

**PROFESSIONAL ASSOCIATIONS SUPERANNUATION FUND**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2007**

# PROFESSIONAL ASSOCIATIONS SUPERANNUATION FUND

## TABLE OF CONTENTS

	<b>PAGE</b>
Statement of Financial Position	1
Statement of Financial Performance	2
Cash Flow Statement	3
Notes To and Forming Part of the Financial Statements	4 - 18
Trustee Statement	19

**PROFESSIONAL ASSOCIATIONS SUPERANNUATION FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 June 2007**

	NOTE	30-Jun-07 \$	30-Jun-06 \$
<b>ASSETS</b>			
Cash at Bank	7	22,866,288	20,660,228
		<u>22,866,288</u>	<u>20,660,228</u>
<b>RECEIVABLES</b>			
Contributions Receivable		20,317,913	13,000,000
Transfer In - Accountants Superannuation Fund		-	302,381,022
Deferred Tax Assets	16	64,999	317,518
GST Receivable		676,835	389,383
Other Receivables	9	1,483,747	22,032
		<u>22,543,494</u>	<u>316,109,955</u>
<b>INVESTMENTS</b>			
Other Interest Bearing Securities	8	4,078,660	3,539,136
Unit Trusts & Life Insurance Policies	8	1,288,927,357	641,260,091
		<u>1,293,006,017</u>	<u>644,799,227</u>
<b>TOTAL ASSETS</b>		<u>1,338,415,798</u>	<u>981,569,411</u>
<b>LIABILITIES</b>			
Other Payables	10	5,505,938	7,646,269
Income Tax Payable		12,832,994	6,328,146
Deferred Tax Liabilities	16	8,406,052	13,330,129
		<u>26,744,984</u>	<u>27,304,543</u>
<b>TOTAL LIABILITIES</b>		<u>26,744,984</u>	<u>27,304,543</u>
<b>NET ASSETS AVAILABLE TO PAY BENEFITS</b>		<u>1,311,670,815</u>	<u>954,264,868</u>
<b>Represented by:</b>			
<b>LIABILITIES FOR ACCRUED BENEFITS</b>			
<b>Vested Benefits:</b>			
Allocated to Members' Accounts	4	1,283,246,396	935,165,451
Reserve Accountants Superannuation Fund		-	2,946,442
Reserve	5	28,424,419	16,152,975
	3	<u>1,311,670,815</u>	<u>954,264,868</u>

The accompanying notes form an integral part of this Statement of Financial Position

**PROFESSIONAL ASSOCIATIONS SUPERANNUATION FUND**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2007**

	NOTE	30-Jun-07 \$	30-Jun-06 \$
<b>INVESTMENT REVENUE</b>			
Interest		699,701	374,207
Changes in Net Market Values	11	132,130,660	69,758,355
Dividends/Distributions		24,288,070	15,397,457
Direct Investment Rebates/(Expenses)	12	628,824	62,928
Foreign Exchange Forward Contract (Loss)		(1,012,014)	-
<b>Net Investment Revenue</b>		156,735,242	85,592,947
<b>CONTRIBUTIONS REVENUE</b>			
Employer Contributions		230,845,945	158,186,181
Members' Contributions		18,213,672	3,091,981
Government Co-Contribution		4,169,034	1,309,554
Transfers from Other Funds		56,897,096	25,765,454
Successor Fund Transfer		95,920,509	302,381,022
<b>Total Contributions Revenue</b>		406,046,258	490,734,192
<b>OTHER REVENUE</b>			
Group Life Insurance Proceeds		2,754,242	901,667
Other Income - Non Assessable		18,750	-
<b>Total Other Revenue</b>		2,772,992	901,667
<b>TOTAL REVENUE FROM ORDINARY ACTIVITIES</b>		565,554,491	577,228,806
<b>GENERAL ADMINISTRATION EXPENSES</b>			
Administration Services		28,237,484	19,101,437
Audit Fees	14	123,831	55,281
Group Life Insurance Premiums		9,869,749	3,965,326
Operating Expenses	13	946,859	798,137
Superannuation Contribution Surcharge		899,867	650,893
<b>TOTAL EXPENDITURE FROM ORDINARY ACTIVITIES</b>		40,077,790	24,571,076
Operating Surplus for the Year Before Tax		525,476,701	552,657,730
Less: Income Tax Expense		28,072,846	27,301,785
<b>BENEFITS ACCRUED AS A RESULT OF OPERATIONS</b>		497,403,855	525,355,945

