

REI SUPERANNUATION FUND PTY LTD  
ABN 68 056 044 770

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

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**REI SUPERANNUATION FUND PTY LTD**  
**ABN 68 056 044 770**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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The Directors submit their report for the Company for the year ended 30 June 2018.

**Directors**

The Directors of REI Superannuation Fund Pty Ltd ("the Company") at any time during or since the end of the financial year are:

Claire Higgins (Independent Director and Chair)  
Emery Feyzeny (Independent Director)  
Michelle Beveridge (Independent Director appointed 27 October 2017)  
Ian Armstrong  
John Bailey  
Jonathan Blocksidge  
Dianne Helmich  
Michael Kumm (ceased 1 October 2017)  
Grag Paterson  
Neville Pozzi  
Elizabeth Stratfold

**Principal Activity**

The principal activity of the Company during the year was to act as trustee of REI Super ("Fund").

**State of Affairs**

There were no significant changes in the activities of the Company during the year.

**Results**

The results of the Company after providing for income tax was \$856 profit (2017: loss of \$144).

**Dividends Paid or Recommended Since the End of the Financial Year**

No dividend has been paid or recommended to be paid during the financial year under review.

**Review of Operations**

During the year the Company acted as trustee of REI Super.

**Particulars of Directors**

Claire Higgins (Independent Director and Chair)

Claire is a professional director with extensive executive experience with ASX listed corporates. She has held numerous Board Directorships, including as Chair, in various industries such as health services, aged and disability care, infrastructure, government, private and NZX listed organisations.

Emery Feyzeny (Independent Director)

Emery is a former Director and Partner of KPMG and currently Director of NobleOak Life Limited

Michelle Beveridge (Independent Director)

Michelle has held numerous Board Directorships and is currently CIO for Intrepid Group

Ian Armstrong

Ian is principal of Whitehorse Real Estate Pty Ltd

John Bailey

John is principal of John Bailey Real Estate

Jonathan Blocksidge

Jonathan is Managing Director of Blocksidge & Ferguson Limited

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2018**

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Dianne Helmich

Dianne is Office Manager at Forsyth Real Estate Services

Greg Paterson

Greg is the Membership Services Director for the Real Estate Employer's Federation

Neville Pozzi

Neville is the Chief Executive Officer for the Real Estate Institute of WA

Elizabeth Stratfold

Beth is a property consultant with Harcourts South Coast

**Directors' Meetings**

The number of Directors' meetings and Audit, Risk and Compliance Committee meetings held in the period each Director held office during the financial year and the number of meetings attended by each Director is:

	Directors Meetings		Audit, Risk & Compliance Committee Meetings	
	No of Meeting Eligible to Attend	No of Meetings Attended	No of Meeting Eligible to Attend	No of Meetings Attended
Claire Higgins	4	4	4	4
Emery Feyzeny	4	3	4	3
Michelle Beveridge	3	3	3	3
Ian Armstrong	4	3	4	3
John Bailey	4	3	-	-
Jonathan Blocksidge	4	3	-	-
Dianne Helmich	4	4	-	-
Michael Kumm	1	1	1	1
Greg Paterson	4	3	-	-
Neville Pozzi	4	4	4	4
Elizabeth Stratfold	4	4	-	-

At the date of this report the Trustee also had a governance committee, a marketing committee, a death and disability claims committee, an investment review committee, remuneration committee and an administration committee. These committees either meet immediately prior to the board meeting, with Directors eligible to attend as members or observers, or alternatively between quarterly board meetings, where participants attend as committee members.

**Events Subsequent to Balance Date**

Since the end of the financial year, the Directors are not aware of any matter or circumstance not otherwise dealt with in the report or accounts that has significantly or may significantly affect the operations of the company, the results of those operations or the state of affairs of the Company in subsequent financial years.

**Likely Developments**

At the date of this report, the Directors are not aware of any developments likely to have a significant effect upon the Company's operations.

REI SUPERANNUATION FUND PTY LTD  
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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2018**

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**Directors' and Chairman Benefits**

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with an entity in which the Director has a substantial financial interest.

During the financial year, all Directors except Emery Feyzeny, Michelle Beveridge and Claire Higgins were members of REI Super and their membership is on the same terms and conditions as other members of the Fund.

