

Linear Superannuation Fund

RSE R1076349

Financial Report
For the period ended 30 June 2016

Trustee:
Linear Asset Management Limited
ABN 11 119 757 596
Level 9
287-293 Collins Street
Melbourne Victoria 3000

Linear Superannuation Fund

RSE R1076349

Financial Report

For the year ended 30 June 2016

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Linear Superannuation Fund
Income Statement
For the year ended 30 June 2016

	Notes	30 June 2016 \$	30 June 2015 \$
Superannuation activities			
Interest revenue – direct cash deposits	17	22,077	13,715
Dividend revenue	17	35,436	7,000
Distributions from unlisted trusts	17	58,767	302,164
Fair value gain/loss	4	(20,740)	(259,586)
Total superannuation activities revenue		95,540	63,293
Investment expenses		(5,866)	(2,649)
Administration expenses		(15,969)	(7,219)
Other operating expenses	18	(76,167)	(22,363)
Total expenses		(98,002)	(32,231)
Net income from superannuation activities		(2,462)	31,062
Net loss from insurance activities		-	-
Profit from operating activities		(2,462)	31,062
Less: Net benefits allocated to members' accounts		-	-
Profit before income tax		(2,462)	31,062
Income tax benefit/(expense)	8	(39,003)	1,624
Income/(Loss) after income tax		(41,465)	32,686

Linear Superannuation Fund
Statement of Financial Position
As at 30 June 2016

	Notes	30 June 2016 \$	30 June 2015 \$
Assets			
Cash	13	21,018	1,392,606
Receivables	5	-	290,662
Listed Australian shares held directly	6	-	699,296
Units in international shares held directly	6	-	78,511
Units in unlisted trusts	6	-	4,826,849
Deferred tax assets	16	-	18,962
Total assets		21,018	7,306,886
Liabilities			
Payables	7	1,791	1,628
Loan	12	6,214	-
Income tax payable		13,013	17,338
Insurance liabilities	3(o)	-	-
Total liabilities excluding member benefits		21,018	18,966
Net assets available for member benefits		-	7,287,920
Member benefits		-	7,287,920
Total net assets		-	-
Equity			
Investment reserve		-	-
Total equity		-	-

Linear Superannuation Fund
Statement of Changes in Member Benefits
For the year ended 30 June 2016

	Notes	30 June 2016 \$	30 June 2015 \$
Opening balance of member benefits		7,287,920	-
Contributions:			
Employer		100,297	41,318
Member		4,459	1,083,068
Transfers from other superannuation plans		1,977,710	6,295,420
Government co-contributions		299	-
Income tax on contributions	21	17,700	7,292
Net after tax contributions		<u>2,100,465</u>	<u>7,427,098</u>
Less			
Benefit to members:			
Transfers to other superannuation plans		9,155,100	-
Insurance premiums charged to members' accounts		-	-
Death and disability benefits credited to members' accounts		-	-
Benefits allocated to members' accounts		191,820	171,864
Net investment income		57,434	(39,905)
Administration fees		(15,969)	7,219
Closing balance of member benefits		<u>-</u>	<u>7,287,920</u>

Linear Superannuation Fund
 Statement of Changes in Reserves
 For the year ended 30 June 2016

30 June 2016

Opening balance
 Net transfers to/from reserves
 Closing balance

Unallocated surplus / (deficiency)	Investment reserve	Operational risk	Total equity
\$	\$	\$	\$
-	-	-	-
-	-	-	-
-	-	-	-

30 June 2015

Opening balance
 Net transfers to/from reserves
 Closing balance

Unallocated surplus / (deficiency)	Investment reserve	Operational risk	Total equity
\$	\$	\$	\$
-	-	-	-
-	-	-	-
-	-	-	-

Linear Superannuation Fund
Statement of Cash Flows
For the year ended 30 June 2016

