

HOST-PLUS PTY. LIMITED
SPECIAL PURPOSE FINANCIAL STATEMENTS
A.C.N. 008 634 704
30 JUNE 2019

Registered Address
Level 9
114 William Street
MELBOURNE VIC 3000

HOST-PLUS PTY. LIMITED DIRECTORS' REPORT

We herein present our report on the affairs of the company at 30 June 2019, and on the results for the year then ended.

Directors

The names of the directors of Host-Plus Pty. Limited in office at any time during or since the end of the year are:

Independent	Member nominated by United Voice	Employer nominated by by AHA
D Elmslie (Chair)	T Lyons (Deputy Chair)	M Robertson (Deputy Chair)
P Collins	B Myers	D Gibson
A Grayson	J Hill	M Vaile
	R Buckler ^(a)	N Randall ^(a)

(a) Alternate Director

Principal Activities

The principal activity of the company during the course of the year was to act as Trustee for the Hostplus Superannuation Fund ('the Fund') and the Hostplus Pooled Superannuation Trust ('the Trust').

Host-Plus Pty. Limited has incurred certain director related expenditure such as Directors' Fees, Trustee Indemnity Insurance and other director related expenditure in its capacity as Trustee. Host-Plus Pty. Limited provides the Fund and the Trust with Trustee services and charges a Trustee service fee as a reimbursement for director related expenditure incurred.

Operating Result

The profit of the company for the financial year after providing for income tax amounted to \$Nil (2018: \$Nil).

All non director related expenses of the company are borne by the Fund and Trust.

Significant Changes in State of Affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

Events Subsequent to Balance Date

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

Likely Developments and Expected Results of Operations

Further information on likely developments in the company's operations and the expected results of those operations have not been included in this report because the Trustee believes it would be likely to result in unreasonable prejudice to the company.

Insurance of Officers

During the financial year, the Fund paid a premium of \$16,966 (2018: \$14,594) to insure the directors and secretary of the company.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the company.

Rounding of amounts

Amounts in the directors' report have been rounded to the nearest dollar in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/91*, unless otherwise indicated.

Environmental Regulation

The operations of the company are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001. The auditor's independence declaration is set out on page 3.

HOST-PLUS PTY. LIMITED
DIRECTORS' REPORT (continued)

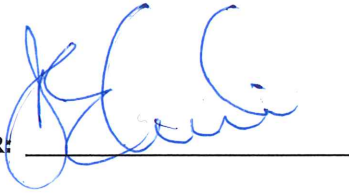
Directors' Benefits

Since the end of the previous financial year no Director of the company has received or become entitled to receive any amounts or benefits in their capacity as Directors (other than a benefit included in the aggregate amount of remuneration paid or due and payable to Directors shown in the financial statements).

This declaration is made out in accordance with a resolution of directors.

On behalf of the Board

DIRECTOR:



DIRECTOR:



Sydney
20 September 2019



Auditor's Independence Declaration

As lead auditor for the audit of Host-Plus Pty. Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read 'D Coogan', is written over the typed name.

David Coogan
Partner
PricewaterhouseCoopers

Melbourne
20 September 2019

HOST-PLUS PTY. LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Notes	2019	2018
		\$	\$
Current Assets			
Cash		599	599
Current Receivables		46,566	21,848
Total Current Assets		47,165	22,447
Non-Current Assets			
Investment in Subsidiary		1	1
Total Non-Current Assets		1	1
Total Assets		47,166	22,448
Liabilities			
GST Payable		46,566	21,848
Total Liabilities		46,566	21,848
Net Assets		600	600
Equity			
Contributed Equity	4	600	600
Retained Profits		-	-
Total Equity		600	600

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

HOST-PLUS PTY. LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019	2018
		\$	\$
Revenues from ordinary activities			
Trustee Services Income		1,722,788	1,568,271
Expenses			
Trustee Services Fees		1,722,788	1,568,271
Profit from ordinary activities before income tax		<u>-</u>	<u>-</u>
Income tax expense relating to ordinary activities		<u>-</u>	<u>-</u>
Profit from ordinary activities after income tax expense		<u>-</u>	<u>-</u>
Other comprehensive income		-	-
Total comprehensive income		<u>-</u>	<u>-</u>

