

**Vision Superannuation
Fund**

**Annual Financial Report
30 June 2014**

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Vision Superannuation Fund
Statement of financial position
as at 30 June 2014

	<i>Note</i>	2014	2013
		\$000	\$000
ASSETS			
Cash at bank		-	1,834
Accounts receivable		-	27
Investments			
Units in Vision Pooled Superannuation Trust	11	-	619,780
Total assets		<u>-</u>	<u>621,641</u>
LIABILITIES			
Accounts payable	3	-	748
Current tax liabilities	6	-	-
Total liabilities (excluding net assets available to pay benefits)		<u>-</u>	<u>748</u>
Net assets available to pay benefits	7	<u>-</u>	<u>620,893</u>

The Statement of financial position is to be read in conjunction with the accompanying notes.

Vision Superannuation Fund
Operating statement
for the year ended 30 June 2014

	<i>Note</i>	2014 \$000	2013 \$000
Investment revenue			
Interest		33	37
Movement in net market value of investments	12	<u>72,537</u>	<u>56,211</u>
		72,570	56,248
Contribution revenue			
Employer contributions		1,725	1,386
Member contributions		15,468	12,996
Transfers from other funds		<u>186,380</u>	<u>144,016</u>
		203,573	158,398
Other revenue		<u>-</u>	<u>1</u>
Total revenue		276,143	214,647
Benefits paid		109,907	77,773
Group insurance premiums	17	46	33
General administration expenses			
Trustee services fees		1,397	1,391
Other general administration expenses		<u>191</u>	<u>-</u>
		111,541	79,197
Benefits accrued as a result of operations before income tax		164,602	135,450
Income tax expense	5	11	-
Net assets transferred to Local Authorities Superannuation Fund	19	<u>785,484</u>	<u>-</u>
Benefits accrued as a result of operations	7	(620,893)	135,450

The Operating statement is to be read in conjunction with the accompanying notes.

Vision Superannuation Fund
Statement of cash flows
for the year ended 30 June 2014

	<i>Note</i>	2014 \$000	2013 \$000
Cash flows from operating activities			
Contributions received			
Employer contributions		1,725	1,386
Members contributions		15,468	12,996
Transfer from other funds		186,380	144,016
Interest received		33	37
Other revenue		-	1
Benefits paid		(109,906)	(77,773)
Group Life Insurance Premium		(46)	(33)
General expenses paid		(2,310)	(1,581)
Income tax paid		(11)	(35)
Net assets transferred to Local Authorities Superannuation Fund		(785,484)	-
Net cash from operating activities	10	<u>(694,151)</u>	<u>79,014</u>
Cash flows from investing activities			
Proceeds from redemption of units in pooled superannuation trust		839,500	46,681
Application of units in pooled superannuation trust		(147,183)	(124,779)
Net cash used in investing activities		<u>692,317</u>	<u>(78,098)</u>
Net increase in cash and cash equivalents held		(1,834)	916
Cash and cash equivalents at the beginning of the year		1,834	918
Cash and cash equivalents at the end of the year	10	<u>-</u>	<u>1,834</u>

The Statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the financial statements for the year ended 30 June 2014

1. Reporting entity

(a) Operation of the Fund

Vision Superannuation Fund (the "Fund") was a superannuation fund domiciled in Australia. The address of the Fund's registered office was Level 15, 360 Collins Street, Melbourne Victoria.

The Fund was constituted by the trust deed dated 16 December 2006 to provide superannuation benefits for members.

The Trustee of the Fund was Vision Super Pty Ltd (VSPL). VSPL is the holder of an extended public offer class Registrable Superannuation Entity Licence (licence no. L0000239). In accordance with amendments to the Superannuation Industry (Supervision) Act 1993, the Fund was registered with the Australian Prudential Regulation Authority on 31 January 2007 (registration no. R1069938).

(b) Wind up of the Fund

On 30 June 2014, the Fund was wound up. In accordance with its Successor Fund Transfer Deed dated 27 May 2014, all assets and liabilities of the Fund were transferred to Local Authorities Superannuation Fund as at 30 June 2014. Note 19 provides details of the assets and liabilities transferred.

2. Summary of significant accounting policies

(a) Basis of preparation

The financial statements are a general purpose financial statements which have been prepared in accordance with Australian Accounting Standard AAS 25 *Financial Reporting by Superannuation Plans*, other applicable Accounting Standards, the provisions of the Trust Deed and the requirements of the Superannuation Industry (Supervision) Act 1993 and Regulations.

The financial statements have been measured on a net market value basis.

The financial statements are presented in Australian Dollars and all values are rounded to the nearest thousand dollars except where otherwise stated.

(b) Statement of compliance

The financial statements comply with AAS 25. Since AAS 25 is the principal standard that applies to the financial statements, other standards, including Australian Accounting Standards issued by the AASB are also applied where necessary except to the extent that they differ from AAS 25.

International Financial Reporting Standards ("IFRS") form the basis of Australian Accounting Standards adopted by the AASB. The financial statements of the Fund do not comply with IFRS.

The financial statements were approved by the Board of Directors of the Trustee, Vision Super Pty Ltd, on 26 September 2014.

(c) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to cash, and subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Notes to the financial statements for the year ended 30 June 2014

2. Summary of significant accounting policies (continued)

(d) Financial assets and financial liabilities

Financial assets and financial liabilities are included in the Statement of financial position at net market value as at reporting date and movements in the net market value of assets and liabilities are recognised in the Operating statement in the periods in which they occur.

The Fund recognises financial assets and liabilities on the date it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised on the trade date, i.e., the date that the Fund commits to purchase or sell the asset. From this date, any gains or losses from changes in net market value are recorded.

While the Fund uses net market value to record the value of its investments, the net market value is not materially different to the fair value of those assets. Fair value is 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 in the principal, or in its absence, the most advantageous market to which the Fund has access at that date.

Estimated costs of disposal have been deducted in determining net market value. As disposal costs are generally immaterial, unless otherwise stated net market value is considered a reasonable approximation of fair value.

The best evidence of the net market value of a financial asset at initial recognition is normally the transactions prices – the fair value of the consideration given. Net market values of investments have been determined as follows:

(i) Units in pooled superannuation trust

Units in pooled superannuation trusts are valued at the redemption price at reporting date quoted by the Trustee of the pooled superannuation trust. This redemption price is based on the net market value of the underlying investments of the pooled superannuation trust.

