Vision Super Pty Ltd

ACN: 082 924 561
Australian Financial Services Licence: 225054

Annual Financial Report

30 June 2009

Financial report for Year ended 30 June 2009

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Financial report for
Year ended 30 June 2009

The Directors present their report together with the financial report of Vision Super Pty Ltd ("the Company") for the year ended 30 June 2009 and the auditor's report thereon.

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Vision Super Pty Ltd

Directors' Report

For the year ended 30 June 2009

1. Directors

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

Member Directors:	***Alternates:***
Darrell Cochrane (appointed Chair 01/07/08)	Brian Parkinson
Wendy Phillips	Dean Barnett
Anthony Tuohey	Robyn Glascott
William Watton	Russell Atwood
Employer Directors:	***Alternates***
Michael Tilley	Steve Bird
Angela Emslie	Leigh Harder
Dick Gross	Alison Lyon
Rob Spence	Alison Lyon

Both William Watton and Dick Gross retired as Directors at 30 June 2009 and Russell Atwood and Geoff Lake respectively were appointed as their replacements from 1 July 2009.

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 increased revenue in line with the increased services and costs associated with the operation of the superannuation entities. It was also the first full year of operation as the administrator for the Local Super Scheme SA which resulted in an increase in revenues and the associated costs. The Company's net profit is $5,706,000 (2008: $4,378,000).

In general terms the Company does not aim to make any profit on operations however it does maintain an Operational Risk and Expense Reserve. This Reserve is to provide the Trustee with access to funds to protect members' interests and mitigate the impact of an adverse event. It is funded through the difference in the investment fees charged in the VPST and the actual costs incurred by the VPST. As at 30 June 2009 the Reserve is $8,229,000 (2008: $3,273,000).

4. Significant changes

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

5. Dividend

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

Vision Super Pty Ltd

Directors' Report

For the year ended 30 June 2009

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 senor 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.

Since the end of the previous financial year the Company has paid total insurance premiums of $153,817 which includes cover for directors' and officers' liability.

7. Likely developments

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

8. Auditor's independence declaration

The auditor's independence declaration is set out on page <> and forms part of the Directors' report for the financial year ended 30 June 2009.

9. Rounding off

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

This report is made with a resolution of the Directors.

D Cochrane
Director

Dated at Melbourne this 8th day of October 2009

Vision Super Pty Ltd

Income Statement

For the year ended 30 June 2009

	Note	2009 $000	2008 $000
Revenues			
Trustee services revenue		25,799	20,506
Other revenue		488	250
Total revenues		26,287	20,756
Expenses			
Employee expenses		10,064	8,755
Computing expenses		2,128	1,604
Professional fees		928	364
Member and employer services		865	759
Depreciation/amortisation expenses		1,784	990
Premise expenses	9	796	772
Other administration expenses		1,501	1,169
Total expenses		18,066	14,413
Profit before income tax expense and transfer to Operational Risk and Expense Reserve		8,221	6,343
Income tax expense	8	2,514	1,965
Transfer to Operational Risk and Expense Reserve		4,956	3,273
Net Profit after income tax expense and transfer to Operational Risk and Expense Reserve		751	1,105

Vision Super Pty Ltd

Balance Sheet

As At 30 June 2009

	Note	2009 $000	2008 $000
Assets			
Cash and cash equivalents		7,669	5,440
Prepayments		42	112
Trade and other receivables	14	4,501	688
Total current assets		12,212	6,240
Property, plant and equipment	6	2,016	2,206
Intangible assets	7	2,291	1,508
Investment		-	-
Deferred tax assets	2(j), 8	738	620
Total non-current assets		5,045	4,334
Total assets		17,257	10,574
Liabilities			
Trade and other payables	15	2,072	1,929
Provisions	4	2,202	1,751
Amounts held in trust		59	61
Income tax payable	2(j), 8	2,436	2,041
Total current liabilities		6,769	5,782
Provisions	4	145	156
Deferred tax liabilities	2(j), 8	8	8
Total non-current liabilities		153	164
Total liabilities		6,922	5,946
Net assets		10,335	4,628
Equity			
Contributed equity		-	-
Retained earnings	12	2,106	1,355
Operational Risk and Expense Reserve	13	8,229	3,273
Total Equity		10,335	4,628

