

**Vision Superannuation Fund  
Annual Financial Reports  
30 June 2008**

# Contents

	<i>Page</i>
<b>Statement of financial position</b>	1
<b>Operating statement</b>	2
<b>Statement of cash flows</b>	3
<b>Notes to the financial statements</b>	
1 Reporting Entity	4
2 Basis of preparation	4
3 Significant accounting policies	4
4 Accounts payable	8
5 Auditors' remuneration	8
6 Income tax	8
7 Liability for accrued benefits	9
8 Vested benefits	9
9 Guaranteed benefits	9
10 Notes to the statement of cash flows	10
11 Movement in net market value of investments	10
12 Risk management	10
13 Related parties	16
14 Subsequent event	18
<b>Trustee's declaration to the members</b>	19
<b>Independent report by approved auditor to the trustee and members</b>	

Vision Superannuation Fund  
Statement of financial position  
As at 30 June 2008

	<i>Note</i>	2008 \$'000	2007 \$'000
<b>Assets</b>			
Cash at bank		746	1,210
Accounts receivable		6	-
<b>Investments</b>			
Units in Vision Pooled Superannuation Trust	3(a)	139,461	21,059
<b>Total assets</b>		<u>140,213</u>	<u>22,269</u>
<b>Liabilities</b>			
Accounts payable	4	265	9
Current tax liabilities	6	81	60
<b>Total liabilities (excluding net assets available to pay benefits)</b>		<u>346</u>	<u>69</u>
<b>Net assets available to pay benefits</b>		<u>139,867</u>	<u>22,200</u>
<i>Represented by:</i>			
Liability for accrued benefits			
Allocated to members' accounts		138,404	21,702
Unallocated		1,463	498
		<u>139,867</u>	<u>22,200</u>

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 4 to 12.

Vision Superannuation Fund  
 Operating statement  
 For the period ended 30 June 2008

	<b>Note</b>	<b>2008 \$'000</b>	<b>2007 \$'000</b>
<b>Investment revenue</b>			
Interest		61	11
Movement in net market value of investments	11	<u>(3,035)</u>	<u>672</u>
		<u>(2,974)</u>	<u>683</u>
<b>Contribution revenue</b>			
Employers		556	355
Members		8,191	5,297
Transfer from other funds		<u>130,669</u>	<u>16,867</u>
		<u>139,416</u>	<u>22,519</u>
<b>Expenses</b>			
Trustee services		250	6
Other general administration expenses		<u>3</u>	<u>-</u>
		<u>253</u>	<u>6</u>
<b>Benefits accrued as a result of operations before income tax</b>			
		<u>136,189</u>	<u>23,197</u>
Income tax expense attributable to benefits accrued as a result of operations	6	81	60
<b>Benefits accrued as a result of operations</b>	7	<u>136,108</u>	<u>23,137</u>

The operating statement is to be read in conjunction with the notes to the financial statements set out on pages 4 to 12.

Vision Superannuation Fund  
Statement of cash flows  
For the period ended 30 June 2008

	<i>Note</i>	<b>2008</b>	<b>2007</b>
		<b>\$000</b>	<b>\$000</b>
<b>Cash flows from operating activities</b>			
Contributions received			
Employers		556	355
Members		8,190	5,297
Transfer from other funds		130,669	16,868
Interest received		61	11
Benefits paid		(18,441)	(936)
General expenses paid		(2)	3
Income tax paid		(60)	-
<b>Net cash from operating activities</b>	<b>10</b>	<u>120,973</u>	<u>21,597</u>
<b>Cash flows from investing activities</b>			
Proceeds from redemption of units in pooled superannuation trust			
		6,836	516
Application of units in pooled superannuation trust		(128,273)	(20,903)
<b>Net cash used in investing activities</b>		<u>(121,437)</u>	<u>20,387</u>
Net increase in cash and cash equivalents held		(464)	1,210
Cash and cash equivalents at the beginning of the period		1,210	-
<b>Cash and cash equivalents at the end of the period</b>		<u>746</u>	<u>1,210</u>

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 4 to 12.

## Notes to the financial statements

**For the period ended 30 June 2008**

### **1. Reporting entity**

Vision Superannuation Fund (the "Fund") is a superannuation fund domiciled in Australia. The address of the Fund's registered office is: Level 5, 1 Spring Street Melbourne VIC 3000.

The Fund is constituted by the trust deed dated 16 December 2006 to provide superannuation benefits for members.

The Trustee of the Fund is Vision Super Pty Ltd (VSPL).