(e) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when:

- The right to receive cash flows from the asset have expired; or
- The Fund transfers substantially all the risks and rewards of the ownership of the assets.
- The Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Fund derecognises a financial liability when the obligation under the liability is discharged or cancelled or expires.

(f) Accounts receivables and accounts payables

Accounts receivables are carried at nominal amounts due which approximate net market value. Receivables are normally settled within 30 days. An allowance for uncollectible amounts is only made where there is objective evidence that the debt will not be collected.

Accounts payables are carried at nominal amounts which approximate net market value. It comprises Fund's withholding tax liability to Australian Taxation Office (ATO) as a result of benefit payments to members and trustee services fees payable to Vision Super Pty Ltd. The Fund normally settles the liabilities within thirty days before they are due for payment.

Notes to the financial statements for the year ended 30 June 2014

2. Summary of significant accounting policies (continued)

(g) Benefits payable

Benefits payable are valued at net market value which comprises the entitlements of members who ceased employment prior to the year-end but had not been paid at that time. Benefits payable are settled within 30 days.

(h) Revenue recognition

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

(i) Interest revenue

Interest income is recognised in the operating statement as it accrues on the amount of cash at bank.

(ii) Contributions revenue and transfers in

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

(iii) Movement in net market value of investments

Changes in the net market value of investments are recognised as income and are 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.

(i) Income tax

Income tax on the benefits accrued as a result of operations for the period comprises current and deferred tax. Income tax is recognised in the operating statement except to the extent that it relates to items recognised directly in members' funds in which case it is recognised directly in members' funds.

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

Income tax has been provided in the current year at the rate of 15% as it is the expectation of the Trustee that the Fund will be treated as a complying superannuation fund. If the Fund is subsequently deemed to be a non-complying fund for the current year, then income tax will be payable at the top marginal tax rate for the relevant year (45% for the 2013/14 year) on the Fund's taxable income.

The expense (and any corresponding liability) is brought to account in the period in which the assessments are received by the Trustee and are properly payable by the Fund.

(j) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST) recoverable from the ATO as a reduced input tax credit (RITC). In circumstances where the GST is not recoverable, 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.

Notes to the financial statements for the year ended 30 June 2014

2. Summary of significant accounting policies (continued)

(j) Goods and services tax (continued)

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. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(k) No-TFN contribution tax

Where a member does not provide their tax file number to a fund, the Fund may be required to pay no-TFN contributions tax at a rate of 31.5% which is in addition to the concessional tax rate of 15% which applies to the Fund's taxable income.

The no-TFN contributions tax liability recognised by the Fund will be charged to the relevant members' accounts. Where a tax offset is obtained by the Fund in relation to members' no-TFN contributions tax, the tax of offset will be included in the relevant members' accounts.

(l) Change of accounting policies

The Fund 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. As a result, the Fund has included additional disclosures at Note 11 in these financial statements.

(m) New accounting standards and interpretations

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on 1 July 2014, and have not been applied in preparing these financial statements. Those which may be relevant for the Fund are:

- AASB 1056 – Superannuation entities (which commences from 1 July 2016); and
- AASB 2013-5 – Amendment to Australian Accounting Standards - Investment Entities (which may be applied from 1 January 2014).

However, as the Fund was wound up at 30 June 2014, these standards will not apply to the Fund.

3. Accounts payable

	2014 \$000	2013 \$000
Trustee services fees	-	728
Other	-	20
	<u>-</u>	<u>748</u>

Notes to the financial statements for the year ended 30 June 2014

4. Auditors' remuneration	2014	2013
	\$000	\$000
Amounts received or due and receivable by Ernst & Young for:		
An audit of the financial statements of the Fund	48	27
Other services in relation to the entity	-	-
Total	48	27

Vision Super Pty Ltd paid the Fund's audit fees in FY2012/13 and recovered through trustee services fees. The Fund paid its own audit fees in FY2013/14.

5. Income tax expense	2014	2013
	\$000	\$000
Recognised in operating statement		
Current tax expenses		
Current income tax charge	14	-
Adjustment in respect of current income tax of previous years	-	-
Deferred tax expenses		
Deferred tax expense	(3)	-
Relating to origination and reversal of temporary difference	-	-
Total income tax expense	11	-

Reconciliation between income tax expenses and the accounting profit before income tax operating result:

	2014	2013
	\$000	\$000
Benefits accrued before income tax	164,602	135,450
At the tax rate of 15%	24,690	20,318
Increase in income tax expense due to:		
Benefits paid	16,486	11,666
Decrease in income tax expense due to:		
Employee contributions	(30,277)	(23,542)
Anti-detriment payment	-	(17)
Non-taxable income/loss from PST	(10,881)	(8,432)
Non-deductible expenses	-	7
Prior year's losses not reflected in ledger	(7)	-
Income tax expense on benefits accrued as a result of operations	11	-

Notes to the financial statements for the year ended 30 June 2014

6. Tax assets and liabilities

Current tax assets and liabilities

The current tax liability for the Fund of \$14,104 (2013: nil) represents the amount of income taxes payable of current and prior financial years. This liability was transferred to Local Authorities Superannuation Fund under the successor fund transfer agreement.

Deferred tax assets and liabilities

The Fund does not have deferred tax liabilities.

Deferred tax assets are attributable to the following:

	2014 \$000	2013 \$000
Accrued expenses	3	-
Deferred tax assets	3	-

Movement in temporary differences during the year:

2014

	Opening balance \$000	Recognised in profit or loss \$000	Transfers in/ out \$000	Closing balance \$000
Accrued expenses	-	3	(3)	-
	-	3	(3)	-

2013

	Opening balance \$000	Recognised in profit or loss \$000	Transfers in/ out \$000	Closing balance \$000
Accrued expenses	-	-	-	-
	-	-	-	-

7. Liability for accrued benefits

The liability for accrued benefits is the Fund's present obligation to pay benefits to members and beneficiaries arising from membership of the Fund up to reporting date. It is measured as the difference between the carrying amount of the assets and the sum of the sundry liabilities and income tax liabilities as at reporting date.