	Notes	30 June 2016 \$	30 June 2015 \$
Cash flows from operating activities			
Interest		22,077	13,715
Dividends		37,127	5,308
Distributions from Unit Trusts		345,470	15,461
Administration expenses		(90,249)	(8,426)
Investment expenses		(5,866)	(2,649)
Other expenses		-	(22,363)
Income tax funded		3,001	-
Net cash inflow/(outflow) from operating activities	14	311,560	1,046
Cash flows from investing activities			
Proceeds from sale of investments		10,968,523	883,526
Payment for purchase of investments		(5,385,175)	(6,747,200)
Net cash inflow/(outflow) from investing activities		5,583,348	(5,863,674)
Cash flows from financing activities			
Employer contributions		117,997	48,610
Member contributions		4,459	1,083,068
Transfers from other superannuation plans received		1,977,710	6,295,420
Government co-contributions received		299	-
Benefits paid to members		(191,820)	(171,864)
Transfers to other superannuation plans paid		(9,161,311)	-
Loan		6,214	-
Income tax paid on contributions received		(20,044)	-
Net cash inflow/(outflow) from financing activities		(7,266,496)	7,255,234
Net increase/(decrease) in cash and cash equivalents		(1,371,588)	1,392,606
Cash and cash equivalents at the beginning of the period		1,392,606	-
Cash and cash equivalents at the end of the financial period		21,018	1,392,606

Note 1: General information

These financial statements cover Linear Superannuation Fund ("the Fund") as an individual entity. The Fund is a registered superannuation fund and domiciled in Australia. The Fund was constituted by a trust deed on 20th October 2014 .

The Trustee of Linear Superannuation Fund (Fund number; R1076349) is Linear Asset Management Limited (ABN 11 119 757 596; RSE license number: L0003453) (the Trustee).

The Fund ceased to accept further contributions from 31 March 2016. The Fund has paid out all existing members benefit to superannuation funds nominated by the members.

The financial statements are for the period from 01 July 2015 to 30 June 2016 ("the reporting period").

Note 2: New, revised or amending Accounting Standards and interpretations adopted

The AASB has issued a new accounting standard titled AASB 1056: *Superannuation Entities* (applicable for annual reporting periods commencing on or after 1 July 2016). The new standard comprehensively reforms the general purpose reporting requirements applicable to superannuation entities. The standard replaces AAS 25. The need for the new standard arose as a result of implementation of IFRS and the substantial changes within the superannuation industry that has occurred since 1993, which is when AAS 25 was last issued. AASB 1056 is required to be applied retrospectively, as such, comparative information is required to be restated and presented in the new format. The Trustee had elected to adopt AASB 1056 since 1 July 2014.

The key changes between AASB 1056 and AAS25 are:

- (a) The level of integration between AASB 1056 and other AASB standards
- (b) A revised definition of a superannuation entity
- (c) Use of fair value rather than net market value for measuring assets and liabilities, the intention is to align superannuation entities with the requirements of AASB 13; Fair Value Measurement
- (d) Revised member liability recognition and measurement requirements
Revised member liability recognition and measurement requirements
- (e) All recognised assets and liabilities except member liabilities, tax assets and liabilities, acquired goodwill, insurance assets and liabilities, and employer-sponsor receivables shall be measured at fair value at each reporting date.
 - measure all accrued benefits
 - in the case of a defined contribution plan, at the amount of member balances outstanding at the reporting date; and
 - in the case of a defined benefit plan, at the required net cash inflow from investments to meet the obligation; and
 - value all employer-sponsor receivables at their intrinsic value
- (f) Improvement on disclosure requirements. AAS 25 did not require presentation of a statement of changes in member benefits. Therefore a new primary statement is now required

Note 3: Summary of significant accounting policies

(a) Statement of compliance

The fund is a for profit entity. These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations, the provisions of the trust deed and the requirements of the *Superannuation Industry (Supervision) Act 1993* and Regulations.

The financial statements were authorised for issue by the directors on 28th September 2016.

Note 3: Significant accounting policies (continued)

(b) Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards, interpretations issued by the Australian Accounting Standards Board and the *Superannuation Industry (Supervision) Act 1993* and Regulations in Australia and the provisions of the trust deed.

The financial Statements are presented in Australian dollars, unless otherwise noted.

Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current.

