

IS Industry Fund Pty Ltd
ACN 010 814 623

Financial Report for Year Ended 30 June 2015

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**IS Industry Fund Pty Ltd
Directors' Report
For the year ended 30 June 2015**

The Board of Directors of IS Industry Fund Pty Ltd has pleasure in submitting its report in respect of the financial year ended 30 June 2015.

Directors

The names of the Directors in office during or since the end of the financial year are:

Employer Representatives	Employee Representatives
Justin O'Connor	Gary Bullock
Stuart McDonald (Chairperson)	Fiona Scafon
Peta Irvine (resigned 31 December 2014)	Michael Clifford
Charles Stewart (appointed 1 January 2015)	

All directors were in office from the start of the financial year until the date of this report unless otherwise stated.

Principal Activity

The principal activity of the Company during the period was to act as Trustee for Intrust Super. There was no significant change in the activities of the Company during the financial year.

Results and Review of Operations

The only activities of the Company is to act as trustee for Intrust Super, for which it charges fees in order to pay its directors.

Significant Changes in the State Of Affairs

There has been no significant changes in the state of affairs during the year.

Significant Events after Year End

No matter or circumstance has arisen since the end of the financial year which is not otherwise dealt with in this report, that has 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 subsequent financial years.

**IS Industry Fund Pty Ltd
Directors' Report (continued)
For the year ended 30 June 2015**

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Likely Developments and Future Results

The directors intend for the future role of the Company to be that of trustee of Intrust Super.

Environmental Regulation Performance

The Company was not subject to any particular and significant environmental regulations of the Commonwealth or a State or Territory during the financial year.

Indemnification of Officers

During the financial year, insurance and indemnity arrangements were entered into concerning officers of the Company. The insurance contract prohibits disclosure of the insured liability and the premium.

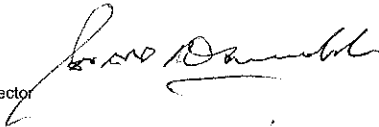
Proceedings on behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Auditor's independence Declaration

The Auditor's independence Declaration forms part of the Directors' Report and can be found on page 3.

This report has been made in accordance with a resolution of directors.

Director 

Director 

Brisbane
Dated 22/10/15

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DECLARATION OF INDEPENDENCE BY T J KENDALL TO THE DIRECTORS OF IS INDUSTRY FUND PTY LTD

As lead auditor of IS Industry Fund Pty Ltd for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'T J Kendall'.

T J Kendall
Director

BDO Audit Pty Ltd

Brisbane, 22 October 2015

Auditor's Independence Declaration to be inserted

IS Industry Fund Pty Ltd
Statement of Comprehensive Income
For the year ended 30 June 2015

	<u>2015</u>	<u>2014</u>
	\$	\$
Revenue from Continuing Operations		
Management Fee	189,507	165,887
Expense		
Directors Fees	189,507	165,887
Profit before income tax	<u>-</u>	<u>-</u>
Income Tax Expense	<u>-</u>	<u>-</u>
Profit from continuing operations	<u>-</u>	<u>-</u>
Profit attributable to members	<u>-</u>	<u>-</u>
Other comprehensive income for the year net of tax	-	-
Total Comprehensive Income for the year	<u><u>-</u></u>	<u><u>-</u></u>

The Statement of Comprehensive Income should be read in conjunction with the notes to the Financial Statements.

IS Industry Fund Pty Ltd
Statement of Financial Position
At 30 June 2015

	NOTE	<u>2015</u> \$	<u>2014</u> \$
Assets			
Current Assets			
Cash and cash equivalents		600	600
Trade and Other Receivables	3	<u>102,282</u>	<u>85,033</u>
Total Assets		<u>102,882</u>	<u>85,633</u>
Liabilities			
Current Liabilities			
Trade and Other Payables	4	<u>102,282</u>	<u>85,033</u>
Total Liabilities		<u>102,282</u>	<u>85,033</u>
Net Assets		<u>600</u>	<u>600</u>
Equity			
Issued Capital	6	<u>600</u>	<u>600</u>
Total Equity		<u>600</u>	<u>600</u>

The Statement of Financial Position should be read in conjunction with the notes to the Financial Statements.

