

Vision Super Pty Ltd
ACN: 082 924 561
Australian Financial Services Licence: 225054

Financial Report

30 June 2012

**Financial report for
Year ended 30 June 2012**

Contents

	Page
Directors' report	1
Statement of comprehensive income	3
Statement of financial position	4
Statement of changes in equity	5
Statement of cash flows	6
Notes to the financial statements	
1. Corporate Information	7
2. Accounting Policies	7
3. Change in Fair Value of Financial Assets at Fair Value through Profit and Loss	14
4. Lease Commitments	14
5. Auditors Remuneration	15
6. Financial Assets at Fair Value through Profit or Loss	15
7. Trade and Other Receivables	16
8. Property, Plant and Equipment	16
9. Intangible Assets	17
10. Trade and Other Payables	17
11. Provisions	17
12. Income Tax	18
13. Retained Earnings	19
14. Operational Risk and Expense Reserve	19
15. Cash Flows Statement Reconciliation	20
16. Employee Benefits	21
17. Financial Risk Management	22
18. Related Parties	23
19. Subsequent Events after Balance Date	26
Directors' declaration	27
Auditor's report	

Vision Super Pty Ltd

Directors' Report For the year ended 30 June 2012

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:

Brian Parkinson
Wendy Phillips
Tony Tuohey
Russell Atwood

Alternates:

Lisa Darmanin is the Alternate Director for all member Directors.

Employer Directors:

Michael Tilley
Angela Emslie
Geoff Lake
Rob Spence

Alternates

Steve Bird
Leigh Harder
Alison Lyon
Alison Lyon

Director Michael Tilley retired as Director on 30 June 2012 and Peter Wilson was appointed as his replacement from 1 July 2012. Director Angela Emslie resigned on 14 September 2012.

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 loss is \$5,000 (2011: \$3,516,000 in profit).

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 2012 the Reserve was \$11,677,000 (2011: \$15,271,000).

4. Significant changes

In April 2010 Vision Super announced that it intended to merge with Equisuper Superannuation Fund by 1 July 2013. The decision to merge was taken on the basis that Directors were satisfied that the merger was in the best interests of members and employers. A memorandum and understanding was agreed and a new Shareholders' Deed was executed on 24 June 2011.

On 25 May 2012, the Board of the Equisuper Super Fund did not agree that the merger was in the best interests of members and the merger will not proceed.

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 2012 (continued)

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 2012 the Company has paid total insurance premiums of \$152,959 (2011: \$213,603) 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.

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 2012.

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.



R Spence
Director

Dated at Melbourne this 10th day of October 2012

Vision Super Pty Ltd

Statement of Comprehensive Income for the year ended 30 June 2012

	Note	2012 \$000	2011 \$000
Revenues			
Trustee services revenue		24,488	26,021
Interest revenue		138	179
Distribution revenue		709	782
Change in fair value of financial assets at fair value through profit or loss	3	(589)	123
Other revenue		45	173
Total revenues		24,791	27,278
Expenses			
Employee expenses		13,090	12,280
Computing expenses		2,436	2,403
Professional fees		2,719	1,949
Member and employer services		864	697
Depreciation/amortisation expenses		2,300	2,299
Premise expenses	4	869	875
Other administration expenses		2,352	1,693
Total expenses		24,630	22,196
Profit before income tax expense and transfer to Operational Risk and Expense Reserve		161	5,082
Income tax expense	12	166	1,566
Transfer to Operational Risk and Expense Reserve		-	2,738
Net Profit after income tax expense and transfer to Operational Risk and Expense Reserve		(5)	778

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 2012

	Note	2012 \$000	2011 \$000
Assets			
Cash and cash equivalents		3,058	2,235
Financial assets at fair value through profit or loss	6	9,716	12,097
Trade and other receivables	7	1,582	4,060
Refund from ATO/(Income tax payable)		408	(355)
Prepayments		134	6
Total current assets		14,898	18,043
Property, plant and equipment	8	2,179	2,407
Intangible assets	9	5,133	3,489
Investments		100	99
Deferred tax assets	12	2,088	1,220
Total non-current assets		9,500	7,215
Total assets		24,398	25,258
Liabilities			
Trade and other payables	10	1,376	2,741
Provisions	11	2,738	2,485
Amounts held in trust		147	6
Total current liabilities		4,261	5,232
Provisions	11	362	245
Deferred tax liabilities	12	-	-
Total non-current liabilities		362	245
Total liabilities		4,623	5,477
Net assets		19,775	19,781
Equity			
Contributed equity		-	-
Retained earnings	13	8,098	4,510
Operational risk and expense reserve	14	11,677	15,271
Total Equity		19,775	19,781

