ANNUAL REPORT 18 19

For the year 30 June 2019, for presentation and adoption at the 84th Annual General Meeting to be held on Thursday, 7th November 2019 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 funding 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

CONTENTS

Directors' Report
for the year ended 30 June 2019

The Directors of Sureplan Friendly Society Ltd present the report on the Consolidated Entity for the financial year ended 30th June 2019.

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.

Jim Walsh LL.B, GAICD
Independent Non-Executive Director
- Qualifications, Experience & Special Responsibilities:
  - Retired Deputy President, Administrative Appeals Tribunal
  - Member of Due Diligence, Investment, Remuneration and Risk Committees
- Directors' Meetings attended: 11 of 11
- 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, Due Diligence and Remuneration Committees
- Directors' Meetings attended: 7 of 11
- 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: 7 of 11
- Fund Membership: Sureplan Gold

Russell Cole B.Com, FCA
Independent Non-Executive Director
- Qualifications, Experience & Special Responsibilities:
  - Director & Chair of Audit and Risk Committee, PTB Group Ltd
  - Director Lansdowne Corporate Services
  - Member of Risk, Audit and Investment Committees
- Directors' Meetings attended: 11 of 11
- Fund Membership: Sureplan Family Fund

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: 11 of 11
- Fund Membership: Sureplan Family Fund

Number of Directors' meetings held during the year - 11

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)	1	Geoff Woodcroft Bill Wendt (Chair) Russell Cole	1 1 1
Risk (Chairman & 2 Directors)	4	Jim Walsh Bill Wendt Russell Cole (Chair)	4 4 4
Due Diligence (Chairman, Director & Managing Director)	-	Geoff Woodcroft Jim Walsh (Chair) Mary-Ann Cook	- - -
Investment (Chairman, Director & Managing Director)	4	Russell Cole Jim Walsh (Chair) Mary-Ann Cook	4 4 4
Remuneration (Chairman & 2 Directors)	1	Jim Walsh Geoff Woodcroft (Chair) 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 Directors' 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 $60,454 based on 30,227 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 the Australian Prudential Regulation Authority's (APRA) Prudential Standards 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 30/6/2020.

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

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 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 2018/2019.

The Society has incorporated into its Risk Management Framework the role of a Chief Risk Officer (CRO). 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 2018/2019 Operating Profit/Loss of the consolidated entity after income tax, amounted to a profit of $79,167. In 2017/2018 it was a profit of $52,199.

General

As noted in 2017/2018, 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 2018/2019.

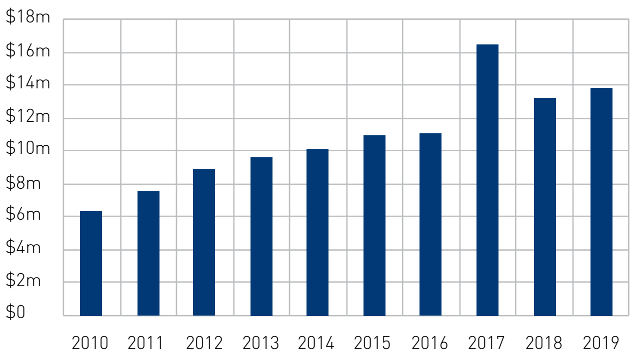
Directors' Report (cont.)

for the year ended 30 June 2019

Sureplan operates in a competitive, regulated environment with economic markets that are still dominated by uncertainty and volatility. These factors are exerting downward pressure on income.

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 2016/2017 management fees were reduced more aggressively, to an effective rate of less than 1% and have remained at that level. However, the budget for 2019/2020 has increased Management Fees from Gold by 0.10% to a maximum of 1.10%. This slight increase is necessary to offset significantly increased regulatory fees and insurance premiums. These increases have been driven, in part, by the findings of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (Royal Commission).

Changes to the age pension Assets Test, effective from 1/1/2017 drove a significant increase in recruitment in Sureplan Gold in 2016/2017 and have continued, albeit at a lower rate in 2018/2019. Sureplan expects to see a small residual increase in recruitment over the long-term driven by these changes.



SUREPLAN GOLD ANNUAL CONTRIBUTIONS $

All prudential reserving requirements in all the funds have been met during the year. Sureplan Gold paid a pre-tax bonus at a rate of 2%, which is slightly lower than the rate paid in 2017/2018 (2.10%) but is a reasonable return in a historically low interest rate environment.

In 2018/2019 Sureplan continued 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, with this focus still heavily aligned with modern communication channels, the existing agency network and commercial alliances. However, these distribution channels will be threatened by the recommendation made by the Royal Commission to remove the exemption in the Corporations Act 2001 (Corps Act) for funeral expenses policies. This exemption, (Regulation 7.1.07D) exempts a funeral expenses policy from the definition of a financial product under the Corps Act. The rationale for relief was that a funeral expenses policy, where provided for the sole purpose of paying in the future for a funeral, did not warrant regulation by the licensing and disclosure provisions of the Corps Act. All of Sureplan's funeral funds will be designated as financial products and will be fully subject to Chapter 7 of the Corps Act. Distribution of our products will be significantly impacted by these proposed changes.

In response to the ongoing negative funeral insurance press emanating from the Royal Commission and the impact of potential Corps Act changes, Sureplan reminds members of the additional consumer protection derived from their investment in a friendly society product. There are two major differences between a friendly society and an ordinary life insurance company.

Firstly, friendly societies are comprised of multiple benefit funds and the assets of each fund, by law, must be quarantined or separated. The assets of a fund can only be used for the payment of benefits to members of that fund and all net earnings must be retained in that fund for the benefit of members. Therefore, assets cannot be moved from fund to fund for the purpose of, say, improving the performance of one fund. This is compared to life company funeral insurance in which the premiums are normally paid into a central pool managed by the life company.

Secondly, the rules of each fund operated by a friendly society must receive APRA approval and when doing this APRA must act in the best interest of members. This removes any chance that the rules of a fund can be changed to reduce member benefits unilaterally by a friendly society.

This unique "benefit fund" structure that ensures the assets of a fund are segregated from other assets of the society, together with the broader authority possessed by APRA, does result in a higher relative level of protection for consumers of friendly societies compared to consumers of other institutions.

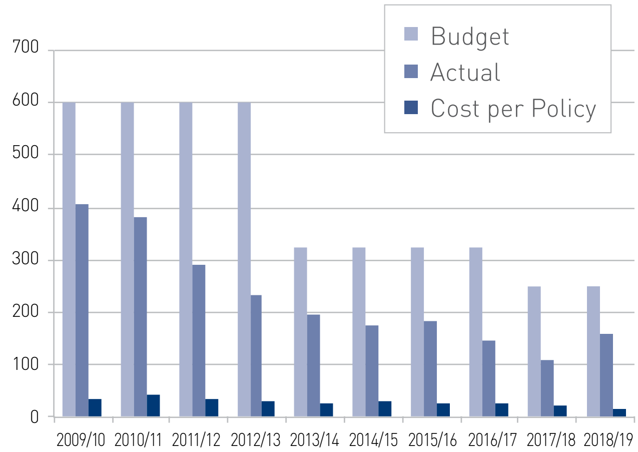
There were no other significant changes in the nature of activities of the Society during the year.