**Indemnification and Insurance of Officers and Auditors**

During the financial year, the Fund paid premiums in respect of a contract insuring all the directors and officers of the Company against a liability incurred in their role as directors of the Company, except where:

- (a) The liability arises out of conduct involving a wilful breach of duty; or
- (b) There has been a contravention of Section 182 or 183 of the Corporations Act 2001 as permitted by Section 199B of the Corporations Act 2001.

There is no disclosure of the total amount of insurance cover provided by the trustee indemnity insurance policy as this is prohibited by the insurance contract.

**Auditor's Independence Declaration**

The Auditor's Independence declaration is included on page 14.

Signed in accordance with a resolution of the Directors made pursuant to s.298(2) of the Corporation Act 2001.

  
.....  
Director

Signed at Melbourne this 26<sup>th</sup> day of September 2018.

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
Revenues from ordinary activities		1,000	-
Expenses from ordinary activities		(144)	(144)
		<hr/>	<hr/>
Loss from ordinary activities before related income tax expense		856	(144)
Income tax benefit relating to ordinary activities		-	-
		<hr/>	<hr/>
<b>Profit/(loss) from ordinary activities after related income tax expense</b>		<b>856</b>	<b>(144)</b>
		<hr/>	<hr/>
Other comprehensive income		-	-
		<hr/>	<hr/>
<b>Total comprehensive profit/(loss) for the year</b>		<b>856</b>	<b>(144)</b>
		<hr/>	<hr/>

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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
<b>Equity Holders</b>			
<b>Share Capital</b>			
Balance at start of year		2	2
Issue of share capital		-	-
		<hr/>	<hr/>
<b>Total Share Capital</b>		<b>2</b>	<b>2</b>
		<hr/>	<hr/>
<b>Retained Earnings</b>			
Balance at start of year		308	452
Profit/(loss) for the year		856	(144)
		<hr/>	<hr/>
<b>Retained Earnings at end of year</b>		<b>1,164</b>	<b>308</b>
		<hr/>	<hr/>
<b>Total Equity</b>		<b>1,166</b>	<b>310</b>
		<hr/>	<hr/>

REI SUPERANNUATION FUND PTY LTD  
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BALANCE SHEET  
AS AT 30 JUNE 2018

	Notes	2018 \$	2017 \$
<b>Current Assets</b>			
Cash		1,166	310
<b>Total Assets</b>		<u>1,166</u>	<u>310</u>
<b>Current Liabilities</b>			
Current tax liabilities		-	-
<b>Total Liabilities</b>		<u>-</u>	<u>-</u>
<b>Net Assets</b>		<u>1,166</u>	<u>310</u>
<b>Equity</b>			
Share capital	5	2	2
Retained profits		1,164	452
<b>Total Equity</b>		<u>1,166</u>	<u>454</u>

REI SUPERANNUATION FUND PTY LTD  
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STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
<b>Cash Flows from Operating Activities</b>			
Cash receipts in the course of operations		1,000	-
Cash payments in the course of operations		(144)	(144)
		<hr/>	<hr/>
<b>Net Cash flows from/(used in) Operating Activities</b>	7(a)	<b>856</b>	<b>(144)</b>
		<hr/>	<hr/>
<b>Cash Flows from Investing Activities</b>			
<b>Net Cash flows provided by Investing Activities</b>		<b>-</b>	<b>-</b>
		<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>856</b>	<b>(144)</b>
Cash and cash equivalents at 1 July		310	454
		<hr/>	<hr/>
<b>Cash and cash equivalents at 30 June</b>	7(b)	<b>1,166</b>	<b>310</b>
		<hr/>	<hr/>

This Statement should be read in conjunction with the accompanying notes.

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REI SUPERANNUATION FUND PTY LTD  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**1. GENERAL INFORMATION**

REI Superannuation Fund Pty Ltd (the Company) is a company domiciled in Australia. The address of the Company's registered office is:

Level 30  
North Tower  
459 Collins Street  
Melbourne VIC 3000

The Company is trustee of REI Super.

**2. BASIS OF PREPARATION**

**(a) Basis of Accounting**

In the directors' opinion, the Company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of REI Superannuation Fund Pty Ltd. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the owners of REI Superannuation Fund Pty Ltd.

