUATION FUND
TRUSTEE'S DECLARATION TO THE MEMBERS

In the opinion of the directors of the trustee of CUBS Superannuation Fund:

1. The accompanying Financial Statements and notes set out on pages 1 to 29 are in accordance with:
 - Australian Accounting Standards and other mandatory professional reporting requirements, and
 - present fairly the Fund's financial position as at 30 June 2020 and of its performance for the financial year ended on that date.
2. The Fund has been conducted in accordance with its constituent Trustee Deed and the requirements of the *Superannuation Industry (Supervision) Act 1993* and its accompanying Regulations; the relevant requirements of the *Corporations Act 2001 and Regulations*; the requirements under section 13 of the *Financial Sector (Collection of Data) Act 2001*, during the year ended 30 June 2020.
3. There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors of Equity Trustees Superannuation Limited (ABN 50 055 641 757) as Trustee for CUBS Superannuation Fund.



Mark Blair

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Director

Melbourne
15 October 2020

Report by the RSE Auditor to the trustee and members of CUBS Superannuation Fund (ABN 90 120 177 925)

Opinion

We have audited the financial statements of the CUBS Superannuation Fund for the year ended 30 June 2020 as set out on pages 1 to 29 attached.

In our opinion, the financial statements present fairly, in all material respects, in accordance with Australian Accounting Standards the financial position of the CUBS Superannuation Fund as at 30 June 2020 and the results of its operations, cash flows, changes in equity and changes in members' benefits for the year ended 30 June 2020.

Basis for Opinion

We conducted the audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial statements in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the trustee for the Financial Statements

The RSE's trustee is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the requirements of the *Superannuation Industry (Supervision) Act 1993* (SIS Act) and the *Superannuation Industry (Supervision) Regulations 1994* (SIS Regulations). The trustee is also responsible for such internal control as the trustee determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the ability of the RSE to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to liquidate the RSE or cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Australian Auditing Standards, we exercised professional judgement and maintained professional scepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit 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 RSE's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustee.
- Concluded on the appropriateness of the trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the RSE's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or if such disclosures are inadequate, to modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the RSE to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicated with the trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

DELOITTE TOUCHE TOHMATSU



James Oliver
Partner
Chartered Accountants
Melbourne, 15 October 2020