

EMPLUS SUPERANNUATION FUND

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2012**

(RSE No. R1067880)

**Emplus Superannuation Fund
Statement of Financial Position
as at 30 June 2012**

	Note	2012	2011
		\$'000	\$'000
Assets			
Cash and cash equivalents	10(a)	2,707	604
Units in managed funds		95,685	91,876
Receivables			
GST receivable		71	66
Contribution receivable		3,989	3,987
Investment income receivable		1,109	3,474
Other assets		93	87
Current tax receivables	6(a)	182	514
Other assets			
Deferred tax assets	6(b)	1,569	1,006
TOTAL ASSETS		105,405	101,614
LIABILITIES			
Other payables		1,198	1,804
TOTAL LIABILITIES (excluding net assets available to pay benefits)		1,198	1,804
NET ASSETS AVAILABLE TO PAY BENEFITS		104,207	99,810
<i>Represented by:</i>			
Liability for vested accrued benefits allocated to members' accounts		104,207	99,810
Not yet allocated		-	-
LIABILITY FOR VESTED ACCRUED BENEFITS ALLOCATED TO MEMBERS' ACCOUNTS	8	104,207	99,810

The above statement should be read in conjunction with the accompanying notes.

**Emplus Superannuation Fund
Operating Statement
For the year ended 30 June 2012**

	Note	2012 \$'000	2011 \$'000
Investment revenue			
Interest		88	82
Distributions from investments		2,808	4,931
Net investment revenue		2,896	5,013
Contributions revenue			
Employers		20,161	22,396
Members		379	565
Transfers from other funds		3,963	5,664
Total Contribution Revenue		24,503	28,625
Other revenue/(expenses)			
Group life insurance claims		1,444	1,415
Investment manager fee rebate		172	176
Movement in net market value of investments	3	(5,982)	(157)
Total Other Revenue		(4,366)	1,434
Total Revenue		23,033	35,072
Expenses			
General administration expenses		2,719	2,539
Group life insurance		3,694	4,054
	4	6,413	6,593
Benefits accrued as a result of operations before income tax		16,620	28,479
Less income tax expense(benefit)	5	1,463	2,719
Benefits accrued as a result of operations after income tax	7(a)	15,157	25,760

The above statement should be read in conjunction with the accompanying notes.

**Emplus Superannuation Fund
Statement of Cash Flows
For the year ended 30 June 2012**

	Note	2012 \$'000	2011 \$'000
Cash flows from operating activities			
Employer contributions		20,164	23,622
Members' contributions		379	565
Transfers from other funds		3,963	5,664
Interest received		84	79
Other income		140	181
Distributions received		-	-
Other receivables		-	-
Proceeds from group life policies		1,444	1,415
Members' benefits paid		(10,856)	(14,620)
Death and disability insurance premiums		(3,351)	(3,927)
General expenses paid		(3,207)	(2,440)
Income tax paid		(1,984)	(2,862)
Other		-	-
Net Cash from operating activities	10(b)	6,776	7,677
Cash flows from investing activities			
Proceeds from sale of units in unit trusts		26,766	13,287
Purchase of units in unit trusts		(31,439)	(21,404)
Net cash used in investing activities		(4,673)	(8,117)
Net increase/(decrease) in cash and cash equivalents held		2,103	(440)
Cash and cash equivalents at beginning of the financial year		604	1,044
Cash and cash equivalents at end of the financial year	10(a)	2,707	604

The above statement should be read in conjunction with the accompanying notes.

Emplus Superannuation Fund
Notes to the Financial Statements for the Financial Year ended 30 June 2012

1 DESCRIPTION OF THE FUND

Emplus Superannuation Fund ("the Fund") is a superannuation fund domiciled in Australia. The address of the Fund's registered office is Level 2, 575 Bourke Street, Melbourne VIC 3000. The fund administrator is located at Unit 5B 50 Borthwick Avenue, Murrarie QLD 4172.

The Fund is constituted by a trust deed dated 23 September 2005 to provide superannuation benefits to members of the Fund.

The Trustee and Custodian of the Fund is Equity Trustees Limited.

Administration of the Fund is conducted by Millennium3 Financial Services Pty Ltd.

The Asset Investment Consultant for the Fund is Millennium3 Financial Services Pty Ltd.

The Promoter of the Fund is Emplus Superannuation Administration Pty Ltd.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standard AAS 25 *Financial Reporting by Superannuation Plans*, as amended by AASB 2005-13 (December 2005), other applicable Accounting Standards, the provisions of the Fund's Trust Deed and the requirements of the Superannuation Industry (Supervision) Act 1993 and Regulations.

