

Vision Super Pty Ltd

ACN: 082 924 561

Australian Financial Services Licence: 225054

Financial Report

30 June 2010

Financial report for Year ended 30 June 2010

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Vision Super Pty Ltd

Directors' Report

For the year ended 30 June 2010

1. Directors

The Company has eight Directors and five Alternates. The names of persons who were Directors and Alternates of the Company during the financial year are:

Member Directors:

Darrell Cochrane
Wendy Phillips
Tony Tuohey
Russell Atwood

Employer Directors:

Michael Tilley
Angela Emslie
Geoff Lake
Rob Spence

Alternates:

Brian Parkinson
Bill Watton
Bill Watton
Brian Parkinson

Alternates

Steve Bird
Leigh Harder
Alison Lyon
Alison Lyon

2. Principle activities

The principle activities of the Company during the course of the financial year were to provide trustee and administration services to superannuation entities, being Local Authorities Superannuation Fund (LASF), Vision Superannuation Fund (VSF) and Vision Pooled Superannuation Trust (VPST). The Company is also contracted to provide accounting and administration services to Local Super, the superannuation fund for employees of SA & NT local government.

3. Operating and financial review

The Company's net profit is \$5,930,000 (2009: \$5,706,000).

In general terms the Company does not aim to make any profit on operations however it does maintain an Operational Risk and Expense Reserve. This Reserve is to provide the Trustee with access to funds to protect members' interests and mitigate the impact of an adverse event. It is funded through the difference in the investment fees charged in the VPST and the actual costs incurred by the VPST. As at 30 June 2010 the Reserve was \$12,533,000 (2009: \$8,229,000).

4. Significant changes

No significant changes in the nature of the activities of the Company have arisen during the financial year or since the end of the financial year.

5. Dividend

The Constitution of the Company prohibits a dividend being paid to members.

Vision Super Pty Ltd

Directors' Report

For the year ended 30 June 2010

6. Indemnification and insurance of officers

The Company has agreed to indemnify all current and former Directors of the Company against all liabilities to another person that may arise from their position as Directors of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has agreed to indemnify all senior executives for all liabilities to another person that may arise from their position in the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including legal fees.

For the financial ended 30 June 2010 the Company has paid total insurance premiums of \$159,488 (2009: \$153,817) which includes cover for Directors' and officers' liability.

7. Likely developments

The Directors have a Business Plan which outlines the objectives for the Company. There are a number of Federal Government reviews which will consider the superannuation environment over the next year and it is important that the company is in a position to be able to respond to any significant changes. The structure and products offered by the company and associated entities will be monitored to ensure they remain relevant.

In April 2010 Vision Super announced that it intended to merge with Equipsuper Superannuation Fund by 1 July 2013. The decision to merge was taken after Directors were satisfied that the merger was in the best interests of members and employers.

Subject to certain pre-conditions, the Company will retire as the trustee of Vision Pooled Superannuation Trust during the financial year 2010/2011. As a result of this the Company's revenue will be materially reduced.

8 Auditor's independence declaration

The auditor's independence declaration is set out at the end of the report and forms part of the Directors' report for the financial year ended 30 June 2010.

9. Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

10. Rounding off

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made with a resolution of the Directors.



D Cochrane
Director

Dated at Melbourne this 24 day of September 2010

Vision Super Pty Ltd

Statement of Comprehensive Income

For the year ended 30 June 2010

	Note	2010 \$000	2009 \$000
Revenues			
Trustee services revenue		27,175	25,799
Interest revenue		185	331
Distribution revenue		284	-
Change in fair value of financial assets at fair value through profit or loss	3	(158)	-
Other revenue		315	157
Total revenues		<u>27,801</u>	<u>26,287</u>
Expenses			
Employee expenses		10,375	10,064
Computing expenses		2,762	2,128
Professional fees		859	928
Member and employer services		676	865
Depreciation/amortisation expenses		2,275	1,784
Premise expenses	4	842	796
Other administration expenses		1,574	1,501
Total expenses		<u>19,363</u>	<u>18,066</u>
Profit before income tax expense and transfer to Operational Risk and Expense Reserve		<u>8,438</u>	<u>8,221</u>
Income tax expense	12	2,508	2,514
Transfer to Operational Risk and Expense Reserve		4,304	4,956
Net Profit after income tax expense and transfer to Operational Risk and Expense Reserve		<u>1,626</u>	<u>751</u>

The above statement of comprehensive income should be read conjunction with accompanying notes.