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

**HOST-PLUS PTY. LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

Notes	2019	2018
	\$	\$
Cash flows from operating activities		
Net cash inflow from operating activities	<u>-</u>	<u>-</u>
Cash flows from investing activities		
Payment of investments	-	-
Net cash outflow from investing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held	-	-
Cash at beginning of year	599	599
Cash at end of year	<u>599</u>	<u>599</u>

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

HOST-PLUS PTY. LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019	2018
		\$	\$
Total equity at the beginning of the financial year		600	600
Total comprehensive income for the year		-	-
Total comprehensive income		<u>-</u>	<u>-</u>
Transactions with equity holders in their capacity as equity holders		-	-
Total equity at the end of the financial year	4	<u>600</u>	<u>600</u>

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

HOST-PLUS PTY. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1. NATURE OF THE COMPANY

The company is the Trustee of the Hostplus Superannuation Fund ('the Fund') and the Hostplus Pooled Superannuation Trust ('the Trust'). The Trustee is incorporated and domiciled in Australia.

The registered office of the Trustee is Level 9, 114 William Street, Melbourne, Victoria.

The financial statements were authorised for issue by the directors on 20 September 2019. The directors of the responsible entity have the power to amend and reissue the financial statements.

NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements. These are special purpose financial statements that have been prepared for the sole purpose of complying with the *Corporations Act 2001* requirements to prepare and distribute financial statements to the members and must not be used for any other purpose. For the purposes of the financial statements the company is a for profit entity under accounting standards. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members.

The financial statements have been prepared in accordance with AASB 101 *Presentation of Financial Statements (except as stated below)*, AASB 107 *Cash Flow Statements*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1048 *Interpretation and Application of Standards*, which apply to all entities required to prepare financial reports under the *Corporations Act 2001*. The financial statements also comply with other applicable Accounting Standards and Interpretations with the exception of the following:

AASB 2 – *Share-based Payment*

AASB 3 – *Business Combinations*

AASB 5 – *Non-current Assets Held for Sale and Discontinued Operations*

AASB 7 – *Financial Instruments: Disclosures*

AASB 8 – *Operating Segments*

AASB 9 – *Financial Instruments*

AASB 13 – *Fair Value Measurement*

AASB 101 – *Presentation of Financial Statements*: paragraphs 124A to 124C

AASB 107 – *Statement of Cash Flows*

AASB 124 – *Related Party Disclosures*

AASB 1048 – *Interpretation of Standards*

The financial statements have been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.

(b) Change in accounting policies

The accounting policies adopted are consistent with those of the previous year.

(c) Revenue Recognition

Revenue is recognised for the Trustee Services Income. Under the terms of the Trust Deed, the Trustee is entitled to be paid or reimbursed out of Fund and Trust assets for all expenses and liabilities which it may incur in connection with the Fund and Trust or in performing its obligations. Furthermore, the Trustee recognises revenue when it is probable that it will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the Fund and Trust. Revenue is measured at the fair value of the consideration received or receivable.

**HOST-PLUS PTY. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Trustee Liabilities and Right of Indemnity

The company acts as trustee of the Fund and the Trust and the assets of these entities are held in trust on behalf of members, investors and other beneficiaries. The company incurs liabilities on behalf of the Fund and the Trust in its capacity as trustee. Liabilities incurred on behalf of the Fund and the Trust are not recognised in the financial statements when it is not probable that the company will have to meet any of these liabilities from its own resources. When it is probable that the company will have to meet some of these liabilities, a liability is recognised by the company for the probable amount payable.

The company has a right of indemnity for liabilities incurred in performing its fiduciary duties as a trustee. The assets of the Fund and the Trust, which lie behind the right of indemnity, are not directly available to meet any liabilities of the company acting in its own right.

Details of the Fund and the Trust liabilities, the offsetting right of indemnity, any deficiency in the right of indemnity and any liabilities of the company acting in its own right are disclosed in note 3 to the financial statements.

(e) New accounting standards and interpretations

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2018 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

The company has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2018.

NOTE 3. RIGHT OF INDEMNITY

Liabilities of the Fund not recorded in the financial statements of the company were \$477,439,543 as at 30 June 2019 (2018: \$354,928,731). The assets of the Fund were sufficient to discharge all of its liabilities at 30 June 2019 and 2018.

Liabilities of the Trust not recorded in the financial statements of the company were \$882,151,921 as at 30 June 2019 (2018: \$884,946,610). The assets of the Trust were sufficient to discharge all of its liabilities at 30 June 2019 and 2018.

