

**JBWere Cash Trust**  
**ARSN 160 854 277**  
**Financial Report**  
**For the year ended 30 June 2016**

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## Directors' report

The Directors of MLC Investments Limited, the Responsible Entity of the JBWere Cash Trust (the 'Scheme') present their report together with the financial report of the Scheme for the year ended 30 June 2016 and the independent audit report thereon.

### Directors of the Responsible Entity

The names of the persons who were Directors of MLC Investments Limited during or since the end of the year are as follows:

Name	Appointment Date
S C Birkensleigh	Appointed 9 September 2015
J G Duffield	Appointed 24 August 2011
P Gupta	Appointed 1 September 2012
G J Mulcahy	Appointed 7 July 2014

The registered office of MLC Investments Limited is located at Ground Floor, MLC Building, 105-153 Miller St, North Sydney NSW 2060.

### Principal activities

The Scheme is an unlisted registered managed investment scheme domiciled in Australia.

The Scheme invests and transacts in a range of deposit products offered by the National Australia Bank Limited, primarily in the NAB Professional Funds Account in accordance with the provisions of the Constitution of the Scheme.

The Scheme did not have any employees during the year (2015: Nil)

There have been no significant changes to the activities of the Scheme during the year.

The Scheme is a for profit entity for the purpose of preparing financial statements.

### Results and review of operations

The results of the operations of the Scheme are disclosed in the Statement of Profit or Loss and Other Comprehensive Income. These results are affected by the performance of the markets to which the Scheme has exposure.

For details in relation to the Scheme's investment exposure and strategy, information can be obtained from the investment fund profile located on the JBWere website at [jbwere.com.au](http://jbwere.com.au) or alternatively in the Product Disclosure Statement.

### Distributions

The distributions for the year ended 30 June 2016 were as follows:

	\$'000	Annualised % rate
Distributions paid	30,878	1.62

### Units on issue

Units on issue as at year end and movements during the year are shown in the Statement of Changes in Net Assets Attributable to Unitholders.

The total assets of the Scheme are set out in the Statement of Financial Position. The basis for valuation of the Scheme's assets is disclosed in Note 1 to the financial statements.

### State of affairs

In the opinion of the Responsible Entity, there were no significant changes in the state of affairs of the Scheme that occurred during the year unless otherwise disclosed.

#### **Likely developments**

The investment strategy of the Scheme will be maintained in accordance with the Scheme's Constitution and investment objectives.

Further information on likely developments in the operations of the Scheme and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Scheme.

#### **Auditor's independence**

The Directors received a declaration of independence from the auditor of the Scheme, a copy of which is attached to the Directors' report on page 3.

#### **Events subsequent to the balance date**

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

#### **Interests of the Responsible Entity**

Units held by MLC Investments Limited and its related parties in the Scheme during the financial year ended 30 June 2016 are detailed in Note 6 to the financial statements.

Fees paid to the Responsible Entity during the financial year ended 30 June 2016 are detailed in Note 6(e) to the financial statements.

#### **Environmental regulation**

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

#### **Indemnification and insurance premiums for Officers or Auditors**

##### *Indemnification*

The Scheme has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer of the Responsible Entity or an auditor of the Scheme during the year.

##### *Insurance premiums*

During the year the ultimate parent company of the Responsible Entity, National Australia Bank Limited, has paid, or agreed to pay, premiums in respect of its officers for liability and legal expenses, insurance contracts, and premiums in respect of such insurance contracts, for the financial year ended 30 June 2016. Such insurance contracts insure against certain liability (subject to specified exclusions) for persons who are or have been the officers of the Responsible Entity.

Details of the nature of the liabilities covered or the amount of the premium paid has not been included as such disclosure is prohibited under the terms of the contracts.

#### **Rounding**

The Scheme is of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the financial report and in the Directors' report. Amounts in the financial report and the Directors' report have been rounded off to the nearest thousand dollars in accordance with that ASIC Corporations Instrument, unless otherwise indicated.