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 16 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 2019/2020 and future years. Cash flow requirements during this long period of zero-coupon investments and low interest are modelled and closely monitored.

No bonus was declared in 2018/2019 as surpluses are still being retained to ensure that the fund meets all APRA reserving requirements during this continuing cycle of market volatility and lowering interest rates. Until income has been realised and assets reinvested disclosed surplus does not give an indication of distributable surplus. However, the maturity bonus, established in recognition of the member's interest in the accruing surplus, was paid in 2018/2019 and will continue in 2019/2020 at the same rate as 2018/2019. 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. However, the continuing decline in the cash rate may result in this reserve being utilised to meet prudential reserving requirements.



SUREPLAN FAMILY FUND RECRUITMENT

Further, in response to the ongoing negative funeral insurance press, Sureplan would like to remind members of the core attributes of Sureplan Family Fund that set it apart from the disreputable products highlighted by the Royal Commission;

- *Full immediate cover* - from the date of membership acceptance a member is covered for both accidental death and death by natural causes - death by suicide is not covered within first 24 months
- *Lifetime cover* - even though premiums are only payable until the member reaches 60 the benefit continues for a lifetime
- *Low fixed premiums* - premiums will never rise
- Twelve-month period of grace - a policy will only be cancelled when premiums are unpaid for at least 12 months
- *Immediate payment of benefits* - the total benefit will be paid to the nominee within 1 working day of Sureplan receiving advice as to the death of a member.

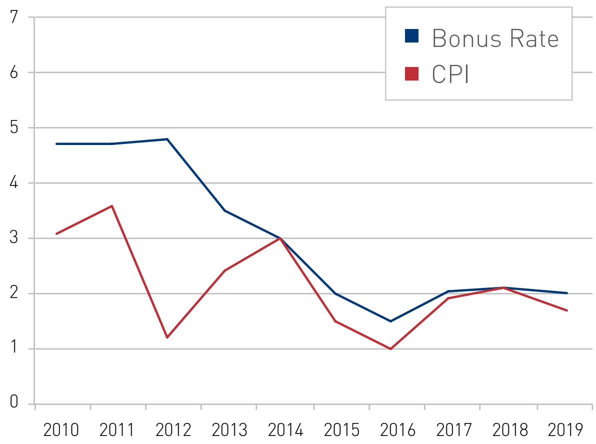
Sureplan Family Fund had 15,126 current members at 30/6/2019 (2018: 15,224). The fund paid 12 policies in 2018/2019 to unclaimed moneys. This is a timely reminder to members to keep their contact details current.

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

The fund had another successful year with recruitment in excess of budget. The average value of a bond at 30/6/2019 is $6,064 (2018: $5,865). As in previous years the ongoing growth and maintenance of the funeral director network is still a major focus but will be materially impacted by proposed changes to the Corps Act.

The rate of bonus distribution for the year ending 30 June 2019 was 2% despite another difficult financial year of declining cash rates. The bonus 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% in 2018/2019 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.



SUREPLAN GOLD BONUS RATE/CPI

Surplus of $1,635,670 (2018: $324,327) was retained 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. A significant portion of the 2018/2019 surplus is attributable to unrealised short-term market movements and is therefore not distributable.

This fund had 15,101 current members at 30/6/2019 (2018: 14,358)

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 that 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. There were no claims made in 2018/2019. This fund had 1,432 current members at 30/6/2019 (2018: 1,359).

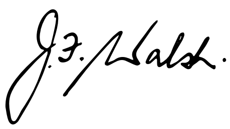
AUDITOR'S INDEPENDENCE DECLARATION

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: 24th September 2019
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 2019, 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 year.

P A Gallagher
Director

BDO Audit Pty Ltd

Brisbane, 24 September 2019

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2019

		Economic Entity		Parent Entity	
		2019	2018	2019	2018
	Note	$	$	$	$
Revenues	2	18,045,559	6,436,203	1,837,244	1,703,073
Expenses	3	(17,966,392)	(6,295,018)	(1,758,077)	(1,561,888)
Profit/(loss) before income tax		79,167	141,185	79,167	141,185
Income tax expense	4	-	(88,986)	-	(88,986)
Net profit/(loss) after income tax		79,167	52,199	79,167	52,199
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME		79,167	52,199	79,167	52,199

The accompanying notes form part of these financial statements.

Statement of Financial Position

as at 30 June 2019

	Note	Economic Entity		Parent Entity	
		2019	2018	2019	2018
		$	$	$	$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	1,077,832	833,870	312,949	56,039
Trade and other receivables	6	222,982	281,579	1,027,210	741,269
Financial assets at fair value through profit and loss	7	110,081,111	100,507,851	1,380,701	1,654,617
Other current assets	8	1,744	6,812	1,744	6,812
Current tax assets	4	72,145	98,065	68,941	69,702
TOTAL CURRENT ASSETS		111,455,814	101,728,177	2,791,545	2,528,439
NON-CURRENT ASSETS					
Financial assets at fair value through profit and loss	9	59,609,984	47,669,912	-	-
Property, plant and equipment	10	10,483	17,397	10,483	17,398
Intangible assets	11	89,798	137,875	89,798	137,874
Deferred Tax assets	12	6,175	6,717	6,175	6,717
TOTAL NON-CURRENT ASSETS		59,716,440	47,831,901	106,456	161,989
TOTAL ASSETS		171,172,254	149,560,078	2,898,001	2,690,428
CURRENT LIABILITIES					
Trade and other payables	13	217,770	164,888	194,500	151,125
Short term provisions	14	600,873	515,843	600,874	515,843
Current tax liabilities	4	260,927	-	-	-
Policy liabilities	28	10,430,520	9,618,298	-	-
TOTAL CURRENT LIABILITIES		11,510,090	10,299,029	795,374	666,968
NON-CURRENT LIABILITIES					
Policy liabilities	28	147,559,537	127,237,589	-	-
TOTAL NON-CURRENT LIABILITIES		147,559,537	127,237,589	-	-
TOTAL LIABILITIES		159,069,627	137,536,618	795,374	666,968
NET ASSETS		12,102,627	12,023,460	2,102,627	2,023,460
EQUITY					
Retained earnings		2,102,627	2,023,460	2,102,627	2,023,460
Reserves	28	10,000,000	10,000,000	-	-
TOTAL EQUITY		12,102,627	12,023,460	2,102,627	2,023,460

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2019

	Reserves	Retained Earnings	TOTAL
	$	$	$
ECONOMIC ENTITY			
Balance at 1 July 2017	10,000,000	1,971,261	11,971,261
Total comprehensive income for the year			
-Profit for the year	-	52,199	52,199
-Other Comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	52,199	52,199
Balance at 30 June 2018	10,000,000	2,023,460	12,023,460
Total comprehensive income for the year			
- Profit for the year	-	79,167	79,167
- Other Comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	79,167	79,167
Balance at 30 June 2019	10,000,000	2,102,627	12,102,627
PARENT ENTITY			
Balance at 1 July 2017	-	1,971,261	1,971,261
Total comprehensive income for the year			
-Profit for the year	-	52,199	52,199
-Other Comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	52,199	52,199
Balance at 30 June 2018	-	2,023,460	2,023,460
Total comprehensive income for the year			
-Profit for the year	-	79,167	79,167
-Other Comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	79,167	79,167
Balance at 30 June 2019	-	2,102,627	2,102,627

The accompanying notes form part of these financial statements.

