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Ernst & Young
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

PART 3 – INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON APRA ANNUAL RETURN AND COMPLIANCE

(A) APRA Annual Return

Independent auditor's review report to the Trustee of NESS Super on APRA Annual Return forms: SRF 330.2 Statement of Financial Performance; SRF 533.0 Asset Allocation; SRF 540.0 Fees; SRF 702.0 Investment Performance; and SRF 703.0 Fees Disclosed.

Trustee's responsibility for the APRA Annual Return Forms

NESS Super's Trustee is responsible for the preparation of the APRA Annual Return forms in accordance with the *Financial Sector (Collection of Data) Act 2001 (*FSCODA Reporting Standards). This responsibility includes establishing and maintaining internal control relevant to the preparation of the APRA Annual Return forms that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express a conclusion, based on my review, on the APRA Annual Return Forms: SRF 330.2 Statement of Financial Performance; SRF 533.0 Asset Allocation; SRF 540.0 Fees; SRF 702.0 Investment Performance; and SRF 703.0 Fees Disclosed (collectively known as the 'relevant forms') of NESS Super which comprise part of the APRA Annual Return, for the year ended 30 June 2014.

I have conducted my review, in accordance with ASRE 2405 *Review of Historical Financial Information Other than a Financial Report* (ASRE 2405), pursuant to the FSCODA Reporting Standards, of the APRA Annual Return forms in order to state whether, on the basis of the procedures described, anything has come to my attention that causes me to believe that the relevant forms are not prepared, in all material respects, in accordance with the FSCODA Reporting Standards.

ASRE 2405 requires me to comply with the relevant professional and ethical requirements of the Standards issued by the Accounting Professional and Ethical Standards Board.

A review consists of making enquiries, primarily of persons responsible for the relevant forms, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

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

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

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Auditor's Conclusion

Based on my review, which is not an audit, nothing has come to my attention that causes me to believe that the APRA annual return forms of NESS Super for the period ending 30 June 2014 are not prepared, in all material respects, in accordance with the FSCODA Reporting Standards.

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Graeme McKenzie
Partner
Sydney
22 October 2014

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(B) Compliance

Independent auditor's review report to the Trustee of NESS Super

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

Trustee's responsibility for compliance

The Trustee of NESS Super is responsible for:

(a) the Trustee's systems, procedures and internal controls that are designed to ensure that the Trustee has complied with all applicable prudential requirements, has provided reliable data to APRA as required under the reporting standards prepared under the FSCODA, and has operated effectively throughout the year of income;

(b) the Trustee's compliance with its risk management framework; and

(c) the Trustee's compliance with its operational risk financial requirement (ORFR) strategy.

Auditor's responsibility

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

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

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

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

Inherent Limitations

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

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

weaknesses in it, can impact on the effective operation of the specific control procedures of the Trustee.

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

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

Basis for Preparation and Restricted Distribution

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

Scope

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

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

(a) APRA Prudential Standards;

(b) APRA Reporting Standards;

(c) APRA conditions on the Trustee's licence or authorisation;

(d) Directions issued by APRA, pursuant to the *SIS Act 1993*; and

(e) Other requirements imposed by APRA in writing (if applicable).

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

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

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

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

Part C – Compliance with the Risk Management Framework (RMF)

I have performed review procedures that I consider necessary in relation to the Trustee's compliance, in all significant respects, with its Risk Management Framework (RMF) for the period ending 30 June 2014.

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

Part D – Compliance with the ORFR strategy

I have performed review procedures that I consider necessary in relation to the Trustee's compliance, in all significant respects, with its Operational Risk Financial Requirement (ORFR) strategy for the period ending 30 June 2014.

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

Auditor's Conclusion

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

Based on my review, which is not an audit, nothing has come to my attention that causes me to believe that, at the date of my review, 30 June 2014, the Trustee did not have in place systems, procedures and controls that operated effectively throughout the year of income and address compliance, in all material respects, with all applicable Prudential Requirements.

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

Based on my review, which is not an audit, nothing has come to my attention that causes me to believe that, at the date of my review, 30 June 2014, the Trustee did not have in place systems, procedures and controls that operated effectively throughout the year of income and provided reliable data to APRA, in all material respects, as required under the reporting standards prepared under the FSCODA.

Part C – Compliance with the RMF

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

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Part D – Compliance with the ORFR strategy

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

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Graeme McKenzie
Partner
Sydney
22 October 2014

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