Signed in accordance with a resolution of the Directors of MLC Investments Limited:

Director: P. Crompton

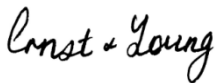
Signature: 77L

Dated at Sydney this 22nd of September 2016

## Auditor's Independence Declaration to the Directors of MLC Investments Limited, as Responsible Entity for JBWere Cash Trust

As lead auditor for the audit of JBWere Cash Trust for the financial year ended 30 June 2016, I declare 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.



Ernst & Young



Rita Da Silva  
Partner  
22 September 2016

**JBWere Cash Trust**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 30 June 2016**

	Notes	2016 \$'000	2015 \$'000
<b>Investment income</b>			
Interest Income		44,083	50,875
Other income		<u>-</u>	<u>18</u>
<b>Total investment income</b>		<u>44,083</u>	<u>50,893</u>
<b>Expenses</b>			
Responsible Entity's fees	6(e)	13,187	11,817
Other expenses		<u>18</u>	<u>-</u>
<b>Total operating expenses</b>		<u>13,205</u>	<u>11,817</u>
<b>Net operating profit</b>		<u>30,878</u>	<u>39,076</u>
<b>Financing costs</b>			
Distributions	3	<u>30,878</u>	<u>39,076</u>
<b>Net profit/(loss)</b>		<u>-</u>	<u>-</u>
Other comprehensive income		-	-
Items reclassified to profit or loss		<u>-</u>	<u>-</u>
<b>Change in net assets attributable to unitholders</b>		<u>-</u>	<u>-</u>

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**JBWere Cash Trust**  
**Statement of Financial Position**  
**As at 30 June 2016**

	Notes	2016 \$'000	2015 \$'000
<b>Assets</b>			
Cash and cash equivalents	8(b)	2,025,206	1,877,388
Receivables	4	<u>2</u>	<u>97</u>
<b>Total assets</b>		<u>2,025,208</u>	<u>1,877,485</u>
<b>Liabilities</b>			
Accounts payable and accrued expenses	5	<u>2,845</u>	<u>3,120</u>
<b>Total liabilities excluding net assets attributable to unitholders</b>		<u>2,845</u>	<u>3,120</u>
<b>Net assets attributable to unitholders</b>		<u>2,022,363</u>	<u>1,874,365</u>

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

**JBWere Cash Trust**  
**Statement of Changes in Net Assets Attributable to Unitholders**  
**For the year ended 30 June 2016**

	\$'000	No. '000
<b>Net assets attributable to unitholders</b>		
<b>Balance at 30 June 2014</b>	1,731,391	173,139,300
Applications	9,080,712	908,071,204
Redemptions	(8,937,738)	(893,773,782)
Change in net assets attributable to unitholders	<u>-</u>	<u>-</u>
<b>Balance at 30 June 2015</b>	1,874,365	187,436,722
Applications	9,882,982	988,298,195
Redemptions	(9,734,984)	(973,498,444)
Change in net assets attributable to unitholders	<u>-</u>	<u>-</u>
<b>Balance at 30 June 2016</b>	<u><b>2,022,363</b></u>	<u><b>202,236,473</b></u>

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



**JBWere Cash Trust**  
**Statement of Cash Flows**  
**For the year ended 30 June 2016**

	Notes	2016 \$'000	2015 \$'000
<b>Cash flows from operating activities</b>			
Interest received		44,160	50,799
Responsible Entity's fees paid		<u>(13,519)</u>	<u>(13,460)</u>
<b>Net cash provided by operating activities</b>	8(a)	<u>30,641</u>	<u>37,339</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of investments		-	-
Purchases of investments		<u>-</u>	<u>-</u>
<b>Net cash provided by investing activities</b>		<u>-</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
Applications received		9,852,534	9,032,062
Redemptions paid		<u>(9,734,979)</u>	<u>(8,937,738)</u>
Distributions paid		<u>(378)</u>	<u>(633)</u>
<b>Net cash provided by financing activities</b>		<u>117,177</u>	<u>93,691</u>
<b>Net increase in cash and cash equivalents</b>		147,818	131,030
Cash and cash equivalents at the beginning of the financial year		<u>1,877,388</u>	<u>1,746,358</u>
<b>Cash and cash equivalents at the end of the financial year</b>	8(b)	<u>2,025,206</u>	<u>1,877,388</u>

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

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

The financial report of the Scheme for the financial year ended 30 June 2016 was authorised for issue in accordance with a resolution of the Directors of the Responsible Entity on 22 September 2016.