Vision Super Pty Ltd

Statement of Changes in Equity

For the Year Ended 30 June 2009

	2009	2008
Issued capital	8	8
As at prior year's balance date	4,628,469	250,704
Net profit	750,347	1,104,873
Increase in Operational Risk and Expense Reserve	4,955,828	3,272,884
As at balance date	10,334,644	4,628,469

Vision Super Pty Ltd

Statement of Cash Flows

For the Year Ended 30 June 2009

	Note	2009 $000	2008 $000
Cash flows from operating activities:			
Cash receipts from customers		22,143	21,302
Interest received		331	99
Cash paid to suppliers and employees		(15,629)	(13,660)
Income tax paid		(2,237)	(64)
Net cash flows from operating activities	11	4,608	7,677
Cash flows from investing activities:			
Proceeds from property, plant & equipment		1	20
Payments for property, plant & equipment		(470)	(1,019)
Payments for intangible assets		(1,910)	(1,235)
Investment in VHC		-	-
Net cash flows from investing activities		(2,379)	(2,234)
Cash flows from financing activities:			
Cash flows from financing activities		-	-
Net cash flows from financing activities		-	-
Net Increase in cash and cash equivalents		2,229	5,443
Cash and Cash Equivalents at beginning of period		5,440	(3)
Cash and Cash Equivalents at end of period		7,669	5,440

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 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).

On 1 April 2008, the Company entered into a contract with Local Government Superannuation Board to provide accounting and administration services to Local Superannuation Scheme (LSS), the superannuation fund for employees of SA & NT Local Government.

The financial statements were approved by the Board of Directors on 25 September 2009.

NOTE 2: SUMMARY OF 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) Basis of preparation

The financial report is 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 report has also been prepared on a historical cost basis.

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

(b) 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.

(c) New accounting standards and interpretations

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2009, but have not been applied in preparing this financial report:

- Revised AASB 101 Presentation of Financial Statements (2007) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement) or, in an income statement and a separate statement of comprehensive income. Revised AASB 101, which becomes mandatory for the Company's 30 June 2010 financial statements, is expected to have a significant impact on the presentation of the financial statements. The Company plans to provide total comprehensive income for its 2010 financial statements.

- AASB 2009-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Process affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Company's 30 June 2010 financial statements, are not expected to have any impact on the financial statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(d) Trade and other receivables

Trade and other receivables largely consist of trustee services fees due and receivable from LASF, VSF, VPST and LSS.

(e) Trade and other payables

Trade and other payables consist of invoices from various service providers of the Company and from 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.

(f) 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.

(g) Cash and cash equivalents

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

(h) Contributed equity

Ordinary shares are classified as equity.

(i) 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. The assets of the superannuation funds were sufficient to discharge all of its liabilities at 30 June 2009 and 2008, therefore the Company does not need to recognise any additional liability.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(j) 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.

(k) 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.

(l) 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:

	2009	**2008**
• 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(m) 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

(n) 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.

(o) Lease Payments

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(p) 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.

NOTE 3: USE OF ESTIMATES AND JUDGEMENT

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 Note 4 Employee benefits and Recovery of Deferred Tax Assets:

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

NOTE 4: PROVISIONS

Current	2009 $000	2008 $000
Liability for annual leave	654	521
Liability for long service leave	1,548	1,230
Total employee benefits - current	2,202	1,751

Non-Current	2009 $000	2008 $000
Liability for long service leave	145	156
Total employee benefits – non-current	145	156

NOTE 5: 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 most recent full actuarial investigation conducted by the LASF's actuary as at 31 December 2008, the Trustee has determined that the current funding arrangements are adequate for the expected Defined Benefit Plan liabilities. The Company makes the following contributions:

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

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

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

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

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

NOTE 5: EMPLOYEE BENEFITS (CONT)

	2009 $000	2008 $000
Employer contribution paid to Local Authorities Superannuation Fund	1,204	1,009
Employer contribution payable to Local Authorities Superannuation Fund	-	-
Superannuation Fund at reporting date	1,204	1,009

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

	Plant and Equipment $000	Fixtures and Fittings $000
Cost and Deemed Cost		
Balance as at 1 July 2007	721	680
Additions	722	284
Disposals	(38)	-
Balance as at 30 June 2008	1,405	964
Balance as at 1 July 2008	1,405	964
Additions	518	24
Disposals	(4)	-
Balance as at 30 June 2009	1,919	988