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 2012

	Share capital	Operational risk and expense reserve	Retained earnings	Total
	\$	\$	\$	\$
As at 1 July 2011	8	15,271,064	4,509,552	19,780,624
Profit for the year	-	-	(5,086)	(5,086)
Transfer	-	(3,593,613)	3,593,613	-
As at 30 June 2012	8	11,677,451	8,098,079	19,775,538

	Share capital	Operational risk and expense reserve	Retained earnings	Total
	\$	\$	\$	\$
As at 1 July 2010	8	12,532,674	3,732,096	16,264,778
Profit for the year	-	-	3,515,846	3,515,846
Transfer	-	2,738,390	(2,738,390)	-
As at 30 June 2011	8	15,271,064	4,509,552	19,780,624

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 2012

	Note	2012 \$000	2011 \$000
Cash flows from operating activities:			
Cash receipts from customers		27,826	26,231
Cash paid to suppliers and employees		(23,276)	(17,816)
Income tax paid		(1,797)	(2,358)
Net cash flows from operating activities	15	2,753	6,057
Cash flows from investing activities:			
Proceeds from sale of property, plant and equipment		32	67
Purchase of property, plant and equipment		(521)	(1,129)
Purchase of intangible assets		(3,232)	(2,519)
Proceeds from/(Purchase of) financial assets at fair value through profit or loss		1,791	(3,347)
Purchase of investment in VHC		-	(100)
Net cash flows from investing activities		(1,930)	(7,028)
Cash flows from financing activities:			
Cash flows from financing activities		-	-
Net cash flows from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		823	(971)
Cash and Cash Equivalents at beginning of period		2,235	3,206
Cash and Cash Equivalents at end of period	15	3,058	2,235

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 South Australia & Northern Territory Local Government.

The financial statements were approved by the Board of Directors on 28 September 2012.

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.

Vision Super Pty Ltd

Notes to the Financial Statements

NOTE 2: ACCOUNTING POLICIES

2.1 Basis of preparation (cont)

New accounting standards and interpretations

Accounting Standard	Nature	Application Date of Standard	Application Date for Entity
<i>AASB 1053 – Application of Tiers of Australian Accounting Standards</i>	Differential reporting framework established allowing the availability of reduce disclosures to entities which do not have public accountability.	1 July 2013	1 July 2013
<i>AASB 9 – Financial Instruments</i>	Changes to the classification and measurement of financial assets.	1 January 2013	1 July 2013
<i>AASB 13 – Fair Value Measurement</i>	Additional disclosures for assets and liabilities carried at fair value.	1 January 2013	1 July 2013
<i>AASB2011-4 Related Party</i>	This Amendment deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies.	1 July 2013	1 July 2013

The full extent of the impact of the changes listed above is currently still being assessed, however at this time no material change in the financial statements is expected.

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 2.3 (H) 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".

Vision Super Pty Ltd

Notes to the Financial Statements

NOTE 2: ACCOUNTING POLICIES (cont)

2.3 Summary of significant accounting policies (cont)

(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.

(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.

Vision Super Pty Ltd

Notes to the Financial Statements

NOTE 2: ACCOUNTING POLICIES (cont)

2.3 Summary of significant accounting policies (cont)

(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.

(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.

Vision Super Pty Ltd

Notes to the Financial Statements

NOTE 2: ACCOUNTING POLICIES (cont)

2.3 Summary of significant accounting policies (cont)

(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:

	2012	2011
• Fixtures and fittings	10 years	10 years
• Computer hardware	4 years	4 years
• IT communications & cabling	4 years	4 years
• Computer software	4 years	4 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: ACCOUNTING POLICIES (cont)

2.3 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:

	2012	2011
• System development costs	4 years	4 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: ACCOUNTING POLICIES (cont)

2.3 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

	2012 \$000	2011 \$000
Net changes in fair value of financial assets at fair value through profit and loss:		
Designated at fair value through profit and loss	(589)	123
Total gains/(losses)	(589)	123

NOTE 4: LEASE COMMITMENTS

Non-cancellable operating lease rentals are payable as follows:

	2012 \$000	2011 \$000
Less than one year	583	564
Between one and five years	603	2,458
More than five years	0	1,838
	1,186	4,860

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 4 years.