Statement of Cash Flows

for the year ended 30 June 2019

	Note	Economic Entity		Parent Entity	
		2019	2018	2019	2018
		$	$	$	$
CASH FLOW FROM OPERATING ACTIVITIES					
Members contributions received		14,682,018	14,177,220	-	-
Members claims & withdrawals		(8,660,048)	(8,239,774)	-	-
Receipts from customers		221	196	1,474,791	1,329,419
Payments to suppliers and employees		(1,612,904)	(1,705,348)	(1,557,564)	(1,634,684)
Interest received		3,212,665	2,707,316	49,832	47,207
Income tax paid		29,124	34,463	761	739
Net investment income		2,736	(4,847)	-	-
Net cash provided by (used in) operating activities	21	7,653,812	6,969,226	(32,180)	(257,319)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payment for property, plant and equipment		(672)	(1,234)	(672)	(1,234)
Purchase of intangibles		(11,375)	(7,991)	(11,375)	(7,991)
Proceeds from asset maturing		263,990	-	-	-
Net cash provided by (used in) investing activities		(7,409,850)	(7,268,755)	289,090	185,958
Net increase/(decrease) in cash held		243,962	(299,529)	256,910	(71,361)
Cash at beginning of year		833,870	1,133,399	56,039	127,400
Cash at end of year	5	1,077,832	833,870	312,949	56,039

The accompanying notes form part of these financial statements.

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 and Interpretations ensures that the financial statements and notes also comply with International Financial Reporting Standards and Interpretations.

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 Parent Entity with 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 24th September 2019 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

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent Sureplan Friendly Society Ltd and all of the subsidiaries and benefit funds. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary details are provided above in Note 1.

The assets, liabilities and results of all subsidiaries and benefit funds are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities and benefit funds are fully eliminated on consolidation. Accounting policies of subsidiaries and benefit funds are consistent with the Group. The Group has no non-controlling interests.

b. Income Tax

For Australian income tax purposes, Sureplan Friendly Society Ltd is treated as a single taxpayer comprising of its constituent policy holder benefit funds and its central management fund. As such, all of its assessable income, allowable deductions and tax offsets are pooled and a single tax return lodged with the Australian Taxation Office.

For financial reporting purposes each benefit fund and the management fund recognise its own current and deferred tax assets and liabilities, apart from any deferred tax assets resulting from unused tax losses and credits, which are brought to account in the Society's balance sheet. The tax liability of each benefit fund is then subsequently assumed by the Society.

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. 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.

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.

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

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in the notes below.

Financial instruments are initially recognised on the trade date measured at fair value. Except for financial assets and financial liabilities recorded at FVPL, transactions costs are added to this amount.

Measurement categories

The Group classifies all of its financial assets based on the business model for managing assets and the asset's contractual terms. The categories include the following:

- Amortised costs or
- FVPL

Amortised Costs

Financial assets are held at amortised cost if both of the following conditions are met:

- The financial assets are held within a business model with the objective of holding the instrument to collect contractual cash flows
- The contractual terms of the debt instrument give rise to specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

After initial measurement, financial assets at amortised costs using the effective interest rate method (EIR), less allowance for impairment is measured. Amortised cost is calculated by taking into account any discount per premium on acquisition and fee or costs that are an integral part of the EIR. Expected Credit Losses (ECLs) are recognised in the statement of profit or loss when the financial assets are impaired.

Financial assets at amortised cost comprise of cash and cash equivalents and trade receivables.

Business model assessment
The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group holds financial assets to generate returns and provide a capital base to provide for settlement of claims as they arise. The Group considers the timing, amount and volatility of cash flow requirements to support insurance liability portfolios in determining the business model for the assets as well as the potential to maximise return for members and future business development.

The Group's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios that is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the group's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed

The expected frequency, value and timing of asset sales are also important aspects of the Group's assessment.

The business model assessment is based in reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in the business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test
As a second step of its classification process the Group assesses the contractual terms to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a debt arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

Financial assets measured at fair value through profit or loss
Financial assets in this category are those that are managed in a fair value business model, or that have been designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. This category includes debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

Financial assets at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit or loss. Interest earned on assets mandatorily required to be measured at FVPL is recorded using contractual interest rate, as explained in Note 1.i below. Dividend income from equity instruments measured at FVPL is recorded in profit or loss as other operating income when the right to the payment has been established.

Financial assets at fair value through profit or loss comprise of assets backing policy liabilities. As part of the investment strategy, the Group actively manages its investment portfolio to ensure that a portion of its investments mature in accordance with the expected pattern of future cash flows arising from policy liabilities. The Group determines that all financial assets at FVPL are held to back policy liabilities. Refer to Note 7 for further details

Reclassification of financial assets and liabilities
The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired

Or

- The Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either: (a) the Group has transferred substantially all the risks and rewards of the asset; or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay.

Impairment of financial assets

Disclosures relating to impairment of financial assets are as follows:

- Impairment losses on financial instruments below under Expected Credit Loss (ECL).
- Disclosures for significant judgements and estimates Note 1.o.

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the appropriate effective interest rate.

The Group considers a financial asset to be in default (credit impaired) when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Expected Credit Loss

The Group assesses the possible default with 12 months for the calculation of the 12-month ECL. Given the investment policy, the probability of default for new instruments acquired is generally determined to be minimal and the expected loss given default ratio assumed to be 100%.

In rare cases where the lifetime ECL is required to be calculated, the probability of default is estimated based on economic scenarios.

In its ECL models, the Group relies on a broad range of forward-looking information as economic inputs, such as:

- GDP growth
- Central Bank base rates

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.

e. Impairment of Non-Financial Assets

At the end of each reporting period the Society 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

Interest and similar income

Interest income comprises amounts calculated using both the effective interest method and other methods.

These are disclosed separately on the face of the income statement.

In its Interest income calculated using the effective interest method the Group only includes interest on financial instruments at amortised cost or FVOCI.

Other interest income includes interest on all financial assets measured at FVPL, using the contractual interest rate.

The Group calculates interest income on financial assets, other than those considered credit-impaired, by applying the EIR to the gross carrying amount of the financial asset.

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 2018. The nature and the impact of each new standard and/or amendment was not significant.

