LUCRFsuper

Australia's first industry fund

LUCRF PTY LTD

ABN: 18 005 502 090

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

LUCRF PTY LTD (ABN: 18 005 502 090)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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LUCRF PTY LTD (ABN: 18 005 502 090)

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the financial statements of LUCRF Pty Ltd for the year ended 30 June 2015 and the auditor's report thereon.

Directors

The following persons were directors of LUCRF Pty Ltd (the "Company") during the whole of the financial year and up to the date of this report (except where otherwise stated):

Member Representatives:
Timothy Kennedy (Deputy Chairman)
Gary Maas
Caterina Cinanni
Paul Richardson
Sam Roberts

Employer Representatives:
John Carlile (Chairman)
Kerry-Anne Smith
Simon Gallagher
Melissa Blackley
Ted Eftimiadis

Independent Directors:
David O'Sullivan (Term Expired 31 December 2014)
Anthony O'Grady (Term Expired 31 December 2014)
Ann Byrne (Appointed 1 January 2015)
Judith Smith (Appointed 1 January 2015)

Other key management personnel

The key management personnel of the Company are the directors of LUCRF Pty Ltd (see above), the Chief Executive Officer and those managers that report directly to the Chief Executive Officer.

Name	*Position*
Greg Sword	Chief Executive Officer (Resigned 27 July 2014)
Charles Donnelly	Chief Executive Officer (Commenced 28 July 2014)
Bill Tsioutsis	General Manager-Operations
John Arnott	Chief Financial Officer
Brett Stevenson	Chief Information Officer
Soo Chong	General Manager-Business Development
Rod White	General Manager-Product & Advice (Redundant 31 October 2014)
Antony Thow	Chief Operating Officer
Nikki Schimmel	Chief Risk and Compliance Officer
Amy Maiolo	HR Manager
Roger McIntosh	Head of Investments (Resigned 15 December 2014)
Martin Drew	Head of Investments (Commenced 11 May 2015)

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DIRECTORS' REPORT
(Continued)

Other key management personnel (continued)

All of the above persons were also key management persons during the year ended 30 June 2015.

Key management personnel compensation

	2015	2014
	$	$
Short-term employee benefits	2,337,659	2,579,575
Long-term employee benefits	71,892	29,320
Termination employee benefits	227,409	113,007
Post-employment benefits	-	-
Total Cash and cash equivalents	2,636,960	2,721,902

Remuneration report

The remuneration report is set out under the following main headings

A Principles used to determine the nature and amount of remuneration
B Remuneration of key management personnel

A Principles used to determine the nature and amount of remuneration
The Board Meeting of 20th August 2014 reviewed current Directors Fees and authorised changes effective from 1st July 2014. The new arrangements are as follows:

Chairman
$88,951 plus SGC per annum inclusive of Committee meetings.

Deputy Chairman
$75,920 plus SGC per annum.

Directors, including independent directors
$47,828 plus SGC per annum.

Committee Fee
In addition to the Directors Fee, each director is to be paid an amount of $5,000 plus SGC for each Committee membership per annum.

Committee Chairpersons
Committee Chairpersons are entitled to an amount of $5,000 per annum plus SGC.

Training Courses
Fee of $1,200 per day.

Other key management personnel have entered into individual employment contracts with LUCRF Pty Ltd.

Details of remuneration, other employee benefits and contract duration are outlined in the contract documents.

LUCRF PTY LTD (ABN: 18 005 502 090)

DIRECTORS' REPORT
(Continued)

Remuneration report (continued)
B Remuneration of key management personnel

	2015	2014
Amounts between		
$0 and $9,999	4	2
$10,000 and $19,999	1	-
$20,000 and $29,999	1	2
$30,000 and $39,999	4	1
$40,000 and $49,999	-	-
$50,000 and $59,999	6	7
$60,000 and $69,999	3	1
$70,000 and $79,999	-	-
$80,000 and $89,999	1	1
$90,000 and $99,999	-	-
$100,000 and $109,999	1	-
$110,000 and $119,999	-	-
$120,000 and $129,999	1	1
$130,000 and $139,999	-	1
$140,000 and $149,999	-	1
$150,000 and $159,999	2	-
$160,000 and $169,999	-	1
$170,000 and $179,999	-	1
$180,000 and $189,999	1	2
$190,000 and $199,999	1	-
$200,000 and $209,999	-	1
$210,000 and $219,999	2	1
$220,000 and $229,999	1	1
$270,000 and $279,999	1	-
$300,000 and $309,999	-	-
$310,000 and $319,999	-	1

Principal Activity

The principal activity of the Company during the year to 30 June 2015 was to act as Trustee and administrator for the Labour Union Co-operative Retirement Fund (LUCRF).

Operating Profit after income tax

The operating profit after income tax for the year ended 30 June 2015 amounted to $5,072,867 (30 June 2014: $4,283,160).

Dividends

No amounts have been paid or are recommended to be paid by way of dividend during the year to 30 June 2015 and up to the date of this report.

State of Affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the year ended 30 June 2015 not otherwise disclosed in this report.

LUCRF PTY LTD (ABN: 18 005 502 090)

DIRECTORS' REPORT
(Continued)

Matters subsequent to the end of the financial year

There has not arisen in the interval between 30 June 2015 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to significantly affect the results of those operations, or the state of affairs of the Company in subsequent financial years.

Likely developments

The Directors are not aware of any developments which may affect the Company's operations which can be disclosed without prejudicing unreasonably their likelihood of success or violating commercial confidences.

Meeting of directors

LUCRF Pty Ltd held 6 meetings of the Board and as Trustee of LUCRF during the year ended 30 June 2015. The number of meetings attended by each director was:

	Board meetings eligible to attend	Attended	Meeting as Trustee eligible to attend	Attended
John Carlile	6	6	6	6
Caterina Cinanni	6	6	6	6
Simon Gallagher*	4	2	4	2
Melissa Blackley	6	3	6	3
Ted Eftimiadis	6	6	6	6
Timothy Kennedy	6	6	6	6
Gary Maas	6	5	6	5
Anthony O'Grady	3	3	3	3
David O'Sullivan	3	3	3	3
Paul Richardson	6	5	6	5
Kerry-Anne Smith	6	5	6	5
Sam Roberts	6	6	6	6
Judith Smith	3	3	3	3
Ann Byrne	3	3	3	3

*Approved leave of absence for four months after 20th of August 2014.

LUCRF Pty Ltd holds an Australian Financial Services Licence (AFSL) No. 258481 issued by the Australian Securities and Investments Commission (ASIC) on 10 March 2004.
There was a variation made to the licence which became effective from 25th May 2015.

LUCRF PTY LTD (ABN: 18 005 502 090)

DIRECTORS' REPORT
(Continued)

Directors Benefits

Since the end of the previous financial year no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of the emoluments received or receivable by the directors shown in the financial statements or in the notes to the financial statements, or in the case may be) by reason of contract made by the Company, or a related corporation with a director or with a firm which the director is a member, or with a Company in which the director has a substantial interest.

Insurance of officers

During the financial year, LUCRF Pty Ltd. paid a premium of $109,176 to insure the Company's responsible officers.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Auditors

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of these proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

This report has been signed in accordance with a resolution of the Directors.

J. Carlile, Director

T. Kennedy, Director
Melbourne
19 August 2015

Auditor's Independence Declaration

As lead auditor for the audit of LUCRF Pty Ltd for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

David Coogan
Partner
PricewaterhouseCoopers

Melbourne
19 August 2015

PricewaterhouseCoopers, ABN 52 780 433 757
Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

LUCRF PTY LTD (ABN: 18 005 502 090)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015	2014
		$	$
Revenue from continuing activities	5	50,726,595	46,439,318
Expenses from continuing activities			
Investment Management Fees		(17,364,600)	(16,300,848)
Employee and Directors expenses		(13,891,829)	(13,497,976)
Consultants fees		(1,317,308)	(1,187,972)
Communication		(399,875)	(369,445)
Audit Fees		(271,348)	(253,526)
Depreciation expense - Plant and equipment	6	(530,253)	(493,440)
Finance costs	6	(17,071)	(14,538)
Leasehold Expenses	6	(123,687)	(138,715)
Australian Prudential Regulation Authority Fees		(641,846)	(852,014)
Advertising and Promotions		(2,745,951)	(2,973,685)
Information Technology		(2,125,883)	(1,829,023)
Printing and Stationary		(88,419)	(80,242)
Occupancy Costs		(1,375,050)	(1,325,846)
Other expenses		(619,296)	(715,273)
Changes in Net Market Value	2(a)(ii)	(2,000,000)	-
Profit before income tax		**7,214,179**	**6,406,775**
Income Tax Expense	7	(2,141,312)	(2,123,615)
Profit/(Loss) for the year		**5,072,867**	**4,283,160**
Other comprehensive income		-	-
Total comprehensive income		**5,072,867**	**4,283,160**

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

LUCRF PTY LTD (ABN: 18 005 502 090)

BALANCE SHEET
AS AT 30 JUNE 2015

	Note	2015 $	2014 $
CURRENT ASSETS			
Cash and cash equivalents	8,19(b)	31,862,265	27,160,826
Trade and other receivables	9	6,233,024	5,921,782
Future income tax benefit	7	842,062	830,894
Current tax assets		-	-
Total Current Assets		**38,937,351**	**33,913,502**
NON CURRENT ASSETS			
Future income tax benefit	7	785,973	198,529
Property, plant and equipment	10	3,194,970	2,719,257
Investment securities	2(a)(ii)	-	1,000,000
Total Non Current Assets		**3,980,943**	**3,917,786**
TOTAL ASSETS		**42,918,294**	**37,831,288**
CURRENT LIABILITIES			
Trade and other payables	11	5,897,092	6,024,107
Current tax liabilities	7	1,146,584	900,245
Provision - Employee entitlements	12	2,480,445	2,464,781
Total Current Liabilities		**9,524,121**	**9,389,133**
NON CURRENT LIABILITIES			
Deferred Tax Liabilities	7	-	-
Provision - Employee entitlements	13	134,206	255,055
Total Non Current Liabilities		**134,206**	**255,055**
TOTAL LIABILITIES		**9,658,327**	**9,644,188**
NET ASSETS		**33,259,967**	**28,187,100**
EQUITY			
Contributed equity	14	2	2
Retained Profits	15	33,259,965	28,187,098
Total Equity		**33,259,967**	**28,187,100**

The above Balance Sheet should be read in conjunction with the accompanying notes.

LUCRF PTY LTD (ABN: 18 005 502 090)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	2015	2014
		$	$
Total equity at the beginning of the financial year		28,187,100	23,903,940
Profit/(Loss) for the year		5,072,867	4,283,160
Other comprehensive income		-	-
Total recognised comprehensive income and expense for the year		**5,072,867**	**4,283,160**
Total equity at the end of the financial year	15	**33,259,967**	**28,187,100**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

LUCRF PTY LTD (ABN: 18 005 502 090)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		49,696,832	44,610,822
Payments to suppliers and employees		(37,805,687)	(36,747,034)
Interest Received		718,520	729,419
Income Tax Paid (Including PAYG Installments)		(5,873,309)	(4,278,751)
Interest Paid		(158)	(1,169)
Net Cash inflow/(outflow) from Operating Activities	19 (a)	**6,736,198**	**4,313,287**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales of plant and equipment		56,364	176,081
Payment for plant and equipment	10	(1,091,123)	(577,571)
Payment for Investment securities		(1,000,000)	(1,000,000)
Net Cash inflow/(outflow) from Investing Activities		**(2,034,759)**	**(1,401,490)**
Net Increase/(Decrease) in Cash and cash equivalents		**4,701,439**	**2,911,797**
Cash and cash equivalents at the Beginning of the Financial Year		**27,160,826**	**24,249,029**
Cash and cash equivalents at the End of the Financial Year	19 (b)	**31,862,265**	**27,160,826**

The above Statement of Cash flows should be read in conjunction with the accompanying notes.

Note 1. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The accounting policies adopted during the year are consistent with those of the prior year.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards Board (AASB), Urgent Issues Company Interpretations and the *Corporations Act 2001*.

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

LUCRF Pty Ltd is a for-profit entity for the purposes of preparing the financial statements.

New and amended accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods. The company's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 Financial Instruments - AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting. When adopted, the standard will affect the company's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss.

There will be no impact on the company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the company does not have any such liabilities. The new standard also introduces expanded disclosure requirements and changes in presentation which must be applied for financial years commencing on or after 1 January 2017. The company has not yet decided when to adopt AASB 9. In order to apply the new hedging rules, the company would have to adopt AASB 9 and the consequential amendments to AASB 7 and AASB 139 in their entirety.

(ii) AASB 15 Revenue from contracts with customers – The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts, applied for the financial year commencing on or after 1 January 2017. The new standard is based on the principle that revenue is recognised when control of a good or service is transfer to a customer, and the notion of control replaces the existing notion of risks and rewards.

The Company does not intend to adopt the new standard before its operative date, which means it would be first applied in the annual reporting period ending 30 June 2017.

(iii) AASB 2014-4 Amendments to Australian Accounting Standards- Clarification of Acceptable Methods of Depreciation and Amortisation – The AASB has amended AASB 116 Property, Plant and Equipment to clarify that a revenue-based method should not be used to calculate the depreciation of property, plant and equipment, to take effect on 1 January 2016. AASB 138 Intangible Assets now also includes a rebuttable presumption that the amortisation of intangible assets based on revenue is

inappropriate, but can be overcome if either the intangible asset is expressed as a measure of revenue or it can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated.

The company does not expect to adopt the amended standard before its operative date. It would therefore be first applied for the annual reporting period ending 30 June 2016.

(a) Provision for Employee Entitlements

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to balance date. The company contributes to the Labour Union Co-operative Retirement Fund (LUCRF) as the default option in respect of its superannuation liability.

(b) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements and to unused tax losses.

Deferred income tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(c) Plant and Equipment

Plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation or amortisation. Plant and equipment is depreciated at rates based upon their expected useful lives, using the straight-line method of depreciation. The following is a range of deprecation rates and useful life used for each category of plant and equipment owned by the company.

	Motor Vehicles	Office Equipments	Furniture and Fittings
Depreciation Rates	20%	10% - 34%	5% - 20%
Useful Life	5 years	3 - 10 years	5 - 20 years

(d) Goods and Services Tax (GST)

Where applicable GST incurred by the company that is not recoverable from the Australian Taxation Office, has been recognised as part of the expense to which it applies. Receivables and payables are stated with any applicable GST included in their carrying amounts.

The amount of any GST recoverable from, or payable to, the Australian Taxation Office is included as an asset or liability in the Balance Sheet.

(e) Comparative Figures

Where required, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(f) Fund Administration Fees (Revenue Recognition)

Fund administration fees are recognised as revenue in the statement of comprehensive income upon the delivery of the service.

Note 2. Financial Instruments

Financial Risk Management

The company's activities expose it to a variety of risks including: market risk (including interest rate risk), credit risk and liquidity risk. Financial risk management is carried out by the Trustee through the Investment Committee with advice from an external investment adviser and internal management.

The company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, other price risks and ratings analysis for credit risk. The company's investment adviser uses a range of qualitative and quantitative measures when assessing the individual managers' and overall company's investment arrangements.

(a) Market Risk

(i) Interest Rate Risk

The company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis.

The company's exposure to interest rate movements at 30 June 2015 is as per the table in the following page.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

(i) Interest Rate Risk continued

30-Jun-15	Floating Interest Rate $	Fixed Interest Rate $	Non Interest Bearing $	Total $
Financial Assets				
Cash	31,862,265	-	-	31,862,265
Other Assets	-	-	11,056,029	11,056,029
Financial Liabilities				
Current Tax Liabilities	-	-	1,146,584	1,146,584
Trade and other payables	-	-	5,897,092	5,897,092
Provision – Employee entitlements	-	-	2,614,651	2,614,651
Net Assets	**31,862,265**	-	**1,397,702**	**33,259,967**
Net exposure	31,862,265	-	1,397,702	33,259,967

30-Jun-14	Floating Interest Rate $	Fixed Interest Rate $	Non Interest Bearing $	Total $
Financial Assets				
Cash	27,160,826	-	-	27,160,826
Other Assets	-	-	10,670,462	10,670,462
Financial Liabilities				
Current Tax Liabilities	-	-	900,245	900,245
Trade and other payables	-	-	6,024,107	6,024,107
Provision – Employee entitlements	-	-	2,719,836	2,719,836
Net Assets	**27,160,826**	-	**1,026,274**	**28,187,100**
Net exposure	27,160,826	-	1,026,274	28,187,100

Sensitivity analysis

A percentage change of 1.30% in interest rates would have increased/(decreased) the net assets and the Net Revenue by $289,946 (2014: $304,201 based on a percentage change of 1.60%). The impact mainly arises from the reasonably possible change in interest rates on the market value of fixed interest securities. This analysis has been calculated on the net market values as at the reporting date and assumes that cash flows are constant throughout the financial year. The reasonably possible movements in the risk variables have been determined based on the Trustee's best estimate, having regard to the Reserve Bank cash interest rate movement over the last three financial years.

