

EMPLUS SUPERANNUATION FUND

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2013**

(RSE No. R1067880)

**Emplus Superannuation Fund
Statement of Financial Position
as at 30 June 2013**

	Note	2013 \$'000	2012 \$'000
Assets			
Cash and cash equivalents	10(a)	370	2,707
Units in managed funds		110,419	95,685
Receivables			
GST receivable		81	71
Contribution receivable		981	3,989
Investment income receivable		-	1,109
Unsettled investment sales		621	-
Other receivables		84	93
Current tax receivables	6(a)	416	182
Other assets			
Deferred tax assets	6(b)	335	1,569
TOTAL ASSETS		113,307	105,405
LIABILITIES			
Other payables		1,018	1,198
TOTAL LIABILITIES (excluding net assets available to pay benefits)		1,018	1,198
NET ASSETS AVAILABLE TO PAY BENEFITS		112,289	104,207
<i>Represented by:</i>			
Liability for vested accrued benefits allocated to members' accounts		112,289	104,207
Not yet allocated		-	-
LIABILITY FOR VESTED ACCRUED BENEFITS ALLOCATED TO MEMBERS' ACCOUNTS	8	112,289	104,207

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

**Emplus Superannuation Fund
Operating Statement
For the year ended 30 June 2013**

	Note	2013 \$'000	2012 \$'000
Investment revenue			
Interest		38	88
Distributions from investments		3,657	2,808
Net investment revenue		<u>3,695</u>	<u>2,896</u>
Contributions revenue			
Employers		11,320	20,161
Members		367	379
Transfers from other funds		3,606	3,963
Total Contribution Revenue		<u>15,293</u>	<u>24,503</u>
Other revenue			
Group life insurance claims		1,360	1,444
Investment manager fee rebate		190	172
Movement in net market value of investments	3	12,790	(5,982)
Total Other Revenue		<u>14,340</u>	<u>(4,366)</u>
Total Revenue		<u>33,328</u>	<u>23,033</u>
Expenses			
General administration expenses		2,901	2,719
Group life insurance		3,627	3,694
	4	<u>6,528</u>	<u>6,413</u>
Benefits accrued as a result of operations before income tax		<u>26,800</u>	<u>16,620</u>
Less income tax expense(benefit)	5	<u>2,469</u>	<u>1,463</u>
Benefits accrued as a result of operations after income tax	7(a)	<u>24,331</u>	<u>15,157</u>

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 2013**

	Note	2013 \$'000	2012 \$'000
Cash flows from operating activities			
Employer contributions		14,330	20,164
Members' contributions		367	379
Transfers from other funds		3,606	3,963
Interest received		37	84
Other income		247	140
Distributions received		-	-
Other receivables		-	-
Proceeds from group life policies		1,360	1,444
Members' benefits paid		(16,232)	(10,856)
Death and disability insurance premiums		(2,563)	(3,351)
General expenses paid		(3,947)	(3,207)
Income tax paid		(1,642)	(1,984)
Other		-	-
Net Cash from operating activities	10(b)	(4,437)	6,776
Cash flows from investing activities			
Proceeds from sale of units in unit trusts		61,507	26,766
Purchase of units in unit trusts		(59,407)	(31,439)
Net cash used in investing activities		2,100	(4,673)
Net increase/(decrease) in cash and cash equivalents held		(2,337)	2,103
Cash and cash equivalents at beginning of the financial year		2,707	604
Cash and cash equivalents at end of the financial year	10(a)	370	2,707

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 2013

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 are authorised for issue by the Directors of the Trustee on the date of the Trustee Declaration in this report.

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.

The Fund is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Emplus Superannuation Fund
Notes to the Financial Statements for the Financial Year ended 30 June 2013

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 2013 and the comparative information presented in these financial statements.

Basis of preparation

The financial statements, except for the cash flow information, have been prepared on an accrual 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. The amounts presented in the financial statements have been rounded to the nearest \$1,000. The accounting policies set out below have been applied consistently to all periods presented in these financial statements unless stated otherwise.

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.

Emplus Superannuation Fund
Notes to the Financial Statements for the Financial Year ended 30 June 2013

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

d. Income tax expense (cont'd)

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.