New/revised pronouncements	Nature of change	Application date to the Group	Impact to the Group
AASB 9 *Financial Instruments* (December 2014)	AASB 9 replaces *AASB 139 Financial Instruments: Recognition and Measurement.* The new standard includes revised guidance on the classification and measurement of financial assets, including: - streamlined measurement categories for financial assets; and - a new expected credit loss (ECL) 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). The Group's classification of financial assets is explained in Note 1.d.	1 July 2018	Under AASB 139, the Group recorded its investment financial assets, which are used to back up the financial liabilities, at fair value through profit and loss (FVPL). The adoption of AASB 9 has not changed the classification of the financial assets or financial liabilities. The impact of AASB 9 on impairment under the ECL model is not material as the Group continues to fair value its investment financial assets (including debt instruments) as FVPL. Other financial assets measured at amortised costs (trade receivables) also had no material impact of adopting the ECL model.
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 did not have a significant impact on adopting AASB 15.

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 2019 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 16 (issued February 2018)	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	1 July 2019	At balance date the Group has non-cancellable operating lease commitments of $243,599 which expires on 1 December 2022 as disclosed in Note 17 below. Management is yet to consider whether the lease option for further 7 years would be exercised. The decision whether to take up the lease option will be made closer to the time of lease renewal under the terms of agreement The Group has therefore not yet determined the impact of AASB16

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

n. Policy Liabilities Valuation - assumptions used

Policy liabilities are measured at fair value through profit or loss. The valuation is carried out by Actuarial methods to estimate the future cash outflows from claims expected to be incurred. Claims expected to be incurred are measured based on the following variable applicable to each Fund.

1) Sureplan Family Fund

Mortality probabilities of 25% lower than the Australian Life Tables 2010-12, as compared with 15% lower the previous year.

Net discount rate of 1.37% which is based on:

Expected gross investment rate earnings	2.53%
Expected fund expenses rate	1.05%
Taxation rate 7.1%	0.11%
Future compound bonuses of	0.36%
Policy liabilities	$61,576,687
Future discretionary bonuses	$2,870,575
Maturity Bonus	$55,107
Retained surplus	$10,000,000
TOTAL	**$74,502,369**

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, increasing with inflation at 2% p.a. The methodology above has been carried out with the following valuation assumptions:

- Mortality probabilities of 25% lower than the Australian Life Tables 2010-12,as compared with 15% lower the previous year in line with the Family Fund mortality experience
- Net discount rate of .03% which is based on:
  - Expected gross investment rate earnings 2.03% less transfers from surplus at up to 2% of assets.
  - Expected fund expenses rate: Fund expenses of $4.03 p.a. per member
  - Taxation rate (taxed on profit) 0.00%

Policy Liabilities $130,488, fund expenses of 2% of assets $54,504, plus future fee expenses $86,584.

The increases from 2018 arise from increased membership and slightly increased per member expenses.

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

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 entity 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 2019 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	74,502,369	64,502,369	10,000,000	-	-
Sureplan Gold Fund	93,216,113	93,216,113	-	-	-
Sureplan Body Transportation Funeral Fund	271,575	271,575	-	-	-
Sureplan Management Fund	2,102,627	-	2,102,627	-	596,965
	170,092,684	157,990,057	12,102,627	-	596,965
Regulatory adjustments			-		
Common Equity Tier 1 Capital			12,102,627		
Tier 2 Capital			-		
Total Capital Base of Society			12,102,627		
PCA (Prescibed Capital Amount)			596,965		
Multiple			20.27		

Notes to the Financial Statements (cont.)
for the year ended 30 June 2019

NOTE 2: REVENUE

	Economic Entity		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Operating revenue				
- Revenue from Benefit Funds	-	-	1,761,517	1,639,940
	-	-	1,761,517	1,639,940
Net Investment income				
- Interest received	3,156,804	2,775,513	48,506	38,056
- Fair value movement of financial assets at fair value through the profit and loss	13,851,539	2,863,603	27,221	25,077
- Net Gain on sale/maturity of Bonds	263,990	-	-	-
Revenue Component of member contributions	773,005	796,892	-	-
Other Income	221	195	-	-
Total Income	18,045,559	6,436,203	1,837,244	1,703,073

NOTE 3: EXPENSES

	Economic Entity		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Claims Expense	690,824	643,995	-	-
Member Liability Revaluation	12,457,384	2,703,819	-	-
Depreciation of plant and equipment	7,586	14,299	7,586	14,299
Amortisation of computer software	59,452	78,719	59,452	78,719
Net expense resulting in movements in provision for employee entitlements	26,264	13,630	26,264	13,630
Superannuation contributions expense	61,311	56,013	61,311	56,013
Employment Expenses	701,320	574,830	701,320	574,830
Accommodation Expenses	66,132	63,896	66,132	63,896
Marketing Expenses	385,223	383,736	385,223	383,736
Administration Expenses	515,634	418,283	450,789	376,765
Transfer to Policy Liability	2,995,262	1,343,798	-	-
	17,966,392	6,295,018	1,758,077	1,561,888

NOTE 4: INCOME TAX

	Economic Entity		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Current tax expense				
Income tax expense/(benefit) comprises:				
Current tax expense/ (benefit)	-	88,986	-	88,986
Deferred tax expense	-	-	-	-
	-	88,986	-	88,986
Numerical reconciliation of income tax expense to prima facie tax payable.				
Profit before income tax	79,167	141,185	79,167	141,185
	79,167	141,185	79,167	141,185
Prima facie tax/(benefit) on operating profit at 30% (2018:30%)	23,750	42,355	23,750	42,355
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Management Fees	(528,456)	(491,982)	(528,456)	(491,982)
Non-Deductable Management Fund expenses	26,256	(37,864)	26,256	(37,864)
Imputation Credits	(898)	(761)	(898)	(761)
Taxable Trust Distributions	3,605	6,602	3,605	6,602
Timing differences	398	2,745	398	2,745
Non-Taxable movement Investments	(8,166)	(7,523)	(8,166)	(7,523)
Tax loss	414,570	485,666	414,570	485,666
Under/Over adjustments	-	7,808	-	7,808
Utilisation Society tax losses	68,941	81,940	68,941	81,940
Income tax expense	-	88,986	-	88,986
Tax Assets				
Current tax asset	72,145	98,065	68,941	69,702
Tax liabilities				
Provision for Income Tax	260,927	-	-	-

NOTE 5: CASH AND CASH EQUIVALENTS

	Economic Entity		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Cash at bank (at call interest paid monthly)	1,077,632	833,670	312,749	55,839
Petty Cash	200	200	200	200
	1,077,832	833,870	312,949	56,039

NOTE 6: TRADE AND OTHER RECEIVABLES

	Economic Entity		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Sundry Debtors	-	2,446	1,016,532	728,975
Accrued Interest	215,485	271,347	3,181	4,508
Other receivables	7,497	7,786	7,497	7,786
	222,982	281,579	1,027,210	741,269

