

**VICSUPER PTY LTD**

**FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED  
30 JUNE 2015**

**Directors' Report**  
**VicSuper Pty Ltd**

The Directors of VicSuper Pty Ltd ("the Company") submit herewith the Annual Financial Statements of the Company for the financial year ended 30 June 2015. In compliance with the provisions of the Corporations Act 2001, the Directors' Report is as follows:

**Directors**

The names of the Directors of the Company during the financial year are:

Mr B. Hartnett, AM, Chair (appointed on 1 July 2014)  
Mr W. Lyons, Deputy Chair (appointed on 1 July 2014)  
Mr C. Cook  
Mr W. Kayler-Thomson (re-appointed on 1 July 2014)  
Dr C. Long (appointed on 1 July 2014)  
Ms B. Norris (chair appointment expired on 30 June 2014, and ceased as a director on 30 June 2015)<sup>1</sup>  
Mr S. Odachowski  
Ms C. Stewart (re-appointed on 1 July 2014)

<sup>1</sup>Mrs A. Masiero was appointed on 1 July 2015 to replace Ms B. Norris as director.

**Principal activities**

The Company's principal activity, in the course of the financial year, was as corporate trustee of the Victorian Superannuation Fund.

**Review of operations**

The net profit after tax for the financial year was \$9,331 (2014: \$3,374).

**Changes in state of affairs**

During the financial year, there were no significant changes in the state of affairs of the Company other than that referred to in the Financial Statements or Notes thereto.

**Subsequent events**

There have not been any matters or circumstances, other than that referred to in the Financial Statements or Notes thereto, that have arisen since the end of the financial year, that have significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

**Future developments**

Disclosure of information regarding likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been disclosed in this report.

**Indemnification of officers and auditors**

During the financial year, the Company paid a premium in respect of a contract insuring the Directors (as named above) and all employees of the Company against any liability incurred, as such a director or employee, to the extent permitted by the Corporations Act 2001.


The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred, as such an officer or auditor.

**Auditors' Independence Declaration**


The Auditors' Independence Declaration is attached to the Financial Statements.

Signed in accordance with a resolution of the Directors made pursuant to s.298(2) of the Corporations Act 2001 .

On behalf of the Directors

  
Director  
Melbourne, 24 September 2015

Bruce Charles Hartnett

  
Director  
Melbourne, 24 September 2015

STAN ODACHOWSKI

VicSuper Pty Ltd  
Statement of Comprehensive Income  
For the Financial Year Ended 30 June 2015

	Note	2015 \$	2014 \$
<b>Revenue</b>			
Trustee fee revenue		871,806	836,083
Other revenue	3	13,482	4,943
<b>Total revenue</b>		<b>885,288</b>	<b>841,026</b>
<b>Less:</b>			
<b>Expenses</b>			
Administration expenses	4	871,958	836,207
<b>Total expenses</b>		<b>871,958</b>	<b>836,207</b>
<b>Profit before income tax expense</b>		<b>13,330</b>	<b>4,819</b>
Income tax expense	6(a)	3,999	1,445
<b>Profit for the financial year</b>	<b>10</b>	<b>9,331</b>	<b>3,374</b>
<b>Total comprehensive income for the financial year</b>		<b>9,331</b>	<b>3,374</b>

The Statement of Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements.