### (a) Statement of compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board ('AASB') and International Financial Reporting Standards ('IFRS'), as issued by the International Accounting Standards Board.

### (b) Basis of preparation

The Scheme's financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report has been prepared on the basis of historical costs.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for financial assets and liabilities at fair value and net assets attributable to unitholders.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

The financial statements are presented in Australian Dollars, and all values are rounded to the nearest \$'000 except where otherwise indicated.

### (c) Basis of consolidation

The Scheme is an investment entity and, as such, does not consolidate any entities subject to its control. Instead, interests in controlled entities are classified at fair value through profit or loss, and measured at fair value. The Scheme does not hold a controlling interest in any of its underlying investments and therefore is not required to provide additional disclosures.

### (d) Unit prices

The unit price for the units of the Scheme is calculated as at the close of business on each business day.

### (e) Terms and conditions on units

Each unit issued confers upon the unitholders of the Scheme an equal interest in the Scheme, and is of equal value. A unit does not confer any interest in any particular asset or investment of the Scheme. Unitholders have various rights under the Constitution and the Corporations Act 2001, including the right to:

- (i) have their units redeemed;
- (ii) receive income distributions;
- (iii) attend and vote at meetings of unitholders; and
- (iv) participate in the termination and winding up of the Scheme.

The rights, obligations and restrictions attached to any unit of the Scheme are identical in all respects.

### (f) Significant accounting judgements, estimates, or assumptions

The Scheme may make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements.

#### *Estimates and assumptions*

Estimates are continually evaluated and based on historical experience, available information and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### *Judgements*

The Scheme meets the definition criteria of an investment entity under AASB 10 and therefore is required to measure its interests in controlled entities at fair value through profit or loss. The criteria which define an investment entity are as follows:

- (a) An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- (b) An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(f) Significant accounting judgements, estimates, or assumptions (continued)**

(c) An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

**(g) Cash and cash equivalents**

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank, demand deposits, short term deposits and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

**(h) Receivables**

Receivables may include amounts for interest and other income and are measured initially at fair value plus transaction costs. Amounts are generally received within 30 days of being recorded as receivable. Given the short-term nature of most receivables, the recoverable amount approximates fair value.

**(i) Accounts payable and accrued expenses**

Payables include accrued expenses owing by the Scheme which are unpaid as at balance date. They are measured initially at fair value plus transaction costs. Given the short-term nature of most payables, the nominal amount payable approximates fair value.

**(j) Income and expenses**

Revenue is brought to account on an accrual basis except where otherwise stated.

Expenses are brought to account on an accrual basis.

The Responsible Entity is entitled to receive a fee, calculated in accordance with the Scheme's Constitution, for the provision of management services to the Scheme. The Responsible Entity is entitled to be reimbursed, under the Scheme's Constitution, for certain expenses incurred in administering the Scheme. The basis on which the expenses are to be reimbursed is defined in the Scheme's Constitution. The amount reimbursed is disclosed in other expenses and has been calculated in accordance with the Scheme's Constitution.

Other expenses also include government duties and bank interest expense. Auditor's remuneration has not been charged against the Scheme's income as this cost is borne by the Responsible Entity.

**(k) Transfers to/from net assets attributable to unitholders**

Unrealised gains and losses arising on movements in the interest not yet payable to the Scheme are transferred to net assets attributable to unitholders. They are included in the determination of distributable income when assessable for taxation purposes.

**(l) Taxation**

Under current legislation the Scheme is not subject to income tax as unitholders are presently entitled to the taxable income which is distributed each year.

The unit price is based upon fair values of underlying assets and thus may include a share of unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed.

Net realised capital losses are not distributed to unitholders, but are retained to be offset against any future realised capital gains. Where realised assessable capital gains exceed realised capital losses, the excess is distributed to unitholders as assessable income for taxation purposes.

**(m) Distributions to unitholders**

The income of the Schemes is accumulated and reinvested or paid to unitholders on the last day of September, December, March and June.