### **2. Basis of preparation**

#### **(a) Statement of compliance**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standard AAS 25 *Financial Reporting by Superannuation Plans*, as amended by Australian Accounting Standards Board AASB 2005-13 (December 2005), other applicable Accounting Standards, the provisions of the Trust Deed and the requirements of the Superannuation Industry (Supervision) Act 1993 and Regulations.

The financial statements were approved by the Board of Directors of the Trustee, Vision Super Pty Ltd, on 26 September 2008.

#### **(b) Functional and presentation currency**

The financial statements are presented in Australian dollars, which is the functional currency of the Fund.

Amounts have been rounded to the nearest thousand dollars except where otherwise noted.

### **3. Significant 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 with the current year's presentation.

#### **(a) Assets**

Assets are included in the statement of financial position at net market value as at reporting date and movements in the net market value of assets are recognised in the operating statement in the periods in which they occur.

The Fund recognises financial assets on the date it becomes a party to the contractual provisions of the asset. Financial assets are recognised using trade date accounting. From this date any gains and losses arising from changes in net market value are recorded.

Units in Vision Pooled Superannuation Trust are valued at the redemption price at reporting date as advised by National Custodian Services (NCS) and are based on the net market value of the underlying investments.

## Notes to the financial statements

For the year ended 30 June 2008

### 3. Significant accounting policies (continued)

#### (b) Financial liabilities

The Fund recognises financial liabilities at net market value as at reporting date with any change in net market values of the Fund's financial liabilities since the beginning of the reporting period included in operating statement for the reporting period. Net market value is equal to the amortised cost of the liability using the effective interest method less estimated transaction costs.

The Fund recognises financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Accounts payable is payable on demand or short time frames of less than 30 days. Fair value is assumed to be equal to net market value as estimated realisation costs are not material.

#### (c) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when:

- The right to receive cash flows from the asset have expired; or
- The Fund transfers substantially all the risks and rewards of the ownership of the assets.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

#### (d) Revenue recognition

##### (i) Interest revenue

Interest income is recognised in the operating statement as it accrues, using the original effective interest rate of the instrument calculated at the acquisition or origination date.

##### (ii) Contributions revenue and transfers

Contributions revenue and transfers in are recognised when the control and the benefits from the revenue have transferred to the Fund and is recognised gross of any taxes.

##### (iii) Movement in net market value of investments

Changes in the net market value of investments are recognised as income and are determined as the difference between the net market value at year end or consideration received if sold during the year and the net market value as at the prior year end or cost if the investment was acquired during the period.

#### (e) Income tax

Income tax on the benefits accrued as a result of operations for the period comprises current and deferred tax. Income tax is recognised in the operating statement except to the extent that it relates to items recognised directly in members' funds in which case it is recognised directly in members' funds.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at the statement of financial position date and any adjustment to tax payable in respect of previous years. The Fund has no deferred tax assets/liabilities.

## Notes to the financial statements

For the year ended 30 June 2008

### 3. Significant accounting policies (continued)

#### (e) Income tax (continued)

Income tax has been provided in the current year at the rate of 15% as it is the expectation of the Trustee that the Fund will be treated as a complying superannuation fund. If the Fund is subsequently deemed to be a non-complying fund for the current year, then income tax will be payable at a rate of 47% on the Fund's taxable income.

The expense (and any corresponding liability) is brought to account in the period in which the assessments are received by the Trustee and are properly payable by the Fund.

#### (f) Superannuation Contributions (Surcharge) Tax

The Trustee recognises amounts paid or payable in respect of the surcharge tax as an expense of the Fund.

The expense (and any corresponding liability) is brought to account in the period in which the assessments are received by the Trustee and are properly payable by the Fund.

No estimate has been made for the balance of any tax payable in respect of surchargeable contributions received by the Fund during the current year as the Trustee is unable to determine this amount until receipt of applicable assessments in the following period.

The superannuation surcharge was abolished with effect from 1 July 2005 by the passing of the Superannuation Laws Amendment (Abolition of Surcharge) Act 2005. The last reporting of contributions for surcharge purposes will be in respect of contributions made up to and including 30 June 2005.

#### (g) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST) recoverable from the Australian Taxation Office (ATO) as a reduced input tax credit (RITC). In circumstances where the GST is not recoverable, 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. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

#### (h) Benefits payable

Benefits payable comprises the entitlements of members who have claimed a benefit prior to the end of the year, and the entitlement had not been paid at reporting date. Benefit entitlements rolled over within the Fund are not included as benefits payable. Benefits payable are generally settled within 30 days.



