ANNUAL REPORT 16-17

For the year 30 June 2017, for presentation and adoption at the 82nd Annual General Meeting to be held on Thursday, 2nd November 2017 at 10.00am at the United Service Club, 183 Wickham Terrace, Brisbane.

ABN: 70 087 649 456

CORE BUSINESS

To provide low cost funeral funding services (insurance and bonds) by means that are in the best interest of the members.

VISION

To be widely recognised as a successful and ethical provider of quality funeral services to an expanding membership base.

PURPOSE

To provide members' families with the ability to pay up-front funeral costs promptly.

VALUES

Sureplan is committed to:

- delivering value to our members through products
- maintaining the highest standards of integrity
- providing timely and responsive member service
- supporting and developing our people

Directors' Report
for the year ended 30 June 2017

The Directors of Sureplan Friendly Society Ltd present the report on the Consolidated Entity for the financial year ended 30th June 2017.

DIRECTORS

The name and particulars of the directors of the society in office for the whole of the financial year and up to the date of this report.

John Just PSM B.Bus., FCPA, FAICD
Independent Non-Executive Director
- Qualifications, Experience & Special Responsibilities:
  - Chairman from 3/7/2010
  - Retired Deputy Chief Executive (Resource Management) Queensland Police Service
  - Member of Audit, Due Diligence, Risk, Investment and Remuneration Committees
- Directors' Meetings attended: 12 of 13
- Fund Membership: Sureplan Family Fund

Geoffrey Woodcroft B.Bus., GradCert L & C, M.Leadership, GAICD
Independent Non-Executive Director
- Qualifications, Experience & Special Responsibilities:
  - Vice President Human Resources and Corporate Services, Peabody Australia
  - Member of Audit and Remuneration Committees
- Directors' Meetings attended: 4 of 13
- Fund Membership: Sureplan Family Fund

Jim Walsh LL.B, GAICD
Independent Non-Executive Director
- Qualifications, Experience & Special Responsibilities:
  - Deputy President, Administrative Appeals Tribunal
  - Member of Due Diligence, Investment and Risk Committees
- Directors' Meetings attended: 11 of 13
- Fund Membership: Sureplan Family Fund

Bill Wendt MBA, FAICD, MIMC, CMAHRI, MIIE
Independent Non-Executive Director
- Qualifications, Experience & Special Responsibilities:
  - Retired CEO Cadet Training & Employment
  - Member of Audit, Risk and Remuneration Committees
- Directors' Meetings attended: 10 of 13
- Fund Membership: Sureplan Gold

DIRECTOR / SECRETARY

Mary-Ann Cook B.Bus., GAICD
Non Independent Executive Director
- Qualifications, Experience & Special Responsibilities:
  - Managing Director, Sureplan Friendly Society Ltd,
  - Member of Due Diligence and Investment Committees
- Directors' Meetings attended: 13 of 13
- Fund Membership: Sureplan Family Fund

Number of Directors' meetings held during the year - 13

NUMBER OF COMMITTEE MEETINGS HELD DURING THE YEAR AS FOLLOWS:

Committee Details	No of meetings held	Committee Members	No of meetings attended
Audit (Chairman & 2 Directors)	3	John Just Geoff Woodcroft Bill Wendt (Chair)	3 1 3
Risk (Chairman & 2 Directors)	5	John Just Jim Walsh (Chair) Bill Wendt	4 5 3
Due Diligence (Chairman, Director & Managing Director)	0	John Just Jim Walsh Mary-Ann Cook	- - -
Investment (Chairman, Director & Managing Director)	3	John Just Jim Walsh Mary-Ann Cook	3 3 3
Remuneration (Chairman & 2 Directors)	1	John Just Geoff Woodcroft Bill Wendt	1 - 1

CORPORATE GOVERNANCE

This statement outlines the main corporate governance practices in place throughout the financial year.

Board of Directors

The Board's primary role is the protection and enhancement of members' benefits.

To fulfil this role, the Board is responsible for the overall corporate governance of the Economic Entity including risk and capital management processes, formulating its strategic direction, approving and monitoring capital expenditure, setting remuneration, removing and creating succession policies for directors and senior executives, establishing and monitoring the achievement of management's goals and ensuring the integrity of internal controls and management information systems.

It is also responsible for approving and monitoring financial and other reporting.

The Board has delegated responsibility for operation and administration of the Company to the Managing Director (MD). Responsibilities are delineated by formal authority delegations.

Board Processes

To assist in the execution of its responsibilities, the Board has established a number of Board Committees. They are:

- Audit
- Risk
- Investment
- Due Diligence
- Remuneration

These committees have written mandates and operating procedures, which are reviewed on a regular basis. The Board has established a framework for the management of the Economic Entity including a system of internal controls and a risk management framework.

Director Education

The Economic Entity has a formal process to educate new directors about the nature of the business, current issues, risk management, corporate strategy and the expectations concerning performance of directors. Directors are given access to continuing education opportunities to update and enhance their skills and knowledge.

Independent professional advice and access to company information

Each director has the right of access to all relevant Company information and to the Company's executives and, subject to prior consultation with the Chair, may seek independent professional advice from a suitably qualified advisor at the Economic Entity's expense.

Composition of the Board

The names of the directors of Sureplan Friendly Society Ltd in office at the date of this report, specifying which are independent, are set out in the Director's Report page 2. The composition of the Board is determined using the following principles:

- A minimum of 5 directors with a broad range of expertise
- A majority of independent non-executive directors
- A non-executive independent director as Chairperson
- Enough directors to serve on various committees without overburdening the directors or making it difficult for them to serve.

An independent director is a director who is not a member of management (a non-executive director) and who has not within the last three years been employed in an executive capacity by the Economic Entity. Directors may be considered as independent if they are free from any business or other association that could materially interfere with their independent judgement. The Economic Entity considers that service on the Board for a period greater than 20 years renders a director non-independent.

GUARANTEE

In the event of Sureplan Friendly Society Ltd ever being wound up members are subject to a guarantee not exceeding $2 per member, if liabilities exist. The total amount that the members of the company are liable to contribute if the company is wound up is $58,202 based on 29,101 current members.

OBJECTIVES

Short and Long Term Objectives

- To provide quality funeral funding products to current and new Members and to continue to develop product growth opportunities including channels such as agent networks, internet, strategic alliances and member recruitment campaigns;
- To provide competent, timely and responsive service to our Members and Agents and meet distribution expectations;
- To always comply with all APRA's Prudential Standards (particularly LAGIC) and maintain their confidence in our ability to satisfy these Standards going forward;
- To ensure the Society's investment strategies are sound, ethical and accord with risk tolerance levels set by the board as expressed in the Society's Risk Appetite Statement;
- To attract, retain and develop quality staff;
- To maintain effective and efficient business systems while operating in a low interest rate environment that has resulted in reduced cash flow into the Management Fund; and
- To ensure that the Society complies with all statutes regarding governance and provides strong strategic direction.

VALUES

Sureplan is committed to:

- delivering value to our Members through our products;
- maintaining the highest standards of integrity;
- providing timely and responsive member service; and
- supporting and developing our people

Principal Activities during the Year

The principal activities of the Society during the year were as follows:

The management and administration of:

- Sureplan Family Fund
- Sureplan Gold
- Sureplan Body Transportation Funeral Fund

The Society focuses exclusively on the management, development and administration of these funeral funds to ensure that results which are in the best interest of its members are achieved. These best results will be attained through meeting the identified operational and strategic objectives, the achievement of which will ensure the continuing supply of viable, relevant and cost effective funeral funding options to its members.

Likely future developments and expected results

In addition to our overall objectives our key thrust for the short term will be to: -

- To maintain current growth rates in Membership for Sureplan Gold and Sureplan Body Transportation Funeral Fund;
- To maintain existing Membership numbers for Sureplan Family Fund; and
- To achieve better than a breakeven financial result at 30/6/2018.

This focus is specifically driven by the current low interest environment.

Measurement of Performance

The Society has established a rigorous reporting and measurement regime where on monthly and quarterly bases operational results, recruitment levels and strategies are measured against budgeted benchmarks, Business and Strategic Plans. Progress toward targets is assessed and any remedial activity is determined. Specific success measures for all strategies have been determined and are incorporated into this regime.

Risk Management

In accordance with prudential requirements that took effect from 1/1/2014 Sureplan has established an Internal Capital Adequacy Assessment Process (ICAAP) to assess and manage our risk and for maintaining our capital levels commensurate with our Risk Appetite and business strategy.

This ICAAP Summary Statement is a high-level document that describes and summarises the risk management and capital assessment and management processes of the Society.

The objective of the Society's ICAAP is to ensure an appropriate level of capital is maintained by the Society at all times and to meet the requirements of stakeholders including the Australian Prudential Regulatory Authority (APRA) and members.

The ICAAP integrates the Society's risk and capital management processes. It provides the Board and management with a framework within which business planning, business targets and day-to-day decision-making will be made with consideration of the Society's Risk Appetite and the need to maintain capital adequacy. It is designed to reflect the size, nature and complexity of the Society. It is designed to meet the Society's needs in a timely and effective manner and to recognise that capital is the price for risk and that business decisions drive risk.

The Society's Board is responsible for ensuring an appropriate level and quality of capital is maintained given the risks arising from the activities of the Society. There were no breaches of the Society's ICAAP in 2016/2017.

From 1/9/2014 the Society has incorporated into its Risk Management Framework the role of a Chief Risk Officer (CRO). From 1/1/2016 Prudential standards require that the Society has a CRO who must be involved in, and have the authority to provide effective challenge to, activities and decisions that may materially affect the institution's risk profile. Because the CRO must be independent from business lines, other revenue-generating responsibilities and the finance function, the Society has outsourced this function.

The CRO has a direct reporting line to the MD, and has regular and unfettered access to the Board and the Risk Committee. The CRO is involved in the Society's strategy and business plan/budget formation and approval process. The CRO also provides input to the Appointed Actuary relevant to the Financial Condition Report, will provide advice on new product development, links to internal and external audits and provides specific risk and governance training to the Society's management and Board.