(c) Liability for Members' Accrued Benefits

Obligations relating to member entitlements shall be recognised as member liabilities. The liability for members' accrued benefits represents the Fund's present obligation to pay benefits to members and beneficiaries and has been calculated as the difference between the carrying amount of the assets, other payables and tax liabilities as at the end of the reporting period.

(d) Income tax

The Fund is a complying superannuation fund for the purposes of the provisions of the Income Tax Assessment Act 1997. Accordingly, the concessional tax rate of 15% has been applied to the Fund's taxable income

The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/ (income).

Current tax and deferred tax are recognised in profit or loss. Current tax liabilities (assets) are measured at the amounts expected to be paid to (or recovered from) the relevant taxation authority.

Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in members' funds, in which case it is recognised directly in members' benefits.

Deferred income tax expense reflects movements in deferred tax asset and liability balances during the year as well as unused tax losses.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which the Trustee expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be offset.

(e) No Tax File Number (TFN) Contribution Tax

Where a member's TFN is not provided to the Fund, the Fund may be required to pay a no-TFN contributions tax at a rate of 34% on contributions received from and on behalf of the member. The no-TFN tax applies in addition to the concessional contributions tax rate of 15% applicable to such contributions.

A no-TFN contribution tax liability recognised by the Fund will be charged to the relevant member's account. Where a tax offset is obtained by the Fund in relation to the member's no-TFN contributions tax liability, the tax offset will be included in the relevant member's account.

(f) Superannuation Contributions (Surcharge) Tax

The Fund recognises amounts paid or payable in respect of the surcharge tax on contributions as an expense. The expense (and any corresponding liability) is brought to account in the period in which the assessments are received by the Trustee and are properly payable by the Fund. Overpayments of contribution surcharges in prior periods will result in a refund to the Fund.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short-term investments in money market with original maturities of three months or less.

Note 3: Significant accounting policies (continued)

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST recoverable from the Australian Taxation Office (ATO) as a reduced input tax credit, except where the amount of GST incurred is not recoverable from the ATO, in which case the GST is recognised as part of the cost of acquisition of the asset or as an expense in the period in which it is incurred.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other current receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities are presented as operating cash flows included in receipts from customers or payments to suppliers.

(i) Investment income

Income is measured at the fair value of the consideration received or receivable.

Interest income is recognised on the accrual basis in the Income Statement. Interest income is measured using the effective interest rate method.

Dividend income from investments is recognised on ex-dividend date.

Distribution income is recognised on present entitlements basis.

Contributions received and transfers in are recognised as revenue when the control and the benefits from the revenue have transferred to the Fund. Contributions and transfers are recognised gross of any taxes.

(j) Expenses

All expenses are recognised in the Income Statement on an accruals basis.

(k) Financial instruments

(i) Classification

The Fund's investments are categorised as fair value through profit or loss. They comprise:

- Financial instruments held for trading
- Financial instruments designated at fair value through profit or loss upon initial recognition

Financial instruments designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy.

(ii) Recognition / Derecognition

The fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets and financial liabilities from this date.

(iii) Measurement

Investments are derecognised when the right to receive cash flows from the investments have expired or the Fund has transferred substantially all the risks and rewards associated with ownership.

At initial recognition, the fund measures a financial asset at its fair value. The transaction costs directly attributable to the acquisition of financial assets or liabilities are expensed in the Income Statement.

Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value. Gains or losses arising from changes in the fair value are presented in the Income Statement within net gains / (losses) on financial instruments at fair value through profit / (loss) category.

The fair value of financial assets and liabilities traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets held by the Fund is the current bid price and the quoted market price. The quoted market price for financial liabilities is the current asking price.

Further details of how the fair values of financial instruments are determined are disclosed in note 11.

Note 3: Significant accounting policies (continued)

(k) Financial instruments (continued)

Financial liabilities and equity instruments issued by the Fund

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual agreement.

In accordance with AASB 132, members benefits are classified as a financial liability and disclosed as such in the statement of financial position, being referred to as "Net assets available for member benefits"

(l) Significant accounting judgements, estimates and assumptions

The Fund may make use of estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For majority of the Fund's financial instruments, quoted market prices are readily available.