IS Industry Fund Pty Ltd
Statement of Cash Flows
For the year ended 30 June 2015

	<u>2015</u> \$	<u>2014</u> \$
Cash Flows from Operating Activities		
Net Cash Flows (Used In)/From Operating Activities	-	-
Cash Flows from Investing and Other Activities		
Net Cash Flows (Used in)/From Investing Activities	-	-
Net Increase/(Decrease) In Cash and Cash Equivalent.	-	-
Cash and cash equivalent at Beginning of the Year	<u>600</u>	<u>600</u>
Cash and cash equivalent at the End of the Year	<u>600</u>	<u>600</u>

The Statement of Cash Flows should be read in conjunction with the notes to the Financial Statements.

IS Industry Fund Pty Ltd
Statement of Changes in Equity
For the year ended 30 June 2015

	Issued Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2013	600	-	600
Profit for the year from Continuing Operations	-	-	-
Other Comprehensive Income for the year	-	-	-
Total Comprehensive Income for the year	-	-	-
Balance at 30 June 2014	<u>600</u>	<u>-</u>	<u>600</u>
Profit for the year from Continuing Operations	-	-	-
Other Comprehensive Income for the year	-	-	-
Total Comprehensive Income for the year	-	-	-
Balance at 30 June 2015	<u><u>600</u></u>	<u><u>-</u></u>	<u><u>600</u></u>

The Statement of Changes in Equity should be read in conjunction with the notes to the Financial Statements.

IS Industry Fund Pty Ltd Notes to the Financial Statements For the year ended 30 June 2015

Note 1. Corporate Information

IS Industry Fund Pty Ltd is a Proprietary company limited by shares that is incorporated and domiciled in Australia.

The registered office of IS Industry Fund Pty Ltd is located at:

Level 10
270 Adelaide Street
Brisbane QLD 4001

The principal activity during the year of the Company was to act as trustee of Intrust Super under its Australian Financial Services Licence.

The financial statements has been authorised by the Board of Directors for issue on 22 October 2015.

Note 2. Statement of Accounting Policies

(a) Basis of Accounting

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial statements and notes of IS Industry Fund Pty Ltd comply with International Financial Reporting Standard (IFRS) and interpretation adopted by the International Accounting Standard Board (IASB).

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The financial statements are presented in Australian dollars, which are the Company's functional currency.

The company is a for-profit entity for financial reporting purposes.

(b) Change in accounting policies

The accounting policies adopted are consistent with those of the previous year.

(c) Trustee Liabilities and Right of Indemnity

The Company acts solely as trustee of the superannuation fund. Assets are held in trust on behalf of members and other beneficiaries and liabilities have been incurred on behalf of the superannuation fund in the Company's capacity as corporate trustee.

The Company has a right of indemnity for liabilities incurred in performing its fiduciary duties as a trustee. The assets of the superannuation fund, which lie behind the right of indemnity, are not directly available to meet any liabilities of the company acting in its own right. There has been no breach of fiduciary duties during the year ended 30 June 2015.

The Net Assets of the fund as at 30 June 2015 were sufficient to meet the liabilities as at that date.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expenses. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

IS Industry Fund Pty Ltd
Notes to the Financial Statements
For the year ended 30 June 2015

Note 2. Statement of Accounting Policies (cont)

(e) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflow are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflow.

(f) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary differences can be controlled and is not probable that the reversal will occur in the foreseeable future.

IS Industry Fund Pty Ltd
Notes to the Financial Statements
For the year ended 30 June 2015

Note 2. Statement of Accounting Policies (cont)

(f) Income Tax (cont)

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that the net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(g) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(h) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates - Provision for impairment of receivables

The directors believe that the full amount of the debt is recoverable, and no provision for impairment of receivables has been made at 30 June 2015.

(i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(j) New Accounting Standards and Interpretations not yet adopted.