Vision Super Pty Ltd

Statement of Financial Position

As at 30 June 2010

	Note	2010 \$000	2009 \$000
Assets			
Cash and cash equivalents		3,206	7,669
Financial assets at fair value through profit or loss	6	8,626	-
Trade and other receivables	7	3,203	4,501
Prepayments		148	42
Total current assets		15,183	12,212
Property, plant and equipment	8	2,076	2,016
Intangible assets	9	2,556	2,291
Investments		-	-
Deferred tax assets	12	702	738
Total non-current assets		5,334	5,045
Total assets		20,517	17,257
Liabilities			
Trade and other payables	10	1,278	2,072
Provisions	11	2,159	2,202
Amounts held in trust		2	59
Income tax payable	12	622	2,436
Total current liabilities		4,061	6,769
Provisions	11	183	145
Deferred tax liabilities	12	8	8
Total non-current liabilities		191	153
Total liabilities		4,252	6,922
Net assets		16,265	10,335
Equity			
Contributed equity		-	-
Retained earnings	13	3,732	2,106
Operational risk and expense reserve	14	12,533	8,229
Total Equity		16,265	10,335

The above statement of financial position should be read conjunction with accompanying notes.

Vision Super Pty Ltd

Statement of Changes in Equity

For the Year Ended 30 June 2010

	Share capital	Operational risk and expense reserve	Retained earnings	Total
	\$	\$	\$	\$
As at 1 July 2009	8	8,228,712	2,105,924	10,334,644
Profit for the year	-	-	5,930,134	5,930,134
Transfer	-	4,303,962	(4,303,962)	-
As at 30 June 2010	8	12,532,674	3,732,096	16,264,778

	Share capital	Operational risk and expense reserve	Retained earnings	Total
	\$	\$	\$	\$
As at 1 July 2008	8	3,272,884	1,355,577	4,628,469
Profit for the period	-	-	5,706,175	5,706,175
Transfer	-	4,955,828	(4,955,828)	-
As at 30 June 2009	8	8,228,712	2,105,924	10,334,644

The above statement of changes in equity should be read conjunction with accompanying notes.

Vision Super Pty Ltd

Statement of Cash Flows

For the Year Ended 30 June 2010

	Note	2010 \$000	2009 \$000
Cash flows from operating activities:			
Cash receipts from customers		29,242	22,474
Cash paid to suppliers and employees		(18,025)	(15,629)
Income tax paid		(4,286)	(2,237)
Net cash flows from operating activities	15	6,931	4,608
Cash flows from investing activities:			
Proceeds from sale of property, plant and equipment		15	1
Purchase of property, plant and equipment		(678)	(470)
Purchase of intangible assets		(1,947)	(1,910)
Purchase of financial assets at fair value through profit or loss		(8,784)	-
Net cash flows from investing activities		(11,394)	(2,379)
Cash flows from financing activities:			
Cash flows from financing activities		-	-
Net cash flows from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(4,463)	2,229
Cash and Cash Equivalents at beginning of period		7,669	5,440
Cash and Cash Equivalents at end of period	15	3,206	7,669

The above statement of cash flows should be read conjunction with accompanying notes.

Vision Super Pty Ltd

Notes to the Financial Statements

NOTE 1: CORPORATE INFORMATION

Vision Super Pty Ltd (the Company) is a company limited by shares that is incorporated and domiciled in Australia.

The office of Vision Super Pty Ltd is located at Level 5, 1 Spring Street Melbourne Victoria 3000.