REVIEW OF OPERATIONS AND RESULTS OF OPERATIONS

Net profit for year

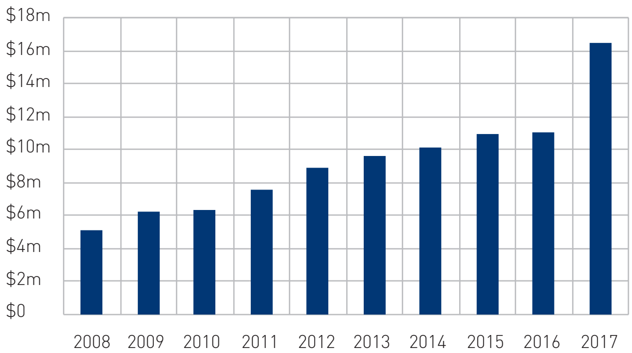
The 2016/2017 Operating Profit/Loss of the consolidated entity after income tax amounted to a profit of $184,248. In 2015/2016 it was a loss of ($195,609).

General

As noted in 2015/2016, the Society operates in an environment where global yields in wholesale markets are not only at historic lows but where the logical and usual reactions to influences in the market are not happening. This situation has not changed in 2016/2017. Sureplan must operate in a competitive, regulated environment with economic markets that are still dominated by uncertainty and volatility. These factors are exerting downward pressure on income as well as recruitment. The downward pressures on recruitment in Sureplan Gold and Sureplan Body Transportation Funeral Fund were mitigated by the changes to the age pension Assets Test, effective from 1/1/2017. These changes drove a significant increase in recruitment in this fund in 2016/2017. However, it is not anticipated that this level of recruitment will be sustained in 2017/2018 and these negative market forces will reimpose dominance.

This low-income environment has further impacted the Society in the areas of members' surplus distribution and Prudential Reserving requirements. In 2014/2015, to ensure that an acceptable bonus rate could be declared and that all Prudential reserving requirements would be met, the Board resolved that the management fee charged on Sureplan Gold would be reduced to 1.5% for future years, with the remaining 0.5% to be taken only if sufficient surplus has been earned.

The level of surplus and the management fees transferred were closely monitored and in 2015/2016 management fees were reduced more aggressively, to less than 1%. Less than 1% management fee was again taken in 2016/2017. The budget for 2017/2018 continues this trend with 1% management fee from Sureplan Gold and expenditure levels reflecting a reduced income environment. However, further losses are not expected.



SUREPLAN GOLD ANNUAL CONTRIBUTIONS $

All prudential reserving requirements in all the funds have been met during the year. Sureplan Gold paid a pretax bonus at the rate of 2.06%, which is higher than the rate paid in 2015/2016 (1.5%) and is a reasonable return in a historically low interest rate environment.

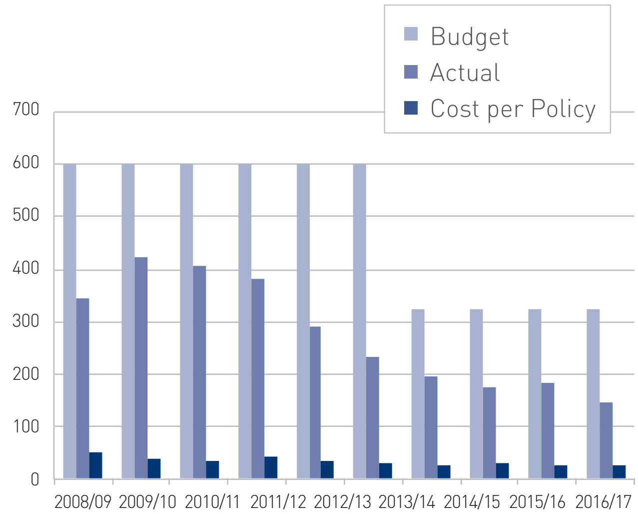
Sureplan needs to continue the successful strategy of positioning itself as a conservative and reliable funeral fund specialist that provides prompt and accurate service to members and channel partners. The preservation of members' funds is Gold's key objective and bonus rates will be both predictable and low in volatility by nature. However, they will reflect the low yields returned by investment in low risk assets.

The major operational focus has continued to be the improved marketing of Sureplan's products resulting in an overall expansion of the membership data base. Work continued this year on the Sureplan website, www.sureplan.com.au, with our focus still heavily aligned with modern communication channels, the existing agency network and commercial alliances. The success of this focus in Sureplan Gold has continued and while recruitment in Sureplan Family Fund is still a challenge, the strategy of increasing member numbers while at the same time decreasing recruitment costs remains a primary objective. However, the impact of the current economic uncertainty continues to stifle recruitment levels in Sureplan Family Fund while the changes to the age pension asset test in 2016/2017 resulted in the highest ever annual recruitment for Sureplan Gold and Sureplan Body Transportation Funeral Fund.

There were no other significant changes in the nature of activities of the Society during the year.

SUREPLAN FAMILY FUND

Sureplan Family Fund continues to meet all prudential capital requirements. This continuing ability is underpinned by the matching of the members' benefit liability with the long term (now 18 year) Treasury Corporation Victoria (TCV) bond. This strategy guarantees minimum earnings requirements over the long term. However, the zero-coupon nature of this investment is impacting on cash flow requirements for this fund. The Board has established a risk mitigation strategy of withholding a portion of management fee cash flow from the Management Fund since 2016/2017. This strategy will continue in 2017/2018 and future years. Cash flow requirements during this long period of zero coupon investments and low interest are modelled and closely monitored.



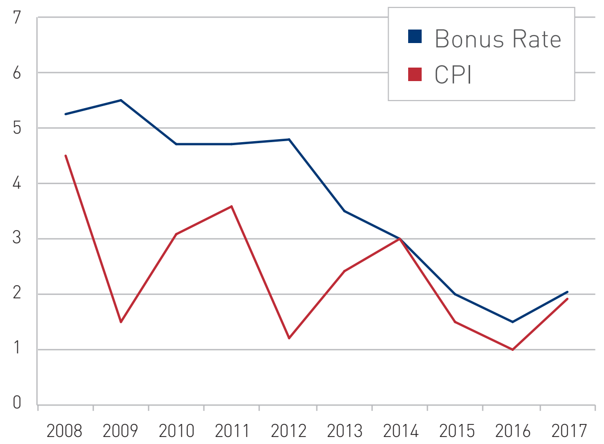
SUREPLAN FAMILY FUND RECRUITMENT

No bonus was declared in 2016/2017 as surpluses are still being retained to ensure that the fund meets all APRA reserving requirements during this continuing cycle of market volatility and depressed interest rates. However, the maturity bonus, established in recognition of the member's interest in the accruing surplus, was paid in 2016/2017 and will continue in 2017/2018 at the same rate as the previous years'. This bonus is included in the calculation of Members' benefits paid during the year.

Following APRA's approval of the rule change adopted by the members at the 2012/2013 Annual General Meeting a reserve of $10 million is carried as mitigation against regulatory risk.

Sureplan Family Fund had 15,398 current members at 30/6/2017, (2016: 15,561). The decline in membership numbers was due mainly to an increase in the number of members paid out in 2016/2017 and a decrease in recruitment numbers. Payouts in 2016/2017 increased by 30% over those in 2015/2016.

The Society is focused on positioning Sureplan Family Fund as a high value funeral insurance option that can save members significant premiums and deliver them a better-quality service.



SUREPLAN GOLD BONUS RATE/CPI

SUREPLAN GOLD

The fund had another successful year with recruitment well in excess of budget. However, this excess growth is attributable to the changes made, effective from 1/1/2017, to the Income and Assets Test that applies to pension entitlement. This change introduced an increased asset free threshold but was accompanied by a higher rate of pension reduction when the threshold was breached. Because an eligible investment in a funeral bond is exempt from the Income and Assets Test there was a significant movement of funds nationwide into funeral products. The size of this movement is not expected to continue and in fact recruitment has since returned to budgeted levels, but it will probably have a small long term impact on recruitment in the future. The average value of a bond at 30/6/2017 is $5,624 (2016: $5,279). As in previous years the ongoing growth and maintenance of the funeral director network is still a major focus.

The rate of bonus distribution for the year ending 30 June 2017 was 2.06% despite another difficult financial year of continuing low interest rates. This rate is reflective of the low risk investment strategy of this fund and the continuing low interest rate environment. Management fees were kept to below 1% to combat these influences and the Fund attained its target of returning CPI or better to its members. Sureplan Gold has historically produced returns that either met or exceeded CPI.

Surplus of $314,209 (2016: $164,086) was retained in excess of prudential reserving and to meet target surplus requirements. Target surplus is an amount of capital additional to a capital benchmark that a life insurance company chooses to hold, given its risk tolerance levels, to allow for adverse future experience. This fund had 12,703 current members at 30/6/2017 (2016: 12,574).

At the beginning of 2016/2017 all funds were invested in A- to AAAA rated government issued cpi bonds, government guaranteed term deposits, corporate floating and fixed interest bonds or term deposits, with durations that match the liability duration. However, due to the downgrade of Australian ADI's by S&P during the year some of the investments are now rated as BBB. The Board has approved the continuation of these investments.

SUREPLAN BODY TRANSPORTATION FUNERAL FUND

This fund has progressed steadily during the year and exceeded budgeted recruitment targets. There was one claim paid in 2016/2017. This fund had 1,255 current members at 30/6/2017 (2016: 1,084).

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

SIGNIFICANT AFTER BALANCE DATE EVENTS

There are no other matters or circumstances that have arisen since the end of the financial year that have significantly affected the operations of the Society, the results of those operations or the state of affairs of the Society, in future financial years.

Signed in accordance with a resolution of the Directors

DIRECTOR

Dated: 26th September 2017
Place: Brisbane

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Declaration of Independence

DECLARATION OF INDEPENDENCE BY P A GALLAGHER TO THE DIRECTORS OF SUREPLAN FRIENDLY SOCIETY LTD

As lead auditor of Sureplan Friendly Society Ltd for the year ended 30 June 2017, 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.

This declaration is in respect of Sureplan Friendly Society Ltd and the entities it controlled during the period.

P A Gallagher
Director

BDO Audit Pty Ltd

Brisbane, 26 September 2017

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2017

		Economic Entity		Parent Entity	
		2017	2016	2017	2016
	Note	$	$	$	$
Revenues	2	(1,649,099)	12,245,140	1,685,425	1,429,186
Expenses	3	1,639,439	(12,436,611)	(1,695,085)	(1,620,657)
Profit/(loss) before income tax		(9,660)	(191,471)	(9,660)	(191,471)
Income tax expense	4	193,908	(4,138)	193,908	(4,138)
Net profit/(loss) after income tax		184,248	(195,609)	184,248	(195,609)
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME		184,248	(195,609)	184,248	(195,609)

The accompanying notes form part of these financial statements.