(ii) Other Price Risk

The Company classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

• Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

• 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 (that is, derived from prices) (Level 2).

• Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Investments classified within Level 3 have significant unobservable inputs, as they are infrequently traded. Level 3 instruments include unlisted equities, property, infrastructure and private equity unit trusts. Such investments are not frequently traded and in a number of instances both the investment and its underlying investments are not revalued on a regular basis, (i.e. less than monthly). Where observable prices are not available for these securities the Responsible Entity for the investment will adopt a valuation technique to derive fair value. For the investments classified within Level 3 fair value is based on an appropriate valuation method which may include discounted cash flow projections and the capitalization method.

The determination of what constitutes 'observable' requires significant judgments by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The Company holds an investment in an entity The New Daily, which has been valued at cost within the financial statements.

The New Daily was initially reliant on private capital to run its business operations. Due to its relative short history, it is not possible to use revenues, cash flows or growth rates to value this investment at fair value. Therefore, based on the above classification, the Company's investment in The New Daily is classified within level 3.

In 2015, based on the review of The New Daily's current and forecast revenues, cash flows, operational outlook, and investment growth rates, the asset has been revalued to zero and an impairment loss of $2,000,000 has been recognised in the Financial Statements, in accordance with the AASB136 *Impairment of Assets.*

(b) Credit Risk

Credit risk primarily arises from investments in debt securities and from trading derivative products. Other credit risk arises from cash and cash equivalents, and amounts due from brokers. None of these assets are impaired or past due but not impaired.

The company does not have any significant exposure to any individual counterparty or industry.

(c) Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in raising cash to meet commitments associated with running its activities. This liquidity risk is mitigated by the company deriving sufficient contractual operational income through fees charged to LUCRF.

The table below analyses the contractual maturities of the company's financial liabilities based on the remaining period to the contractual maturity date at year end.

30-Jun-15	Carrying Amount $	Less than 1 month $	1-6months $	>6 months $
Financial Liabilities				
Current Tax Liabilities	1,146,584	-	-	1,146,584
Trade and other payables	5,897,092	5,897,092	-	-
Provision – Employee Entitlements	2,614,651	209,733	104,946	2,299,971
Total Financial Liabilities	9,658,327	6,106,825	104,946	3,446,555

30-Jun-14	Carrying Amount $	Less than 1 month $	1-6months $	>6 months $
Financial Liabilities				
Current Tax Liabilities	900,245	-	-	900,245
Trade and other payables	6,024,107	6,024,107	-	-
Provision – Employee Entitlements	2,719,836	206,954	117,561	2,395,321
Total Financial Liabilities	9,644,188	6,231,061	117,561	3,295,566

Note 3. Critical accounting estimates and assumptions

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year are discussed below.

Note 4. Segment information

The company acts as the Trustee of LUCRF. The company comprises of a single business segment, which administers members' accounts and invests the assets of LUCRF. The company operates predominately in a single geographic segment, Australia.

Note 5. Revenue

	2015	2014
	$	$
From continuing operations		
Fund Administration fees	15,943,089	16,193,336
Investment Management Fees	34,034,257	29,488,412
Other revenue		
Interest	718,520	729,419
Other Income	30,729	28,151
Total Revenue	**50,726,595**	**46,439,318**

Note 6. Expenses

	2015	2014
	$	$
Profit before income tax includes the following specific expenses		
Depreciation of:		
Motor Vehicles	110,900	126,624
Equipment	308,442	238,959
Furniture and fittings	110,911	127,857
	530,253	**493,440**
Finance costs of:		
Interest and finance charges paid/payable	**17,071**	**14,538**
Leasehold expenses relating to operating leases of:		
Minimum lease payments	123,687	138,715
	140,758	**153,253**

Note 7. Income tax expense

	2015 $	2014 $
(a) Income tax expense		
Current income tax		
Current income tax charge	2,773,569	2,082,868
Adjustments in respect of current income tax of previous years	(33,645)	189,480
Deferred income tax		
Origination/reversal of temporary differences in the current year	(598,612)	(148,733)
Relating to previous year origination	-	-
	2,141,312	**2,123,615**
Income tax expense is attributable to:		
Profit from continuing operations	2,141,312	2,123,615
Profit from discontinued operations	-	-
Aggregate income tax expense	**2,141,312**	**2,123,615**
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit from continuing operations before income tax	7,214,179	6,406,775
Tax at the Australian tax rate of 30% (2014: 30%)	2,164,254	1,922,033
Tax effect of amounts not deductible in calculating taxable income		
Entertainment	10,703	12,102
Under (over) provided in prior years	(33,645)	189,480
Income tax expense	**2,141,312**	**2,123,615**
Current income tax liability/(asset)		
Income tax expense attributable to profit from continuing operations		
- Current Year	2,773,569	2,082,868
- Previous Year less PAYG	(1,626,985)	(1,182,623)
Closing Balance	**1,146,584**	**900,245**
Deferred Income Tax Liabilities		
Opening Balance	-	-
Movement in Accrued Income	-	-
Closing Balance	-	-
Current Deferred Tax Asset		
Opening Balance	830,894	646,499
Movement in Accrued Income	11,168	184,395
Closing Balance	**842,062**	**830,894**
Non Current Deferred Tax Asset		
Opening Balance	198,529	234,191
Movement in Accrued Income	587,444	(35,662)
Closing Balance	**785,973**	**198,529**

Note 8. Current assets – Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

	2015	2014
	$	$
Cash at bank and on hand	31,862,265	27,160,826
Total Cash and cash equivalents	**31,862,265**	**27,160,826**

Note 9. Current assets – Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

	2015	2014
	$	$
Trade and other receivables	6,233,024	5,921,782
Total Receivables	**6,233,024**	**5,921,782**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

Note 10. Non-current assets – Property, plant and equipment

	Motor Vehicles $	Office Equipment $	Furniture and Fittings $	Total $
At 1 July 2014				
Cost or fair value	614,765	2,298,665	2,821,105	5,734,535
Accumulated depreciation	(105,209)	(1,849,403)	(1,060,666)	(3,015,278)
Net book amount	**509,556**	**449,262**	**1,760,439**	**2,719,257**
Movement for year				
Opening net book amount	509,556	449,262	1,760,439	2,719,257
Additions	47,033	1,040,064	4,026	1,091,123
Sales	(85,146)	-	(11)	(85,157)
Depreciation charge	(110,900)	(308,442)	(110,911)	(530,253)
Closing net book amount	**360,543**	**1,180,884**	**1,653,543**	**3,194,970**
At 30 June 2015				
Cost or fair value	542,043	3,338,729	2,824,960	6,705,732
Accumulated depreciation	(181,500)	(2,157,845)	(1,171,417)	(3,510,762)
Net book amount	**360,543**	**1,180,884**	**1,653,543**	**3,194,970**

	Motor Vehicles $	Office Equipment $	Furniture and Fittings $	Total $
At 1 July 2013				
Cost or fair value	619,587	2,241,547	2,779,263	5,640,397
Accumulated depreciation	(162,954)	(1,657,462)	(932,809)	(2,753,225)
Net book amount	**456,633**	**584,085**	**1,846,454**	**2,887,172**
Movement for year				
Opening net book amount	456,633	584,085	1,846,454	2,887,172
Additions	431,593	104,136	41,842	577,571
Sales	(252,046)	-	-	(252,046)
Depreciation charge	(126,624)	(238,959)	(127,857)	(493,440)
Closing net book amount	**509,556**	**449,262**	**1,760,439**	**2,719,257**
At 30 June 2014				
Cost or fair value	614,765	2,298,665	2,821,105	5,734,535
Accumulated depreciation	(105,209)	(1,849,403)	(1,060,666)	(3,015,278)
Net book amount	**509,556**	**449,262**	**1,760,439**	**2,719,257**

Note 11. Current liabilities – Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

	2015 $	2014 $
Trade payables	4,275,584	4,151,293
Other payables	1,267,448	1,100,242
Australian Taxation Office (Goods and Services Tax)	354,060	772,572
Total Payables	**5,897,092**	**6,024,107**

Note 12. Current liabilities – Provisions

	2015 $	2014 $
Current Liabilities		
Provision Employee Entitlements- Annual Leave	1,259,192	1,382,565
Provision Employee Entitlements- Long Service Leave	1,221,253	1,082,216
	2,480,445	**2,464,781**

Note 13. Non-current liabilities – Provisions

	2015 $	2014 $
Non-current Liabilities		
Provision Employee Entitlements- Long Service Leave	134,206	255,055
	134,206	**255,055**

Note 14. Contributed Equity

	2015	2014
Authorised capital:	**$**	**$**
10,000 Ordinary shares of $1 each	10,000	10,000
Total Authorised Capital	**10,000**	**10,000**
Issued Capital:		
2 Ordinary shares of $1 each - fully paid	2	2
Total Issued & Paid Up Capital	**2**	**2**

Note 15. Retained Profits

	2015	2014
	$	**$**
Movements in retained profits were as follows:		
Balance at beginning of financial year	28,187,098	23,903,938
Net profit attributable to the company	5,072,867	4,283,160
Balance at end of financial year	**33,259,965**	**28,187,098**
Total Equity		
Contributed equity	2	2
Net retained profit attributable to the company	33,259,965	28,187,098
Total equity	**33,259,967**	**28,187,100**

The Trustee Reserve (Retained Profit) represents the difference between fees charged to members and the administration and investment expenses incurred in the management of the Fund. This reserve is maintained to supplement funds required to meet future Trustee expenses.

Note 16. Key management personnel disclosures

(a) Directors

The following persons were directors of LUCRF Pty Ltd in office at any time during or since the end of the year are:

Member Representatives

Timothy Kennedy
Deputy Chairman
National Union of Workers

Gary Maas
National Union of Workers

Caterina Cinanni
National Union of Workers

Paul Richardson
National Union of Workers

Sam Roberts
National Union of Workers

Employer-Sponsor Representatives

John Carlile
Chairman
Global Trade Advisers

Ted Eftimiadis
Pacific Brands

Kerry-Anne Smith
PFD Foods

Simon Gallagher
Adecco Group

Melissa Blackley
GrainCorp Limited

Independent Directors

Anthony O'Grady (Term Expired 31 December 2014)

David O'Sullivan (Term Expired 31 December 2014)

Ann Byrne (Appointed 1 January 2015)

Judith Smith (Appointed 1 January 2015)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The following persons also had authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, during the financial year:

Name	*Position*
Greg Sword	Chief Executive Officer (Resigned 27 July 2014)
Charles Donnelly	Chief Executive Officer (Commenced 28 July 2014)
Bill Tsioutsis	General Manager-Operations
John Arnott	Chief Financial Officer
Brett Stevenson	Chief Information Officer
Soo Chong	General Manager-Business Development
Rod White	General Manager Product & Advice (Redundant 31 October 2014)
Antony Thow	Chief Operating Officer
Nikki Schimmel	Chief Risk and Compliance Officer
Amy Maiolo	HR Manager
Roger McIntosh	Head of Investments (Resigned 15 December 2014)
Martin Drew	Head of Investments (Commenced 11 May 2015)

Key management personnel compensation (continued)

	2015	2014
	$	$
Short-term employee benefits	2,337,659	2,579,575
Long-term employee benefits	71,892	29,320
Termination employee benefits	227,409	113,007
Post-employment benefits	-	-
Total Cash and cash equivalents	**2,636,960**	**2,721,902**

All of the above persons were also key management persons during the year ended 30 June 2015.

The key management personnel of the company are the directors of LUCRF Pty Ltd (see above), the Chief Executive Officer and those managers that report directly to the Chief Executive Officer. The key management personnel compensation is paid by the Trustee and they receive no compensation from the fund.

(a) **Directors remuneration**

The directors of LUCRF Pty Ltd received $791,129 (2014: $641,072) for Directors Fees from LUCRF Pty Ltd in connection with its management, with no amount owing (2014: $Nil) as at 30 June 2015. The Member Representative Directors nominated by the union do not receive payment.

In addition, superannuation contributions and expenses paid directly by LUCRF Pty Ltd on behalf of Directors (excluding training courses) amounting to $69,628 (2014: $52,525).

Expenses of $40,200 (2014: $65,400) were paid in relation to attendance of training courses by directors of the company.

Reimbursements amounting to $16,408 (2014: $14,285) were also paid directly by LUCRF Pty Ltd to directors for out of pocket and board meeting expenses.

Payment of representative director fees, expenses and reimbursements are made to the sponsoring union.

Note 17. Remuneration of auditors

LUCRF Pty Ltd pays for audit and other services for both LUCRF Pty Ltd and LUCRF Super.

During the year the following fees were paid or payable by LUCRF Pty Ltd for services provided by the auditor for LUCRF Pty Ltd operations:

	2015	2014
	$	$
Audit services:		
PricewaterhouseCoopers		
Audit and review of financial reports and other work under the Corporations Act 2001	44,200	36,001
Other assurance services		
PricewaterhouseCoopers		
Other Assurance Services	11,000	18,149

Note 18. Related Party Transactions

(a) Transactions entered into during the year with the Directors and related Entities

The company has paid Trustee Liability, Directors and Officers Liability Insurance of $109,176 (2014: $104,741) through the IFS Insurance Solutions Pty Ltd, a company who has a profit sharing agreement with the National Union of Workers (NUW).

Publicity Works Pty Ltd, 22.5% owned by the National Union of Workers (NUW), was contracted for printing of profile questionnaire and other member communications. Amounts paid during the year of $167,430 (2014: $137,202) were on an arm's length basis.

On 27 July 2014, Greg Sword resigned from the CEO position and as a result all expenses relating to the Australian Jockeys Association (AJA) will no longer be disclosed as a related party transaction. Following Greg Sword's resignation, he also resigned from the board of The New Daily Pty Ltd and Charles Donnelly was appointed as director in August 2014. No director's fee was paid. The company has made an additional payment in the New Daily of $1,000,000 during the 2015 year (2014: $1,000,000).

Note 18. Related Party Transactions continued

(b) Transactions with other related Entities

The aggregate amounts brought to account in respect of the following types of transactions and each class of related party were:

Transaction Type	Nature and Terms and Conditions	Other Related Parties	2015 $	2014 $
Fund Administration fees	*On a cost recovery basis	LUCRF	15,943,088	16,193,336
Investment Management Fees	*On a cost recovery basis	LUCRF	34,034,257	29,488,412
Insurance Broking Profit Sharing Agreement	*On a cost recovery basis	IFS Insurance Solutions Pty Ltd	40,381	100,099
NUW & LUCRF P/L Service Agreement	*On a cost recovery basis	National Union of Workers (NUW)	439,081	243,448
833 Bourke St Unit Trust Rental Fees & Expense Recovery	*On a cost recovery basis	833 Bourke Street Unit Trust	1,156,185	809,230
87 St Vincent Street Unit Trust Rental Fees & Expense Recovery	*On a cost recovery basis	87 St Vincent Street Unit Trust	58,492	27,535
AJA Sponsorship Fees	*On a cost recovery basis	Australian Jockeys Association	-	520,000
896 Beaufort St, Inglewood WA Rental Fees	*On a cost recovery basis	National Union of Workers (NUW)	3,402	3,291
1 Bridge St, Granville NSW Rental Fees	*On a cost recovery basis	National Union of Workers (NUW)	40,182	54,091

* Fees charged may be less or greater than expenses incurred based on market conditions and financial requirements of the Trustee Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

Note 19. Cash Flow Information

(a) **Reconciliation of profit after income tax to net cash inflow from ordinary activities**

	2015	2014
	$	$
Profit for the year	5,072,867	4,283,160
Non-cash items in Profit from operating activities		
Depreciation and Amortisation	530,253	493,440
Loss on Sale of Fixed Assets	28,793	75,964
Impairment loss on Assets	2,000,000	0
Changes in operating assets and liabilities		
Decrease/(Increase) in Receivables	(311,242)	(1,099,077)
Decrease/(Increase) in Future income tax benefits	(598,612)	(148,733)
(Decrease)/Increase in Payables	(127,015)	75,592
(Decrease)/Increase in Employee Provisions	(105,185)	202,517
(Decrease)/Increase in Income Tax Payable	246,339	430,424
Cash flows from Operations	**6,736,198**	**4,313,287**

(b) **Reconciliation of Cash**

For the purpose of the Statement of Cash Flows, cash includes cash on hand and in at call deposits with banks or financial institutions. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

	2015	2014
	$	$
Cash on hand	2	2
Cash at bank	31,862,265	27,160,826
	31,862,267	**27,160,828**

Note 20. Lease Commitments

Operating Lease Commitments

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

	2015	2014
	$	$
Not later than one year	1,021,790	990,925
later than one year but not later than five years	2,100,954	3,086,510
later than five years	37,684	73,919
	3,160,428	**4,151,354**

Note 21. Superannuation Commitments

The employees of the Company are members of LUCRF. The Company contributes to LUCRF in respect of its superannuation liability.