For certain other financial instruments including amounts due from / to brokers, accounts payable and accrued expenses, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

(m) Other receivables

Receivables include amounts for dividends, interest, GST recoverable and unsettled sales. Dividends are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment. Receivables are generally recovered within a 30 day period.

(n) Insurance activities

The plan does not provide insurance.

(o) Insurance contract liabilities

The plan does not provide insurance.

Note 4: Net loss on financial assets held at fair value through profit or loss

	30 June 2016	30 June 2015
	\$	\$
Net loss on financial assets held at fair value through profit or loss	(20,740)	(259,586)

Note 5: Other receivables

Dividends receivable	-	288,395
Other receivable	-	2,267
	-	290,662

Note 6: Financial assets held at fair value through profit or loss

	30 June 2016	30 June 2015
	\$	\$
Listed Equities	-	699,296
Units in managed funds	-	4,826,849
Unlisted Equities	-	78,511
	<u>-</u>	<u>5,604,656</u>

Note 7: Other payables

Accrued charges	1,791	1,060
Other	-	568
	<u>1,791</u>	<u>1,628</u>

Note 8: Income Tax Expense

	Note		
a. <i>The components of tax expense comprise:</i>			
Current tax charge		13,013	17,338
Deferred Tax		26,290	(18,962)
		<u>39,303</u>	<u>(1,624)</u>
b. <i>The prima facie tax on benefits accrued before income tax is reconciled to the income tax:</i>			
Benefits accrued as a result of operations before income tax		(7,248,917)	7,286,297
Prima facie tax payable on benefits accrued before income tax at 15% (2015: 15%)		(1,087,338)	1,092,944
Add Tax effect of:			
- imputation credits		983	1,680
- FITO		126	400
- carried forward capital loss		25,990	-
- non-deductible expenditure		1,411,161	54,707
		<u>1,438,260</u>	<u>56,787</u>
Less: Tax effect of:			
- non-assessable members' contributions		298,303	1,106,773
- non assessable MIT distribution		-	14,898
- pension offset - dividend receivable		-	66
- pension Income		6,226	15,754
		<u>304,529</u>	<u>1,137,491</u>
Less credits: imputation credits		6,551	11,200
-		840	2,664
Income tax expense/(benefit)		<u>39,003</u>	<u>(1,624)</u>

Note 9: Members Liability

Members liability at end of the financial year
As compared to net assets available to pay benefits

	30 June 2016	30 June 2015
	\$	\$
	-	7,287,920
	-	7,287,920

Member account balances are derived based on the underlying investment movements.
No guarantees have been made in respect of any portion of the liability for accrued benefits.

Note 10: Financial risk management

Financial risk management objectives

The Fund is exposed to a number of risks due to the nature of its activities and as further set out in its Product Disclosure Statement. These risks include market risk (including currency risk and price risk), credit risk, liquidity risk and cashflow interest rate risk. The Fund's objective in managing these risks is the protection and enhancement of member value.

The Fund's risk management policies are approved by the Trustee and seek to minimise the potential adverse effects of the risks on the Fund's financial performance. The Risk Management System is an ongoing process of identification, measurement, monitoring and controlling risk.

The Fund outsources the investment management to a specialist investment manager who provides service to the Fund, co-ordinates access to domestic financial markets, and manage the financial risks relating to the operations of the Fund in accordance with an investment mandate set out in accordance with the Fund's constitution and product disclosure statement.

Compliance with policies and exposure limits are reviewed by the Trustee on a continual basis.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange (currency risk), market interest rates (interest rate risk) and market prices (price risk). There has been no change to the Fund's exposure to market risks or in the manner in which it manages and measures the risk.

Foreign currency risk management

The Fund does not actively hold foreign currencies; consequently, no significant exposure to exchange rate fluctuations arose for the year.

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows and earnings or the net market value of fixed rate financial instruments. Interest rate risk is managed using a mix of fixed and floating rate securities.

The Trustee also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

The financial instruments that expose the Fund to interest rate risk are limited to cash and cash equivalents, government securities, corporate bonds and mortgage bonds.