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 2013, 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 2013

		2013	2012
		\$'000	\$'000
3	MOVEMENT IN NET MARKET VALUES		
	Unrealised investments held at reporting date		
	Units in managed funds	10,624	(261)
		10,624	(261)
	Investments realised during the financial year		
	Units in managed funds	2,166	(5,721)
		2,166	(5,721)
	TOTAL MOVEMENT IN NET MARKET VALUES	12,790	(5,982)
4	GENERAL ADMINISTRATION EXPENSES		
	Remuneration of auditor for audit	20	12
	Administration fees	2,853	2,664
	APRA levies	10	25
	Legal fees	18	18
	Group life insurance premiums	3,627	3,694
		6,528	6,413

For the 2013 financial year the amount earned by the auditor including GST was \$20,459 (2012: \$19,250). Any 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 2013

	2013	2012
	\$'000	\$'000
5 INCOME TAX EXPENSE		
a. The components of income tax expense comprise:		
Current Tax	(1,231)	(2,030)
Excess concessional tax	-	(5)
Deferred Tax	(1,234)	563
No TFN Tax	(4)	9
	(2,469)	(1,463)
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	26,800	16,620
Income tax at the complying superannuation fund tax rate of 15% (2012: 15%)	(4,020)	(2,493)
Increase/decrease in income tax expense due to:		
Distributions from unit trusts	22	17
Non-assessable contributions	52	55
Non-assessable transfers	541	594
Insurance policy proceeds	204	217
Unrealised market movement	175	(3)
Realised market movement at 10%	75	(305)
Excess concessional tax	-	(5)
Imputation credits	484	492
Under/(over) provision for tax	2	16
No TFN tax	(4)	9
Income tax expense on benefits accrued as a result of operations	(2,469)	(1,406)

Emplus Superannuation Fund

Notes to the Financial Statements for the Financial Year ended 30 June 2013

	2013	2012	
	\$'000	\$'000	
6 TAX ASSETS			
a. Receivables			
Current income tax receivable	416	182	
	<hr/>	<hr/>	
	Opening	Charged to	Closing
	Balance	Income	Balance
	\$'000	\$'000	\$'000
b. Deferred tax assets/(liabilities)			
Investments	507	(1,419)	(912)
Capital losses	1,583	(250)	1,333
Other assets/liabilities	(521)	435	(86)
Balance at 30 June 2013	<hr/>	<hr/>	<hr/>
	1,569	(1,234)	335
Investments	471	36	507
Capital losses	1,030	553	1,583
Other assets/liabilities	(495)	(26)	(521)
Balance at 30 June 2012	<hr/>	<hr/>	<hr/>
	1,006	563	1,569

7 LIABILITY FOR ACCRUED BENEFITS AND FUNDING ARRANGEMENTS

	2013	2012
	\$'000	\$'000
a. Changes in liability for accrued benefits		
Liability for accrued benefits at beginning of the financial year	104,207	99,810
Add benefits accrued as a result of operations	24,331	15,157
Less benefits paid during the year	(16,249)	(10,760)
Liability for accrued benefits accrued at end of financial period	<hr/>	<hr/>
	112,289	104,207
b. Funding arrangements		

During 2013 the employers contributed to the Fund at a rate of approximately 9% (2012:9%) of the gross salaries of their employees who were members of the Fund. Members contributed to the fund in 2013 on a voluntary basis.

Emplus Superannuation Fund
Notes to the Financial Statements for the Financial Year ended 30 June 2013

	<u>2013</u>	<u>2012</u>
	<u>\$'000</u>	<u>\$'000</u>
8 VESTED BENEFITS		
Vested benefits as at the end of the financial year	<u>112,289</u>	<u>104,207</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>370</u>	<u>2,707</u>
b. Reconciliation of Cash Flow from Operations to Benefits Accrued as a Result of Operations		
Benefits accrued as a result of operations	24,331	15,157
(Increase)/decrease in other receivables	9	(6)
(Increase)/decrease in trust distribution receivable	(3,556)	(2,754)
Increase/(decrease) in contributions receivable	3,008	(3)
Increase/(decrease) in income taxes payable	(234)	333
Increase in deferred taxes payable	1,234	(563)
Increase in payables	(180)	(605)
Changes in net market value	(12,789)	5,982
Increase/(decrease) in provision for GST	(10)	(5)
Benefits paid	(16,250)	(10,760)
Net cash provided by (used in) operating activities	<u>(4,437)</u>	<u>6,776</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 2013