## Notes to the financial statements

For the year ended 30 June 2008

### 3. Significant accounting policies (continued)

#### (i) Excess contribution tax

The Australian Taxation may issue release authorities to members of the Fund relating to the relevant member's excess contributions tax that is payable in respect of the member's concessional and/or non-concessional contributions for a particular year. Where a member receives an excess contributions tax release authority, the member

- may give the release authority relating to the member's concessional contributions to a fund for payment; and
- must give the release authority relating to the member's non-concessional contributions to a fund for payment.

Release authorities may be issued by the Australian Taxation Office from 1 July 2007 in relation to transitional non-concessional contributions received by the Fund between 9 May 2006 and 30 June 2007. Release authorities in relation to concessional and /or non-concessional contributions received from 1 July 2007 may be issued from the Australian Taxation Office from 1 July 2008.

The liability for the excess contribution tax will be recognised when the relevant release authorities are received from the members, as the Trustee considers this is when it can be reliably measured.

The excess contributions tax liability recognised by the Fund will be charged to the relevant member's accounts.

#### (j) No-TFN contribution tax

Where a member does not provide their tax file number to a fund, the Fund may be required to pay no-TFN contributions tax at a rate of 31.5% which is in addition to the concessional tax rate of 15% which applies to the Fund's taxable income.

The no-TFN contributions tax liability recognised by the Fund will be charged to the relevant member's accounts. Where a tax offset is obtained by the Fund in relation to members' no-TFN contributions tax, the tax of offset will be included in the relevant members' accounts.

#### (k) Issued standards not early adopted

The following standards, amendments to standards and interpretations are available for early adoption at 30 June 2008, but have not been applied in preparing this financial report because they do not have any financial impact on the accounting policies of the Fund or are not applicable to superannuation funds:

- Revised AASB 101 Presentation of Financial Statements introduces as a financial statement (formerly "primary" statement) the "statement of comprehensive income". The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs. The revised AASB 101 will become mandatory for the Fund's 30 June 2010 financial statements. The Fund has not yet determined the potential effect of the revised standard on the Fund's disclosure, however it is expected to be minimal due to the requirements of AAS 25 Financial Reporting by Superannuation Plans.

## Notes to the financial statements

For the year ended 30 June 2008

### 4. Accounts Payable

	<b>2008</b>	<b>2007</b>
	<b>\$000</b>	<b>\$000</b>
Trustee services fees	97	6
Other	168	3
	<u>265</u>	<u>9</u>

### 5. Auditors' remuneration

	<b>2008</b>	<b>2007</b>
	<b>\$000</b>	<b>\$000</b>
Amounts received or due and receivable by Ernst & Young for:		
An audit of the financial statements of the Fund	13	3
Other services in relation to the entity	-	-
Total	<u>13</u>	<u>3</u>

The audit fees are paid/payable by its trustee company, Vision Super Pty Ltd.

### 6. Income tax

	<b>2008</b>	<b>2007</b>
	<b>\$000</b>	<b>\$000</b>
Major components of income tax for the period ended 30 June 2008 are:		
<b>Operating statement</b>		
Current tax		
Current income tax	81	60
Deferred income tax		
Relating to origination and reversal of temporary differences	-	-
Income tax expense reported on operating statement	<u>81</u>	<u>60</u>

A reconciliation between income tax expense and the accounting profit before income tax multiplied by the applicable tax rate is as follows:

Benefits accrued before income tax	117,748	22,260
At the tax rate of 15%	17,662	3,339
Add (less) permanent differences – items not assessable or deductible		
Non-taxable income/loss from PST	456	(101)
Employee contributions	(20,803)	(3,318)
Benefits paid	2,766	140
(Over) under provision of income tax in previous year	-	-
	<u>81</u>	<u>60</u>
Income tax expense reported in operating statement	<u>81</u>	<u>60</u>

## Notes to the financial statements

For the period ended 30 June 2008

### 7. Liability for accrued benefits

The liability for accrued benefits is the Fund's present obligation to pay benefits to members and beneficiaries arising from membership of the Fund up to reporting date. It is measured as the difference between the carrying amount of the assets and the sum of the sundry liabilities and income tax liabilities as at reporting date.

