VISION SUPER
YOUR INDUSTRY SUPER FUND

Vision Super Pty Ltd

ACN: 082 924 561

Australian Financial Services Licence: 225054

Annual Financial Report

30 June 2014

Contents

Vision Super Pty Ltd

Directors' Report
for the year ended 30 June 2014

1. Directors

During the financial year, the Company had eight Directors and four Alternates. The names of persons who were Directors and Alternates of the Company during the financial year are:

Member Directors:	**Alternates:**
Brian Parkinson	Richard Duffy
Wendy Phillips	Richard Duffy
Russell Atwood	Richard Duffy
Harriet Shing (appointed on 1 July 2013)	Richard Duffy
Tony Tuohey (resigned on 1 July 2013)	

Employer Directors:	**Alternates**
Peter Wilson	Steve Bird
Graham Sherry	Leigh Harder
Geoff Lake	Alison Lyon
Rob Spence	Alison Lyon

Tony Tuohey was replaced as Member Director on 1 July 2013 by Harriet Shing.

Peter Wilson was the Chairman during the financial year and Brian Parkinson was the Deputy Chairman. Brian Parkinson was appointed as Chairman of the Board and Geoff Lake as Deputy Chairman on 1 July 2014. Joanne Dawson was appointed as an independent Director on 8 August 2014.

2. Principle activities

The principle activities of the Company during the course of the financial year were to provide trustee and administration services to superannuation entities, being Local Authorities Superannuation Fund (LASF) and, Vision Superannuation Fund (VSF), and administration services to Vision Pooled Superannuation Trust (VPST).

3. Operating and financial review

The Company's net profit after income tax and prior to transfer to reserves is $3,710,770 (2013: $1,585,240 in loss).

In general terms, the Company does not aim to make any profit on operations however it does maintain reserves. These reserves are maintained to provide the Trustee with access to funds to protect members' interests and mitigate the impact of an adverse event. It is generally funded through the difference in the investment fees charged in the VPST and the actual costs incurred by the VPST.

Directors' Report
for the year ended 30 June 2014

3. Operating and financial review (continued)

Prior to 1 July 2013, the reserve maintained by the Company was known as Operational Risk and Expense Reserve. Now it is known as General Reserve (GR). The Company established Operational Risk Financial Requirement (ORFR) reserve on 1 July 2013 as required under the superannuation legislation. The Company transferred $12,500,000 from the GR to the ORFR reserve as a seeding amount. As at 30 June 2014, the ORFR Reserve was $14,179,780 (2013: n/a).

4. Significant changes

The Company was contracted to provide accounting and administration services to Local Super, the superannuation fund for employees of SA & NT local government. The contract expired on 13 August 2013.

5. Dividend

The Constitution of the Company has been amended so that the Company can pay a dividend to its beneficial owner (Local Authorities Superannuation Fund). No dividends were paid during the year. (2013: n/a).

6. Indemnification and insurance of officers

The Company has agreed to indemnify all current and former Directors of the Company against all liabilities to another person that may arise from their position as Directors of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has agreed to indemnify all senior executives for all liabilities to another person that may arise from their position in the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including legal fees.

For the year ended 30 June 2014 the Company did not pay indemnity insurance premiums (2013: $180,346).

7. Likely developments

The Directors have a Business Plan which outlines the objectives for the Company. As the superannuation industry is subject to constant change, the Directors continue to monitor the superannuation environment as it is important that the Company is able to respond to any significant changes. The structure and products offered by the Company and associated entities will be monitored to ensure they remain relevant.

8 Auditor's independence declaration

The auditor's independence declaration is set out at the end of the report and forms part of the Directors' report for the year ended 30 June 2014.

Directors' Report
for the year ended 30 June 2014

9. Subsequent events

In the interval between the end of the financial year and the date of this report, no item, transaction or event of a material and unusual nature has arisen that is likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

10. Rounding off

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

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

Brian Parkinson

Name: BRIAN PARKINSON

Director

Dated at Melbourne this 26th day of September 2014

Vision Super Pty Ltd
Statement of comprehensive income
for the year ended 30 June 2014

	Note	2014 $000	2013 $000
Revenues			
Trustee and administration services revenue		**31,594**	26,882
Interest revenue		**82**	91
Distribution revenue		**327**	301
Change in fair value of financial assets at fair value through profit or loss	*3*	**769**	763
Other revenue		**1,760**	203
Total revenues		**34,532**	28,240
Expenses			
Employee expenses		**15,598**	15,030
Computing expenses		**3,436**	2,681
Professional fees		**1,033**	1,750
Member and employer services		**1,195**	956
Depreciation/amortisation expenses		**3,530**	3,454
Premise expenses		**1,082**	844
Other administrative expenses		**3,918**	4,930
Total expenses		**29,792**	29,645
Profit/(Loss) before income tax expense and transfers to Reserves		**4,740**	(1,405)
Income tax expense	*12*	**1,029**	181
Transfer to reserves		**2,110**	-
Net profit/(loss) after income tax expense and transfers to reserves		**1,601**	(1,586)
Other comprehensive income		-	-
Total comprehensive income		**1,601**	(1,586)

The above Statement of comprehensive income should be read in conjunction with the accompanying notes.