Note 22. Contingent Liabilities

The Directors are not aware of any material contingent liabilities of the Company, which have not been provided for in the financial report.

As at 30 June 2015, LUCRF Pty Ltd had a contingent liability for the ceiling of 833 Bourke Street in the form of a security deposit guarantee in the amount of $657,835.

Note 23. Economic Dependence

The Company acts solely as Trustee and administrator of LUCRF and is dependent on the Superannuation Fund, LUCRF, for revenue from continuing operations.

Note 24. Company Details

The registered office of the Company is 833 Bourke St, Docklands, Victoria, Australia.

LUCRF PTY LTD (ABN: 18 005 502 090)

DIRECTORS' DECLARATION
30 JUNE 2015

The directors declare that the financial statements and notes set out on pages 9 to 30:

a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

b) give a true and fair view of the Trustee Company's financial position as at 30 June 2015 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the directors' opinion:

a) there are reasonable grounds to believe that the Trustee Company will be able to pay its debts as and when that become due and payable, and

This declaration is signed in accordance with a resolution of the directors.

J. Carlile, Director

T. Kennedy, Director

Melbourne
19 August 2015

Independent auditor's report to the members of LUCRF Pty Ltd

Report on the financial report

We have audited the accompanying financial report, being a special purpose financial report, of LUCRF Pty Ltd (the company), which comprises the balance sheet as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes 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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

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. Those 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 entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of 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 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*.

PricewaterhouseCoopers, ABN 52 780 433 757
Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Auditor's opinion
In our opinion, the financial report of LUCRF Pty Ltd is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.

Basis of accounting and restriction on distribution and use

Without modifying our opinion, we draw attention to Note 1, to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members of LUCRF Pty Ltd.

PricewaterhouseCoopers

David Coogan
Partner

Melbourne
19 August 2015

LUCRFsuper

Australia's first industry fund

LUCRF PTY LTD

ABN: 18 005 502 090

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

LUCRF PTY LTD (ABN: 18 005 502 090)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

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LUCRF PTY LTD (ABN: 18 005 502 090)

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the financial statements of LUCRF Pty Ltd for the year ended 30 June 2016 and the auditor's report thereon.

Directors

The following persons were directors of LUCRF Pty Ltd (the "Company") during the whole of the financial year and up to the date of this report (except where otherwise stated):

Member Representatives:
Timothy Kennedy (Deputy Chairman until 31 December 2015) (Chairman from 1 January 2016)
Gary Maas
Caterina Cinanni
Paul Richardson
Sam Roberts

Employer Representatives:
John Carlile (Chairman) (Resigned 31 December 2015)
Kerry-Anne Smith
Simon Gallagher
Melissa Blackley (Resigned 10 February 2016)
Ted Eftimiadis (Deputy Chairman from 1 January 2016)
Craig Taylor (Appointed 30 March 2016)
Phillip Caris (Appointed 9 May 2016)

Independent Directors:
Ann Byrne
Judith Smith

Non-Executive Investment Committee:
Greg Nolan (Appointed 15 March 2016)

Other key management personnel

The key management personnel of the Company are the directors of LUCRF Pty Ltd (see above), the Chief Executive Officer and those managers that report directly to the Chief Executive Officer.

Name	*Position*
Charles Donnelly	Chief Executive Officer
Bill Tsioutsis	General Manager-Operations
John Arnott	Chief Financial Officer
Brett Stevenson	Chief Information Officer (Redeployed 21 August 2015)
Soo Chong	General Manager-Business Development
Antony Thow	Chief Operating Officer
Nikki Schimmel	Chief Risk and Compliance Officer
Amy Maiolo	HR Manager
Martin Drew	Head of Investments (Resigned 21 August 2015)
Carl Michael	Chief Technology Officer (Appointed 24 August 2015)
Leigh Gavin	Head of Investments (Appointed 17 May 2016)

LUCRF PTY LTD (ABN: 18 005 502 090)

DIRECTORS' REPORT
(Continued)

Other key management personnel (continued)

All of the above persons were also key management persons during the year ended 30 June 2016.

Key management personnel compensation

	2016	2015
	$	$
Short-term employee benefits	2,577,682	2,337,659
Long-term employee benefits	-	71,892
Termination employee benefits	6,122	227,409
Post-employment benefits	-	-
Total Cash and cash equivalents	**2,583,804**	**2,636,960**

Remuneration report

The remuneration report is set out under the following main headings

A Principles used to determine the nature and amount of remuneration
B Remuneration of key management personnel

A Principles used to determine the nature and amount of remuneration
The Board Meeting of 19th August 2015 reviewed current Directors Fees and authorised changes effective from 1st July 2015. The new arrangements are as follows:

Chairman
$88,951 plus SGC per annum inclusive of Committee meetings.

Deputy Chairman
$75,920 plus SGC per annum.

Directors, including independent directors
$47,828 plus SGC per annum.

Non-Executive Investment Committee Members
$52,929 plus SGC per annum.

Committee Fee
In addition to the Directors Fee, each director is to be paid an amount of $5,000 plus SGC for each Committee membership per annum.

Committee Chairpersons
Committee Chairpersons are entitled to an amount of $5,000 per annum plus SGC.

Training Courses
Fee of $1,200 per day.

Other key management personnel have entered into individual employment contracts with LUCRF Pty Ltd.

DIRECTORS' REPORT
(Continued)

Details of remuneration, other employee benefits and contract duration are outlined in the contract documents.

Remuneration report (continued)
B Remuneration of key management personnel

	2016	2015
Amounts between		
$0 and $9,999	1	4
$10,000 and $19,999	2	1
$20,000 and $29,999	2	1
$30,000 and $39,999	1	4
$40,000 and $49,999	2	-
$50,000 and $59,999	6	6
$60,000 and $69,999	2	3
$70,000 and $79,999	1	-
$80,000 and $89,999	-	1
$90,000 and $99,999	1	-
$100,000 and $109,999	-	1
$110,000 and $119,999	-	-
$120,000 and $129,999	-	1
$130,000 and $139,999	-	-
$140,000 and $149,999	-	-
$150,000 and $159,999	1	2
$160,000 and $169,999	-	-
$170,000 and $179,999	1	-
$180,000 and $189,999	-	1
$190,000 and $199,999	3	1
$200,000 and $209,999	-	-
$210,000 and $219,999	-	2
$220,000 and $229,999	-	1
$230,000 and $239,999	2	1
$300,000 and $309,999	-	-
$320,000 and $329,999	1	-

Principal Activity

The principal activity of the Company during the year to 30 June 2016 was to act as Trustee and administrator for the Labour Union Co-operative Retirement Fund (LUCRF).

Operating Profit after income tax

The operating profit after income tax for the year ended 30 June 2016 amounted to $3,721,743 (30 June 2015: $5,072,867).

Dividends

No amounts have been paid or are recommended to be paid by way of dividend during the year to 30 June 2016 and up to the date of this report.

DIRECTORS' REPORT
(Continued)

State of Affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the year ended 30 June 2016 not otherwise disclosed in this report.

Matters subsequent to the end of the financial year

There has not arisen in the interval between 30 June 2016 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to significantly affect the results of those operations, or the state of affairs of the Company in subsequent financial years.

Likely developments

The Directors are not aware of any developments which may affect the Company's operations which can be disclosed without prejudicing unreasonably their likelihood of success or violating commercial confidences.

Meeting of directors

LUCRF Pty Ltd held 6 meetings of the Board and as Trustee of LUCRF during the year ended 30 June 2016. The number of meetings attended by each director was:

	Board meetings eligible to attend	Attended	Meeting as Trustee eligible to attend	Attended
John Carlile	3	3	3	3
Caterina Cinanni	6	6	6	6
Simon Gallagher	6	5	6	5
Melissa Blackley	3	2	3	2
Ted Eftimiadis	6	6	6	6
Timothy Kennedy	6	6	6	6
Gary Maas	6	6	6	6
Paul Richardson	6	5	6	5
Kerry-Anne Smith	6	5	6	5
Sam Roberts	6	6	6	6
Judith Smith	6	6	6	6
Ann Byrne	6	6	6	6
Craig Taylor	2	2	2	2
Phillip Caris	1	0	1	0

LUCRF Pty Ltd holds an Australian Financial Services Licence (AFSL) No. 258481 issued by the Australian Securities and Investments Commission (ASIC) on 10 March 2004.
There was a variation made to the licence which became effective from 25th May 2015.

DIRECTORS' REPORT
(Continued)

Directors Benefits

Since the end of the previous financial year no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of the emoluments received or receivable by the directors shown in the financial statements or in the notes to the financial statements, or in the case may be) by reason of contract made by the Company, or a related corporation with a director or with a firm which the director is a member, or with a Company in which the director has a substantial interest.

Insurance of officers

During the financial year, LUCRF Pty Ltd. paid a premium of $131,211 to insure the Company's responsible officers.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Auditors

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of these proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001.*

This report has been signed in accordance with a resolution of the Directors.

T. Kennedy, Director

T. Eftimiadis, Director
Melbourne
24 August 2016

Auditor's Independence Declaration

As lead auditor for the audit of LUCRF Pty Ltd for the year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

2. no contraventions of any applicable code of professional conduct in relation to the audit.

David Coogan
Partner
PricewaterhouseCoopers

Melbourne
24 August 2016

PricewaterhouseCoopers, ABN 52 780 433 757
Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

LUCRF PTY LTD (ABN: 18 005 502 090)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016	2015
		$	$
Revenue from continuing activities	5	51,939,920	50,726,595
Expenses from continuing activities			
Investment Management Fees		(19,103,524)	(17,364,600)
Employee and Directors expenses		(16,192,370)	(13,891,829)
Consultants fees		(1,125,995)	(1,317,308)
Communication		(344,450)	(399,875)
Audit Fees		(250,517)	(271,348)
Depreciation expense - Plant and equipment	6	(655,382)	(530,253)
Finance costs	6	(16,728)	(17,071)
Leasehold Expenses	6	(148,691)	(123,687)
Australian Prudential Regulation Authority Fees		(571,502)	(641,846)
Advertising and Promotions		(2,515,932)	(2,745,951)
Information Technology		(2,767,869)	(2,125,883)
Printing and Stationary		(88,829)	(88,419)
Occupancy Costs		(1,423,412)	(1,375,050)
Other expenses		(1,408,199)	(619,296)
Changes in Net Market Value	2(a)(ii)	-	(2,000,000)
Profit before income tax		**5,326,520**	**7,214,179**
Income Tax Expense	7	(1,604,777)	(2,141,312)
Profit/(Loss) for the year		**3,721,743**	**5,072,867**
Other comprehensive income		-	-
Total comprehensive income		**3,721,743**	**5,072,867**

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

LUCRF PTY LTD (ABN: 18 005 502 090)

BALANCE SHEET
AS AT 30 JUNE 2016

	Note	2016	2015
		$	$
CURRENT ASSETS			
Cash and cash equivalents	8,19(b)	34,641,332	31,132,413
Trade and other receivables	9	6,620,705	6,233,024
Future income tax benefit	7	545,618	842,062
Current tax assets	7	876,369	-
Total Current Assets		**42,684,024**	**38,207,499**
NON CURRENT ASSETS			
Future income tax benefit	7	710,578	785,973
Property, plant and equipment	10	3,150,183	3,194,970
Total Non Current Assets		**3,860,761**	**3,980,943**
TOTAL ASSETS		**46,544,785**	**42,188,442**
CURRENT LIABILITIES			
Trade and other payables	11	6,711,949	5,167,240
Current tax liabilities	7	-	1,146,584
Provision - Employee entitlements	12	1,664,196	2,480,445
Total Current Liabilities		**8,376,145**	**8,794,269**
NON CURRENT LIABILITIES			
Provision - Employee entitlements	13	1,186,930	134,206
Total Non Current Liabilities		**1,186,930**	**134,206**
TOTAL LIABILITIES		**9,563,075**	**8,928,475**
NET ASSETS		**36,981,710**	**33,259,967**
EQUITY			
Contributed equity	14	2	2
Retained Profits	15	36,981,708	33,259,965
Total Equity		**36,981,710**	**33,259,967**

The above Balance Sheet should be read in conjunction with the accompanying notes.

LUCRF PTY LTD (ABN: 18 005 502 090)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2016	2015
		$	$
Total equity at the beginning of the financial year		33,259,967	28,187,100
Profit/(Loss) for the year		3,721,743	5,072,867
Other comprehensive income		-	-
Total recognised comprehensive income and expense for the year		**3,721,743**	**5,072,867**
Total equity at the end of the financial year	15	**36,981,710**	**33,259,967**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

LUCRF PTY LTD (ABN: 18 005 502 090)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2016 $	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		51,013,454	49,696,832
Payments to suppliers and employees		(42,225,856)	(38,090,750)
Interest Received		538,786	718,520
Income Tax Paid (Including PAYG Installments)		(5,161,367)	(5,873,309)
Interest Paid		(392)	(158)
Net Cash inflow/(outflow) from Operating Activities	19 (a)	**4,164,625**	**6,451,135**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales of plant and equipment		138,545	56,364
Payment for plant and equipment	10	(794,251)	(1,091,123)
Payment for Investment securities		-	(1,000,000)
Net Cash inflow/(outflow) from Investing Activities		**(655,706)**	**(2,034,759)**
Net Increase/(Decrease) in Cash and cash equivalents		**3,508,919**	**4,416,376**
Cash and cash equivalents at the Beginning of the Financial Year		**31,132,413**	**26,716,037**
Cash and cash equivalents at the End of the Financial Year	19 (b)	**34,641,332**	**31,132,413**

The above Statement of Cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 1. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The accounting policies adopted during the year are consistent with those of the prior year.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards Board (AASB), Urgent Issues Company Interpretations and the *Corporations Act 2001*.

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

LUCRF Pty Ltd is a for-profit entity for the purposes of preparing the financial statements.

New and amended accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods. The company's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 Financial Instruments - AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting. When adopted, the standard will affect the company's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss.

There will be no impact on the company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the company does not have any such liabilities. The new standard also introduces expanded disclosure requirements and changes in presentation which must be applied for financial years commencing on or after 1 January 2017. The company has not yet decided when to adopt AASB 9. In order to apply the new hedging rules, the company would have to adopt AASB 9 and the consequential amendments to AASB 7 and AASB 139 in their entirety.

(ii) AASB 15 Revenue from contracts with customers – The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts, applied for the financial year commencing on or after 1 January 2017. The new standard is based on the principle that revenue is recognised when control of a good or service is transfer to a customer, and the notion of control replaces the existing notion of risks and rewards.

The Company does not intend to adopt the new standard before its operative date, which means it would be first applied in the annual reporting period ending 30 June 2017.

(iii) AASB 2014-4 Amendments to Australian Accounting Standards- Clarification of Acceptable Methods of Depreciation and Amortisation – The AASB has amended AASB 116 Property, Plant and Equipment to clarify that a revenue-based method should not be used to calculate the depreciation of property, plant and equipment, to take effect on 1 January 2016. AASB 138 Intangible Assets now also includes a rebuttable presumption that the amortisation of intangible assets based on revenue is

inappropriate, but can be overcome if either the intangible asset is expressed as a measure of revenue or it can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated.

The company does not expect to adopt the amended standard before its operative date. It would therefore be first applied for the annual reporting period ending 30 June 2016.

(a) Provision for Employee Entitlements

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to balance date. The company contributes to the Labour Union Co-operative Retirement Fund (LUCRF) as the default option in respect of its superannuation liability.

(b) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements and to unused tax losses.

Deferred income tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(c) Plant and Equipment

Plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation or amortisation. Plant and equipment is depreciated at rates based upon their expected useful lives, using the straight-line method of depreciation. The following is a range of deprecation rates and useful life used for each category of plant and equipment owned by the company.

	Motor Vehicles	Office Equipment	Furniture and Fittings
Depreciation Rates	20%	10% - 34%	5% - 20%
Useful Life	5 years	3 - 10 years	5 - 20 years

(d) Goods and Services Tax (GST)

Where applicable GST incurred by the company that is not recoverable from the Australian Taxation Office, has been recognised as part of the expense to which it applies. Receivables and payables are stated with any applicable GST included in their carrying amounts.

The amount of any GST recoverable from, or payable to, the Australian Taxation Office is included as an asset or liability in the Balance Sheet.

(e) Comparative Figures

Where required, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(f) Fund Administration Fees (Revenue Recognition)

Fund administration fees are recognised as revenue in the statement of comprehensive income upon the delivery of the service.

Note 2. Financial Instruments

Financial Risk Management

The company's activities expose it to a variety of risks including: market risk (including interest rate risk), credit risk and liquidity risk. Financial risk management is carried out by the Trustee through the Investment Committee with advice from an external investment adviser and internal management.