	<b>2008</b>	<b>2007</b>
	<b>\$000</b>	<b>\$000</b>
<b>Changes in liability for accrued benefits</b>		
Liability for accrued benefits at the beginning of the financial year	22,201	-
Plus: Benefits accrued as a result of operations	136,108	23,137
Less: Benefits paid during the year	(18,441)	(936)
Liability for accrued benefits at the end of the financial year	<u>139,868</u>	<u>22,201</u>

### 8. Vested benefits

	<b>2008</b>	<b>2007</b>
	<b>\$000</b>	<b>\$000</b>
Vested benefits as at the end of the financial year	<u>138,404</u>	<u>21,702</u>

Vested benefits are benefits which are not conditional upon continued membership of the Fund (or any factor other than resignation from the Fund) and include benefits which members were entitled to receive had they terminated their Fund membership as at the reporting date.

### 9. Guaranteed benefits

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

### 10. Notes to the statement of cash flows

#### (a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash includes cash at bank, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	<b>2008</b>	<b>2007</b>
	<b>\$000</b>	<b>\$000</b>
Cash at bank	<u>746</u>	<u>1,210</u>

## Notes to the financial statements

For the period ended 30 June 2008

### 10. Notes to the statement of cash flows (continued)

#### (b) Reconciliation of cash flows from operating activities

	2008 \$000	2007 \$000
Benefits accrued as a result of operations	136,108	23,136
Add/(less):		
Benefits paid	(18,441)	(936)
Movement in net market value of investment	3,035	(672)
Net cash from operating activities before change in assets and liabilities	120,702	21,528
Change in assets and liabilities:		
Increase in accounts receivable	(6)	-
Increase in accounts payable	257	9
Increase in current tax liabilities	20	60
Net cash from operating activities	120,973	21,597

### 11. Movement in net market value of investments

The investments and derivatives of the Fund (other than short term deposits which are managed internally by the Trustee, VSPL) are managed on behalf of the Trustee by selected investment managers. The Custodian holding the shares and fixed interests securities is National Australia Bank Group. Except for cash at bank, the Fund's only investment is units in Vision Pooled Superannuation Trust (VPST).

	2008 \$000	2007 \$000
<b>Investment held at balance date</b>		
Vision Pooled Superannuation Trust	(3,035)	672
Total unrealised gains/(losses)	(3,035)	672
Change in net market value of investments	(3,035)	672

### 12. Risk management

#### (a) Financial risk management objectives, policies and processes

The Fund's principle financial instruments comprise units in pooled superannuation trusts and cash and short-term deposits. The main purpose of these financial instruments is to generate a return on investment.

The Fund also has various other financial instruments such as sundry receivable and payables, which arise directly from its operations. These are mainly current in nature.

## Notes to the financial statements

For the period ended 30 June 2008

### 12. Risk management (continued)

#### (a) Financial risk management objectives, policies and processes (continued)

As part of its risk management strategy, the Fund also enters into derivative transactions via VSPL, principally fixed interest futures and forward foreign exchange contracts. The main purpose is to manage financial risks associated with the Fund's investment transactions, and as a means of effecting a change in the asset mix. Investments in derivatives are not used to gear the Fund's investment portfolio, and are limited to the asset allocation limits for the underlying investment assets.

Risks arising from holding financial instruments are inherent in the Fund's activities, and are managed through a process of ongoing identification, measurement and monitoring. The Fund is exposed to credit risk, liquidity risk and market risk, including interest rate risk, equity price risk and foreign currency risk.

The Trustee is responsible for identifying and controlling the risks that arise from these financial instruments. The Trustee reviews and agrees policies for managing each of these risks as summarised below. The Trustee also monitors the market price risk arising from all financial instruments.

Information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment mandate limits, is monitored by the Trustee. These mandate limits reflect the investment strategy and market environment of the Fund, as well as the level of risk that the Fund is willing to accept.

The information is prepared and reported to the Trustee on a regular basis.

Concentration of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or when a number of counterparties are engaged in similar business activities, have activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political and other conditions.

In order to avoid excessive concentration of risk, the Trustee monitors its exposure to ensure concentration of risk remain within acceptable levels in accordance with the Fund's investment policies and either reduces exposure or uses derivative instruments to manage the excessive risk concentrations when they arise.

#### (b) Credit risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss.

With respect to credit risk arising from the financial assets of the Fund, other than derivatives, the Fund's exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these instruments as disclosed in the Statement of Financial Position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values. The risk associated with these contracts is minimised by undertaking transactions with high quality counterparties on recognised exchanges, and ensuring that transactions are undertaken with a number of counterparties.