VieSuper Pty Ltd  
Statement of Financial Position  
As at 30 June 2015

	Note	2015 \$	2014 \$
<b>Current assets</b>			
Cash and cash equivalents	7	218,409	205,940
Receivables	8	16,026	16,884
Current tax receivable	6(d)	-	489
<b>Total current assets</b>		<b>234,435</b>	<b>223,313</b>
<b>Non-current assets</b>			
Investment in controlled entity	17	5,001	5,001
<b>Total non-current assets</b>		<b>5,001</b>	<b>5,001</b>
<b>Total assets</b>		<b>239,436</b>	<b>228,314</b>
<b>Less:</b>			
<b>Liabilities</b>			
Deferred tax liabilities	6(b)	96	115
Current tax liabilities	6(d)	2,605	-
Sundry creditors		15,712	16,507
<b>Total liabilities</b>		<b>18,413</b>	<b>16,622</b>
<b>Net assets</b>		<b>221,023</b>	<b>211,692</b>
<b>Represented by:</b>			
<b>Equity</b>			
Contributed equity	9	8	8
Retained profits	10	221,015	211,684
<b>Total equity</b>	<b>11</b>	<b>221,023</b>	<b>211,692</b>

The Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements.

**VicSuper Pty Ltd**  
**Statement of Changes in Equity**  
**For the Financial Year Ended 30 June 2015**

	Contributed equity \$	Retained profits \$	Total \$
<b>Balance at 1 July 2013</b>	<b>8</b>	<b>208,310</b>	<b>208,318</b>
Profit for the financial year		3,374	3,374
Other comprehensive income for the financial year, net of income tax		-	-
<b>Total comprehensive income for the financial year</b>		<b>3,374</b>	<b>3,374</b>
<b>Balance at 30 June 2014</b>	<b>8</b>	<b>211,684</b>	<b>211,692</b>
Profit for the financial year		9,331	9,331
Other comprehensive income for the financial year, net of income tax		-	-
<b>Total comprehensive income for the financial year</b>		<b>9,331</b>	<b>9,331</b>
<b>Balance at 30 June 2015</b>	<b>8</b>	<b>221,015</b>	<b>221,023</b>

The Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements.

**VicSuper Pty Ltd**  
**Statement of Cash Flows**  
**For the Financial Year Ended 30 June 2015**

		2015	2014
	Note	\$	\$
<b>Cash flows from operating activities</b>			
Interest received		4,821	4,981
Trustee fees received		871,806	836,083
Other receipts/(payments)		8,572	(122)
Administration expenses paid		(871,806)	(836,083)
Income tax paid		(924)	(1,668)
<b>Net cash flow provided by operating activities</b>	<b>13(b)</b>	<b>12,469</b>	<b>3,191</b>
<b>Net increase in cash and cash equivalents held</b>		<b>12,469</b>	<b>3,191</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>205,940</b>	<b>202,749</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>7, 13 (a)</b>	<b>218,409</b>	<b>205,940</b>

The Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements.

## Notes to the Financial Statements For the Financial Year Ended 30 June 2015

### 1 Background

VicSuper Pty Ltd ("the Company") was incorporated on 17 May 1999. The Company is a registered company under the Corporations Act 2001, is limited by shares and is a proprietary company. The Australian Business Number is 69 087 619 412. In accordance with the provisions of the Government Superannuation Act 1999, VicSuper Pty Ltd replaced the Victorian Superannuation Board as trustee of the Victorian Superannuation Fund ("the Fund") and all of the assets and liabilities of the Fund immediately before 1 July 1999 were transferred to VicSuper Pty Ltd, as replacement trustee from this date.

On 1 July 1999, the Fund became a regulated fund under the Superannuation Industry (Supervision) Act 1993. On 28 July 2000, VicSuper Pty Ltd's application to become an approved trustee was approved by APRA and the Fund obtained public offer status. On 9 December 2005, VicSuper Pty Ltd was granted an RSE Licence by APRA (L0000468). The RSE Licence replaces VicSuper's Instrument of Approval as an approved trustee. On 14 December 2005, VicSuper Pty Ltd's application to register the Fund as a registrable superannuation entity was approved by APRA.

### 2 Statement of significant accounting policies

The accounting policies set out below have been applied in preparing the Financial Statements for the year ended 30 June 2015 and the comparative information presented in the Financial Statements for the year ended 30 June 2014.