Vision Super Pty Ltd
Statement of financial position
as at 30 June 2014

	Note	2014 $000	2013 $000
Assets			
Cash and cash equivalents	15	**7,816**	5,928
Financial assets at fair value through profit or loss	6	**9,736**	8,641
Trade and other receivables	7	**6,082**	2,568
Prepayments		**62**	192
Total current assets		**23,696**	17,329
Property, plant and equipment	8	**1,167**	1,862
Intangible assets	9	**2,760**	4,048
Investments		**100**	100
Deferred tax assets	12	**2,122**	2,213
Total non-current assets		**6,149**	8,223
Total assets		**29,845**	25,552
Liabilities			
Trade and other payables	10	**3,100**	3,634
Provisions	11	**2,775**	2,285
Amounts held in trust		**172**	1,685
Income tax payable/(Refund from ATO)		**603**	(962)
Total current liabilities		**6,650**	6,642
Provisions	11	**309**	354
Deferred tax liabilities	12	**758**	139
Total non-current liabilities		**1,067**	493
Total liabilities		**7,717**	7,135
Net assets		**22,128**	18,417
Equity			
Contributed equity		**-**	-
Retained earnings	13	**5,282**	3,681
Reserves	14	**16,846**	14,736
Total Equity		**22,128**	18,417

The above Statement of financial position should be read in conjunction with the accompanying notes.

Vision Super Pty Ltd
Statement of changes in equity
for the year ended 30 June 2014

	Share capital $	Reserves $	Retained earnings $	Total $
As at 1 July 2013	**8**	**14,736,277**	**3,680,634**	**18,416,919**
Profit for the year	-	-	**3,710,770**	**3,710,770**
Transfer	-	**2,110,324**	**(2,110,324)**	-
As at 30 June 2014	**8**	**16,846,601**	**5,281,080**	**22,127,689**

	Share capital $	Reserves $	Retained earnings $	Total $
As at 1 July 2012	8	11,677,451	8,324,700	20,002,159
Loss for the year	-	-	(1,585,240)	(1,585,240)
Transfer	-	3,058,826	(3,058,826)	-
As at 30 June 2013	8	14,736,277	3,680,634	18,416,919

The above Statement of changes in equity should be read in conjunction with the accompanying notes.

Vision Super Pty Ltd
Statement of cash flows
for the year ended 30 June 2014

	Note	**2014 $000**	2013 $000
Cash flows from operating activities:			
Cash receipts from customers		**30,250**	26,716
Cash paid to suppliers and employees		**(27,734)**	(22,911)
Income tax refund received/(paid)		**1,245**	(721)
Net cash flows provided by operating activities	*15*	**3,761**	3,084
Cash flows from investing activities:			
Proceeds from sale of property, plant and equipment		**38**	1
Purchase of property, plant and equipment		**(565)**	(1,131)
Purchase of intangible assets		**(1,019)**	(923)
Proceeds from/(Purchase of) financial assets at fair value through profit or loss		**(327)**	1,839
Net cash flows provided/(used) by investing activities		**(1,873)**	(214)
Net increase/(decrease) in cash and cash equivalents		**1,888**	2,870
Cash and Cash Equivalents at the beginning of the year		**5,928**	3,058
Cash and Cash Equivalents at the end of the year	*15*	**7,816**	5,928

The above Statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements for the year ended 30 June 2014

1. Corporate information

Vision Super Pty Ltd (the Company) is a company limited by shares that is incorporated and domiciled in Australia.

The office of Vision Super Pty Ltd is located at Level 15, 360 Collins Street Melbourne Victoria 3000.

The nature of the operations and principle activities of the Company are to provide trustee and administration services to superannuation entities, being Local Authorities Superannuation Fund (LASF) and Vision Superannuation Fund (VSF), and administration services to Vision Pooled Superannuation Trust (VPST).

The Company was also contracted to provide accounting and administration services to Local Superannuation Scheme, the superannuation fund for employees of South Australia & Northern Territory Local Government. The contract expired on 13 August 2013.

The Company provided trustee and administration services to VSF during the year. As this fund was wound up at 30 June 2014 following a merger with LASF, the Company no longer provides VSF trustee services.

The financial statements were approved by the Board of Directors on 26 September 2014.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Certain comparative amounts have been reclassified to conform to the current year's presentation where necessary.

(a) Basis of preparation

The financial statements are a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial statements have also been prepared on a historical cost basis, except for financial assets held at fair value through profit or loss, that have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($000) unless otherwise stated.

(b) Compliance with IFRS

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

(c) Basis of non-consolidation

Consolidated financial statements comprise the financial statements of the parent entity and its subsidiaries as at and for the year ended 30 June each year.

For these purposes, subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

Notes to the Financial Statements for the year ended 30 June 2014

2. Summary of significant accounting policies (continued)

(c) Basis of non-consolidation (continued)

Management has completed a detailed review of the ownership and control of the Vision Super entities which includes the Company. As part of this review, Management has completed a consolidation assessment and concluded that the effect of consolidation on the Group's financial position and results of operations would be immaterial.

Therefore, Vision Super Pty Ltd has not prepared consolidated financial statements as at and for the year ended 30 June 2014.

The entity that has not been consolidated is: Vision Holding Company Pty Ltd (trustee). The Company does not have any other subsidiaries.

(d) Adoption of new accounting standards

The Company has adopted AASB 13 *Fair Value Measurement* and AASB 119 *Employee Benefits* effective from 1 July 2013. The adoption of these new accounting standards has no material impact on the Company's financial performance or position.

(i) AASB 13 Fair Value Measurement

The Company has adopted AASB 13 *Fair Value Measurement* effective from 1 July 2013.

AASB 13 establishes a single framework for measuring fair value and making disclosure about fair value measurements when such measurements are required or permitted by other AASBs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other AASBs, including AASB 7.

The adoption of AASB 13 has no material impact on the Company's financial statements.

(ii) AASB 119 Employee Benefits

The main change introduced by AASB 119 is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognised in full with actuarial gains and losses being recognised in other comprehensive income. It also revised the method of calculating the return on plan assets.