The company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, other price risks and ratings analysis for credit risk. The company's investment adviser uses a range of qualitative and quantitative measures when assessing the individual managers' and overall company's investment arrangements.

(a) Market Risk

(i) Interest Rate Risk

The company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis.

The company's exposure to interest rate movements at 30 June 2016 is as per the table in the following page.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

(i) Interest Rate Risk continued

30-Jun-16	Floating Interest Rate $	Fixed Interest Rate $	Non Interest Bearing $	Total $
Financial Assets				
Cash	34,641,332	-	-	34,641,332
Current Tax Asset	-	-	876,369	876,369
Other Assets	-	-	11,027,084	11,027,084
Financial Liabilities				
Current Tax Liabilities	-	-	-	-
Trade and other payables	-	-	6,711,949	6,711,949
Provision – Employee entitlements	-	-	2,851,126	2,851,126
Net Assets	**34,641,332**	-	**2,340,378**	**36,981,710**
Net exposure	**34,641,332**	-	**2,340,378**	**36,981,710**

30-Jun-15	Floating Interest Rate $	Fixed Interest Rate $	Non Interest Bearing $	Total $
Financial Assets				
Cash	31,132,413	-	-	31,132,413
Other Assets	-	-	11,056,029	11,056,029
Financial Liabilities				
Current Tax Liabilities	-	-	1,146,584	1,146,584
Trade and other payables	-	-	5,167,240	5,167,240
Provision – Employee entitlements	-	-	2,614,651	2,614,651
Net Assets	**31,132,413**	-	**2,127,554**	**33,259,967**
Net exposure	**31,132,413**	-	**2,127,554**	**33,259,967**

Sensitivity analysis

A percentage change of 1.40% in interest rates would have increased/(decreased) the net assets and the Net Revenue by $339,485 (2015: $283,305 based on a percentage change of 1.30%). The impact mainly arises from the reasonably possible change in interest rates on the market value of fixed interest securities. This analysis has been calculated on the net market values as at the reporting date and assumes that cash flows are constant throughout the financial year. The reasonably possible movements in the risk variables have been determined based on the Trustee's best estimate, having regard to the Reserve Bank cash interest rate movement over the last three financial years.

(ii) Other Price Risk

The Company classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

• Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

• 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 (that is, derived from prices) (Level 2).

• Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Investments classified within Level 3 have significant unobservable inputs, as they are infrequently traded. Level 3 instruments include unlisted equities, property, infrastructure and private equity unit trusts. Such investments are not frequently traded and in a number of instances both the investment and its underlying investments are not revalued on a regular basis, (i.e. less than monthly). Where observable prices are not available for these securities the Responsible Entity for the investment will adopt a valuation technique to derive fair value. For the investments classified within Level 3 fair value is based on an appropriate valuation method which may include discounted cash flow projections and the capitalization method.

The determination of what constitutes 'observable' requires significant judgments by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The Company holds an investment in an entity The New Daily, which has been valued at cost within the financial statements.

The New Daily was initially reliant on private capital to run its business operations. Due to its relative short history, it is not possible to use revenues, cash flows or growth rates to value this investment at fair value. Therefore, based on the above classification, the Company's investment in The New Daily is classified within level 3.

In 2015, based on the review of The New Daily's current and forecast revenues, cash flows, operational outlook, and investment growth rates, the asset has been revalued to zero and an impairment loss of $2,000,000 has been recognised in the Financial Statements, in accordance with the AASB136 *Impairment of Assets*.

On the 9th June 2016 LUCRF Pty Ltd sold its holding in The New Daily to Industry Super Holdings Pty Ltd.

(b) Credit Risk

Credit risk primarily arises from investments in debt securities and from trading derivative products. Other credit risk arises from cash and cash equivalents, and amounts due from brokers. None of these assets are impaired or past due but not impaired.

The company does not have any significant exposure to any individual counterparty or industry.

(c) Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in raising cash to meet commitments associated with running its activities. This liquidity risk is mitigated by the company deriving sufficient contractual operational income through fees charged to LUCRF.

The table below analyses the contractual maturities of the company's financial liabilities based on the remaining period to the contractual maturity date at year end.

30-Jun-16	Carrying Amount $	Less than 1 month $	1-6months $	>6 months $
Financial Liabilities				
Current Tax Liabilities	-	-	-	-
Trade and other payables	6,711,949	6,711,949	-	-
Provision – Employee Entitlements	2,851,126	234,662	101,628	2,514,836
Total Financial Liabilities	**9,563,075**	**6,946,611**	**101,628**	**2,514,836**

30-Jun-15	Carrying Amount $	Less than 1 month $	1-6months $	>6 months $
Financial Liabilities				
Current Tax Liabilities	1,146,584	-	-	1,146,584
Trade and other payables	5,167,240	5,167,240	-	-
Provision – Employee Entitlements	2,614,651	209,733	104,946	2,299,972
Total Financial Liabilities	**8,928,475**	**5,376,973**	**104,946**	**3,446,556**

Note 3. Critical accounting estimates and assumptions

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year are discussed below.

Note 4. Segment information

The company acts as the Trustee of LUCRF. The company comprises of a single business segment, which administers members' accounts and invests the assets of LUCRF. The company operates predominately in a single geographic segment, Australia.

Note 5. Revenue

	2016 $	2015 $
From continuing operations		
Fund Administration fees	15,254,196	15,943,089
Investment Management Fees	36,146,624	34,034,257
Other revenue		
Interest	538,786	718,520
Other Income	314	30,729
Total Revenue	**51,939,920**	**50,726,595**

Note 6. Expenses

	2016 $	2015 $
Profit before income tax includes the following specific expenses		
Depreciation of:		
Motor Vehicles	127,873	110,900
Equipment	421,758	308,442
Furniture and fittings	105,751	110,911
	655,382	**530,253**
Finance costs of:		
Interest and finance charges paid/payable	**16,728**	**17,071**
Leasehold expenses relating to operating leases of:		
Minimum lease payments	**148,691**	**123,687**

Note 7. Income tax expense

	2016	2015
	$	$
(a) Income tax expense		
Current income tax		
Current income tax charge	1,235,134	2,773,569
Adjustments in respect of current income tax of previous years	(2,196)	(33,645)
Deferred income tax		
Origination/reversal of temporary differences in the current year	371,839	(598,612)
Relating to previous year origination	-	-
	1,604,777	**2,141,312**
Income tax expense is attributable to:		
Profit from continuing operations	1,604,777	2,141,312
Profit from discontinued operations	-	-
Aggregate income tax expense	**1,604,777**	**2,141,312**
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit from continuing operations before income tax	5,326,520	7,214,179
Tax at the Australian tax rate of 30% (2015: 30%)	1,597,956	2,164,254
Tax effect of amounts not deductible in calculating taxable income		
Entertainment	7,842	10,703
The New Daily proceeds on sale of shares	(5)	-
Timing difference on FBT expense	1,180	-
Under (over) provided in prior years	(2,196)	(33,645)
Income tax expense	**1,604,777**	**2,141,312**
Current income tax liability/(asset)		
Income tax expense attributable to profit from continuing operations		
- Current Year	1,235,134	2,773,569
- Previous Year less PAYG	(2,111,503)	(1,626,985)
Closing Balance	**(876,369)**	**1,146,584**
Current Deferred Tax Asset		
Opening Balance	842,062	830,894
Movement in Accrued Income	(296,444)	11,168
Closing Balance	**545,618**	**842,062**
Non Current Deferred Tax Asset		
Opening Balance	785,973	198,529
Movement in Accrued Income	(75,395)	587,444
Closing Balance	**710,578**	**785,973**

Note 8. Current assets – Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

	2016	2015
	$	$
Cash at bank and on hand	34,641,332	31,132,413
Total Cash and cash equivalents	**34,641,332**	**31,132,413**

Note 9. Current assets – Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

	2016	2015
	$	$
Trade and other receivables	6,620,705	6,233,024
Total Receivables	**6,620,705**	**6,233,024**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 10. Non-current assets – Property, plant and equipment

	Motor Vehicles $	Office Equipment $	Furniture and Fittings $	Total $
At 1 July 2015				
Cost or fair value	542,043	3,338,729	2,824,960	6,705,732
Accumulated depreciation	(181,500)	(2,157,845)	(1,171,417)	(3,510,762)
Net book amount	**360,543**	**1,180,884**	**1,653,543**	**3,194,970**
Movement for year				
Opening net book amount	360,543	1,180,884	1,653,543	3,194,970
Additions	505,981	199,752	88,518	794,251
Sales	(178,564)	(5,092)	-	(183,656)
Depreciation charge	(127,873)	(421,758)	(105,751)	(655,382)
Closing net book amount	**560,087**	**953,786**	**1,636,310**	**3,150,183**
At 30 June 2016				
Cost or fair value	680,658	2,816,533	2,913,478	6,410,669
Accumulated depreciation	(120,571)	(1,862,747)	(1,277,168)	(3,260,486)
Net book amount	**560,087**	**953,786**	**1,636,310**	**3,150,183**

At 1 July 2014				
Cost or fair value	614,765	2,298,665	2,821,105	5,734,535
Accumulated depreciation	(105,209)	(1,849,403)	(1,060,666)	(3,015,278)
Net book amount	**509,556**	**449,262**	**1,760,439**	**2,719,257**
Movement for year				
Opening net book amount	509,556	449,262	1,760,439	2,719,257
Additions	47,033	1,040,064	4,026	1,091,123
Sales	(85,146)	-	(11)	(85,157)
Depreciation charge	(110,900)	(308,442)	(110,911)	(530,253)
Closing net book amount	**360,543**	**1,180,884**	**1,653,543**	**3,194,970**
At 30 June 2015				
Cost or fair value	542,043	3,338,729	2,824,960	6,705,732
Accumulated depreciation	(181,500)	(2,157,845)	(1,171,417)	(3,510,762)
Net book amount	**360,543**	**1,180,884**	**1,653,543**	**3,194,970**

Note 11. Current liabilities – Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

	2016 $	2015 $
Trade payables	5,581,401	4,275,584
Other payables	901,491	537,596
Australian Taxation Office (Goods and Services Tax)	229,057	354,060
Total Payables	**6,711,949**	**5,167,240**

Note 12. Current liabilities – Provisions

	2016 $	2015 $
Current Liabilities		
Provision Employee Entitlements- Annual Leave	1,250,943	1,259,192
Provision Employee Entitlements- Long Service Leave	413,253	1,221,253
	1,664,196	**2,480,445**

Note 13. Non-current liabilities – Provisions

	2016 $	2015 $
Non-current Liabilities		
Provision Employee Entitlements- Long Service Leave	1,186,930	134,206
	1,186,930	**134,206**

Note 14. Contributed Equity

	2016 $	2015 $
Authorised capital:		
10,000 Ordinary shares of $1 each	10,000	10,000
Total Authorised Capital	**10,000**	**10,000**
Issued Capital:		
2 Ordinary shares of $1 each - fully paid	2	2
Total Issued & Paid Up Capital	**2**	**2**

Note 15. Retained Profits

	2016 $	2015 $
Movements in retained profits were as follows:		
Balance at beginning of financial year	33,259,965	28,187,098
Net profit attributable to the company	3,721,743	5,072,867
Balance at end of financial year	**36,981,708**	**33,259,965**
Total Equity		
Contributed equity	2	2
Net retained profit attributable to the company	36,981,708	33,259,965
Total equity	**36,981,710**	**33,259,967**

The Trustee Reserve (Retained Profit) represents the difference between fees charged to members and the administration and investment expenses incurred in the management of the Fund. This reserve is maintained to supplement funds required to meet future Trustee expenses.

Note 16. Key management personnel disclosures

(a) Directors

The following persons were directors of LUCRF Pty Ltd in office at any time during or since the end of the year are:

Member Representatives
Timothy Kennedy
Deputy Chairman (Until 31 December 2015)
Chairman (From 1 January 2016)
National Union of Workers

Gary Maas
National Union of Workers

Caterina Cinanni
National Union of Workers

Paul Richardson
National Union of Workers

Sam Roberts
National Union of Workers

Employer-Sponsor Representatives
John Carlile (Resigned 31 December 2015)
Chairman
Global Trade Advisers

Ted Eftimiadis (Deputy Chairman from 1 January 2016)
Pacific Brands

Kerry-Anne Smith
PFD Foods

Simon Gallagher
Drake International

Melissa Blackley (Resigned 10 February 2016)
GrainCorp Limited

Craig Taylor (Appointed 30 March 2016)
Mondelez Australia Pty Ltd

Phillip Caris (Appointed 9 May 2016)
GrainCorp Limited

Independent Directors
Ann Byrne
Judith Smith

Non-Executive Investment Committee
Greg Nolan (Appointed 15 March 2016)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The following persons also had authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, during the financial year:

Name	*Position*
Charles Donnelly	Chief Executive Officer
Bill Tsioutsis	General Manager-Operations
John Arnott	Chief Financial Officer
Brett Stevenson	Chief Information Officer (Redeployed 21 August 2015)
Soo Chong	General Manager-Business Development
Antony Thow	Chief Operating Officer
Nikki Schimmel	Chief Risk and Compliance Officer
Amy Maiolo	HR Manager
Martin Drew	Head of Investments (Resigned 21 August 2015)
Carl Michael	Chief Technology Officer (Appointed 24 August 2015)
Leigh Gavin	Head of Investments (Appointed 17 May 2016)

Key management personnel compensation (continued)

	2016	2015
	$	$
Short-term employee benefits	2,577,682	2,337,659
Long-term employee benefits	-	71,892
Termination employee benefits	6,122	227,409
Post-employment benefits	-	-
Total Cash and cash equivalents	**2,583,804**	**2,636,960**

All of the above persons were also key management persons during the year ended 30 June 2016.

The key management personnel of the company are the directors of LUCRF Pty Ltd (see above), the Chief Executive Officer and those managers that report directly to the Chief Executive Officer. The key management personnel compensation is paid by the Trustee and they receive no compensation from the fund.

(a) Directors remuneration

The directors of LUCRF Pty Ltd received $762,745 (2015: $791,129) for Directors Fees from LUCRF Pty Ltd in connection with its management, with no amount owing (2015: $Nil) as at 30 June 2016. The Member Representative Directors nominated by the union do not receive payment.

In addition, superannuation contributions and expenses paid directly by LUCRF Pty Ltd on behalf of Directors (excluding training courses) amounting to $66,174 (2015: $69,628).

Expenses of $70,800 (2015: $40,200) were paid in relation to attendance of training courses by directors of the company.

Reimbursements amounting to $9,184 (2015: $16,408) were also paid directly by LUCRF Pty Ltd to directors for out of pocket and board meeting expenses.

Payment of representative director fees, expenses and reimbursements are made to the sponsoring union.

Note 17. Remuneration of auditors

LUCRF Pty Ltd pays for audit and other services for both LUCRF Pty Ltd and LUCRF Super.

During the year the following fees were paid or payable by LUCRF Pty Ltd for services provided by the auditor for LUCRF Pty Ltd operations:

	2016 $	2015 $
Audit services:		
PricewaterhouseCoopers		
Audit and review of financial reports and other work under the Corporations Act 2001	54,468	44,200
Other assurance services		
PricewaterhouseCoopers		
Other Assurance Services	3,570	11,000

Note 18. Related Party Transactions

(a) <u>Transactions entered into during the year with the Directors and related Entities</u>

The company has paid Trustee Liability, Directors and Officers Liability Insurance of $131,211 (2015: $109,176) through the IFS Insurance Solutions Pty Ltd, a company who has a profit sharing agreement with the National Union of Workers (NUW).

Publicity Works Pty Ltd, 22.5% owned by the National Union of Workers (NUW), was contracted for printing of profile questionnaire and other member communications. Amounts paid during the year of $39,047 (2015: $167,430) were on an arm's length basis.

In August 2014 Charles Donnelly was appointed as a director of The New Daily Pty Ltd. No director's fee was paid. The company has made no additional payment in the New Daily during the 2016 year (2015: $1,000,000). On the 9th June 2016 LUCRF Pty Ltd sold its holding in The New Daily to Industry Super Holdings Pty Ltd.

Note 18. Related Party Transactions continued

(b) Transactions with other related Entities

The aggregate amounts brought to account in respect of the following types of transactions and each class of related party were:

Transaction Type	Nature and Terms and Conditions	Other Related Parties	2016 $	2015 $
Fund Administration fees	*On a cost recovery basis	LUCRF	15,254,196	15,943,088
Investment Management Fees	*On a cost recovery basis	LUCRF	36,146,624	34,034,257
Insurance Broking Profit Sharing Agreement	*On a cost recovery basis	IFS Insurance Solutions Pty Ltd	37,769	40,381
NUW & LUCRF P/L Service Agreement	*On a cost recovery basis	National Union of Workers (NUW)	439,081	439,081
833 Bourke St Unit Trust Rental Fees & Expense Recovery	*On a cost recovery basis	833 Bourke Street Unit Trust	1,230,909	1,156,185
87 St Vincent Street Unit Trust Rental Fees & Expense Recovery	*On a cost recovery basis	87 St Vincent Street Unit Trust	53,622	58,492
896 Beaufort St, Inglewood WA Rental Fees	*On a cost recovery basis	National Union of Workers (NUW)	3,104	3,402
1 Bridge St, Granville NSW Rental Fees	*On a cost recovery basis	National Union of Workers (NUW)	56,070	40,182

* Fees charged may be less or greater than expenses incurred based on market conditions and financial requirements of the Trustee Company.