The nature of the operations and principle activities of the Company are to provide trustee and administration services to superannuation entities, being Local Authorities Superannuation Fund (LASF), Vision Superannuation Fund (VSF) and Vision Pooled Superannuation Trust (VPST). The Company also provides accounting and administration services to Local Superannuation Scheme, the superannuation fund for employees of SA & NT Local Government.

The financial statements were approved by the Board of Directors on 24 September 2010.

NOTE 2: ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Certain comparative amounts have been reclassified to conform to the current year's presentation.

2.1 Basis of preparation

The financial statements are a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial statements have also been prepared on a historical cost basis, except for financial assets held at fair value through profit or loss, that have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated.

Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards board.

New accounting standards and interpretations

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2010, but have not been applied in preparing this financial report:

- AASB 2009-5 *Further amendments to Australian Accounting Standards arising from the Annual Improvements Process* affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Company's 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.
- AASB 9 includes requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement* (AASB 139 *Financial Instruments: Recognition and Measurement*). AASB 9 applies to annual reporting periods beginning on or after 1 January 2013, however it may be early adopted for annual reporting periods ending on or after 31 December 2009. The Company has not early adopted AASB 9 for the year ended 30 June 2010. Given that the Company's investments are all currently measured at fair value through profit or loss, it is not anticipated that adoption of AASB 9 will have a significant impact on the Company.

Vision Super Pty Ltd

Notes to the Financial Statements

NOTE 2: ACCOUNTING POLICIES (CONT)

2.2 Significant accounting judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, income and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances; the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the Note 2.3 (J) and (K) in regarding estimation of useful lives of assets and Note 12 Income Tax in regarding to recovery of deferred tax assets.

2.3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

(A) Financial instruments

(i) Classification

The Company's only financial asset is an investment in the unlisted managed scheme. It is classified as financial instruments designated as at fair value through profit or loss upon initial recognition in the category of financial assets at fair value through profit or loss in accordance with AASB 139. The financial asset is designated on the basis that it is managed and has its performance evaluated on a fair value basis in accordance with risk management and investment strategy of the Company.

(ii) Recognition

The Company recognises a financial asset when, and only when, it becomes a party to the contractual provisions of the Company.

(iii) Derecognition

A financial asset is derecognised where:

- i. the rights to receive cash flows from the assets have expired; or
- ii. the company has transferred its rights to receive cash flows in full without material delay to a third party under a "pass through" arrangement; and
- iii. either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(iv) Initial measurement

Financial assets at fair value through profit or loss are recorded in the Statement of Financial Position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

(v) Subsequent measurement

After initial measurement, the Company measures financial instruments which are classified as at fair value through profit or loss at fair value. Subsequent changes in the fair value of those financial instruments are recorded in "Change in fair value of financial assets at fair value through profit or loss". Interest earned is recorded in "Interest revenue" according to the terms of the contract. Distribution revenue is recorded in "Distribution revenue".

(B) Trade and other receivables

Trade and other receivables largely consist of trustee services fees due and receivable from Local Authorities Superannuation Fund, Vision Superannuation Fund, Vision Pooled Superannuation Trust and Local Super.

Vision Super Pty Ltd

Notes to the Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(C) Trade and other payables

Trade and other payables are carried at historical cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(D) Revenue recognition

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

Trustee Services Revenue

Revenue from the rendering of administration services is recognised at the end of each month and based on the both paid and accrued administration expenses recognised in profit or loss at the reporting date.

Interest revenue

Interest earned on financial assets at fair value through profit and loss is recorded in interest revenue according to the terms of the contract.

Distribution revenue

Distributions from the managed investment scheme are recognised as at the date the unit value is quoted ex-distribution and if not received at reporting date, are reflected in the Statement of Comprehensive Income.

Change in fair value of financial assets

This item includes the fair value of financial assets designated upon initial recognition as "held at fair value through profit or loss" and excludes interest and distribution revenue. Amounts are calculated as the difference between the fair value at sale or at year end, and the fair value at the previous valuation point. This includes both realised and unrealised gains and losses.

(E) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position and Statement of Cash Flows comprise of cash at bank and term deposits with original maturity of three months or less.