Note 10: Financial risk management (continued)

(a) Market risk (continued)

Price risk management

Market risk is the risk that the total value of investments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. The Fund has investments in equity instruments and managed funds which exposes the Fund to price risk. The investment manager manages the Fund's market risk on a daily basis in accordance with the Fund's investment objectives and policies, as detailed in the product disclosure statement.

As the Fund's financial instruments are carried at fair value with changes in fair value recognised in the profit or loss, all changes in market conditions will directly affect investment income.

The following table illustrates the effect on profit and net assets attributable to unitholders from possible changes in other market risk that were reasonably possible based on the risk the Fund was exposed to at reporting date:

	30 June 2016		30 June 2015	
	% Change in variable +/-	Change in earnings / net assets available to pay members' benefits \$	% Change in variable +/-	Change in earnings / net assets available to pay members' benefits \$
Domestic equity	10	-	10	69,929.60
Managed funds	10	-	10	482,684.90
International equities	10	-	10	7,851.10

(b) Credit risk management

Credit risk refers to the risk that the counterparty will default on its obligations resulting in financial loss to the Fund.

The Fund's exposure to credit risk is limited to receivables for investments sold, dividends, distributions and interest receivable. The credit risk associated with unsettled sales is considered minimal since these trades are settled on a T+3 basis and for which the counterparties are large financial institutions. The credit risk associated with dividend, distribution and interest receivable is considered to be minimal since neither of these amounts are impaired nor past due but not impaired.

Note 10: Financial risk management (continued)

(c) Liquidity risk management

The Fund's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities. Members are able to withdraw their benefits at any time and the Fund is therefore exposed to the liquidity risk of meeting members' withdrawals at any time.

The Fund's listed securities, listed managed investment schemes and unlisted managed investment schemes are considered to be readily realisable. As a result, the risk to the Fund of not being able to liquidate these investments at their fair value in order to meet its liquidity requirements is considered minimal.

The Fund's liquidity risk is managed in accordance with the Fund's investment strategy. The Fund has a high level of net inward cash flows (through new applications by members) which provides capacity to manage liquidity risk. The Fund also manages liquidity risk through the continuous monitoring of forecast and actual cash flows.

Liquidity risk

The following table details the Fund's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the earliest date on which the Fund can be required to pay.

	1-3 months	3 months to 1 period	1-5 periods	5+ periods	At call	Total
	\$	\$	\$	\$	\$	\$
30 June 2016						
Trade and other payables	1,791	-	-	-	-	1,791
Loan Payable	6,214	-	-	-	-	6,214
Income tax payable	13,013	-	-	-	-	13,013
Accrued vested benefits	-	-	-	-	-	-
	21,018	-	-	-	-	21,018

	1-3 months	3 months to 1 period	1-5 periods	5+ periods	At call	Total
	\$	\$	\$	\$	\$	\$
30 June 2015						
Trade and other payables	1,628	-	-	-	-	1,628
Income tax payable	17,338	-	-	-	-	17,338
Accrued vested benefits	-	-	-	-	7,287,920	7,287,920
	18,966	-	-	-	7,287,920	7,306,886

Note 11: Fair value measurement

The Fund measures and recognises the following assets and liabilities at fair value on recurring basis;

- financial assets / liabilities at fair value through profit or loss
- financial assets / liabilities held for trading

The Fund has no assets / liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy;

- quoted prices(unadjusted) in active markets for identical assets or liabilities (Level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2)
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3)

The Fund does not hold any level 3 financial assets or liabilities.

Note 11: Fair value measurement (continued)

Fair value in an active market (Level 1)

The fair value of financial asset and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deductions for estimated future selling costs. Financial assets are priced at closing bid prices, while financial liabilities are priced at closing ask prices.

The Fund values its investments in accordance with the accounting policies set out in note 2 to the financial statements. For the majority of its investments, the Fund relies on information provided by IRESS for the valuation of relevant investments.