**(b) Statement of Compliance**

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

The financial statements were approved by the Board of REI Superannuation Fund Pty Ltd, on *26 September* 2018.

**(c) Basis of Measurement**

The financial report is prepared on a historic cost basis, except where stated. The directors have determined that the Company is not a reporting entity.

**(d) Functional and Presentation Currency**

The financial statement is presented in Australian dollars, which is the Company's functional currency.

**(e) Use of Estimates and Judgements**

The preparation of a financial report in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis, revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no critical accounting estimates and judgements contained in these financial statements other than those used to determine the deferred tax assets, which are not brought to account but disclosed by way of note.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

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**3. SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances, short term bills and call deposits. Cash and cash equivalents are carried at face value of the amounts deposited or drawn.

**(b) Trade and other receivables**

Trade and other receivables are stated at amortised cost less impairment losses which approximates fair value.

**(c) Trade and other payables**

Trade and other payables are stated at amortised cost.

**(d) Revenue Recognition**

Revenue is recognised as it accrues.

**(e) Goods and Services Tax**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Office (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.

**(f) Income tax**

Income tax expense comprises current and deferred tax. Income tax is recognised in profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised directly in equity or in other comprehensive income.

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

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(g) New accounting standards issued but not yet adopted**

The following new and revised Standards and Interpretations have been adopted in the financial statements. Their adoption has not had significant financial or disclosure impact on these financial statements but may affect the accounting for future transactions or arrangements.

AASB 2016-1 - Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised losses

AASB 2016-2 - Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**(h) New accounting standards issued but not yet adopted**

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

AASB 9 Financial Instruments

AASB 9 replaces the existing guidance in AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 includes revised requirements on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the requirements on recognition and derecognition of financial instruments from AASB 139.

AASB 9 is effective for annual reporting periods beginning on or after 1 January 2018. The adoption of AASB 9 is not expected to have a material impact on the Plan's financial assets or financial liabilities.

AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 Revenue, AASB 111 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. AASB 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

The Plan's main sources of income are interest, dividends, distributions and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the directors do not expect the adoption of the new revenue recognition rules to have a significant impact on the Fund's accounting policies or the amounts recognised in the financial statements.

AASB 16 Leases

AASB 16 removes the lease classification test for lessees and requires all leases (including operating leases) to be brought to account onto the balance sheet. The definition of a lease is also amended and is not the new on/off balance sheet test for lessees.

AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019, with early adoption permitted where AASB 15 *Revenue from Contracts with Customers* is adopted at the same time. The Plan does not expect any impact on its financial statements resulting from the application of AASB 16.

AASB 2018-1 Amendments to Australian Accounting Standards – Transfer of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments

AASB 2018-1 relates to amendments to AASB1, AASB128 and AASB140 and applies for annual reporting periods beginning on or after 1 January 2019. The Plan does not expect any impact on its financial statements resulting from the application of AASB 2018-1.

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2018

**4. TRUSTEE LIABILITIES AND RIGHT OF INDEMNITY**

The Company acts solely as trustee for REI Super and the Company has incurred liabilities on behalf of the Fund in its capacity as trustee of that entity. The Directors believe that the assets of the Fund are both in a form appropriate and sufficient to meet the trustee's right of indemnity from the Fund for liabilities incurred on behalf of the Fund as and when they fall due.

The Fund's assets supporting the right of indemnity are not directly available to meet any liabilities incurred by the company in its own right. The book value of the assets of REI Super based on the Fund's accounting policies and as reflected in the Fund's Statement of Financial Position as at 30 June 2018 equal or exceed the liabilities of the Fund at that date.

	2018 \$	2017 \$
<b>LIABILITIES</b>		
Creditors and accruals	1,673,722	1,342,216
Employee entitlements	184,816	177,714
Current tax liabilities	7,183,313	5,300,322
Deferred tax liabilities	18,539,809	14,989,242
Member benefits	1,592,155,634	1,483,027,779
	<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>	<b>1,619,737,294</b>	<b>1,504,837,273</b>
	<hr/>	<hr/>
<b>RIGHT OF INDEMNITY</b>	<b>1,619,737,294</b>	<b>1,504,837,273</b>
	<hr/>	<hr/>

**5. CONTRIBUTED EQUITY**

	2018 \$	2017 \$
<b>Issued and paid up share capital</b>		
2 ordinary shares fully paid	2	2
	<hr/>	<hr/>

There were no movements in share capital during the year.