(F) Contributed equity

Ordinary shares are classified as equity.

(G) Trustee liabilities, right of indemnity and obligations

The Company acts solely as trustee of LASF, VSF and VPST and liabilities have been incurred on behalf of the LASF, VSF and VPST in the Company's capacity as corporate trustee.

Liabilities incurred on behalf of LASF, VSF and VPST are not recognised in the financial statements when it is not probable that the Company will have to meet any of these trust liabilities from its own resources. When it is probable that the Company will have to meet some trust liabilities, a liability for the deficiency in Trust Right of Indemnity is brought to account.

Details of the trust liabilities, the offsetting right of indemnity and any deficiency in the right of indemnity are disclosed by way of note to the financial statements.

Vision Super Pty Ltd

Notes to the Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(H) Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is recognised using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(I) Goods and Services Tax

Revenue, 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 taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis.

(J) Property, Plant and Equipment

(i) Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(ii) Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives of the current and comparative period are as follows:

	2010	2009
• Fixtures and fittings	10 years	10 years
• Computer hardware	4 years	4 years
• IT communications & cabling	4 years	4 years
• Computer software	4 years	2.5 years
• Motor vehicles	8 years	8 years
• Building allowance	40 years	40 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Vision Super Pty Ltd

Notes to the Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(K) Intangible Assets

(i) Development

System development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss when incurred.

Capitalised system development expenditures are measured at cost less accumulated amortisation and accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

(iii) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful life for the current year is as follows:

	2010	2009
• System development costs	4 years	2.5 years

(L) Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(M) Lease Payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

Vision Super Pty Ltd

Notes to the Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(N) Employee Benefits

(i) Wages, salaries, annual leave, sick leave and non-monetary benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave expected to be settled within 12 months of the year end represent present obligations resulting from employees' services at reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs.

(ii) Long service leave

The provision for employee benefits for long service leave represents the present value of the estimated future cash outflows to be made resulting from employee's services provided to reporting date.

Obligations for contributions to LASF, a defined benefit superannuation fund, are recognised as an expense in the Statement of Comprehensive Income as incurred.

NOTE 3: CHANGE IN FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	2010 \$000	2009 \$000
Net changes in fair value of financial assets at fair value through profit and loss:		
Designated at fair value through profit and loss	(158)	-
Total gains/(losses)	(158)	-

NOTE 4: LEASE COMMITMENTS

Non-cancellable operating lease rentals are payable as follows:

	2010 \$000	2009 \$000
Less than one year	544	526
Between one and five years	2,177	2,178
More than five years	1,996	2,540
	<u>4,717</u>	<u>5,244</u>

The Company leases its offices under an operating lease. The lease runs for a period of 10 years from the lease commencement date, 1 July 2004, with an option to renew the lease after that date for another 3 years and 8 months.

During the year ended 30 June 2010 \$489,075 (2009: \$489,075) was recognised as an expense in the Statement of Comprehensive Income in respect of operating leases.

Vision Super Pty Ltd

Notes to the Financial Statements

NOTE 5: AUDITORS REMUNERATION

The Company also pays the audit fees of VSF.

Amounts received or due and receivable by Ernst & Young for:
 -an audit of the financial statements of the Company
 -other services in relation to the Company

2010 \$000	2009 \$000
48	38
42	17
90	55

NOTE 6: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets designated as at fair value through profit or loss

Unlisted managed investment scheme

Financial assets at fair value through profit or loss

2010 \$000	2009 \$000
8,626	-
8,626	-

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

The following table shows financial instruments recorded at fair value, analysed between whose fair value is based on quoted market prices, those involving valuation techniques where all the model inputs are observable in the market and those where the valuation technique involves the use of non-market observable inputs.

	2010			2009
	Valued at quoted market price (Level 1)	Valuation technique – market observable inputs (Level 2)	Valuation technique – non- market observable inputs (Level 3)	Total
	\$000	\$000	\$000	\$000
Unlisted managed investment scheme	-	8,626	-	8,626
Total	-	8,626	-	8,626

The level in which instruments are classified in the hierarchy is based on the lowest level input that is significant to the net market value measurement in its entirety. Assessment of the significance of an input requires judgement after considering factors specific to the instrument.