#### (a) Statement of compliance

The General Purpose Financial Report, which comprises of the Financial Statements and Notes thereto, has been prepared in accordance with all applicable Australian Accounting Standards ("AAS"), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, and complies with other requirements of the law. Compliance with the AAS ensures that the Financial Statements and Notes of the Company comply with International Financial Reporting Standards ("IFRS").

The Company is a not-for-profit entity.

#### (b) Accounting standards and interpretations adopted in the current year

The following new and revised Standards have been adopted in the Financial Statements. Their adoption has not had any significant impact on the accounts reported in the Financial Statements, but may affect the accounting for future transactions or arrangements.

The following Standards were adopted in the current year:

- AASB 1031 Materiality (December 2013)
- AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
- AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2013-4 Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting
- AASB 2013-5 Amendments to Australian Accounting Standards - Investment Entities
- AASB 2013-7 Amendments to AASB 1038 arising from AASB 10 in relation to consolidation and interests of policyholders
- AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments (Part B)
- AASB 2014-1 Amendments to Australian Accounting Standards (Part A and C)



2 Statement of significant accounting policies (cont'd)

**Application of new and revised accounting standards and interpretations**

At the date of authorisation of the Financial Statements, the following Standards and Interpretations expected to be relevant to the Company were in issue, but not yet effective. At the date of this report, the impact on the Financial Statements, from the initial application of the following Standards and Interpretations, has not been assessed:

New or revised requirements	Title	Effective date (annual periods beginning on or after)
AASB 9	Financial Instruments	1 January 2018
AASB 2009-11	Amendments to Australian Accounting Standards arising from AASB 9	1 January 2018
AASB 2010-7	Amendments to Australian Accounting Standards arising from AASB 9	1 January 2018
AASB 2012-6	Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures	1 January 2018
AASB 2013-9	Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments (Part C)	1 January 2018
AASB 2014-1	Amendments to Australian Accounting Standards (Part E)	1 January 2015
AASB 2014-4	Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
AASB 2014-7	Amendments to Australian Accounting Standards arising from AASB 9	1 January 2018
AASB 2014-8	Amendments to Australian Accounting Standards arising from AASB 9	1 January 2018
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting	1 January 2016
AASB 2015-2	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting	1 January 2016
AASB 2015-3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031	1 July 2015
AASB 2015-5	Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception	1 January 2016
AASB 1056	Superannuation Entities	1 July 2016

The Financial Statements were authorised for issue by the Directors on 24 September 2015.

(c) **Basis of preparation**

The Financial Statements have been prepared using the historical cost convention and going concern assumption, except where it is stated that they are measured at revalued amounts or fair value. Historical cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars unless otherwise stated.

These accounting policies have been consistently applied and, except where a change in accounting policy has been disclosed, are consistent with those of the previous year.

The Financial Statements present those disclosures deemed necessary by the Directors to ensure the Financial Statements are presented fairly.

In the application of AAS, management is required to make judgments, estimates and assumptions about the 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 circumstances, the results of which form the basis of making the judgments. 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 the revision and future periods, if the revision affects both current and future periods.

**2 Statement of significant accounting policies (cont'd)**

**(c) Basis of preparation (cont'd)**

Judgments made by management, in the application of AAS, 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 are reported.

The accounting policies, set out below, have been applied in preparing the Financial Statements for the financial year ended 30 June 2015 and the comparative information presented in the Financial Statements for the financial year ended 30 June 2014.

**(d) Revenue recognition**

Interest revenue

Interest revenue is recognised on a time-proportionate basis that takes into account the effective yield on the financial asset.

Trustee fee

Trustee fee revenue is recognised as it is earned.

Other revenue

Other revenue is recognised as it is earned.

**(e) Taxation**

Tax expense

Income tax expense for the financial year comprises of current and deferred tax.

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable, in respect of the taxable profit or tax loss, for the financial year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax, for current and prior financial years, are recognised as liabilities (or assets) to the extent that they are unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method, in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the Financial Statements and the corresponding tax base of those items.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination), which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the current tax rate of 30%.

