

# **Vision Super Pty Ltd**

**ACN 082 924 561**

**Australian Financial Services Licence Number 225054**

## **Financial statement for Year ended 30 June 2008**

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## **Income Statement**

For the Year Ended 30 June 2008

	Note	2008 \$000	2007 \$000
<b>Revenues</b>			
Trustee services revenue		20,506	5,520
Other revenue		250	85
Total revenues		<u>20,756</u>	<u>5,605</u>
<b>Expenses</b>			
Employee expenses		8,755	2,856
Computing expenses		1,604	574
Professional fees		364	713
Member and employer services		759	844
Depreciation/amortisation expenses		990	217
Premise expenses	8	772	260
Other administration expenses		1,169	363
Total expenses		<u>14,309</u>	<u>5,467</u>
Profit before income tax expense		<u>6,343</u>	<u>(222)</u>
Income tax expense	7	1,965	(473)
<b>Profit after income tax expense</b>		<u><b>4,378</b></u>	<u><b>251</b></u>

## **Statement of Changes in Equity**

	2008	2007
Issued capital	<u>8</u>	<u>8</u>
As at prior year's balance date	250,704	8
Net profit or loss	<u>4,377,765</u>	<u>250,696</u>
<b>As at balance date</b>	<u><b>4,628,469</b></u>	<u><b>250,704</b></u>

## Balance Sheet

At 30 June 2008

	Note	2008 \$000	2007 \$000
<b>Assets</b>			
Cash and cash equivalent		5,440	(3)
Prepaid expenses		112	44
Accounts receivable		688	1,353
Total current assets		6,240	1,394
Property, plant and equipment	5	2,206	1,605
Intangible assets	6	1,508	877
Investment		-	-
Deferred tax assets	3(g), 7	620	512
Total non-current assets		4,334	2,994
<b>Total assets</b>		10,574	4,388
<b>Liabilities</b>			
Accounts payable		1,929	2,430
Employee entitlements	4	1,751	1,516
Amounts held in trust		61	10
Income tax payable	3(g), 7	2,041	38
Total current liabilities		5,782	3,994
Employee entitlements	4	156	142
Deferred tax liabilities	3(g), 7	8	1
Total non-current liabilities		164	143
<b>Total liabilities</b>		5,946	4,137
<b>Net assets</b>		4,628	251
<b>Equity</b>			
Contributed equity		-	-
Retained earnings		1,355	251
Operational expense/risk reserve	11	3,273	-
<b>Total Equity</b>		4,628	251

## Statement of Cash Flows

For the Year Ended 30 June 2008

	Note	2008 \$000	2007 \$000
<b>Cash flows from operating activities:</b>			
Cash receipts from customers		21,401	4,220
Cash paid to suppliers and employees		(13,660)	(1,507)
Cash provided by operations		7,741	2,713
Income tax paid		(64)	-
Net cash flows from operating activities	10	7,677	2,713
<b>Cash flows from investing activities:</b>			
Proceeds from property, plant & equipment		20	33
Payments for property, plant & equipment		(1,019)	(1,758)
Payments for intangible assets		(1,235)	(991)
Investment in VHC		-	-
Net cash flows from investing activities		(2,234)	(2,716)
<b>Cash flows from financing activities:</b>			
Cash flows from financing activities		-	-
Net cash flows from financing activities		-	-
Net Increase in cash and cash equivalents		5,443	(3)
Cash and Cash Equivalents at beginning of period		(3)	-
<b>Cash and Cash Equivalents at end of period</b>		<b>5,440</b>	<b>(3)</b>



## **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 registered 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).

During the year and with effect from 1 April 2008, the Company entered into a contract with Local Government Superannuation Board to provide accounting and administration services to Local Super, the superannuation fund for employees of SA & NT Local Government.

### **NOTE 2: BASIS OF PREPARATION**

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

This financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporation Act 2001 as required by the Company's APRA RSE Licence conditions.

The financial statements were approved by the Board of Directors on 26 September 2008.