Statement of Financial Position

as at 30 June 2017

	Note	Economic Entity		Parent Entity	
		2017	2016	2017	2016
		$	$	$	$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	1,133,399	917,319	127,400	459,895
Trade and other receivables	6	208,535	127,656	438,822	371,401
Financial assets at fair value through profit and loss	7	92,728,693	82,509,769	1,824,722	1,479,383
Other current assets	8	6,856	1,949	6,856	1,949
Current tax receivable	4	193,151	23,704	159,427	-
TOTAL CURRENT ASSETS		94,270,634	83,580,397	2,557,227	2,312,628
NON-CURRENT ASSETS					
Financial assets at fair value through profit and loss	9	45,325,937	50,168,635	-	-
Property, plant and equipment	10	30,462	24,124	30,462	24,124
Intangible assets	11	208,603	221,849	208,603	221,849
Deferred Tax assets	12	7,795	8,438	7,795	8,438
TOTAL NON-CURRENT ASSETS		45,572,797	50,423,046	246,860	254,411
TOTAL ASSETS		139,843,431	134,003,443	2,804,087	2,567,039
CURRENT LIABILITIES					
Trade and other payables	13	220,772	189,266	177,864	183,732
Short term provisions	14	654,962	592,508	654,962	592,508
Current tax liabilities	4	-	-	-	3,786
Policy liabilities	28	8,420,000	7,385,801	-	-
TOTAL CURRENT LIABILITIES		9,295,734	8,167,575	832,826	780,026
NON-CURRENT LIABILITIES					
Policy liabilities	28	118,576,436	114,048,855	-	-
TOTAL NON-CURRENT LIABILITIES		118,576,436	114,048,855	-	-
TOTAL LIABILITIES		127,872,170	122,216,430	832,826	780,026
NET ASSETS		11,971,261	11,787,013	1,971,261	1,787,013
EQUITY					
Retained earnings		1,971,261	1,787,013	1,971,261	1,787,013
Reserves		10,000,000	10,000,000	-	-
TOTAL EQUITY		11,971,261	11,787,013	1,971,261	1,787,013

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
for the year ended 30 June 2017

	Retained Earnings $	TOTAL $
ECONOMIC ENTITY		
Balance at 1 July 2015	11,982,622	11,982,622
Total comprehensive income for the year		
-Profit for the year	(195,609)	(195,609)
-Other Comprehensive income for the year	-	-
Total comprehensive income for the year	(195,609)	(195,609)
Balance at 30 June 2016	11,787,013	11,787,013
Total comprehensive income for the year		
- Profit for the year	184,248	184,248
- Other Comprehensive income for the year	-	-
Total comprehensive income for the year	184,248	184,248
Balance at 30 June 2017	11,971,261	11,971,261
PARENT ENTITY		
Balance at 1 July 2015	1,982,622	1,982,622
Total comprehensive income for the year		
-Profit for the year	(195,609)	(195,609)
-Other Comprehensive income for the year	-	-
Total comprehensive income for the year	(195,609)	(195,609)
Balance at 30 June 2016	1,787,013	1,787,013
Total comprehensive income for the year		
-Profit for the year	184,248	184,248
-Other Comprehensive income for the year	-	-
Total comprehensive income for the year	184,248	184,248
Balance at 30 June 2017	1,971,261	1,971,261

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the year ended 30 June 2017

	Note	Economic Entity		Parent Entity	
		2017	2016	2017	2016
		$	$	$	$
CASH FLOW FROM OPERATING ACTIVITIES					
Members contributions received		17,380,204	11,975,408	-	-
Members claims & withdrawals		(7,778,040)	(7,372,034)	-	-
Receipts from customers		442	187	1,544,149	1,167,726
Payments to suppliers and employees		(1,589,496)	(1,448,245)	(1,547,366)	(1,380,190)
Interest received		2,401,889	2,573,945	33,107	40,236
Income tax paid		287,678	(135,224)	30,695	(28,803)
Net investment income		(501,080)	(197,986)	-	-
Net cash provided by (used in) operating activities	21	10,201,597	5,396,051	60,585	(201,031)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(18,713)	(2,375)	(18,713)	(2,375)
Purchase of intangibles		(70,418)	(72,723)	(70,418)	(72,723)
Purchase of investments		(9,896,386)	(5,269,090)	(303,949)	522,112
Net cash provided by (used in) investing activities		(9,985,517)	(5,344,188)	(393,080)	447,014
Net increase/(decrease) in cash held		216,080	51,863	(332,495)	245,983
Cash at beginning of year		917,319	865,456	459,895	213,912
Cash at end of year	5	1,133,399	917,319	127,400	459,895

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

for the year ended 30 June 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, the Corporations Act 2001, and the Life Insurance Act 1995. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The financial report covers Sureplan Friendly Society Ltd as the individual parent entity and the combined benefit funds of Sureplan Friendly Society Ltd as an economic entity. Sureplan Friendly Society Ltd is a company limited by guarantee, incorporated and domiciled in Australia. The parent entity financial statements have been included by taking class order relief available under CO 10/654. For the purposes of preparing the financial statements Sureplan Friendly Society Ltd is a for profit mutual entity.

The Economic Entity incorporates the following benefit funds:

- Sureplan Family Fund
- Sureplan Gold Fund
- Sureplan Body Transportation Funeral Fund
- Sureplan Management Fund

The presentation currency of the financial report is Australian dollars. The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report was authorised for issue on 26th September 2017 by the directors of Sureplan Friendly Society Ltd.

Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected current assets, non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

a. Principles of Consolidation

A controlled entity is any entity Sureplan Friendly Society Ltd has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 1 to the financial statements above. All controlled entities have a June financial year end.

All inter-Economic Entity balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered, or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

b. Income Tax

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

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability 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.

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

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interests in joint ventures where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances relating to amounts recognised directly in other comprehensive income and equity are also recognised directly in other comprehensive income and equity, respectively.

Sureplan Friendly Society Ltd and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the Tax Consolidation Regime. Each entity in the group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The group notified the ATO that it had formed an income tax consolidated group to apply from 1 July 2005. The tax consolidated group has entered a tax sharing agreement whereby each Economic Entity in the group contributes to the income tax payable in proportion to their contribution to profit before tax of the tax consolidated group.

c. Property, Plant and Equipment

Each class of property, plant and equipment is stated at historical cost, including cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, less any accumulated depreciation and impairment losses.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets, is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	16.67% or 20 % Prime cost
Furniture and fittings	7.5% or 20% Prime cost
Computer equipment	16.67%, 20% or 25% Prime cost

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of 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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

d. Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the profit or loss in the period in which they arise. Assets in this category are classified as current assets in the Statement of Financial Position if they are expected to settle within 12 months; otherwise they are classified as non-current assets.

Held-to-maturity investments

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are recognised in other comprehensive income.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the profit or loss unless they are designated as hedges.

Fair Values

Fair values may be used for financial and non-financial asset and liability measurement as well as sundry disclosures.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the presumption that the transaction takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market. The principal or most advantageous market must be accessible to, or by, the group.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The fair value measurement of a non-financial asset takes into account the market participant's ability to generate economic benefits by using the asset at its highest and best use or by selling it to another market participant that would use the asset at its highest and best use.

In measuring fair value, the group uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

e. Impairment of Assets

At the end of each reporting period the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit and loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate recoverable amount for an individual asset, recoverable amount is determined for the cash-generating unit to which the asset belongs.

f. Employee Benefits

Provision is made for the Economic Entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

g. Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

h. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

i. Revenue

Revenue is recognised at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, allowances and duties and taxes paid. Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised using the effective interest method, using the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

j. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

k. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

l. New and amended standards and interpretations adopted during the year

The Group applied, for the first time, certain standards and amendments which are effective for annual periods beginning on or after 1 July 2016. The nature and the impact of each new standard and/or amendment are not expected to be significant.

New and amended standards and interpretations issued but not yet effective

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

New/revised pronouncements	Nature of change	Application date to the Group	Impact to the Group
AASB 9 *Financial Instruments* (December 2014)	The AASB has issued the complete AASB 9. The new standard includes revised guidance on the classification and measurement of financial assets, including a new expected credit loss model for calculating impairment, and supplements the new general hedge accounting requirements previously published. This supersedes AASB 9 (issued in December 2009-as amended) and AASB 9 (issued in December 2010).	1 July 2018	The Group has not yet assessed the full impact of this Standard.
AASB 15 *Revenue from Contracts with Customers*	The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.	1 July 2018	The Group has not yet assessed the full impact of this Standard.
AASB 16 (issued February 2017)	AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its balance sheet in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its balance sheet for most leases. There are some optional exemptions for leases with a period of 12 months or less and for low value leases. Lessor accounting remains largely unchanged from AASB 117.	1 July 2018	The Group has not yet assessed the full impact of this Standard.
AASB 2017-3 (issued May 2017)	Clarifies AASB 15 application issues relating to: • Identifying performance obligations • Principal vs. agent considerations • Licensing • Practical expedients.	30 June 2019	The Group has not yet assessed the full impact of this Standard.

m. Intangible Assets

Intangible assets that are acquired by the Economic Entity which have finite lives are measured at cost less accumulated amortisation.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit and loss.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Amortisation

Amortisation is recognised in profit and loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The amortisation rates used for each class of amortisable assets are:

Class of Fixed Asset	Amortisation Rate
Computer software	16.67 % Prime cost, Purchases from 1/7/2015 20%

n. Policy Liabilities Valuation

1) Sureplan Family Fund

Mortality probabilities of 15% lower than the Australian Life Tables 2010-12, unchanged from previous year.

Net discount rate of 2.08% which is based on:

Expected gross investment rate earnings	3.70%
Expected fund expenses rate	1.01%
Taxation rate 7.2%	0.12%
Future compound bonuses of	0.52%

Policy liabilities	$42,834,020
Future discretionary bonuses	$6,510,649
Maturity Bonus	$49,178
Retained surplus	$10,000,000
TOTAL	$59,393,847

2) Sureplan Body Transportation Funeral Fund

Liability valuations were calculated as the mean estimate assuming 1 in 20 deaths are eligible for funeral transport (occurring outside a 70km radius) and that the average cost of transport is $1,831.