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	2019 $	2018 $	2019 $	2018 $
Managed Public Securities at fair value	96,959,821	77,398,313	1,048,985	1,021,764
Term Deposits (30 days to less than 1 year's duration)	13,068,726	23,045,989	331,716	632,853
Cash Enhanced Funds at fair value.	52,564	63,549	-	-
	110,081,111	100,507,851	1,380,701	1,654,617

NOTE 8: OTHER CURRENT ASSETS

	Economic Entity		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Prepaid Expenses	1,744	6,812	1,744	6,812

NOTE 9: LONG TERM FINANCIAL ASSETS

FINANCIAL ASSETS AT FAIR VALUE THROUGH THE PROFIT AND LOSS	Economic Entity 2019 $	Economic Entity 2018 $	Parent Entity 2019 $	Parent Entity 2018 $
Managed Public Securities at fair value	7,212,309	6,677,014	-	-
State Government Treasury Bonds at fair value	52,397,675	40,992,898	-	-
	59,609,984	47,669,912	-	-

NOTE 10: PROPERTY, PLANT & EQUIPMENT

	Economic Entity 2019 $	Economic Entity 2018 $	Parent Entity 2019 $	Parent Entity 2018 $
Plant & equipment at cost	138,873	138,200	138,873	138,200
Accumulated depreciation	(128,390)	(120,803)	(128,390)	(120,803)
Net carrying value	10,483	17,397	10,483	17,397
Movements in plant & equipment				
Opening balance	17,397	30,462	17,397	30,462
Additions	672	1,234	672	1,234
Depreciation	(7,586)	(14,299)	(7,586)	(14,299)
Closing Balance	10,483	17,397	10,483	17,397

NOTE 11: INTANGIBLES

	Economic Entity 2019 $	Economic Entity 2018 $	Parent Entity 2019 $	Parent Entity 2018 $
Computer Software	609,976	598,602	609,976	598,602
Accumulated amortisation	(520,178)	(460,727)	(520,178)	(460,727)
Net carrying value	89,798	137,875	89,798	137,875
Movements in Software				
Opening balance	137,875	208,603	137,875	208,603
Additions	11,375	7,991	11,375	7,991
Amortisation	(59,452)	(78,719)	(59,452)	(78,719)
Closing Balance	89,798	137,875	89,798	137,875

NOTE 12: DEFERRED TAX ASSETS

Deferred tax assets comprise temporary differences attributable to:	Economic Entity		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Sureplan Gold Members Tax Credits	6,175	6,717	6,175	6,717
	6,175	6,717	6,175	6,717
Sureplan Gold Members Tax Credits				
Opening Balance	6,717	7,795	6,717	7,795
Maturities	(542)	(1,078)	(542)	(1,078)
Closing Balance	6,175	6,717	6,175	6,717
Total movements	(542)	(1,078)	(542)	(1,078)

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	
	2019	2018	2019	2018
	$	$	$	$
Trade account payables	37,528	12,359	34,021	9,210
Sundry creditors and accruals	110,628	89,182	90,865	78,568
Accrued employee benefits	69,614	63,347	69,614	63,347
	217,770	164,888	194,500	151,125

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	
	2019	2018	2019	2018
	$	$	$	$
Provision for employees Long Service Leave	201,872	181,877	201,872	181,877
Provision for Directors' Retirement Benefit	399,001	333,966	399,001	333,966
	600,873	515,843	600,873	515,843

Movements in Provision for Directors' Retirement Benefit				
Opening balance	333,966	489,874	333,966	489,874
Withdrawals	-	(150,915)	-	(150,915)
Additions	65,035	(4,993)	65,035	(4,993)
Closing Balance	399,001	333,966	399,001	333,966

NOTE 15: AUDITOR'S REMUNERATION

	Economic Entity		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Remuneration of the auditor of the parent entity for:				
- auditing or reviewing the financial report	45,590	32,000	45,590	32,000
- taxation services	22,000	16,170	22,000	16,170
	67,590	48,170	67,590	48,170

NOTE 16: KEY MANAGEMENT PERSONNEL COMPENSATION

	Short-term benefits		Post employment benefit		
	Salary & Fees	Bonus	Other	Long-term Benefits Superannuation	Total
2019 Total Compensation	623,182	-	-	61,311	684,493
2018 Total Compensation	735,350	4,500	-	56,013	795,863

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, retirement benefits, 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		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Lease commitments payable due within the following time band:				
– Less than 1 year	68,447	66,132	68,447	66,132
– Greater than 1 year but less than 5 years	175,152	243,599	175,152	243,599
– Greater than 5 years	-	-	-	-
	243,599	309,731	243,599	309,731

Lease commitments are for accommodation at Ground Floor, 133 Leichhardt St, Spring Hill.
The lease commenced on 1/12/2015 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:

- Directors in office during the financial year were:
- James Walsh (Chairman)
- Geoffrey Woodcroft
- Mary-Ann Cook (Executive Director)
- Bill Wendt
- Russell Cole

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 by the parent entity 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 (2018: $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	
	2019	2018	2019	2018
	$	$	$	$
RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT AFTER INCOME TAX				
Net Profit/(Loss)	79,167	52,199	79,167	52,199
Depreciation/Amortisation	67,038	93,018	67,038	93,018
Increase/(decrease) in receivables	58,596	(73,043)	(285,399)	(301,369)
Increase/(decrease) in other current assets	5,067	44	5,067	44
(Increase)/decrease in accounts payable	46,614	(52,725)	37,108	(23,579)
Transfer to provision for employee entitlements	91,299	(142,279)	91,299	(142,279)
Transfers to tax provisions	287,389	96,163	761	89,725
Revaluation of Investments	(13,851,538)	(2,863,603)	(27,221)	(25,078)
Movement in Member Liability	21,134,170	9,859,452	-	-
Net cash from operating activities	7,917,802	6,969,226	(32,180)	(257,319)

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).

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 Statement of Financial Position 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 the

NOTE 24: FINANCIAL RISK MANAGEMENT (CONT.)