#### **(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis.

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

The financial statements are presented in Australian dollars, which is the Company's functional currency.

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, all financial information presented in Australian dollars has been rounded to the nearest thousand unless other stated.

#### **(d) Use of estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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 following notes:

Note 4 Employee benefits

## **Notes to the Financial Statements**

### **NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)**

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) Financial instruments**

The Company's only financial instruments are accounts receivables and accounts payables.

Accounts receivable largely consist of trustee services fees due and receivable from Vision Superannuation Fund (VSF), Vision Pooled Superannuation Trust (VPST) and Local Super SA/NT (LSS). The majority of monies are receivable from a related party to the Company, consequently the exposure to credit risk in relation to the Company's accounts receivable 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 Balance Sheet.

Accounts payables consist of invoices from various service providers of the Company and from Local Authorities Superannuation Fund (LASF). The invoices from providers are due and payable within 30 to 60 days of reporting date. The Company has sufficient cash on hand to meet these obligations within their contractual maturities.

#### **(b) Revenue recognition**

Revenue from the rendering of administration services is recognised upon issue of invoices.

#### **(c) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet and statement of cash flows comprise of cash at bank.

#### **(d) Contributed equity**

Ordinary shares are classified as equity.

#### **(e) Financial risk management objectives and policies**

The Company has no material financial risk.

#### **(f) 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.



## **Notes to the Financial Statements**

### **NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)**

#### **(f) Trustee Liabilities, Right of Indemnity and Obligations (cont)**

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. The assets of the superannuation funds were sufficient to discharge all of its liabilities at 30 June 2008 and 2007, therefore the Company does not need to recognise any additional liability.

#### **(g) 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 balance sheet 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 difference 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.

#### **(h) 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 balance sheet.

Cash flows are included in the statement of cash flows on a gross basis.

#### **(i) 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.

## **Notes to the Financial Statements**

### **NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)**

#### **(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:

	<b>2008</b>	<b>2007</b>
• Fixtures and fittings	10 years	10 years
• Computer hardware	4 years	4 years
• IT communications & cabling	4 years	4 years
• Computer software	2.5 years	2.5 years
• Motor vehicles	8 years	8 years
• Building allowance	40 years	40 years

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

#### **(j) 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 lives for the current period is as follows:

- |                            |           |
|----------------------------|-----------|
| • System development costs | 2.5 years |
|----------------------------|-----------|



## **Notes to the Financial Statements**

### **NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)**

#### **(k) 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.

#### **(l) Lease Payments**

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

#### **(m) 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 income statement as incurred.

## **Notes to the Financial Statements**

### **NOTE 4: EMPLOYEE BENEFITS**

Current	<b>2008</b>	<b>2007</b>
	<b>\$000</b>	<b>\$000</b>
Salary and wages accrued	-	-
Liability for annual leave	521	355
Liability for long service leave	1,230	1,161
Total employee benefits - current	1,751	1,516
Non-Current	<b>2008</b>	<b>2007</b>
	<b>\$000</b>	<b>\$000</b>
Liability for long service leave	156	142
Total employee benefits – non-current	156	142

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 most recent full actuarial investigation conducted by the LASF's actuary as at 31 December 2005, 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 30 June 2007 pursuant to the requirements of Australian Accounting Standard AAS25 as follows:

	<b>30 June 2007</b>
	<b>\$000</b>
Net Market Value of Assets	4,102,154
Accrued Benefits (per accounting standards)	3,923,436
Difference between Assets and Accrued Benefits	178,718
Vested Benefits	3,572,589

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

- Net Investment Return 8.0% p.a.
- Salary Inflation 5.5% p.a.
- Price Inflation 3.0% p.a.