The adoption of AASB 119 has no material impact on the Company's financial performance or position. As stated in Note 16 (b), the Company does not use defined benefits accounting for its defined benefits obligations under Local Authorities Superannuation defined benefits category

Notes to the Financial Statements for the year ended 30 June 2014

2. Summary of significant accounting policies (continued)

(e) New accounting standards and interpretations

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 30 June 2014. They have not been applied in preparing the financial statements. Those may be relevant to the Company are set out below. The Company does not plan to adopt these standards early.

Accounting Standard	Nature	Application Date of Standard	Application Date for Group
AASB 2013-3 – *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets*	AASB 2013-3 amends the disclosure requirements in AASB 136 Impairment of Assets. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.	1 January 2014	1 July 2014
AASB 9 – *Financial Instruments*	AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.	1 January 2018	1 July 2018

Management has assessed the impact of the changes listed above and concluded that there would be no material change in the financial statements by adoption of the above standards.

(f) Significant accounting judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, income and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances; the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the Note 2(o) and (p) in regarding estimation of useful lives of assets and Note 2(m) Income Tax in regarding to recovery of deferred tax assets.

Notes to the Financial Statements for the year ended 30 June 2014

2. Summary of significant accounting policies (continued)

(g) Financial instruments

(i) Classification

The Company's only financial asset is an investment in the unlisted managed scheme. It is classified as financial instruments designated as at fair value through profit or loss upon initial recognition in the category of financial assets at fair value through profit or loss in accordance with AASB 139. The financial asset is designated on the basis that it is managed and has its performance evaluated on a fair value basis in accordance with risk management and investment strategy of the Company.

(ii) Recognition

The Company recognises a financial asset when, and only when, it becomes a party to the contractual provisions of the Company.

(iii) Derecognition

A financial asset is derecognised where:

i. the rights to receive cash flows from the assets have expired; or

ii. the company has transferred its rights to receive cash flows in full without material delay to a third party under a "pass through" arrangement; and

iii. either:

   (a) the Company has transferred substantially all the risks and rewards of the asset, or

   (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(iv) Initial measurement

Financial assets at fair value through profit or loss are recorded in the Statement of Financial Position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

(v) Subsequent measurement

After initial measurement, the Company measures financial instruments which are classified as at fair value through profit or loss at fair value. Subsequent changes in the fair value of those financial instruments are recorded in "Change in fair value of financial assets at fair value through profit or loss". Interest earned is recorded in "Interest revenue" according to the terms of the contract. Distribution revenue is recorded in "Distribution revenue".

(h) Trade and other receivables

Trade and other receivables largely consist of trustee services fees due and receivable from Local Authorities Superannuation Fund, and services fees due and receivable from Vision Pooled Superannuation Trust.

Notes to the Financial Statements for the year ended 30 June 2014

2. Summary of significant accounting policies (continued)

(i) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Trustee and Administration Services Revenue

Revenue from the rendering of administration services is recognised at the end of each month and based on both paid and accrued administration expenses recognised in profit or loss at the reporting date.

Interest revenue

Interest earned on financial assets at fair value through profit and loss is recorded in interest revenue according to the terms of the contract.

Distribution revenue

Distributions from the managed investment scheme are recognised as at the date the unit value is quoted ex-distribution and if not received at reporting date, are reflected in the Statement of Comprehensive Income.

Change in fair value of financial assets

This item includes the fair value of financial assets designated upon initial recognition as "held at fair value through profit or loss" and excludes interest and distribution revenue. Amounts are calculated as the difference between the fair value at sale or at year end, and the fair value at the previous valuation point. This includes both realised and unrealised gains and losses.

(j) Cash and cash equivalents

Cash and cash equivalents in the Statement of financial position and Statement of cash flows comprise of cash at bank and term deposits with original maturity of three months or less.

(k) Contributed equity

Ordinary shares are classified as equity.

Notes to the Financial Statements for the year ended 30 June 2014

2. Summary of significant accounting policies (continued)

(l) Trustee liabilities, right of indemnity and obligations

During the financial year, the Company acts solely as trustee of LASF and VSF and liabilities have been incurred on behalf of the LASF and VSF in the Company's capacity as corporate trustee.

Liabilities incurred on behalf of LASF and VSF are not recognised in the Company's financial statements when it is not probable that the Company will have to meet any of these trust liabilities from its own resources. When it is probable that the Company will have to meet some trust liabilities, a liability for the deficiency in Trust Right of Indemnity is brought to account.

Details of the trust liabilities, the offsetting right of indemnity and any deficiency in the right of indemnity are disclosed by way of note to the financial statements.

(m) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(n) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the Statement of cash flows on a gross basis.

Notes to the Financial Statements for the year ended 30 June 2014

2. Summary of significant accounting policies (continued)

(o) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(ii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives of the current and comparative period are as follows:

	2014	2013
Fixtures and fittings	**10 years**	10 years
Computer hardware	**2.5 - 3 years**	4 years
IT communications & cabling	**4 years**	4 years
Computer software	**4 years**	4 years
Motor vehicles	**8 years**	8 years
Building allowance	**40 years**	40 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

(p) Intangible assets

(i) Development

System development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss when incurred.

Capitalised system development expenditures are measured at cost less accumulated amortisation and accumulated impairment losses.

Notes to the Financial Statements for the year ended 30 June 2014

2. Summary of significant accounting policies (continued)

(p) Intangible assets (continued)

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

(iii) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful life for the current year varies as the Company decided to replace the existing administration platform in its current form by 30 June 2016.

	2014	2013
System development costs	**2.25 – 3 years**	4 years

(q) Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(r) Lease Payments

Payments made under operating leases are recognised in profit or loss.

Notes to the Financial Statements for the year ended 30 June 2014

2. Summary of significant accounting policies (continued)

(s) Employee Benefits

(i) Wages, salaries, annual leave, sick leave and non-monetary benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave expected to be settled within 12 months of the year end represent present obligations resulting from employees' services at reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs.