Undistributed income/(loss) includes income earned and expenses not yet paid at the last distribution day on 30 June 2016 and realised capital losses which are retained to offset future realised capital gains. These are not distributed but held for distributions in future periods.

The Scheme's income distributions are based on an interest rate determined daily, and expressed as an annual rate for the distribution period.



**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(n) Goods and services tax**

Responsible Entity fees and other expenses are recognised net of the amount of goods and services tax ('GST') recoverable from the Australian Taxation Office ('ATO') as a reduced input tax credit ('RITC').

Creditors and accruals are stated with the amounts of GST included.

The net amount of GST recoverable from the ATO is included in payables in the Statement of Financial Position.

**(o) Derecognition of financial instruments**

The derecognition of financial instruments takes place when the Scheme no longer controls the contractual rights of a financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

**(p) Capital management**

The Responsible Entity manages its net assets attributable to unitholders as capital (refer to the Statement of Changes in Net Assets Attributable to Unitholders), notwithstanding that net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Scheme is subject to daily applications and redemptions at the discretion of unitholders.

The Responsible Entity monitors the level of daily applications and redemptions relative to the liquid assets in the Scheme.

In order to maintain or adjust the capital structure, the Responsible Entity may return capital to unitholders. The Scheme does not have any externally imposed capital requirements.

**(q) Net assets attributable to unitholders**

Units are redeemable at the unitholders' option and are classified as financial liabilities due to mandatory distributions. The units can be put back to the Scheme at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to put the units back to the Scheme.

**(r) Application of accounting standards**

*Changes in Accounting Policy*

Since 1 July 2015, the Scheme has not adopted any mandatory new and amended Australian Accounting Standards that effect the financial statements.

**Australian Accounting Standards issued but not yet effective**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Scheme for the annual reporting period ended 30 June 2016. The impact of these standards and interpretations has been assessed, to the extent applicable to the Scheme and are discussed below.

***AASB 9 Financial Instruments***

This standard makes changes to the way financial assets are classified for the purpose of determining their measurement basis. AASB 9 applies to annual reporting periods beginning on or after 1 January 2018 and will therefore apply to the Scheme from 1 July 2018. The Scheme does not intend to early adopt AASB 9 as permitted by the standard. The application of the standard is not expected to change the measurement basis of any of the Scheme's current financial instruments.

***AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure initiative: AASB 101 Presentation of Financial Statements***

These amendments clarify the materiality requirements in AASB 101. These amendments also clarify the specific line items in the Statement of Profit or Loss and Other Comprehensive Income and the Statement of Financial Position may be disaggregated and that the entity has flexibility as to the order in which it presents the notes to the financial statements. These amendments are not expected to impact the Scheme's financial position or performance and become effective for the annual periods beginning on or after 1 January 2016 and will therefore apply to the Scheme from 1 July 2016.

**NOTE 2 - AUDITOR'S REMUNERATION**

	2016 \$	2015 \$
<b>Auditor of the Scheme:</b>		
Ernst & Young audit and review of financial report	10,949	7,000
Other assurance engagements	<u>2,034</u>	<u>2,034</u>
	<u>12,983</u>	<u>9,034</u>

Audit fees for the Scheme have been paid by MLC Investment Limited.

**NOTE 3 - DISTRIBUTIONS**

The distributions for the reporting period were as follows:

	\$'000	Annualised % rate
<b>2016</b>		
September	8,013	1.72
December	7,708	1.73
March	7,554	1.55
June	<u>7,603</u>	<u>1.51</u>
	<u>30,878</u>	<u>1.62</u>
<b>2015</b>		
September	10,758	2.39
December	10,692	2.38
March	9,340	2.00
June	<u>8,286</u>	<u>1.78</u>
	<u>39,076</u>	<u>2.13</u>

**NOTE 4 - RECEIVABLES**

	2016 \$'000	2015 \$'000
Other receivables	-	18
Interest receivables	<u>2</u>	<u>79</u>
	<u>2</u>	<u>97</u>

**NOTE 5 - ACCOUNTS PAYABLE & ACCRUED EXPENSES**

	2016 \$'000	2015 \$'000
Unsettled unit redemptions	5	-
Amounts owing to Responsible Entity	2,730	3,062
Other payables	<u>110</u>	<u>58</u>
	<u>2,845</u>	<u>3,120</u>

## NOTE 6 - RELATED PARTIES

### (a) Responsible Entity

The Responsible Entity of the Scheme is MLC Investments Limited ABN 30 002 641 661, whose immediate and ultimate holding companies are MLC Holdings Limited ABN 32 003 113 068 and National Australia Bank Limited ABN 12 004 044 937 respectively.