The company has no liabilities (2018: \$nil) at balance date from acting in its own right.

NOTE 4. CONTRIBUTED EQUITY

	2019	2018
	\$	\$
300 "A" and 300 "AA" ordinary shares each fully paid (2018: 300 "A" and 300 "AA" ordinary shares each fully paid)	600	600
	600	600

**HOST-PLUS PTY. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 5. RELATED PARTIES

(a) Trustee

Host-Plus Pty. Limited is the Trustee for both the Hostplus Superannuation Fund ('Fund') and the Hostplus Pooled Superannuation Trust ('Trust'), collectively known as 'Hostplus'. The Trust is the Fund's primary investment vehicle.

The shareholders of the Trustee are United Voice and Australian Hotels Association ('AHA').

(b) Board of Directors and remuneration

Directors and Alternate Directors of the Trustee during the financial year were as follows:

Independent	Member nominated by United Voice	Employer nominated by AHA
D Elmslie (Chair)	T Lyons (Deputy Chair)	M Robertson (Deputy Chair)
P Collins	B Myers	D Gibson
A Grayson	J Hill	M Vaile
	R Buckler ^(a)	N Randall ^(a)

(a) Alternate Director

Remuneration paid/payable by Hostplus for services rendered to the Board and Committees of the Board are set out in the following tables:

Year ended 30 June 2019

Name	Director Fee (Salary) (\$)	Parking benefits (\$)	Superannuation (\$)	Termination benefits (\$)	Total (\$)
Independent					
D Elmslie	177,174	9,142	26,576	-	212,892
P Collins	111,944	-	16,792	-	128,736
A Grayson	104,445	-	15,667	-	120,112
Employer nominated					
M Robertson ^(a)	116,559	-	17,484	-	134,043
D Gibson	116,172	-	17,426	-	133,598
M Vaile	91,173	-	13,676	-	104,849
N Randall	37,811	-	5,672	-	43,483
Member nominated					
T Lyons	128,297	-	19,245	-	147,542
B Myers ^(a)	91,173	-	13,676	-	104,849
J Hill	86,172	-	12,926	-	99,098
R Buckler	35,420	-	5,313	-	40,733
Total	1,096,340	9,142	164,453	-	1,269,935

(a) Director fees for these individuals are paid to their nominating association United Voice or AHA.

HOST-PLUS PTY. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 5. RELATED PARTIES (continued)

(b) Board of Directors and remuneration (continued)

Year ended 30 June 2018

Name	Director Fee (Salary) (\$)	Parking benefits (\$)	Superannuation (\$)	Termination benefits (\$)	Total (\$)
Independent					
D Elmslie	139,939	8,604	20,991	-	169,534
P Collins	109,950	-	16,493	-	126,443
A Grayson	94,950	-	14,243	-	109,193
Employer nominated					
M Robertson ^(a)	103,789	-	15,568	-	119,357
D Gibson	103,513	-	15,527	-	119,040
M Vaile	84,400	-	12,660	-	97,060
N Randall	28,696	-	4,304	-	33,000
Member nominated					
T Lyons	115,409	-	17,311	-	132,720
B Myers ^(a)	84,400	-	12,660	-	97,060
J Hill	84,400	-	12,660	-	97,060
R Buckler ^(a)	35,000	-	5,250	-	40,250
Total	984,446	8,604	147,667	-	1,140,717

(a) Director fees for these individuals are paid to their nominating association United Voice or AHA.

(c) Group Executive management and remuneration

Key management personnel of Hostplus as at 30 June 2019 included the following Group Executives:

Name of Executive	Role
D Elia	Chief Executive Officer (CEO)
N Brouwer	Group Executive – Risk & Compliance
K Cantwell	Group Executive – Service Operations
S Sicilia	Chief Investment Officer
N Strickland	Group Executive – People, Performance & Culture
L Tassone	Group Executive – Finance, Strategy & IT
P Watson	Group Executive – Member Experience

HOST-PLUS PTY. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 5. RELATED PARTIES (continued)

(c) Group Executive management and remuneration (continued)

Remuneration of Group Executive management paid/payable by Hostplus is set out in the following tables:

Year ended 30 June 2019

Name	Date commenced	Date change in position	Salary (\$)	Short-term incentives (\$)	Parking benefits (\$)	Super-annuation (\$)	Termination benefits (\$)	Total (\$)
D Elia	15/03/1999		918,134	231,972	9,142	25,961	-	1,185,209
N Brouwer	21/11/2016		339,292	36,353	9,142	25,000	-	409,787
K Cantwell	10/10/2016		267,125	39,359	9,142	25,000	-	340,626
U Mecchi	28/11/2011	7/12/2018 ^(b)	386,066	53,089	2,884	13,461	-	455,500
S Sicilia	31/03/2008		589,977	343,505	9,142	25,000	-	967,624
N Strickland	17/02/2014		193,413	32,406	9,142	27,772	-	262,733
L Tassone	19/08/2013	17/10/2018 ^(a)	195,115	-	6,258	17,115	-	218,488
P Watson	21/03/2011	17/10/2018 ^(c)	315,833	32,843	9,142	25,000	-	382,818
Total			3,204,955	769,527	63,994	184,309	-	4,222,785

(a) Appointed as Group Executive – Finance, Strategy and IT

(b) Resigned as Chief Marketing Officer

(c) Position changed from Group Executive – Retirement Solutions & Advice to Group Executive – Member Experience

Year ended 30 June 2018

Name	Date commenced	Date change in position	Salary (\$)	Short-term incentives (\$)	Parking benefits (\$)	Super-annuation (\$)	Termination benefits (\$)	Total (\$)
D Elia	15/03/1999		717,452	241,391	8,604	25,000	-	992,447
N Brouwer	21/11/2016		201,408	16,361	8,604	25,000	-	251,373
K Cantwell	10/10/2016		267,259	32,701	8,604	25,000	-	333,564
U Mecchi	28/11/2011		345,496	52,164	8,604	25,000	-	431,264
S Sicilia	31/03/2008		571,968	326,830	8,604	25,000	-	932,402
N Strickland	17/02/2014		180,696	9,941	8,604	25,000	-	224,241
P Watson	21/03/2011		297,421	30,265	8,604	25,000	-	361,290
Total			2,581,700	709,653	60,228	175,000	-	3,526,581

(d) Chief Executive Officer remuneration

Hostplus believes that remuneration of its employees should:

- facilitate the delivery of superior long-term results for its members;
- promote sound risk management principles;
- support corporate values and desired culture;
- attract, retain, motivate and align the talent it needs to achieve its business goals;
- reinforce leadership, accountability, teamwork and innovation; and
- align with the contribution and performance of the business, teams and individuals.

Hostplus remuneration practices have regard to general market conditions, with a focus on what is happening within the financial services, and more specifically, the superannuation sector.

All remuneration related matters are to be determined and approved by the Board's People and Remuneration Committee. The People and Remuneration Committee is accountable for exercising its responsibilities in line with its Charter.

HOST-PLUS PTY. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 5. RELATED PARTIES (continued)

(d) Chief Executive Officer remuneration (continued)

The Chairman, on behalf of the Board, conducts the performance assessment of the Chief Executive Officer, having regard to objectives set in the previous year including setting objectives for the coming year. The Board, as a whole, discusses the outcome in the absence of the Chief Executive Officer which is then communicated to the Chief Executive Officer. Base or fixed salary reviews for the CEO occur annually, generally in May/June, with increases payable from 1 July in that year.

For the year ended 30 June 2019, the CEO's total remuneration was equal to \$1,185,209, which compares to the amount earned by other Hostplus employees as follows:

- the 25th percentile Hostplus employee earned \$74,750 during the year ended 30 June 2019, which is 15.9 times less than the CEO's remuneration;
- the median Hostplus employee earned \$97,676 during the year ended 30 June 2019, which is 12.1 times less than the CEO's remuneration; and
- the 75th percentile Hostplus employee earned \$136,218 during the year ended 30 June 2019, which is 8.7 times less than the CEO's remuneration.

