

MAX SUPER FUND
ABN 22 508 720 840
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2013

max Super Fund
Statement of Financial Position
as at 30 June 2013

	Note	2013 \$ \$'000	2012 \$ \$'000
Assets			
Cash and cash equivalents	9(a)	914	797
Units in managed funds		36,775	30,093
Receivables			
Investment income		819	519
Input tax credit receivables		-	8
Receivables and prepayments		88	1
Other assets			
Net deferred tax asset	5(b)	30	8
Total Assets		38,626	31,426
LIABILITIES			
Other payables		166	56
Group life premiums payable		100	76
Benefits payable		-	102
Current tax liability	5(a)	187	84
TOTAL LIABILITIES (excluding net assets available to pay benefits)		453	318
NET ASSETS AVAILABLE TO PAY BENEFITS		38,173	31,108
<i>Represented by:</i>			
Liability for accrued benefits			
Allocated to members' accounts	7	37,604	30,830
Not yet allocated		569	278
	6(a)	38,173	31,108

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

max Super Fund
Operating Statement
For the year ended 30 June 2013

	Note	2013 \$ \$'000	2012 \$ \$'000
Investment revenue			
Interest		-	1
Trust distributions		1,555	1,229
Other investment income		3	2
Insurance commissions (net)		303	1
Group life proceeds		22	1,000
Movement in net market value of investments	2	4,664	(1,043)
Net investment revenue		6,547	1,190
Contributions revenue			
Employers		5,378	5,478
Members		283	344
Transfers from other funds		356	1,022
Total Contribution Revenue		6,017	6,844
Total Revenue		12,564	8,034
Expenses			
General administration expenses	10 (c)	599	274
Group life insurance		1,191	1,206
	3	1,790	1,480
Benefits accrued as a result of operations before income tax		10,774	6,554
Income tax expense attributable to benefits accrued as a result of operations	4	604	556
Benefits accrued as a result of operations after income tax	6	10,170	5,998

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

max Super Fund
Statement of Cash flows
For the year ended 30 June 2013

	Note	2013 \$ <u>\$'000</u>	2012 \$ <u>\$'000</u>
Cash flows from operating activities			
Employer Contributions		5,378	5,478
Unallocated Employer Contribution		-	-
Spouse & Member Contributions		283	344
Interest Received		-	1
Trust Distributions Received		1,255	1,571
Benefits Transferred In		356	1,022
Other investment income		227	1
Group Life Insurance Proceeds		22	1,000
Income tax refund		111	-
Members' Benefits Paid		(3,197)	(2,849)
Insurance Premiums		(1,168)	(1,366)
Other General Administration Expenses		(490)	(253)
Income tax paid		(635)	(596)
Net Cash from operating activities	9(b)	<u>2,142</u>	<u>4,353</u>
Cash flows from investing activities			
Investment Purchases		(6,616)	(6,625)
Proceeds on sale of Investments		4,591	2,214
Net cash (used in)/provided by investing activities		<u>(2,025)</u>	<u>(4,411)</u>
Net increase/(decrease) in cash and cash equivalents held		117	(58)
Cash and cash equivalents at beginning of the financial year		797	855
Cash and cash equivalents at end of the financial year	9 (a)	<u>914</u>	<u>797</u>

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

max Super Fund
Notes to the Financial Statements for the Financial Year ended 30 June 2013

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

max Super Fund ("the Fund") is a superannuation fund of a type commonly referred to as a defined contribution fund.

The Fund is constituted by a Trust Deed dated 25 August 2005, as amended.

The Trustee is Equity Trustees Limited ABN 46 004 031 298, RSE Licence No. L0003094.

The Promoter of the Fund at balance date is Como Financial Services Pty Ltd ABN 74 101 393 435.

Investments of the Fund are held by Sandhurst Trustees Limited as nominee for Equity Trustees Limited, as custodian of the Fund.

The Fund is a public offer fund, as defined in the Superannuation Industry (Supervision) Act 1993 and Regulations, and is operated for the purpose of providing for employees (and their dependents or beneficiaries) of participating employers and associated companies, lump sum benefits upon retirement, termination of service, death or disablement.

Administration of the Fund is conducted by DDH Graham Limited.

The principal place of business of the Fund's administrator is:

Level 2
18 Metroplex Avenue
MURARRIE QLD 4172

Statement of compliance

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

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

The financial statements are authorised for issue by the Directors of the Trustee on the date of the Trustee Declaration on page 14 of this financial report.