	2014 \$000	2013 \$000
Changes in liability for accrued benefits		
Liability for accrued benefits at the beginning of the financial year	620,893	485,443
Plus: Benefits accrued as a result of operations	274,498	213,223
Less: Benefits paid during the year	(109,907)	(77,773)
Less: Benefits transferred to Local Authorities Superannuation Fund under a successor fund transfer arrangement	(785,484)	-
Liability for accrued benefits at the end of the financial year	-	620,893

Notes to the financial statements for the year ended 30 June 2014

8. Vested benefits

	2014 \$000	2013 \$000
Vested benefits as at the end of the financial year	-	616,914

Vested benefits are benefits which are not conditional upon continued membership of the Fund (or any factor other than resignation from the Fund) and include benefits which members were entitled to receive had they terminated their Fund membership as at the reporting date.

9. Guaranteed benefits

No guarantees have been made in respect of any part of the liability for accrued benefits.

10. Notes to the statement of cash flows

Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash at bank, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2014 \$000	2013 \$000
Cash at bank	-	1,834

Reconciliation of net cash from operating activities to benefits accrued as a result of operation after income tax

Benefits accrued as a result of operations after income tax	(620,893)	135,450
Adjust for:		
Movement in net market value of investment	(72,537)	(56,211)
Net cash from operating activities before change in assets and liabilities	(693,430)	79,239
Change in assets and liabilities:		
(Increase)/Decrease in accounts receivable	27	(4)
Increase/(Decrease) in accounts payable	(748)	(186)
Increase/(Decrease) in current tax liabilities	-	(35)
Net cash from operating activities	(694,151)	79,014

Notes to the financial statements for the year ended 30 June 2014

11. Investments and derivatives

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

AAS 25 requires investments to be measured using net market value which approximates fair value. The valuation method uses the following fair value hierarchy that reflects the significance of the inputs used in making the measurement:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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.

Units in Vision Pooled Superannuation Trust (VPST) are valued at the redemption price at reporting date quoted by the investment managers which are based on the net market value of the underlying investments. The significant inputs to calculate the price are market observable. Therefore, the Fund categorises these investments as Level 2 financial instruments.

	2014			Total
	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	\$'000
Pooled Superannuation Trust				
Vision Pooled Superannuation Trust	-	-	-	-
Total investments	-	-	-	-

	2013			Total
	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	\$'000
Pooled Superannuation Trust				
Vision Pooled Superannuation Trust	-	619,780	-	619,780
Total investments	-	619,780	-	619,780

Disclosure of the method and assumptions applied in determining the net market value for each class of financial assets and financial liabilities are included in Note 2(d). The net market value for each class of financial assets and financial liabilities equates to fair value.

Notes to the financial statements for the year ended 30 June 2014

11. Investments and derivatives (continued)

(b) Transfer between hierarchy levels

There have been no significant transfers between Level 1 and Level 2 of the fair value hierarchy during the year.

12. Changes in net market value of investments	2014	2013
	\$000	\$000
Investment held at balance date:		
Vision Pooled Superannuation Trust		
Unrealised gains	-	45,550
Realised gains	72,537	10,661
Change in net market value of investments	72,537	56,211

13. Risk management

(a) Financial risk management objectives, policies and processes

The Fund's principle financial instruments comprised of units in pooled superannuation trusts and cash. The main purpose of these financial instruments was to generate a return on investment.

The Fund also had various other financial instruments such as sundry receivable and payables, which arise directly from its operations. These were mainly current in nature.

As part of its risk management strategy, the Fund also entered into derivative transactions via VPST, principally diversified bonds futures and forward foreign exchange contracts. The main purpose was to manage financial risks associated with the Fund's investment transactions, and as a means of effecting a change in the asset mix. Investments in derivatives were not used to gear the Fund's investment portfolio, and were limited to the asset allocation limits for the underlying investment assets.

Risks arising from holding financial instruments were inherent in the Fund's activities, and were managed through a process of ongoing identification, measurement and monitoring. The Fund was exposed to credit risk, liquidity risk and market risk, including interest rate risk, equity price risk and foreign currency risk.

The Trustee was responsible for identifying and controlling the risks that arise from these financial instruments. The Trustee reviewed and agreed policies for managing each of these risks as summarised below. The Trustee also monitored the market price risk arising from all financial instruments.

Information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment mandate limits, was monitored by the Trustee. These mandate limits reflect the investment strategy and market environment of the Fund, as well as the level of risk that the Fund was willing to accept.

The information is prepared and reported to the Trustee on a regular basis.

Concentrations of risk arises when a number of financial instruments or contracts are entered into with the same counterparty, or when a number of counterparties are engaged in similar business activities, have activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political and other conditions.

In order to avoid excessive concentrations of risk, the Trustee monitored its exposure to ensure concentrations of risk remain within acceptable levels in accordance with the Fund's investment policies and either reduces exposure or uses derivative instruments to manage the excessive risk concentrations when they arise.

Notes to the financial statements for the year ended 30 June 2014

13. Risk management (continued)

(b) Credit risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss.

With respect to credit risk arising from the financial assets of the Fund, other than derivatives, the Fund's exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these instruments as disclosed in the Statement of Financial Position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values. The risk associated with these contracts is minimised by undertaking transactions with high quality counterparties on recognised exchanges, and ensuring that transactions are undertaken with a number of counterparties.

The Fund held no collateral as security or any other credit enhancements. There were no significant financial assets that are past due or impaired.

Credit risk was not considered to be significant to the Fund except in relation to investments in debt securities.

(i) Credit quality per class of debt instruments

The credit quality of financial assets was managed by the Fund using Standard & Poor's rating categories, in accordance with the investment mandate of the Fund. The Fund's exposure in each grade was monitored on a monthly basis. This review process allowed the Trustee to assess the potential loss as a result of risks and take corrective action. The table below shows the credit quality by class of asset for debt instruments.

2014

	AAA to AA- \$000	A+ to A- \$000	BBB+ to BBB- \$000	CCC \$000	Short term A-1+ to A2 \$000	Not rated or available \$000	Total \$000
Fixed interest bonds	-	-	-	-	-	-	-
Indexed bonds	-	-	-	-	-	-	-
Floating rate notes	-	-	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-	-	-
Asset backed securities	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Discount securities	-	-	-	-	-	-	-
Cash & deposits	-	-	-	-	-	-	-
Pooled funds*	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

Notes to the financial statements for the year ended 30 June 2014

13. Risk management (continued)

(b) Credit risk (continued)

(i) Credit quality per class of debt instruments (continued)

2013

	AAA to AA- \$000	A+ to A- \$000	BBB+ to BBB- \$000	CCC \$000	Short term A-1+ to A2 \$000	Not rated or available \$000	Total \$000
Fixed interest bonds	41,677	3,519	2,952	-	-	7,641	55,789
Indexed bonds	5,124	-	-	-	-	1,822	6,946
Floating rate notes	565	240	-	-	-	-	805
Zero coupon bonds	11	-	-	-	-	-	11
Asset backed securities	150	-	-	-	-	-	150
Loans	-	-	-	-	-	418	418
Discount securities	30	-	-	-	-	654	684
Cash & deposits	-	-	-	-	-	133,187	133,187
Pooled funds*	-	-	-	-	-	11,070	11,070
Total	47,557	3,759	2,952	-	-	154,792	209,060

* Instruments are either not rated or rating not available by National Asset Services (NAS)

(ii) Risk concentration of credit risk exposure

Concentration of credit risk is managed by counterparty, by geographical region and by industry sector.