International Financial Reporting Standards ("IFRS") form the basis of Australian Accounting Standards adopted by the AASB, being Australian equivalents to IFRS ("AIFRS") to distinguish from previous Australian Generally Accepted Accounting Principles. The financial report of the Fund does not comply with IFRS, due to the requirement of AAS 25.

The financial statements were authorised for issue by the directors on **17 October 2012**.

In the application of AIFRS the Trustee is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Judgements made by the Trustee in the application of AIFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following is a summary of the material accounting policies adopted by the Fund in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Emplus Superannuation Fund
Notes to the Financial Statements for the Financial Year ended 30 June 2012

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Statement of compliance (cont'd)

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2012 and the comparative information presented in these financial statements.

Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied in accordance with the Fund's Trust Deed.

Accounting Policies

a. Measurement of assets and liabilities

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs, except for those financial assets at fair value through profit and loss which are initially measured at fair value.

Net market values have been determined as follows:

Units in managed funds by reference to the unit redemption price at the reporting date;

Financial liabilities, which are all current in nature, are measured at the gross value of the outstanding balance at year-end.

b. Liability for accrued benefits

The liability for accrued benefits is the Fund's present obligation to pay benefits to members and beneficiaries and has been calculated as the difference between the carrying amounts of the assets and the carrying amounts of the sundry liabilities and income tax liabilities as at reporting date.

c. Vested benefits

Vested benefits are benefits which are not conditional upon continued membership of the Fund and include benefits which members are entitled to receive had they terminated their membership of the Fund at the reporting date.

d. Income tax expense

Deferred income tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred income tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of deferred income tax assets brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the Fund will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Emplus Superannuation Fund
Notes to the Financial Statements for the Financial Year ended 30 June 2012

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e. Payables

Trade payables and other accounts payables are recognised when the Fund becomes obliged to make future payments resulting from the purchase of securities or services.

f. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and at call deposits with banks, and short term, highly liquid investments that are readily convertible to cash and are subject to an insignificant risk of changes in value.

g. Revenue

Revenue is recognised at the fair value of the consideration received or receivable.

Interest revenue

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Distribution revenue

Distributions from managed investment schemes are recognised as at the date the unit value is quoted ex-distributions and if not received at reporting date, are reflected in the statement of financial position as a receivable at net market value.

Contributions and transfers

Contributions received and amounts rolled over into the Fund are recognised when the control and the benefits from the revenue have transferred to the Fund and are recognised gross of any taxes.

Changes in net market values

Changes in the net market values of investments are recognised as income and determined as the difference between the net market value at year-end or consideration received (if sold during the year) and the net market value as at the prior year-end or cost (if the investment was acquired during the period).

h. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST recoverable from the Australian Taxation Office (ATO) as reduced input tax credits (RITC). In circumstances where the GST is not recoverable, the GST is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST.

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.

i. New standard and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 30 June 2012, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Fund.

Emplus Superannuation Fund
Notes to the Financial Statements for the Financial Year ended 30 June 2012

		2012	2011
		<u>\$'000</u>	<u>\$'000</u>
3	MOVEMENT IN NET MARKET VALUES		
	Unrealised investments held at reporting date		
	Units in managed funds	(261)	3,791
		<u>(261)</u>	<u>3,791</u>
	Investments realised during the financial year		
	Units in managed funds	(5,721)	(3,948)
		<u>(5,721)</u>	<u>(3,948)</u>
	TOTAL MOVEMENT IN NET MARKET VALUES	<u>(5,982)</u>	<u>(157)</u>
4	GENERAL ADMINISTRATION EXPENSES		
	Remuneration of auditor for audit	12	21
	Administration fees	2,664	2,485
	APRA levies	25	26
	Legal fees	18	7
	Group life insurance premiums	3,694	4,054
		<u>6,413</u>	<u>6,593</u>

For the 2012 financial year amounts payable to the auditor including GST are \$19,250 (2011: \$18,250). The difference between amounts disclosed above and this figure represents amounts paid directly by the promoter, EmPlus Superannuation Administration Pty Ltd, to the auditor in respect of audit services for the Fund.