The financial statements have been prepared on the basis of historical cost, except for the revaluation of financial instruments. In accordance with the Fund's Trust Deed, Fund assets are stated at fair value. Cost is based on the fair values of the consideration given in exchange for assets.

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

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

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

max Super Fund
Notes to the Financial Statements for the Financial Year ended 30 June 2013

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2013 and the comparative information presented in these financial statements.

Accounting Policies

Basis of preparation

The financial statements have been prepared on an accrual basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

a. Measurement of Assets and Liabilities

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

Net market values have been determined as follows:

- shares in listed companies, government securities and other fixed interest securities by reference to the relevant market quotations at the reporting date;
- units in managed funds by reference to the unit redemption price at the reporting date;

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

b. Liability for Accrued Benefits

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

c. Vested Benefits

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

d. Income Tax

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

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

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

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

max Super Fund
Notes to the Financial Statements for the Financial Year ended 30 June 2013

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

e. Payables

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

f. Cash and Cash Equivalents

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

g. Revenue

Trust distribution revenue is recognised when the Fund has established that it has a right to receive a trust distribution.

All revenue received arises from the operating activities of the Fund.

h. Contributions

Member and employer contributions are recognised upon receipt.

i. 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 Australian Taxation 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 expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

j. New standard and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 30 June 2013, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Fund.

max Super Fund
Notes to the Financial Statements for the Financial Year ended 30 June 2013

	2013	2012
	<u>\$</u>	<u>\$</u>
2 MOVEMENT IN NET MARKET VALUES	\$'000	\$'000
Unrealised investments held at reporting date		
Units in managed funds	4,997	(1,039)
Total	<u>4,997</u>	<u>(1,039)</u>
Investments realised during the financial year		
Units in managed funds	(333)	(4)
 Total - net movement in market value of investments	 <u><u>4,664</u></u>	 <u><u>(1,043)</u></u>
3 GENERAL ADMINISTRATION EXPENSES		
General administration expenses	504	216
Commission paid	95	58
Group life insurance premiums	1,191	1,206
	<u>1,790</u>	<u>1,480</u>
4 INCOME TAX EXPENSE		
a. The components of tax expense comprise:		
Current tax	586	553
Deferred Tax	(22)	31
Tax relating to prior years	40	(28)
	<u>604</u>	<u>556</u>
b. The prima facie tax on benefits accrued before income tax is reconciled to the income tax as follows:		
Benefits accrued as a result of operations before income tax	10,774	6,554
Tax at the complying superannuation fund tax rate of 15% (2012: 15%)	1,616	983
Increase in income tax expense due to:		
Under/(Over) provided in prior years	40	(28)
Unrealised losses/(gains) in investments	(750)	-
No TFN Tax	(14)	-
Trust distributions	(44)	(30)
Realised losses/(gains) in investments	50	156
Non-assessable member contributions and transfers	(83)	(204)
Non-assessable Insurance Proceeds	(4)	(150)
Imputation and foreign tax credits	(207)	(171)
Income tax expense on benefits accrued as a result of operations	<u>604</u>	<u>556</u>

max Super Fund
Notes to the Financial Statements for the Financial Year ended 30 June 2013

	<u>2013</u>	<u>2012</u>	
	\$	\$	
5 TAX ASSETS AND LIABILITIES			
a. Current tax assets/(liability)			
Current income tax asset/(liability)	(187)	(84)	
	<u>Opening</u>	<u>Charged to</u>	<u>Closing</u>
	<u>Balance</u>	<u>Income</u>	<u>Balance</u>
	\$	\$	\$
b. Deferred tax assets and liabilities			
Deferred tax assets			
General administration expenses	(5)	26	21
Group life insurance	13	2	15
Balance at 30 June 2013	<u>8</u>	<u>28</u>	<u>36</u>
Deferred tax liabilities			
Insurance commissions	-	(6)	(6)
Net deferred tax asset at 30 June 2013	<u>8</u>	<u>22</u>	<u>30</u>
General administration expenses	1	(6)	(5)
Group life insurance	37	(24)	13
Balance at 30 June 2012	<u>38</u>	<u>(30)</u>	<u>8</u>