The accompanying notes form an integral part of this Statement of Financial Performance

**PROFESSIONAL ASSOCIATIONS SUPERANNUATION FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

	NOTE	30-Jun-07	30-Jun-06
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Employer Contributions		223,474,641	156,358,564
Member Contributions		18,213,672	3,091,981
Government Co-Contribution		4,169,034	1,309,554
Benefits Transferred In		56,897,096	25,765,454
Interest		887,152	176,607
Other Income		18,750	-
Group Life Insurance Proceeds		2,754,242	901,667
GST Paid and Claimable		(120,780)	(261,850)
Sundry Debtors		(547,091)	-
Members' Benefits		(139,990,961)	(78,538,911)
Administration Expenses		(23,669,299)	(18,050,092)
Audit Fees		(91,381)	(57,481)
Group Life Insurance Premiums		(10,142,906)	(2,025,930)
Operating Expenses		(5,340,633)	(798,137)
Surcharge Tax Paid		(1,039,806)	(358,776)
Sundry Creditors		(3,175,196)	-
Income Taxes Paid		(28,600,186)	(21,457,780)
<b>NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES</b>		<u>93,696,349</u>	<u>66,054,870</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Investments		237,696,529	213,637,925
Investments Units Purchased		(340,515,459)	(277,112,650)
Direct Investment Rebate/(Expenses)		628,824	(615,361)
Foreign Exchange Forward Contracts		(1,012,014)	-
<b>NET CASH FLOW PROVIDED BY INVESTING ACTIVITIES</b>		<u>(103,202,119)</u>	<u>(64,090,086)</u>
<b>Net Increase/(Decrease) in Cash Held</b>		(9,505,768)	1,964,784
<b>OPENING CASH BROUGHT FORWARD</b>			18,695,444
Recruitment Super Division		20,660,228	-
Successor Fund Transfer In		11,711,831	-
<b>CLOSING CASH CARRIED FORWARD</b>		<u><u>22,866,288</u></u>	<u><u>20,660,228</u></u>

The accompanying notes form an integral part of this Statement of Cash Flows

**PROFESSIONAL ASSOCIATIONS SUPERANNUATION FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following explains the significant accounting policies which have been adopted in the preparation of the financial statements.

***(a) Basis of Preparation***

The financial statements are general purpose statements which have been drawn up in accordance with Australian Accounting Standards including AAS25 "Financial Reporting by Superannuation Plans" ("AAS25") as amended by AASB 2005-13 "Amendments to Australian Accounting Standards [AAS25]", the Superannuation Industry (Supervision) Act 1993 and Regulations and the provisions of the Trust Deed.

Both the functional and presentation currency of Professional Associations Superannuation Fund is Australian Dollars (\$).

The financial statements have been prepared in accordance with the historical cost convention, except for the valuation of investments and derivatives, which are measured at net market value.

***(b) Statement of Compliance***

This report is prepared based on the revised Australian Accounting Standards, which include Australian equivalents of International Financial Reporting Standards ("AIFRS"). Since AAS25 is the principal standard that applies to the financial statements, other standards, including AIFRS, are also applied where necessary except to the extent that they differ from AAS25. As there have not been any material impacts of adopting the revised standards a reconciliation has not been disclosed.

The following Australian Accounting Standards have recently been issued or amended but are not yet effective. They do not require any changes to accounting policy and therefore are not expected to have any impact.

\* 2005-10 AASB 7: Financial Instruments: Disclosure & Presentation, AASB 101: Presentation of Financial Statements, AASB 114: Segment Reporting, AASB 117: Leases, AASB 133: Earnings per Share, AASB 139: Financial Instruments: Recognition and Measurement, AASB 1: First Time Adoption of AIFRS, AASB 4: Insurance Contracts, AASB 1023: General Insurance Contracts  
AASB 1038: Life Insurance Contracts  
AASB 7 is a disclosure standard so will have no direct impact on the amounts included in the Fund's financial statements. However the amendments will result in changes to the financial instruments disclosures included in the notes to the financial statements.

\* New Standard AASB 7: Financial Instruments: Disclosures  
Refer to AASB 7 above.