Emplus Superannuation Fund

Notes to the Financial Statements for the Financial Year ended 30 June 2012

	2012	2011
	\$'000	\$'000
5 INCOME TAX EXPENSE		
a. The components of income tax expense comprise:		
Current Tax	(2,030)	(2,687)
Excess concessional tax	(5)	(14)
Deferred Tax	563	26
No TFN Tax	9	(44)
	(1,463)	(2,719)
b. The prima facie income tax on benefits accrued before income tax is reconciled to the income tax as follows:		
Benefits accrued as a result of operations before income tax	16,620	28,479
Income tax at the complying superannuation fund tax rate of 15% (2011: 15%)	(2,493)	(4,272)
Increase/decrease in income tax expense due to:		
Imputation credits	(77)	(115)
Distributions from unit trusts	17	32
Non-assessable contributions	55	84
Non-assessable transfers	594	850
Insurance policy proceeds	217	212
Unrealised market movement	(3)	(15)
Realised market movement at 10%	(305)	(203)
Excess concessional tax	(5)	(13)
Current period tax losses brought to account at 10%	0	0
Imputation credits	512	767
Under/(over) provision for tax	16	(3)
No TFN tax	9	(44)
Other income		1
Income tax expense on benefits accrued as a result of operations	(1,463)	(2,719)

Emplus Superannuation Fund

Notes to the Financial Statements for the Financial Year ended 30 June 2012

	2012 \$'000	2011 \$'000
6 TAX ASSETS		
a. Receivables		
Current income tax receivable	182	514

	Opening Balance \$'000	Charged to Income \$'000	Closing Balance \$'000
b. Deferred tax assets			
Investments	471	36	507
Capital losses	1,030	553	1,583
Other assets/liabilities	(495)	(26)	(521)
Balance at 30 June 2012	1,006	563	1,569
Investments	1,055	(584)	471
Capital losses	641	389	1,030
Other assets/liabilities	(716)	221	(495)
Balance at 30 June 2011	980	26	1,006

7 LIABILITY FOR ACCRUED BENEFITS AND FUNDING ARRANGEMENTS

a. Changes in liability for accrued benefits

Liability for accrued benefits at beginning of the financial year	99,810	88,778
Add benefits accrued as a result of operations	15,157	25,760
Less benefits paid during the year	(10,760)	(14,728)
Liability for accrued benefits accrued at end of financial period	104,207	99,810

b. Funding arrangements

During 2012 employers contributed to the Fund at a minimum rate of 9% (2011:9%) of the gross salaries of their employees who were members of the Fund. Other contributions made to the Fund were on a voluntary basis in 2012 and 2011.

Emplus Superannuation Fund
Notes to the Financial Statements for the Financial Year ended 30 June 2012

	<u>2012</u>	<u>2011</u>
	<u>\$'000</u>	<u>\$'000</u>
8 VESTED BENEFITS		
Vested benefits as at the end of the financial year	<u>104,207</u>	<u>99,810</u>
9 GUARANTEED BENEFITS		
No guarantees have been made in respect of any portion of the liability for accrued benefits		
10 CASH FLOW INFORMATION		
a. Reconciliation of cash and cash equivalents		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash and cash equivalents	<u>2,707</u>	<u>604</u>
b. Reconciliation of Cash Flow from Operations to Benefits Accrued as a Result of Operations		
Benefits accrued as a result of operations	15,157	25,760
(Increase)/decrease in other receivables	(6)	(38)
(Increase)/decrease in trust distribution receivable	(2,754)	(4,871)
Increase/(decrease) in contributions receivable	(3)	1,231
Increase/(decrease) in income taxes payable	333	(247)
Increase in deferred taxes payable	(563)	(26)
Increase in payables	(605)	438
Changes in net market value	5,982	157
Increase/(decrease) in provision for GST	(5)	1
Benefits paid	(10,760)	(14,728)
Net cash provided by (used in) operating activities	<u>6,776</u>	<u>7,677</u>

There are no significant terms or conditions applicable to the above receivables. All amounts are expected to be recoverable in whole within the next 12 months. No interest is charged on these receivables.

None of these financial assets are either past due or impaired, and no allowances have been made for the recoverability of these assets.

Emplus Superannuation Fund
Notes to the Financial Statements for the Financial Year ended 30 June 2012

11 RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

a. Trustees

The Trustee of the Fund during the Financial Year was Equity Trustees Limited, ABN 46 004 031 298, AFSL 240975, RSE Licence No. L0003094.

