

**ARACON SUPERANNUATION PTY LIMITED**  
**ACN: 133 547 396**

**Financial Report**  
**For the Year Ended 30 June 2020**

# Aracon Superannuation Pty Limited

ACN: 133 547 396

For the Year Ended 30 June 2020

## DIRECTORS' REPORT

The directors of Aracon Superannuation Pty Ltd ("Aracon" or the "entity" or "the Company") present their report together with the financial report of the entity, for the year ended 30 June 2020 and the auditor's report thereon.

Directors

The directors of Aracon Superannuation Pty Limited during or since the end of the financial year are:

Name and qualifications	Age	Experience and special responsibilities
Geoffrey K M Peck <i>BSc, FAICD, FASFA</i> (appointed 6 December 2019)	60	<p>Geoff is an independent Non-Executive Director of Aracon Superannuation Pty Ltd, and the current Chair of the Aracon Board having been appointed on 6 December 2019.</p> <p>Geoff is also a member of the Aracon Investment Committee, Audit, Risk, Compliance &amp; Claims Committee and the Remuneration Committee. Geoff is currently the Head of Client Development at Chant West, a pre-eminent provider of research on the Australian superannuation industry.</p> <p>Geoff has over 30 years' experience in the superannuation and insurance industries, including over 15 years in executive roles, and 4 years as a non-executive director and Chair of the Board Audit Committee with a major life insurer. His career has included senior positions at the BT Financial Group, Russell Investments, AIA Australia and CBA.</p> <p>Geoff holds a Bachelor of Science, a Fellow of the Institute of Company Directors, a Fellow of ASFA and an Accredited Investment Fiduciary.</p>
Alan W Hayden <i>BCom, BAcc, HDip Co Law,</i> <i>ACA Australia</i>	62	<p>Alan is an independent Non-Executive Director of Aracon Superannuation Pty Ltd having been appointed on 30 March 2015.</p> <p>Alan is the Chair of the Aracon Audit, Risk, Compliance &amp; Claims Committee and the Remuneration Committee and is a member of the Aracon Investment Committee.</p> <p>Alan has over 30 years of experience in financial services working in a range of capacities including as a senior executive, fund manager, chief financial officer, responsible manager, compliance committee member and investment committee member.</p>

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		Alan's experience is mainly in the wealth management industry, particularly in property funds management.
Christine L Cameron <i>BA(Hons) GAICD, TAASFA</i> Appointed 19 June 2020	62	<p>Christine is an independent Non-Executive Director of Aracon Superannuation Pty Ltd having been appointed on 19 June 2020.</p> <p>Christine is the current Chair of the Aracon Investment Committee and is a member of the Aracon Audit, Risk, Compliance &amp; Claims Committee.</p> <p>Christine has over 30 years' management and leadership experience with some of Australia's leading financial services brands and globally recognised institutions including AMP, MLC, Russell Investments and Maple-Brown Abbott.</p> <p>Christine is currently a Director of Neuroscience Research Australia Foundation (NeuRA) and is a member of Maple-Brown Abbott's Asset Allocation Committee.</p> <p>Christine holds a Bachelor of Arts (Hons-Econ) from Macquarie University, a Graduate Diploma in Applied Finance (ASIA), is a Trustee Associate from the Association of Superannuation Funds Australia (TAASFA) and a Graduate of the Australia Institute of Company Directors (GAICD).</p>
Vincent J Parrott Appointed 18 December 2019 and resigned 4 September 2020	61	<p>Vincent was an independent Non-Executive Director of Aracon having been appointed on 18 December 2019. He resigned on 4 September 2020.</p> <p>Vincent was the Chair of the Aracon Investment Committee and was a member of the Remuneration Committee.</p> <p>Vincent is currently a Senior Investment Consultant at Mercer Investments Australia, consulting to a number of superannuation and retail clients. Prior to Mercer, Vincent was the Head of Investments at OneVue and Select Asset Management.</p> <p>Vincent has over 35 years' experience in the superannuation and investment industries, including 3 years as the Managing Director of Diversa Ltd, an ASX Listed company, prior to its takeover by OneVue in 2016.</p> <p>Vincent was a Trustee Director at Diversa Trustees for 7 years and Chair of the Diversa Trustees Investment Committee. He also managed superannuation investments at Diversa Funds Management.</p>

