

FINANCIAL REPORT

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

FOR THE YEAR ENDED 31 JULY 2020

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

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FOR THE YEAR ENDED 31 JULY 2020

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AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2020

	<u>Note</u>	<u>2020</u> \$	<u>2019</u> \$
ASSETS			
Cash and Cash Equivalents			
Cash at Bank	12a	7,144,414	4,115,219
Trade and Other Receivables			
	3	208,670	465,544
Investments Held for Trading			
Term Deposits		34,997,086	34,444,161
Unlisted Managed Investment Schemes			
Unsettled Trade		-	9,421,296
AQR Wholesale Delta Fund		-	12,182,097
Bennelong Australian Equities Fund		26,905,326	27,756,943
Pendal Stable Cash Plus Fund		304,181,287	283,204,491
CFS Stewart Worldwide Leaders Fund		24,595,488	23,121,150
CFS Acadian Global Managed Fund		21,395,830	24,496,881
Dexus Wholesale Property Fund		24,001,947	25,125,213
GMO Systematic Global Macro Trust		32,038,494	20,679,770
ISPT Core Fund		19,267,877	19,783,802
Lazard Global Listed Infrastructure Fund		28,734,511	34,535,273
Macquarie Arrowstreet Global Equity Fund		23,820,486	22,858,851
Macquarie Enhanced Australian Fixed Interest Fund		31,720,728	30,531,589
Macquarie True Index Australian Shares Fund		41,146,624	50,687,075
Nikko AM Aust Shares Wholesale Fund		9,971,752	13,137,269
PIMCO Target Return Fund		49,517,458	40,619,814
Principal Global Property Securities		31,188,218	36,236,920
Vanguard International Fixed Interest Index Fund (Hedged)		1,854,724	1,761,263
Total Investments		<u>705,337,836</u>	<u>710,583,858</u>
Property, Plant and Equipment			
		<u>94,687</u>	<u>64,934</u>
TOTAL ASSETS		<u>712,785,607</u>	<u>715,229,555</u>
LIABILITIES			
Trade and Other Payables			
Beneficiaries Payable		15,125,241	17,454,184
Accounts Payable	4	1,546,714	1,531,418
TOTAL LIABILITIES EXCLUDING NET ASSETS			
ATTRIBUTABLE TO MEMBERS			
		<u>16,671,955</u>	<u>18,985,602</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS	5	<u>696,113,652</u>	<u>696,243,953</u>

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

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

**STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO MEMBERS
FOR THE YEAR ENDED 31 JULY 2020**

	<u>Note</u>	<u>Net Assets Attributable to Members</u> \$
As at 1 July 2018		659,365,280
Net Profit Attributable to Members		29,379,116
Distribution to Members	8	(17,260,005)
Forfeited Distributions for Lost Members	9	1,459,346
Funeral Expenses Paid	9	(246,925)
Contributions Received	6	147,090,342
Benefits Paid	6	(120,269,033)
Administration Fees Paid	9	(3,274,168)
As at 31 July 2019		696,243,953
Net (Loss)/Profit Attributable to Members		(10,924,810)
Distribution to Members	8	(15,002,756)
Forfeited Distributions for Lost Members	9	1,275,437
Funeral Expenses Paid	9	(240,787)
Contributions Received	6	140,513,424
Benefits Paid	6	(112,412,684)
Administration Fees Paid	9	(3,338,125)
As at 31 July 2020		<u>696,113,652</u>

The above Statement of Changes in Net Assets Attributable to Members is to be read in conjunction with the accompanying notes.

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

INCOME STATEMENT
FOR THE YEAR ENDED 31 JULY 2020

	<u>Note</u>	<u>Year ended 31 July 2020</u>	<u>Year ended 31 July 2019</u>
		\$	\$
INCOME			
Interest Received		600,363	1,011,555
Changes in Fair Value of Investments		(31,058,323)	10,366,512
Distributions Received		21,988,927	20,541,608
Other Income		910,996	766,684
		<u>(7,558,037)</u>	<u>32,686,359</u>
EXPENSES			
Bank Charges		27,552	27,266
Trustee Expenses		3,339,221	3,279,977
		<u>3,366,773</u>	<u>3,307,243</u>
NET (LOSS)/PROFIT ATTRIBUTABLE TO MEMBERS BEFORE TAX		<u>(10,924,810)</u>	<u>29,379,116</u>
Income Tax (Benefit) / Expense	14	-	-
NET (LOSS)/PROFIT ATTRIBUTABLE TO MEMBERS AFTER TAX	8	<u>(10,924,810)</u>	<u>29,379,116</u>
Distribution to Members	8	(15,002,756)	(17,260,005)
NET (LOSS)/PROFIT AFTER DISTRIBUTION TO MEMBERS		<u>(25,927,566)</u>	<u>12,119,111</u>