Due to business expansion, the Company's Management realised that the Company is not likely to exercise the lease option when the current lease expires on 30 June 2014.

During the year ended 30 June 2012 \$869,000 (2011: \$875,000) was recognised as premise expenses 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.

	2012 \$000	2011 \$000
Amounts received or due and receivable by Ernst & Young for:		
-an audit of the financial statements of the Company	25	21
-other services in relation to the Company	-	-
	25	21

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

	2012 \$000	2011 \$000
Financial assets designated as at fair value through profit or loss		
Unlisted managed investment scheme	9,716	12,097
Financial assets at fair value through profit or loss	9,716	12,097

(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.

	Valued at quoted market price (Level 1)	2012 Valuation technique – market observable inputs (Level 2)	Valuation technique – non-market observable inputs (Level 3)	Total	2011 Total
	\$000	\$000	\$000	\$000	\$000
Unlisted managed investment scheme	-	9,716	-	9,716	12,097
Total	-	9,716	-	9,716	12,097

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.

Vision Super Pty Ltd

Notes to the Financial Statements

NOTE 7: TRADE AND OTHER RECEIVABLES

	2012 \$000	2011 \$000
Other receivables	415	306
Administration fees receivable	1,167	3,754
Total:	<u>1,582</u>	<u>4,060</u>

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 2010	2,540	993
Additions	1,109	3
Disposals	(188)	-
Balance as at 30 June 2011	<u>3,461</u>	<u>996</u>
Balance as at 1 July 2011	3,461	996
Additions	508	9
Disposals	(81)	-
Balance as at 30 June 2012	<u>3,888</u>	<u>1,005</u>
	Plant and Equipment \$000	Fixtures and Fittings \$000
<i>Depreciation and Impairment Losses</i>		
Balance as at 1 July 2010	1,143	314
Depreciation for the period	591	105
Disposals	(103)	-
Balance as at 30 June 2011	<u>1,631</u>	<u>419</u>
Balance as at 1 July 2011	1,631	419
Depreciation for the period	604	104
Disposals	(44)	-
Balance as at 30 June 2012	<u>2,191</u>	<u>523</u>
<i>Carrying amount</i>		
At 1 July 2010	1,397	679
At 30 June 2011	1,830	577
At 1 July 2011	1,830	577
At 30 June 2012	<u>1,697</u>	<u>482</u>

Vision Super Pty Ltd

Notes to the Financial Statements

NOTE 9: INTANGIBLE ASSETS

	System Development \$000	
<i>Costs</i>		
Balance as at 1 July 2010	6,291	
Acquisition – internally developed	2,519	
Balance as at 30 June 2011	8,810	
Balance as at 1 July 2011	8,810	
Acquisition – internally developed	3,232	
Balance as at 30 June 2012	12,042	
	System Development \$000	
<i>Amortisation and Impairment Losses</i>		
Balance as at 1 July 2010	3,735	
Amortisation for the year	1,586	
Impairment loss	-	
Balance as at 30 June 2011	5,321	
Balance as at 1 July 2011	5,321	
Amortisation for the year	1,588	
Impairment loss	-	
Balance as at 30 June 2012	6,909	
<i>Carrying amounts</i>		
At 1 July 2010	2,556	
At 30 June 2011	3,489	
At 1 July 2011	3,489	
At 30 June 2012	5,133	

NOTE 10: TRADE AND OTHER PAYABLES

	2012 \$000	2011 \$000
Related party payables	-	-
Other payables	1,376	2,741
Total:	1,376	2,741

NOTE 11: PROVISIONS

	2012 \$000	2011 \$000
<i>Current</i>		
Liability for annual leave	828	744
Liability for long service leave	1,910	1,741
Total employee benefits - current	2,738	2,495
<i>Non-Current</i>		
Liability for long service leave	362	245
Total employee benefits – non-current	362	245

Vision Super Pty Ltd

Notes to the Financial Statements

NOTE 12: INCOME TAX

	2012	2011
	\$000	\$000
Current tax expense		
Current year	992	1,984
Adjustment for the prior years	42	107
	1,034	2,091
Deferred tax expense		
Origination and reversal of temporary differences	(868)	(519)
Adjustment for prior years	-	(6)
Utilisation of previously unrecognised tax losses	-	-
	(868)	(525)
Income tax expense	166	1,566