(ii) Long service leave

The provision for employee benefits for long service leave represents the present value of the estimated future cash outflows to be made resulting from employee's services provided to reporting date.

Obligations for contributions to LASF, a defined benefit superannuation fund, are recognised as an expense in the Statement of comprehensive income as incurred.

3. Change in fair value of financial assets at fair value through profit and loss

	2014 **$000**	2013 $000
Net changes in fair value of financial assets at fair value through profit and loss:		
Designated at fair value through profit and loss	**769**	764

4. Lease commitments

Non-cancellable operating lease rentals are payable as follows:

	2014 **$000**	2013 $000
Less than one year	**752**	603
Between one and five years	**4,588**	-
More than five years	**4,416**	-
	9,756	603

The Company signed a new office lease and relocated its office from Level 5, 1 Spring Street, Melbourne to Level 15, 360 Collins Street Melbourne on 16 June 2014.

The Company leases its offices under an operating lease. The lease runs for a period of 10 years from the commencing date defined in the Lease Agreement of 1 August 2014, with an option to renew the lease after that date for another 5 years.

During the year ended 30 June 2014 $1,081,633 (2013: $844,239) was recognised as premise expenses in the Statement of comprehensive income in respect of the operating lease.

Notes to the Financial Statements for the year ended 30 June 2014

5. Auditors remuneration

	2014 **$000**	2013 $000
Amounts received or due and receivable by Ernst & Young for:		
-an audit of the financial statements	**73**	30
-other services	**-**	-
	73	30

6. Financial assets at fair value through profit or loss

	2014 **$000**	2013 $000
Financial assets designated as at fair value through profit or loss		
Unlisted managed investment scheme	**9,736**	8,641

(a) Classification of financial instruments under the fair value hierarchy

The following table shows financial instruments recorded at fair value, analysed between whose fair value is based on quoted market prices, those involving valuation techniques where all the model inputs are observable in the market and those where the valuation technique involves the use of non-market observable inputs.

2014	**Valued at quoted market price (Level 1) $000**	**Valuation technique – market observable inputs (Level 2) $000**	**Valuation technique – non-market observable inputs (Level 3) $000**	**Total $000**
Unlisted managed investment scheme	-	**9,736**	-	
Total	-	**9,736**	-	

2013	Valued at quoted market price (Level 1) $000	Valuation technique – market observable inputs (Level 2) $000	Valuation technique – non-market observable inputs (Level 3) $000	Total $000
Unlisted managed investment scheme	-	8,641	-	8,641
Total	-	8,641	-	8,641

The level in which instruments are classified in the hierarchy is based on the lowest level input that is significant to the net market value measurement in its entirety. Assessment of the significance of an input requires judgement after considering factors specific to the instrument.

Disclosure of the methods and assumptions applied in determining the fair value for financial assets are included in Note 2(f).

Notes to the Financial Statements for the year ended 30 June 2014

6. Financial assets at fair value through profit or loss (continued)

(b) Transfers between hierarchy levels

There has been no significant transfer between Levels 1, 2 or 3 of the fair value hierarchy during the year.

7. Trade and other receivables

	2014 $000	2013 $000
Other receivables	**2,944**	1,561
Administration fees receivable	**3,138**	1,007
Total	**6,082**	2,568

Other receivables do not include an amount receivable from Pooled Super Pty Ltd (PSPL) as PSPL has settled its liability with the Company during the financial year. (2013: $431,721)

8. Property, plant and equipment

	Plant and Equipment $000	**Fixtures and Fittings $000**
Cost and Deemed Cost		
Balance as at 1 July 2012	3,886	1,007
Additions	380	56
Disposals	(95)	(5)
Balance as at 30 June 2013	4,171	1,058
Balance as at 1 July 2013	**4,171**	**1,058**
Additions	**512**	**53**
Disposals	**(723)**	**(936)**
Balance as at 30 June 2014	**3,960**	**175**
Depreciation and Impairment Losses		
Balance as at 1 July 2012	2,199	515
Depreciation for the period	622	102
Disposals	(71)	-
Balance as at 30 June 2013	2,750	617
Balance as at 1 July 2013	**2,750**	**617**
Depreciation for the period	**630**	**98**
Disposals	**(490)**	**(637)**
Balance as at 30 June 2014	**2,890**	**78**
Carrying amount		
At 1 July 2012	1,687	492
At 30 June 2013	1,421	441
At 1 July 2013	**1,421**	**441**
At 30 June 2014	**1,070**	**97**

Notes to the Financial Statements for the year ended 30 June 2014

9. Intangible assets

	System Development $000
Costs	
Balance as at 1 July 2012	12,042
Acquisition – internally developed	1,633
Disposals	(1,009)
Balance as at 30 June 2013	12,666
Balance as at 1 July 2013	**12,666**
Acquisition – internally developed	**1,019**
Disposals	**(2,715)**
Balance as at 30 June 2014	**10,970**
Amortisation and Impairment Losses	
Balance as at 1 July 2012	6,909
Amortisation for the year	1,709
Impairment loss	-
Balance as at 30 June 2013	8,618
Balance as at 1 July 2013	**8,618**
Amortisation for the year	**1,833**
Impairment loss	**(2,241)**
Balance as at 30 June 2014	**8,210**
Carrying amounts	
At 1 July 2012	5,133
At 30 June 2013	4,048
At 1 July 2013	**4,048**
At 30 June 2014	**2,760**

10. Trade and other payables

	2014 $000	2013 $000
Related party payables	**-**	-
Other payables	**3,100**	3,634
Total:	**3,100**	3,634

Notes to the Financial Statements for the year ended 30 June 2014

11. Provisions

Current	2014 $000	2013 $000
Liability for annual leave	**818**	751
Liability for long service leave	**1,957**	1,534
Total employee benefits - current	**2,775**	2,285