Current and deferred tax are recognised as expenses or income in the Statement of Comprehensive Income, except when they relate to items credited or debited directly to equity, in which case the deferred tax is recognised directly in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**2 Statement of significant accounting policies (cont'd)**

**(f) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax ("GST"), except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances, the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are stated at amounts inclusive of GST.

The net amount of GST, recoverable from or payable to the ATO, is included as a receivable or a sundry creditor 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, recoverable from or payable to the ATO, are classified as operating cash flows.

**(g) Payables**

Sundry creditors and other accounts payable are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

**(h) Receivables**

Receivables are recorded at amounts due less any allowance for doubtful debts.

**(i) Cash and cash equivalents**

Cash and cash equivalents comprise of cash at bank and cash on deposit.

**(j) Investment in the subsidiary**

Investment in the subsidiary, VicSuper Ecosystem Services Pty Ltd, is accounted for using the cost method.

**3 Other revenue**

	2015	2014
	\$	\$
Short term interest - Treasury Corporation Victoria	4,405	4,703
Non-investment interest income	352	240
Other income	8,725	-
<b>Total other revenue</b>	<b>13,482</b>	<b>4,943</b>

**4 Profit from ordinary activities before income tax expense has been derived after charging the following administration expenses:**

	2015	2014
	\$	\$
Directors' remuneration	620,872	591,328
Trustee liability insurance	250,933	244,755
Bank fees and charges	153	124
<b>Total administration expenses</b>	<b>871,958</b>	<b>836,207</b>

**5 The Auditor's remuneration**

The Auditor's remuneration, of \$13,490 (exclusive of GST) for the 2015 audit (2014: \$15,763), for VicSuper Pty Ltd, is paid by the Fund. The Auditor of VicSuper Pty Ltd is Deloitte Touche Tohmatsu.

6 Taxation

(a) Income tax expense

	2015	2014
	\$	\$
Income tax expense comprises:		
Current income tax		
Current income tax charge	4,018	1,457
Deferred income tax		
Relating to origination of reversal of temporary difference	(19)	(12)
<b>Income tax expense in the Statement of Comprehensive Income</b>	<b>3,999</b>	<b>1,445</b>

Reconciliation between tax expense and accounting profit before tax multiplied by the income tax rate:

	2015	2014
	\$	\$
Total accounting profit before tax	13,330	4,819
At the statutory income tax rate of 30%	3,999	1,445

(b) Deferred tax liabilities

	2015	2014
	\$	\$
Deferred tax liabilities comprise of interest receivable	96	115

(c) Taxable and deductible temporary differences arise from the following:

Deferred tax liabilities:

	2015 Opening Balance	2015 Charged to income	2015 Closing Balance
	\$	\$	\$
Interest receivable	115	(19)	96

(d) Current tax

	2015	2014
	\$	\$
Opening balance	489	278
Current tax provision	(4,018)	(1,457)
Tax paid	924	1,668
<b>Current tax (liabilities)/receivable</b>	<b>(2,605)</b>	<b>489</b>

7 Cash and cash equivalents

	2015	2014
	\$	\$
Cash at bank	8,409	15,940
Cash on deposit	210,000	190,000
<b>Total cash and cash equivalents</b>	<b>218,409</b>	<b>205,940</b>

8 Receivables

	2015	2014
	\$	\$
<b>Current</b>		
Interest receivable	319	383
Trustee fee receivable	15,707	16,501
<b>Total receivables</b>	<b>16,026</b>	<b>16,884</b>

9 Contributed equity

	2015	2014
	\$	\$
<b>8 ordinary shares fully paid</b>	<b>8</b>	<b>8</b>

No dividend is payable to the Directors. There is one voting right attached to each fully paid ordinary share.