LUCRF PTY LTD (ABN: 18 005 502 090)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 19. Cash Flow Information

(a) Reconciliation of profit after income tax to net cash inflow from ordinary activities

	2016	2015
	$	$
Profit for the year	3,721,743	5,072,867
Non-cash items in Profit from operating activities		
Depreciation and Amortisation	655,382	530,253
Loss on Sale of Fixed Assets	45,108	28,793
Impairment loss on Assets	-	2,000,000
Changes in operating assets and liabilities		
Decrease/(Increase) in Receivables	(387,679)	(311,242)
Decrease/(Increase) in Future income tax benefits	371,839	(598,612)
(Decrease)/Increase in Payables	1,544,709	(412,078)
(Decrease)/Increase in Employee Provisions	236,476	(105,185)
(Decrease)/Increase in Income Tax Payable	(2,022,953)	246,339
Cash flows from Operations	**4,164,625**	**6,451,135**

(b) Reconciliation of Cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand and in at call deposits with banks or financial institutions. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

	2016	2015
	$	$
Cash on hand	2	2
Cash at bank	34,641,332	31,132,413
	34,641,334	**31,132,415**

Note 20. Lease Commitments

Operating Lease Commitments

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

	2016	2015
	$	$
Not later than one year	1,037,275	1,021,790
later than one year but not later than five years	1,268,176	2,100,954
later than five years	-	37,684
	2,305,451	**3,160,428**

Note 21. Superannuation Commitments

The employees of the Company are members of LUCRF. The Company contributes to LUCRF in respect of its superannuation liability.

Note 22. Contingent Liabilities

The Directors are not aware of any material contingent liabilities of the Company, which have not been provided for in the financial report.

As at 30 June 2016, LUCRF Pty Ltd had a contingent liability for the ceiling of 833 Bourke Street in the form of a security deposit guarantee in the amount of $657,835.

Note 23. Economic Dependence

The Company acts solely as Trustee and administrator of LUCRF and is dependent on the Superannuation Fund, LUCRF, for revenue from continuing operations.

Note 24. Company Details

The registered office of the Company is 833 Bourke St, Docklands, Victoria, Australia.

LUCRF PTY LTD (ABN: 18 005 502 090)

DIRECTORS' DECLARATION
30 JUNE 2016

The directors declare that the financial statements and notes set out on pages 9 to 30:

a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

b) give a true and fair view of the Trustee Company's financial position as at 30 June 2016 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the directors' opinion:

a) there are reasonable grounds to believe that the Trustee Company will be able to pay its debts as and when that become due and payable, and

This declaration is signed in accordance with a resolution of the directors.

T. Kennedy, Director

T. Eftimiadis, Director

Melbourne
24 August 2016

Independent auditor's report to the members of LUCRF Pty Ltd

Report on the financial report

We have audited the accompanying financial report, being a special purpose financial report, of LUCRF Pty Ltd (the company), which comprises the balance sheet as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes 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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

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. Those 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 entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of 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 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, the financial report of LUCRF Pty Ltd is in accordance with the *Corporations Act 2001,* including:

(a) 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

(b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001.*

Basis of accounting and restriction on distribution and use

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting.The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001.*

As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members of LUCRF Pty Ltd.

PricewaterhouseCoopers

PricewaterhouseCoopers

David Coogan
Partner

Melbourne
24August 2016

LUCRFsuper

Australia's first industry fund

LUCRF PTY LTD

ABN: 18 005 502 090

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

LUCRF PTY LTD (ABN: 18 005 502 090)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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LUCRF PTY LTD (ABN: 18 005 502 090)

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the financial statements of LUCRF Pty Ltd for the year ended 30 June 2017 and the auditor's report thereon.

Directors

The following persons were directors of LUCRF Pty Ltd (the "Company") during the whole of the financial year and up to the date of this report (except where otherwise stated):

Member Representatives:
Timothy Kennedy
Gary Maas
Caterina Cinanni
Paul Richardson
Sam Roberts

Employer Representatives:
Ted Eftimiadis (Deputy Chairman)
Kerry-Anne Smith (Resigned 9 March 2017)
Simon Gallagher
Craig Taylor
Phillip Caris
Zivile Mockute (Appointed 22 May 2017)

Independent Directors:
Ann Byrne
Judith Smith

Non-Executive Investment Committee:
Greg Nolan

Other key management personnel

The key management personnel of the Company are the directors of LUCRF Pty Ltd (see above), the Chief Executive Officer and those managers that report directly to the Chief Executive Officer.

Name	*Position*
Charles Donnelly	Chief Executive Officer
Bill Tsioutsis	General Manager-Operations
John Arnott	Chief Financial Officer
Soo Chong	General Manager-Business Development
Antony Thow	Chief Operating Officer
Nikki Schimmel	Chief Risk and Compliance Officer
Carl Michael	Chief Technology Officer
Amy Maiolo	HR Manager
Leigh Gavin	Head of Investments

All of the above persons were also key management persons during the year ended 30 June 2017.

DIRECTORS' REPORT
(Continued)

Key management personnel compensation

	2017	2016
	$	$
Short-term employee benefits	3,001,998	2,577,682
Long-term employee benefits	-	-
Termination employee benefits	-	6,122
Post-employment benefits	-	-
	3,001,998	**2,583,804**

Remuneration report

The remuneration report is set out under the following main headings

A Principles used to determine the nature and amount of remuneration
B Remuneration of key management personnel

A Principles used to determine the nature and amount of remuneration
The Board Meeting of 19th August 2015 reviewed current Directors Fees and authorised changes effective from 1st July 2015. The new arrangements are as follows:

Chairman
$88,951 plus SGC per annum inclusive of Committee meetings

Deputy Chairman
$75,920 plus SGC per annum.

Directors, including independent directors
$47,828 plus SGC per annum.

Non-Executive Investment Committee Members
$52,929 plus SGC per annum.

Committee Fee
In addition to the Directors Fee, each director is to be paid an amount of $5,000 plus SGC for each Committee membership per annum.

Committee Chairpersons
Committee Chairpersons are entitled to an amount of $5,000 per annum plus SGC.

Training Courses
Fee of $1,200 per day.

Other key management personnel have entered into individual employment contracts with LUCRF Pty Ltd.

Details of remuneration, other employee benefits and contract duration are outlined in the contract documents.

DIRECTORS' REPORT
(Continued)

Remuneration report (continued)

B Remuneration of key management personnel

Amounts between		
$0 and $9,999	1	1
$10,000 and $19,999	1	2
$20,000 and $29,999	-	2
$30,000 and $39,999	-	1
$40,000 and $49,999	-	2
$50,000 and $59,999	7	6
$60,000 and $69,999	3	2
$70,000 and $79,999	-	1
$80,000 and $89,999	1	-
$90,000 and $99,999	1	1
$100,000 and $109,999	-	-
$110,000 and $119,999	-	-
$120,000 and $129,999	-	-
$130,000 and $139,999	-	-
$140,000 and $149,999	-	-
$150,000 and $159,999	-	1
$160,000 and $169,999	-	-
$170,000 and $179,999	1	1
$180,000 and $189,999	-	-
$190,000 and $199,999	1	3
$200,000 and $209,999	2	-
$210,000 and $219,999	1	-
$220,000 and $229,999	-	-
$230,000 and $239,999	2	2
$300,000 and $309,999	-	-
$320,000 and $329,999	-	1
$330,000 and $339,999	-	-
$340,000 and $349,999	-	-
$350,000 and $359,999	1	-
$360,000 and $369,999	-	-
$370,000 and $379,999	1	-

Principal Activity

The principal activity of the Company during the year to 30 June 2017 was to act as Trustee and administrator for the Labour Union Co-operative Retirement Fund (LUCRF).

Operating Profit after income tax

The operating profit after income tax for the year ended 30 June 2017 amounted to $2,053,734 (30 June 2016: $3,721,743).

DIRECTORS' REPORT
(Continued)

Dividends

No amounts have been paid or are recommended to be paid by way of dividend during the year to 30 June 2017 and up to the date of this report.

State of Affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the year ended 30 June 2017 not otherwise disclosed in this report.

Matters subsequent to the end of the financial year

There has not arisen in the interval between 30 June 2017 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to significantly affect the results of those operations, or the state of affairs of the Company in subsequent financial years.

Likely developments

The Directors are not aware of any developments which may affect the Company's operations which can be disclosed without prejudicing unreasonably their likelihood of success or violating commercial confidences.

Meeting of directors

LUCRF Pty Ltd held 6 meetings of the Board and as Trustee of LUCRF during the year ended 30 June 2017. The number of meetings attended by each director was:

	Board meetings eligible to attend	Attended	Meeting as Trustee eligible to attend	Attended
Caterina Cinanni	6	5	6	5
Simon Gallagher	6	5	6	5
Ted Eftimiadis	6	6	6	6
Timothy Kennedy	6	6	6	6
Gary Maas	6	5	6	5
Paul Richardson	6	5	6	5
Zivile Mockute	1	1	1	1
Sam Roberts	6	6	6	6
Judith Smith	6	6	6	6
Ann Byrne	6	6	6	6
Craig Taylor	6	6	6	6
Phillip Caris	6	5	6	5

LUCRF Pty Ltd holds an Australian Financial Services Licence (AFSL) No. 258481 issued by the Australian Securities and Investments Commission (ASIC) on 10 March 2004.There was a variation made to the licence which became effective from 25th May 2015.

DIRECTORS' REPORT
(Continued)

Directors Benefits

Since the end of the previous financial year no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of the emoluments received or receivable by the directors shown in the financial statements or in the notes to the financial statements, or in the case may be) by reason of contract made by the Company, or a related corporation with a director or with a firm which the director is a member, or with a Company in which the director has a substantial interest.

Insurance of officers

During the financial year, LUCRF Pty Ltd. paid a premium of $123,932 to insure the Company's responsible officers.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Auditors

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of these proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

This report has been signed in accordance with a resolution of the Directors.

T. Kennedy, Director

T. Eftimiadis, Director
Melbourne
23 August 2017

Auditor's Independence Declaration

As lead auditor for the audit of LUCRF Pty Ltd for the year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

David Coogan
Partner
PricewaterhouseCoopers

Melbourne
23 August 2017

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

LUCRF PTY LTD (ABN: 18 005 502 090)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		$	$
Revenue from continuing activities	5	55,198,464	51,939,920
Expenses from continuing activities			
Investment Management Fees		(18,925,265)	(19,103,524)
Employee and Directors expenses		(18,785,539)	(16,192,370)
Consultants fees		(1,616,745)	(1,125,995)
Communication		(557,906)	(344,450)
Audit Fees		(286,355)	(250,517)
Depreciation expense - Plant and equipment	6	(849,671)	(655,382)
Finance costs	6	(20,030)	(16,728)
Leasehold Expenses	6	(100,526)	(148,691)
Australian Prudential Regulation Authority Fees		(527,184)	(571,502)
Advertising and Promotions		(3,155,833)	(2,515,932)
Information Technology		(4,186,818)	(2,767,869)
Printing and Stationary		(78,185)	(88,829)
Occupancy Costs		(1,463,873)	(1,423,412)
Other expenses		(921,971)	(1,408,199)
Changes in Net Market Value	2(a)(ii)	-	-
Profit before income tax		**3,722,563**	**5,326,520**
Income Tax Expense	7	(1,668,829)	(1,604,777)
Profit/(Loss) for the year		**2,053,734**	**3,721,743**
Other comprehensive income		-	-
Total comprehensive income		**2,053,734**	**3,721,743**

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

LUCRF PTY LTD (ABN: 18 005 502 090)

BALANCE SHEET
AS AT 30 JUNE 2017

	Note	2017	2016
		$	$
CURRENT ASSETS			
Cash and cash equivalents	8,19(b)	37,949,047	34,641,332
Trade and other receivables	9	6,222,546	6,620,705
Future income tax benefit	7	699,369	545,618
Current tax assets	7	875,406	876,369
Total Current Assets		**45,746,368**	**42,684,024**
NON CURRENT ASSETS			
Future income tax benefit	7	843,451	710,578
Property, plant and equipment	10	3,457,246	3,150,183
Total Non Current Assets		**4,300,697**	**3,860,761**
TOTAL ASSETS		**50,047,065**	**46,544,785**
CURRENT LIABILITIES			
Trade and other payables	11	7,821,401	6,711,949
Current tax liabilities	7	-	-
Provision - Employee entitlements	12	1,961,154	1,664,196
Total Current Liabilities		**9,782,555**	**8,376,145**
NON CURRENT LIABILITIES			
Provision - Employee entitlements	13	1,229,066	1,186,930
Total Non Current Liabilities		**1,229,066**	**1,186,930**
TOTAL LIABILITIES		**11,011,621**	**9,563,075**
NET ASSETS		**39,035,444**	**36,981,710**
EQUITY			
Contributed equity	14	2	2
Retained Profits	15	39,035,442	36,981,708
Total Equity		**39,035,444**	**36,981,710**

The above Balance Sheet should be read in conjunction with the accompanying notes.

LUCRF PTY LTD (ABN: 18 005 502 090)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		$	$
Total equity at the beginning of the financial year		36,981,710	33,259,967
Profit/(Loss) for the year		2,053,734	3,721,743
Other comprehensive income		-	-
Total recognised comprehensive income and expense for the year		2,053,734	3,721,743
Total equity at the end of the financial year	15	39,035,444	36,981,710

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

LUCRF PTY LTD (ABN: 18 005 502 090)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		55,192,030	51,013,454
Payments to suppliers and employees		(46,828,968)	(42,225,856)
Interest Received		404,591	538,786
Income Tax Paid (Including PAYG Installments)		(4,281,581)	(5,161,367)
Interest Paid		-	(392)
Net Cash inflow/(outflow) from Operating Activities	19 (a)	**4,486,072**	**4,164,625**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales of plant and equipment		23,523	138,545
Payment for plant and equipment	10	(1,201,880)	(794,251)
Payment for Investment securities		-	-
Net Cash inflow/(outflow) from Investing Activities		**(1,178,357)**	**(655,706)**
Net Increase/(Decrease) in Cash and cash equivalents		**3,307,715**	**3,508,919**
Cash and cash equivalents at the Beginning of the Financial Year		**34,641,332**	**31,132,413**
Cash and cash equivalents at the End of the Financial Year	19 (b)	**37,949,047**	**34,641,332**

The above Statement of Cash flows should be read in conjunction with the accompanying notes.

Note 1. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The accounting policies adopted during the year are consistent with those of the prior year.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards Board (AASB), Urgent Issues Company Interpretations and the *Corporations Act 2001.*

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

LUCRF Pty Ltd is a for-profit entity for the purposes of preparing the financial statements.

New and amended accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods. The company's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 Financial Instruments - AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting. When adopted, the standard will affect the company's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss.

There will be no impact on the company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the company does not have any such liabilities. The new standard also introduces expanded disclosure requirements and changes in presentation which must be applied for financial years commencing on or after 1 January 2017. The company has not yet decided when to adopt AASB 9. In order to apply the new hedging rules, the company would have to adopt AASB 9 and the consequential amendments to AASB 7 and AASB 139 in their entirety.

(ii) AASB 15 Revenue from contracts with customers – The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts, applied for the financial year commencing on or after 1 January 2017. The new standard is based on the principle that revenue is recognised when control of a good or service is transfer to a customer, and the notion of control replaces the existing notion of risks and rewards.

The Company does not intend to adopt the new standard before its operative date, which means it would be first applied in the annual reporting period ending 30 June 2017

(iii) AASB 2014-4 Amendments to Australian Accounting Standards- Clarification of Acceptable Methods of Depreciation and Amortisation – The AASB has amended AASB 116 Property, Plant and Equipment to clarify that a revenue-based method should not be used to calculate the depreciation of

Summary of Significant Accounting Policies (continued)

property, plant and equipment, to take effect on 1 January 2017. AASB 138 Intangible Assets now also includes a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate, but can be overcome if either the intangible asset is expressed as a measure of revenue or it can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated.

The company does not expect to adopt the amended standard before its operative date. It would therefore be first applied for the annual reporting period ending 30 June 2017.

(a) Provision for Employee Entitlements

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to balance date. The company contributes to the Labour Union Co-operative Retirement Fund (LUCRF) as the default option in respect of its superannuation liability.