Non-Current	2014 $000	2013 $000
Liability for long service leave	**309**	354
Total employee benefits – non-current	**309**	354

12. Income tax

	2014 $000	2013 $000
Current tax expense		
Current year	**1,414**	254
Adjustment for the prior years	**(1,095)**	(87)
	319	167
Deferred tax expense		
Origination and reversal of temporary differences	**710**	(87)
Adjustment for prior years	**-**	101
	710	14
Total income tax expense	**1,029**	181

	2014 $000	2013 $000
Income tax expense numerical reconciliation between tax expense and pre-tax profit		
Net profit/(loss) for the year	**3,711**	(1,630)
Income tax expense for the current year	**(1,029)**	168
Profit/(loss) before income tax	**4,740**	(1,462)
Income tax using the Company's tax rate of 30% (2013: 30%)	**1,422**	(439)
Non deductible loss/(Non taxable income)	**-**	533
Research and development tax concession	**(495)**	-
Disallowable expenses	**4**	49
Under provision in prior year	**(13)**	13
Other	**111**	25
	1,029	181

Notes to the Financial Statements for the year ended 30 June 2014

12. Income tax (continued)

Deferred tax – 2014

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2014	2013	**2014**	2013	**2014**	2013
	$000	$000	**$000**	$000	**$000**	$000
Employee provisions	**925**	792	**-**	-	**925**	792
Accrual expenses	**393**	558	**-**	-	**393**	558
Other	**804**	863	**(758)**	(139)	**46**	724
	2,122	2,213	**(758)**	(139)	**1364**	2,074

Deferred tax – 2013

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2013	2012	**2013**	2012	**2013**	2012
	$000	$000	**$000**	$000	**$000**	$000
Employee provisions	**792**	930	**-**	-	**792**	930
Accrual expenses	**558**	99	**-**	-	**558**	99
Other	**863**	1,059	**(139)**	-	**724**	1,059
	2,213	2,088	**(139)**	-	**2,074**	2,088

Movement in temporary differences during the year – 2014

	Balance 1 July 2013	Recognised in profit/loss	Transfers in/(out)	Balance 30 June 2014
	$000	**$000**	**$000**	**$000**
Employee provisions	**792**	**133**	**-**	**925**
Accrual expenses	**558**	**(165)**	**-**	**393**
Unrealised (gains)/loss	**(139)**	**(250)**	**-**	**(389)**
Other	**863**	**(428)**	**-**	**435**
	2,074	**(710)**	**-**	**1,364**

Movement in temporary differences during the year – 2013

	Balance 1 July 2012	Recognised in profit/loss	Transfers in/(out)	Balance 30 June 2013
	$000	**$000**	**$000**	**$000**
Employee provisions	930	(138)	-	792
Accrual expenses	99	459	-	558
Unrealised (gains)/loss	-	(139)	-	(139)
Other	1,059	(196)	-	863
	2,088	(14)	-	2,074

Notes to the Financial Statements for the year ended 30 June 2014

13. Retained earnings

	2014 $000	2013 $000
Balance as at 1 July	**3,681**	8,325
Increase/(decrease) for the year	**1,601**	(4,644)
Balance as at 30 June	**5,282**	3,681

14. Reserves

The Company maintains two reserves: General Reserve (GR) and Operational Risk Financial Requirements Reserve (ORFR). Both reserves are operated in accordance with the Company's Reserve Policy.

The GR was established on 1 July 2007 to provide the Company with access to funds to protect members' interests and mitigate the impact of an adverse event. The GR is funded from any profit arising from future administration and investment fees. The profit is the difference between the fixed fees charged and the actual costs incurred. From time to time, amounts may be transferred from the GR to the ORFR reserve.

The ORFR reserve was established on 1 July 2013 in accordance with the Superannuation Prudential Standards SPS 114 *Operational Risk Financial Requirements*. The ORFR reserve may be used in certain circumstances to address operational risk events or claims against the Company arising from operational risk. It was seeded by the transfer from the GR and will be generally funded from earnings on the investments supporting the ORFR reserve, any profit arising from future administration and investment fees that are transferred from the GR to the ORFR reserve.

	GR $000	ORFR $000	Total $000
Balance as at 1 July 2012	11,677	-	11,677
Transfer	-	-	-
Increase/(decrease) for the year	3,059	-	3,059
Balance as at 30 June 2013	14,736	-	14,736
Balance as at 1 July 2013	**14,736**	**-**	**14,736**
Transfer	**(12,500)**	**12,500**	**-**
Increase/(decrease) for the year	**430**	**1,680**	**2,110**
Balance as at 30 June 2014	**2,666**	**14,180**	**16,846**

15. Cash flows statement reconciliation

(a) Cash and cash equivalents

	2014 $000	2013 $000
Cash at bank	**3,587**	3,781
Term deposit	**4,229**	2,147
Cash and cash equivalents	**7,816**	5,928

Notes to the Financial Statements for the year ended 30 June 2014

15. Cash flows statement reconciliation (continued)

(b) Reconciliation of net profit after tax with net cash flows from operations

	2014 **$000**	2013 $000
Cash flows from operating activities		
Profit/(loss) for the year	**3,711**	(1,585)
Adjustments for:		
Depreciation	**733**	1,446
Amortisation	**1,827**	2,008
Losses on sale of property, plant and equipment	**495**	2
Intangible assets write-off	**475**	-
Change in fair value in financial assets fit or loss	**(769)**	(764)
Operating profit before changes in working capital and provisions	**6,472**	1,107
(Increase)/decrease in prepayment	**130**	(58)
(Increase)/decrease in accounts receivables	**(3,514)**	(761)
(Increase)/decrease in deferred tax assets	**90**	(125)
Increase/(decrease) in accounts payables	**(534)**	2,258
Increase/(decrease) in employee entitlements	**446**	(461)
Increase/(decrease) in amounts held in trust	**(1,513)**	1,539
Increase/(decrease) in current tax liabilities	**1,565**	(554)
Increase/(decrease) in deferred tax liabilities	**619**	139
Net cash from operating activities	**3,761**	3,084

16. Employee superannuation benefits

The Company makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (LASF). LASF has two categories of membership, accumulation and defined benefit, each of which is funded differently. The defined benefits section provides lump sum benefits based on years of service and final average salary. The accumulation section receives fixed contributions from the Company and the Company's legal and constructive obligation is limited to these contributions.