The above Income Statement is to be read in conjunction with the accompanying notes.

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2020

	<u>Note</u>	<u>Year ended 31 July 2020</u>	<u>Year ended 31 July 2019</u>
		\$	\$
CASH FLOWS RELATED TO OPERATING ACTIVITIES			
General Administrative Expenses Paid		(3,273,096)	(3,261,840)
Interest Received		600,363	1,011,555
Distributions Received		22,246,204	20,540,227
Other Income Received		910,594	825,705
Contributions Received from Employers		139,305,192	145,779,699
Benefits Paid		(112,480,022)	(120,536,331)
Transfers Received		1,207,096	1,289,092
Distributions Paid		<u>(19,634,037)</u>	<u>(21,365,811)</u>
NET OPERATING CASH FLOWS	12 (b)	<u>28,882,294</u>	<u>24,282,296</u>
CASH FLOWS RELATING TO INVESTING ACTIVITIES			
Sale/(Purchase) of Fixed Assets		(40,798)	6,818
(Purchase)/Sale of Investments		<u>(25,812,301)</u>	<u>(22,960,978)</u>
NET INVESTING CASH FLOWS		<u>(25,853,099)</u>	<u>(22,954,160)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		3,029,195	1,328,136
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		<u>4,115,219</u>	<u>2,787,083</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	12 (a)	<u><u>7,144,414</u></u>	<u><u>4,115,219</u></u>

The above Statement of Cash Flows is to be read in conjunction with the accompanying notes.

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

In the opinion of the directors, the Australian Construction Industry Redundancy Trust (the "Trust") is not a reporting entity.

The financial statements have been prepared as a special purpose financial report to be made available to Members and Participating Employers (the users) as required under Clause 5.7 of the Trust Deed. The accounting policies used in the preparation of this report, as described below, are consistent with Section 295 of the Corporations Act 2001 and are, in the opinion of the directors, appropriate to meet the needs of the users.

These financial statements have been prepared under the historical cost convention, unless otherwise stated.

The financial report is presented in Australian dollars which is the functional currency of the Trust.

The directors have determined that in order for the financial report to give a true and fair view of the Trust's performance, cash flows and financial position, the requirements of Australian Accounting Standards and other professional reporting requirements relating to Australia in the measurement of assets, liabilities, revenue, expenses and equity should be complied with.

This special purpose financial report has also been prepared in accordance with the disclosure requirements of:

- * AASB 101 - Presentation of Financial Statements
- * AASB 107 - Cash Flow Statements; and
- * AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors.

The principal policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied throughout the year, unless otherwise stated.

New accounting standards and interpretations

The Trust has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and are effective for the current reporting period beginning on or after 1 August 2019. The adoption of these standards and interpretations has not had any significant financial impact on the financial statements.

AASB 16 Leases - Application date 1 August 2019

AASB 16 requires lessees to account for all leases under a single, on balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of accounting (continued)

AASB 16 Leases - Application date 1 August 2019 (continued)

Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

The Trustee has assessed the impact on the financial statements of the Fund and the Trustee as not applicable.

Accounting Standards and Interpretations issued but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Trust for the annual reporting period ended 31 July 2020. The impact of these standards and interpretations has been assessed and all standards and interpretations issued but not yet effective are not expected to have a material impact on the Trust.

(b) Investments in financial assets

All investments are initially recognised at fair value, being the fair value of the consideration paid excluding transaction costs. After initial recognition, the financial assets are revalued to fair value at each reporting date. Investments in unlisted unit trusts that have suspended daily redemptions are recorded at the redemption value per unit as reported by the fund manager.