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		<p>Vincent's career has included senior positions at UAL Investment Bank (South Africa), AMP Investment Management, UBS Asset Management, BT Funds Management, Equitilink Australia, Aberdeen Asset Management and Souls Funds Management.</p> <p>Vincent holds a Bachelor of Commerce, University of Witwatersrand, Johannesburg.</p>
<p>Debra A Comben Resigned 31 July 2020 <i>Dip Fin Planning</i></p>	59	<p>Debra was a Non-Executive Director of Aracon Superannuation Pty Ltd having been appointed on 3 October 2008 until her resignation on 31 July 2020.</p> <p>Debra has over 38 years of experience in the financial services industry, including 18 years with a leading specialist financial services and funds management organisation, providing financial planning to a wide variety of retail clients, with a particular emphasis on superannuation and managed investments.</p> <p>Debra was a member of the Audit, Risk, Compliance &amp; Claims Committee.</p>
<p>Peter Brook Resigned 9 December 2019 <i>AICA, M Mngt, GAICD, GAIST</i></p>	64	<p>Peter was an independent Non-Executive Director of Aracon Superannuation Pty Ltd, and held the position of Chair of the Aracon Board from 1 July 2019 until 9 December 2019.</p> <p>Peter was the former chief executive and managing director of major superannuation administrator Pillar Administration, a NSW government-owned entity. He successfully lead the overhaul of its operating model, technology, and member services. Pillar managed 1.1 million member accounts holding \$110 billion in funds at the time of its sale to Mercer in December 2016. Peter's 40-year career also includes executive and director roles at StatePlus, Alinta Energy, Challenger Financial Services Group, MLC and Grant Thornton.</p>
<p>Pamela McAlister Resigned 1 July 2019 <i>Master of Laws (Monash)</i></p>	65	<p>Ms McAlister held the position of Director of Mercer Legal, a boutique law practice specialising in financial services and superannuation law and Partner and Senior Governance Consultant of Mercer Consulting.</p> <p>Ms McAlister has also previously held the position of Partner in the Financial Services section at Hall &amp; Wilcox, specialising in superannuation law and practice. Ms McAlister was Deputy Executive Director of Financial Services Regulation at ASIC, following which she was General Counsel and Executive Manager- Governance for Australian Unity. She has also participated in a number of committees, including the Law Council Superannuation Committee (as chair), the</p>

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		Superannuation Complaints Tribunal and the Mercer Investment Funds Compliance Committee. In addition, Ms McAlister was a director of Benefund Limited (trustee of the Uniting Church Beneficiary Fund), where she served on the Audit, Risk and Compliance Committee when the fund was transferred to a master trust.
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## Principal Activities

The principal activities during the financial year ended 30 June 2020, of Aracon Superannuation Pty Ltd was acting as trustee of The Aracon Superannuation Fund (the Fund).

## Review of Operations

The profit after providing for income tax was \$12,639 (2019: loss of \$30,061).

## Significant Changes in State of Affairs and Likely Developments

The impact of the COVID-19 pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

## Dividend

No dividends were paid during the financial year ended 30 June 2020.

## Environmental Issues

Operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

## Meetings of Directors

The directors were eligible to attend and attended the following meetings:

	Eligible to Attend	Attended
Geoffrey Peck	7	7
Alan Hayden	16	16
Debra Comben	14	14
Vincent Parrott	5	5
Christine Cameron	1	1
Peter Brook	8	8
Pamela McAlister	0	0

## Options

No options over issued shares or interests in the entity were granted during or since the end of the financial year.

# Aracon Superannuation Pty Limited

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## Remuneration report

The remuneration report details the remuneration arrangements for the Directors and Executive Officers of the entity.