The names of the directors of the Trustee who held office during the year are:

Mr J A (Tony) Killen OAM (Chairman)
 Mr David F Groves (Deputy Chairman)
 Mr Robin B O Burns (Managing Director)
 Mr John R McConnell (Resigned 28 October 2011)
 Ms Alice J M Williams
 The Hon Mr Jeffrey G Kennett AC
 Ms Anne M O'Donnell
 Mr Kevin Eley (Appointed 25 November 2011)

The directors of the Trustee received no remuneration directly from the Fund in connection with the management of the Fund

b. The Trustee earned remuneration of \$114,185 net of GST (2011: \$112,807 net of GST)

	2012	2011
c. Other related party transactions	\$'000	\$'000
EQT Cash Management Trust	213	325
	213	325

12 SEGMENT REPORTING

The superannuation Fund operates in one business and geographical segment, being the provision of superannuation benefits for members in Australia.

13 EVENTS SUBSEQUENT TO REPORTING DATE

As the investments are measured at their 30 June 2012 fair values in the financial statements, any subsequent volatility in values is not reflected in the Operating Statement or the Statement of Financial Position. However, the volatility in the value of investments is reflected in the current unit price for the Fund.

Apart from the above, no significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund disclosed in the Statement of Financial Position as at 30 June 2012 or on the results and cash flows of the Fund for the year ended on that date.

Emplus Superannuation Fund
Notes to the Financial Statements for the Financial Year ended 30 June 2012

14 FINANCIAL INSTRUMENTS

a. Financial risk management policies

The investments of the Fund (other than cash held for meeting daily administrative expenses) are monitored on behalf of Equity Trustees Limited, the Trustee, by a specialist asset investment consultant who is required to monitor the investments in accordance with the terms of a written asset consulting agreement. Based on the recommendations of the Asset Investment Consultant, the Trustee has determined that the investments used are appropriate for the Fund and are in accordance with the Fund's investment strategy.

Equity Trustees Limited acts as custodian and, as such, provides services including physical custody and safekeeping of assets, settlement of trades, collection of distributions and recording of investment transactions.

The Fund's investment mandate is to invest in unit trusts managed by specialist investment managers which invest in a diversified portfolio of stocks listed on the ASX, and international stock exchanges, cash, Australian and international fixed interest securities, direct and indirect property. The unit trusts may also invest in derivative instruments such as futures and options.

b. Capital risk management

The capital structure of the Fund consists of cash and cash equivalents and the contributions received for members of the Fund.

The administrator aims to ensure that there is sufficient capital for possible redemptions by unitholders by maintaining a sufficient sum of the total investments in cash and cash equivalents.

The Fund has no restrictions or specific capital requirements on the application and redemption of units. The Fund's overall investment strategy remains unchanged from the prior year.

c. Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 2 to the financial statements.

d. Categories of financial instruments

The Fund has investments in the following categories of financial assets and liabilities:

	2012	2011
	\$'000	\$'000
Financial assets held for trading	-	-
Financial assets designated as at fair value through profit and loss	95,685	91,876
Other receivables	1,202	3,561
Total financial assets	96,887	95,437

Emplus Superannuation Fund
Notes to the Financial Statements for the Financial Year ended 30 June 2012

14 FINANCIAL INSTRUMENTS	2012	2011
d. Categories of financial instruments (continued)	\$'000	\$'000
Other payables	1,198	1,804
Total financial liabilities	1,198	1,804

These financial assets and liabilities are recognised in accordance with the accounting policies detailed in Note 2 to the financial statements.

e. Financial risk management objectives

The Fund is exposed to a variety of financial risks as a result of its activities. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Fund's risk management and investment policies seek to minimise the potential adverse effects of these risks on the Fund's financial performance. These policies may include the use of certain financial derivative instruments within the unit trusts the Fund invests in.

f. Market risk

The Fund's investment strategy is to invest, via externally managed units trusts; in diversified portfolio's of stocks listed on the ASX and international stock exchanges, cash, Australian and international fixed interest securities, direct and indirect property. The underlying investment managers may also use derivative instruments such as futures and options. There has been no change to the Fund's exposure to market risks or the manner in which it manages and measures the risk.

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange (currency risk), market interest rates (interest rate risk) and market prices (price risk). The Fund manages this risk by engaging experienced investment professionals. The Trustee has engaged an external asset consultant who monitors the financial risks relating to the operations of the Fund in accordance with an investment strategy set out in accordance with the asset consulting agreement and product disclosure statement.

(i) Interest rate risk management

The Fund's activities expose it to the financial risk of changes in interest rates. The Asset Investment Consultant monitors the Fund's exposures to interest rate risk.