The fair value of units in Managed Investment Schemes is determined by reference to published bid prices at the close of business on the reporting date being the redemption prices provided by the fund manager.

Gains or losses on investments held for trading are recognised in the Income Statement. Investments of the Trust are units in Managed Investment Schemes.

(c) Revenue Recognition

Income is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Trust and the income can be reliably measured.

The following specific recognition criteria must also be met before income is recognised:

Dividend and distribution income

Income is recognised when the right to receive the payment is established.

Changes in the fair value of investments

Net gains or losses on investments are calculated as the difference between the fair value at sale, or at year end, and the fair value at the previous valuation point. This includes both realised and unrealised gains and losses, but does not include interest or dividend income.

Interest income

Income is recognised as the interest accrues to the net carrying amount of the financial asset.

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Revenue Recognition (continued)

Contributions

Contributions have been recognised on a cash basis.

(d) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and short-term deposits with an original maturity of three months or less that are readily convertible to cash and subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(e) Trade and other receivables

Receivables are recognised and carried at original amounts due which approximate net market value.

Amounts are generally received within 30 days of being recorded as receivables.

(f) Trade and other payables

Liabilities for creditors are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received prior to the end of the financial year, whether or not billed to the Trust.

Payables include outstanding settlements on the purchase of investments and distributions payable. The carrying period is dictated by market conditions and is generally less than 30 days.

(g) Income Tax

Income tax is provided where taxable income is retained in the Trust and not distributed to beneficiaries.

(h) Distributions

In accordance with the Trust's constitution, the Trust distributes income to members. Distributions are payable to the beneficiaries in November of each year based on their entitlement at the end of the previous financial year. Such distributions are determined by reference to the accounting income of the Trust. Distributable income includes capital gains arising from the disposal of investments, unrealised gains and losses on investments that are recognised as income are transferred to net assets attributable to members and are not assessable and distributable until realised. Capital losses are not distributed to members but are retained and offset against any realised capital gains.

(i) Increase/(decrease) in net assets attributable to members

Non-distributable income is transferred directly to net assets attributable to members and may consist of unrealised changes in the net fair value of investments, accrued income not yet assessable, expenses provided or accrued for which are not yet deductible, net capital losses and tax free or tax deferred income. Net capital gains on the realisation of any investments (including any adjustments for tax deferred income previously taken directly to net assets attributable to members) and accrued income not yet assessable will be included in the determination of distributable income in the same year it becomes assessable for tax.

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Goods and services tax (GST)

Income, expenses and assets, with the exception of receivables and payables, are recognised net of the amount of GST to the extent that the GST is recoverable from the Australian Taxation Office (ATO). Where GST is not recoverable, it is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated inclusive of GST.

Reduced input tax credits (RITC) recoverable by the Trust from the ATO are recognised as receivables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as operating cash flows.

(k) Expense recognition

Expenses are recognised in the income statement when the Trust has a present obligation (legal or constructive) as a result of a past event that can be reliably measured. Expenses are recognised in the Income Statement if expenditure does not produce future economic benefits that qualify for recognition in the Statement of Financial Position.

Currently 50% of expenses are offset against Forfeited Member Reserve. The Trustee continually reviews this policy.

(l) Significant accounting judgements, estimates and assumptions

The preparation of the Trust's financial statements requires management to make judgments, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

NOTE 2. NATURE OF TRUST

The Australian Construction Industry Redundancy Trust was established on 10 October 1994. The purpose of the Trust is to provide a mechanism for employers to comply in respect of redundancy payments which they are obligated by certain Awards, Industrial Agreements and Enterprise Agreements to make to their employees. The purpose of the Trust is also to provide security of redundancy and income to employees by the distribution of all Trust surplus each year.

Pursuant to the Trust Deed, employers are required to contribute certain minimum amounts per week per employee (\$25) to fund the award redundancy entitlements to the Trust. However, the Trust does provide for contribution flexibility in that employers can make higher contributions payments based on an industrial agreement. When an employee is made redundant, as prescribed in the Trust Deed, the Trust will make payment directly to the worker.

Income tax is provided where taxable income is retained in the Trust and not distributed to beneficiaries.