A number of accounting standards, amendments to accounting standards and interpretations are effective and available for early adoption at 30 June 2015, and have not been applied in preparing this financial report. None of these is expected to have significant effect on the financial statements.

IS Industry Fund Pty Ltd
Notes to the Financial Statements
For the year ended 30 June 2015

Note 3. Trade and Other Receivables

	<u>2015</u>	<u>2014</u>
	\$	\$
Management Fee Receivable	102,282	82,896
GST receivable from the ATO	-	2,137
	<u>102,282</u>	<u>85,033</u>

Note 4. Trade and Other Payables

	<u>2015</u>	<u>2014</u>
	\$	\$
Directors Fees Payable	102,282	82,896
GST payable to the ATO	-	2,137
	<u>102,282</u>	<u>85,033</u>

Note 5. Contingent Liabilities

A contingent liability exists relative to any future claims, which may be made against the Company arising from trusteeship dealings. However for the year ended 30 June 2015 and 2014 the Company has no known contingent liabilities.

Note 6. Issued Capital

	<u>2015</u>	<u>2014</u>
	\$	\$
Class AA Shares		
300 shares of \$1	300	300
Ordinary Shares		
300 shares of \$1	300	300
	<u>600</u>	<u>600</u>

IS Industry Fund Pty Ltd
Notes to the Financial Statements
For the year ended 30 June 2015

Note 7. Liabilities as a Trustee and Right of Indemnity

The Company acts solely as the Trustee of Intrust Super. These financial statements have been prepared for the trustee company (IS Industry Fund Pty Ltd) and as such do not record the assets and liabilities of the Fund as the Trustee will only be liable for the obligations of the Fund if it has committed a breach of its fiduciary duties, or the extent that the fund has insufficient assets to settle its obligations. The Company has a right of indemnity from Intrust Super in respect of its liabilities, which have not been recognised in its financial statements for the year ended 30 June 2015. At reporting date, the assets of the Fund are sufficient to meet its liabilities, and there has been no breach of fiduciary duties of the Company in its capacity as Trustee.

Liabilities of the Superannuation Fund not recorded in the financial statements of the Company were:

	<u>2015</u>	<u>2014</u>
	\$	\$
Unpaid benefits	4,503,579	3,095,274
Sundry liabilities	3,426,396	3,491,575
Cash in transit	8,050,578	3,259,998
Current tax liability	9,225,605	4,708,072
Deferred tax liability	27,131,210	19,057,335
Total liabilities	<u>52,337,368</u>	<u>33,612,254</u>

Right of indemnity for liabilities incurred by the Company on behalf of the Superannuation Fund:
 Intrust Superannuation Fund

<u>52,337,368</u>	<u>33,612,254</u>
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The assets of the Fund, which lie behind the right of indemnity, are not directly available to meet any liabilities of the Company acting in its own right. As 30 June 2015, assets of the Fund of \$1,898 million (2014: \$1,645 million) were sufficient to discharge all of the liabilities.

Note 8. Reconciliation of Cash Flow from Operations with Profit after Income Tax

	<u>2015</u>	<u>2014</u>
	\$	\$
Profit for the year	-	-
(Increase) in trade and other receivables	(17,249)	(10,033)
(Decrease) in trade and other payables	17,249	10,033
Net Cash flow (used in)/from operating activities	<u>-</u>	<u>-</u>

IS Industry Fund Pty Ltd
Notes to the Financial Statements
For the year ended 30 June 2015

Note 9. Related Parties

(a) Trustee and Key Management Personnel

The Directors of IS Industry Fund Pty Ltd are:

Employer Representatives	Employee Representatives
Justin O'Connor	Gary Bullock
Stuart McDonald (Chairperson)	Fiona Scaton
Peta Irvine (resigned 31 December 2014)	Michael Clifford
Charles Stewart (appointed 1 January 2015)	

(b) Related party transactions

Director Fees

During the year Intrust Super paid director remuneration and management fee expenses on behalf of the Trustee totalling \$189,507 (2014: \$165,887).