## Notes to the Financial Statements

### NOTE 4: EMPLOYEE BENEFITS (CONT)

	2008 \$000	2007 \$000
Employer contribution paid to Local Authorities Superannuation Fund	1,009	374
Employer contribution payable to Local Authorities Superannuation Fund	-	-
Superannuation Fund at reporting date	1,009	374

### NOTE 5: PROPERTY, PLANT AND EQUIPMENT

	Note	Plant and Equipment \$000	Fixtures and Fittings \$000
<i>Cost and Deemed Cost</i>			
Balance as at 1 July 2006		-	-
Additions		1,057	680
Disposals		(53)	-
Balance as at 30 June 2007		1,004	680
Balance as at 1 July 2007		1,004	680
Additions		722	284
Disposals		(38)	-
Balance as at 30 June 2008		1,688	964
	Note	Plant and Equipment \$000	Fixtures and Fittings \$000
<i>Depreciation and Impairment Losses</i>			
Balance as at 1 July 2006		-	-
Depreciation for the period		55	26
Reversal of Impairment loss		-	-
Disposals		(2)	-
Balance as at 30 June 2007		53	26
Balance as at 1 July 2007		53	26
Depreciation for the period		286	86
Reversal of Impairment loss		-	-
Disposals		6	-
Balance as at 30 June 2008		333	112
<i>Carrying amount</i>			
At 1 July 2006		-	-
At 30 June 2007		951	654
At 1 July 2007		951	654
At 30 June 2008		1,355	852



## Notes to the Financial Statements

### NOTE 6: INTANGIBLE ASSETS

	Note	System Development \$000
<i>Costs</i>		
Balance as at 1 July 2006		-
Acquisition – internally developed		991
Balance as at 30 June 2007		991
Balance as at 1 July 2007		991
Acquisition – internally developed		1,236
Balance as at 30 June 2008		2,227
	Note	System Development \$000
<i>Amortisation and Impairment Losses</i>		
Balance as at 1 July 2006		-
Amortisation for the year		114
Impairment loss		-
Balance as at 30 June 2007		114
Balance as at 1 July 2007		114
Amortisation for the year		604
Impairment loss		-
Balance as at 30 June 2008		718
<i>Carrying amounts</i>		
At 1 July 2006		-
At 30 June 2007		877
At 1 July 2007		877
At 30 June 2008		1508

### NOTE 7: INCOME TAX

	2008 \$000	2007 \$000
<b>Current tax expense</b>		
Current period	2,040	38
Adjustment for the prior periods	26	-
	2,066	38
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(108)	(105)
Transfers	-	(406)
Adjustment for prior periods	7	-
Utilisation of previously unrecognised tax losses	-	-
	(101)	(511)
Income tax expense excluding tax on sale of discontinued operation and share of income tax of equity accounted investees	1,965	(473)
Income tax expense from continuing operations	1,965	(473)
Income tax expense from discontinued operation (excluding gain on sale)	-	-
	1,965	(473)
Income tax on gain on sale of discontinued operation	-	-
Share of income tax of equity accounted investees	-	-
<b>Total income tax expense</b>	1,965	(473)

## Notes to the Financial Statements

### NOTE 7: INCOME TAX

	2008 \$000	2007 \$000
<b>Income tax expense numerical reconciliation between tax expense and pre-tax profit</b>		
Profit for the period	4,410	251
Income tax expense	1,933	(473)
Profit/(loss) excluding income tax	6,343	(222)
Income tax using the Company's tax rate of 30% (2007: 30%)	1,902	(67)
Transfers	-	(406)
Disallowable expenses	30	-
Under provision in prior year	33	-
	1,965	(473)

#### Deferred tax

##### Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Employee provisions	572	498	-	-	572	498
Accrual expenses	46	14	-	-	46	14
Other	1	-	(8)	(1)	(7)	(1)
	619	512	(8)	(1)	611	511

#### Movement in temporary differences during the year

	Balance 1 July 2007 \$000	Recognised in profit/loss \$000	Transfers in/(out) \$000	Balance 30 June 2008 \$000
Employee provisions	498	74	-	572
Accrual expenses	14	32	-	46
Other	(1)	(6)	-	(7)
	511	100	-	611

### NOTE 8: LEASE PAYMENT

Non-cancellable operating lease rentals are payable as follows:

	2008 \$000	2007 \$000
Less than one year	386	425
Between one and five years	2,154	2,201
More than five years	3,069	4,192
	5,609	6,782

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 and 8 months.