A financial instrument is regarded as quoted in an active market if quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Fair value in an inactive or unquoted market (Level 2 and Level 3)

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. These include the use of recent arms length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, options pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

The table below sets out the Fund's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy for the period.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
30 June 2016				
Financial Assets				
Financial assets held for trading	-	-	-	-
Financial assets designated at fair value through profit or loss	-	-	-	-
Total	-	-	-	-
Financial liabilities				
Financial liabilities held for trading	-	-	-	-
Total	-	-	-	-
30 June 2015				
Financial Assets				
Financial assets held for trading	-	-	-	-
Financial assets designated at fair value through profit or loss	777,807	4,826,849	-	5,604,656
Total	777,807	4,826,849	-	5,604,656
Financial liabilities				
Financial liabilities held for trading	-	-	-	-
Total	-	-	-	-

Note 12: Related party disclosures

The Trustee of the Fund is Linear Asset Management Limited (ABN 11 119 757 596). Transactions related to the Trustee are disclosed below.

Transactions with related parties have taken place at arm's length and in the ordinary course of business.

- * Investment management fees of \$5,866 were paid to the manager (2015: \$2,649)
- * Fund administration fees of \$15,969 were paid to the Trustee (2015: \$7,219)
- * Adviser fees of \$76,167 were paid to the advisers (2015: \$22,363)
- * Loan of \$6,214 from the Trustee were provided to members to cover tax lodgement and audit expenses (2015: -)

The Fund did not hold any interests in related parties at period end or throughout the current period.

Details of key management personnel

The key management personnel of the Fund during the period were:

(a) Directors

Name	Date appointed	Date resigned
Colin Francis Peterson	18/05/2006	
Nicholas Duncan Brookes	23/10/2013	17/08/2016
Ronald Peter Beard	23/10/2013	
Alan William Darwin	28/05/2015	17/08/2016
Amanda Lee Noble	21/07/2016	

(b) Other key management personnel

Name	Position	Date appointed	Date resigned
Josephine Maria Luppino	Company Secretary	16/08/2016	

The positions noted above for the Fund's key management personnel are the positions held within the Trustee and not the Fund itself.

There were no units held or loans issued to directors or director-related entities of Linear Superannuation Fund.

Note 13: Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and in the banks and can be reconciled to the related items in the statement of financial position as follows:

	30 June 2016	30 June 2015
	\$	\$
Cash and bank balances	21,018	1,392,606

Note 14: Net cash inflow/(outflow) from operating activities

Reconciliation of net cash provided by operating activities to benefits accrued as a result of operations

	30 June 2016	30 June 2015
	\$	\$
Income/(loss) after tax	(41,465)	32,686
Change in financial assets held at fair value	20,740	259,586
Benefits paid	-	-
<i>Change in assets and liabilities:</i>		
(Increase)/Decrease in dividends receivable	288,395	(288,395)
Increase/(Decrease) in income taxes payable	24,765	17,338
Increase/(Decrease) in deferred taxes payable	18,962	(18,962)
Increase/(Decrease) in other payables	164	(1,207)
Net cash provided by (used in) operating activities	311,560	1,046

Note 15: Remuneration of auditor

	30 June 2016	30 June 2015
	\$	\$
Auditor's remuneration		
Auditing the Financial Statements	18,000	19,000
Compliance audit	17,000	16,000
The auditor of the Fund is ShineWing Australia.	35,000	35,000

Note 16: Deferred Tax Asset

30 June 2016

Deferred tax asset

Investments
Interest receivable
Trust distributions receivable
Contributions receivable

Balance as at 30 June 2016

30 June 2015

Deferred tax asset

Investments
Interest receivable
Trust distributions receivable
Contributions receivable

Balance as at 30 June 2015

	Opening Balance \$	Charged to Operating Statement \$	Closing Balance \$
	19,147	(19,147)	-
	-	-	-
	(185)	185	-
	-	-	-
	18,962	(18,962)	-
	-	19,147	19,147
	-	-	-
	-	(185)	(185)
	-	-	-
	-	18,962	18,962

Note 17: Total Revenue

	30 June 2016	30 June 2015
	\$	\$
Interest revenue	22,077	13,715
Dividend revenue	35,436	7,000
Distribution from unlisted trust	58,767	302,164
	<u>116,280</u>	<u>322,879</u>

Note 18: Other Operating Expenses

Adviser Service Fee	54,317	16,925
Client Service Fee	16,283	5,438
Other expenses	5,567	-
	<u>76,167</u>	<u>22,363</u>

Note 19 – Investment Reserve

The investment reserve comprises the difference between the cumulative amount of investment income (net of investment expenses) allocated to members' accounts compared to the cumulative investment income (net of investment expenses) earned.