The methodology above has been carried out with the following valuation assumptions:

- Mortality probabilities of 15% lower than the Australian Life Tables 2010-12, in line with the Family Fund mortality experience
- Net discount rate of .31% which is based on:
  - Expected gross investment rate earnings 2.31% less transfers from surplus at up to 2% of assets.
  - Expected fund expenses rate: Fund expenses of $5.00 p.a. per member
  - Taxation rate (taxed on profit) 0.00%

Policy Liabilities $108,888, fund expenses of 2% of assets $16,969,plus future fee expenses $93,036.

The increases from 2015/2016 arise from increased membership and a lower future investment earning rate.

3) Sureplan Gold Fund

Members' liabilities in this fund have been valued as the present value of all future benefits payable to members' nominees at current account balances. Due to the choice of valuation assumptions, the best estimate of policy liabilities is equal to the sum of members' account balances as at the valuation date.

Sureplan claims a tax deduction for the investment income component of a funeral benefit when paid.

The deduction creates a tax credit. The value of the tax credit is added to the benefit paid, but only if Sureplan has sufficient assessable income to allow for the deduction claimed.

4) Sureplan Gold Fund Provisional Bonus Allocation

Bonuses allocated to members who have not been a member for greater than 12 months do not vest in the member until 12 months' membership is attained.

o. Critical accounting estimates and judgements

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group

Key estimates — Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

For benefit fund actuarial assumptions refer to Note 1(n).

p. Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the economic eentity as lessee are classified as operating leases. Payments made under operating leases are charged to profit and loss over the period of the lease.

q. Capital Adequacy Position

Following are the capital requirements for the Society at 30 June 2017 reported in compliance with Prudential Standard LPS 110.

Capital components of the Management Fund and all Benefit Funds aggregated are:

	Net Assets	Policy Liabilities	Surplus	DTA	PCA
Sureplan Family Fund	59,393,848	49,393,848	10,000,000	-	-
Sureplan Gold Fund	77,383,695	77,383,695	-	-	-
Sureplan Body Transportation Funeral Fund	218,893	218,893	-	-	-
Sureplan Management Fund	1,971,261	-	1,971,261	-	362,886
	138,967,697	126,996,436	11,971,261	-	362,886
Regulatory adjustments			-		
Common Equity Tier 1 Capital			11,971,261		
Tier 2 Capital			-		
Total Capital Base of Society			11,971,261		
PCA			362,886		
Multiple			32.99		

NOTE 2: REVENUE

	Economic Entity		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
Operating revenue				
- Revenue from Benefit Funds	-	-	1,597,442	1,398,962
	-	-	1,597,442	1,398,962
Net Investment income				
- Interest received	2,482,356	2,351,443	46,593	38,616
- Fair value movement of financial assets at fair value through the profit and loss	(4,520,159)	9,003,055	41,390	(8,392)
- Net Gain on sale/maturity of Bonds	(500,668)	(10,254)	-	-
Revenue Component of member contributions	888,930	900,710	-	-
Other Income	442	186	-	-
Total Income	(1,649,099)	12,245,140	1,685,425	1,429,186

NOTE 3: EXPENSES

	Economic Entity		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
Claims Expense	738,874	562,662	-	-
Member Liability Revaluation	(5,276,975)	14,605,685	-	-
Depreciation of plant and equipment	12,375	11,838	12,375	11,838
Amortisation of computer software	83,664	80,316	83,664	80,316
Net expense resulting in movements in provision for employee entitlements	23,022	24,321	23,022	24,321
Superannuation contributions expense	60,264	58,586	60,264	58,586
Employment Expenses	604,754	602,879	604,754	602,879
Accommodation Expenses	61,735	73,865	61,735	73,865
Marketing Expenses	431,153	401,933	431,153	401,933
Administration Expenses	497,622	414,779	418,118	366,919
Transfer to Policy Liability	1,124,073	(4,400,253)	-	-
	(1,639,439)	12,436,611	1,695,085	1,620,657

NOTE 4: INCOME TAX

	Economic Entity		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
Current tax expense				
Income tax expense/(benefit) comprises:				
Current tax expense/ (benefit)	(193,908)	4,138	(193,908)	4,138
Deferred tax expense	-	-	-	-
	(193,908)	4,138	(193,908)	4,138
Numerical reconciliation of income tax expense to prima facie tax payable.				
Profit before income tax	(9,660)	(191,471)	(9,660)	(191,471)
	(9,660)	(191,471)	(9,660)	(191,471)
Prima facie tax/(benefit) on operating profit at 30% (2016:30%)	(2,898)	(57,441)	(2,898)	(57,441)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Management Fees	(479,233)	(419,689)	(479,233)	(419,689)
Allocation of Management Fund expense	-	(2,592)	-	(2,592)
Expenses directly allocated	-	259,267	-	259,267
Management Fund expenses	-	226,930	-	226,930
Non-Deductable Management Fund expenses	21,512	-	21,512	-
Imputation Credits	(604)	(802)	(604)	(802)
Taxable Trust Distributions	6,384	1,082	6,384	1,082
Timing differences	(4,046)	486	(4,046)	486
Non-Taxable movement Investments	(12,417)	2,518	(12,417)	2,518
Tax loss	470,698	-	470,698	-
Under/Over adjustments	(34,616)	-	(34,616)	-
Provision for Deferred Tax Asset	(158,688)	-	(158,688)	-
Transfer Society tax credits	-	(5,621)	-	(5,621)
Income tax expense	(193,908)	4,138	(193,908)	4,138
Tax Assets				
Current tax receivable	193,151	23,704	159,427	-
Tax liabilities				
Provision for Income Tax	-	-	-	3,786

NOTE 5: CASH AND CASH EQUIVALENTS

	Economic Entity		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
Cash at bank (at call interest paid monthly)				
Effective interest rate .6% (2016: .75%)	1,133,199	917,119	127,200	459,695
Petty Cash	200	200	200	200
	1,133,399	917,319	127,400	459,895

NOTE 6: TRADE AND OTHER RECEIVABLES

	Economic Entity		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
Sundry Debtors	-	-	419,778	366,254
Accrued Interest	203,150	122,683	13,659	174
Other receivables	5,385	4,973	5,385	4,973
	208,535	127,656	438,822	371,401

There are no balances within trade and other receivables that contain assets that are impaired or past due

NOTE 7: FINANCIAL ASSETS

	Economic Entity		Parent Entity	
FINANCIAL ASSETS AT FAIR VALUE THROUGH THE PROFIT AND LOSS	2017	2016	2017	2016
	$	$	$	$
Other Managed Public Securities at fair value	74,620,497	70,403,931	996,686	955,296
Term Deposits (30 days to less than 2 years' duration at market rates weighted average interest rate of 2.65% (2016: 3.64%) at fair value.	18,034,261	12,023,168	828,036	524,087
Cash Enhanced Funds at fair value.	73,935	82,670	-	-
	92,728,693	82,509,769	1,824,722	1,479,383

NOTE 8: OTHER CURRENT ASSETS

	Economic Entity		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
Prepaid Expenses	6,856	1,949	6,856	1,949

NOTE 9: LONG TERM FINANCIAL ASSETS

	Economic Entity		Parent Entity	
FINANCIAL ASSETS AT FAIR VALUE THROUGH THE PROFIT AND LOSS	2017	2016	2017	2016
	$	$	$	$
Other Managed Public Securities at fair value	6,419,058	6,372,154	-	-
State Government Treasury Bonds at fair value.	38,906,879	43,796,481	-	-
	45,325,937	50,168,635	-	-

NOTE 10: PROPERTY, PLANT & EQUIPMENT

	Economic Entity		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
Plant & equipment at cost	136,966	118,254	136,966	118,254
Accumulated depreciation	(106,504)	(94,130)	(106,504)	(94,130)
Net carrying value	30,462	24,124	30,462	24,124
Movements in plant & equipment				
Opening balance	24,124	33,587	24,124	33,587
Additions	18,713	2,375	18,713	2,375
Depreciation	(12,375)	(11,838)	(12,375)	(11,838)
Closing Balance	30,462	24,124	30,462	24,124

NOTE 11: INTANGIBLES

	Economic Entity		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
Computer Software	590,611	520,193	590,611	520,193
Accumulated amortisation	(382,008)	(298,344)	(382,008)	(298,344)
Net carrying value	208,603	221,849	208,603	221,849
Movements in Software				
Opening balance	221,849	229,443	221,849	229,443
Additions	70,418	72,723	70,418	72,723
Amortisation	(83,664)	(80,317)	(83,664)	(80,317)
Closing Balance	208,603	221,849	208,603	221,849

NOTE 12: DEFERRED TAX ASSETS

Deferred tax assets comprise temporary differences attributable to:	Economic Entity		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
Sureplan Gold Members Tax Credits	7,795	8,438	7,795	8,438
	7,795	8,438	7,795	8,438
Sureplan Gold Members Tax Credits				
Opening Balance	8,438	9,243	8,438	9,243
Maturities	(643)	(805)	(643)	(805)
Closing Balance	7,795	8,438	7,795	8,438
Total movements	(643)	(805)	(643)	(805)

Sureplan Gold Members Tax Credits were incurred in 2003 and 2004 and are payable on the maturity of the associated bonds.

NOTE 13: TRADE AND OTHER PAYABLES

	Economic Entity		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
Trade account payables	30,800	11,934	30,800	11,934
Sundry creditors and accruals	123,467	119,745	80,559	114,211
Accrued employee benefits	66,505	57,587	66,505	57,587
	220,772	189,266	177,864	183,732

Contractual cash flows from trade and other payables are equal to their carrying amounts. Trade and other payables are all contractually due within 6 months of year end.