Aracon's policy is to remunerate its Directors on a retainer fee and/or consulting fees basis that is appropriate to their experience, qualifications, expected effort (including time-measured rates) and prevailing market conditions. As at the date of this report, director fees for each non-executive director are \$40,000 per annum (plus superannuation) and \$80,000 per annum (plus superannuation) for the Chair.

2020	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary & fees	Cash bonus	Non-monetary	Superannuation	Leave benefits	Equity-settled	
	\$	\$	\$	\$	\$	\$	\$
<b>Non-Executive Directors</b>							
Geoffrey Peck	45,591	-	-	4,331	-	-	49,922
Alan Hayden	40,000	-	-	3,800	-	-	43,800
Debra Comben	40,000	-	-	3,800	-	-	43,800
Peter Brook	17,634	-	-	1,675	-	-	19,309
Vincent Parrott	29,570	-	-	2,809	-	-	32,379
	<b>172,795</b>	-	-	<b>16,415</b>	-	-	<b>189,210</b>
<b>2019</b>							
<b>Non-Executive Directors</b>							
Peter Brook	26,667	-	-	2,533	-	-	29,200
Pamela McAlister	26,667	-	-	2,533	-	-	29,200
Alan Hayden	40,157	-	-	2,533	-	-	42,690
Debra Comben	10,000	-	-	950	-	-	10,950
John Reid	11,200	-	-	1,064	-	-	12,264
	<b>114,691</b>			<b>9,613</b>			<b>124,304</b>

## Events Subsequent to Balance Date

Other than the information in Note 12, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

## Indemnities and Insurance Premiums for Officers or Auditors

No indemnities have been given or insurance premiums paid by an entity, during or since the end of the financial year, for any person who is or has been an officer or auditor of the entity.

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### Proceedings on Behalf of the Entity

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

The entity was not a party to any such proceedings during the year.

### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached to this directors' report.

This report is made with a resolution of the directors of Aracon Superannuation Pty Limited:



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Geoffrey K M Peck  
Director/Chairman

29 October 2020

# **Aracon Superannuation Pty Limited**

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## **AUDITOR'S INDEPENDENCE DECLARATION**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION  
307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF  
ARACON SUPERANNUATION PTY LTD**

I declare that, to the best of my knowledge and belief during the year ended 30 June 2020 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

**William Buck Audit (VIC) Pty Ltd**  
ABN 59 116 151 136



**N. S. Benbow**  
Director

Dated this 29<sup>th</sup> day of October, 2020

**ACCOUNTANTS & ADVISORS**

Level 20, 181 William Street  
Melbourne VIC 3000

Telephone: +61 3 9824 8555

**williambuck.com**

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For the Year Ended 30 June 2020

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2020

	Note	2020	2019
		\$	\$
Revenue	2	788,841	412,719
Less transaction costs		(416,434)	(260,150)
<b>Gross Profit</b>		<b>372,407</b>	<b>152,569</b>
Other income	3	31,322	3,111
Expenses			
Professional Fees		(88,970)	(64,275)
Directors Fees		(222,187)	(103,505)
Other Expenses	4	(74,586)	(29,319)
Finance Costs		-	(105)
<b>Profit / (Loss) before tax</b>		<b>17,986</b>	<b>(41,524)</b>
Tax (expenses)/benefit		(5,347)	11,463
<b>Profit / (Loss) for the year</b>		<b>12,639</b>	<b>(30,061)</b>
Other comprehensive income		-	-
Total comprehensive income for the year		-	-
<b>Total comprehensive income for the year attributable to ordinary equity members of Aracon Superannuation Pty Limited</b>		<b>12,639</b>	<b>(30,061)</b>