***(c) Investments***

Investments of the Fund are initially recognised at cost, being the fair value of the consideration given. After initial recognition, investments are measured at net market value. Gains or losses on investments are recognised in the operating statement. Changes in net market value of assets are brought to account in the operating statements in the periods in which they occur.

Net market values have been determined as follows:

- (i) Units in pooled superannuation trusts and unit trusts by reference to the unit redemption prices at the reporting date.
- (ii) The fund may invest in derivatives via the purchase of units in unit trusts.

Estimated costs of realisation have been deducted in determining net market value. Net market value is considered a reasonable approximation of fair value.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date i.e. the date that the fund commits to purchase the asset.

***(d) Revenue Recognition***

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

***Changes in net market values***

Changes in the net market value of investments and derivatives are calculated as the difference between the net market value at sale, or at balance date, and the net market value at the previous valuation point and recognised in the operating statement.

**PROFESSIONAL ASSOCIATIONS SUPERANNUATION FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***(d) Revenue Recognition (continued)***

*Contributions and Transfers In*

Contributions and transfers in are recognised when control of the asset has been attained and are recorded, gross of any tax, in the period to which they relate.

*Interest*

Revenue is recognised as interest accrues using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

*Dividends and Distributions*

Revenue is recognised when the right to receive payment is established.

***(e) Taxation***

The Fund is a complying superannuation Fund within the provisions of the Income Tax Assessment Act. Accordingly, the concessional tax rate of 15% has been applied.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The tax rate applied to timing differences relevant to unrealised losses in the value of investments is at a reduced rate of 10% to reflect the reduction in effective tax rates when future capital gains are realised.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised, except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

***(f) Goods & Services Tax (GST)***

Revenues, expenses and assets, with the exception of receivables and payable, are recognised net of the amount of goods and services tax (GST) to the extent that the GST is recoverable from the taxation authority. Where GST is not recoverable it is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable.

Receivables and payables are stated with the amount of GST included.

Cash Flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

***(g) Derecognition of Financial Assets and Financial Liabilities***

A financial asset is derecognised when:

- \* the rights to receive cash flows from the asset have expired; or
- \* the fund transfers substantially all the risks and rewards of ownership of the asset.

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

**PROFESSIONAL ASSOCIATIONS SUPERANNUATION FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(h) Benefits Payable**

Benefits payable are valued at net market value which comprises the entitlements of members who ceased employment prior to the year end but had not been paid at that time. Benefits payable are settled within 30 days.

**(i) Receivables and Other Payables**

Receivables are carried at nominal amounts due which approximate net market value. Receivables are normally settled within 30 days. An allowance for uncollectible amounts is only made where there is objective evidence that the debt will not be collected.

Other payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the fund and are carried at nominal amounts which approximate net market value. Payables are normally settled on 30 day terms.

**(j) Cash**

Cash in the balance sheet comprises cash at bank.

For the purposes of the Statement of Cash Flows, cash consists of cash as defined above, net of outstanding bank overdrafts.

**(k) Accrued Benefits**

The liability for accrued benefits is the Fund's present obligation to pay benefits to members and beneficiaries and has been calculated as the difference between the carrying amounts of the assets and the carrying amounts of the sundry liabilities and income tax liabilities as at reporting date.

**(l) Superannuation Contribution Surcharge**

Superannuation Contribution Surcharge is levied on surchargeable contributions on the basis of the individual member's adjusted taxable income. The liability for the Superannuation Contribution Surcharge is recognised when the assessment is received, as the Trustee considers this is when it can be reliably measured.

The superannuation surcharge liability recognised by the fund has been charged to the relevant members' accounts.

The Superannuation Laws Amendment (abolition of Surcharge) Act 2005 abolishes both the superannuation contributions surcharge and termination payments surcharge in respect of superannuation contributions and certain termination payments made or received on or after 1 July 2005. Assessments for surcharge in respect of contributions and payments for the year ended 30 June 2005 and prior years will continue to be issued and remain payable.

**(m) Other Operating Expenses**

The Trustee of the Fund carries all operating expenses of the Fund e.g. bank fees. Bank fees paid by the fund in the previous financial year were reimbursed to the fund in the current year. Bank fees of the current financial year will also be reimbursed to the Fund by the Trustee.