Disclosure of the methods and assumptions applied in determining the fair value for financial assets are included in Note 2.3 (A).

(b) Transfers between hierarchy levels

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

NOTE 7: TRADE AND OTHER RECEIVABLES

Other receivables
 Administration fees receivable
 Total:

2010 \$000	2009 \$000
273	263
2,930	4,238
3,203	4,501

Vision Super Pty Ltd

Notes to the Financial Statements

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	Plant and Equipment \$000	Fixtures and Fittings \$000
<i>Cost and Deemed Cost</i>		
Balance as at 1 July 2008	1,405	964
Additions	518	24
Disposals	(4)	-
Balance as at 30 June 2009	1,919	988
Balance as at 1 July 2009	1,919	988
Additions	659	10
Disposals	(38)	(5)
Balance as at 30 June 2010	2,540	993
	Plant and Equipment \$000	Fixtures and Fittings \$000
<i>Depreciation and Impairment Losses</i>		
Balance as at 1 July 2008	305	112
Depreciation for the period	375	101
Disposals	(2)	-
Balance as at 30 June 2009	678	213
Balance as at 1 July 2009	678	213
Depreciation for the period	481	102
Disposals	(16)	(1)
Balance as at 30 June 2010	1,143	314
<i>Carrying amount</i>		
At 1 July 2008	1,355	852
At 30 June 2009	1,241	775
At 1 July 2009	1,241	775
At 30 June 2010	1,397	679

Vision Super Pty Ltd

Notes to the Financial Statements

NOTE 9: INTANGIBLE ASSETS

Costs

Balance as at 1 July 2008
Acquisition – internally developed
Balance as at 30 June 2009

System Development \$000

2,510
1,834
4,344

Balance as at 1 July 2009
Acquisition – internally developed
Balance as at 30 June 2010

4,344
1,947
6,291

Amortisation and Impairment Losses

Balance as at 1 July 2008
Amortisation for the year
Impairment loss
Balance as at 30 June 2009

System Development \$000

745
1,308
-
2,053

Balance as at 1 July 2009
Amortisation for the year
Impairment loss
Balance as at 30 June 2010

2,053
1,682
-
3,735

Carrying amounts

At 1 July 2008

1,764

At 30 June 2009

2,291

At 1 July 2009

2,291

At 30 June 2010

2,556

Vision Super Pty Ltd

Notes to the Financial Statements

NOTE 10: TRADE AND OTHER PAYABLES

	2010 \$000	2009 \$000
Related party payables	-	-
Other payables	1,278	2,072
Total:	1,278	2,072

NOTE 11: PROVISIONS

	2010 \$000	2009 \$000
Current		
Liability for annual leave	633	654
Liability for long service leave	1,526	1,548
Total employee benefits - current	2,159	2,202
Non-Current		
Liability for long service leave	183	145
Total employee benefits – non-current	183	145

NOTE 12: INCOME TAX

	2010 \$000	2009 \$000
Current tax expense		
Current year	2,478	2,615
Adjustment for the prior years	(6)	17
	2,472	2,632
Deferred tax expense		
Origination and reversal of temporary differences	36	(128)
Adjustment for prior years	-	10
Utilisation of previously unrecognised tax losses	-	-
	35	(118)
Income tax expense	2,508	2,514

	2010 \$000	2009 \$000
Income tax expense numerical reconciliation between tax expense and pre-tax profit		
Profit for the year	5,925	5,733
Income tax expense	2,513	2,487
Profit/(loss) excluding income tax	8,438	8,220
Income tax using the Company's tax rate of 30% (2009: 30%)	2,531	2,466
Non taxable income	(47)	-
Disallowable expenses	30	21
Under provision in prior year	(6)	27
	2,508	2,514