	Plant and Equipment $000	Fixtures and Fittings $000
Depreciation and Impairment Losses		
Balance as at 1 July 2007	26	26
Depreciation for the period	286	86
Disposals	(5)	-
Balance as at 30 June 2008	305	112
Balance as at 1 July 2008	305	112
Depreciation for the period	375	101
Disposals	(2)	-
Balance as at 30 June 2009	678	213
Carrying amount		
At 1 July 2007	695	654
At 30 June 2008	1,355	852
At 1 July 2008	1,355	852
At 30 June 2009	1,241	775

NOTE 7: INTANGIBLE ASSETS

	System Development $000
Costs	
Balance as at 1 July 2007	1,274
Acquisition – internally developed	1,236
Balance as at 30 June 2008	2,510
Balance as at 1 July 2008	2,510
Acquisition – internally developed	1,834
Balance as at 30 June 2009	4,344

	System Development $000
Amortisation and Impairment Losses	
Balance as at 1 July 2007	141
Amortisation for the year	604
Impairment loss	-
Balance as at 30 June 2008	745
Balance as at 1 July 2008	745
Amortisation for the year	1,308
Impairment loss	-
Balance as at 30 June 2009	2,053
Carrying amounts	
At 1 July 2007	1,133
At 30 June 2008	1,764
At 1 July 2008	1,764
At 30 June 2009	2,291

NOTE 8: INCOME TAX

	2009 $000	2008 $000
Current tax expense		
Current period	2,615	2,040
Adjustment for the prior periods	17	26
	2,632	2,066
Deferred tax expense		
Origination and reversal of temporary differences	(128)	(108)
Adjustment for prior periods	10	7
Utilisation of previously unrecognised tax losses	-	-
	(118)	(101)
Income tax expense	2,514	1,965

	2009 $000	2008 $000
Income tax expense numerical reconciliation between tax expense and pre-tax profit		
Profit for the period	5,733	4,410
Income tax expense	2,487	1,933
Profit/(loss) excluding income tax	8,220	6,343
Income tax using the Company's tax rate of 30% (2008: 30%)	2,466	1,902
Transfer	-	-
Disallowable expenses	21	30
Under provision in prior year	27	33
	2,514	1,965

NOTE 8: INCOME TAX (CONT)

Deferred tax
Recognised deferred tax assets and liabilities
Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2009 $000	2008 $000	2009 $000	2008 $000	2009 $000	2008 $000
Employee provisions	704	572	-	-	704	572
Accrual expenses	33	46	-	-	33	46
Other	1	1	(8)	(8)	(7)	(7)
	738	619	(8)	(8)	730	611

Movement in temporary differences during the year

	Balance 1 July 2008 $000	Recognised in profit/loss $000	Transfers in/(out) $000	Balance 30 June 2009 $000
Employee provisions	572	132	-	704
Accrual expenses	46	(13)	-	33
Other	(7)	-	-	(7)
	611	119	-	730

NOTE 9: LEASE COMMITMENTS

Non-cancellable operating lease rentals are payable as follows:

	2009 $000	2008 $000
Less than one year	526	386
Between one and five years	2,178	2,154
More than five years	2,540	3,069
	5,244	5,609

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 2009 $489,075 (2008: $499,764) was recognised as an expense in the income statement in respect of operating leases.

NOTE 10: AUDITORS REMUNERATION

The Company also pays the audit fees of VSF.

	2009 $	2008 $
Amounts received or due and receivable by Ernst & Young for:		
-an audit of the financial statements of the Company	38,154	27,003
-other services in relation to the Company	16,698	-
	54,852	27,003

Notes to the Financial Statements

NOTE 11: CASH FLOWS STATEMENT RECONCILIATION

(a) Cash and cash equivalents

	2009 $000	2008 $000
Cash at bank	1,487	5,440
Term deposit	6,182	-
Cash and cash equivalents	7,669	5,440

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

	2009 $000	2008 $000
Cash flows from operating activities		
Profit for the period	5,706	4,378
Adjustments for:		
Depreciation	658	385
Amortisation	1,126	604
Gain on sale of property, plant and equipment	2	12
Operating profit before changes in working capital and provisions	7,492	5,379
Increase/decrease in prepayment	71	(69)
Increase/decrease in accounts receivables	(3,813)	665
Increase/decrease in deferred tax assets	(118)	(108)
Increase/decrease in accounts payables	143	(500)
Increase/decrease in employee entitlements	440	249
Increase/decrease in amounts held in trust	(2)	52
Increase/decrease in current tax liabilities	395	2,002
Increase/decrease in deferred tax liabilities	-	7
Net cash from operating activities	4,608	7,677