(b) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements and to unused tax losses.

Deferred income tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(c) Plant and Equipment

Plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation or amortisation. Plant and equipment is depreciated at rates based upon their expected useful lives, using the straight-line method of depreciation. The following is a range of deprecation rates and useful life used for each category of plant and equipment owned by the company.

	Motor Vehicles	Office Equipment	Furniture and Fittings
Depreciation Rates	20%	10% - 34%	5% - 20%
Useful Life	5 years	3 - 10 years	5 - 20 years

(d) Goods and Services Tax (GST)

Where applicable GST incurred by the company that is not recoverable from the Australian Taxation Office, has been recognised as part of the expense to which it applies. Receivables and payables are stated with any applicable GST included in their carrying amounts.

The amount of any GST recoverable from, or payable to, the Australian Taxation Office is included as an asset or liability in the Balance Sheet.

(e) Comparative Figures

Where required, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(f) Fund Administration Fees (Revenue Recognition)

Fund administration fees are recognised as revenue in the statement of comprehensive income upon the delivery of the service.

Note 2. Financial Instruments

Financial Risk Management

The company's activities expose it to a variety of risks including: market risk (including interest rate risk), credit risk and liquidity risk. Financial risk management is carried out by the Trustee through the Investment Committee with advice from an external investment adviser and internal management.

The company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, other price risks and ratings analysis for credit risk. The company's investment adviser uses a range of qualitative and quantitative measures when assessing the individual managers' and overall company's investment arrangements.

(a) Market Risk

(i) Interest Rate Risk

The company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis.

(i) Interest Rate Risk (continued)

The company's exposure to interest rate movements at 30 June 2017 is as per the table below.

30-Jun-17	Floating Interest Rate $	Fixed Interest Rate $	Non Interest Bearing $	Total $
Financial Assets				
Cash	37,949,047	-	-	37,949,047
Current Tax Asset	-	-	875,406	875,406
Other Assets	-	-	11,222,612	11,222,612
Financial Liabilities				
Current Tax Liabilities	-	-	-	-
Trade and other payables	-	-	7,821,401	7,821,401
Provision – Employee entitlements	-	-	3,190,220	3,190,220
Net Assets	**37,949,047**	-	**1,086,397**	**39,035,444**
Net exposure	**37,949,047**	**-**	**1,086,397**	**39,035,444**

30-Jun-16	Floating Interest Rate $	Fixed Interest Rate $	Non Interest Bearing $	Total $
Financial Assets				
Cash	34,641,332	-	-	34,641,332
Current Tax Asset	-	-	876,369	876,369
Other Assets	-	-	11,027,084	11,027,084
Financial Liabilities				
Current Tax Liabilities	-	-	-	-
Trade and other payables	-	-	6,711,949	6,711,949
Provision – Employee entitlements	-	-	2,851,126	2,851,126
Net Assets	**34,641,332**	-	**2,340,378**	**36,981,710**
Net exposure	**34,641,332**	**-**	**2,340,378**	**36,981,710**

Sensitivity analysis

A percentage change of 1.20% in interest rates would have increased/(decreased) the net assets and the Net Revenue by $318,772 (2016: $339,485 based on a percentage change of 1.40%). The impact mainly arises from the reasonably possible change in interest rates on the market value of fixed interest securities. This analysis has been calculated on the net market values as at the reporting date and assumes that cash flows are constant throughout the financial year. The reasonably possible movements in the risk variables have been determined based on the Trustee's best estimate, having regard to the Reserve Bank cash interest rate movement over the last three financial years.

(ii) Other Price Risk

The Company classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

- 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 (that is, derived from prices) (Level 2).

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Investments classified within Level 3 have significant unobservable inputs, as they are infrequently traded. Level 3 instruments include unlisted equities, property, infrastructure and private equity unit trusts. Such investments are not frequently traded and in a number of instances both the investment and its underlying investments are not revalued on a regular basis, (i.e. less than monthly). Where observable prices are not available for these securities the Responsible Entity for the investment will adopt a valuation technique to derive fair value. For the investments classified within Level 3 fair value is based on an appropriate valuation method which may include discounted cash flow projections and the capitalization method.

The determination of what constitutes 'observable' requires significant judgments by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The Company holds an investment in an entity The New Daily, which has been valued at cost within the financial statements.

The New Daily was initially reliant on private capital to run its business operations. Due to its relative short history, it is not possible to use revenues, cash flows or growth rates to value this investment at fair value. Therefore, based on the above classification, the Company's investment in The New Daily is classified within level 3.

On the 9th June 2016 LUCRF Pty Ltd sold its holding in The New Daily to Industry Super Holdings Pty Ltd.

(b) Credit Risk

Credit risk primarily arises from investments in debt securities and from trading derivative products. Other credit risk arises from cash and cash equivalents, and amounts due from brokers. None of these assets are impaired or past due but not impaired.

The company does not have any significant exposure to any individual counterparty or industry.

(c) Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in raising cash to meet commitments associated with running its activities. This liquidity risk is mitigated by the company deriving sufficient contractual operational income through fees charged to LUCRF.

The table below analyses the contractual maturities of the company's financial liabilities based on the remaining period to the contractual maturity date at year end.

30-Jun-17	Carrying Amount $	Less than 1 month $	1-6months $	>6 months $
Financial Liabilities				
Current Tax Liabilities	-	-	-	-
Trade and other payables	7,821,401	7,821,401	-	-
Provision – Employee Entitlements	3,190,220	308,963	118,187	2,763,070
Total Financial Liabilities	**11,011,621**	**8,130,364**	**118,187**	**2,763,070**

30-Jun-16	Carrying Amount $	Less than 1 month $	1-6months $	>6 months $
Financial Liabilities				
Current Tax Liabilities	-	-	-	-
Trade and other payables	6,711,949	6,711,949	-	-
Provision – Employee Entitlements	2,851,126	234,662	101,628	2,514,836
Total Financial Liabilities	**9,563,075**	**6,946,611**	**101,628**	**2,514,836**

Note 3. Critical accounting estimates and assumptions

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year are discussed below.

Note 4. Segment information

The company acts as the Trustee of LUCRF. The company comprises of a single business segment, which administers members' accounts and invests the assets of LUCRF. The company operates predominately in a single geographic segment, Australia.

Note 5. Revenue

	2017	2016
	$	$
From continuing operations		
Fund Administration fees	14,997,550	15,254,196
Investment Management Fees	39,804,081	36,146,624
Other revenue		
Interest	404,591	538,786
Other Income	(7,758)	314
Total Revenue	**55,198,464**	**51,939,920**

Note 6. Expenses

	2017	2016
	$	$
Profit before income tax includes the following specific expenses		
Depreciation of:		
Motor Vehicles	147,962	127,873
Equipment	595,640	421,758
Furniture and fittings	106,069	105,751
	849,671	**655,382**
Finance costs of:		
Interest and finance charges paid/payable	**20,030**	**16,728**
Leasehold expenses relating to operating leases of:		
Minimum lease payments	**100,526**	**148,691**

Note 7. Income tax expense

	2017	2016
	$	$
(a) Income tax expense		
Current income tax		
Current income tax charge	1,398,448	1,235,134
Adjustments in respect of current income tax of previous years	557,005	(2,196)
Deferred income tax		
Origination/reversal of temporary differences in the current year	(286,624)	371,839
Relating to previous year origination	-	-
	1,668,829	**1,604,777**
Profit from continuing operations	1,668,829	1,604,777
Profit from discontinued operations	-	-
Aggregate income tax expense	**1,668,829**	**1,604,777**
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit from continuing operations before income tax	3,722,563	5,326,520
Tax at the Australian tax rate of 30% (2016: 30%)	1,116,769	1,597,956
Tax effect of amounts not deductible in calculating taxable income		
Entertainment	6,910	7,842
Expense accrual adjustment - opening balance	(21,748)	-
The New Daily proceeds on sale of shares	-	(5)
Prepayments - Labour	10,848	-
Timing difference on FBT expense	(955)	1,180
Under (over) provided in prior years	557,005	(2,196)
Income tax expense	**1,668,829**	**1,604,777**
Current income tax liability/(asset)		
Income tax expense attributable to profit from continuing operations		
- Current Year	1,398,448	1,235,134
- Previous Year less PAYG	(2,273,854)	(2,111,503)
Closing Balance	**(875,406)**	**(876,369)**
Deferred Income Tax Liabilities		
Opening Balance	-	-
Movement in Accrued Income	-	-
Closing Balance	-	-
Current Deferred Tax Asset		
Opening Balance	545,618	842,062
Movement in Accrued Income	153,751	(296,444)
Closing Balance	**699,369**	**545,618**
Non Current Deferred Tax Asset		
Opening Balance	710,578	785,973
Movement in Accrued Income	132,873	(75,395)
Closing Balance	**843,451**	**710,578**

Note 8. Current assets – Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

	2017	2016
	$	$
Cash at bank and on hand	37,949,047	34,641,332
Total Cash and cash equivalents	**37,949,047**	**34,641,332**

Note 9. Current assets – Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

	2017	2016
	$	$
Trade and other receivables	6,222,546	6,620,705
Total Receivables	**6,222,546**	**6,620,705**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 10. Non-current assets – Property, plant and equipment

	Motor Vehicles	Office Equipment	Furniture and Fittings	Total
	$	$	$	$
At 1 July 2016				
Cost or fair value	680,658	2,816,533	2,913,478	6,410,669
Accumulated depreciation	(120,571)	(1,862,747)	(1,277,168)	(3,260,486)
Net book amount	**560,087**	**953,786**	**1,636,310**	**3,150,183**
Movement for year				
Opening net book amount	560,087	953,786	1,636,310	3,150,183
Additions	227,366	884,458	90,057	1,201,881
Sales	(47,453)	0	0	(47,453)
Depreciation charge	(147,961)	(593,335)	(106,069)	(847,365)
Closing net book amount	**592,039**	**1,244,909**	**1,620,298**	**3,457,246**
At 30 June 2017				
Cost or fair value	813,832	2,578,552	2,869,024	6,261,408
Accumulated depreciation	(221,793)	(1,333,643)	(1,248,726)	(2,804,162)
Net book amount	**592,039**	**1,244,909**	**1,620,298**	**3,457,246**

At 1 July 2015				
Cost or fair value	542,043	3,338,729	2,824,960	6,705,732
Accumulated depreciation	(181,500)	(2,157,845)	(1,171,417)	(3,510,762)
Net book amount	**360,543**	**1,180,884**	**1,653,543**	**3,194,970**
Movement for year				
Opening net book amount	360,543	1,180,884	1,653,543	3,194,970
Additions	505,981	199,752	88,518	794,251
Sales	(178,564)	(5,092)	-	(183,656)
Depreciation charge	(127,873)	(421,758)	(105,751)	(655,382)
Closing net book amount	**560,087**	**953,786**	**1,636,310**	**3,150,183**
At 30 June 2016				
Cost or fair value	680,658	2,816,533	2,913,478	6,410,669
Accumulated depreciation	(120,571)	(1,862,747)	(1,277,168)	(3,260,486)
Net book amount	**560,087**	**953,786**	**1,636,310**	**3,150,183**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 11. Current liabilities – Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

	2017	2016
	$	$
Trade payables	5,947,907	5,581,401
Other payables	1,684,542	901,491
Australian Taxation Office (Goods and Services Tax)	188,952	229,057
Total Payables	**7,821,401**	**6,711,949**

Note 12. Current liabilities – Provisions

	2017	2016
	$	$
Provision Employee Entitlements- Annual Leave	1,490,830	1,250,943
Provision Employee Entitlements- Long Service Leave	470,324	413,253
Total Current liabilities - Provisions	**1,961,154**	**1,664,196**

Note 13. Non-current liabilities – Provisions

	2017	2016
	$	$
Provision Employee Entitlements- Long Service Leave	1,229,066	1,186,930
Total Non-current liabilities - Provisions	**1,229,066**	**1,186,930**

Note 14. Contributed Equity

	2017	2016
	$	$
Issued Capital:		
2 Ordinary shares of $1 each - fully paid	2	2
Total Issued & Paid Up Capital	**2**	**2**

Note 15. Retained Profits

	2017	2016
	$	$
Movements in retained profits were as follows:		
Balance at beginning of financial year	36,981,708	33,259,965
Net profit attributable to the company	2,053,734	3,721,743
Balance at end of financial year	**39,035,442**	**36,981,708**
Contributed equity	2	2
Net retained profit attributable to the company	39,035,442	36,981,708
Total Equity	**39,035,444**	**36,981,710**

The Trustee Reserve (Retained Profit) represents the difference between fees charged to members and the administration and investment expenses incurred in the management of the Fund. This reserve is maintained to supplement funds required to meet future Trustee expenses.

Note 16. Key management personnel disclosures

(a) Directors

The following persons were directors of LUCRF Pty Ltd in office at any time during or since the end of the year are:

Member Representatives
Timothy Kennedy
Chairman
National Union of Workers

Gary Maas
National Union of Workers

Caterina Cinanni
National Union of Workers

Paul Richardson
National Union of Workers

Sam Roberts
National Union of Workers

Employer-Sponsor Representatives
Ted Eftimiadis
Deputy Chairman
Pacific Brands

Kerry-Anne Smith (Resigned 9 March 2017)
PFD Foods

Simon Gallagher
Drake International

Craig Taylor
Mondelez Australia Pty Ltd

Phillip Caris
GrainCorp Limited

Zivile Mockute (Appointed 22 May 2017)
Adecco Australia

Independent Directors
Ann Byrne
Judith Smith

Non-Executive Investment Committee
Greg Nolan

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The following persons also had authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, during the financial year:

Name	*Position*
Charles Donnelly	Chief Executive Officer
Bill Tsioutsis	General Manager-Operations
John Arnott	Chief Financial Officer
Soo Chong	General Manager-Business Development
Antony Thow	Chief Operating Officer
Nikki Schimmel	Chief Risk and Compliance Officer
Carl Michael	Chief Technology Officer
Amy Maiolo	HR Manager
Leigh Gavin	Head of Investments

Key management personnel compensation (continued)

	2017	2016
	$	$
Short-term employee benefits	3,001,998	2,577,682
Long-term employee benefits	-	-
Termination employee benefits	-	6,122
Post-employment benefits	-	-
Total Cash and cash equivalents	**3,001,998**	**2,583,804**

All of the above persons were also key management persons during the year ended 30 June 2017.

The key management personnel of the company are the directors of LUCRF Pty Ltd (see above), the Chief Executive Officer and those managers that report directly to the Chief Executive Officer. The key management personnel compensation is paid by the Trustee and they receive no compensation from the fund.

(b) Directors remuneration

The directors of LUCRF Pty Ltd received $792,090 (2016: $762,745) for Directors Fees from LUCRF Pty Ltd in connection with its management, with no amount owing (2016: $Nil) as at 30 June 2017. The Member Representative Directors nominated by the union do not receive payment.

In addition, superannuation contributions and expenses paid directly by LUCRF Pty Ltd on behalf of Directors (excluding training courses) amounting to $68,720 (2016: $66,174).

Expenses of $30,985 (2016: $70,800) were paid in relation to attendance of training courses by directors of the company.

Reimbursements amounting to $5,259 (2016: $9,184) were also paid directly by LUCRF Pty Ltd to directors for out of pocket and board meeting expenses.

Payment of representative director fees, expenses and reimbursements are made to the sponsoring union.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 17. Remuneration of auditors

LUCRF Pty Ltd pays for audit and other services for both LUCRF Pty Ltd and LUCRF Super.

During the year the following fees were paid or payable by LUCRF Pty Ltd for services provided by the auditor for LUCRF Pty Ltd operations:

	2017	2016
	$	$
Audit services:		
PricewaterhouseCoopers		
Audit and review of financial reports and other work under the Corporations Act 2001	55,115	54,468
Other assurance services:		
PricewaterhouseCoopers		
Other Assurance Services	166,562	3,570

Note 18. Related Party Transactions

(a) Transactions entered into during the year with the Directors and related Entities

The company has paid Trustee Liability, Directors and Officers Liability Insurance of $123,932 (2016: $131,211) through the IFS Insurance Solutions Pty Ltd, a company who has a profit sharing agreement with the National Union of Workers (NUW).

Publicity Works Pty Ltd, 22.5% owned by the National Union of Workers (NUW), was contracted for printing of profile questionnaire and other member communications. Amounts paid during the year of $60,416 (2016: $39,047) were on an arm's length basis.