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2020

	Notes	2020 \$	2019 \$
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents	5	449,233	251,817
Trade and other receivables	6	587,023	206,532
Other current assets		894	769
<b>Total Current Assets</b>		<b>1,037,150</b>	<b>459,118</b>
<b>Non-Current</b>			
Deferred Tax Assets		43,986	11,463
<b>Total Non-current Assets</b>		<b>43,986</b>	<b>11,463</b>
<b>Total Assets</b>		<b>1,081,136</b>	<b>470,581</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	7	263,474	234,908
Related party loans	7	435,454	16,104
<b>Total Liabilities</b>		<b>698,928</b>	<b>251,012</b>
<b>Net Assets</b>		<b>382,208</b>	<b>219,569</b>
<b>Equity</b>			
Issued capital	8	250,114	250,114
Trustee capital	8	150,000	-
Accumulated losses		(17,906)	(30,545)
<b>Total Equity</b>		<b>382,208</b>	<b>219,569</b>

The accompanying notes form part of these financial statements.

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Statement of Change in Equity

For the Year Ended 30 June 2020

	Notes	Ordinary Shares	Accumulated Losses	Total
		\$	\$	\$
<b>Balance at 1 July 2018</b>		<b>250,114</b>	<b>14,216</b>	<b>264,330</b>
Loss for the year			(30,061)	(30,061)
Dividend Provided		-	(14,700)	(14,700)
<b>Balance as 30 June 2019</b>		<b>250,114</b>	<b>(30,545)</b>	<b>219,569</b>
Profit for the year			12,639	<b>12,639</b>
Issue of Trustee Capital		150,000		<b>150,000</b>
<b>Balance as 30 June 2020</b>		<b>400,114</b>	<b>(17,906)</b>	<b>382,208</b>

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 30 June 2020

	Notes	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		439,810	205,618
Payments to suppliers and employees		(781,703)	(206,237)
Interest received		3,916	3,111
Payments for income taxes		(37,997)	
Government Grant Received		27,405	-
Interest paid		-	(105)
<b>Net cash used in operating activities</b>	9	<u>(348,569)</u>	<u>2,387</u>
<b>Cash flows from financing activities</b>			
Dividend provided		-	(14,700)
Proceeds from related party loans		395,985	-
<b>Net cash used in financing activities</b>		<u>395,985</u>	<u>(14,700)</u>
<b>Cash flows from investing activities</b>			
Proceeds from issue of Trustee Capital		150,000	-
<b>Net cash used in investing activities</b>		<u>150,000</u>	<u>-</u>
<b>Net (increase)/decrease in cash held</b>		<b>197,416</b>	<b>(12,313)</b>
Cash at the beginning of the year		251,817	264,130
<b>Cash at the end of the year</b>		<u>449,233</u>	<u>251,817</u>

The accompanying notes form part of these financial statements.

# Aracon Superannuation Pty Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2020

## 1. Statement of significant accounting policies

Aracon Superannuation Pty Limited (the "entity") is a company limited by shares incorporated and domiciled in Australia. The registered office and principal place of business of the entity is Level 12, 500 Collins St, Melbourne VIC 3000.

### Basis of Preparation

#### (a) Statement of Compliance

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

These financial statements have been prepared on accrual basis and based on historical costs, modified, where applicable, by measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### (b) Revenue and Other Income

Revenue comprises Superannuation trustee fees. Revenue is measured at fair value of the consideration received or receivable.

Interest income is recognised when due and receivable.

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## (c) 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 Tax 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 Cash Flow Statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

## (d) Cash and Cash Equivalents

Cash and cash equivalents comprise of cash held in a current account with the bank and term deposit.

## (e) Financial Instruments

### Initial Measurement

The entity recognizes financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument.

Financial instruments are measured at fair value, which is its transaction price. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

### Subsequent Measurement

Subsequent to initial recognition, all instruments are measured at amortised cost, using the effective interest rate method.

### Amortised Cost

Amortised cost is calculated as a) the amount at which the financial asset or liability is calculated at initial recognition; b) less principal repayments; c) plus or minus the cumulative amortisation of the difference, if any between the amount initially recognised and the maturity amount calculated using the effective interest rate method; d) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

### Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

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## Impairment

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

## (f) New Accounting Standards and Interpretations

During the current year the entity adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. There was no significant recognition, measurement or disclosure impact from adopting those standards in these financial statements.