Note 20 – Operational Risk Reserve

An Operational Risk Reserve is required under Australian Prudential Regulation Authority Standards to maintain adequate financial resources to address potential losses arising from operational risks. The Trustee has assessed a reserve of 30basis points of funds under management as being appropriate for the Plan. The reserve was held in the trustee on behalf of the Linear Superannuation Fund

	30 June 2016	30 June 2015
	\$	\$
Operational risk reserve		
Defined contribution membership	-	-
Defined benefit membership	-	-
	<u>-</u>	<u>-</u>

Note 21: Income Tax on Contributions

Contributions tax	17,700	7,292
Contributions surcharge	-	-
	<u>17,700</u>	<u>7,292</u>

Note 22: Events subsequent to reporting date

On 1 July 2016, Linear Financial Holdings Pty Limited (Linear) sold its interest in Linear Asset Management Limited (LAM), the Trustee of the Linear Superannuation Fund. Trustee Partners, a consulting division of Tidswell Financial Services Ltd, has acquired 100% of the shares in LAM. As part of this corporate change, LAM has been renamed to Responsible Entity Partners Limited.

No other significant events have occurred since the end of the financial period which significantly affected or may significantly affect the operations of the Fund, the results of the operations, or the state of affairs of the Fund in the future financial periods.

Directors' Declaration of the Trustee

The directors of Linear Asset Management Limited, the Trustee of Linear Superannuation Fund, declare that:

(a) The financial statements and notes of Linear Superannuation Fund ("the Fund"), as set out on pages 2 to 19 are in accordance with the requirements of the Superannuation Industry (Supervision) Act 1993, the Corporations Act 2001 and the regulations and guidelines during the year including:

- (i) complying with Australian Accounting Standards and Interpretations ;
- (ii) prepared in accordance with the provisions of the trust deed; and
- (iii) giving a true and fair view of the financial position of the Fund as at 30 June 2016 and its performance for the financial period ended on that date.

(b) In the Directors' opinion, there are reasonable grounds to believe that the Fund 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 of the Trustee.



Colin Francis Peterson
Director
Melbourne 28 September 2016



Ronald Peter Beard
Director
Melbourne 28 September 2016

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LINEAR SUPERANNUATION FUND (ABN: 62 311 059 575)

Financial Statements

I have audited the financial statements of Linear Superannuation Fund for the period ended 30 June 2016 which comprises the Income Statement, Statement of Financial Position, Statement of Changes in Member Benefits, Statement of Changes in Reserves, Statement of Cash Flows for the period then ended, Notes to the Financial Statements and the Trustee's Declaration.

Trustee's Responsibility for the Financial Report

The RSE's trustee is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the requirements of the *Superannuation Industry (Supervision) Act 1993* (SIS Act) and the *Superannuation Industry (Supervision) Regulations 1994* (SIS Regulations). The trustee is also responsible for such internal control as the trustee determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted an independent audit of the financial statements in order to express an opinion on them to the members of the Linear Superannuation Fund.

My audit has been conducted in accordance with Australian Auditing Standards. These Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the trustee's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trustee's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustee, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting the audit, I have complied with the independence requirements of Australian professional ethical pronouncements and APRA Prudential Standards.

Opinion

In my opinion, the financial statements present fairly, in all material respects, in accordance with Australian Accounting Standards, the financial position of Linear Superannuation Fund as at 30 June 2016 and the results of its operations and its cash flows for the year ended 30 June 2016.

ShineWing Australia

ShineWing Australia
Chartered Accountants

M. Schofield

Matthew Schofield
Partner

Melbourne, 28 September 2016