Note 18. Related Party Transactions (continued)

(b) Transactions with other related Entities

The aggregate amounts brought to account in respect of the following types of transactions and each class of related party were:

Transaction Type	**Nature and Terms and Conditions**	**Other Related Parties**	**2017** $	**2016** $
Fund Administration fees	*On a cost recovery basis	LUCRF	14,997,550	15,254,195
Investment Management Fees	*On a cost recovery basis	LUCRF	39,804,081	36,146,624
Insurance Broking Profit Sharing Agreement	*On a cost recovery basis	IFS Insurance Solutions Pty Ltd	10,780	37,769
NUW & LUCRF P/L Service Agreement	*On a cost recovery basis	National Union of Workers (NUW)	376,087	439,081
833 Bourke St Unit Trust Rental Fees & Expense Recovery	*On a cost recovery basis	833 Bourke Street Unit Trust	1,256,117	1,230,910
87 St Vincent Street Unit Trust Rental Fees & Expense Recovery	*On a cost recovery basis	87 St Vincent Street Unit Trust	51,249	53,622
896 Beaufort St, Inglewood WA Rental Fees	*On a cost recovery basis	National Union of Workers (NUW)	3,668	3,104
1 Bridge St, Granville NSW Rental Fees	*On a cost recovery basis	National Union of Workers (NUW)	48,060	56,070

* Fees charged may be less or greater than expenses incurred based on market conditions and financial requirements of the Trustee Company.

LUCRF PTY LTD (ABN: 18 005 502 090)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 19. Cash Flow Information

(a) Reconciliation of profit after income tax to net cash inflow from ordinary activities

	2017	2016
	$	$
Profit for the year	2,053,734	3,721,743
Non-cash items in Profit from operating activities		
Depreciation and Amortisation	847,365	655,382
Loss on Sale of Fixed Assets	23,931	45,108
Impairment loss on Assets		
Changes in operating assets and liabilities		
Decrease/(Increase) in Receivables	398,158	(387,679)
Decrease/(Increase) in Future income tax benefits	(286,624)	371,839
(Decrease)/Increase in Payables	1,109,451	1,544,709
(Decrease)/Increase in Employee Provisions	339,094	236,476
(Decrease)/Increase in Income Tax Payable	963	(2,022,953)
Cash flows from Operations	4,486,072	4,164,625

(b) Reconciliation of Cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand and in at call deposits with banks or financial institutions. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

	2017	2016
	$	$
Cash on hand	1,000	826
Cash at bank	37,948,047	34,640,506
	37,949,047	34,641,332

Note 20. Lease Commitments

Operating Lease Commitments

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

	2017	2016
	$	$
Not later than one year	1,046,315	1,037,275
Later than one year but not later than five years	237,781	1,268,176
Later than five years		
	1,284,096	**2,305,450**

Note 21. Superannuation Commitments

The employees of the Company are members of LUCRF. The Company contributes to LUCRF in respect of its superannuation liability.

Note 22. Contingent Liabilities

The Directors are not aware of any material contingent liabilities of the Company, which have not been provided for in the financial report.

As at 30 June 2017, LUCRF Pty Ltd had a contingent liability for the ceiling of 833 Bourke Street in the form of a security deposit guarantee in the amount of $657,835.

Note 23. Economic Dependence

The Company acts solely as Trustee and administrator of LUCRF and is dependent on the Superannuation Fund, LUCRF, for revenue from continuing operations.

Note 24. Company Details

The registered office of the Company is 833 Bourke St, Docklands, Victoria, Australia.

LUCRF PTY LTD (ABN: 18 005 502 090)

DIRECTORS' DECLARATION
30 JUNE 2017

The directors declare that the financial statements and notes set out on pages 9 to 30:

a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

b) give a true and fair view of the Trustee Company's financial position as at 30 June 2017 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the directors' opinion:

a) there are reasonable grounds to believe that the Trustee Company will be able to pay its debts as and when that become due and payable, and

This declaration is signed in accordance with a resolution of the directors.

T. Kennedy, Director

T. Eftimiadis, Director

Melbourne
23 August 2017

Independent auditor's report to the members of LUCRF Pty Ltd

Report on the financial report

We have audited the accompanying financial report, being a special purpose financial report, of LUCRF Pty Ltd (the company), which comprises the balance sheet as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes 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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

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. Those 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 entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of 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 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*.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Auditor's opinion

In our opinion, the financial report of LUCRF Pty Ltd is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's financial position as at 30 June 2017 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.

Basis of accounting and restriction on distribution and use

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting.The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*.

As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members of LUCRF Pty Ltd and should not be distributed to or used by parties other than LUCRF Pty Ltd and the members.

Pricewaterhouse Coopers

PricewaterhouseCoopers

David Coogan
Partner

Melbourne
23 August 2017

LUCRF super

An Industry SuperFund

LUCRF PTY LTD

ABN: 18 005 502 090

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

LUCRF PTY LTD (ABN: 18 005 502 090)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

CONTENTS

LUCRF PTY LTD (ABN: 18 005 502 090)

DIRECTORS' REPORT

The Directors present their report together with the financial statements of LUCRF Pty Ltd ("the Company") for the year ended 30 June 2018 and the auditor's report thereon.

Directors

The following persons were directors of the Company during the whole of the financial year and up to the date of this report (except where otherwise stated):

Member Representatives:
Timothy Kennedy (Chairman)
Gary Maas (Resigned 30 January 2018)
Susan Allison (Appointed 27 February 2018)
Caterina Cinanni
Paul Richardson
Sam Roberts

Employer Representatives:
Ted Eftimiadis (Deputy Chairman)
Zivile Mockute
Simon Gallagher (Resigned 24 January 2018)
Joseph Di Leo (Appointed 1 March 2018)
Craig Taylor
Phillip Caris

Independent Directors:
Ann Byrne
Judith Smith

Principal Activity

The Company is the trustee of Labour Union Co-operative Retirement Fund (LUCRF). The principal activities of the Company are to provide trustee services to LUCRF. It is also the holder of an Australian Financial Services licence and an APRA licence.

The Company incurs operating and administration expenses in providing trustee services to the LUCRF. Under the terms of the Trust Deed and Constitution of LUCRF, the Company is entitled to receive trustee services fees for services performed.

Operating Profit/(Loss) after income tax

The operating profit/(loss) after income tax for the year ended 30 June 2018 amounted to ($407,542) (2017: $2,053,734).

Dividends

No amounts have been paid or are recommended to be paid by way of dividend during the year to 30 June 2018 and up to the date of this report.

Significant State of Affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the year ended 30 June 2018 not otherwise disclosed in this report.

DIRECTORS' REPORT
(Continued)

Matters subsequent to the end of the financial year

There has not arisen in the interval between 30 June 2018 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to significantly affect the results of those operations, or the state of affairs of the Company in subsequent financial years.

Likely developments

The Directors are not aware of any developments which may affect the Company's operations which can be disclosed without prejudicing unreasonably their likelihood of success or violating commercial confidences.

Environmental regulation

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

Rounding off

The Company is 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 a premium of $133,965 to insure the Company's responsible officers.

Auditors

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001.

T. Kennedy, Director

T. Eftimiadis, Director
Melbourne
23 August 2018

pwc

Auditor's Independence Declaration

As lead auditor for the audit of LUCRF Pty Ltd for the year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

David Coogan
Partner
PricewaterhouseCoopers

Melbourne
23 August 2018

LUCRF PTY LTD (ABN: 18 005 502 090)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 $	2017 $
Revenue from continuing activities	5	53,623,152	55,198,464
Expenses from continuing activities			
Investment Management Expenses		(14,007,231)	(18,925,265)
Employee and Directors Expenses		(21,163,570)	(18,785,539)
Professional Services		(2,783,907)	(1,903,101)
Administration Costs		(10,432,713)	(6,292,093)
Advertising and Promotions		(3,275,652)	(3,155,833)
Depreciation and Leasing Costs	6	(1,051,402)	(950,197)
Occupancy Costs		(1,485,660)	(1,463,873)
Profit/(Loss) before income tax		(576,983)	3,722,563
Income Tax Benefit(Expense)	7	169,441	(1,668,829)
Profit/(Loss) for the year		(407,542)	2,053,734
Other comprehensive income		-	-
Total comprehensive income		(407,542)	2,053,734

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

LUCRF PTY LTD (ABN: 18 005 502 090)

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 $	2017 $
CURRENT ASSETS			
Cash and cash equivalents	9,18(b)	37,241,397	37,949,047
Prepayments		1,563,321	1,577,119
Trade and other receivables		4,728,766	4,645,427
Current tax assets	7,8	2,847,414	2,049,506
Total Current Assets		**46,380,898**	**46,221,099**
NON CURRENT ASSETS			
Non current tax asset	7	396,729	368,720
Property, plant and equipment	10	3,018,803	3,457,246
Total Non Current Assets		**3,415,532**	**3,825,966**
TOTAL ASSETS		**49,796,430**	**50,047,065**
CURRENT LIABILITIES			
Trade and other payables		7,774,887	7,821,401
Provision - Employee entitlements	11	2,071,211	1,961,154
Total Current Liabilities		**9,846,098**	**9,782,555**
NON CURRENT LIABILITIES			
Provision - Employee entitlements	12	1,322,430	1,229,066
Total Non Current Liabilities		**1,322,430**	**1,229,066**
TOTAL LIABILITIES		**11,168,528**	**11,011,621**
NET ASSETS		**38,627,902**	**39,035,444**
EQUITY			
Contributed equity	13	2	2
Retained Profits	14	38,627,900	39,035,442
Total Equity		**38,627,902**	**39,035,444**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

LUCRF PTY LTD (ABN: 18 005 502 090)

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

	Note	2018	2017
		$	$
Total equity at the beginning of the financial year		39,035,444	36,981,710
Total Comprehensive Income		(407,542)	2,053,734
Total recognised comprehensive income and expense for the year		**(407,542)**	**2,053,734**
Total equity at the end of the financial year	14	**38,627,902**	**39,035,444**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

LUCRF PTY LTD (ABN: 18 005 502 090)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Trustee services		53,163,018	55,192,030
Payments to suppliers and employees		(52,590,357)	(46,828,968)
Interest Received		390,593	404,591
Income Tax Paid		(1,154,647)	(4,281,581)
Net Cash inflow/(outflow) from Operating Activities	18 (a)	**(191,393)**	**4,486,072**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales of plant and equipment		40,182	23,523
Payment for plant and equipment	10	(556,439)	(1,201,880)
Net Cash inflow/(outflow) from Investing Activities		**(516,257)**	**(1,178,357)**
Net Increase/(Decrease) in Cash and cash equivalents		**(707,650)**	**3,307,715**
Cash and cash equivalents at the Beginning of the Financial Year		**37,949,047**	**34,641,332**
Cash and cash equivalents at the End of the Financial Year	18 (b)	**37,241,397**	**37,949,047**

The above Statement of Cash flows should be read in conjunction with the accompanying notes.

Note 1. Corporate Information

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

The Company is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 833 Bourke Street Docklands, Victoria.

The Company is the trustee of the Labour Union Co-Operative Retirement Fund (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 an Australian Financial Services licence and an APRA licence.

The financial statements were authorised for issue by the directors on 23 August 2018. The directors have the power to amend and reissue the financial statements.

Note 2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The accounting policies adopted during the year are consistent with those of the prior 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. LUCRF Pty Ltd is a for-profit entity for the purpose of preparing the financial statements.

The financial statements of the LUCRF 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.

Trustee Service fees are recognised as revenue in the statement of comprehensive income upon the rendering of services and is accrued for at the end of the month.

(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.

(e) Provision for Employee Entitlements

Provision is made for the Company's liability for employee entitlements arising from services rendered by employees to balance date. The Company contributes to the Labour Union Co-operative Retirement Fund (LUCRF) as the default option in respect of its superannuation liability.

Short term employee entitlements

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 and rostered day owing is recognised in the provision for employee entitlements.

Other long term employee entitlements

The liability for long service 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 entitlements. 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.

(f) 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.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

(f) Income Tax (continued)

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(g) Goods and Services Tax (GST)

Where applicable GST incurred by the Company that is not recoverable from the Australian Taxation Office, has been recognised as part of the expense to which it applies. Receivables and payables are stated with any applicable GST included in their carrying amounts.

The amount of any GST recoverable from, or payable to, the Australian Taxation Office is included as an asset or liability in the Statement of Financial Position.

(h) 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.

(i) New accounting standards and interpretations

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 30 June 2018 and have not been applied in preparing these financial statements.

AASB 9 – Financial Instruments

Management has assessed the impact of this standard and concluded that there would be no material change in the financial statements by adopting this standard as the Company does not hold any financial instruments other than cash.

AASB 16 Leases

Mandatory for financial years commencing on or after 1 January 2019 it will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions will be short-term and low-value leases.

At this stage the Company does not intend to adopt the standard before its effective date as a material impact is not expected.

AASB 15 Revenue from Contracts with Customers

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer and must be applied on or after 1 January 2018. Management has assessed the effects of applying the new standard and does not expect a change to revenue recogonition.

(j) Significant accounting judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, income and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances; the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

(k) Trustee liabilities and right of indemnity

The Company acts as the trustee of the Fund. Assets are held in trust on behalf of members and other beneficiaries and liabilities have been incurred on behalf of the Fund 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 the Fund, which lie behind the right of indemnity, are not directly available to meet any liabilities of the Company acting in its own right.

(l) Plant and Equipment

Plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation or impairment loss. Plant and equipment is depreciated at rates based upon their expected useful lives, using the straight-line method of depreciation. The following is a range of deprecation rates and useful life used for each category of plant and equipment owned by the Company.

	Motor Vehicles	Office Equipment	Furniture and Fittings
Depreciation Rates	20%	10% - 34%	5% - 20%
Useful Life	5 years	3 - 10 years	5 - 20 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.

(m) Comparative Figures

Where required, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Note 3. Financial Instruments

Financial Risk Management

The Company's activities expose it to a variety of risks including: market risk (including interest rate risk), credit risk and liquidity risk. Financial risk management is carried out by the Trustee through the Investment Committee with advice from an external investment adviser and internal management.

The company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, other price risks and ratings analysis for credit risk.

(a) Market Risk

The Company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis.

The Company's exposure to interest rate movements at 30 June 2018 is as per the table below.

30-Jun-18	Floating Interest Rate $	Fixed Interest Rate $	Non Interest Bearing $	Total $
Financial Assets				
Cash	37,241,397	-	-	37,241,397
Current Tax Asset	-	-	3,244,143	3,244,143
Other Assets	-	-	9,310,890	9,310,890
Financial Liabilities				
Current Tax Liabilities	-	-	-	-
Trade and other payables	-	-	7,774,887	7,774,887
Provision – Employee entitlements	-	-	3,393,641	3,393,641
Net Assets	**37,241,397**	**-**	**1,386,505**	**38,627,902**
Net exposure	**37,241,397**	**-**	**1,386,505**	**38,627,902**

(a) Market Risk (continued)

30-Jun-17	Floating Interest Rate $	Fixed Interest Rate $	Non Interest Bearing $	Total $
Financial Assets				
Cash	37,949,047	-	-	37,949,047
Current Tax Asset	-	-	2,418,226	2,418,226
Other Assets	-	-	9,679,792	9,679,792
Financial Liabilities				
Current Tax Liabilities	-	-	-	-
Trade and other payables	-	-	7,821,401	7,821,401
Provision – Employee entitlements	-	-	3,190,220	3,190,220
Net Assets	**37,949,047**	**-**	**1,086,398**	**39,035,444**
Net exposure	**37,949,047**	**-**	**1,086,398**	**39,035,444**

Sensitivity analysis

A percentage change of 1.50% in interest rates would have increased/(decreased) the net assets and the Net Revenue by $ 391,035 (2017: $318,772 based on a percentage change of 1.20%). The impact mainly arises from the reasonably possible change in interest rates on the market value of highly liquid term deposits. This analysis has been calculated on the net market values as at the reporting date and assumes that cash flows are constant throughout the financial year. The reasonably possible movements in the risk variables have been determined based on the Trustee's best estimate, having regard to the Reserve Bank cash interest rate movement over the last three financial years.

(b) Credit Risk

Credit risk primarily arises from investments in debt securities and from trading derivative products. Other credit risk arises from cash and cash equivalents, and amounts due from brokers. None of these assets are impaired or past due but not impaired.

The Company does not have any significant exposure to any individual counterparty or industry.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising cash to meet commitments associated with running its activities. This liquidity risk is mitigated by the Company deriving sufficient operational income through fees charged to LUCRF.

The table below analyses the contractual maturities of the Company's financial liabilities based on the remaining period to the contractual maturity date at year end.

30-Jun-18	Carrying Amount $	Less than 1 month $	1-6months $	>6 months $
Financial Liabilities				
Trade and other payables	7,774,887	7,774,887	-	-
Provision – Employee Entitlements	3,393,641	301,772	127,835	2,964,034
Total Financial Liabilities	**11,168,528**	**8,076,659**	**127,835**	**2,964,034**

30-Jun-17	Carrying Amount $	Less than 1 month $	1-6months $	>6 months $
Financial Liabilities				
Trade and other payables	7,821,401	7,821,401	-	-
Provision – Employee Entitlements	3,190,220	308,963	118,187	2,763,070
Total Financial Liabilities	**11,011,621**	**8,130,364**	**118,187**	**2,763,070**

Note 4. Segment information

The Company acts as the Trustee of LUCRF. The Company comprises of a single business segment, which administers members' accounts and invests the assets of LUCRF. The Company operates predominately in a single geographic segment, Australia.