The Fund's financial assets/(liabilities) can be analysed by the following geographic regions:

Regions	2014 \$000	2013 \$000
Australia	-	541,141
North America	-	56,836
Europe	-	17,673
Asia	-	4,671
Others	-	783

Significant industry sector exposure exists as follows:

	2014 \$000	2013 \$000
Financials	-	63,829
Materials	-	30,286
Industrials	-	23,136
Energy	-	15,670
Consumer discretionary	-	25,354
Consumer staples	-	20,050
Information technology	-	21,117
Health care	-	18,650
Telecommunication	-	8,327
Utilities	-	3,496

Notes to the financial statements for the year ended 30 June 2014

13. Risk management (continued)

(c) Liquidity risk

Liquidity risk was the risk that the Fund could have encountered difficulty in meeting obligations associated with financial liabilities. This risk was managed through the Fund's investment in financial instruments, which under normal market conditions was readily convertible to cash. In addition, the Fund maintained sufficient cash and cash equivalents to meet normal operating requirements.

The Fund's significant financial liabilities were benefits payable to members.

The Fund managed its obligation to pay the defined contribution component on an expected maturity basis based on management's estimates and actuarial assumptions of when such funds would have been drawn down by members. The Fund considered it highly unlikely that all defined contribution members would request to roll over their superannuation fund account at the same time.

Other financial liabilities of the Fund comprised of trade and other payables which were contractually due within 30 days.

The following are the contractual maturities of financial liabilities at the end of the year. Vested benefits have been included in the "Less than 1 month" column below as this is the amount that members could call upon as at year end.

As at 30 June 2014	Less than 1 month \$'000	1 to 3 months \$'000	3 to 6 months \$'000	6 to 12 months \$'000	1 to 5 years \$'000	Total \$'000
Financial liabilities						
Accounts payables	-	-	-	-	-	-
Vested benefits	-	-	-	-	-	-
Total undiscounted financial liabilities	-	-	-	-	-	-

As at 30 June 2013	Less than 1 month \$'000	1 to 3 months \$'000	3 to 6 months \$'000	6 to 12 months \$'000	1 to 5 years \$'000	Total \$'000
Financial liabilities						
Accounts payables	748	-	-	-	-	748
Vested benefits	616,914	-	-	-	-	616,914
Total undiscounted financial liabilities	617,662	-	-	-	-	617,662

(d) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, and equity prices. Market risk is diversified through ensuring that all investment activities are undertaken in accordance with investment policies of the Fund.

The Trustee employed diversification investment strategy to mitigate the market risk in each market segment. Further, VPST also entered into forward foreign exchange contracts to hedge against adverse FX movements.

Notes to the financial statements for the year ended 30 June 2014

13. Risk management (continued)

(d) Market risk (continued)

(i) Interest rate risk

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

In determining the reasonably possible change for interest rate risk, the sensitivity of the "official cash rate" as set by the Reserve Bank of Australia (RBA) from time to time is used.

A 25 basis points movement in interest rate is considered reasonably possible for the 2013/2014 reporting period. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

An increase/decrease of 25 basis points in interest rate at the reporting date would have increased/(decreased) the Changes in net assets available to pay benefits by the amounts shown below:

2014

Asset class sector	Change in basis points Increase/ decrease	Sensitivity of interest income and changes in net assets \$000 Increase/decrease
Fixed interest bonds	+/- 25	-
Floating rate notes	+/- 25	-
Indexed bonds	+/- 25	-
Futures	+/- 25	-
Loans	+/- 25	-

2013

Asset class sector	Change in basis points Increase/ decrease	Sensitivity of interest income and changes in net assets \$000 Increase/decrease
Fixed interest bonds	+/- 25	(703)/703
Floating rate notes	+/- 25	(3)/3
Indexed bonds	+/- 25	(217)/217
Futures	+/- 25	(14)/14
Loans	+/- 25	(2)/2

(ii) Currency risk

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

As a result of significant investments held in the United States and Europe, the Fund's Statement of Financial Position and Operating Statement could have been affected significantly by movements in USD and EUR when translated to AUD.

Notes to the financial statements for the year ended 30 June 2014

13. Risk management (continued)

(d) Market risk (continued)

(ii) Currency risk (continued)

The Trustee managed its exposure to foreign currency risk and mitigates effects of its foreign currency translation exposure by placing limits on the portion of the assets which could have been invested in different currencies and by appointing specialist currency managers to implement passive hedge over foreign currency exposure. This foreign exchange policy is monitored against actual on an ongoing basis throughout the year.

The movement of main currency exchange rates below was considered reasonably possible for the 2013/2014 reporting period:

USD	10%
British pounds	5%
Euro	5%
Japanese yen	5%

The percent strengthening/weakening of the AUD against the following basket of foreign currencies at 30 June would have increase/(decreased) the changes for the year in net assets available to pay benefits by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Currency	2014		2013	
	Change in Currency rate %	Effect on changes in net assets \$000	Change in Currency rate %	Effect on changes in net assets \$000
USD	10%	-	10%	(5,076)/6,204
British pounds	5%	-	5%	(244)/269
Euro	5%	-	5%	(402)/444
Japanese yen	5%	-	10%	(467)/570

(iii) Equity price risk

Equity price risk is the risk that the fair value of investments in equities decreases or increases as a result of changes in market prices, whether those changes are caused by factors specific to the individual share price or factors affecting all equity instruments in the market. Equity price risk exposure arose from the VPST's investment portfolios.

To limit equity price risk the Trustee diversified its investment portfolio in line with its investment strategy. The majority of equity investments were of a high quality and were publicly traded on recognised, reputable exchanges. The Trustee monitored the VPST's exposure to various asset classes on an ongoing basis throughout the year ensuring its investment strategy was adhered to.