**(n) Significant Accounting Estimates and Assumptions**

The preparation of the financial report requires the making of estimates and assumptions that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable in the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities where there are not available from independent sources. The key estimates and assumptions that have a significant risk of causing a material adjustment to the values of assets and liabilities are: Valuation of Investments and Derivates. All

**(o) Consolidation of Divisions**

The Fund consists of three divisions, the Accountants Super Fund, Australian Enterprise Super Fund and the Recruitment Super Fund. These three divisions have been incorporated into this Fund. The Accountants Super Fund and the Australian Enterprise Super Fund joined this Fund as successor fund transfers effective 30 June 2006 and 1 April 2007 respectively.

**PROFESSIONAL ASSOCIATIONS SUPERANNUATION FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**2. OPERATION OF THE FUND**

The Professional Associations Superannuation Fund consists of three divisions - Recruitment Super , Accountants Super and Australian Enterprise Super. The latter two divisions were successor fund transfer, effective 30 June 2006 and 1 April 2007. The Fund is a nation-wide accumulation style superannuation fund, initially sponsored by the Recruitment and Consulting Industry Superannuation Fund. The Fund was originally established to provide employees in the recruitment industry with a portable superannuation scheme but has since expanded to cover all sectors. Under the terms of the Fund's declaration of trust, Professional Associations Superannuation Limited (A.B.N. 78 984 178 687) is appointed Trustee of the Fund.

The Fund provides for payment of contributions by participating employers at agreed rates as legislated. A minimal amount is provided on entry but additional optional insurance coverage is available for members of the Fund upon written application.

The Fund is managed by eo Financial Services Pty Limited. The charges outlined in the relevant Product Disclosure Statement are paid to eo Financial Services and are on the basis of an agreement between the relevant parties.

**NOTE 3. LIABILITY FOR ACCRUED BENEFITS**

The liability for accrued benefits is the Fund's present obligations to pay benefits to members and beneficiaries and has been calculated as the difference between the carrying amounts of the assets and

	<b>30-Jun-07</b>	<b>30-Jun-06</b>
	<b>\$</b>	<b>\$</b>
Changes in the liability for accrued benefits are as follows:		
<b>Liability for accrued benefits at the beginning of the period</b>	954,264,862	507,517,246
Impact of Adjustments	770	(32,368)
Plus: Increase in Accrued Benefits	497,403,855	525,355,944
Less: Gross Benefits Paid and Payable		
Resignations	(2,746,170)	(2,759,207)
Retirements	(5,291,407)	(2,922,749)
Transfers to other funds and ERF	(126,350,931)	(70,677,347)
Deaths	(3,141,515)	(832,410)
Disabilities	(433,172)	(96,919)
Hardship	(2,008,458)	(1,074,851)
Overseas Resident Benefits Paid	(27,020)	-
Unclaimed Monies	-	(212,473)
Total Gross Benefits Paid and Payable	<u>(139,998,673)</u>	<u>(78,575,956)</u>
Liability for accrued benefits at the end of the period	<u>1,311,670,815</u>	<u>954,264,868</u>

**PROFESSIONAL ASSOCIATIONS SUPERANNUATION FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**NOTE 4. VESTED BENEFITS**

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

	<b>30-Jun-07</b>	<b>30-Jun-06</b>
	<b>\$</b>	<b>\$</b>
Changes in the value of vested benefits are as follows:		
<b>Vested Benefits at Beginning of Year</b>	935,165,449	499,900,946
Contributions	253,228,652	162,587,716
Transfers In	56,897,096	25,765,453
Successor Fund Transfer In	95,488,407	299,434,580
Interest Allocated/(Charged) to Members	153,397,343	74,539,249
Cost of Member Benefit Protection	5,696,693	4,146,093
Proceeds from Insurance	2,754,242	901,667
Member Levies in Respect of:		
Tax	(34,646,235)	(24,000,441)
Administration Fees	(26,810,708)	(18,635,922)
Group Life Insurance Premiums	(9,958,274)	(3,798,924)
Surcharge	(899,867)	(650,893)
Expense Recovery Charge	(7,067,730)	(6,448,119)
Benefits Paid and Payable	(139,998,673)	(78,575,956)
<b>Net Movement in Vested Benefits</b>	<b>348,080,946</b>	<b>435,264,505</b>
<b>Vested Benefits at End of Period</b>	<b>1,283,246,396</b>	<b>935,165,451</b>