NOTE 14: SHORT TERM PROVISIONS

	Economic Entity		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
Provision for employees Long Service Leave	165,088	150,985	165,088	150,985
Provision for Directors' Retirement Benefit	489,874	441,523	489,874	441,523
	654,962	592,508	654,962	592,508

Movements in Provision for Directors' Retirement Benefit				
Opening balance	441,523	386,483	441,523	386,483
Withdrawals	-	-	-	-
Additions	48,351	55,040	48,351	55,040
Closing Balance	489,874	441,523	489,874	441,523

NOTE 15: AUDITORS' REMUNERATION

	Economic Entity 2017 $	Economic Entity 2016 $	Parent Entity 2017 $	Parent Entity 2016 $
Remuneration of the auditor of the parent entity for:				
- auditing or reviewing the financial report	29,480	33,000	29,480	33,000
- taxation services	15,400	20,000	15,400	20,000
	44,880	53,000	44,880	53,000

NOTE 16: KEY MANAGEMENT PERSONNEL COMPENSATION

	Short-term benefits		Post employment benefit		
	Salary & Fees	Bonus	Other	Long-term Benefits Superannuation	Total
2017 Total Compensation	632,667	-	-	60,264	692,931
2016 Total Compensation	619,220	-	-	58,586	677,806

Remuneration shown as short-term benefits means (where applicable) wages, salaries, annual leave and sick leave, profit-sharing and bonuses, value of fringe benefits received, but excludes out of pocket expense reimbursements. All remuneration to Directors was approved by the members at the previous Annual General Meeting of the Society. There are no other transactions with Key Management Personnel

NOTE 17: LEASE COMMITMENTS PAYABLE

	Economic Entity 2017 $	Economic Entity 2016 $	Parent Entity 2017 $	Parent Entity 2016 $
Lease commitments payable due within the following time band:				
– Less than 1 year	63,896	61,735	63,896	61,735
– Greater than 1 year but less than 5 years	205,422	198,475	205,422	198,475
– Greater than 5 years	104,309	175,152	104,309	175,152
	373,627	435,362	373,627	435,362

Lease commitments are for accommodation at Ground Floor, 133 Leichhardt St, Spring Hill.
The lease commenced on 1/12/2016 and expires on 1/12/2022 with a 7-year option.

NOTE 18: RELATED PARTY INFORMATION

a. Directors

Directors in office during the financial year were:

- John Just (Chairman)
- Geoffrey Woodcroft
- James Walsh
- Mary-Ann Cook (Executive Director)
- Bill Wendt

b. Transactions with directors

The directors, as members, made contributions to Sureplan Family Fund and Sureplan Gold during the current and prior year, which are trivial in nature and within normal member relationships on terms and conditions no more favourable than those which it is reasonable to expect would have been adopted if dealing with the director at arm's length in the same circumstances.

c. Controlled entities

Management fees are received from Sureplan Family Fund, Sureplan Gold and Sureplan Body Transportation Funeral Fund in accordance with the benefit fund rules. Detail of the management fee income brought to account is disclosed in Note 2.

Sureplan Friendly Society Ltd is the ultimate parent entity.

NOTE 19: CONTINGENT LIABILITIES

The Society has a loan facility of $300,000 (2016: $300,000) in place with the Commonwealth Bank as required under an agreement for access to the bank's PDC (Direct debit) system. This facility has not been used.

NOTE 20: PRINCIPAL PLACE OF BUSINESS

Sureplan Friendly Society Ltd is a non-listed public company, incorporated in Australia, with its registered Office and principal place of business Ground Floor, 133 Leichhardt Street, Spring Hill, Qld. Principal activities of the company are the management of three benefit funds.

NOTE 21: CASH FLOW INFORMATION

	Economic Entity		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT AFTER INCOME TAX				
Net Profit/(Loss)	184,248	(195,609)	184,248	(195,609)
Depreciation/ Amortisation	96,039	92,154	96,039	92,154
Increase/(decrease) in receivables	(80,880)	34,770	(66,779)	(229,616)
Increase/(decrease) in other current assets	(4,906)	33,805	(4,906)	33,805
(Increase)/decrease in accounts payable	22,587	14,951	(14,787)	35,147
Transfer to provision for employee entitlements	71,373	79,361	71,373	79,361
Transfers to tax provisions	(168,803)	(144,197)	(163,213)	(24,665)
Revaluation Investments	4,520,159	(9,003,056)	(41,390)	8,392
Movement in Member Liability	5,561,780	14,483,872	-	-
Net cash from operating activities	10,201,597	5,396,051	60,585	(201,031)

NOTE 22: EVENTS AFTER THE BALANCE SHEET DATE

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected the operations of the Society, the results of those operations or the state of affairs of the Society.

NOTE 23: MEMBER'S GUARANTEE

In the event of Sureplan Friendly Society Ltd ever being wound up members are subject to a guarantee not exceeding $2.00 per member, if liabilities exceed assets.

NOTE 24: FINANCIAL RISK MANAGEMENT

The Economic Entity has exposure to credit risk, liquidity risk and market risk through its transactions in a range of financial instruments including:

- Cash assets;
- Term deposits;
- Government and Commercial Paper; and
- Units in managed trusts.

This note presents information about the Economic Entity's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and the oversight of the risk management framework. The Board has established the Risk Committee, which is responsible for developing and monitoring risk management policies. The committee reports regularly to the Board of Directors on its activities. The Board has also appointed a Chief Risk Officer whose role is, to be involved in and have authority, to provide effective challenge to activities and decision making that may materially affect Sureplan's risk profile. This position is an outsourced function.

NOTE 24: FINANCIAL RISK MANAGEMENT (CONT.)

Risk management policies are established to identify and analyse the risks faced by the Economic Entity, to set appropriate risk limits and controls, and to monitor risk and adherence to limits.

The Economic Entity's Audit Committee oversees how management monitors compliance with the Economic Entity's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk faced by the Economic Entity. The Audit Committee is assisted in its oversight by Internal Audit. Internal audit is an outsourced function that undertakes regular reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit Risk

Credit risk is defined as the risk of a counterparty default. For the Economic Entity it arises from default by financial institutions. The maximum exposure to credit risk at reporting date is represented by the carrying amount of the company's financial assets.

To mitigate this risk, investments are to be made in accordance with the Benefit Fund rules and the Investment Policy approved by the Board for each fund. This is monitored by the Investment Committee and compliance reported to the Board. The Board limits all investments in cash and short term securities to issuers with a credit rating equal to or greater than P2 (Moody's Investor Services) or BBB (S&P Australian Ratings).

The economic entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the economic entity.

Liquidity Risk

Liquidity risk is the risk that the Economic Entity will not be able to meet its financial obligations as they fall due. The key risk is that liquid funds will not be available to meet funeral benefits as members die.

To mitigate this risk, investments are to be made in accordance with the Benefit Fund rules and the Investment Policy approved by the Board for each fund. This is to be monitored by the Investment Committee and compliance reported to the Board. The Managing Director is to include the estimated member liability in the Balance Sheet of the Fund's monthly report so that any material mismatch in the assets and liabilities can be identified. The Prudential Capital Requirements of each fund must be complied with at all times.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Economic Entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Society has no direct material exposure to market risk other than interest rate risk. The Society is indirectly exposed to equity price risk and has elected to disclose information in relation to this.

Interest Rate Risk

The Economic Entity is not exposed to interest rates on borrowings but is susceptible to fluctuations in interest rates on cash and cash equivalents and on investments. Unfavourable fluctuations in the market value of investments impacts directly on the performance of individual member's investments with the Society. This may have adverse effects on the Society's ability to attract new members/investment in its products.

To mitigate this risk, investments are to be made in accordance with the Benefit Fund rules and the Investment Policy approved by the Board for each fund. This is monitored by the Investment Committee and compliance reported to

NOTE 24: FINANCIAL RISK MANAGEMENT (CONT.)

the Board. The primary goal of the Economic Entity's investment strategy is to maximize investment return for its members while minimising risk, given the investment profile of each fund's members. Management is assisted by external advisors in this regard.

Current interest rate exposure is as follows:

- Fixed Interest Rate $117.85 million
- Floating Interest Rate $15.16 million

Interest Rate Risk Sensitivity Analysis

At 30 June 2017, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Economic Entity		Parent Entity	
	2017	2016	2017	2016
CHANGE IN PROFIT	$	$	$	$
Increase in interest rate by 1%	24,824	23,514	466	386
Decrease in interest rate by 1%	(24,824)	(23,514)	(466)	(386)

Equity Price Risk

The Economic Entity has exposure to equity markets through its investments in units in managed trusts. The key risk is that fluctuations in equity values will result in the Economic Entity not being able to meet prudential solvency and capital adequacy requirements.

To mitigate this risk, investments are to be made in accordance with the Benefit Fund rules and the Investment Policy approved by the Board for each fund. This is to be monitored by the Investment Committee and compliance reported to the Board. The Investment Policies restrict exposure to equity markets to those funds whose liability duration matches equity duration and volatility cycles. A strategic investment of $15.5 million in Treasury Corporation of Victoria, zero coupon, 30 year bond was made to offset the volatility of equity price risk.

If the ASX 200 were to decline by 10%, the Society's listed investments would decline by $505,148

If the ASX 200 were to increase by 10%, the Society's listed investments would increase by $505,148

Capital Risk Management

The Society considers its capital to consist of its accumulated retained earnings.

In managing its capital, the Society's primary objective is to ensure its continued ability to meet its promised members' benefits and to provide a consistent return for its members through a combination of capital growth and bonus allocation.

This policy balances risk and returns at an acceptable level and also maintains a sufficient funding base to enable the Society to meet its working capital and strategic investment needs.

NOTE 25: FAIR VALUE OF FINANCIAL INSTRUMENTS

a) The carrying amounts and fair values of our financial assets are shown below:

	As at 30 June 2017		As at 30 June 2016	
ECONOMIC ENTITY	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets	$	$	$	$
Term Deposits	18,034,261	18,034,261	12,023,168	12,023,168
Commercial Paper	46,305,317	46,305,317	41,886,724	41,886,724
Government Paper	68,663,569	68,663,569	74,028,942	74,028,942
Units in Managed Trusts	5,051,483	5,051,483	4,739,570	4,739,570
	138,054,630	138,054,630	132,678,404	132,678,404

	As at 30 June 2017		As at 30 June 2016	
PARENT ENTITY	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets	$	$	$	$
Term Deposits	828,036	828,036	524,087	524,087
Commercial Paper	503,496	503,496	498,384	498,384
Units in Managed Trusts	493,190	493,190	456,912	456,912
	1,824,722	1,824,722	1,479,383	1,479,383

The carrying amounts and fair values of our financial liabilities are shown below:

	As at 30 June 2017		As at 30 June 2016	
ECONOMIC ENTITY	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities	$	$	$	$
Policy Liabilities	126,996,436	126,996,436	121,434,656	121,434,656

NOTE 25: FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT.)

b) Fair value estimates

The fair value estimates were determined as follows:

Investments

(i) Assets measured at cost: Fair value is not reasonably determinable due to the unpredictable nature of cash flow and lack of suitable method of arriving at a reliable fair value.