A 10% movement in equity price is considered reasonably possible for the 2013/2014 reporting period. This analysis assumes that all other variables, in particular, interest rates and foreign exchange rates, remained constant. The analysis was performed on the same basis for 2013.

Notes to the financial statements for the year ended 30 June 2014

13. Risk management (continued)

(d) Market risk (continued)

(iii) Equity price risk (continued)

The "10%" increase/decrease in the equity price against the investments of the Fund at 30 June would have increased/(decreased) the Changes for the year in net assets available to pay benefits by the amounts shown below:

Asset class sector	2014		2013	
	Change in equity price %	Effect in changes in net assets \$000	Change in equity price %	Effect in changes in net assets \$000
Life insurance policies	+/-10	-	+/-10	1,525/(1,525)
Listed equities	+/-10	-	+/-10	22,036/(22,036)
Listed investment companies	+/-10	-	+/-10	306/(306)
Listed property trusts	+/-10	-	+/-10	590/(590)
Listed units trust	+/-10	-	+/-10	345/(345)
Pooled development fund	+/-10	-	+/-10	43/(43)
Preference shares	+/-10	-	+/-10	58/(58)
Unlisted equities	+/-10	-	+/-10	2,776/(2,776)
Unlisted MIS	+/-10	-	+/-10	14,766/(14,766)
Others	+/-10	-	+/-10	2,149/(1,497)

14. Related parties

(a) Key management personnel and executive disclosures

The trustee of the Fund was Vision Super Pty Ltd. The trustee company comprised of nine Directors and four Alternates. The names of persons who were Directors and Alternates of the trustee company for the financial year are:

Member Directors:

Brian Parkinson
Wendy Phillips
Russell Atwood
Harriet Shing (appointed on 1 July 2013)
Tony Tuohey (resigned on 1 July 2013)

Alternates:

Richard Duffy
Richard Duffy
Richard Duffy
Richard Duffy

Employer Directors:

Peter Wilson (Chairman)
Graeme Sherry
Rob Spence
Geoff Lake

Alternates:

Steve Bird
Leigh Harder
Alison Lyon
Alison Lyon

Tony Tuohey was replaced by Harriet Shing on 1 July 2013. Peter Wilson was the Chairman during the financial year and Brian Parkinson was the Deputy Chairman. Brian Parkinson was appointed as Chairman and Geoff Lake as deputy Chairman from 1 July 2014. Joanne Dawson was appointed as an independent Director on 8 August 2014.

Notes to the financial statements for the year ended 30 June 2014

14. Related parties (continued)

(a) Key management personnel and executive disclosures (continued)

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 Directors of the Trustee Company, the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Manager Investments, Chief Investment Officer, General Counsel, Head of Information Systems, Head of Human Resources and General Manager Fund Development are considered to be Key Management Personnel (KMP) for the purpose of these financial statements.

(b) Compensation of key management personnel and executive

The KMPs' compensation is presented in the table below for the 2014 year. 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:

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

Notes to the financial statements for the year ended 30 June 2014

14. Related parties (continued)

(b) Compensation of key management personnel and executive (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

During the year, there were a number of changes to the Directors and their roles on VSPL's Board. The total remuneration paid during the year was:

	2014	2013
	\$	\$
Chairman	108,951	85,471
Deputy Chairman	74,170	49,053
Other Directors	326,351	267,109
Alternate Directors (retaining fees)	2,731	26,537
	512,202	428,171

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

Any Director of the Trustee or other key management personnel who is a member of the Fund contributes to the Fund 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	2013
	\$	\$
Roll ins from KMP to LASF/VSF	570,734	-
Benefits paid to KMP	26,000	373,125
Vested Benefits of KMP	9,507,321	10,794,737

(c) Related party transactions

(i) Vision Pooled Superannuation Trust

The main investment asset of the Fund was the units held in Vision Pooled Superannuation Trust (VPST). The units held in VPST as at 30 June 2014 is \$nil (2013: \$620 million).

Notes to the financial statements for the year ended 30 June 2014

14. Related parties (continued)

(c) Related party transactions (continued)

(ii) 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, Geoff Lake, Tony Tuohey and Harriet Shing. Harriet Shing was appointed as RIF Director on 1 July 2013. Tony Tuohey retired as RIF Director on 30 November 2013.

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

(iii) Vision Super Pty Ltd

As stated in Note 1, Vision Super Pty Ltd was the trustee of the Fund. The trustee services fees paid/payable during the year ended at 30 June 2014 is \$1,397,435 (2013: \$1,390,795).

(iv) Directors

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.

15. Contingent assets/liabilities

There are no contingent assets or liabilities as at 30 June 2014.

16. Funding arrangements

The employers have contributed to the Fund during the financial year at a rate of at least 9.25% (2013: 9%) of the gross salaries of those employees who were members of the Fund. Employees are also able to make voluntary contributions.

17. Insurance

The Fund provides death and disability benefits to members. These benefits are greater than the members' vested benefits. The Trustee has a group policy in place with a third party to insure death and disability benefits in excess of vested benefits.

18. Subsequent events

Between 30 June 2014 and the date of approval of this financial statements, there have been no other matters or circumstances not otherwise dealt with in the financial statements that have significantly affected or may significantly affect the Fund.

Notes to the financial statements for the year ended 30 June 2014

19. Fund wind-up

The Fund was wound up with an effective date of 30 June 2014 and all assets and liabilities were transferred to Local Authorities Superannuation Fund (the Successor Fund) with an effective date of 30 June 2014 in accordance to the Successor Fund Arrangement dated 27 May 2014. The value of assets and liabilities transferred were as follows:

	\$000
Assets	
Cash at bank	2,278
Accounts receivable	30
Units in Vision Pooled Superannuation Trust	783,634
Deferred tax asset	3
Total Assets	785,945
Liabilities	
Accounts payable	447
Current tax liabilities	14
Total Liabilities	461
Net assets transferred to Local Authorities Superannuation Fund	785,484
Total vested benefits transferred to Local Authorities Superannuation Fund	783,480

Trustee declaration to the members

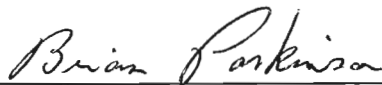
Vision Superannuation Fund

In the opinion of the Trustee of Vision Superannuation Fund:

- (i) The accompanying financial statements of Vision Superannuation Fund are drawn up so as to present fairly the financial position of the Fund as at 30 June 2014 and the results of its operations and cash flows for the year then ended; and
- (ii) The operation of Vision Superannuation Fund has been carried out in accordance with its Trust Deed dated 29 June 2007, 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;
 - the requirements under Section 13 of the Financial Sector (Collection of Data) Act 2001; and
 - the Guidelines issued by the Australian Prudential Regulation Authority on Derivative Risk Statements For Superannuation Entities Investing In Derivatives, during the year ended 30 June 2014; and
- (iii) The financial statements have been prepared in accordance with Accounting Standards, other mandatory reporting requirements and the provisions of the Trust Deed dated 29 June 2007, as amended.