Deferred tax

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000	2010 \$000	2009 \$000
Employee provisions	702	704	-	-	702	704
Accrual expenses	-	33	(8)	-	(8)	33
Other	-	1	-	(8)	-	(7)
	702	738	(8)	(8)	694	730

Vision Super Pty Ltd

Notes to the Financial Statements

NOTE 12: INCOME TAX (CONT)

Movement in temporary differences during the year

	Balance 1 July 2009 \$000	Recognised in profit/loss \$000	Transfers in/(out) \$000	Balance 30 June 2010 \$000
Employee provisions	704	(2)	-	702
Accrual expenses	33	(33)	-	-
Other	(7)	(1)	-	(8)
	<u>730</u>	<u>(36)</u>	<u>-</u>	<u>694</u>

NOTE 13: RETAINED EARNINGS

	2010 \$000	2009 \$000
Balance as at 1 July	2,106	1,355
Increase for the year	1,626	751
Balance as at 30 June	<u>3,732</u>	<u>2,106</u>

NOTE 14: OPERATIONAL RISK AND EXPENSE RESERVE

An Operational Risk and Expense Reserve (the Reserve) was established on 1 July 2007 to provide the Company with access to funds to protect members' interests and mitigate the impact of an adverse event. The Reserve will be funded from any profit arising from future administration and investment fees. The profit is the difference between the fixed fees charged and the actual costs incurred.

	2010 \$000	2009 \$000
Balance as at 1 July	8,229	3,273
Increase for the year	4,304	4,956
Balance as at 30 June	<u>12,533</u>	<u>8,229</u>

Vision Super Pty Ltd

Notes to the Financial Statements

NOTE 15: CASH FLOWS STATEMENT RECONCILIATION

(a) Cash and cash equivalents

	2010 \$000	2009 \$000
Cash at bank	1,374	1,487
Term deposit	1,832	6,182
Cash and cash equivalents	3,206	7,669

(b) Reconciliation of net profit after tax with net cash flows from operations

	2010 \$000	2009 \$000
Cash flows from operating activities		
Profit for the year	5,930	5,706
Adjustments for:		
Depreciation	593	658
Amortisation	1,682	1,126
Gain on sale of property, plant and equipment	10	2
Change in fair value in financial assets at fair value through profit or loss	158	-
Operating profit before changes in working capital and provisions	8,373	7,492
Increase/(decrease) in prepayment	(106)	71
Increase/(decrease) in accounts receivables	1,298	(3,813)
Increase/(decrease) in deferred tax assets	35	(118)
Increase/(decrease) in accounts payables	(794)	143
Increase/(decrease) in employee entitlements	(5)	440
Increase/(decrease) in amounts held in trust	(57)	(2)
Increase/(decrease) in current tax liabilities	(1,813)	395
Increase/(decrease) in deferred tax liabilities	-	-
Net cash from operating activities	6,931	4,608

NOTE 16: EMPLOYEE BENEFITS

The Company makes employer superannuation contributions in respect of its employees to LASF. Obligations for contributions are recognised as an expense in profit and loss when they are due. LASF has two categories of membership, each of which is funded differently:

LASF's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (9% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of LASF.

LASF's Defined Benefit Plan is a multi-employer sponsored plan. As LASF's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to reliably allocate benefit liabilities, assets and costs between employers. As provided under paragraph 32 (b) of AASB 119, the Company does not use defined benefit accounting for these contributions.

The Company makes employer contributions to the defined benefit category of LASF at rates determined by the Trustee on the advice of the LASF's actuary. On the basis of the results of the full actuarial investigation conducted by the LASF's actuary as at 31 December 2008, the Trustee has determined that the current funding arrangements are adequate for the expected Defined Benefit Plan liabilities. The Company makes the following contributions:

- 9.25% of member salaries (same as previous year);
- the difference between resignation and retrenchment benefits paid to any retrenched employees, plus contribution tax (same as previous year).