The Responsible Entity is incorporated and domiciled in Australia.

### (b) Key management personnel

#### Directors

The names of the persons who were Directors of MLC Investments Limited any time during the financial year were as follows:

Name	Appointment Date
S C Birkenleigh	Appointed 9 September 2015
J G Duffield	Appointed 24 August 2011
P Gupta	Appointed 1 September 2012
G J Mulcahy	Appointed 7 July 2014

In addition to the Directors noted above, the Responsible Entity is considered to be a key management personnel of the Scheme.

Key management personnel are paid by a related party of the Responsible Entity. Payments made from the Scheme to the Responsible Entity do not include any amounts directly attributable to key management personnel remuneration.

### (c) Other related party transactions with the Scheme

From time to time Directors of MLC Investments Limited, or their Director related entities, may invest into or withdraw from the Scheme. These investments or withdrawals are on the same terms and conditions as those entered into by other Scheme investors.

### (d) Amounts payable to the Responsible Entity

The net amount of payables to MLC Investments Limited by the Scheme at balance date are as follows:

	2016	2015
	\$	\$
Amounts owing to Responsible Entity	2,729,893	3,062,270

### (e) Responsible Entity's fees

The Responsible Entity fees have been calculated in accordance with the Scheme's Constitution. Total fees paid and payable are as follows:

	2016	2015
	\$	\$
Responsible Entity's fees	13,187,389	11,816,756

### (f) Expense reimbursement

The Responsible Entity is entitled, under the Scheme's Constitution, to be reimbursed for certain expenses incurred in administering the Scheme. The basis on which the expenses are reimbursable is defined in the Constitution. There were no expense reimbursements during the year (2015: Nil).

## NOTE 6 - RELATED PARTIES (continued)

### (g) Related party investments

The Scheme's cash and cash equivalents and investments in cash accounts are held with National Australia Bank limited. These investments are in the normal course of business and on normal commercial terms and conditions in accordance with the provisions of the Scheme's Constitution. Details of the investment held by the Scheme are set out below:

	Fair value of investment \$
<b>2016</b>	
NAB Professional Funds Account - National Australia Bank Limited	1,961,398,286
<b>2015</b>	
NAB Professional Funds Account - National Australia Bank Limited	1,843,369,426

### (h) Unitholder investing activities

Details of holdings in the Scheme by MLC Investments Limited and its related parties or other Schemes managed by MLC Investments Limited and its related parties are set out below:

MLC Investments Limited and its related parties	Number of units held	Interest held in the Scheme %	Fair value of investments \$	Distributions paid/payable \$
<b>2016</b>				
National Australia Trustee Limited	237,062	0.01	2,371	131
<b>2015</b>				
National Australia Trustee Limited	223,975	0.01	2,240	851

## NOTE 7 - FINANCIAL RISK MANAGEMENT

### (a) Financial Risk Management Objectives, Policies and Processes

The Scheme's activities expose it to a variety of financial risks: credit risk, market risk (including currency risk, interest rate risk, equity price risk), liquidity and cash flow risk. The Scheme's overall risk management programme is aligned to the investment strategy of the Scheme as detailed in its Constitution and Product Disclosure Statement. It focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Scheme's financial performance. The Responsible Entity monitors the risk management framework, which is performed internally and reported on a quarterly basis. The Scheme may use derivative financial instruments to moderate certain risk exposures.

#### (b) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due.

All cash and cash equivalents were held with National Australia Bank Limited as at 30 June 2016 and 30 June 2015.

There was no significant credit risk in the Scheme as at 30 June 2016 (2015: Nil).