Obligations for contributions to LASF are recognised as an expense in Statement of Comprehensive Incomes when they are made or due.

(a) Accumulation

LASF's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2014, this was 9.25% required under Superannuation Guarantee legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of LASF.

Effective from 1 July 2014, the Superannuation Guarantee contribution rate is legislated to increase to 9.5%, and will progressively increase to 12% by 2025.

Notes to the Financial Statements for the year ended 30 June 2014

16. Employee superannuation benefits (continued)

(b) Defined Benefit

As provided under Paragraph 34 of AASB 119, the Company does not use defined benefit accounting for its defined benefit obligations under LASF's Defined Benefit category. This is because LASF's Defined Benefit category is a multi-employer sponsored plan.

As a multi-employer sponsored plan, LASF was established as a mutual scheme to allow for the mobility of the workforce between the participating employers without attaching a specific liability to particular employees and their current employer. Therefore, there is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of the Company in LASF cannot be measured as a percentage compared with other participating employer. While there is an agreed methodology to allocate any shortfalls identified by the Fund Actuary for funding purposes, there is no agreed methodology to allocate benefit liabilities, assets and costs between the participating employers for accounting purposes. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding arrangements

The Company makes employer contributions to the defined benefit category of LASF at rates determined by the trustee of LASF (which is the Company) on the advice of LASF's Actuary. LASF's employer funding arrangements comprise of three components (which are detailed below) are:

1. Regular contributions - which are ongoing contributions needed to fund the balance of benefits for current members and pensioners;

2. Funding calls – which are contributions in respect of each participating employer's share of any funding shortfalls that arise; and

3. Retrenchment increments – which are additional contributions to cover the increase in liability arising from retrenchments.

The Company is also required to make additional contributions to cover the contribution tax payable on the contributions referred to above.

Employees are also required to makes member contributions to LASF. As such, assets accumulate in LASF to meet member benefits, as defined in the Trust Deed, as they accrue.

Employer contributions

(A) Regular contributions

On the basis of the results of the most recent full actuarial investigation conducted by LASF's Actuary as at 31 December 2011. The Company makes employer contributions to LASF's Defined Benefit category at rates determined by LASF's Trustee (the Company). For the year ended 30 June 2014, this rate was 9.25% of members' salaries. This rate increased to 9.5% on 1 July 2014 and is expected to increase in line with the required Superannuation Guarantee contribution rate.

Notes to the Financial Statements for the year ended 30 June 2014

16. Employee superannuation benefits (continued)

(b) Defined Benefit (continued)

Employer contributions (continued)

(A) Regular contributions (continued)

In addition, the Company reimburses LASF to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit (the funded resignation or retirement benefit is calculated as the VBI multiplied by the benefit).

(B) Funding calls

LASF is required to comply with the superannuation prudential standards. Under the superannuation prudential standard SPS 160, LASF is required to target full funding of its vested benefits. There may be circumstances where:

- a fund is in an unsatisfactory financial position at an actuarial investigation (i.e. its vested benefit index (VBI) is less than 100% at the date of the actuarial investigation); or
- a fund's VBI is below its shortfall limit at any time other than at the date of the actuarial investigations.

If either of the above occur, the fund has a shortfall for the purposes of SPS 160 and the fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. There may be circumstances where the Australian Prudential Regulation Authority (APRA) may approve a period longer than three years.

LASF monitors its VBI on a quarterly basis and LASF has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, LASF's participating employers (including the Company) are required to make an employer contribution to cover the shortfall. The methodology used to allocate the shortfall was agreed in 1997 to fairly and reasonably apportion the shortfall between the participating employers.

Due to the nature of the contractual obligations between the participating employers and LASF, and that LASF includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that LASF will be wound up. In the unlikely event that LASF is wound up and there is a surplus in LASF, the surplus cannot be applied for the benefit of the defined benefit employers where there are on-going defined benefit obligations. The surplus would be transferred to the fund accepting those defined benefit obligations (including the lifetime pension obligations) of LASF.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

Differences between calculations

LASF surplus or deficit (i.e. the difference between fund assets and liabilities) is calculated differently for funding purposes (i.e. calculating required contributions), for the calculation of accrued benefits as required in AAS 25 and for the values needed for the AASB 119 disclosure in the Company's financial statements. AAS 25 requires that the present value of the defined benefit liability be calculated based on benefits that have accrued in respect of membership of the plan up to the measurement date, with no allowance for future benefits that may accrue.

Notes to the Financial Statements for the year ended 30 June 2014

16. Employee superannuation benefits (continued)

(b) Defined Benefit (continued)

Employer contributions (continued)

(C) Retrenchment increments

During 2013/14, the Company was not required to make payments to LASF in respect of retrenchment increments (2013: Nil).

Shortfall amounts

LASF's latest actuarial investigation as at 31 December 2011 identified an unfunded liability of $406 million (excluding contributions tax) in the defined benefit category of which the Company is a contributing employer.

The Company was made aware of the expected shortfall during the 2011/12 year and was informed of its share of the shortfall on 2 August 2012. The Company has not been advised of any further adjustments.