Dated at Melbourne this 26 day of September 2014

Signed in accordance with a resolution of the Trustee:



Name: BRIAN PARKINSON
Director



Name: PETER WILSON
Director



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Part 1- Independent Auditor's Report on the Financial Statements

VISION SUPERANNUATION FUND ABN: 79 327 289 195

REPORT BY THE RSE AUDITOR TO THE TRUSTEE AND MEMBERS

Financial statements

I have audited the financial statements of Vision Superannuation Fund for the year ended 30 June 2014 comprising the statement of financial position, operating statement, and statement of cash flow, summary of significant accounting policies, other explanatory notes and the trustee statement.

Trustee's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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



Auditor's Opinion

In my opinion the financial statements present fairly, in all material respects, in accordance with Australian Accounting Standards, the net assets of Vision Superannuation Fund as at 30 June 2014 and the net assets transferred to Local Authorities Superannuation Fund and cash flows for the year ended 30 June 2014.

Ernst + Young

Ernst & Young

Brett Kallio

Brett Kallio
Partner
Melbourne
Date: 26 September 2014

Part 2- Independent Auditor's report on APRA Annual Return and Compliance

(A) APRA Annual Return

Independent Auditor's report approved form for registrable superannuation entity

Independent auditor's report to the trustee of Vision Superannuation Fund on *SRF 114.1 Operational Risk Financial Requirement; SRF 320.0 Statement of Financial Position; SRF 330.0 Statement of Financial Performance and SRF 602.0 Wind-up.*

Trustee's Responsibility for the APRA Annual Return Forms

The superannuation entity's trustee is responsible for the preparation and lodgement of the APRA Annual Return forms in accordance with the *Financial Sector (Collection of Data) Act 2001* (FSCODA Reporting Standards) and for such internal controls as the trustee determines to be necessary to enable the preparation of these forms free from material misstatement, whether due to fraud or error. The APRA Annual Return forms have been prepared for the purposes of fulfilling the trustee's reporting requirements pursuant to the FSCODA Reporting Standards.

Auditor's Responsibility

My responsibility is to express an opinion on the APRA Annual Return Forms based on my audit. I have audited, pursuant to the FSCODA Reporting Standards, APRA Annual Return forms *SRF 114.1 Operational Risk Financial Requirement; SRF 320.0 Statement of Financial Position; SRF 330.0 Statement of Financial Performance; and SRF 602.0 Wind-up*; (collectively known as the 'relevant forms') of ("the Fund"), which comprise part of the APRA Annual Return, for the year ended 30 June 2014.

I have conducted an independent audit of the relevant forms in order to express an opinion on them to the trustee of ("the Fund").

I have also performed an independent audit of the financial statements of ("the Fund") for the year ended 30 June 2014 (only to the extent that they reflect the information required by paragraph 66 of Australian Accounting Standard *AAS 25 Financial Reporting by Superannuation Plans*). My auditor's report on the financial statements was signed on 26 September 2014, and was not modified.

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

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

For the purpose of ensuring that the relevant forms are materially complete and accurate and are in accordance with the relevant prudential reporting standards, my procedures included testing that the information in the relevant forms is consistent with the financial statements for year ended 30 June 2014. In addition, and for the same purpose, in regard to other information reported in the relevant forms, I examined on a test basis, evidence supporting the amounts and other disclosures in the relevant forms that were not directly derived from the financial statements.

These procedures have been undertaken to form an opinion whether, in all material respects:

- a) the relevant forms are prepared in accordance with the requirements of the FSCODA Reporting Standards, so as to present a view which is consistent with my understanding of the superannuation entity's financial positions as at 30 June 2014, its performance, for the year then ended, as reflected in the superannuation entity's financial statements signed on 26 September 2014 or the accounting records of ("the Fund") in regards to other information that was not directly derived from the financial statements; and
- b) the trustee has complied with the reporting requirements of the FSCODA Reporting Standards pertaining to the preparation of the relevant forms specified above. My procedures did not include an audit of the amounts and other disclosures in those APRA Annual Return forms other than the relevant forms specified above.

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

Auditor's Opinion

In my opinion:

- a) the relevant forms (only to the extent that they reflect the information required by paragraph 66 of Australian Accounting Standard AAS 25 *Financial Reporting by Superannuation Plans*) are prepared in all material respects in accordance with the requirements of the FSCODA Reporting Standards, the financial position of ("the Fund") as at 30 June 2014, its performance, for the year then ended, as reflected in the superannuation entity's financial statements signed on 26 September 2014 or accounting records with regard to other information that was not directly derived from the financial statements; and
- b) the trustee of ("the Fund") has complied in all material respects with the reporting requirements of the FSCODA Reporting Standards pertaining to the preparation of the relevant forms.

Basis of preparation of APRA Annual Return Forms and restriction on use

Without modifying my opinion, I draw to readers' attention that the APRA Annual Return forms have been prepared for the purpose of fulfilling the trustee's reporting responsibilities of the FSCODA Reporting Standards. As a result, they may not be suitable for another purpose. I disclaim any assumption of responsibility for any reliance on this report to any party other than the trustee and APRA (and ASIC where applicable), or for any purpose other than that for which it was prepared.

(B) Compliance

Independent auditor's report to the trustee of Vision Superannuation Fund

I have performed an audit to provide an opinion in relation to the trustee's compliance with applicable provisions under the *Superannuation Industry (Supervision) Act 1993* (SIS Act), *Superannuation Industry (Supervision) Regulations 1994* (SIS Regulations), *Financial Sector (Collection of Data) Act 2001* (FSCODA Reporting Standards), *Corporations Act 2001* (Corporations Act) and *Corporations Regulations 2001* (Corporations Regulations).