Changes to the Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

10 Retained profits

	2015	2014
	\$	\$
Retained profits at the beginning of the financial year	211,684	208,310
Profit for the financial year	9,331	3,374
<b>Retained profits at the end of the financial year</b>	<b>221,015</b>	<b>211,684</b>

11 Total equity reconciliation

	2015	2014
	\$	\$
Total equity at the beginning of the financial year	211,692	208,318
Total changes in equity recognised in the Statement of Comprehensive Income	9,331	3,374
<b>Total equity at the end of the financial year</b>	<b>221,023</b>	<b>211,692</b>

12 Financial instruments

(a) 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 income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument, are disclosed in Note 2.

Categories of financial instruments

	2015	2014
	\$	\$
<b>Financial assets</b>		
Receivables, cash and cash equivalents	234,435	222,824
<b>Financial liabilities</b>		
Sundry creditors	15,712	16,507

(b) Capital risk management

VicSuper Pty Ltd, as a corporate trustee of the Fund, has a continuing right of indemnity out of the assets of the Victorian Superannuation Fund, in respect of the liabilities incurred by VicSuper Pty Ltd.

(c) Financial risk management objective

The Company monitors and manages the financial risks relating to the operations of the Company. These risks include interest rate risk, credit risk and liquidity risk.

Interest rate risk management

The Company's exposure to interest rates, on financial assets and financial liabilities, are detailed in the liquidity risk management section of this note.

12 Financial instruments (cont'd)

(e) Financial risk management objective (cont'd)

Interest rate sensitivity

The sensitivity analysis below is determined based on the exposure to interest rates for cash deposits at the reporting date, by applying the stipulated change taking place at the beginning of the financial year and held constant throughout the financial year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Company's net profit would have increased/(decreased) by \$954 (2014: increased/(decreased) by \$950). This is mainly attributable to the Company's exposure to interest rates on its cash deposits.

(d) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, through the risk management framework. The Company manages liquidity risk by maintaining adequate bank balances, and continuously monitoring forecast and actual cash flows.

(e) Credit risk management/exposures

The credit risk on liquid funds is limited because the main counterparties are banks with high credit ratings, assigned by international credit rating agencies.

On-balance sheet financial instruments

The credit risk on the financial assets of the Company, which have been recognised in the Statement of Financial Position, is the carrying amount of the assets.

(f) Liquidity and interest risk tables

The Company does not enter into or trade derivative financial instruments. The Company's exposure to interest rate risk and effective weighted average interest rate, for classes of financial assets and financial liabilities, are set out below:

	Note	Weighted average effective interest rate %	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	5 + years \$	Total \$
<b>Financial Assets</b>							
<b>2015</b>							
<b>Non-interest bearing</b>							
Receivables	8		16,026	-	-	-	16,026
<b>Floating interest rate</b>							
Cash at bank	7		8,409	-	-	-	8,409
Cash on deposit	7	2.1	210,000	-	-	-	210,000
<b>Total</b>			<b>234,435</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>234,435</b>
<b>Financial Assets</b>							
<b>2014</b>							
<b>Non-interest bearing</b>							
Receivables	8		16,884	-	-	-	16,884
<b>Floating interest rate</b>							
Cash at bank	7		15,940	-	-	-	15,940
Cash on deposit	7	2.48	190,000	-	-	-	190,000
<b>Total</b>			<b>222,824</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>222,824</b>

12 Financial instruments (cont'd)

(f) Liquidity and interest risk tables (cont'd)

	Note	Weighted average effective interest rate %	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	5 + years \$	Total \$
<b>Financial liabilities</b>							
<b>2015</b>							
Non-interest bearing							
Payables			15,712	-	-	-	15,712
<b>Total</b>			<b>15,712</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,712</b>
<b>Financial liabilities</b>							
<b>2014</b>							
Non-interest bearing							
Payables			16,507	-	-	-	16,507
<b>Total</b>			<b>16,507</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,507</b>

(g) Fair value of financial assets and liabilities

The Directors consider that the carrying amounts of financial assets and financial liabilities, recorded at amortised cost in the Financial Statements, approximate their fair values.