Vision Super Pty Ltd

Notes to the Financial Statements

NOTE 16: EMPLOYEE BENEFITS (CONT)

LASF's liability for accrued benefits was determined at 31 December 2008 pursuant to the requirements of Australian Accounting Standard AAS25 as follows:

	31 Dec 2008 \$000
Net Market Value of Assets	3,630,422
Accrued Benefits (per accounting standards)	3,616,422
Difference between Assets and Accrued Benefits	14,000
Vested Benefits	3,561,588

The financial assumptions used to calculate the accrued benefits for the defined benefit category of LASF were:

- Net Investment Return 8.50% p.a.
- Salary Inflation 4.25% p.a.
- Price Inflation 2.75% p.a.

The Actuary has commenced undertaking an actuarial review as at 30 June 2010 and the result of this review is expected to be finalised during October 2010.

	2010 \$000	2009 \$000
Employer contribution paid to Local Authorities Superannuation Fund	1,177	1,204
Employer contribution payable to Local Authorities Superannuation Fund	-	-
Superannuation Fund at reporting date	1,177	1,204

NOTE 17: FINANCIAL RISK MANAGEMENT

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables which are mainly trustee services fees to VSF, LASF & VPST. Consequently, the Company's exposure to credit risk is considered minimal. The amount that best represents the Company's maximum exposure to credit risk at reporting date in relation to these receivables is the carrying value in the Statement of Financial Position.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's exposure to liquidity risk is not material as the Company always maintains sufficient fund at bank to cover daily operation expenses. Additionally, the Company also maintains an operational risk and expense reserve of \$12.5 million (2009: \$8.2 million) as at the reporting date.

There are no contractual maturities for financial liabilities in excess of 12 months.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

Vision Super Pty Ltd

Notes to the Financial Statements

NOTE 17: FINANCIAL RISK MANAGEMENT (CONT)

(i) Foreign currency risk

The Company is not exposed to foreign currency risk as it operates in Australia only and all transactions are in Australian dollars.

(ii) Interest rate risk

The Company's exposure to interest rate risk is not material as its interest income for the year (2010: \$185,000 2009: \$331,000) is not material and the Company does not borrow money. Consequently, no sensitivity analysis is disclosed in this note.

(iii) Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk, whether those changes are caused by factors affecting all similar financial instruments in the market. Equity price risk exposure arises from the Company's investment with Vanguard that commenced during the financial year.

Index/Benchmark	2010	
	Change in investment price %	Effect on net assets / investment returns \$000
Unlisted investments		
CPI + 6%	10/(10)	863/(863)

NOTE 18: RELATED PARTIES

(a) Key Management Personnel

The Company has eight Directors and five Alternates. The names of persons who were Directors and Alternates of the Company during the financial year are:

Member Directors:

Darrell Cochrane
Wendy Phillips
Tony Tuohey
Russell Atwood

Alternates:

Brian Parkinson
Bill Watton
Bill Watton
Brian Parkinson

Employer Directors:

Michael Tilley
Angela Emslie
Geoff Lake
Rob Spence

Alternates

Steve Bird
Leigh Harder
Alison Lyon
Alison Lyon

Apart from Directors of the Trustee Company, the Chief Executive Officer, is also considered to be key management personnel (KMP) for the purpose of these financial statements.

(b) Key management personnel compensation

Total compensation received, or due and receivable, by key management personnel amounted to \$754,000 (2009: \$755,000). The detail is as follows:

	2010 \$000	2009 \$000
Short-term employee benefits	691	692
Other long-term benefits	-	-
Post employment benefits	63	63
	754	755

Vision Super Pty Ltd

Notes to the Financial Statements

NOTE 18: RELATED PARTIES (CONT)

(b) Key management personnel compensation (cont)

Any Director of the Company or other key management personnel who is a member of the Fund contributes to the Fund on the same terms and conditions as other members. No retirement benefits were paid to Directors or key management personnel during the year.

The Trustee has not made, guaranteed or secured any loan to any Director or member of staff or to any other related party.

	2010 \$000	2009 \$000
Rollins from KMP to LASF/VSF	-	44
Benefits paid to KMP from LASF/VSF	283	53
Vested Benefits of KMP	7,794	7,682

(c) Related party transactions

(i) Members Equity

Vision Super is a minority investor in Industry Funds Banking Trust (IFBT), the owner of Members Equity. Members Equity is the provider of Super Members Home Loans.