Trustee's Responsibility for Compliance

- (a) The superannuation entity's trustee is responsible for complying with the requirements of the SIS Act, SIS Regulations, the Reporting Standards made under s. 13 of the FSCODA Reporting Standards, the *Corporations Act* and *Corporations Regulations*.
- (b) The trustee is also responsible, under the following Conditions of the '*Schedule - additional conditions imposed under Section 29EA of the Act*' of the RSE Licence issued by APRA for:
 - (i) Condition C1 -
 - Maintaining an identifiable amount of minimum liquid assets of at least \$250,000 at all times in the form specified; and
 - Ensuring that, at all times, the fund held an identifiable amount of minimum liquid assets of at least an amount, as specified above, in the form specified.
 - Maintaining the required level of minimum liquid assets in the form specified and for determining that this has occurred during the year ended 30 June 2014.
 - Internal control relevant to the maintenance of the form in which the minimum liquid assets is held.

The trustee is responsible, under Prudential Standard SPS 114 Operational Risk Financial Requirement (SPS 114), for maintaining an operational risk reserve at the required target amount in accordance with its ORFR strategy.

Auditor's Responsibility

I have audited the compliance of the Fund with the requirements set out above for the year ended 30 June 2014.

My responsibility is to express an opinion on the trustee's compliance with the requirements of the SIS Act, SIS Regulations, FSCODA Reporting Standards, Corporations Act and Corporation Regulations based on the audit. My audit has been conducted in accordance with applicable Australian Standards on Assurance Engagements (ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3100 *Compliance Engagements*). These Standards require that I comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the trustee of ("the Fund") has, in all material respects:

- (a) complied with the relevant requirements of the following provisions (to the extent applicable) of the SIS Act and SIS Regulations:

Sections 19(2), 19(3), 29VA, 35A, 65, 66, 67, 69-85, 86-93A, 95, 97, 98, 99F, 101, 103, 104, 105, 106, 107, 109, 117, 118, 122, 124, 125, 126K, 152, 154 and 155(2);

Regulations 2.33(2), 3.10, 4.08(3), 5.08, 6.17, 7.04, 7.05, 9.09, 9.14, 9.29, 9.30, 13.14, 13.17, 13.17A; and

- (b) complied with the FSCODA Reporting Standards that are subject to audit (to the extent applicable); and
- (c) complied with the relevant requirements of the following provisions of the Corporations Act and Corporation Regulations (to the extent applicable):

Sections 1012B, 1012F, 1012H(2), 1012I, 1013B, 1013D, 1013K(1), 1013K(2), 1016A(2), 1016A(3), 1017B(1), 1017B(5), 1017BA, 1017C(2), 1017C(3), 1017C(5), 1017C(8), 1017D(1), 1017D(3), 1017D(3A), 1017DA(3), 1017E(2), 1017E(3), 1017E(4), 1020E(8) and 1020E(9);
and

Regulations 7.9.07Q-7.9.07W, 7.9.11K, 7.9.11N, 7.9.11O, 7.9.11P, 7.9.11Q and 7.9.32(3);
and
- (d) complied with the requirement to prepare the respective forms comprising the APRA Annual Return.

for the year ended 30 June 2014.

My procedures with respect to SIS Regulation 6.17 included testing whether amounts identified by the trustee as preserved and restricted non-preserved have been cashed or transferred only in accordance with the requirements of Part 6 of the SIS Regulations. These procedures did not include testing of the calculation of the preserved and restricted non-preserved amounts beyond a broad assessment of the apparent reasonableness of the calculations.

My responsibility is also to express an opinion on the trustee's compliance with the respective Conditions of the *'Schedule - additional conditions imposed under Section 29EA of the Act'* of the RSE Licence issued by APRA referred to under the heading Trustee's Responsibility for Compliance, above of Local Authorities Superannuation Fund for the year ended 30 June 2014.

My responsibility is also to express an opinion on the trustee's compliance with their ORFR strategy with respect to maintaining an operational risk reserve at the required target amount for the year ended 30 June 2014.

My procedures in relation to SIS Section 155(2) included assessing the trustee's controls in place to monitor compliance with Section 155(2). These procedures did not include testing the trustee's methodology used to calculate the issue or redemption price.

My procedures included examination, on a test basis, of evidence supporting compliance with those requirements of the SIS Act, SIS Regulations, FSCODA Reporting Standards, Corporations Act and Corporations Regulations.

These tests have not been performed continuously throughout the period, were not designed to detect all instances of non-compliance, and have not covered any other provisions of the SIS Act and SIS Regulations, FSCODA Reporting Standards, Corporations Act and Corporations Regulations apart from those specified. The superannuation entity's trustee is responsible for complying with the SIS Act and SIS Regulations, FSCODA Reporting Standards, Corporations Act and Corporations Regulations.

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

Basis for Preparation and Restricted Distribution

This report has been prepared solely for the trustee in order to meet the APRA reporting requirements of the trustee. This report is not to be used for any other purpose or distributed to any other party. I disclaim any assumption of responsibility for any reliance on this report to any party other than the trustee and APRA (and ASIC where applicable), or for any purpose other than that for which it was prepared.



Auditor's Opinion

In my opinion the Trustee of ("the Fund") has complied, in all material respects with:

- a) The requirements of the SIS Act and SIS Regulations, FSCODA Reporting Standards, Corporations Act and Corporations Regulations specified above for the year ended 30 June 2014 and
- b) The conditions contained in Conditions C1 of the '*Schedule - additional conditions imposed under Section 29EA of the Act*' of the RSE Licence issued by APRA, specified above.
- c) The requirement to maintain an operational risk reserve at the required target amount in accordance with its ORFR strategy.

Ernst + Young

Ernst & Young

Brett Kallio

Brett Kallio
Partner
Melbourne
30 September 2014



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Part 3 - Independent Auditor's Limited Assurance report on APRA Annual Return and Compliance

(A) APRA Annual Return - Not applicable.

(B) Compliance

Independent auditor's review report to the trustee of Vision Superannuation Fund

I have performed a review pursuant to the reporting requirements specified in Australian Prudential Regulation Authority (APRA) Prudential Standard SPS 310 *Audit and Related Matters* (SPS 310), as described in the Scope section, paragraphs *Part A* to *Part D*, of this report.