## Notes to the financial statements

For the period ended 30 June 2008

### 12. Risk management (continued)

#### (b) Credit risk (continued)

The Fund holds no collateral as security or any other credit enhancements. There are no significant financial assets that are past due or impaired.

#### (i) Credit quality per class of debt instruments

The credit quality of financial assets is managed by the Fund using Standard & Poor's rating categories, in accordance with the investment mandate of the Fund. The Fund's exposure in each grade is monitored on a monthly basis. This review process allows the Trustee to assess the potential loss as a result of risks and take corrective action. The table below shows the credit quality by class of asset for debt instruments.

#### 2008

	AAA to AA-	A+ to A-	BBB+ to BBB-	CCC	Short term A-1+ to A2	Not rated or available	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Perpetual securities	28	-	13	-	-	-	41
Convertible notes	-	-	-	-	-	7	7
Fixed bonds	2,881	717	679	12	-	69	4,358
Indexed bonds	2,885	-	-	-	-	-	2,885
Floating rate notes	344	455	295	-	-	45	1,139
Zero coupon bonds	-	-	-	-	-	19	19
Mortgage backed securities	590	62	90	-	-	-	742
Discount securities	-	-	165	-	9,205	-	9,370
Pooled funds*	-	-	-	-	-	8,515	8,515
<b>Total</b>	<b>6,728</b>	<b>1,234</b>	<b>1,242</b>	<b>12</b>	<b>9,205</b>	<b>8,655</b>	<b>27,076</b>

#### 2007

	AAA to AA-	A+ to A-	BBB+ to BBB-	CCC	Short term A-1+ to A2	Not rated or available	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Perpetual securities	5	-	3	-	-	-	8
Convertible notes	-	-	-	-	-	8	8
Fixed bonds	523	89	135	2	-	53	802
Indexed bonds	594	-	-	-	-	-	594
Floating rate notes	92	53	44	-	-	7	196
Zero coupon bonds	-	-	-	-	-	4	4
Mortgage backed securities	110	10	14	-	-	-	134
Discount securities	1	-	-	-	833	-	834
Pooled funds*	-	-	-	-	-	1,293	1,293
<b>Total</b>	<b>1,325</b>	<b>152</b>	<b>196</b>	<b>2</b>	<b>833</b>	<b>1,365</b>	<b>3,873</b>

\* Instruments are either not rated or rating not available by Nab Custodian Services

#### (ii) Risk concentration of credit risk exposure

Concentration of credit risk is managed by counterparty, by geographical region and by industry sector.

## Notes to the financial statements

For the period ended 30 June 2008

### 12. Risk management (continued)

#### (b) Credit risk (continued)

##### (ii) Risk concentration of credit risk exposure (continued)

The Fund's financial assets can be analysed by the following geographic regions:

	2008	2007
	\$000	\$000
Australia	123,324	18,567
North America	4,279	600
United Kingdom	2,436	248
Europe (ex UK)	5,472	1,240
Japan	1,265	307
Asia (ex Japan)	269	15
Others	744	140
<b>Total</b>	<b>137,789</b>	<b>21,117</b>

Significant industry sector exposure exists as follows:

	2008	2007
	\$000	\$000
Financials	10,203	2,365
Materials	7,366	1,008
Energy	4,039	452
Industrials	3,954	793
Consumer staples	3,096	504
Consumer discretionary	2,835	668
Health care	2,703	447
Information technology	2,602	551
Telecommunication	1,835	266
Utilities	850	166

The above table does not include investments in unlisted trusts or pooled funds.

#### (c) Liquidity risk

Liquidity risk is the risk that the Fund will encounter in meeting obligations associated with financial liabilities. This risk is managed through the Fund's investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Fund maintains sufficient cash and cash equivalents to meet normal operating requirements.

The Fund's significant financial liabilities are benefits payable to members.

The Fund manages its obligation to pay the defined contribution component on an expected maturity basis based on management's estimates and actuarial assumptions of when such funds will be drawn down by members. The Fund considers it is highly unlikely that all defined contribution members will request to roll over their superannuation fund account at the same time.

Other financial liabilities of the Fund comprise trade and other payables which are contractually due within 30 days and derivative liabilities comprising foreign exchange contracts payable within 12 months.

## Notes to the financial statements

For the period ended 30 June 2008

### 12. Risk management (continued)

#### (d) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, and equity prices. Market risk is diversified through ensuring that all investment activities are undertaken in accordance with investment policies of the Fund.

The Trustee employs diversification investment strategy to mitigate the market risk in each market segment. Further, the Fund also enters into forward foreign exchange contracts to hedge against adverse FX movements.