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

NOTE 3. TRADE AND OTHER RECEIVABLES

	<u>2020</u>	<u>2019</u>
	\$	\$
Distributions Receivable	184,428	441,705
GST Receivable	24,242	20,887
Investment Fee Rebates Receivable	-	2,952
	<u>208,670</u>	<u>465,544</u>

NOTE 4. ACCOUNTS PAYABLE

Administration Expenses - AAS Pty Limited	484,854	409,771
Audit Fees - Ernst & Young	30,000	30,000
Employee Entitlements	107,617	98,739
Group Tax - Australian Taxation Office	858,689	926,027
Trustee Fees Payable	65,554	66,881
	<u>1,546,714</u>	<u>1,531,418</u>

NOTE 5. NET ASSETS ATTRIBUTABLE TO MEMBERS

Net Assets attributable to members comprises of:

Workers' Accounts - Allocated		636,863,186	609,590,956
Workers' Accounts - Unallocated		822,140	2,425,794
	Note 6	<u>637,685,326</u>	<u>612,016,750</u>
Investment Fluctuation Reserve	Note 7	3,985,434	32,215,317
Accumulated Surplus	Note 8	20,205,831	17,903,514
Tax Free Income Reserve	Note 11	11,309,202	11,309,202
Forfeited Member Reserve	Note 9	22,927,859	22,799,170
		<u>696,113,652</u>	<u>696,243,953</u>

As at 31 July 2020 there is a surplus of \$59,250,466 (2019 \$86,652,998) between the balance of Workers' Accounts - Allocated and Net Assets Attributable to Members.

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

NOTE 6. STATEMENT OF MOVEMENT IN WORKERS' ACCOUNTS

	<u>31 July 2020</u>	<u>31 July 2019</u>
	\$	\$
Opening Balance	612,016,750	587,538,377
Contributions Received	140,513,424	147,090,342
Benefits Paid	(112,412,684)	(120,269,033)
Transfers to Employer Suspense (Note 9)	(1,136)	(21,551)
Transfers to Forfeited Members Reserve (Note 9)	(2,431,028)	(2,321,385)
Closing Balance	<u>637,685,326</u>	<u>612,016,750</u>

NOTE 7. INVESTMENT FLUCTUATION RESERVE

The Investment Fluctuation Reserve represents the cumulative unrealised gains and losses on all investments.

Unrealised gains and losses on investments are included in the determination of the operating surplus or deficit for the year but are subsequently transferred to the Investment Fluctuation Reserve. Gains and losses are released from the reserve when the investment is realised.

	<u>31 July 2020</u>	<u>31 July 2019</u>
	\$	\$
Opening Balance	32,215,317	23,322,263
Transfer from Accumulated Surplus	(29,237,172)	9,014,535
Realised Gains transferred from/(to) Accumulated Surplus	1,007,289	(121,481)
	<u>(28,229,883)</u>	<u>8,893,054</u>
Closing Balance	<u>3,985,434</u>	<u>32,215,317</u>

NOTE 8. ACCUMULATED SURPLUS

Accumulated Surplus brought forward	17,903,514	14,677,457
Net (Loss)/Profit after Tax for the Year	(10,924,810)	29,379,116
Transfer from/(to) Investment Fluctuation Reserve	28,229,883	(8,893,054)
Distribution to Members	(15,002,756)	(17,260,005)
Accumulated Surplus at the End of the Period	<u>20,205,831</u>	<u>17,903,514</u>

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

NOTE 9. FORFEITED MEMBER RESERVE

Transfers to and from the Forfeited Member Reserve are made in the following circumstances:

- no contributions are received for a member within a two year period;
- members are classified as lost; and
- mail addressed to a member is returned.

Payments from the Forfeited Member Reserve are made when funeral benefits are paid in respect of eligible deceased members and for 50% of expenses as described in expense recognition.