**PROFESSIONAL ASSOCIATIONS SUPERANNUATION FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

	30-Jun-07	30-Jun-06
	\$	\$
<b>NOTE 5. MOVEMENT IN RESERVE</b>		
Balance at Beginning of Period	19,099,417	7,616,300
Successor Fund Transfer In	432,103	-
Investment Income		
Dividends/Distributions	24,288,070	15,397,457
Interest	699,701	374,207
Other Investment Income	775,286	581,888
Movements in Net Market Value	132,130,660	69,758,355
Foreign Exchange Forward Contracts	(1,012,014)	-
Direct Investment Expenses	(129,263)	(518,959)
Interest (allocated)/charged to members	(86,620,817)	(63,492,344)
Unit Price Revaluations	(66,776,527)	(11,046,904)
Group Life Insurance Premiums	(9,869,749)	(3,965,326)
Group Life Insurance Levies	9,958,274	3,798,924
Proceeds from Insurance	2,754,242	901,667
Insurance Levies	(2,754,242)	(901,667)
Administration Expenses	(27,549,279)	(19,101,437)
Audit and Operating Expenses	(1,069,140)	(853,418)
Administration Fees Deducted from Members' Accounts		
Account Keeping Levies	24,428,221	16,450,687
Contribution Fee Levies	-	173,378
Benefit Payment Levies	2,382,487	2,011,857
Expense Recovery Charge	7,067,730	6,448,119
Cost of Member Benefit Protection	(5,696,693)	(4,146,093)
Member Benefit Protection Levies	-	-
Superannuation Contributions Surcharge	(899,867)	(650,893)
Tax Levies in respect of Superannuation Contributions Surcharge	899,867	650,893
Income Tax Expense		
Investment Tax per Tax Calculation	6,573,385	(3,573,858)
Contributions Tax	(34,646,235)	(23,727,927)
Tax Levies charged to members	34,646,235	24,000,443
Non Claimable GST	(688,205)	-
Benefits Paid to Members	(139,998,673)	(78,575,955)
Benefits Paid and Payable from Members' Accounts	139,998,673	78,575,955
Reserve Adjustments	769	(32,372)
Balance at End of Period	<u>28,424,419</u>	<u>16,152,975</u>

**PROFESSIONAL ASSOCIATIONS SUPERANNUATION FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**NOTE 6. GUARANTEED BENEFITS**

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

	30-Jun-07	30-Jun-06
	\$	\$
<b>NOTE 7. CASH AT BANK</b>		
Cash at Bank - Withdrawals Account	1,138,820	1,090,763
Cash at Bank - Contributions Account	17,771,963	12,711,390
National Custodial Services Account	3,926,912	1,437,179
Cash in Transit	-	5,420,896
Cash at Bank - Other	28,593	-
	<u>22,866,288</u>	<u>20,660,228</u>

**NOTE 8. INVESTMENTS**

**Other Interest Bearing Securities**

Investment Loan	3,000,000	3,000,000
The Super Loan Trust	1,078,660	539,136
	<u>4,078,660</u>	<u>3,539,136</u>

**Unit Trusts & Life Insurance Policies**

**Unit Trusts**

DB Rreef Wholesale Property Fund	69,097,686	52,463,084
Hastings Utilities Trust of Australia	15,054,425	11,942,294
IFBT Company Pty Ltd - Partly Paid	676,329	326,933
NAB Capital International Global Hedged Share Fund	-	60,452,586
Wellington Global Research Equity Fund	-	37,525,295
GMO Emerging Markets Trust	20,341,652	15,936,011
ANZ Cash Plus Fund	46,375,231	25,325,920
Colonial First State 452 Austshare Fund	36,112,230	28,073,145
Holowesko Global Fund Ltd Class B	8,921,413	9,152,728
Warrakiri Alternative Strategies Fund	14,803,792	12,760,386
Aurora Offshore Fund II Class AUD Unrestricted Ser 04/07	20,174,343	13,206,403
GMO Mutli Strategy Trust	17,023,053	15,460,636
Bridgewater All Weather Fund (Australia) Series 1	11,679,552	11,156,966
Templeton Capital SPC Short fund	4,865,024	5,228,786
Jana Australian Share Long Short Unit Trust	28,746,475	22,176,000
Jana Global Share Long Short Unit Trust	20,962,305	18,744,146
Charter Hall Core Plus Office Fund	12,486,771	-
Investments In Transit	-	7,600,000
Macquarie True Index Australian Fixed Interest Fund	2,219,065	-
Macquarie True Index Global Bond Fund	546,500	-
Macquarie True Index Listed Property Fund	2,633,906	-
	<u>332,719,754</u>	<u>347,531,319</u>