**Ordinary shares**

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings.

**6. AUDITOR'S REMUNERATION**

	2018 \$	2017 \$
Amounts paid or due and payable to Ernst & Young for the following services:		
• Audit services	10,050	9,850
	<hr/>	<hr/>
<b>TOTAL AUDITOR'S REMUNERATION</b>	<b>10,050</b>	<b>9,850</b>
	<hr/>	<hr/>

REI Super pays all audit fees on behalf of the Company.

**REI SUPERANNUATION FUND PTY LTD**  
**ABN 68 056 044 770**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**7. CASH FLOW INFORMATION**

	2018 \$	2017 \$
<i>(a) Reconciliation of profit/(loss) after income tax to net cash flow from operating activities</i>		
Loss from ordinary activities after income tax	856	(144)
	<hr/>	<hr/>
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	856	(144)
	<hr/>	<hr/>
<i>(b) Reconciliation of cash and cash equivalents</i>		
For the purposes of the statement of cash flow, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statements of financial position as follows:		
Cash at bank	1,166	310
	<hr/>	<hr/>

**8. DIRECTORS AND EXECUTIVE DISCLOSURES**

Key management personnel include the Directors of the Trustee, the Chairman of the Board of Directors and the Fund's Chief Executive Officer.

The remuneration of directors and other key management personnel are reviewed on an annual basis and approved by the Board. Remuneration is reviewed and determined with regard to current market rates and is benchmarked against comparable industry data. In the case of directors, fees are either paid to the directors or to the employer of the director. Key management personnel compensation (including Directors) in relation to services to the Fund was as follows:

	2018 \$	2017 \$
Short-term employee benefits	714,111	701,810
Post employment benefits	113,435	125,680
	<hr/>	<hr/>
	827,546	827,490
	<hr/>	<hr/>

All key management personnel were paid directly from the Fund.

The Directors have signed a declaration stating that:

1. They receive no income from the Fund other than that directly relating to their positions as a Director, including meeting attendance fees and reimbursement of travel, accommodation costs and out of pocket expenses.
2. Their membership terms and conditions, employer contributions and benefit entitlements are determined in accordance with the trust deed on the same terms and conditions as other members.

**9. EVENTS SUBSEQUENT TO BALANCE DATE**

There has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the company, to affect significantly the operations of the company, the results of those operations, or the state of affairs of the Company, in future financial years.

**DIRECTORS' DECLARATION**

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The Board of Directors of REI Superannuation Fund Pty Ltd (ABN: 68 056 044 770) state that the accompanying Financial Statements have been made out in accordance with applicable approved accounting standards and that in their opinion;

- (a) The accompanying Financial Statements are in compliance with International Financial Reporting Standards and Corporations Act 2001, as stated in note 1.
- (b) The accompanying Statement of Profit or Loss and Other Comprehensive Income and Statement of Changes in Equity are drawn up so as to present fairly the view of the result of the Company for the year ended 30 June 2018;
- (c) The accompanying Balance Sheet is drawn up so as to present fairly the state of affairs of the Company as at 30 June 2018;
- (d) The accompanying Statement of Cash Flows is drawn up so as to present fairly the cash flows of the Company for the year ended 30 June 2018; and
- (e) At the date of this statement, there are reasonable grounds to believe the Company will be able to pay its debts as and when they fall due; and
- (f) The entity is not a reporting entity and special purpose financial statements are appropriate for the users of the financial statements.

The Board of Directors also state that the Company, in respect of the financial year:

- (a) kept such accounting records as correctly explain transactions and the financial position of the Company;
- (b) kept accounting records in such a manner as would enable true and fair accounts of the Company to be prepared from time to time;
- (c) kept accounting records in such a manner as would enable the accounts of the Company to be conveniently and properly audited in accordance with the Corporations Act 2001; and
- (d) the accounts have been properly prepared by a competent person.

**This declaration has been made in accordance with a resolution of Directors made pursuant to s.295(5) of the Corporations Act 2001.**

  
.....  
Director

Signed at Melbourne this 26<sup>th</sup> day of September 2018.