13 Notes to the Statement of Cash Flows

(a) Reconciliation of cash

For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash on hand, cash at bank and short term deposits at call, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year, as shown in the Statement of Cash Flows, are reconciled to the related items in the Statement of Financial Position as follows:

	Note	2015 \$	2014 \$
Total cash and cash equivalents	7	218,409	205,940

(b) Reconciliation of profit for the financial year to net cash provided by operating activities

	2015 \$	2014 \$
Profit for the financial year	9,331	3,374
<b>Change in assets and liabilities during the financial year:</b>		
Decrease in receivables	858	1,191
Decrease in sundry creditors	(795)	(1,151)
Decrease/(Increase) in current tax receivable	489	(211)
Increase in current tax liabilities	2,605	-
Decrease in deferred tax liabilities	(19)	(12)
<b>Net cash flow provided by operating activities</b>	<b>12,469</b>	<b>3,191</b>

14 VicSuper Pty Ltd as corporate trustee of the Victorian Superannuation Fund

VicSuper Pty Ltd's Financial Statements do not include the assets and liabilities of the Fund. However, a summary of the total assets and liabilities of the Fund, as reflected in the Statement of Financial Position of the Fund as at 30 June 2015, is as follows:

	2015 \$'000	2014 \$'000
Assets	15,617,518	13,429,310
Less: Liabilities	414,407	355,688
<b>Net assets</b>	<b>15,203,111</b>	<b>13,073,622</b>

## 15 Key management personnel remuneration

### (a) Key management personnel

The key management personnel of the Company who held office at any time during the financial year ended 30 June 2015:

#### Directors

Mr B. Hartnett, AM, Chair (appointed on 1 July 2014)  
 Mr W. Lyons, Deputy Chair (appointed on 1 July 2014)  
 Mr C. Cook  
 Mr W. Kayler-Thomson (re-appointed on 1 July 2014)  
 Dr C. Long (appointed on 1 July 2014)  
 Ms B. Norris (chair appointment expired on 30 June 2014, and ceased as a director on 30 June 2015)<sup>1</sup>  
 Mr S. Odachowski  
 Ms C. Stewart (re-appointed on 1 July 2014)

<sup>1</sup>Mrs A. Masiero was appointed on 1 July 2015 to replace Ms B. Norris as director.

#### Other key management personnel (Executives)

Mr Michael Dundon (Chief Executive Officer)  
 Ms Ruby Chi (Chief Financial Officer)  
 Mr Oscar Fabian (Chief Investment Officer)  
 Mr Danny Hsu (General Counsel and Company Secretary)  
 Ms Clare Tam (Executive Manager Member & Employer Services & Chief Information Officer)

### (b) Trustee and committee meetings

VicSuper's Board has 8 directors, a number of whom are members of the following committees as at 30 June 2015. The chair and members of these committees receive remuneration for their participation in these committees.

Director	Trustee	Investment Committee	Audit, Compliance & Risk Management Committee	Remuneration Committee
Mr B. Hartnett, AM, Chair	Chair	Member		Member
Mr W. Lyons, Deputy Chair	Deputy Chair	Member		Chair
Mr C. Cook	Director		Member	
Mr W. Kayler-Thomson	Director	Chair		Member
Dr C. Long	Director		Member	
Ms B. Norris	Director		Member	
Mr S. Odachowski	Director		Chair	
Ms C. Stewart	Director	Member		Member

The following directors attended the trustee and committee meetings, during the financial year, as a member of the Board or relevant committees.