## 2. Revenue

The company earns revenue from the provision of trustee services (funds under management). Under AASB15, revenue is recognised when the performance obligation has been satisfied. The company has determined that trustee fees are recognised as revenue over time as the service is provided, that is, on a monthly basis.

	2020	2019
	\$	\$
Trustee fees	788,841	412,719
	<u>788,841</u>	<u>412,719</u>

### *Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

	2020	2019
	\$	\$
<i>Major product line</i>		
Trustee fees	788,841	412,719
	<u>788,841</u>	<u>412,719</u>
<i>Geographical regions</i>		
Australia	788,841	412,719
	<u>788,841</u>	<u>412,719</u>
<i>Timing of revenue recognition</i>		
Services transferred over time	788,841	412,719
	<u>788,841</u>	<u>412,719</u>

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## 3. Other income

	2020	2019
	\$	\$
Interest income	3,917	3,111
Government grants (COVID-19)	27,405	-
	<u>31,322</u>	<u>3,111</u>

### Government grants (COVID-19)

During the COVID-19 pandemic, the Xplore Group has received cash flow boosts from the Australian Government which are eligible for the company. The cash flow boosts are delivered as credits in the activity statement system. They are equivalent to the amount withheld from wages paid to employees for each monthly or quarterly period from March to June 2020.

## 4. Other expenses

	2020	2019
	\$	\$
Licence fees	35,404	21,468
Filing Fees	19,598	-
Postage	13,100	-
Board costs	-	115
Website	2,588	2,588
Other expenses	3,896	5,148
	<u>74,586</u>	<u>29,319</u>

## 5. Cash and cash equivalents

	2020	2019
	\$	\$
Cash at bank	194,233	817
Term deposit	255,000	251,000
	<u>499,233</u>	<u>251,817</u>

The entity is meeting the regulatory requirement for its Operation Risk Financial Reserve (ORFR) in the Aracon Superannuation Fund. The additional ORFR was voluntarily held as term deposit in the company.

The ORFR can, in certain circumstances, be claimed by members of the Aracon Superannuation Fund in the event of an operational failure by its Trustee.

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## 6. Trade and other receivables

	2020	2019
	\$	\$
Trade receivables	33,923	31,532
Other receivables	46,085	-
Prepayments	8,650	-
Other receivables from related parties*	498,365	175,000
	<u>587,023</u>	<u>206,532</u>

\*The amount is unsecured, non-interest bearing and collectible at call. The related party is Margaret Street Administration Services Pty Ltd.

The entity has not recognised loss in respect of impairment of receivables for the year ended 30 June 2020. There are no past due trade receivables.

## 7. Trade and other payables

	2020	2019
	\$	\$
Trade payables	23,347	44,054
Accrued expenses	206,589	164,200
Amounts payable to related parties*	435,454	5,560
Other payables	33,538	37,198
	<u>698,928</u>	<u>251,012</u>

\*The amount is unsecured, non-interest bearing and payable at call.

Amounts payable to related parties*	\$
Xplore Wealth Limited	191,875
DIY Master Pty Ltd	243,579

Refer to note 11 for further information on financial instruments.

## 8. Issued capital

	2020	2019
	\$	\$
12 fully paid ordinary shares (2019: 12)	250,114	250,114
Trustee Capital	150,000	-
	<u>400,114</u>	<u>250,114</u>

The Trustee Capital was provided by Xplore Wealth Limited, the parent company for ORFR requirements. No shares were issued.

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## 9. Reconciliation of cash flows from operating activities

	2020	2019
	\$	\$
Profit/loss of the year after tax	12,640	(30,061)
Change in trade and other receivables	(357,252)	(207,101)
Change in trade and other creditors	28,566	251,012
Change in Deferred Tax Assets	(32,523)	(11,463)
Net cash provided by/(used in) operating activities	<u>(348,569)</u>	<u>2,387</u>

## 10. Financial instruments

### Financial Risk Management Policies

The entity's activities expose it to credit risk and liquidity risk. The entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The Xplore Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and ageing analysis for credit risk.