Board. The primary goal of the Economic Entity's investment strategy is to maximise 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 $148.498 million
- Floating Interest Rate $50.152 million

Interest Rate Risk Sensitivity Analysis

At 30 June 2019, 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	
	2019	2018	2019	2018
CHANGE IN PROFIT	$	$	$	$
Increase in interest rate by 1%	298,816	382,149	11,481	11,369
Decrease in interest rate by 1%	(298,816)	(382,149)	(11,481)	(11,369)

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 $605,828

If the ASX 200 were to increase by 10%, the Society's listed investments would increase by $605,828

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 2019		As at 30 June 2018	
ECONOMIC ENTITY	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets	$	$	$	$
Term Deposits	13,068,726	13,068,726	23,045,989	23,045,989
Commercial Paper	65,287,054	65,287,054	48,536,886	48,536,886
Government Paper	85,277,038	85,277,038	71,011,281	71,011,281
Units in Managed Trusts	6,058,277	6,058,277	5,583,607	5,583,607
	169,691,095	169,691,095	148,177,763	148,177,763

	As at 30 June 2019		As at 30 June 2018	
PARENT ENTITY	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets	$	$	$	$
Term Deposits	331,716	331,716	632,853	632,853
Commercial Paper	503,487	503,487	504,075	504,075
Units in Managed Trusts	545,498	545,498	517,689	517,689
	1,380,701	1,380,701	1,654,617	1,654,617

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

	As at 30 June 2019		As at 30 June 2018	
ECONOMIC ENTITY	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities	$	$	$	$
Policy Liabilities	157,990,057	157,990,057	136,855,887	136,855,887

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	$	$	$	$
2019				
Financial assets at fair value through profit and loss	117,293,420	52,397,675	-	169,691,095
Financial Liabilities at fair value through profit and loss	-	-	157,990,057	157,990,057
2018				
Financial assets at fair value through profit and loss	107,184,865	40,992,898	-	148,177,763
Financial Liabilities at fair value through profit and loss	-	-	136,855,887	136,855,887
Parent Entity				
2019				
Financial assets at fair value through profit and loss	1,380,701	-	-	1,380,701
2018				
Financial assets at fair value through profit and loss	1,654,617	-	-	1,654,617

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 2019 or the prior year

Valuation techniques used to derive Level 2 and 3 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.

The following table sets out the valuation techniques used to measure fair value within Level 3, including a description of the significant inputs used.

Description	Valuation approach and inputs used
Financial liabilities at fair value through profit and loss.	Actuarial valuation of policy liabilities is undertaken using unobservable inputs for the liability for each type of Fund as disclosed in Note 1(n).

Valuation process

The Society's Appointed Actuary calculates liabilities in accordance with APRA Prudential Standards.

Refer Note 28 for reconciliation of Level 3 Fair Value Measurements.

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	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	%	%	$	$	$	$	$	$	$	$	$	$
ECONOMIC ENTITY FINANCIAL ASSETS:												
Cash and cash equivalents	.01	.50	-	-	-	-	-	-	1,077,832	833,871	1,077,832	833,871
Investments	4.02	3.95	25,731,410	28,461,814	27,235,577	32,602,951	95,530,768	65,333,347	15,135,063	15,168,914	163,632,818	141,567,026
Total Financial Assets			25,731,410	28,461,814	27,235,577	32,602,951	95,530,768	65,333,347	16,212,895	16,002,785	164,710,650	142,400,897

The Total Financial Assets figure above does not include $6,058,277 (2018: $5,583,607) assets in Unit Trusts.

			Fixed Interest Within 1 Year		Fixed Interest 1 to 5 Years		Floating Interest Rate		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	%	%	$	$	$	$	$	$	$	$
PARENT ENTITY FINANCIAL ASSETS:										
Cash and cash equivalents	.01	.10	-	-	-	-	312,949	56,039	312,949	56,039
Investments	2.83	2.69	305,990	-	25,727	632,853	503,487	504,075	835,204	1,136,928
Total Financial Assets			305,990	-	25,727	632,853	816,436	560,114	1,148,153	1,192,967

The Total Financial Assets figure above does not include $545,498 (2018: $517,689) 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	
	2019	2018	2019	2018	2019	2018	2019	2018
	$	$	$	$	$	$	$	$
ECONOMIC ENTITY FINANCIAL LIABILITIES:								
Trade and other Payables	217,770	164,888	-	-	-	-	217,770	164,888
Member's Liability	10,430,520	9,618,298	32,529,021	30,610,847	115,030,516	96,626,742	157,990,057	136,855,887
Total Financial Liabilities	10,648,290	9,783,186	32,529,021	30,610,847	115,030,516	96,626,742	158,207,827	137,020,775

	Within 1 Year		Total	
	2019	2018	2019	2018
	$	$	$	$
PARENT ENTITY FINANCIAL LIABILITIES:				
Trade and other Payables	194,500	151,125	194,500	151,125
Total Financial Liabilities	194,500	151,125	194,500	151,125

NOTE 28: BENEFIT FUND SUMMARY FOR THE YEAR ENDED 30 JUNE 2019

	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)	52,067,215	83,065,592	249,345	135,382,152
Allocation of surplus as at previous reporting date	-	1,142,691	-	1,142,691
Liability component of contributions	-	13,909,013	-	13,909,013
Withdrawals	-	(7,728,571)	-	(7,728,571)
Allocation of surplus	-	1,185,543	-	1,185,543
Actuarial revaluation	12,435,154	-	22,230	12,457,384
Member's Tax Credit	-	6,175	-	6,175
Value of Policy Liabilities (end of period)	64,502,369	91,580,443	271,575	156,354,387
BENEFIT FUND PROFIT AND LOSS				
Net investment income	13,313,563	3,877,803	5,240	17,196,606
Revenue component of contributions	744,755	-	28,250	773,005
Other income	221	-	-	221
Fees to management fund	(870,969)	(883,551)	(6,997)	(1,761,517)
Claims expense	(690,823)	-	-	(690,823)
Members liability revaluation	(12,435,154)	-	(22,230)	(12,457,384)
Other expenses	(32,284)	(28,639)	(3,922)	(64,845)
Income tax expense	(29,309)	(468,727)	(341)	(498,377)
Profit/loss after tax	-	2,496,886	-	2,496,886
Unallocated Surplus (start of period)	-	324,327	-	324,327
Surplus allocated to members	-	(1,101,412)	-	(1,101,412)
Provisional allocation to members	-	(84,131)	-	(84,131)
Unallocated Surplus (end of period)	-	1,635,670	-	1,635,670
TOTAL MEMBER FUNDS				
Current Liability				10,430,520
Non-Current Liability				147,559,537
Reserves				10,000,000
(Value of Policy Liabilities plus Unallocated Surplus)				167,990,057
BENEFIT FUND BALANCE SHEET SUMMARY				
Net Assets (Total Member Funds)	64,502,369	93,216,113	271,575	157,990,057
Other Liabilities	945,227	348,510	3,787	1,297,524
Reserves	10,000,000	-	-	10,000,000
Total Assets	75,447,596	93,564,623	275,362	169,287,581

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 2019 and the performance for the year ended on that date; and

   iii. comply with International Financial Reporting Standards as disclosed in note1.

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.

J.F. Walsh.