Emplus Superannuation Fund
Notes to the Financial Statements for the Financial Year ended 30 June 2012

14 FINANCIAL INSTRUMENTS

f. Market risk

(i) interest rate risk management (continued)

The tables below detail the Fund's exposure to interest rate risk at the balance sheet date by the earlier of contractual maturities or re-pricing:

Weighted average interest rate %	Less than 3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000	5+ years \$'000	Total \$'000
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2012

Financial assets:

Variable interest rate instruments:

EQT Cash Management Trust	3.56	213	-	-	-	213
OnePath Portfolio One CMT	4.44	2,494	-	-	-	2,494
Total		2,707	-	-	-	2,707

2011

Financial assets:

Variable interest rate instruments:

EQT Cash Management Trust	3.82	325	-	-	-	325
OnePath Portfolio One CMT	4.65	279	-	-	-	279
Total		604	-	-	-	604

(ii) Interest rate sensitivity

The Fund's exposure to interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

An increase/decrease of 100 basis points in interest rates at the reporting date would have increased/(decreased) the change for the year in net assets available to pay benefits and net assets available to pay benefits by the amounts shown below:

	Carrying Amount	Change for the year in net assets		Net assets available to pay benefits	
		-100bps \$'000	+100bps \$'000	-100bps \$'000	+100bps \$'000
2012					
EQT Cash Management Trust	213	-2	2	-2	2
OnePath Portfolio One CMT	2,494	-25	25	-25	25
2011					
EQT Cash Management Trust	325	-3	3	-3	3
OnePath Portfolio One CMT	279	-3	3	-3	3

Emplus Superannuation Fund
Notes to the Financial Statements for the Financial Year ended 30 June 2012

14 FINANCIAL INSTRUMENTS (continued)

g Other market risk

Other market risk is the risk that the total value of investments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. The Fund has investments in unit trusts which exposes it to price risk. The underlying investment managers manage the underlying funds market risk on a daily basis in accordance with those funds' investment objectives and policies.

As the majority of the Fund's investments are carried at fair value with changes in fair value recognised in the income statement, all changes in market conditions will directly affect investment income.

Price risk is mitigated by the Fund's underlying investment managers by constructing a diversified portfolio of instruments traded on various markets.

h Investments in pooled superannuation trusts or similar investment products

Investments of the Fund (other than cash held for liquidity purposes), comprise units in collective investment vehicles, that is unit trusts.

The Trustee has determined that this type of investment is appropriate for the Fund and is in accordance with the Fund's published investment strategy.

The underlying investment managers of the unit trusts may have invested in a variety of financial instruments, including derivatives which expose the Fund's investments to a variety of investment risks, including market risk, credit risk, interest rate risk and currency risk.

The asset consultant provides regular reports on the Fund's investments to the Trustee.

i Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Fund. The Fund has adopted the policy of only dealing with creditworthy counterparties. The Fund measures credit risk on a fair value basis. The Fund's exposure and the credit ratings of its counterparties are monitored by the Asset Investment Consultant.

The credit risk associated with unsettled redemptions of units in the underlying funds is considered to be minimal since these redemptions are usually settled on a T+2 basis and for which the counterparties are large financial institutions.

The credit risk associated with distribution and interest receivable is considered to be minimal since none of these assets are impaired nor past due but not impaired. Investment income receivable has historically been received within 30 days of year end.

The table below shows the maximum exposure to credit risk at the reporting date. The carrying amounts of these financial assets represent the maximum credit risk exposure at the balance sheet date.

Emplus Superannuation Fund
Notes to the Financial Statements for the Financial Year ended 30 June 2012

14 FINANCIAL INSTRUMENTS
i Credit risk (continued)

FINANCIAL INSTRUMENTS ASSETS

	Rating	2012 \$'000	2011 \$'000
Cash and cash equivalents	Not rated *	2,707	604
Unlisted managed investment schemes	Not rated *	95,685	91,876
TOTAL FINANCIAL INSTRUMENTS ASSETS		98,392	92,480

The following individual financial instrument investments exceeded 5% of the net assets at either 30 June 2012 and/or 30 June 2011:

	2012 \$'000	2011 \$'000
Optimix Wholesale Moderate Trust	7,035	7,899
Optimix Wholesale Growth Trust	40,780	49,276
Optimix Wholesale Balanced Trust	23,057	25,836
Vanguard Growth Index Fund	7,175	-