(ii) Assets measured at fair value: Fair values of financial assets available for sale are determined based on quoted market prices.

(iii) Assets measured at amortised cost: The carrying values of financial assets held to maturity approximate their fair value due to short-term maturities of these securities.

Fair value hierarchy

The Group measures fair values of financial instruments using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument;

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using:

- quoted market prices in active markets for similar instruments
- quoted prices for identical or similar instruments in markets that are considered less than active; or
- other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values for financial instruments traded in active markets are based on quoted market prices at reporting date. The quoted market price for financial assets is the current bid price. The fair value of financial instruments that are not traded in an active market are determined using valuation techniques. To the extent possible assumptions used are based on observable market prices and rates at the end of the reporting date.

NOTE 25: FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT.)

The table below categorises financial instruments measured and recognised at fair value at the reporting date by the level of the fair value hierarchy into which the fair value measurement is categorised.

	Level 1	Level 2	Level 3	TOTAL
Economic Entity	$	$	$	$
2017				
Financial assets at fair value through profit and loss	99,147,751	38,906,879	-	138,054,630
2016				
Financial assets at fair value through profit and loss	88,881,923	43,796,481	-	132,678,404
Parent Entity				
2017				
Financial assets at fair value through profit and loss	1,824,722	-	-	1,824,722
2016				
Financial assets at fair value through profit and loss	1,479,383	-	-	1,479,383

The group's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

There have been no significant transfers into or out of each level during the year ended 30 June 2017 or the prior year.

Valuation techniques used to derive Level 2 fair values recognised in the financial statements

The following table sets out the valuation techniques used to measure fair value within Level 2, including a description of the significant inputs used.

Description	Valuation approach and inputs used
Financial assets at fair value through profit and loss	Actuarial valuation of bonds is undertaken using comparisons to similar investments for which market observable prices are available.

NOTE 26: INTEREST RATE RISK

Interest Rate Risk

The economic entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets, is as follows:

	Weighted Average Effective Fixed Interest Rate		Interest Rate: Fixed Interest Within 1 Year		Fixed Interest 1 to 5 years		Fixed Interest Greater than 5 years		Floating Interest Rate		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	%	%	$	$	$	$	$	$	$	$	$	$
ECONOMIC ENTITY FINANCIAL ASSETS:												
Cash and cash equivalents	.60	1.05	-	-	-	-	-	-	1,133,399	917,320	1,133,399	917,320
Investments	3.21	3.73	18,034,261	15,804,568	37,097,647	5,515,150	62,714,816	75,135,946	15,156,423	31,483,170	133,003,147	127,938,834
Total Financial Assets			18,034,261	15,804,568	37,097,647	5,515,150	62,714,816	75,135,946	16,289,822	32,400,490	134,136,546	128,856,154

The Total Financial Assets figure above does not include $5,051,483 (2016: $4,739,570) assets in Unit Trusts

			Fixed Interest Within 1 Year		Floating Interest Rate		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	%	%	$	$	$	$	$	$
PARENT ENTITY FINANCIAL ASSETS:								
Cash and cash equivalents	.10	.10	-	-	127,400	459,895	127,400	459,895
Investments	2.68	2.68	828,036	524,087	503,496	498,384	1,331,532	1,022,471
Total Financial Assets			828,036	524,087	630,896	958,279	1,458,932	1,482,366

The Total Financial Assets figure above does not include $493,190 (2016: $456,912) assets in Unit Trusts

NOTE 27: MATURITY PROFILE FINANCIAL LIABILITIES

Maturity Profile of Financial Liabilities

	Within 1 Year		1 -5 Years		Over 5 Years		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	$	$	$	$	$	$	$	$
ECONOMIC ENTITY FINANCIAL LIABILITIES:								
Trade and other Payables	220,772	189,266	-	-	-	-	220,772	189,266
Member's Liability	8,420,000	7,385,801	27,377,285	23,529,992	91,199,151	90,518,863	126,996,436	121,434,656
Total Financial Liabilities	8,640,772	7,575,067	27,377,285	23,529,992	91,199,151	90,518,863	127,217,208	121,623,922

	Within 1 Year		Total	
	2017	2016	2017	2016
	$	$	$	$
PARENT ENTITY FINANCIAL LIABILITIES:				
Trade and other Payables	177,864	183,732	177,864	183,732
Total Financial Liabilities	177,864	183,732	177,864	183,732

NOTE 28: BENEFIT FUND SUMMARY FOR THE YEAR ENDED 30 JUNE 2017

	Sureplan Family Fund	Sureplan Gold	Sureplan BTFF	All Benefit Funds
	$	$	$	$
BENEFIT FUND ALLOCATED SURPLUS				
Value of Policy Liabilities (start of period prior to surplus allocation)	54,720,212	65,707,405	169,504	120,597,121
Allocation of surplus as at previous reporting date	-	665,011	-	665,011
Liability component of contributions	-	16,491,274	-	16,491,274
Withdrawals	-	(6,804,368)	-	(6,804,368)
Allocation of surplus	-	1,002,370	-	1,002,370
Actuarial revaluation	(5,326,364)	-	49,389	(5,276,975)
Member's Tax Credit	-	7,794	-	7,794
Value of Policy Liabilities (end of period)	49,393,848	77,069,486	218,893	126,682,227
BENEFIT FUND PROFIT AND LOSS				
Net investment income	(4,505,269)	1,874,733	4,082	(2,626,454)
Revenue component of contributions	837,930	-	51,000	888,930
Other income	442	-	-	442
Fees to management fund	(869,439)	(728,003)	-	(1,597,442)
Claims expense	(738,160)	-	(715)	(738,875)
Members liability revaluation	5,326,364	-	(49,389)	5,276,975
Other expenses	(48,452)	(26,272)	(4,779)	(79,503)
Income tax expense	(3,416)	32,035	(199)	28,420
Profit/loss after tax	-	1,152,493	-	1,152,493
Unallocated Surplus (start of period)	-	164,086	-	164,086
Surplus allocated to members	-	(894,902)	-	(894,902)
Provisional allocation to members	-	(107,468)	-	(107,468)
Unallocated Surplus (end of period)	-	314,209	-	314,209
TOTAL MEMBER FUNDS				
Current Liability				8,420,000
Non-Current Liability				118,576,436
Reserves				10,000,000
(Value of Policy Liabilities plus Unallocated Surplus)				136,996,436
BENEFIT FUND BALANCE SHEET SUMMARY				
Net Assets (Total Member Funds)	49,393,848	77,383,695	218,893	126,996,436
Other Liabilities	357,813	94,103	4,320	456,236
Reserves	10,000,000	-	-	10,000,000
Total Assets	59,751,661	77,477,798	223,213	137,452,672

Directors' Declaration

The directors of Sureplan Friendly Society Ltd declare that:

a) The accompanying financial statements are in accordance with the *Corporations Act 2001* and:
   i. comply with Accounting Standards and the Corporations Regulations 2001;
   ii. give a true and fair view of the financial position for the year ended 30 June 2017 and the performance for the year ended on that date; and
   iii. comply with International Financial Reporting Standards as disclosed in note 1.

b) The allocation and distribution of the surplus of the benefit funds of the company have been made in accordance with Division 5 of Part 4 of the *Life Insurance Act 1995* and the benefit fund rules of each fund; and

c) No assets of any benefit fund have been applied or invested in contravention of the Act; and

d) As at the date of the statement, there are reasonable grounds to believe that the company and each of its benefit funds, will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the directors.

DIRECTOR

Dated: 26th September 2017

Place: Brisbane

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Fax: +61 7 3221 9227
www.bdo.com.au

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GPO Box 457 Brisbane QLD 4001
Australia

Independent Auditor's Report

To the members of Sureplan Friendly Society Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Sureplan Friendly Society Ltd (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of Sureplan Friendly Society Ltd, is in accordance with the *Corporations Act 2001*, including:

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

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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 are independent of the Group in accordance with 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.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' 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 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 in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that 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 group 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 Group or to cease operations, or has 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 this 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 (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO

Paul Gallagher

P A Gallagher
Director

Brisbane, 26 September 2017

SUREPLAN FAMILY FUND

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		$	$
INVESTMENT INCOME			
Interest		236,656	279,042
Changes in net market values	4	(4,729,474)	9,903,968
TOTAL INVESTMENT INCOME		(4,492,818)	10,183,010
Direct investment expense		12,451	15,047
NET INVESTMENT INCOME		(4,505,269)	10,167,963
Revenue component of member contributions		837,930	879,210
Other Income	5	442	186
TOTAL INCOME		(3,666,897)	11,047,359
OPERATING EXPENSES			
Fees to management fund	11	869,439	831,112
Claims expense		738,160	562,662
Member liability revaluation		(5,326,364)	14,584,959
Other expenses	2	48,452	18,742
TOTAL OPERATING EXPENSES		(3,670,313)	15,997,475
OPERATING PROFIT/LOSS BEFORE INCOME TAX		3,416	(4,950,116)
Income Tax Expense	3	3,416	(13,051)
OPERATING PROFIT/LOSS AFTER INCOME TAX		-	(4,937,065)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		-	(4,937,065)
Unallocated Surplus or Deficiency at the beginning of the reporting period			
Transfer to Reserves		-	4,937,065
TOTAL AVAILABLE FOR ALLOCATION		-	-
Allocated to members		-	-
UNALLOCATED SURPLUS OR DEFICIENCY AT THE END OF THE REPORTING PERIOD		-	-

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		$	$
ASSETS			
Cash and Cash Equivalents	6	392,216	17,099
Trade and other receivables	7	32,375	59,010
Financial Assets	8	59,327,070	65,001,854
TOTAL ASSETS		59,751,661	65,077,963
LIABILITIES			
Trade and other payables	9	357,813	357,751
TOTAL LIABILITIES		357,813	357,751
NET ASSETS		59,393,848	64,720,212
MEMBERS FUNDS			
Value of Policy Liabilities	10	49,393,848	54,720,212
Unallocated Surplus/Deficiency		-	-
Reserves		10,000,000	10,000,000
TOTAL BENEFIT FUND MEMBERS' FUNDS		59,393,848	64,720,212

The accompanying notes form part of these financial statements.