DIRECTOR

Dated: 24th September 2019

Place: Brisbane

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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 2019, 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 2019 and of their 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 and the Benefit Fund 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

P A Gallagher
Director

Brisbane, 24 September 2019

SUREPLAN FAMILY FUND

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019	2018
		$	$
INVESTMENT INCOME			
Interest		204,714	207,139
Changes in net market values	4	13,122,643	3,193,543
TOTAL INVESTMENT INCOME		13,327,357	3,400,682
Direct investment expense		13,795	12,910
NET INVESTMENT INCOME		13,313,562	3,387,772
Revenue component of member contributions		744,755	763,142
Other Income	5	222	196
TOTAL INCOME		14,058,539	4,151,110
OPERATING EXPENSES			
Fees to management fund	11	870,969	826,037
Claims expense		690,823	643,555
Member liability revaluation		12,435,154	2,673,367
Other expenses	2	32,284	20,326
TOTAL OPERATING EXPENSES		14,029,230	4,163,285
OPERATING PROFIT/LOSS BEFORE INCOME TAX		29,309	(12,175)
Income Tax Expense	3	29,309	(12,175)
OPERATING PROFIT/LOSS AFTER INCOME TAX		-	-
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		-	-
Unallocated Surplus or Deficiency at the beginning of the reporting period			
Transfer to Reserves		-	-
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 2019

	Note	2019	2018
		$	$
ASSETS			
Cash and Cash Equivalents	6	88,496	352,691
Trade and other receivables	7	12,891	4,593
Financial Assets	8	75,346,209	62,345,844
TOTAL ASSETS		75,447,596	62,703,128
LIABILITIES			
Trade and other payables	9	945,227	635,913
TOTAL LIABILITIES		945,227	635,913
NET ASSETS		74,502,369	62,067,215
MEMBERS FUNDS			
Value of Policy Liabilities	10	64,502,369	52,067,215
Unallocated Surplus/Deficiency		-	-
Reserves		10,000,000	10,000,000
TOTAL BENEFIT FUND MEMBERS' FUNDS		74,502,369	62,067,215

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.

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 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.

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

Trust distributions are brought to account when the right to receive the distribution is established.

g) Accounts Payable

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

h) Policy Liabilities Valuation

Sureplan Family Fund

Mortality probabilities of 25% lower than the Australian Life Tables 2010-12, as compared with 15% lower the previous year.

- Net discount rate of 1.37% which is based on:

Expected gross investment rate earnings	2.53%
Expected fund expenses rate	1.05%
Taxation rate 7.1%	0.11%
Future compound bonuses of	0.36%

Policy liabilities	$61,576,687
Future discretionary bonuses	$2,870,575
Maturity Bonus	$55,107
Retained surplus	$10,000,000
TOTAL	$74,502,369

NOTE 2: OTHER EXPENSES

	2019	2018
	$	$
Actuary & Valuation Fees	8,082	5,000
Bank fees & taxes	23,013	14,383
Stamp Duty	1,189	943
	32,284	20,326

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:

	2019	2018
	$	$
Operating Surplus before tax	60,000	60,000
Prima facie tax on operating profit at 30%	18,000	18,000
Add tax effect of Permanent differences (exempt income)	(222,091)	(231,953)
Society Tax Loss	-	6,392
Assessable Income	233,400	195,386
Income tax attributable to operating surplus	29,309	(12,175)

NOTE 4: CHANGES IN NET MARKET VALUE

SECURITIES HELD AT REPORTING DATE:		
State Government Treasury Bonds	11,404,777	2,086,019
Other public securities	1,717,866	1,107,524
	13,122,643	3,193,543

NOTE 5: OTHER INCOME

Miscellaneous income	222	196

NOTE 6: CASH AND CASH EQUIVALENTS

Cash at bank (At call, interest paid monthly) (effective interest rate of .01%)(2018: .50%)	88,496	352,691

NOTE 7: TRADE AND OTHER RECEIVABLES

Sundry Debtors	-	80
Accrued Income	12,891	4,513
	12,891	4,593

NOTE 8: FINANCIAL ASSETS

	2019	2018
	$	$
Units in Managed Investment	5,512,779	5,065,918
Term Deposits (effective interest rate 2.45%)(2018:2.45%)	700,000	825,231
Other Managed Public Securities at fair value	7,212,309	6,677,014
State Government Treasury Bonds - held to maturity	61,921,121	49,777,681
	75,346,209	62,345,844
MATURITY ANALYSIS		
Not longer than 6 months	700,000	825,231
Longer than 6 months but less than 1 year	-	-
Other Managed Public Securities greater than 4 years but less than 10 years	7,212,309	6,677,014
CPI Bonds maturity November 2035	9,523,446	8,784,783
Maturity October 2035 Face Value $75.3 million	52,397,675	40,992,898
	69,833,430	57,279,926
Disclosure based on the 3 level Fair Value hierarchy		
Financial Assets at fair value through profit and loss		
Level 1	17,435,755	16,287,028
Level 2	52,397,675	40,992,898
	69,833,430	57,279,926

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

	2019	2018
Provision for Income Tax	(3,204)	(28,363)
Sundry creditors	948,431	664,276
	945,227	635,913

NOTE 10: TRANSFERS TO OR FROM VALUE OF POLICY LIABILITIES

	2019	2018
	$	$
MEMBERS LIABILITIES		
Balance/liability at the beginning of the period	52,067,215	49,393,848
Revaluation of liabilities by actuarial review	12,435,154	2,673,367
Allocation of surplus during the year	-	-
Balance/ liability at the end of the period	64,502,369	52,067,215

NOTE 11: TRANSFER TO OR FROM MANAGEMENT FUND

Fees transferred to the management fund in accordance with benefit fund rules	870,969	826,037

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.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
INVESTMENT INCOME			
Interest		2,898,344	2,525,246
Changes in net market values	4	979,459	(342,108)
TOTAL INVESTMENT INCOME		3,877,803	2,183,138
TOTAL INCOME		3,877,803	2,183,138
OPERATING EXPENSES			
Fees to management fund	10	883,551	807,319
Other expenses	2	28,639	19,927
TOTAL OPERATING EXPENSES		912,190	827,246
OPERATING PROFIT/LOSS BEFORE INCOME TAX		2,965,613	1,355,892
Income Tax Expense	3	468,727	203,083
OPERATING PROFIT/LOSS AFTER INCOME TAX		2,496,886	1,152,809
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		2,496,886	1,152,809
Unallocated Surplus or Deficiency at the beginning of the reporting period		324,327	314,209
Transfers to/from management fund		-	-
TOTAL AVAILABLE FOR ALLOCATION		2,821,213	1,467,018
Allocated to members		1,101,412	1,061,452
Provisional Allocation to members		84,131	81,239
UNALLOCATED SURPLUS OR DEFICIENCY AT THE END OF THE REPORTING PERIOD		1,635,670	324,327

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	2019 $	2018 $
ASSETS			
Cash and Cash Equivalents	5	613,491	381,991
Trade and other receivables	6	197,058	260,151
Financial Assets	7	92,754,074	83,972,216
TOTAL ASSETS		93,564,623	84,614,358
LIABILITIES			
Trade and other payables	8	348,510	75,031
TOTAL LIABILITIES		348,510	75,031
NET ASSETS		93,216,113	84,539,327
MEMBER FUNDS			
Value of Policy Liabilities	9	91,580,443	84,215,000
Unallocated Surplus/Deficiency		1,635,670	324,327
TOTAL BENEFIT FUND MEMBERS' FUNDS		93,216,113	84,539,327

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.