The Company's share of the shortfall amounted to $1,682,269 (excluding contributions tax) which was accounted for in the 2012/13 Comprehensive Operating Statement within Employee Benefits and in the Balance Sheet in Current Liabilities Provisions. No further amount has been accounted for in the 2013/14 Comprehensive Operating Statement within Employee Benefits and in the Statement of Financial Position in Trade and other Payables.

The Company paid the shortfall amount of $1,939,139 to LASF on 26 July 2013. The amount of the unpaid shortfall at 30 June 2014 was $nil (2013: $1,939,139) (including contribution tax).

Accrued benefits

LASF's liability for accrued benefits was determined in the 31 December 2011 actuarial investigation pursuant to the requirements of Australian Accounting Standard Board AAS25 follows:

	31 December 2011 $'000
Net Market Value of Assets	4,315,324
Accrued Benefits (per accounting standards)	4,642,133
Difference between Assets and Accrued Benefits	(326,809)
Vested Benefits (Minimum sum which must be paid to members when they leave the fund)	4,838,503

The financial assumptions used to calculate the accrued benefits for the defined benefit category of LASF were:

- Net Investment Return 7.50% p.a.
- Salary Inflation 4.25% p.a.
- Price Inflation 2.75% p.a.

Notes to the Financial Statements for the year ended 30 June 2014

16. Employee superannuation benefits (continued)

(b) Defined Benefit (continued)

The next full actuarial investigation of LASF's liability for accrued benefits will be based on LASF's position as at 30 June 2014. The anticipated completion date of this actuarial investigation is 19 December 2014.

(c) Superannuation contributions

Contributions by the Company (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2014 are as follows:

Scheme	**Type of Scheme**	**Rate**	**2014 $000**	2013 $000
LASF	Defined benefit	9.25%	110	131
LASF	Accumulation	9.25%	737	697

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2014.

The expected contributions to be paid to the defined benefits category of LASF for the year ending 30 June 2015 is $138,240.

17. Financial risk management

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables which are mainly trustee services fees to VSF, LASF and administration services fees from VPST. Consequently, the Company's exposure to credit risk is considered minimal. The amount that best represents the Company's maximum exposure to credit risk at reporting date in relation to these receivables is the carrying value in the Statement of Financial Position.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's exposure to liquidity risk is not material as the Company always maintains sufficient fund at bank to cover daily operation expenses. Additionally, the Company also maintains reserves of $16,846,601 (2013: $14,736,277) as at the reporting date.

There are no contractual maturities for financial liabilities in excess of 12 months.

Notes to the Financial Statements for the year ended 30 June 2014

17. Financial risk management (continued)

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

(i) Foreign currency risk

The Company is not exposed to foreign currency risk as it operates in Australia only and all transactions are in Australian dollars.

(ii) Interest rate risk

The Company's exposure to interest rate risk is not material as its interest income for the year 2014: $82,082 (2013: $91,039) is not material and the Company does not borrow money. Consequently, no sensitivity analysis is disclosed in this note.

(iii) Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk, whether those changes are caused by factors affecting all similar financial instruments in the market. Equity price risk exposure arises from the Company's investment with Vanguard.

	2014		2013	
Index/Benchmark	**Change in investment price %**	**Effect on net assets / investment returns $000**	Change in investment price %	Effect on net assets / investment returns $000
Unlisted investments CPI + 6%	**9.0/(9.0)**	**876/(876)**	8.2/(8.2)	714/(714)

18. Related parties

(a) Key Management Personnel

The Company had eight Directors and four Alternates. The names of persons who were Directors and Alternates of the Company during the financial year are:

Member Directors:	***Alternates:***
Brian Parkinson	Richard Duffy
Wendy Phillips	Richard Duffy
Russell Atwood	Richard Duffy
Harriet Shing (appointed on 1 July 2013)	Richard Duffy
Tony Tuohey (resigned on 1 July 2013)	
Employer Directors:	***Alternates***
Peter Wilson	Steve Bird
Graham Sherry	Leigh Harder
Geoff Lake	Alison Lyon
Rob Spence	Alison Lyon

Notes to the Financial Statements for the year ended 30 June 2014

18. Related parties (continued)

(a) Key Management Personnel (continued)

Tony Tuohey was replaced as Member Director on 1 July 2013 by Harriet Shing.

Peter Wilson was the Chairman during the financial year and Brian Parkinson was the Deputy Chairman. Brian Parkinson was appointed as Chairman of the Board and Geoff Lake as Deputy Chairman on 1 July 2014. Joanne Dawson was appointed as an independent Director on 8 August 2014.

Each Director attended the following meetings and Board Committees during the year as a member of the Board or relevant Committee.

Name	**Board Meetings**	
	Held	Attended
Peter Wilson	12	12
Harriet Shing	12	11
Wendy Phillips	12	10
Brian Parkinson	12	9
Russell Atwood	12	9
Rob Spence	12	10
Graham Sherry	12	10
Geoff Lake	12	10
Tony Tuohey	12	n/a

Board Committees are open to all Directors and were attended by a quorum of Directors on all occasions.

Apart from the Company's Director, the Chief Executive Officer, Chief Finance Officer, Chief Operating Officer, Chief Investment Officer, Manager Investments, General Manager Fund Development, General Counsel, Head of Information Systems and General Manager HR are considered to be Key Management Personnel (KMP) for the purpose of these financial statements.

(b) Key management personnel and executives' compensation

The KMP's compensation is presented in the table below for year 2014. Total compensation received, or due and receivable, by key management personnel amounted to $2,451,920 (2013: $3,095,775).