NOTE 12: RETAINED EARNINGS

Retained earnings	$000
Balance as at 1 July 2007	251
Increase for the year	1,104
Balance as at 30 June 2008	1,355

Retained earnings	$000
Balance as at 1 July 2008	1,355
Increase for the year	751
Balance as at 30 June 2009	2,106

NOTE 13: 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.

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

Operational Risk and Expense Reserve	$000
Balance as at 1 July 2008	3,273
Increase for the year	4,956
Balance as at 30 June 2009	8,229

NOTE 14: TRADE AND OTHER RECEIVABLES

	2009 $000	2008 $000
Other receivables	263	254
Administration Fees Receivable	4,238	434
Total:	4,501	688

NOTE 15: TRADE AND OTHER PAYABLES

	2009 $000	2008 $000
Related party payables	-	-
Other payables	2,072	1,929
Total:	2,072	1,929

NOTE 16: FINANCIAL RISK MANAGEMENT

The Company does not have material financial risk.

(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 from inter-company and employees. 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 Balance Sheet.

(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 $8.2 million (2008: $3.2 million) as at the reporting date.

NOTE 16: FINANCIAL RISK MANAGEMENT (CONT)

(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) Interest rate risk

The Company's exposure to interest rate risk is not material as its interest income for the year ($331,000) is not material and the Company does not borrow money.

(ii) 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.

(iii) Equity price risk

The Company is not exposed to equity price risk as it does not hold any financial equity instruments as at the reporting date expect for the $2 investment in Vision Holding Company Pty Ltd.

NOTE 17: RELATED PARTIES

(a) Key Management Personnel

The Company has 8 Directors and 7 Alternates. The names of persons who were Directors and Alternates of the Company during the financial year are:

Member Directors:	***Alternates:***
Darrell Cochrane (appointed Chair 01/07/08)	Brian Parkinson
Wendy Phillips	Dean Barnett
Anthony Tuohey	Robyn Glascott
William Watton	Russell Atwood
Employer Directors:	***Alternates***
Michael Tilley	Steve Bird
Angela Emslie	Leigh Harder
Dick Gross	Alison Lyon
Rob Spence	Alison Lyon

Both William Watton and Dick Gross retired as Director on 30 June 2009 and Russell Atwood and Geoff Lake were appointed as their replacement from 1 July 2009. Apart from Directors of the Trustee Company, the Chief Executive Officer, is also considered to be key management personnel (KMP) for the purpose of these financial statements.

(b) Key management personnel compensation

Total compensation received, or due and receivable, by key management personnel amounted to $754,844 (2008: $614,175). The detail is as follows:

	2009 $000	2008 $000
Short-term employee benefits	692	568
Other long-term benefits	-	-
Post employment benefits	63	46
	755	614

NOTE 17: RELATED PARTIES (CONT)

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

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

	2009 $000	2008 $000
Rollins from KMP to LASF/VSF	44	381
Benefits paid to KMP from LASF/VSF	53	1,502
Vested Benefits of KMP	7,682	7,762

(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 2009 is $ 15,455,000 (2008: $15,452,000).

(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 2009 is $ 507,000 (2008: $268,000).

(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 2009 is $11,247,000 (2008: $7,056,000).

(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.

NOTE 17: RELATED PARTIES (CONT)

(viii) Directors

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

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

Vision Super Pty Ltd

Directors' Declaration

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

(a) the financial statements and notes, set out on pages 1 to 21, 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 2009 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 8th day of October 2009

Signed in accordance with a resolution of the Directors:

Darrell Cochrane
Director

Rob Spence
Director

Ernst & Young

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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 2009, 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

Ernst & Young

Martin Walsh
Partner

8 October 2009

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Martin Walsh
Partner

8 October 2009

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

We have audited the accompanying financial report of Vision Super Pty Ltd, which comprises the balance sheet as at 30 June 2009, 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.

Ernst & Young

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 2009 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.

Ernst & Young

Ernst & Young

Martin Walsh
Partner
Melbourne
8 October 2009