* The above listed investments are not rated by Standard and Poor, however the managers are large managers with whom the Trustee believe have the resources to provide returns consistent with the investment strategy of the Fund. Optimix is a multi-manager research and investment solution provided by OnePath Funds Management Limited. The Optimix investment process is based on the principle that broad diversification of investments can actively reduce fluctuations and provide consistent strong returns over time. In order to try and achieve this consistency in returns, Optimix funds are diversified across a range of specialist investment managers. Accordingly, while the majority of EmPlus assets are invested in Optimix funds, the actual assets are, in effect, held with a large range of underlying investment managers, and are also consistent with the Trustee's investment strategy for the Fund.

j Liquidity risk

The Fund's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities. The Fund allows members to withdraw benefits and it is therefore exposed to the liquidity risk of meeting members' withdrawals at any time. The Fund's unit trust investments are considered to be readily realisable. As a result, the Trustee considers there is a minimal risk that the Fund may not be able to liquidate its investments at their net market value in order to meet its obligations.

The Fund's liquidity risk is managed in accordance with the Fund's investment strategy. The Fund has a high level of net inward cash flows (through new contributions) which provides capacity to manage liquidity risk. The Fund also manages liquidity risk through the continuous monitoring of forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Fund's overall strategy to liquidity risk management remains unchanged from 2011.

Emplus Superannuation Fund
Notes to the Financial Statements for the Financial Year ended 30 June 2012

14 FINANCIAL INSTRUMENTS

j Liquidity risk (continued)

The following tables summarise the maturity profile of the Fund's financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Fund can be required to pay. The tables include both interest and principal cash flows.

	Less than 3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000	5+ years \$'000	Total \$'000
2012					
Member Benefits	104,207	-	-	-	104,207
Other	-	-	-	-	-
Accounts Payable	1,198	-	-	-	1,198
Other Financial Liabilities	-	-	-	-	-
2011					
Member Benefits	99,810	-	-	-	99,810
Other	-	-	-	-	-
Accounts Payable	1,804	-	-	-	1,804
Other Financial Liabilities	-	-	-	-	-

k Collateral

The Fund has not pledged any collateral as security for liabilities or contingent liabilities. The Fund does not hold any collateral to secure amounts receivable, nor has the Fund taken possession of any previously held collateral.

l Impairment

As the Fund's investments are carried at net market value, impairment losses are recognised by directly reducing the carrying amount of the asset rather than recognising the losses in a separate allowance account.

m Defaults and breaches

The Fund has no external borrowings and as such has not breached any loan agreements or defaulted on any loans payable.

n Transfers of financial assets

The Fund did not transfer any financial assets during the current or previous reporting periods in such a way that part or all of the financial assets qualified for derecognition.

Emplus Superannuation Fund
Notes to the Financial Statements for the Financial Year ended 30 June 2012

14 FINANCIAL INSTRUMENTS (continued)

o Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

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

The financial instruments in which the Fund has invested are all classified as Level 2 instruments.

	Level 1	Level 2	Level 3	Total
2012	\$'000	\$'000	\$'000	\$'000
Financial assets				
Available-for-sale financial				
— units in managed funds		95,685		95,685

	Level 1	Level 2	Level 3	Total
2011	\$'000	\$'000	\$'000	\$'000
Financial assets				
Available-for-sale financial				
— units in managed funds		91,876		91,876

TRUSTEE'S DECLARATION TO THE MEMBERS

In the opinion of the directors of Equity Trustees Limited (ABN 46 004 031 298), being the Trustee of the **Emplus Superannuation Fund** declare that:

- i. The accompanying financial statements of Emplus Superannuation Fund are drawn up so as to present fairly the financial position of the Fund as at 30 June 2012 and the results of its operations and cash flows for the year then ended; and
- ii. The operation of Emplus Superannuation Fund has been carried out in accordance with the Trust Deed dated 23 September 2005, as amended and in compliance with:
 - the requirements of the Superannuation Industry (Supervision) Act 1993 and Regulations;
 - applicable sections of the Corporations Act 2001 and Regulations; and
 - the requirements under Section 13 of the Financial Sector (Collection of Data) Act 2001
- iii. The financial statements have been prepared in accordance with Accounting Standards and the provisions of the Trust Deed dated 23 September 2005, as amended.

This declaration is made in accordance with a resolution of the Board of Directors of Equity Trustees Limited:

Equity Trustees Limited (Director)

Equity Trustees Limited (Director)

Dated this 17th day of October 2012