#### (c) Market risk

##### (i) Currency Risk

Currency risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate due to changes in foreign exchange rates.

There was no significant direct foreign exchange risk in the Scheme as at 30 June 2016 (2015: Nil).

##### (ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.



**NOTE 7 - FINANCIAL RISK MANAGEMENT (continued)**

**(c) Market risk (continued)**

*(ii) Interest rate risk (continued)*

The sensitivity on the Statement of Profit or Loss and Other Comprehensive Income is the effect of the assumed changes in interest rates on the interest income for one year, based on the floating rate financial assets held at 30 June 2016 and 30 June 2015, which is demonstrated in the following table.

Currency	2016				2015			
	Change in interest rate (basis points)		Effect on net profit attributable to unitholders \$'000		Change in interest rate (basis points)		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Cash and cash equivalents	100	(100)	20,252	(20,252)	100	(100)	18,774	(18,774)

*(iii) Equity and Other Price Risk*

Equity and other price risk is the risk that the fair value of equities and unit prices decrease as a result of changes in market prices, whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the market.

There was no significant direct equity and other price risk in the Scheme as at 30 June 2016 (2015: Nil).

**(d) Liquidity and Cash Flow Risk**

The Scheme is exposed to daily cash redemptions of redeemable units.

Net assets attributable to unitholders are repayable on demand, subject to redemption freeze provisions. In addition the Scheme's policy is to maintain sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests.

In accordance with the Scheme's policies, the Scheme's liquidity position is monitored on a daily basis, and the Responsible Entity reviews this on a quarterly basis.

The Scheme's liabilities are expected to be settled within one to three months.

**NOTE 8 - NOTES TO THE STATEMENT OF CASH FLOWS**

	2016 \$'000	2015 \$'000
<b>(a) Reconciliation of operating profit to net cash flows from operating activities</b>		
Net operating profit	30,878	39,076
Changes in the assets and liabilities during the financial year:		
Decrease/(increase) in interest and other receivables	95	(94)
Decrease in amounts owing to Responsible Entity	(332)	(1,643)
<b>Net cash provided by operating activities</b>	<b>30,641</b>	<b>37,339</b>
<b>(b) Cash and cash equivalents</b>		
For the purposes of the Statement of Cash Flows, cash includes cash at bank. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
NAB Professional Funds Account	1,961,398	1,843,369
Cash at bank	63,808	34,019
	<b>2,025,206</b>	<b>1,877,388</b>
<b>(c) Non-cash financing and investing activities</b>		
Distributions to unitholders reinvested	30,448	48,650
	<b>30,448</b>	<b>48,650</b>



**NOTE 9 - EVENTS OCCURING AFTER THE BALANCE DATE**

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

**NOTE 10 - COMMITMENTS AND CONTINGENT LIABILITIES**

The Scheme has no known commitments or contingent liabilities as at 30 June 2016 (2015: Nil).

## Directors' declaration

In the opinion of the Directors of MLC Investments Limited, the Responsible Entity of the Scheme:

The financial statements and notes set out on pages 4 to 15 are in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the financial position of the Scheme as at 30 June 2016 and its performance for the year ended on that date;
- (b) complying with Accounting Standards and *Corporations Regulations 2001*;
- (c) there are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable; and
- (d) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1(a).

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

Director: \_\_\_\_\_

*P. Gupta*

Signature: \_\_\_\_\_

*R. L.*

Dated at Sydney this 22nd day of September 2016

## Independent auditor's report to the unitholders of the JBWere Cash Trust:

We have audited the accompanying financial report of the JBWere Cash Trust (the 'Scheme'), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### Directors' Responsibility for the Financial Report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

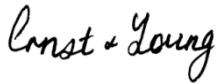
### Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the Responsible Entity a written Auditor's Independence Declaration, a copy of which is attached to the directors' report.

## Auditor's Opinion

In our opinion:

1. the financial report of the Scheme is in accordance with the *Corporations Act 2001*, including:
  - i giving a true and fair view of the financial position of the Scheme as at 30 June 2016 and of its performance for the year ended on that date; and
  - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
2. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a).



Ernst & Young



Rita Da Silva  
Partner  
Sydney  
22 September 2016