Trustee's responsibility for compliance

The trustee of ("the Fund") is responsible for:

- (a) the trustee's systems, procedures and internal controls that are designed to ensure that the trustee has complied with all applicable prudential requirements, has provided reliable data to APRA as required under the reporting standards prepared under the FSCODA, and has operated effectively throughout the year of income;
- (b) the trustee's compliance with its risk management framework; and
- (c) the trustee's compliance with its operational risk financial requirement (ORFR) strategy.

Auditor's responsibility

My responsibility is to perform a review as required by SPS 310, described in Scope paragraphs *Part A* to *Part D* of this report, and to express a conclusion based on my review.

My review has been conducted in accordance with applicable Australian Standards on Assurance Engagements (ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3100 *Compliance Engagements*). These Standards require that I comply with relevant ethical requirements and plan and perform a review, in order to express a conclusion as described in Scope paragraphs *Part A* to *Part D* of this report.

My audit of the financial statements and my audit and review of the APRA annual return forms required under SPS 310 are directed towards obtaining sufficient evidence to form an opinion and conclusion under the appropriate prudential requirements. These procedures were not designed to enable me to conclude on other matters required by APRA's Prudential Standards. I have therefore performed additional procedures beyond those undertaken in order to meet my responsibilities in relation to my audit of the financial report and my audit and review of the APRA Annual Return forms required under SPS 310.

My review consists primarily of making enquiries of the trustee's personnel and applying analytical and other review procedures. I have performed my review procedures having regard to relevant standards and guidance issued by the Auditing and Assurance Standards Board.



Inherent Limitations

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

There are inherent limitations in any internal control structure, and fraud, error or non-compliance with laws and regulations may occur and not be detected. As the systems, procedures and controls to ensure compliance with APRA Prudential Requirements are part of the business operations of the trustee, it is possible that either the inherent limitations of the general internal control structure, or weaknesses in it, can impact on the effective operation of the specific control procedures of the trustee.

Furthermore, projections of any evaluation of internal control procedures or compliance measures to future periods are subject to the risk that control procedures may become inadequate because of changes in conditions, or that the degree of compliance may deteriorate. Consequently, there are inherent limitations on the level of assurance that can be provided.

Accounting records and data relied on for prudential reporting and compliance are not continuously audited and do not necessarily reflect accounting adjustments necessary for end of reporting period financial report preparation, or events occurring after the end of the reporting period.

Basis for Preparation and Restricted Distribution

This report has been prepared solely for the trustee in order to meet the APRA reporting requirements of the trustee. This report is not to be used for any other purpose or distributed to any other party. I disclaim any assumption of responsibility for any reliance on this report to any party other than the trustee and APRA (and ASIC where applicable), or for any purpose other than that for which it was prepared.

Scope

Part A - the trustee's systems, procedures and internal controls are designed and operate effectively to ensure that the trustee has complied with all applicable prudential requirements

During the *period 1 July 2013 to 30 June 2014*, I performed review procedures that I consider necessary in relation to the trustee's systems, procedures and controls that address compliance with all applicable Prudential Requirements. Prudential Requirements include requirements imposed by the:

- (a) APRA Prudential Standards;
- (b) APRA Reporting Standards;
- (c) APRA conditions on the trustee's licence or authorisation;
- (d) Directions issued by APRA, pursuant to the *SIS Act 1993*; and
- (e) Other requirements imposed by APRA in writing (if applicable).



I have performed these procedures to enable me to state, on the basis of my review as described, whether anything has come to my attention that causes me to believe that, at the date of my review, there did not exist systems, procedures and controls that operated effectively throughout the year of income and address compliance, in all material respects, with applicable Prudential Requirements, specified above.

Part B - the trustee's systems, procedures and internal controls provided reliable data to APRA as required under the reporting standards prepared under the FSCODA

I have performed review procedures that I consider necessary in relation to *trustee's* systems, procedures and controls in place to ensure that reliable data is provided to APRA, as required by APRA Reporting Standards made under the *Financial Sector (Collection of Data) Act 2001*, for the period *1 July 2013 to 30 June 2014*.

I have performed the review of systems, procedures and controls in order to state whether, on the basis of the review procedures described, anything has come to my attention that causes me to believe that the trustee does not have in place systems, procedures and controls that operated effectively throughout the year of income and ensure, in all material respects, reliable data is provided to APRA.

Part C - Compliance with the RMF

I have performed review procedures that I consider necessary in relation to the trustee's compliance, in all significant respects, with its Risk Management Framework (RMF) for the year.

I have performed these procedures to enable me to state, on the basis of my review as described, whether anything has come to my attention that causes me to believe that for the *period 1 July 2013 to 30 June 2014* the trustee did not comply, in all significant respects, with its RMF.

Part D - Compliance with the ORFR strategy

I have performed review procedures that I consider necessary in relation to the trustee's compliance, in all significant respects, with its Operational Risk Financial Requirement (ORFR) strategy for the year.

I have performed these procedures to enable me to state, on the basis of my review as described, whether anything has come to my attention that causes me to believe that for the *period 1 July 2013 to 30 June 2014* the trustee did not comply, in all significant respects, with its ORFR strategy.

Auditor's Conclusion

Part A - the trustee's systems, procedures and internal controls are designed to ensure that the trustee has complied with all applicable prudential requirements

Based on my review, which is not an audit, nothing has come to my attention that causes me to believe that, at the date of my review 26 September 2014, the trustee did not have in place systems, procedures and controls that operated effectively throughout the year of income and address compliance, in all material respects, with all applicable Prudential Requirements.

Part B - the trustee's systems, procedures and internal controls provided reliable data to APRA as required under the reporting standards prepared under the FSCODA

Based on my review, which is not an audit, nothing has come to my attention that causes me to believe that, at the date of my review 26 September 2014, the trustee did not have in place systems, procedures and controls that operated effectively throughout the year of income and provided reliable data to APRA, in all material respects, as required under the reporting standards prepared under the FSCODA.



Part C - Compliance with the RMF

Based on my review, which is not an audit, nothing has come to my attention that causes me to believe that, for the *period 1 July 2013 to 30 June 2014*, the trustee did not comply, in all significant respects, with its RMF.

Part D - Compliance with the ORFR strategy

Based on my review, which is not an audit, nothing has come to my attention that causes me to believe that, for the *period 1 July 2013 to 30 June 2014*, the trustee did not comply, in all significant respects, with its ORFR strategy.

Ernst + Young

Ernst & Young

Brett Kallio

Brett Kallio
Partner
Melbourne
30 September 2014