6 LIABILITY FOR ACCRUED BENEFITS AND FUNDING ARRANGEMENTS

	<u>2013</u>	<u>2012</u>	
	\$	\$	
a. Changes in liability for accrued benefits			
Liability for accrued benefits at beginning of the financial year	31,108	27,959	
Add Benefits accrued as a result of operations	10,170	5,998	
Less Benefits paid during the year	(3,105)	(2,849)	
Liability for accrued benefits accrued at end of financial period	<u>38,173</u>	<u>31,108</u>	

b. Funding arrangements

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

7 VESTED BENEFITS

Vested benefits as at the end of the financial year	<u>37,604</u>	<u>30,830</u>	
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8 GUARANTEED BENEFITS

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

max Super Fund
Notes to the Financial Statements for the Financial Year ended 30 June 2013

	2013	2012
	\$	\$

9 CASH FLOW INFORMATION

a. Reconciliation of cash and cash equivalents

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash and cash equivalents	914	797
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Reconciliation of Cash Flow from Operations to Benefits Accrued as a

b. Result of Operations

Benefits accrued as a result of operations	10,170	5,998
(Increase)/Decrease in other receivables	(87)	2
(Increase)/Decrease in trust distribution receivable	(300)	341
(Increase)/Decrease in input tax credits	8	(2)
(Increase)/Decrease in deferred tax asset	(22)	30
Increase/(Decrease) in income taxes payable	103	(71)
Increase/(Decrease) in other creditors payable	131	(139)
Changes in net market value	(4,664)	1,043
Benefits paid	(3,197)	(2,849)
 Net cash provided by (used in) Operating Activities	 2,142	 4,353

10 RELATED PARTY TRANSACTIONS

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

a. Trustees

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

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

Mr J A (Tony) Killen OAM (Chairman)
 Mr David F Groves (Deputy Chairman)
 Mr Robin B O Burns (Managing Director)
 Ms Alice J M Williams
 The Hon Jeffrey G Kennett AC
 Ms Anne M O'Donnell
 Mr Kevin J Eley

The Trustee was paid remuneration of \$62,700 (2012: \$20,500), including Trustee fee payable balance of \$5,500 at 30 June 2013 (2012: \$5,500).

b. The directors of Equity Trustees Limited receive no remuneration directly from the Fund in connection with its trusteeship of the Fund.

c. Promoter

The promoter of max Super Fund was Max Super Pty Ltd until 31 October 2012. From that date Como Financial Services Pty Ltd took over the role of promoter. The promoter is entitled to receive a fee of 1% of fund net assets which is accrued daily. General administration expenses are paid from this 1% fee and physical payment may span over difference financial years as expenses are incurred. As a total, the promoter fees paid from the Fund were \$504,325 for the period July 2012 to June 2013. (2012: \$273,638). Promoter fee payable of \$110,000 (2012: \$Nil) is outstanding as at 30 June 2013.

d. Administration and Custodian fees

The administrator of the Fund was Financial Synergy Limited until 31 December 2012. From that date DDH Graham Limited took over the administration of the Fund. As a total, administration fees paid were \$111,477 (2012: \$30,750) including total administration fee payable of \$14,699 at 30 June 2013 (2012: \$5,500). The Fund custodian, Sandhurst Nominees Limited, was paid remuneration of \$32,014 (2012: \$6,856) including total custodian fee payable of \$6,856 at 30 June 2013 (2012: \$6,932). The Trustee, Administration and Custody fees are paid from fees owing to the Promoter.

max Super Fund
Notes to the Financial Statements for the Financial Year ended 30 June 2013

11 FINANCIAL INSTRUMENTS

a. Financial risk management

Equity Trustees Limited, the Trustee, invests the assets of the Fund (other than cash etc.) in unlisted managed investment schemes in accordance with the Fund's investment strategy.

Sandhurst Trustees Limited acts as custodian and, as such, provides services including physical custody and safekeeping of assets, settlement of trades, collection of dividends and accounting for investment transactions.

b. Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 1 to the financial statements.

c. Capital risk management

The capital structure of the Fund consists of member balances.

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

d. Categories of financial instruments

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

	2013 \$'000	2012 \$'000
Financial assets held at fair value through the profit and loss		
Financial assets designated as at fair value through the profit and loss	36,775	30,093
Total financial assets held at fair value through the profit and loss	36,775	30,093
 Receivables held at fair value through the profit and loss		
Receivables	937	536
Total receivables held at fair value through the profit and loss	937	536
 Financial liabilities held at fair value through the profit and loss		
Financial liabilities designated as at fair value through the profit and loss	453	318
Total financial liabilities held at fair value through the profit and loss	453	318

These financial assets and liabilities are recognised in accordance with the accounting policies detailed in Note 1 to the financial statements.