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)
 Ms Alice J M Williams
 The Hon Jeffrey G Kennett AC
 Ms Anne M O'Donnell
 Mr Kevin J Eley

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 \$132,714 net of GST (2012: \$114,185 net of GST).
 The Administrator earned remuneration of \$2,151,330 net of GST (2012: \$2,078,350 net of GST).
 There are no promoter fees payable under the promoter agreement.
 The Asset consultant was paid remuneration of \$28,700 (2012: \$21,525) net of GST.

c. Other related party transactions	2013	2012
	\$'000	\$'000
Monies the Fund held in the EQT Cash Management Trust	270	213

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 2013 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 2013 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 2013

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 member balances.

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:

	2013	2012
	\$'000	\$'000
Financial assets held for trading	-	-
Financial assets designated as at fair value through profit and loss	110,419	95,685
Other receivables	705	1,202
Total financial assets	111,124	96,887

Emplus Superannuation Fund
Notes to the Financial Statements for the Financial Year ended 30 June 2013

14 FINANCIAL INSTRUMENTS	2013	2012
d. Categories of financial instruments (continued)	\$'000	\$'000
Other payables	1,018	1,198
Total financial liabilities	1,018	1,198

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 2013

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
--	---------------------------------	---------------------------------	---------------------	--------------------	-----------------

2013

Financial assets:

Variable interest rate instruments:

EQT Cash Management Trust	3.15	270	-	-	-	270
OnePath Portfolio One CMT	3.14	100	-	-	-	100
Total		370	-	-	-	370

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

(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
2013					
EQT Cash Management Trust	270	-2	2	-2	2
OnePath Portfolio One CMT	100	-25	25	-25	25
2012					
EQT Cash Management Trust	213	-2	2	-2	2
OnePath Portfolio One CMT	2,494	-25	25	-25	25

Emplus Superannuation Fund
Notes to the Financial Statements for the Financial Year ended 30 June 2013

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 constructing a diversified portfolio of instruments traded on various markets.

h 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 2013

14 FINANCIAL INSTRUMENTS
h Credit risk (continued)

FINANCIAL INSTRUMENTS ASSETS

	Rating	2013 \$'000	2012 \$'000
Cash and cash equivalents	Not rated *	370	2,707
Unlisted managed investment schemes	Not rated *	110,419	95,685
TOTAL FINANCIAL INSTRUMENTS ASSETS		110,789	98,392

The following individual financial instrument investments exceeded 5% of the net assets at either 30 June 2013 and/or 30 June 2012:

	2013 \$'000	2012 \$'000
Optimix Wholesale Growth Trust	25,872	40,780
Optimix Wholesale Balanced Trust	15,077	23,057
Vanguard High Growth Index	6,021	-
Vanguard Growth Index Fund	36,740	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 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 and Vanguard 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.

i 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 2012.

Emplus Superannuation Fund
Notes to the Financial Statements for the Financial Year ended 30 June 2013

14 FINANCIAL INSTRUMENTS

i 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
2013					
Member Benefits	112,289	-	-	-	112,289
Other	-	-	-	-	-
Accounts Payable	1,018	-	-	-	1,018
Other Financial Liabilities	-	-	-	-	-
2012					
Member Benefits	104,207	-	-	-	104,207
Other	-	-	-	-	-
Accounts Payable	1,198	-	-	-	1,198
Other Financial Liabilities	-	-	-	-	-

j 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.

k 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.

l Defaults and breaches

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

m 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 2013

14 FINANCIAL INSTRUMENTS (continued)

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
2013	\$'000	\$'000	\$'000	\$'000
Financial assets				
Available-for-sale financial				
— units in managed funds		110,419		110,419

	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

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 2013 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 21st day of October 2013