During the year ended 30 June 2008 \$499,764 (2007: \$167,659) was recognised as an expense in the income statement in respect of operating leases.

## Notes to the Financial Statements

### NOTE 9: AUDITORS REMUNERATION

The Company also pays the audit fees of VSF.

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

2008 \$000	2007 \$000
27	24
-	-
27	24

### NOTE 10: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2008 \$000	2007 \$000
Cash flows from operating activities		
Profit for the period	4,378	251
Adjustments for:		
Depreciation	385	103
Amortisation	604	114
Gain on sale of property, plant and equipment	12	18
<b>Operating profit before changes in working capital and provisions</b>	<b>5,379</b>	<b>485</b>
Increase in trade and other receivables	(69)	(44)
Increase in deferred tax assets	665	(1,353)
Increase in prepayment	(108)	(512)
Increase in trade and other payable	(500)	2,430
Increase in provisions and employee benefits	249	1,658
Increase in deferred tax liabilities	52	10
Increase in income tax payable	2,002	38
Income taxes paid	7	1
<b>Net cash from operating activities</b>	<b>7,677</b>	<b>2,713</b>

### NOTE 11 OPERATIONAL EXPENSE/RISK 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.

	\$000
Operational Expense/Risk Reserve	
Balance as at 1 July 2007	-
Increase for the year	3,273
Balance as at 30 June 2008	3,273



## Notes to the Financial Statements

### NOTE 12: RELATED PARTIES

#### (a) Key Management Personnel

The Company has 8 Directors and 8 Alternates. The names of persons who were Directors and Alternates of the Company during the financial year are:

**Member Directors:**

Darrell Cochrane (appointed Chair 01/07/08)

Wendy Phillips

Anthony Tuohey

William Watton

**Employer Directors:**

Michael Tilley

Angela Emslie

Dick Gross

Rob Spence

**Alternates:**

Brian Parkinson

Dean Barnett

Robyn Glascott

Russell Atwood

**Alternates**

Steve Bird

Leigh Harder

Alison Lyon (appointed 1/07/07)

Alison Lyon (appointed 1/07/07)

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 at 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 (KMP) for the purpose of these financial statements.

#### (b) Key management personnel compensation

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

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

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.

	2008	2007
	\$000	\$000
Rollins from KMP to LASF/VSF	381	5
Benefits paid to KMP from LASF/VSF	1,502	224
Vested Benefits of KMP	4,055	5,560

## **Notes to the Financial Statements**

### **NOTE 12: 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 Super 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 2008 is \$ 15.5 million (2007: \$5.3 million).

##### **(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 2008 is \$ 268,000(2007: \$6,275).

##### **(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 2008 is \$ 7,056,000 (2007: \$732,000).

##### **(vii) 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.

##### **(viii) Directors**

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

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

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

## **Director's Declaration**

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

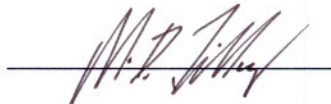
- (a) the financial statements and notes, set out on pages 1 to 16, are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2008 and of its performance, for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as described in Note 2(a)
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Signed in accordance with a resolution of the Directors:



Darrell Cochrane  
Director



Michael D Tilley  
Director



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

### Report on the Financial Report

We have audited the accompanying financial report of Vision Super Pty Ltd, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

### *Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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 met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. The Auditor's Independence Declaration would have been expressed in the same terms if it had been given to the directors at the date this auditor's report was signed.

### *Auditor's Opinion*

In our opinion:

1. the financial report of Vision Super Pty Ltd is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the financial position of Vision Super Pty Ltd at 30 June 2008 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

A handwritten signature in blue ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in blue ink, appearing to be 'D Thorn' in a cursive style.

Denis Thorn  
Partner  
Melbourne  
Date: 26 September 2008