(e) Directors' attendance at Board and Committee meetings

Year ended 30 June 2019

Director/ Alternate Director	Full Board Meeting of Directors		Meeting of Committees									
			Audit, Risk & Compliance		Claims Review		People & Remuneration		Special Investments Group		Operations	
			A	B	A	B	A	B	A	B	A	B
Directors												
D Elmslie	7	7	-	-	-	-	3	3	2	2	-	-
P Collins	7	7	3	3	-	-	-	-	-	-	-	-
A Grayson	7	7	-	-	-	-	-	-	-	-	2	2
D Gibson	6	7	1	3	-	-	3	3	2	2	-	-
M Robertson	6	7	2	3	-	-	-	-	2	2	-	-
M Vaile	6	7	-	-	-	-	-	-	-	-	2	2
T Lyons	6	7	3	3	-	-	3	3	2	2	-	-
B Myers	7(+)	7	-	-	-	-	-	-	-	-	2	2
J Hill	7	7	-	-	-	-	-	-	-	-	-	-
Alternate Directors												
R Buckler	-	-	-	-	13	16	-	-	-	-	-	-
N Randall	3	-	-	-	-	-	-	-	-	-	-	-
Observers												
D Elmslie	-	-	2(*)	-	-	-	-	-	-	-	-	-
D Gibson	-	-	-	-	-	-	-	-	-	-	1(*)	-
M Vaile	-	-	-	-	-	-	1(*)	-	-	-	-	-
R Buckler	3(#)	-	-	-	-	-	-	-	-	-	-	-
N Randall	3(#)	-	-	-	-	-	-	-	-	-	-	-

A Number of meetings attended including where an alternate may have attended on behalf of the appointed Director

B Number of meetings held during the time the Director held office or was a member of the Committee during the year

(#) Alternate Directors are invited to attend Board Meetings as an Observer

(*) All Directors and alternates are invited to attend Committee meetings and receive full Committee papers

(+) B Myers was appointed the Alternate Director for T Lyons for in the Board Meeting held on the 27 July 2018. Consequently, B Myers was assigned two voting rights.

Where a non-committee member has attended a Committee, attendance has been noted.

**HOST-PLUS PTY. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 5. RELATED PARTIES (continued)

(e) Directors' attendance at Board and Committee meetings (continued)

Year ended 30 June 2018

Director/ Alternate Director	Full Board Meeting of Directors		Meeting of Committees							
			Audit, Risk & Compliance		Claims Review		People & Remuneration		Special Investments Group	
			A	B	A	B	A	B	A	B
Directors										
D Elmslie	7	7	-	-	-	-	2	2	2	2
P Collins	7	7	3	3	-	-	-	-	-	-
A Grayson	7	7	-	-	-	-	-	-	-	-
D Gibson	6	7	-	-	-	-	2	2	1	2
M Robertson	7	7	3	3	-	-	-	-	1	2
M Vaile	7	7	-	-	-	-	-	-	-	-
T Lyons	7	7	3	3	-	-	2	2	2	2
B Myers	7(+)	7	-	-	-	-	-	-	-	-
J Hill	6	7	-	-	-	-	-	-	-	-
Alternate Directors										
R Buckler	-	-	-	-	16	17	-	-	-	-
N Randall	1	-	-	-	-	-	-	-	-	-
Observers										
D Elmslie	-	-	2(*)	-	-	-	-	-	-	-
A Grayson	-	-	-	-	-	-	1(*)	-	-	-
R Buckler	2(#)	-	-	-	-	-	-	-	-	-
N Randall	3(#)	-	-	-	-	-	-	-	-	-

A Number of meetings attended including where an alternate may have attended on behalf of the appointed Director

B Number of meetings held during the time the Director held office or was a member of the Committee during the year

(#) Alternate Directors are invited to attend Board Meetings as an Observer

(*) All Directors and alternates are invited to attend Committee meetings and receive full Committee papers

(+) B Myers was appointed the Alternate Director for J Hill in the Board Meeting held on the 15 September 2017. Consequently, B Myers was assigned two voting rights.

Where a non-committee member has attended a Committee, attendance has been noted.

(f) Transactions with Directors, Management Personnel and Shareholders

The following Directors and Management Personnel were also members of the Fund during the year:

Trustee Directors		Executive members	
Robyn Buckler	Mark Vaile	David Elia	Sam Sicilia
Peter Collins		Norlena Brouwer	Natalie Strickland
Judith Hill		Kelly Cantwell	Lewis Tassone
Mark Robertson		Umberto Mecchi	Paul Watson

Their membership terms and conditions were the same as those applied to other members of the Fund.

The shareholders of the Trustee, Host-Plus Pty Limited, are United Voice and Australian Hotels Association ('AHA'). As part of the Fund's ongoing marketing initiatives, the Fund has agreements in place with both shareholders to support the marketing, advocacy and promotion of the Fund. The agreements include specific obligations of each party and provide for attendance and speaking opportunities at various industry events and forums, name and logo exposure opportunities at industry events or through industry publications and use of other stipulated mediums to promote and advertise the Fund.