#### (i) Interest rate risk

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

In determining the reasonably possible change for interest rate risk, the sensitivity of the "official cash rate" as set by the Reserve Bank of Australia (RBA) from time to time is used.

The following table demonstrates the sensitivity of the Group's Statement of Changes in Net Assets to a reasonably possible change in interest rates based on RBA's data and expected future movements over the next 12 months, with all other variables held constant.

#### 2008 - Fund

Asset class sector	Change in basis points Increase/decrease	Sensitivity of interest income and changes on net assets \$000 Increase/decrease
Cash and cash equivalents	+/-50	(6)/6
Fixed interest securities	+/-50	(350)/350
Derivatives	+/-50	13/(179)

#### 2007- Fund

Asset class sector	Change in basis points Increase/decrease	Sensitivity of interest income and changes on net assets \$000 Increase/decrease
Cash and cash equivalents	+/-25	-
Fixed interest securities	+/-25	(31)/31
Derivatives	+/-25	8/(8)

#### (ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

As a result of significant investments held in the United States and Europe, the Fund's Statement of Financial Position and Operating Statement can be affected significantly by movements in USD and EUR when translated to AUD. The Trustee manages its exposure to foreign currency risk and mitigates effects of its foreign currency translation exposure by placing limits on the portion of the assets which can be invested in different currencies and by appointing specialist currency managers to implement passive hedge over foreign currency exposure. This foreign exchange policy is monitored against actual on an ongoing basis throughout the year.



## Notes to the financial statements

For the period ended 30 June 2008

### 12. Risk management (continued)

#### (d) Market risk (continued)

##### (ii) Currency risk (continued)

The table below indicates the currencies to which the Fund had significant exposure as at 30 June 2008 on its monetary assets and liabilities and forecast cash flows. The analysis calculates the effect of a reasonably possible movement of the currency rate against the Australia Dollar on the Operating Statement, with all other variables held constant.

Currency	2008		2007	
	Change in Currency rate %	Effect on net assets/ Investment returns \$000	Change in Currency rate %	Effect on net assets/ Investment returns \$000
USD	+/-10	(648)/792	+/-5	(52)/57
British pounds	+/-5	(16)/18	+/-5	6/(6)
Euro	+/-5	(49)/55	+/-5	(9)/10
Japanese Yen	+/-5	(64)/71	+/-10	(30)/36
Others	+/-5	(50)/56	+/-5	(20)/22

##### (iii) Equity price risk

Equity price risk is the risk that the fair value of investments in equities decreases or increases as a result of changes in market prices, whether those changes are caused by factors specific to the individual share price or factors affecting all equity instruments in the market. Equity price risk exposure arises from the VPST's investment portfolios.

To limit equity price risk the Trustee diversifies its investment portfolio in line with its investment strategy. The majority of equity investments are of a high quality and are publicly traded on recognised, reputable exchanges. The Trustee monitors the VPST's exposure to various asset classes on an ongoing basis throughout the year ensuring its investment strategy is adhered to.

The effect on the Operating Statement due to a reasonably possible change in market factors, as represented by the asset classes, with all other variables held constant is indicated in the table below.

Asset class sector	2008		2007	
	Change in equity price %	Effect on net assets/Investment returns \$000	Change in equity price %	Effect on net assets/Investment returns \$000
Life insurance policies	+/-10	432/(432)	+/-5	29/(29)
Listed equities	+/-10	3,729/(3,729)	+/-5	347/(347)
Listed property trusts	+/-10	101/(101)	+/-5	14/(14)
Listed units trust	+/-10	33/(33)	+/-5	5/(5)
Pooled development fund	+/-10	1/(1)	+/-5	-
Preference shares	+/-10	24/(24)	+/-5	2/(2)
Unlisted equities	+/-10	303/(303)	+/-5	16/(16)
Unlisted MIS	+/-10	6,461/(6,461)	+/-5	460/(460)
Unlisted unit trusts	+/-10	232/(232)	+/-5	22/(22)
Others	+/-10	220/(92)	+/-5	3/(3)

## Notes to the financial statements

For the year ended 30 June 2008

### 13. Related parties

#### (a) Key management personnel disclosures

The trustee of the Fund is Vision Super Pty Ltd. The trustee company comprises of eight Directors and seven Alternates. The names of persons who were Directors and Alternates of the trustee company of the Group for the financial year are:

**Member Directors:**

Darrell Cochrane (appointed Chair 1/07/08)  
Wendy Phillips  
Anthony Tuohey  
William Watton

**Alternates:**

Brian Parkinson  
Dean Barnet  
Robyn Glascott  
Russell Atwood

**Employer Directors:**

Michael Tilley  
Angela Emslie  
Rob Spence  
Dick Gross

**Alternates:**

Steve Bird  
Leigh Harder  
Alison Lyon (appointed 01/07/07)  
Alison Lyon

Director John Warburton retired on 30 June 2007 and Mr Dick Gross was appointed from 1 July 2007. Michael Tilley completed his three-year term as Chair on 30 June 2008 and Darrell Cochrane was appointed as Chair from that date. Apart from Directors of the trustee company, the Chief Executive Officer is also considered to be key management personnel for the purpose of these financial statements.

#### (b) Compensation of Directors and key management personnel

Total compensation received, or due and receivable, by Directors and key management personnel amounted to \$614,175 (2007: \$582,246). The details are as follows:

	<b>2008</b>	<b>2007</b>
	<b>\$000</b>	<b>\$000</b>
Short-term employee benefits	568	537
Other long term employee benefits	-	-
Post-employment benefits	46	45
	<u>614</u>	<u>582</u>

#### (c) Related party transactions

##### (i) Vision Pooled Superannuation Trust

The only main investment asset of the Fund is the units held in Vision Pooled Superannuation Trust (VPST). The units held in VPST as at 30 June 2008 is \$139 million (2007: \$21 million).

##### (ii) Members Equity

Vision Pooled Superannuation Trust is a minority investor in Industry Super Holdings Pty Ltd, the owner of Member Equity. Members Equity is the provider of Super Members Home Loans.

## Notes to the financial statements

For the year ended 30 June 2008

### 13. Related parties

#### (iii) 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 its currently wholly owns Regional Wind Farms Pty Ltd.

#### (iv) 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.

#### (v) Vision Super Pty Ltd

As stated in Note 1, Vision Super Pty Ltd is the trustee of the Fund. The trustee services fees payable/paid during the year ended at 30 June 2008 is \$268,097 (2007: \$6,275).

#### (vi) Vision Holding Company Pty Ltd

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

#### (vii) Directors

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

Director Tony Tuohey has a commercial relationship with Bridgewater Associates, a fund manager engaged by the Trustee, and absented himself from any determination relating to this manager.

### 14. Subsequent event

Subsequent to balance date, the ongoing turbulence in global capital markets has continued as a result of the credit crisis and other events impacting financial markets. These events continue to weigh on global markets and the valuation of financial instruments daily.

## Notes to the financial statements

For the year ended 30 June 2008

### 14. Subsequent event (continued)

In light of recent developments, the Trustee continues to monitor the impact on the financial position of the Fund and its investment strategy including any exposures and risks arising from counterparties and revised credit ratings and where necessary, determining whether additional measures are required to reduce the level of uncertainty. Whilst the overall valuation of the Fund's investments has generally fallen as a result of and, in line with, the unprecedented market volatility, the Fund does not have any significant exposure to impaired assets or counterparties and accordingly, no adjustments have been made to the carrying value of investments as at 30 June 2008.

## Trustee declaration to the members

### Vision Superannuation Fund

In the opinion of the Trustee of Vision Superannuation Fund:

- (i) The accompanying financial statements of Vision Superannuation Fund are drawn up so as to present fairly the financial position of the Fund as at 30 June 2008 and the results of its operations and cash flows for the period then ended; and
- (ii) The operation of Vision Superannuation Fund has been carried out in accordance with its Trust Deed dated 29 June 2007, 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;
  - the requirements under Section 13 of the Financial Sector (Collection of Data) Act 2001; and
  - the Guidelines issued by the Australian Prudential Regulation Authority on Derivative Risk Statements For Superannuation Entities Investing In Derivatives, during the year ended 30 June 2008; and
- (iii) The financial statements have been prepared in accordance with Accounting Standards, other mandatory reporting requirements and the provisions of the Trust Deed dated 29 June 2007, as amended.

Dated at Melbourne this *26<sup>th</sup>* day of *SEPTEMBER* 2008

Signed in accordance with a resolution of the Trustee:

  
\_\_\_\_\_  
Darrell Cochrane  
Director

  
\_\_\_\_\_  
Michael D Tilley  
Director

## INDEPENDENT REPORT BY THE APPROVED AUDITOR TO THE TRUSTEE

### (A) Financial statements

I have audited the financial statements of Vision Superannuation Fund for the year ended 30 June 2008 comprising the statement of financial position, operating statement, cash flow statement, summary of significant accounting policies, other explanatory notes and the Trustee statement.