Compensation of Key management personnel (excluding Directors)

	<u>2015</u>	<u>2014</u>
	\$	\$
Short Term Benefits	1,039,345	969,061
Long Term Benefits	118,150	96,065
Post Employment	-	-
	<u>1,157,495</u>	<u>1,065,126</u>

This is in relation to remuneration of management employed by Intrust Super Fund.

Certain directors are members of the Fund. Their membership terms and conditions are the same as those available to other members of the Fund.

Terms and conditions of transactions with related parties

Outstanding balances at year end are unsecured and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables.

For the year ended 30 June 2015, the Fund has not raised any provision for impairment relating to amounts owed by related parties as the payment history has been excellent (2014: \$nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates in. When assessed as required the Fund raises such a provision.

(c) RSE License Financial Requirements

Intrust Super holds \$100,000 on deposit with JP Morgan on behalf of IS Industry Fund Pty Ltd for the purpose of meeting the RSE Licenses financial requirements.

IS Industry Fund Pty Ltd
Notes to the Financial Statements
For the year ended 30 June 2015

Note 10. Financial Risk Management Policies

(a) Financial Instrument Composition and Maturity Analysis

The tables below reflect management's expectations of the settlement period for all financial instruments.

Trade and Other Receivables are expected to be paid as follows:

	<u>2015</u>	<u>2014</u>
	\$	\$
Less than 6 months	102,282	85,033
6 months to 1 year	-	-
1 - 5 years	-	-
	<u>102,282</u>	<u>85,033</u>

Trade and Other payables are expected to be paid as follows:

	<u>2015</u>	<u>2014</u>
	\$	\$
Less than 6 months	102,282	85,033
6 months to 1 year	-	-
1 - 5 years	-	-
	<u>102,282</u>	<u>85,033</u>

(b) Capital Management

Management controls the capital of the Company in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Company can fund its operations and continue as a going concern.

The group's debt and capital includes Class AA shares and ordinary share capital and financial liabilities, supported by financial assets.

Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year.

	<u>2015</u>	<u>2014</u>
	\$	\$
Total borrowings	-	-
Trade and other payables	102,282	85,033
Less Cash and cash equivalents	600	600
Net Debt	101,682	84,433
Total Equity	600	600
Total Capital	<u>600</u>	<u>600</u>

Note 11. Events Subsequent to Reporting Date

No matter or circumstances has arisen since the end of the financial year that has or may significantly affect the operations of the Company.

Note 12. Economic dependency.

The Company is dependent on Intrust Super as its principal. The Company's activity is to act as corporate trustee for the Fund.

Note 13. Auditor's remuneration.

Amounts received or due and receivable by BDO Audit Pty Ltd for:

	<u>2015</u>	<u>2014</u>
	\$	\$
Audit of financial statements and compliance with AFSL	1,950	1,900
	<u>1,950</u>	<u>1,900</u>

Audit expenses incurred by the Company are paid or payable by the fund.

IS Industry Fund Pty Ltd Directors' Declaration

The directors of the Company declare that:

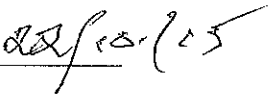
- a) The financial statements comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and accompanying notes with the Australian Accounting Standards and Corporation regulation 2001.
- b) The financial statements and notes give a true and fair view of the financial position as at 30 June 2015 and performance of the Company for the year then ended;
- c) The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with the International Financial Reporting Standards; and
- d) In the directors opinion;
 - i) 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
 - ii) the financial statements and notes are in accordance with the Corporations Act 2001, including sections 296 and 297.

Made in accordance with a resolution of the directors.

Director

Director

Brisbane
Dated

 22/06/15

INDEPENDENT AUDITOR'S REPORT

To the members of IS Industry Fund Pty Ltd

Report on the Financial Report

We have audited the accompanying financial report of IS Industry Fund Pty Ltd, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal 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 about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's 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 company'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 company'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.

Independence

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 IS Industry Fund 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 IS Industry Fund Pty Ltd is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 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 report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

BDO Audit Pty Ltd



T J Kendall
Director

Location, 22 October 2015