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

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

e. Financial risk management objectives

The Fund is exposed to a variety of financial risks as a result of its investment activities. These risks may include market risk (including currency risk, interest rate risk and market price risk), credit risk, and liquidity risk. The Trustee seeks to minimise investment related risk by investing in a range of index managed investment schemes. The specific risks associated with investment are set out below.

max Super Fund
Notes to the Financial Statements for the Financial Year ended 30 June 2013

11 FINANCIAL INSTRUMENTS (Cont'd)

f. Credit risk

Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Fund's investments are subject to due diligence undertaken by the Trustee prior to becoming part of the investment strategy.

Substantially all of the assets of the Fund are held by Sandhurst Trustees Limited. Bankruptcy or insolvency by Sandhurst Trustees Limited may cause the Fund's rights with the respect to the assets held by Sandhurst Trustees Limited to be delayed or limited. The Trustee monitors its credit risk by monitoring the credit quality and financial positions of the custodian through regular analysis of their financial reports.

The Fund's financial assets exposed to credit risk amounted to the following:

Financial Instrument	2013	2012
	\$'000	\$'000
Cash and cash equivalents	914	797
Unlisted managed investment schemes	36,775	30,093
Trade receivables	819	519
Other	118	17
Total	38,626	31,426

g. Liquidity risk

The Fund's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities. The Fund allows member's withdrawals at any time. The Fund's managed investment scheme investments are currently considered to be readily realisable. The risk that the Fund would not be able to liquidate all of these investments at their net market value in order to meet its liquidity requirements is considered low.

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

	Less than 3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000	5+ years \$'000	Total \$'000
2013					
Benefits payable	-	-	-	-	-
Accounts payable	266	-	-	-	266
Current tax liability	187	-	-	-	187
Other financial liabilities	-	-	-	-	-
Members' allocated benefits	37,604	-	-	-	37,604
Total	38,057	-	-	-	38,057
2012					
Benefits payable	102	-	-	-	102
Accounts payable	132	-	-	-	132
Current tax liability	84	-	-	-	84
Other financial liabilities	-	-	-	-	-
Members' allocated benefits	30,830	-	-	-	30,830
Total	31,148	-	-	-	31,148

h. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk; foreign exchange (currency risk), market interest rates (interest rate risk) and market prices (price risk). The Fund manages this risk by investing in a range of unlisted managed funds that are then managed by a specialist investment manager. These funds may have exposure to derivative instruments such as futures and options. There has been no change to the Fund's exposure to market risks or the manner in which it manages and measures the risk.

The Fund does not have any direct foreign exchange (currency) risk but may be exposed to foreign exchange risk through the underlying managed funds.

11 FINANCIAL INSTRUMENTS (Cont'd)

i. Interest rate risk management

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

The majority of the Fund's financial assets are non-interest bearing with only cash and cash equivalents being directly subject to interest rate risk. Any excess cash and cash equivalents above immediate working capital requirements is invested in accordance with the member's investment strategy. As a result, the Fund is subject to limited exposure to interest rate risk due to fluctuations in the prevailing levels of market interest rates.

At the reporting date the interest rate profile of the Fund's interest bearing financial instruments was:

	Weighted average interest rate %	Less than 3 months \$'000	1-5 years \$'000	5+ years \$'000	Total \$'000
2013					
Financial assets: Variable interest rate instruments:					
Cash and cash equivalents	0.01%	914			914
		914	-	-	914
2012					
Financial assets: Variable interest rate instruments:					
Cash and cash equivalents	0.01%	797			797
		797	-	-	797

Interest rate sensitivity

Due to the low interest rates available on at call funds, it is not considered likely that a change in interest will have a material impact on interest income.

j. Market price risk

Other market price risk is the risk that the total value of investments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. The Fund has investments in managed investment schemes which exposes it to market price risk.

As all the Fund's financial instruments are carried at net market value with changes recognised in the Operating Statement, therefore all changes in market conditions affecting net market value will be recognised in the Operating Statement. Investments of the Fund (other than cash held for operating purposes) principally consist of units in unithised managed investment schemes. The Fund's exposure to other market price risk is therefore limited to the market price movement of these investments.