	2012	2011
	\$000	\$000
Income tax expense numerical reconciliation between tax expense and pre-tax profit		
Net profit for the year	36	3,616
Income tax expense	125	1,466
Profit/(loss) before income tax	161	5,082
Income tax using the Company's tax rate of 30% (2011: 30%)	48	1,524
Non deductible loss/(Non taxable income)	177	(37)
Disallowable expenses	47	8
Under provision in prior year	41	100
Other	(147)	(30)
	166	1,565

Deferred tax

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2012	2011	2012	2011	2012	2011
	\$000	\$000	\$000	\$000	\$000	\$000
Employee provisions	930	819	-	-	930	819
Accrual expenses	99	205	-	-	99	205
Other	1,059	196	-	-	1,059	196
	2,088	1,220	-	-	2,088	1,220

Movement in temporary differences during the year

	Balance 1 July 2011 \$000	Recognised in profit/loss \$000	Transfers in/(out) \$000	Balance 30 June 2012 \$000
Employee provisions	819	111	-	930
Accrual expenses	205	(106)	-	99
Other	196	863	-	1,059
	1,220	868	-	2,088

Vision Super Pty Ltd

Notes to the Financial Statements

NOTE 13: RETAINED EARNINGS

	2012	2011
	\$000	\$000
Balance as at 1 July	4,510	3,732
Increase for the year	3,588	778
Balance as at 30 June	8,098	4,510

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.

	2012	2011
	\$000	\$000
Balance as at 1 July	15,271	12,533
Increase/(Decrease) for the year	(3,594)	2,738
Balance as at 30 June	11,677	15,271

Vision Super Pty Ltd

Notes to the Financial Statements

NOTE 15: CASH FLOWS STATEMENT RECONCILIATION

(a) Cash and cash equivalents

	2012	2011
	\$000	\$000
Cash at bank	1,002	291
Term deposit	2,056	1,944
Cash and cash equivalents	3,058	2,235

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

	2012	2011
	\$000	\$000
Cash flows from operating activities		
Profit/(loss) for the year	(5)	3,516
Adjustments for:		
Depreciation	712	713
Amortisation	1,588	1,586
Gain on sale of property, plant and equipment	4	19
Change in fair value in financial assets at fair value through profit or loss	589	(123)
Operating profit before changes in working capital and provisions	2,888	5,711
(Increase)/decrease in prepayment	(127)	142
(Increase)/decrease in accounts receivables	2,478	(857)
(Increase)/decrease in deferred tax assets	(868)	(518)
Increase/(decrease) in accounts payables	(1,365)	1,462
Increase/(decrease) in employee entitlements	370	388
Increase/(decrease) in amounts held in trust	141	4
Increase/(decrease) in current tax liabilities	(763)	(267)
Increase/(decrease) in deferred tax liabilities	(1)	(8)
Net cash from operating activities	2,753	6,057

Vision Super Pty Ltd

Notes to the Financial Statements

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 2011, 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).

LASF's liability for accrued benefits was determined at 31 December 2011 pursuant to the requirements of Australian Accounting Standard AAS25 as follows:

	31 Dec 2011 \$000
Net Market Value of Assets	4,315,324
Accrued Benefits (per accounting standards)	4,642,133
Difference between Assets and Accrued Benefits	(326,809)
Vested Benefits	4,838,503

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

- Net Investment Return 7.50% p.a.
- Salary Inflation 4.25% p.a.
- Price Inflation 2.75% p.a.

	2012 \$000	2011 \$000
Employer contribution paid to Local Authorities Superannuation Fund	1,380	1,631
Employer contribution payable to Local Authorities Superannuation Fund	-	-
Total contribution to Local Authorities Superannuation Fund	1,380	1,631

Vision Super Pty Ltd

Notes to the Financial Statements

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 \$11.6 million (2011: \$15.3 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.

(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 2012: \$138,000 (2011: \$179,000) 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.

Index/Benchmark	2012		2011	
	Change in investment price %	Effect on net assets / investment returns \$000	Change in investment price %	Effect on net assets / investment returns \$000
Unlisted investments				
CPI + 6%	7.2/(7.2)	700/(700)	10/(10)	1,210/(1,210)

Vision Super Pty Ltd

Notes to the Financial Statements

NOTE 18: RELATED PARTIES

(a) Key Management Personnel

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

Member Directors:

Brian Parkinson
 Wendy Phillips
 Tony Tuohey
 Russell Atwood

Alternates:

Lisa Darmanin is the Alternate Director for all member Directors.

Employer Directors:

Michael Tilley
 Angela Emslie
 Geoff Lake
 Rob Spence

Alternates

Steve Bird
 Leigh Harder
 Alison Lyon
 Alison Lyon

Director Michael Tilley retired as Director on 30 June 2012 and Peter Wilson was appointed as his replacement from 1 July 2012.