	<u>31 July 2020</u>	<u>31 July 2019</u>
	\$	\$
Opening Balance	22,799,170	22,517,981
Transfers from Workers' Accounts (Note 6)	2,431,028	2,321,385
Transfers from Employer Suspense (Note 6)	1,136	21,551
Funeral Expenses Paid	(240,787)	(246,925)
Forfeited Distributions for Lost Members	1,275,437	1,459,346
Administration Fees and Expenses Paid	(3,338,125)	(3,274,168)
Closing Balance	<u>22,927,859</u>	<u>22,799,170</u>

NOTE 10. AUDITOR'S REMUNERATION

Amounts received or due and receivable by Ernst & Young for:

- an audit of the financial report of the Trust	30,000	30,000
- taxation services	19,250	14,300
	<u>49,250</u>	<u>44,300</u>

NOTE 11. TAX FREE INCOME RESERVE

Opening Balance	<u>11,309,202</u>	<u>11,309,202</u>
Closing Balance	<u>11,309,202</u>	<u>11,309,202</u>

This Reserve has been created since the year ended 30 June 2007 in order to reclassify the amount of after tax income accrued in prior years and previously included in the Accumulated Surplus. As the Trustee has paid tax on this income it becomes 'trust corpus' that can be used by the Trustee for any purpose.

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

NOTE 12. STATEMENT OF CASH FLOWS

(a) RECONCILIATION OF CASH AND CASH EQUIVALENTS

Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows :

	<u>2020</u>	<u>2019</u>
	\$	\$
CASH AT BANK		
Cash and cash equivalents	<u>7,144,414</u>	<u>4,115,219</u>

(b) RECONCILIATION OF CHANGE IN NET ASSETS
ATTRIBUTABLE TO MEMBERS TO NET CASH
FLOWS FROM OPERATING ACTIVITIES

Net (Loss)/Profit Attributable to Members after Tax and Distribution	(25,927,566)	12,119,111
Changes in net market values of investments	31,058,323	(10,366,512)
Depreciation	11,045	2,959
Transfer to Forfeited Member Balances	(2,431,028)	(2,321,385)
Changes in Workers' Accounts		
Contributions	140,512,288	147,068,791
Workers' Claims Paid	(112,412,684)	(120,269,033)
Changes in operating assets and liabilities		
(Increase)/Decrease in Receivables	256,873	57,640
(Decrease) in Creditors	(2,184,957)	(2,009,275)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>28,882,294</u>	<u>24,282,296</u>

(c) CREDIT AND FINANCING FACILITIES

As at 31 July 2020 the Trust had no credit or loan facilities or other financing arrangements (2019: Nil).

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

NOTE 13. MATERIAL INVESTMENTS

Investments which constitute 10% or more by value of the total value of investments of the Trust are disclosed below:

2020

Security Description	Principle Activities - Investing in	Total Market Value	% of Total Trust Investments	% of Total Issued Units
Pendal Stable Cash Plus Fund	Cash and bonds	304,181,287	43.13%	14.93%

2019

Security Description	Principle Activities - Investing in	Total Market Value	% of Total Trust Investments	% of Total Issued Units
Pendal Stable Cash Plus Fund	Cash and bonds	283,204,491	39.86%	14.93%

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

NOTE 14. INCOME TAX (BENEFIT)/ EXPENSE

	<u>31 July 2020</u>	<u>31 July 2019</u>
	\$	\$
Operating (loss)/profit from ordinary activities before income	(10,924,810)	29,379,116
Timing and permanent differences	21,761,952	(14,865,494)
Taxable income for the year	10,837,142	14,513,622
Distributions to presently entitled members (including franking credits and FITOs)	(10,837,142)	(14,513,622)
Trustee tax liability	-	-
Trustee tax liability at 47%	-	-

* The Trustee expects all taxable income in future reporting periods to be distributed to presently entitled members. Accordingly a deferred tax asset / liability has not been recognised in respect of timing differences.

NOTE 15. SUBSEQUENT EVENTS

As the impact of COVID-19 continues, there is heightened uncertainty in terms of the severity and duration of the economic recession and volatility in the investment markets and business disruption. The Trustee will continue to manage and respond to those risks presented.

Since 31 July 2020, there have been no matters or circumstances which have arisen that have significantly affected or may significantly affect the financial position or operating results of the Trust.

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

STATEMENT BY TRUSTEE

In the opinion of the Directors of ACIRT Pty Limited :

- a) the accompanying financial statements present fairly the financial position of the Trust as at 31 July 2020 and the results of its operations for the year then ended.
- b) at the date of this statement there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due.

The financial statements of the Trust have been made out in accordance with applicable Accounting Standards.

signed this day of 14 December 2020
in accordance with a resolution of the Trustee.

Director

Director