NOTE 1: SUMMARY OF ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared for use by members of the company which has been drawn up in accordance with the Life Insurance Act 1995. The directors have determined that the fund is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards:

AASB 1031:	Materiality
AASB 110:	Events after the Balance Sheet Date
AASB 101:	Presentation of Financial Statements
AASB 108:	Accounting Policies, Changes in Accounting and Errors

No other Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International financial Reporting Standards.

The financial report is also prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Financial Assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorized as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the Statement of Comprehensive Income in the period in which they arise.

b) Interest Rate Risk

The fund is not exposed to any material risk from interest rates. Financial Assets and Liabilities disclosed in the accounts are non interest bearing except as otherwise disclosed.

c) Financial Assets and Liabilities

The carrying amount of Financial Assets and Liabilities recorded in the financial statements are disclosed at net fair values as determined by reference to expected future net cash flows.

d) Credit Risk Exposure

The maximum credit risk exposure of Financial Assets is represented by the carrying amounts of assets recognised in the Statement of Financial Position net of any provision for losses. The fund does not have any significant concentrations of credit risk with any single counterparty or group of counterparties with the exception of funds invested with recognised financial institutions or state governments.

e) Receivables

Receivables represent the principal amounts due at balance date less, where applicable, any provision for doubtful debts.

f) Income Recognition

Rental income is brought to account when due under the terms of the lease. Trust distributions are brought to account when the right to receive the distribution is established.

g) Depreciation of Property, Plant and Equipment

Investments in properties are not depreciated.

h) Accounts Payable

Accounts payable represent the principal amounts outstanding at balance date plus where applicable any accrued interest.

i) Policy Liabilities Valuation

Sureplan Family Fund

Mortality probabilities of 15% lower than the Australian Life Tables 2010-12, unchanged from the previous year.

- Net discount rate of 2.08% which is based on:

Expected gross investment rate earnings	3.70%
Expected fund expenses rate	1.01%
Taxation rate 7.2%	0.12%
Future compound bonuses of	0.52%

Policy liabilities	$42,834,020
Future discretionary bonuses	$6,510,649
Maturity Bonus	$49,178
Retained surplus	$10,000,000
TOTAL	$53,393,847

NOTE 2: OTHER EXPENSES

	2017	2016
	$	$
Actuary & Valuation Fees	26,400	14,000
Bank fees & taxes	20,765	3,089
Stamp Duty	1,287	1,653
	48,452	18,742

NOTE 3: INCOME TAX

TAX EFFECT OF POLICIES SOLD POST 31/12/2002
INCOME TAX EXPENSE

The amount provided in respect of income tax differs from the amount prima facie payable on operating surplus. The difference is reconciled as follows:

	2017	2016
	$	$
Operating Surplus before tax	-	(4,950,116)
Prima facie tax on operating profit at 30%	-	(1,485,035)
Add tax effect of Permanent differences (exempt income)	(221,989)	1,269,854
Tax Loss	(3,797)	-
Under/Over Adjustment	527	-
Assessable Income	228,675	202,130
Income tax attributable to operating surplus	3,416	(13,051)

NOTE 4: CHANGES IN NET MARKET VALUE

SECURITIES HELD AT REPORTING DATE:		
State Government Treasury Bonds	(4,889,602)	9,507,159
Other public securities	160,128	396,809
	(4,729,474)	9,903,968

NOTE 5: OTHER INCOME

Miscellaneous income	442	186

NOTE 6: CASH AND CASH EQUIVALENTS

Cash at bank (At call, interest paid monthly)		
(Effective interest rate of .60% (2016: 1.05%)	392,216	17,099

NOTE 7: TRADE AND OTHER RECEIVABLES

Sundry Debtors	26,773	60
Accrued Income	5,602	58,950
	32,375	59,010

NOTE 8: FINANCIAL ASSETS

	2017	2016
	$	$
Units in Managed Investment	4,558,293	4,282,658
Term Deposits	1,000,000	1,700,000
Effective interest rate 2.53% (2016: 5.96%)		
Other Managed Public Securities at fair value	6,419,058	6,372,154
State Government Treasury Bonds - held to maturity	47,349,719	52,647,042
	59,327,070	65,001,854
MATURITY ANALYSIS		
Not longer than 3 months	4,558,293	5,982,658
Longer than 6 months but less than 1 year	1,000,000	-
Other Managed Public Securities greater than 4 years but less than 10 years	6,419,058	6,372,154
CPI Bonds maturity November 2035	8,442,840	8,850,561
Maturity October 2035 Face Value $75.3 million	38,906,879	43,796,481
	59,327,070	65,001,854
Disclosure based on the 3 level Fair Value hierarchy		
Financial Assets at fair value through profit and loss		
Level 1	20,420,191	21,205,373
Level 2	38,906,879	43,796,481
	59,327,070	65,001,854

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets have been based on closing quoted bid prices at reporting date, excluding transaction costs.

In valuing unlisted investments, included in Level 2 of the hierarchy, valuation techniques such as those using comparisons to similar investments for which market observable prices are available have been adopted to the fair values of these investments.

NOTE 9: TRADE AND OTHER PAYABLES

Provision for Income Tax	(26,944)	-
Sundry creditors	384,757	357,751
	357,813	357,751

NOTE 10: TRANSFERS TO OR FROM VALUE OF POLICY LIABILITIES

	2017	2016
	$	$
MEMBERS LIABILITIES		
Balance/liability at the beginning of the period	54,720,212	40,135,253
Revaluation of liabilities by actuarial review	(5,326,364)	14,584,959
Allocation of surplus during the year	-	-
Balance/ liability at the end of the period	49,393,848	54,720,212

NOTE 11: TRANSFER TO OR FROM MANAGEMENT FUND

Fees transferred to the management fund in accordance with benefit fund rules	869,439	831,112

NOTE 12 : PRESCRIBED CAPITAL AMOUNT

Prescribed Capital Amount in accordance with Prudential Standard LPS 110	-	-

NOTE 13: AUDITOR'S REMUNERATION

Auditors remuneration is incurred by the management fund. No remuneration is paid by the benefit fund.

SUREPLAN GOLD FUND

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 $	2016 $
INVESTMENT INCOME			
Interest		2,195,025	2,030,399
Changes in net market values	4	(320,292)	(887,728)
TOTAL INVESTMENT INCOME		1,874,733	1,142,671
TOTAL INCOME		1,874,733	1,142,671
OPERATING EXPENSES			
Fees to management fund	10	728,003	567,850
Other expenses	2	26,272	24,958
TOTAL OPERATING EXPENSES		754,275	592,808
OPERATING PROFIT/LOSS BEFORE INCOME TAX		1,120,458	549,863
Income Tax Expense	3	(32,035)	214,890
OPERATING PROFIT/LOSS AFTER INCOME TAX		1,152,493	334,973
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		1,152,493	334,973
Unallocated Surplus or Deficiency at the beginning of the reporting period		164,086	494,124
Transfers to/from management fund		-	-
TOTAL AVAILABLE FOR ALLOCATION		1,316,579	829,097
Allocated to members		894,902	619,660
Provisional Allocation to members		107,468	45,351
UNALLOCATED SURPLUS OR DEFICIENCY AT THE END OF THE REPORTING PERIOD		314,209	164,086

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	2017 $	2016 $
ASSETS			
Cash and Cash Equivalents	5	593,264	389,170
Trade and other receivables	6	181,696	84,964
Financial Assets	7	76,702,838	66,078,026
TOTAL ASSETS		77,477,798	66,552,160
LIABILITIES			
Trade and other payables	8	94,103	7,220
TOTAL LIABILITIES		94,103	7,220
NET ASSETS		77,383,695	66,544,940
MEMBER FUNDS			
Value of Policy Liabilities	9	77,069,486	66,380,854
Unallocated Surplus/Deficiency		314,209	164,086
TOTAL BENEFIT FUND MEMBERS' FUNDS		77,383,695	66,544,940

The accompanying notes form part of these financial statements.

NOTE 1 : SUMMARY OF ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared for use by members of the company which has been drawn up in accordance with the Life Insurance Act 1995. The directors have determined that the fund is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards:

AASB 1031:	Materiality
AASB 110:	Events after the Balance Sheet Date
AASB 101:	Presentation of Financial Statements
AASB 108:	Accounting Policies, Changes in Accounting Estimates and Errors

No other Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International financial Reporting Standards.

The financial report is also prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Basis of Accounting

Assets and Liabilities are measured at fair value as at the reporting date. Any revaluation increment or decrement that arises as a result of the valuation of assets and liabilities is included as revenue or expense in the Statement of Comprehensive Income.

b) Interest Rate Risk

The fund is not exposed to any material risk from interest rates. Financial Assets and Liabilities disclosed in the accounts are non interest bearing except as otherwise disclosed.

c) Financial Assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorized as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the Statement of Comprehensive Income in the period in which they arise.

d) Credit Risk Exposure

The maximum credit risk exposure of Financial Assets is represented by the carrying amounts of assets recognised in the Statement of Financial Position net of any provision for losses. The fund does not have any significant concentrations of credit risk with any single counterparty or group of counterparties with the exception of funds invested with recognized financial institutions.

e) Receivables

Receivables represent the principal amounts due at balance date less, where applicable, any provision for doubtful debts.

f) Accounts payable

Accounts payable represent the principal amounts outstanding at balance date plus where applicable any accrued interest.

g) Financial Assets

Term deposits and Corporate Bonds are recorded at fair value. Realised and unrealised gains and losses are included in the income statement in the period in which they arise.

h) Income Recognition

Interest income is brought to account on an accrual basis.

i) Policy Liabilities Valuation

Members' liabilities in this fund have been valued as the present value of all future benefits payable to members' nominees at current account balances. Due to the choice of valuation assumptions, the best estimate of policy liabilities is equal to the sum of members' account balances as at the valuation date.

Sureplan claims a tax deduction for the investment income component of a funeral benefit when paid. The deduction creates a tax credit. The value of the tax credit is added to the benefit paid, but only if Sureplan has sufficient assessable income to allow for the deduction to be claimed.

j) Provisional Bonus Allocation

Bonuses allocated to members who have not been a member for greater than 12 months do not vest in the member until 12 months membership is attained.