Investments in managed investment schemes help reduce other market price risk by giving broad market exposure. All investment managers are subject to due diligence prior to being appointed.

k. Market price risk sensitivity

A probable increase of 10% in the market price against the Fund's investments held at 30 June 2013 would have increased/decreased the net asset available to pay benefits by the amounts shown below. The analysis is performed on the same basis for 2012 and is not guaranteed.

	Change in variable	Change in variable	Effect on benefits accrued as a result of operations after income tax		Effect on net assets available to pay benefits	
			2013	2012	2013	2012
Financial Instrument	+/-	+/-	\$ '000	\$ '000	\$ '000	\$ '000
Investment held	10%	10%	3,678	3,009	3,678	3,009

There have been no changes to price sensitivity from the prior year.

11 FINANCIAL INSTRUMENTS (Cont'd)

I. Classification of Financial Instruments under the Fair Value Hierarchy

AAS 25 requires investments to be measured using net market value. The following table shows financial instruments recorded at net market value, analysed between those whose net market value is based on quoted market prices (Level 1), those involving valuation techniques where all the model inputs are observable in the market (Level 2), and those where the valuation technique involves the use of non-market observable inputs that are significant to the determination of net market value (Level 3). Net market value is considered a reasonable approximation of fair value, and for the purpose of the "fair value hierarchy", estimated costs of disposal have been disregarded for Level 1 financial assets.

	Value at quoted market price	Valuation techniques - market observable inputs Level 2	Valuation techniques - non-market observable inputs Level 3	Total
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2013				
Units in unlisted managed investment schemes	-	36,775	-	36,775
	-	36,775	-	36,775
	Value at quoted market price	Valuation techniques - market observable inputs Level 2	Valuation techniques - non-market observable inputs Level 3	Total
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2012				
Units in unlisted managed investment schemes	-	30,093	-	30,093
	-	30,093	-	30,093

12 EVENTS SUBSEQUENT TO REPORTING DATE

In August 2013, a large employer group exited the Fund representing 5.82% of Fund assets at balance date.

As the investments are measured at their 30 June 2013 fair value in the financial statements, any subsequent volatility in values is not reflected in the Operating Statement or the Statement of Financial Position. However, the volatility in the value of investments is reflected in the current unit price for the Fund.

Apart from the above, no significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund disclosed in the Statement of Financial Position as at 30 June 2013 or on the results and cash flows of the Fund for the year ended on that date.

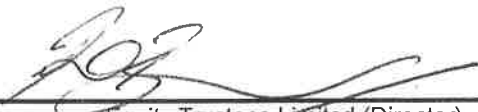
max Super Fund

TRUSTEE'S DECLARATION TO THE MEMBERS

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

- i. The accompanying financial statements of max Super Fund are drawn up so as to present fairly the financial position of the Fund as at 30 June 2013 and the results of its operations and cash flows for the year then ended; and
- ii. The operation of max Super Fund has been carried out in accordance with the Trust Deed dated 25 August 2005, as amended and in compliance with:
 - the requirements of the Superannuation Industry (Supervision) Act 1993 and Regulations;
 - applicable sections of the Corporations Act 2001 and Regulations; and
 - the requirements under Section 13 of the Financial Sector (Collection of Data) Act 2001
- iii. The financial statements have been prepared in accordance with Accounting Standards and the provisions of the Trust Deed dated 25 August 2005, as amended.

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



Equity Trustees Limited (Director)



Equity Trustees Limited (Director)

Dated this 21st day of October 2013

**MAX SUPER FUND
A.B.N. 22 508 720 840
REPORT BY THE INDEPENDENT APPROVED AUDITOR
TO THE TRUSTEE AND MEMBERS**

Financial statements

I have audited the financial statements of the Max Super Fund for the year ended 30 June 2013 comprising the Statement of Financial Position, Operating Statement, Statement of Cash Flows and Notes to the Financial Statements.

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 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 the Max Super 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.

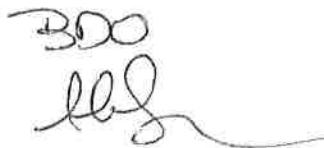
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 financial position of the Max Super Fund as at 30 June 2013 and the results of its operations and its cash flows for the year ended 30 June 2013.

BDO East Coast Partnership



Alex Swansson
Partner

Melbourne, 21 October 2013