The detail is as follows:	**2014**	2013
	$	$
Short-term employee benefits	**2,203,182**	2,831,051
Other long-term benefits	**-**	-
Post employment benefits	**248,738**	264,724
	2,451,920	3,095,775

Notes to the Financial Statements for the year ended 30 June 2014

18. Related parties (continued)

(b) Key management personnel and executives' compensation (continued)

The table below lists the number of Key Management Personnel and executive positions named above whose income falls within the following bands for the financial year ending 30 June

Amounts falling between...	2014	2013
Up to $39,999	5	7
$40,000 - $49,999	-	7
$50,000 - $99,999	8	2
$100,000 - $149,999	1	2
$150,000 - $199,999	1	2
$200,000 – $249,999	2	2
$250,000 - $299,999	3	2
$400,000 - $449,999	1	1
$500,000 - $549,999	-	1

The total remuneration paid during the year was:	2014 $000	2013 $000
Chairman	108,951	85,471
Deputy Chairman	74,170	49,053
Other Directors	326,351	267,109
Alternate Directors (retainer)	2,731	26,537
	512,202	428,171

There is no additional remuneration for Directors' attendance at Committee meetings.

Any Director of the Company or other key management personnel who is a member of LASF contributes to LASF on the same terms and conditions as other members. No retirement benefits were paid to Directors or key management personnel during the year.

The Trustee has not made, guaranteed or secured any loan to any Director or member of staff or to any other related party.

	2014 $000	2013 $000
Roll ins from KMP to LASF/VSF	570,734	-
Benefits paid to KMP from LASF/VSF	26,000	373,125
Vested Benefits of KMP	9,507,321	10,794,737

Notes to the Financial Statements for the year ended 30 June 2014

18. Related parties (continued)

(c) Related party transactions

(i) Regional Infrastructure Fund

Vision Pooled Superannuation Trust is the sole shareholder in Regional Infrastructure Fund Pty Ltd (RIF).

RIF was established primarily to invest in regional infrastructure projects. The RIF Directors during the reporting year were Graham Sherry, Geoffrey Lake, Harriet Shing and Tony Tuohey. Tony Tuohey retired as Director on 30 November 2014.

The objective for RIF is to invest in infrastructure projects and it currently wholly owns Regional Wind Farms Pty Ltd.

(ii) Regional Wind Farms Pty Ltd

Regional Wind Farms Pty Ltd is wholly owned company and was established by RIF to invest in wind farms. Project development, construction and operations are contracted out to third party providers. Tony Tuohey was replaced by Graham Sherry as Director of Regional Wind Farms Pty Ltd on 31 December 2013. Another director is appointed by Industry Funds Management.

(iii) Local Authorities Superannuation Fund

The Company is the trustee of LASF. The trustee services fees paid and payable to the Company by LASF for the year ended 30 June 2014 is $27,085,326 (2013: $21,066,501). The majority of employees of the Company are members of LASF.

(iv) Vision Superannuation Fund

The Company was the trustee of VSF during the financial year. VSF was wound up as at 30 June 2014.The trustee services fees paid and payable to the Company by VSF for the year ended 30 June 2014 is $1,523,203 (2013: $1,466,653).

The audit fee paid and payable by the Company on the behalf of VSF for the year ended 30 June 2014 is nil (2013: $27,398).

(v) Pooled Superannuation Pty Ltd

Pooled Superannuation Pty Ltd (PSPL) was established on 12 March 2010 for the purpose of acting as Trustee Company for Vision Pooled Superannuation Trust (VPST). The company is 100% owned by Vision Financial Holdings Pty Ltd.

The professional indemnity insurance premium expense paid and payable by the Company on the behalf of PSPL is $185,807 (2013: $205,091). PSPL has reimbursed the Company in full for this expense.

(vi) Vision Pooled Superannuation Trust

The Company provides administration services to VPST. The administration fees payable/paid to the Company by VPST for the year ended 30 June 2014 is $5,242,412 (2013: $6,119,864).

Notes to the Financial Statements for the year ended 30 June 2014

18. Related parties (continued)

(c) Related party transactions

(vii) Vision Holding Company Pty Ltd

Vision Holding Company Pty Ltd was established in 2008 for the purpose of acting as trustee company for the Private Equity Trust which holds a number of overseas private equity investments. The Company holds 100% of Vision Holding Company Pty Ltd.

(viii) Directors

Director Geoff Lake is also a Director of Hawkesbridge Capital Pty Ltd, a fund manager engaged by the Group, and excludes himself from any decision making in relation to this manager.

19. Subsequent events after balance date

Since 30 June 2014, there has not been any other matter or circumstances not otherwise dealt with in the financial statements that has significantly affected or may significantly affect the Company.

Vision Super Pty Ltd

Directors' Declaration

In the opinion of the Directors of Vision Super Pty Limited ("the Company"):

(a) the financial statements and notes, set out on pages 1 to 23, are 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 2014 and of its performance, for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as described in Note 2, and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Melbourne this 26 day of September 2014

Signed in accordance with a resolution of the Directors:

Brian Parkinson

Name: BRIAN PARKINSON
Director

Peter Wilson

Name: PETER WILSON
Director

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Independent auditor's report to the members of Vision Super Pty Ltd

Report on the financial report

We have audited the accompanying financial report of Vision Super Pty Ltd, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity 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 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 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 2, 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, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view 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 company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

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Opinion

In our opinion:

a. the financial report of Vision Super Pty Ltd 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 2014 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Ernst + Young

Ernst & Young

Brett Kallio

Brett Kallio
Partner
Melbourne

26 September 2014

Building a better working world

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Auditor's Independence Declaration to the Directors of Vision Super Pty Ltd

In relation to our audit of the financial report of Vision Super Pty Ltd for the financial year ended 30 June 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst + Young

Ernst & Young

Brett Kallio

Brett Kallio
Partner
26 September 2014

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