The company has no borrowings.

The company invests surplus cash in Australian banks term deposits for ORFR requirement and in doing so is exposed to fluctuations in interest rates that are inherent in such a market. Relatively small balances are held at call for day to day activities.

The entity has a net cash surplus invested in bank term deposits for ORFR totaling \$255,000 (2019 \$251,000).

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/-1% (2019: +/-1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant

	Profit for the year		Equity	
	\$	\$	\$	\$
	+1%	-1%	+1%	-1%
30 June 2020	255	(255)	255	(255)
30 June 2019	251	(251)	251	(251)

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## Credit Risk

Credit risk is the risk that counterparty fails to discharge an obligation to the company. The company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits with banks etc. The company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Deposit with banks	255,000	251,000
Cash with banks	194,234	817
Trade receivables and other receivables	88,658	31,532
Other receivables from related parties	475,000	175,000
	<u><b>1,012,892</b></u>	<u><b>458,349</b></u>

These are no funds owing to the Company longer than 90 days.

## Liquidity risk

Vigilant liquidity risk management requires the Company to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

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For the Year Ended 30 June 2020

Remaining contractual maturities

The following tables detail the entity's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2020	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	23,347	-	-	-	23,347
Other payables	-	683,206	-	-	-	683,206
Total non-derivatives		706,553	-	-	-	706,553

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

## 11. Related party transactions

There was no remuneration paid or accrued to members of key management personnel during the year.

The entity received trustee services fees of \$300,000 from Margaret Street Administration Services Pty Ltd (a wholly owned subsidiary of Xplore Wealth Limited), creating a corresponding difference of \$300,000 in the intercompany balance between the entities during the year, refer to note 6.

The entity paid transaction costs of \$243,579 to DIY Master Pty Ltd (a wholly owned subsidiary of Xplore Wealth Limited) during financial year 2020, creating a corresponding difference of \$243,579 in the intercompany balance respectively between the entities –refer to Note 7.

The entity received a cash advance of \$191,875 from parent entity Xplore Wealth Limited during the period in order to meet liquidity requirements – refer to Note 7.

## 12. Post-reporting date events

On 28 October 2020, Xplore Wealth Limited (Xplore) and HUB24 have entered into a binding Scheme Implementation Agreement (SIA) under which it is proposed that HUB24 will acquire Xplore by way of scheme of arrangement.

Aracon Superannuation Pty Ltd is a wholly owned subsidiary of Xplore.

# Aracon Superannuation Pty Limited

ACN: 133 547 396

For the Year Ended 30 June 2020

## Directors Declaration

For the Year Ended 30 June 2020

The directors of the company declare that:

1. The attached financial statements and notes are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
2. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the company.
3. In the directors' opinion, 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 Board of Directors



.....  
Geoffrey K M Peck  
Director/Chairman

29 October 2020

# **Aracon Superannuation Pty Limited**

ACN: 133 547 396

For the Year Ended 30 June 2020

**Audit Report**

# Aracon Superannuation Pty Ltd

Independent auditor's report to members

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of Aracon Superannuation Pty Ltd (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Company, is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; 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 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.

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 comprises the information included in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and the 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.

#### ACCOUNTANTS & ADVISORS

Level 20, 181 William Street  
Melbourne VIC 3000  
Telephone: +61 3 9824 8555  
[williambuck.com](http://williambuck.com)

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, 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 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 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 these financial statements is located at the Auditing and Assurance Standards Board website at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our independent auditor's report.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

William Buck

**William Buck Audit (VIC) Pty Ltd**

ABN 59 116 151 136

A handwritten signature in black ink, appearing to read 'N. S. Benbow'.

**N. S. Benbow**

Director

Dated this 29<sup>th</sup> Day of October 2020