Director	Trustee Meeting (of 11 meetings)	Investment Committee Meeting (of 7 meetings)	Audit, Compliance & Risk Management Committee Meeting (of 4 meetings)	Remuneration Committee Meeting (of 4 meetings)
Mr B. Hartnett, AM, Chair	11	7		4
Mr W. Lyons, Deputy Chair	11	7		4
Mr C. Cook	10		3	
Mr W. Kayler-Thomson	10	6		4
Dr C. Long	9		2	
Ms B. Norris	11		4	
Mr S. Odachowski	8		4	
Ms C. Stewart	10	6		4



15 Key management personnel remuneration (cont'd)

(c) Key management personnel remuneration

The aggregate remuneration of the Company's key management personnel, paid either directly or indirectly by the Fund, is set out below:

	2015 \$'000	2014 \$'000
Short-term employee benefits	2,433	2,315
Other long-term employee benefits	29	16
Post-employment benefits	149	139
<b>Total</b>	<b>2,611</b>	<b>2,470</b>

Short-term employee benefits include salaries, paid annual leave, paid long service leave, paid sick leave and bonuses (performance related incentive plans).

Other long-term employee benefits include long service leave entitlements and loyalty bonuses.

Post-employment benefits include superannuation guarantee contributions.

The 2014 key management personnel remuneration has been revised to include the remuneration of Ms Clare Tam.

The table below lists the remuneration of key management personnel, named above, for the financial year ending 30 June.

2015 Key Management Personnel	Short-Term Employee Benefits		Other Long-Term Employee Benefits		Post-Employment Benefits	Total \$'000
	Salary Or Fees \$'000	Performance Related Bonus \$'000	Loyalty Bonus \$'000	Other \$'000	Superannuation Guarantee \$'000	
<b>Directors</b>						
Mr B. Hartnett, AM, Chair	101	-	-	-	10	111
Mr W. Lyons, Deputy Chair	78	-	-	-	7	85
Mr C. Cook	60	-	-	-	6	66
Mr W. Kayler-Thomson	71	-	-	-	7	78
Dr C. Long <sup>1</sup>	66	-	-	-	-	66
Ms B. Norris	62	-	-	-	6	68
Mr S. Odachowski	63	-	-	-	6	69
Ms C. Stewart	66	-	-	-	6	72
<b>Executive Managers</b>						
Mr Michael Dundon (Chief Executive Officer)	488	89	1	-	19	597
Ms Ruby Chi (Chief Financial Officer)	253	47	2	12	19	333
Mr Oscar Fabian (Chief Investment Officer)	335	53	1	-	19	408
Mr Danny Hsu (General Counsel and Company Secretary)	238	31	2	10	19	300
Ms Clare Tam (Executive Manager Member & Employer Services & Chief Information Officer)	285	53	1	-	19	358
<b>Total</b>	<b>2,166</b>	<b>273</b>	<b>7</b>	<b>22</b>	<b>143</b>	<b>2,611</b>

<sup>1</sup> During the financial year, payments amounting to \$66,000 (excluding GST) were paid to National Tertiary Education Union for Dr C. Long's remuneration as a director of the Fund.

15 Key management personnel remuneration (cont'd)

(c) Key management personnel remuneration (cont'd)

2014 Key Management Personnel	Short-Term Employee Benefits		Other Long-Term Employee Benefits		Post-Employment Benefits	Total \$'000
	Salary Or Fees \$'000	Performance Related Bonus \$'000	Loyalty Bonus \$'000	Other \$'000	Superannuation Guarantee \$'000	
<b>Directors</b>						
Ms B. Norris, Chair	94	-	-	-	9	103
Mr B. Hartnett, Deputy Chair	75	-	-	-	7	82
Mr C. Cook	60	-	-	-	3	63
Mr W. Kayler-Thomson	66	-	-	-	6	72
Mr W. Lyons	60	-	-	-	6	66
Mr S. Odachowski	60	-	-	-	6	66
Ms C. Stewart	60	-	-	-	6	66
Mr W. Watton	60	-	-	-	6	66
<b>Executive Managers</b>						
Mr Michael Dundon (Chief Executive Officer)	474	83	-	-	18	575
Ms Ruby Chi (Chief Financial Officer)	235	45	2	4	18	304
Mr Oscar Fabian (Chief Investment Officer)	310	51	1	-	18	380
Mr Danny Hsu (General Counsel and Company Secretary)	220	35	2	7	18	282
Ms Clare Tam (Executive Manager Member & Employer Services & Chief Information Officer) <sup>1</sup>	277	50	-	-	18	345
<b>Total</b>	<b>2,051</b>	<b>264</b>	<b>5</b>	<b>11</b>	<b>139</b>	<b>2,470</b>