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 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.

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

	2019	2018
	$	$
Actuary Fees	8,083	1,000
Bank Fees & Taxes	4,031	4,688
Legal Fees	16,525	14,239
	28,639	19,927

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	2,965,613	1,355,892
Prima facie tax on operating profit at 30%	889,684	406,768
Add tax effect of Permanent differences (exempt income)	(6,387)	341,879
Society Tax Loss	(414,570)	(545,564)
Under/Over Adjustment	-	-
Income tax attributable to operating surplus	468,727	203,083

NOTE 4 : CHANGES IN NET MARKET VALUE

	2019 $	2018 $
SECURITIES HELD AT REPORTING DATE		
Gov Treasury Bonds and Other Managed Public Securities	715,469	(342,108)
Net Gains/(Loss) on disposal/maturity of securities	263,990	-
	979,459	(342,108)

NOTE 5 : CASH AND CASH EQUIVALENTS

Cash at bank (At call, interest paid monthly, weighted average effective interest rate of .01%)(2018: .50%)	613,491	381,991

NOTE 6: TRADE AND OTHER RECEIVABLES

Accrued Interest	197,058	260,151
Sundry Debtors	-	-
	197,058	260,151

NOTE 7: FINANCIAL ASSETS

Gov Treasury Bonds and Other Managed Public Securities at fair value (weighted effective average interest rate of 3.6%)(2018: 3.36%)	80,927,175	62,589,397
Term Deposits (weighted effective average interest rate of 2.64%)(2018: 2.54%)	11,826,899	21,382,819
	92,754,074	83,972,216
Maturity Analysis		
Not longer than 3 months	4,004,907	8,739,219
Longer than 3 months but not longer than 6 months	1,851,622	11,484,093
Longer than 6 months but not longer than 12 months	17,497,570	7,627,537
Longer than 1 year but not longer than 2 years	11,229,729	22,898,270
Longer than 2 year but not longer than 3 years	21,902,388	22,128,253
Longer than 3 years but not longer than 8 years	36,267,858	11,094,844
	92,754,074	83,972,216
Disclosure based on the 3 level Fair Value hierarchy Financial Assets at fair value through profit and loss Level 1	92,754,074	83,972,216

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

	2019	2018
	$	$
Sundry Creditors	87,924	75,031
Provision for Income Tax	260,586	-
	348,510	75,031

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)	83,065,592	76,059,321
Allocation of surplus as at previous reporting date	1,061,452	894,902
Allocation of Provisional Bonus previous year	81,239	107,468
Liability component of contributions	13,909,013	13,380,328
Withdrawals	(7,728,571)	(7,376,427)
Member's Tax Credits	6,175	6,717
Balance/liability at the end of the period prior to annual allocation	90,394,900	83,072,309
Proposed allocation of surplus (annual)	1,185,543	1,142,691
Balance/liability at the end of the period	91,580,443	84,215,000

NOTE 10: TRANSFERS TO OR FROM MANAGEMENT FUND

Fees transferred to the management fund in accordance with benefit fund rules	883,551	807,319

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 2019

	Note	2019	2018
		$	$
INVESTMENT INCOME			
Interest		5,240	5,071
TOTAL INVESTMENT INCOME		5,240	5,071
Revenue Component of member contributions		28,250	33,750
TOTAL INCOME		33,490	38,821
OPERATING EXPENSES			
Fees to management fund	9	6,997	6,584
Claim Expenses		-	440
Other expenses	2	3,922	1,264
Member liability revaluation		22,230	30,452
TOTAL OPERATING EXPENSES		33,149	38,740
OPERATING PROFIT/LOSS BEFORE INCOME TAX		341	81
Income Tax Expense	3	341	81
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 2019

	Note	2019	2018
		$	$
ASSETS			
Cash and Cash Equivalents	4	62,895	43,150
Trade and other receivables	5	2,356	2,675
Financial Assets	6	210,111	205,086
TOTAL ASSETS		275,362	250,911
LIABILITIES			
Trade and other payables	7	3,787	1,566
TOTAL LIABILITIES		3,787	1,566
NET ASSETS		271,575	249,345
MEMBER FUNDS			
Value of Policy Liabilities	8	271,575	249,345
Unallocated Surplus/Deficiency		-	-
TOTAL BENEFIT FUND MEMBERS' FUNDS		271,575	249,345

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 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.

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, increasing with inflation at 2% p.a. The methodology above has been carried out with the following valuation assumptions:

- Mortality probabilities of 25% lower than the Australian Life Tables 2010-12, as compared with 15% lower the previous year in line with the Family Fund mortality experience
- Net discount rate of .03% which is based on:
  Expected gross investment rate earnings 2.03% less transfers from surplus at up to 2% of assets.
  Expected fund expenses rate: Fund expenses of $4.03 p.a. per member
  Taxation rate (taxed on profit) 0.00%

Policy Liabilities $130,488, fund expenses of 2% of assets $54,504, plus future fee expenses $86,584. The increases from 2018 arise from increased membership and slightly increased per member expenses.

NOTE 2: OTHER EXPENSES

	30 June 2019	30 June 2018
	$	$
Actuary Fees	3,710	1,000
Other Expenses	-	-
Stamp Duty	212	264
	3,922	1,264

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)	341	152
Society Tax Loss	-	(71)
Income tax attributable to operating surplus	341	81

NOTE 4: CASH AND CASH EQUIVALENTS

	2019	2018
	$	$
Cash at bank (At call, interest paid monthly, weighted average effective interest rate of 0%)(2018: 0%)	62,895	43,150

NOTE 5: TRADE AND OTHER RECEIVABLES

Sundry Debtors	-	500
Accrued Interest	2,356	2,175
	2,356	2,675

NOTE 6: FINANCIAL ASSETS

Term Deposits (weighted effective average interest rate of 2.59%)(2018: 2.45%)	210,111	205,086
Maturity Analysis		
Less than 12 months	210,111	205,086
	210,111	205,086
Disclosure based on the 3 level Fair Value hierarchy Financial Assets at fair value through profit and loss		
Level 1	210,111	205,086

NOTE 7: TRADE AND OTHER PAYABLES

Trade Creditors	3,446	1,566
Provision for Income Tax	341	-
	3,787	1,566

NOTE 8: TRANSFERS TO OR FROM VALUE OF POLICY LIABILITIES

	2019	2018
	$	$
MEMBERS LIABILITIES		
Balance/liability at the beginning of the period	249,345	218,893
Revaluation of Liabilities by actuarial review	22,230	30,452
Allocation of surplus during the year	-	-
Balance/liability at the end of the period	271,575	249,345

NOTE 9: TRANSFERS TO OR FROM MANAGEMENT FUND

Fees transferred to the management fund in accordance with benefit fund rules	6,997	6,584

NOTE 10: PRESCRIBED CAPITAL AMOUNT

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

NOTE 11: AUDITOR'S REMUNERATION

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

NOTES

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