NOTE 2: OTHER EXPENSES

	2017	2016
	$	$
Actuary Fees	4,770	5,400
Bank Fees & Taxes	5,702	3,551
Legal Fees	15,800	16,007
	26,272	24,958

NOTE 3: INCOME TAX

TAX EFFECT OF BONDS SOLD POST 31/12/2002.
INCOME TAX EXPENSE

The amount provided in respect of income tax differs from the amount prima facie payable on operating surplus. The difference is reconciled as follows:

Operating Surplus	1,120,458	549,863
Prima facie tax on operating profit at 30%	336,137	164,959
Add tax effect of Permanent differences (exempt income)	153,350	49,931
Tax Loss	(282,999)	-
Under/Over Adjustment	(238,523)	-
Income tax attributable to operating surplus	(32,035)	214,890

NOTE 4 : CHANGES IN NET MARKET VALUE

	2017 $	2016 $
SECURITIES HELD AT REPORTING DATE		
Gov Treasury Bonds and Other Managed Public Securities	180,376	(877,474)
Net Gains/(Loss) on disposal/maturity of securities	(500,668)	(10,254)
	(320,292)	(887,728)

NOTE 5 : CASH AND CASH EQUIVALENTS

Cash at bank (At call, interest paid monthly, weighted average effective interest rate of .60%)(2016: 1.05%)	593,264	389,170

NOTE 6: TRADE AND OTHER RECEIVABLES

Accrued Interest	181,696	60,351
Sundry Debtors	-	24,613
	181,696	84,964

NOTE 7: FINANCIAL ASSETS

Gov Treasury Bonds and Other Managed Public Securities at fair value (weighted effective average interest rate of 3.67%)(2016: 2.91%)	60,696,613	56,398,086
Term Deposits (weighted effective average interest rate of 2.66%)(2016: 3.02%)	16,006,225	9,679,940
	76,702,838	66,078,026
Maturity Analysis		
Not longer than 3 months	3,341,416	3,632,249
Longer than 3 months but not longer than 6 months	6,848,419	11,412,681
Longer than 6 months but not longer than 12 months	6,816,390	14,904,343
Longer than 1 year but not longer than 2 years	1,038,640	250,000
Longer than 2 year but not longer than 3 years	26,377,788	-
Longer than 3 years but not longer than 8 years	31,280,185	35,878,753
	75,702,838	66,078,026
Disclosure based on the 3 level Fair Value hierarchy		
Financial Assets at fair value through profit and loss		
Level 1	75,702,838	66,078,026

Included within Level 1 of the hierarchy are listed investments. The fair value of these financial assets have been based on the closing quoted bid prices at reporting date, excluding transaction costs.

NOTE 8: TRADE AND OTHER PAYABLES

	2017	2016
	$	$
Sundry Creditors	100,883	7,997
Provision for Income Tax	(6,780)	(777)
	94,103	7,220

NOTE 9: TRANSFERS TO OR FROM VALUE OF POLICY LIABILITIES

MEMBERS LIABILITIES		
Balance/liability at the beginning of the period prior to surplus allocation (excluding tax credits)	65,707,405	60,404,252
Allocation of surplus as at previous reporting date	619,660	758,813
Allocation of Provisional Bonus previous year	45,351	63,256
Liability component of contributions	16,491,274	11,074,699
Withdrawals	(6,804,368)	(6,593,615)
Member's Tax Credits	7,794	8,438
Bal/liability at the end of the period prior to annual allocation	76,067,116	65,715,843
Proposed allocation of surplus (annual)	1,002,370	665,011
Balance/liability at the end of the period	77,069,486	66,380,854

NOTE 10: TRANSFERS TO OR FROM MANAGEMENT FUND

Fees transferred to the management fund in accordance with benefit fund rules	728,003	567,850

NOTE 11 : PRESCRIBED CAPITAL AMOUNT

Prescribed Capital Amount in accordance with Prudential Standard LPS 110	-	-

NOTE 12: AUDITOR'S REMUNERATION

Auditors remuneration is incurred by the management fund. No remuneration is paid by the benefit fund.

SUREPLAN BODY TRANSPORTATION FUNERAL FUND

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		$	$
INVESTMENT INCOME			
Interest		4,082	3,386
TOTAL INVESTMENT INCOME		4,082	3,386
Revenue Component of member contributions		51,000	21,500
TOTAL INCOME		55,082	24,886
OPERATING EXPENSES			
Fees to management fund	9	-	-
Claim Expenses		715	-
Other expenses	2	4,779	4,160
Member liability revaluation		49,389	20,726
TOTAL OPERATING EXPENSES		54,883	24,886
OPERATING PROFIT/LOSS BEFORE INCOME TAX		199	-
Income Tax Expense	3	199	-
OPERATING PROFIT/LOSS AFTER INCOME TAX		-	-
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		-	-
Unallocated Surplus or Deficiency at the beginning of the reporting period		-	-
Transfers to/from management fund		-	-
TOTAL AVAILABLE FOR ALLOCATION		-	-
Allocated to members		-	-
UNALLOCATED SURPLUS OR DEFICIENCY AT THE END OF THE REPORTING PERIOD		-	-

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	2017	2016
		$	$
ASSETS			
Cash and Cash Equivalents	4	20,519	51,156
Trade and other receivables	5	2,694	3,208
Financial Assets	6	200,000	119,140
TOTAL ASSETS		223,213	173,504
LIABILITIES			
Trade and other payables	7	4,320	4,000
TOTAL LIABILITIES		4,320	4,000
NET ASSETS		218,893	169,504
MEMBER FUNDS			
Value of Policy Liabilities	8	218,893	169,504
Unallocated Surplus/Deficiency		-	-
TOTAL BENEFIT FUND MEMBERS' FUNDS		218,893	169,504

The accompanying notes form part of these financial statements.

NOTE 1: SUMMARY OF ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared for use by members of the company which has been drawn up in accordance with the Life Insurance Act 1995. The directors have determined that the fund is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards:

AASB 1031:	Materiality
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AASB 108:	Accounting Policies, Changes in Accounting Estimates and Errors

No other Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International financial Reporting Standards.

The financial report is also prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Basis of Accounting

Assets and Liabilities are measured at net market values as at the reporting date. Any revaluation increment or decrement that arises as a result of the valuation of assets and liabilities is included as revenue or expense in the Statement of Comprehensive Income.

b) Interest Rate Risk

The fund is not exposed to any material risk from interest rates. Financial Assets and Liabilities disclosed in the accounts are non interest bearing except as otherwise disclosed.

c) Financial Assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the Statement of Comprehensive Income in the period in which they arise.

d) Credit Risk Exposure

The maximum credit risk exposure of Financial Assets is represented by the carrying amounts of assets recognised in the Statement of Financial Position net of any provision for losses. The fund does not have any significant concentrations of credit risk with any single counterparty or group of counterparties with the exception of funds invested with recognised financial institutions.

e) Receivables

Receivables represent the principal amounts due at balance date less, where applicable, any provision for doubtful debts.

f) Accounts payable

Accounts payable represent the principal amounts outstanding at balance date plus where applicable any accrued interest.

sureplan BODY TRANSPORTATION FUNERAL FUND

g) Financial Asset

Term deposits are recorded at fair value. Realised and unrealised gains and losses are included in the income statement in the period in which they arise.

h) Income Recognition

Interest income is brought to account on an accrual basis.

i) Policy Liabilities Valuation

Sureplan Body Transportation Funeral Fund

Liability valuations were calculated as the mean estimate assuming 1 in 20 deaths are eligible for funeral transport (occurring outside a 70km radius) and that the average cost of transport is $1,831.

The methodology above has been carried out with the following valuation assumptions:

- Mortality probabilities of 15% lower than the Australian Life Tables 2010-12, in line with Family Fund mortality experience
- Net discount rate of 0.31% which is based on:
  Expected gross investment rate earnings 2.31% less transfers from surplus at up to 2% of assets
  Expected fund expenses rate: Fund expenses of $5.00 p.a. per member.
  Taxation rate (taxed on profit) 0.00%

Policy Liabilities $108,888, fund expenses of 2% of assets $16,969 plus future fee expenses $93,036.
The increases from 2015/2016 arise from increased membership and a lower future investment earning rate.

NOTE 2: OTHER EXPENSES

	2017	2016
	$	$
Actuary Fees	4,320	4,000
Other Expenses	85	-
Stamp Duty	374	160
	4,779	4,160

NOTE 3: INCOME TAX

TAX EFFECT OF POLICIES SOLD POST 31/12/2002
INCOME TAX EXPENSE

The amount provided in respect of income tax differs from the amount prima facie payable on operating surplus. The difference is reconciled as follows:

Operating Surplus	-	-
Prima facie tax on operating profit at 30%	-	-
Add tax effect of permanent differences (exempt income)	191	-
Society Tax Loss	8	-
Income tax attributable to operating surplus	199	-

NOTE 4: CASH AND CASH EQUIVALENTS

	2017 $	2016 $
Cash at bank (At call, interest paid monthly, weighted average effective interest rate of 0%)(2016: 0%)	20,519	51,156

NOTE 5: TRADE AND OTHER RECEIVABLES

Sundry Debtors	500	-
Accrued Interest	2,194	3,208
	2,694	3,208

NOTE 6: FINANCIAL ASSETS

Term Deposits (weighted effective average interest rate of 2.55%)(2016: 3.6%)	200,000	119,140
Maturity Analysis		
Less than 6 months	200,000	119,140
	200,000	119,140
Disclosure based on the 3 level Fair Value hierarchy Financial Assets at fair value through profit and loss		
Level 1	200,000	119,140

NOTE 7: TRADE AND OTHER PAYABLES

Trade Creditors	4,320	4,000
	4,320	4,000

NOTE 8: TRANSFERS TO OR FROM VALUE OF POLICY LIABILITIES

	2017 $	2016 $
MEMBERS LIABILITIES		
Balance/liability at the beginning of the period	169,504	148,778
Revaluation of Liabilities by actuarial review	49,389	20,726
Allocation of surplus during the year	-	-
Balance/liability at the end of the period	218,893	169,504

NOTE 9: TRANSFERS TO OR FROM MANAGEMENT FUND

Fees transferred to the management fund in accordance with benefit fund rules	-	-

NOTE 10: TAX ASSETS

Deferred Tax Asset	-	-

NOTE 11 :PRESCRIBED CAPITAL AMOUNT

Prescribed Capital Amount in accordance with Prudential Standard LPS 110	-	-

NOTE 12: AUDITOR'S REMUNERATION

Auditors remuneration is incurred by the management fund. No remuneration is paid by the benefit fund.

NOTES

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