LUCRF PTY LTD (ABN: 18 005 502 090)

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

Note 5. Revenue

	2018	2017
	$	$
From continuing operations		
Trustee Services	53,231,643	54,801,631
Other revenue		
Interest	390,593	404,591
Other Income	916	(7,758)
Total Revenue	**53,623,152**	**55,198,464**

Note 6. Expenses

	2018	2017
	$	$
Profit/(Loss) before income tax includes the following specific expenses		
Depreciation of:		
Motor Vehicles	166,990	147,962
Equipment	668,065	595,640
Furniture and fittings	105,655	106,069
	940,710	**849,671**
Leasehold expenses relating to operating leases of:		
Minimum lease payments	**110,692**	**100,526**
Total Depreciation and Leasing Costs	**1,051,402**	**950,197**

Note 7. Income tax expense

	2018	2017
	$	$
(a) Income tax expense/(benefit)		
Current income tax/(benefit)	(63,383)	1,398,448
Adjustments in respect of current income tax of previous years	181	557,005
Deferred income tax		
Origination/reversal of temporary differences in the current year	(106,239)	(286,624)
	(169,441)	**1,668,829**
Income tax expense/(benefit) is attributable to:		
Profit/(Loss) from continuing operations	(169,441)	1,668,829
Aggregate income tax expense/(benefit)	**(169,441)**	**1,668,829**
(b) Numerical reconciliation of income tax expense/(benefit) to prima facie tax payable		
Profit/(Loss) from continuing operations before income tax	(576,983)	3,722,563
Tax at the Australian tax rate of 30% (2017: 30%)	(173,095)	1,116,769
Tax effect of amounts not deductible in calculating taxable income	3,654	552,060
Income tax expense/(benefit)	**(169,441)**	**1,668,829**
Current tax asset		
Opening Balance	2,049,506	1,776,486
Movement	797,908	273,020
Closing Balance	**2,847,414**	**2,049,506**
Non current tax asset		
Opening Balance	368,720	356,079
Movement	28,009	12,641
Closing Balance	**396,729**	**368,720**

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

Note 8. Current tax asset

	2018	2017
	$	$
Current Income Tax/(Benefit)	(63,383)	1,398,448
PAYG payments	(1,531,701)	(2,273,854)
Income Tax Payable(Receivable)	**(1,595,084)**	**(875,406)**
Tax benefit on accruals and employee benefits	(1,252,330)	(1,174,100)
Total Current Tax Liability (Asset)	**(2,847,414)**	**(2,049,506)**

Note 9. Current assets – Cash and cash equivalents

	2018	2017
	$	$
Cash at bank and on hand	37,241,397	37,949,047
Total Cash and cash equivalents	**37,241,397**	**37,949,047**

Note 10. Non-current assets – Property, plant and equipment

	Motor Vehicles	Office Equipment	Furniture and Fittings	Total
	$	$	$	$
At 1 July 2017				
Cost or fair value	813,832	2,578,552	2,869,024	6,261,408
Accumulated depreciation	(221,793)	(1,333,643)	(1,248,726)	(2,804,162)
Net book amount	**592,039**	**1,244,909**	**1,620,298**	**3,457,246**
Movement for year				
Opening net book amount	592,039	1,244,909	1,620,298	3,457,246
Additions	107,435	417,518	31,486	556,439
Disposals	(50,472)	(2,687)	(1,013)	(54,172)
Depreciation charge	(166,990)	(668,065)	(105,655)	(940,710)
Closing net book amount	**482,012**	**991,675**	**1,545,116**	**3,018,803**
At 30 June 2018				
Cost or fair value	813,062	2,569,440	2,899,040	6,281,542
Accumulated depreciation	(331,050)	(1,577,765)	(1,353,924)	(3,262,739)
Net book amount	**482,012**	**991,675**	**1,545,116**	**3,018,803**

Note 10. Non-current assets – Property, plant and equipment (continued)

	Motor Vehicles	Office Equipment	Furniture and Fittings	Total
	$	$	$	$
At 1 July 2016				
Cost or fair value	680,658	2,816,533	2,913,478	6,410,669
Accumulated depreciation	(120,571)	(1,862,747)	(1,277,168)	(3,260,486)
Net book amount	**560,087**	**953,786**	**1,636,310**	**3,150,183**
Movement for year				
Opening net book amount	560,087	953,786	1,636,310	3,150,183
Additions	227,366	884,457	90,057	1,201,880
Disposals	(47,453)	2,306	-	(45,147)
Depreciation charge	(147,962)	(595,640)	(106,069)	(849,671)
Closing net book amount	**592,039**	**1,244,909**	**1,620,298**	**3,457,246**
At 30 June 2017				
Cost or fair value	813,832	2,578,552	2,869,024	6,261,408
Accumulated depreciation	(221,793)	(1,333,643)	(1,248,726)	(2,804,162)
Net book amount	**592,039**	**1,244,909**	**1,620,298**	**3,457,246**

Note 11. Current liabilities – Provisions

	2018	2017
	$	$
Provision Employee Entitlements- Annual Leave	1,580,121	1,490,830
Provision Employee Entitlements- Long Service Leave	491,090	470,324
Total Current liabilities - Provisions	**2,071,211**	**1,961,154**

Note 12. Non-current liabilities – Provisions

	2018	2017
	$	$
Provision Employee Entitlements- Long Service Leave	1,322,430	1,229,066
Total Non-current liabilities - Provisions	**1,322,430**	**1,229,066**

Note 13. Contributed Equity

	2018	2017
	$	$
Issued Capital:		
2 Ordinary shares of $1 each - fully paid	2	2
Total Issued & Paid Up Capital	2	2

Note 14. Retained Profits

	2018	2017
	$	$
Movements in retained profits were as follows:		
Balance at beginning of financial year	39,035,442	36,981,708
Net profit/(loss) attributable to the Company	(407,542)	2,053,734
Balance at end of financial year	**38,627,900**	**39,035,442**
Contributed equity	2	2
Net retained profit attributable to the Company	38,627,900	39,035,442
Total Equity	**38,627,902**	**39,035,444**

The Trustee Reserve (Retained Profit) represents the difference between fees charged to members and the administration and investment expenses incurred in the management of the Fund. This reserve is maintained to supplement funds required to meet future Trustee expenses and capital requirements in accordance with the Trustee's Reserving Strategy.

Note 15. Key management personnel disclosures

(a) **Directors**

Member Representatives

Timothy Kennedy
Chairman
National Union of Workers

Gary Maas (Resigned 30 January 2018)
National Union of Workers

Caterina Cinanni
National Union of Workers

Paul Richardson
National Union of Workers

Sam Roberts
National Union of Workers

Susan Allison (Appointed 27 February 2018)
National Union of Workers

Employer-Sponsor Representatives

Ted Eftimiadis
Deputy Chairman
Pacific Brands

Joseph Di Leo (Appointed 1 March 2018)
Cargill

Simon Gallagher (Resigned 24 January 2018)
Drake International

Craig Taylor
Mondelez Australia Pty Ltd

Phillip Caris
GrainCorp Limited

Zivile Mockute
Adecco Australia

Independent Directors

Ann Byrne
Judith Smith

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, during the financial year:

Name	**Position**
Greg Nolan	Non-Executive Investment Committee Member
Charles Donnelly	Chief Executive Officer
John Arnott	Chief Financial Officer (Resigned 01 September 2017)
Therese Kenny	Chief Financial Officer (Appointed 09 October 2017)
Antony Thow	Chief Operating Officer
Nikki Schimmel	Chief Risk and Compliance Officer
Carl Michael	Chief Technology Officer
Leigh Gavin	Head of Investments

Key management personnel compensation (continued)

Effective from 3 May 2018, the following managers ceased to be key management personnel of the Company:

Name	*Position*
Soo Chong	General Manager – Business Development
Bill Tsioutsis	General Manager - Operations
Amy Maiolo	Human Resource Manager

	2018	2017
	$	$
Short-term employee benefits	3,234,326	3,001,998
Long-term employee benefits	45,309	-
Termination employee benefits	107,500	-
Post-employment benefits	-	-
Total Cash and cash equivalents	**3,387,135**	**3,001,998**

(b) **Directors remuneration**

The directors received remuneration of $885,684 (2017: $792,090) for services rendered from the Trustee Company in connection with its management, with $134,362 amount owing as at 30 June 2018 (2017: $Nil). Payment is made to National Union of Workers as the sponsoring organisation for Member Representatives to compensate for the time Directors spend away from employment. The Member Representative Directors nominated by the sponsoring organisation do not directly receive payment. Superannuation Guarantee commitments are met by the sponsoring organisation.

Note 16. Related Party Transactions

The shareholders of the Company are NUW as nominee. Under the terms of the Company's constitution, the shareholders of the Company are not entitled to receive a distribution.

NUW Service Agreement
The Company has entered into a three year service agreement from 1 January 2017 with NUW for the purposes of representing the Fund in collective bargaining and enterprise bargaining negotiations in Federal Awards. The Company paid $400,909 (2017: $376,087). As at 30 June 2018, service fees payable were $Nil (2017: $Nil) and have subsequently been paid. The service agreement was subject to a third party review prior to renewal.

Trustee Service Fees
In its capacity as Trustee of the Fund, the Company received $53,231,643 (2017: $54,801,631) in Trustee Service Fees from the Fund for the provision of administration and investment services. As at 30 June 2018, Trustee service fees receivable were $4,270,512 (2017: $4,200,742) and have subsequently been paid

Note 16. Related Party Transactions (continued)

Interest in 833 Bourke Street Unit Trust
The Fund holds 50% of the units in 833 Bourke Street Unit Trust with the sole asset of the Trust being leased premises at 833 Bourke Street Docklands. The property is subject to an annual market valuation by an independent qualified valuer. The remaining balance of units in the Trust is held by the NUW on the same terms and conditions as the Fund. The value of the Fund's unit holding as at 30 June 2018 was $11,071,035 (2017: $10,946,031). Net investment received by the Fund was $892,892 (2017: $805,844). As at 30 June 2018, net income receivable of $74,352 (2017: $74,737) has subsequently been paid.

The premises at 833 Bourke Street Docklands is leased by the Company and NUW and is subject to a lease agreement expiring on 4 November 2018. Subsequent to year end, both tenants have executed a 5 year lease extension to 4 November 2023 following a market rental appraisal undertaken by an independent qualified valuer. Net rental income paid by the Company was $1,278,884 (2017: $1,256,118). As at 30 June 2018, net rent payable of $nil (2017: $nil) has subsequently been paid.

Interest in 87 St Vincents Street Unit Trust
The Fund holds 75% of the units in 87 St Vincent Street Unit Trust with the sole asset of the Trust being leased premises at 87 St Vincent Street Port Adelaide. The property is subject to an annual market valuation by an independent qualified valuer. The remaining balance of units in the Trust is held by the NUW on the same terms and conditions as the Fund. The value of the Fund's unit holding as at 30 June 2018 was $1,645,861 (2017: $1,645,861). Net investment received by the Fund was $64,248 (2017: $54,003). As at 30 June 2018, net income receivable of $5,740 (2017: $8,102) has subsequently been paid.

The premises at 87 St Vincent Street Port Adelaide is leased by the Company and NUW and is subject to a lease agreement expiring on 11 November 2022. Net rental income paid by the Company was $51,447 (2017: $51,249). As at 30 June 2018, net rent payable of $nil (2017: $nil) has subsequently been paid.

Directors Ann Byrne and Ted Eftimiadis have both been appointed to the Boards of 833 Bourke Street Pty Ltd and 87 St Vincent's Street Pty Ltd.

Interest in property – Cribb Street Milton
The Fund holds 50% of an interest in a property at Cribb Street Milton Queensland which is subject to an annual market valuation by an independent qualified valuer. NUW holds the remaining interest. The value of the Fund's unit holding as at 30 June 2018 was $1,250,000 (2017: $1,250,000).

The Company (as tenant) has entered into a lease agreement with the Fund and NUW (as Landlords) expiring on 6 January 2024. Net rental income paid by the Company was $65,307 (2017: $63,377). As at 30 June 2018, net rent payable of $nil (2017: $nil) has subsequently been paid.

Sub-lease agreements with NUW
NUW has sub-leased premises at Bridge Street Granville NSW to the Company via an agreement expiring on 6 January 2024. Rental income paid by the Company to NUW was $49,021 (2017: $48,060).

Up until 30 April 2018, the Company sub-leased premises in Inglewood WA from NUW. Net rental income paid by the Company was $2,540 (2017: $3,668). As at 30 June 2018, net rent payable of $1,411 (2017: $nil) has subsequently been paid.

Note 16. Related Party Transactions (continued)

Other Related Party Transactions
Up until 30 June 2017, the premiums on a number of insurance policies were paid through the Fund's broker, IFS Insurance Solutions Pty Ltd, a company who had a profit sharing agreement with the NUW. Premiums for 2017 were $123,932 and were on an arms length basis.

Publicity Works Pty Ltd, an entity with which NUW has a 22.5% shareholding, was engaged to provide printing services of $49,380.11 (2017: $60,416.16).

All related party transactions were conducted on an arms length basis under normal commercial terms and conditions of business.

Note 17. Remuneration of auditors

LUCRF Pty Ltd pays for audit and other services for both LUCRF Pty Ltd and LUCRF Super.

During the year the following fees were paid or payable by LUCRF Pty Ltd for services provided by the auditor for LUCRF Pty Ltd:

	2018 $	2017 $
Audit services:		
PricewaterhouseCoopers		
Audit and review of financial reports and other work under the Corporations Act 2001	56,080	55,115
Other assurance services:		
PricewaterhouseCoopers		
Other Assurance Services	36,720	166,562

Note 18. Cash Flow Information

(a) Reconciliation of profit/(loss) after income tax to net cash inflow from ordinary activities

	2018	2017
	$	$
Profit/(Loss) for the year	(407,542)	2,053,734
Non-cash items in Profit/(Loss) from operating activities		
Depreciation and Amortisation	940,711	847,365
Loss on Sale of Fixed Assets	13,990	23,931
Impairment loss on Assets		
Changes in operating assets and liabilities		
Decrease/(Increase) in Receivables	(69,541)	398,158
Decrease/(Increase) in Future income tax benefits	(106,239)	(286,624)
(Decrease)/Increase in Payables	(46,515)	1,109,451
(Decrease)/Increase in Employee Provisions	203,421	339,094
(Decrease)/Increase in Income Tax Payable	(719,678)	963
Cash flows from Operations	**(191,393)**	**4,486,072**

Note 18. Cash Flow Information (continued)

(b) Reconciliation of Cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand and in at call deposits with banks or financial institutions. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2018	2017
	$	$
Cash on hand	1,000	1,000
Cash at bank	37,240,397	37,948,047
	37,241,397	**37,949,047**

Note 19. Lease Commitments

Operating Lease Commitments

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

	2018	2017
	$	$
Not later than one year	1,188,558	1,046,315
Later than one year but not later than five years	4,784,390	237,781
Later than five years	-	-
	5,972,948	**1,284,096**

Note 20. Superannuation Commitments

The employees of the Company are members of LUCRF. The Company contributes to LUCRF in respect of its superannuation liability.

Note 21. Contingent Liabilities

The Directors are not aware of any material contingent liabilities of the Company, which have not been provided for in the financial report.

As at 30 June 2018, LUCRF Pty Ltd had a contingent liability for the ceiling of 833 Bourke Street in the form of a security deposit guarantee in the amount of $54,820.

Note 22. Economic Dependence

The Company acts solely as Trustee and administrator of LUCRF and is dependent on the Superannuation Fund, LUCRF, for revenue from continuing operations.

DIRECTORS' DECLARATION
30 JUNE 2018

The directors declare that the financial statements and notes set out on pages 6 to 27:

a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

b) give a true and fair view of the Trustee Company's financial position as at 30 June 2018 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the directors' opinion:

a) there are reasonable grounds to believe that the Trustee Company will be able to pay its debts as and when that become due and payable, and

This declaration is signed in accordance with a resolution of the directors.

T. Kennedy, Director

T. Eftimiadis, Director

Melbourne
23 August 2018

pwc

Independent auditor's report

To the members of LUCRF Pty Ltd

Our opinion

In our opinion:

The accompanying financial report of LUCRF Pty Ltd (the Company) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001.*

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2018;
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our 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 report* section of our report.

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

Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter - basis of accounting and restriction on use

We draw attention to Note 1 in the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for LUCRF Pty Ltd and its members and should not

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

be used by parties other than LUCRF Pty Ltd and its members. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual report for the year ended 30 June 2018, including the Director's report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors 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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

David Coogan
Partner

Melbourne
23 August 2018