Each Director attended the following meetings and Board Committees during the year as a member of the Board or relevant Committee.

Name	Board Meetings	
	Held	Attended
Rob Spence	14	14
Brian Parkinson	14	13
Wendy Phillips	14	13
Tony Tuohey	14	13
Russell Atwood	14	12
Michael Tilley	14	11
Angela Emslie	14	11
Geoff Lake	14	14

Board Committees are open to all Directors and were attended by a quorum of Directors on all occasions. Apart from Directors of the Trustee Company, the Chief Executive Officer, General Manager Finance and Compliance, Chief Operating Officer, Manager Investments and General Manager Fund Development are considered to be Key Management Personnel (KMP) for the purpose of these financial statements.

Vision Super Pty Ltd

Notes to the Financial Statements

NOTE 18: RELATED PARTIES (cont)

(b) Key management personnel and executives compensation

The KMP's compensation is presented in the table below for year 2012. Total compensation received, or due and receivable, by key management personnel amounted to \$1,833,000 (2011: \$1,766,000).

The detail is as follows:

	2012 \$000	2011 \$000
Short-term employee benefits	1,663	1,618
Other long-term benefits	-	-
Post employment benefits	170	148
	1,833	1,766

The table below lists the number of Key Management Personnel and executive positions named above whose income falls within the following bands for the financial year ending 30 June:

Amounts falling between...	2012	2011
Upto \$39,999	3	3
\$40,000 - \$49,999	7	7
\$70,000 - \$79,999	1	1
\$210,000 - \$229,999	1	1
\$230,000 - \$249,999		1
\$250,000 - \$259,999	1	
\$260,000 - \$269,999		2
\$270,000 - \$279,999	2	
\$400,000 - \$419,000	1	1

The remuneration paid to Chairman is \$79,668, Directors \$43,229 and \$1,090 for Alternate Directors. There is no additional remuneration for Directors' attendance at Committee meetings.

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.

	2012 \$000	2011 \$000
Rollins from KMP to LASF/VSF	-	-
Benefits paid to KMP from LASF/VSF	60	230
Vested Benefits of KMP	8,186	8,158

Vision Super Pty Ltd

Notes to the Financial Statements

NOTE 18: RELATED PARTIES (cont)

(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 2012 is \$17,357,000 (2011: \$16,959,000).

(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 2012 is \$1,273,000 (2011: \$896,000).

(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 2012 is \$5,536,000 (2011: \$7,567,000).

(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.

(viii) Directors

Ms Emslie's partner, Garry Weaven, is Executive 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

Notes to the Financial Statements

NOTE 19: SUBSEQUENT EVENTS AFTER BALANCE DATE

Since 30 June 2012, there has not been any other matter or circumstance not otherwise dealt with in the financial statements that has significantly affected or may significantly affect the Company.

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 2012 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 this10th..... day of October..... 2012

Signed in accordance with a resolution of the Directors:



Rob Spence
Director



Brian Parkinson
Director

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

We have audited the accompanying financial report, being a special purpose financial report of Vision Super Pty Ltd, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal controls as the directors determine are necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's 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, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

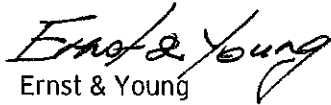
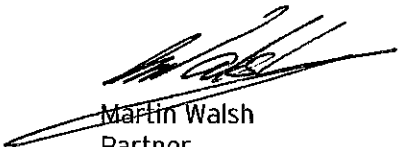
In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration.

Opinion

In our opinion the financial report of Vision Super Pty Ltd is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

- a. complying with Australian Accounting Standards to the extent described in Note 2, and the *Corporations Regulations 2001*.

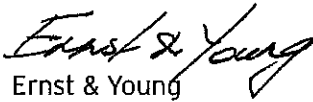
A stylized, handwritten signature of 'Ernst & Young' in a cursive script, with the printed name 'Ernst & Young' underneath it.A handwritten signature of 'Martin Walsh' in a cursive script, with a horizontal line drawn through it.

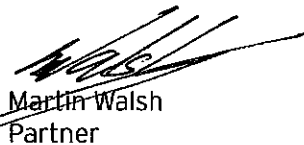
Martin Walsh
Partner
Melbourne

15 October 2012

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 2012, 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.


Ernst & Young


Martin Walsh
Partner
Melbourne

15 October 2012