#### 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 (including the Australian Accounting Interpretations) and the requirements of the SIS Act and the *Superannuation Industry (Supervision) Regulations 1994* (SIS Regulations). The trustee's responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, and making accounting estimates that are reasonable in the circumstances.

#### 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 of Vision Superannuation Fund.

My audit has been conducted in accordance with Australian Auditing Standards. These Auditing 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 (including the Australian Accounting Interpretations), the financial position of Vision Superannuation Fund as at 30 June 2008 and the results of its operations and its cash flows for the year ended 30 June 2008.

## **(B) Compliance**

### **Trustee's Responsibility for Compliance**

The superannuation entity's trustee is responsible for complying with the requirements of the SIS Act, SIS Regulations, the Reporting Standards made under s. 13 of the *Financial Sector (Collection of Data) Act 2001* (FSCODA Reporting Standards), the *Corporations Act 2001* (Corporations Act) and *Corporation Regulations 2001* (Corporation Regulations).

### **Auditor's Responsibility**

My responsibility is to express an opinion on the trustee's compliance with the requirements of the SIS Act, SIS Regulations, FSCODA Reporting Standards, Corporations Act and Corporation Regulations based on the audit. My audit has been conducted in accordance with applicable Standards on Assurance Engagements. These Standards require that I comply with fundamental ethical requirements and plan and perform the audit to obtain reasonable assurance whether the trustee of the Vision Superannuation Fund has in all material respects:

- (a) complied with the relevant requirements of the following provisions (to the extent applicable) of the SIS Act and SIS Regulations:

sections 19(2), 19(3), 36, 65, 66, 67, 69-85, 86-93A, 95, 97, 98, 101, 103, 104, 105, 106, 107, 109, 35A, 35C, 117, 118, 121, 122, 124, 125, 152, 154;

regulations, 2.33(2), 3.10, 4.08(3), 5.08, 6.17, 7.04, 7.05, 9.09, 9.14, 9.29, 9.30, 13.14, 13.17, 13.17A; and

- (b) complied with the FSCODA Reporting Standards that are subject to audit (to the extent applicable); and

- (c) complied with the relevant requirements of the following provisions of the Corporations Act and Corporation Regulations:

sections 1012B, 1012F, 1012H(2), 1012I, 1013B, 1013D, 1013K(1), 1013K(2), 1016A(2), 1016A(3), 1017B(1), 1017B(5), 1017C(2), 1017C(3), 1017C(5), 1017C(8), 1017D(1), 1017D(3), 1017D(3A), 1017DA(3), 1017E(2), 1017E(3), 1017E(4), 1020E(8) and 1020E(9); and

regulation 7.9.32(3); and

- (d) complied with the requirement to prepare the respective forms comprising the APRA Annual Return.

for the year ended 30 June 2008.

My procedures with respect to SIS Regulation 6.17 included testing whether amounts identified by the trustee as preserved and restricted non-preserved have been cashed or transferred only in accordance with the requirements of Part 6 of the SIS Regulations. These procedures did not include testing of the calculation of the preserved and restricted non-preserved amounts beyond a broad assessment of the apparent reasonableness of the calculations.

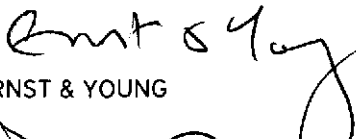
My procedures included examination, on a test basis, of evidence supporting compliance with those requirements of the SIS Act, SIS Regulations, FSCODA Reporting Standards, Corporations Act and Corporations Regulations.

These tests have not been performed continuously throughout the period, were not designed to detect all instances of non-compliance, and have not covered any other provisions of the SIS Act and SIS Regulations, FSCODA Reporting Standards, Corporations Act and Corporations Regulations apart from those specified. The superannuation entity's trustee is responsible for complying with the SIS Act and SIS Regulations, FSCODA Reporting Standards, Corporations Act and Corporations Regulations.

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 trustee of Vision Superannuation Fund has complied, in all material respects, with the requirements of the SIS Act and SIS Regulations, FSCODA Reporting Standards, Corporations Act and Corporations Regulations for the year ended 30 June 2008.

A handwritten signature in black ink, appearing to read 'Ernst & Young', positioned above the printed company name.

ERNST & YOUNG

Denis Thorn  
Partner  
Melbourne

Date: 26 September 2008