HOST-PLUS PTY. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 5. RELATED PARTIES (continued)

(f) Transactions with Directors, Management Personnel and Shareholders (continued)

The Fund measures and monitors the benefits derived against the benefits stipulated in the above agreements which are subject to annual testing by the Fund's internal auditor, KPMG. The objectives of the internal audit includes considering whether the delivery of stipulated benefits have been received. Based on the procedures they have undertaken, the internal auditor has not reported any significant control weaknesses in the processes, procedures and controls in respect of the arrangements.

The agreements with the AHA include the National body of the AHA and the following State based affiliates (Australian Capital Territory, New South Wales, Northern Territory, South Australia, Tasmania and Victoria). The agreement with the United Voice is with the National body of the United Voice which incorporates the following State based affiliates (Australian Capital Territory, New South Wales, Northern Territory, South Australia, Tasmania, Victoria and Western Australia). During the year, the Trustee paid the Australian Hotels Association \$640,200 (2018: \$660,000) and United Voice \$400,000 (2018: \$400,000), excluding GST.

From time to time, the Fund will partner with its shareholders and related industry partners for the purposes of engaging with members and employers. These are further marketing opportunities that fall outside the agreements noted above. During the year, the Trustee paid the Australian Hotels Association \$34,845 (2018: \$95,661) and United Voice \$13,000 (2018: \$12,000) excluding GST in relation to these activities.

NOTE 6. AUDITORS' REMUNERATION

Remuneration for audit of the financial report of the company:

	2019	2018
	\$	\$
PricewaterhouseCoopers		
- Audit of Financial Statements	5,610	5,498
- Other Assurance Services	7,304	7,158
	<u>12,914</u>	<u>12,656</u>

Auditors' remuneration is paid by the Fund.

NOTE 7. RECONCILIATION OF PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2019	2018
	\$	\$
Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Profit/(loss) for the year	-	-
Net income/(expense) recognised directly in equity	-	-
Net cash inflow/(outflow) from operating activities	<u>-</u>	<u>-</u>

**HOST-PLUS PTY. LIMITED
DIRECTORS' DECLARATION**

As stated in Note 2(a) to the financial statements, in the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements. These are special purpose financial statements that have been prepared to meet *Corporations Act 2001* requirements.

The financial statements are drawn up so as to present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of Host-Plus Pty. Limited as at 30 June 2019 and the income accrued as a result of its operations and its cash flows for the year then ended.

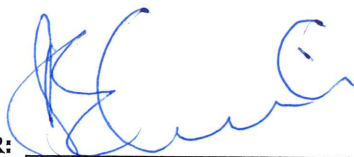
In the directors' opinion:

- (a) the financial statements and notes set out on pages 4 to 15 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Accounting Standards and other mandatory professional reporting requirements as detailed above, and the Corporations Regulations 2001; and
 - (ii) giving a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the financial year ended on that date.
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

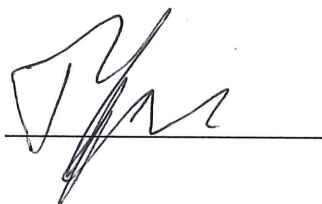
This declaration is made in accordance with a resolution of the directors.

On behalf of the board

DIRECTOR:



DIRECTOR:



Sydney
20 September 2019



Independent auditor's report

To the members of Host-Plus Pty. Limited

Our opinion

In our opinion:

The accompanying financial report of Host-Plus Pty. Limited (the Company) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards to the extent described in Note 2 and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2019
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

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

Emphasis of matter - basis of accounting and restriction on use

We draw attention to Note 2 in the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under Section 989B of the *Corporations Act 2001* and for the purpose of fulfilling the directors' other responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for Host-Plus Pty. Limited and its members and should not be used by parties other than Host-Plus Pty. Limited and its members. Our opinion is not modified in respect of this matter.

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

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Other information

The directors are responsible for the other information. The other information comprises the information included in the Financial Statements for the year ended 30 June 2019, including the Director's Report, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information 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 that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

A handwritten signature in blue ink, appearing to read 'PricewaterhouseCoopers', written over a light blue horizontal line.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'David Coogan', written over a light blue horizontal line.

David Coogan
Partner

Melbourne
20 September 2019