<sup>1</sup> Ms Clare Tam was one of the executive managers in the 2014 financial year but her remuneration was not disclosed in the 2014 Financial Statements

16 Related parties

(a) Trustee

The Trustee of the Fund is VicSuper Pty Ltd. The names of the Directors of the Trustee who held office at any time during the year ended 30 June 2015 have been disclosed in Note 15.

(b) Remuneration and contributions of the Directors

Directors' fees were paid or payable by VicSuper Pty Ltd and reimbursed by the Fund.

Any director who is a member of the Fund contributes on the same terms and conditions as other members.

The aggregate amount of remuneration received or receivable by the Directors of VicSuper Pty Ltd, in connection with management of the fund, is included in the amounts disclosed in Note 15.

(c) Retirement benefits paid to the Directors

No retirement benefits were paid by the Fund to the Directors.

(d) Benefit and pension payments of Directors

Any director who is a member of the Fund receives benefit or pension payments on the same terms and conditions as other members.

**16 Related parties (cont'd)**

**(e) Transactions with related parties**

Investment and operating expenses, including the remuneration of executives and staff, were all paid or payable directly by the Fund. Remuneration and professional indemnity insurance premiums, of the Directors of VicSuper Pty Ltd, totalling \$871,806 (2014: \$836,083), were paid by VicSuper Pty Ltd and reimbursed by the Fund.

Some of the Directors of VicSuper Pty Ltd are directors and employees of organisations who are participating employers of the Fund, in respect of superannuation contributions. All transactions, between the Fund and these organisations, have been on an arm's length basis and hence on normal terms and conditions.

**(f) Directors' shareholdings**

Each director holds one (1) ordinary share in the Company.

**17 Controlled entities**

Name of entity	Country of incorporation	Ownership interest	
		2015 %	2014 %
<b>Parent entity</b> VicSuper Pty Ltd	Australia		
<b>Controlled entity</b> VicSuper Ecosystem Services Pty Ltd	Australia	100	100


**Directors' Declaration**  
**VicSuper Pty Ltd**

In the opinion of the Directors of VicSuper Pty Ltd:

- (a) the Financial Statements and Notes thereto have been prepared in accordance with the Corporations Act 2001, including compliance with Australian Accounting Standards, so as to give a true and fair view of the financial position and performance of the company;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) the attached Financial Statements are in compliance with International Financial Reporting Standards, as stated in Note 2(a) of the Notes to the Financial Statements.

Signed in accordance with a resolution of the Directors made pursuant to S.295(5) of the Corporations Act 2001 .

MELBOURNE

  
\_\_\_\_\_  
DIRECTOR Bruce Charles Hartnett 24/9/15  
DATE

  
\_\_\_\_\_  
DIRECTOR STAN ODAOWSKI 24/9/15  
DATE

## Independent Auditor's Report to the Members of VicSuper Pty Ltd

We have audited the accompanying financial report of VicSuper Pty Ltd, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company as set out on pages 3 to 19.

### *Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

### *Auditor's Responsibility*

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

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

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

## *Auditor's Independence Declaration*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of VicSuper Pty Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

## **Opinion**

In our opinion:

- (a) the financial report of VicSuper Pty Ltd is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2.



DELOITTE TOUCHE TOHMATSU



James Oliver  
Partner  
Chartered Accountants  
24 September 2015