(ii) Regional Infrastructure Fund

Vision Pooled Superannuation Trust is the sole shareholder in Regional Infrastructure Fund Pty Ltd (RIF).

RIF was established primarily to invest in regional infrastructure projects. RIF has four Directors, all of whom are current or former directors of Vision Super Pty Ltd, namely; Tony Tuohey, Michael Tilley, James Coghlan and Darrell Cochrane.

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

(iii) Regional Wind Farms Pty Ltd

Regional Wind Farms Pty Ltd is wholly owned company and was established by RIF to invest in wind farms. Project development, construction and operations are contracted out to third party providers. Director Tony Tuohey is also a Director of Regional Wind Farms Pty Ltd. Other directors are appointed by Industry Funds Management.

(iv) Local Authorities Superannuation Fund

The Company is the trustee of LASF. The trustee services fees paid and payable to the Company by LASF for the year ended 30 June 2010 is \$17,434,000 (2009: \$15,455,000).

(v) Vision Superannuation Fund

The Company is the trustee of VSF. The trustee services fees paid and payable to the Company by VSF for the year ended 30 June 2010 is \$664,000 (2009: \$507,000).

(vi) Vision Pooled Superannuation Trust

The Company is the trustee of VPST. The trustee services fees payable/paid to the Company by VPST for the year ended 30 June 2010 is \$8,662,000 (2009: \$11,247,000).

(vii) Vision Holding Company Pty Ltd

Vision Holding Company Pty Ltd was established in 2008 for the purpose of acting as trustee company for the Private Equity Trust which holds a number of overseas private equity investments.

Vision Super Pty Ltd

Notes to the Financial Statements

NOTE 18: RELATED PARTIES (CONT)

(c) Related party transactions (cont)

(viii) Directors

Ms Emslie's partner, Garry Weaven, is Chair of Industry Funds Management (IFM), which manages infrastructure and private equity investments for Vision Super and provides investment services to RIF. Mr Weaven is also a Director of Members Equity.

Director Tony Tuohey has provided consulting services to Bridgewater Associates, a fund manager which is engaged by Vision Super and absented himself from any determination relating to this manager.

Vision Super Pty Ltd

Directors' Declaration

In the opinion of the Directors of Vision Super Pty Limited ("the Company"):

- (a) the financial statements and notes, set out on pages 1 to 23, are 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 2010 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) the financial report also complies with International Financial Reporting Standards as described in Note 2, and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Melbourne this 24th day of SEPTEMBER 2010

Signed in accordance with a resolution of the Directors:



Darrell Cochrane
Director

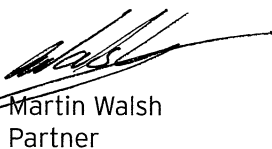


Rob Spence
Director

Auditor's Independence Declaration to the Directors of Vision Super Pty Ltd

In relation to our audit of the financial report of Vision Super Pty Ltd for the financial year ended 30 June 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A stylized signature of the Ernst & Young firm, written in a cursive script.
Ernst & Young

A stylized signature of Martin Walsh, written in a cursive script.
Martin Walsh
Partner

07 October 2010

Independent auditor's report to the members of Vision Super Pty Ltd

We have audited the accompanying financial report of Vision Super Pty Ltd, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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. These Auditing 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 our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors², 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.

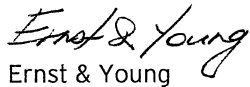
Independence


In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion

In our opinion:

1. the financial report of Vision Super Pty Ltd is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of Vision Super Pty Ltd at 30 June 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

A stylized signature of 'Ernst & Young' in a cursive script, with the text 'Ernst & Young' printed below it.

A stylized signature of 'Martin Walsh' in a cursive script, with the text 'Martin Walsh', 'Partner', and 'Melbourne' printed below it.

Martin Walsh
Partner
Melbourne

07 October 2010