**Life Insurance Policies**

Jana Tailored Unit - Australian Equities	221,996,685	165,651,698
Jana Tailored Unit Emerging Markets	12,619,837	10,120,722
Jana Tailored Unit - Diversified Debt	81,327,094	78,703,255
Jana High Alpha Global Share Recruitment Services	49,815,906	39,253,097
Jana Global Core Hedged Option	128,566,450	-
Jana Global Core Option	5,044,524	-
ING Cash Fund	3,383,872	-
Zurich Wholesale Super Blended Series - Aust Shares	19,889,676	-
Zurich Wholesale Super Blended Series - Managed Growth (Policy 1007452)	133,189,559	-
Zurich Wholesale Super Blended Series - Managed Growth (Policy 1007449)	143,177,340	-
Zurich Wholesale Super Blended Series - Priority Growth	45,101,046	-
Zurich Wholesale Super Blended Series - International Shares	7,780,520	-
Zurich Wholesale Super Blended Series - Managed Stable	4,269,783	-
Tower Balanced Growth Fund	93,588,119	-
Tower Cash Fund	575,715	-
Tower Growth Maximiser Fund	4,824,639	-
Tower Security Focus Fund	1,056,839	-
	<u>956,207,603</u>	<u>293,728,772</u>
	<u>1,288,927,357</u>	<u>641,260,091</u>

**PROFESSIONAL ASSOCIATIONS SUPERANNUATION FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

<b>NOTE 9. OTHER RECEIVABLES</b>	<b>30-Jun-07</b>	<b>30-Jun-06</b>
	<b>\$</b>	<b>\$</b>
Inter Divisions Transactions	-	-
Sundry Debtors	566,805	7,198
Trust Distribution Receivable	916,943	14,834
	<u>1,483,747</u>	<u>22,032</u>

**NOTE 10. OTHER PAYABLES**

Administration Expenses Payable	2,660,650	1,653,016
Insurance Expense Payable	2,055,057	1,947,888
Audit Fees Payable	53,000	39,900
Trade Creditors	-	3,739
Accrued Expenses	163,822	129,906
Direct Investment Expenses Payable	-	41,179
Benefits Payable	-	175,494
Benefit Tax Payable	413,893	216,674
PAYG Tax	17,233	25,858
Superannuation Surcharge Payable	-	379,808
Cancelled & Unpresented Cheques	-	32,807
Unallocated Contributions - Current Year	142,282	-
Amount Payable to Third Party	-	1,400,000
Amount Payable to PASL	-	1,600,000
	<u>5,505,938</u>	<u>7,646,269</u>

**NOTE 11. CHANGES IN NET MARKET VALUE OF INVESTMENTS**

**Unrealised Gains/(Losses)**

Unit Trusts	80,883,166	61,222,902
Life Policies	47,359,853	-
	<u>128,243,019</u>	<u>61,222,902</u>

**Realised Gains/(Losses)**

Unit Trusts	3,246,455	8,535,454
Life Policies	641,186	-
	<u>3,887,641</u>	<u>8,535,454</u>
	<u>132,130,660</u>	<u>69,758,355</u>

**NOTE 12. DIRECT INVESTMENT REBATES/(EXPENSES)**

Custodian Fees	3,883	86,177
Investment Consultancy Fees	20,000	39,200
Investment Management Fees Rebates	(55,400)	393,583
	<u>(31,517)</u>	<u>518,960</u>

**PROFESSIONAL ASSOCIATIONS SUPERANNUATION FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

	<b>30-Jun-07</b>	<b>30-Jun-06</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 13. OPERATING EXPENSES</b>		
Statutory Filing & Lodgement Fees	35,167	253,075
Indemnity Insurance	-	6,050
Bank Charges	35,321	24,161
Directors / Chairman Fees and Salaries	467,518	444,528
Professional Fees	4,692	52,017
Trustee Travel and Accommodation	-	12,984
Miscellaneous	5,409	4,296
Interest on borrowing	234,430	-
Communication & Mail House Expenses	164,322	1,026
	<u>946,859</u>	<u>798,137</u>

**NOTE 14. AUDITORS REMUNERATION**

Audit Services	115,581	46,426
Other Services	8,250	8,855
	<u>123,831</u>	<u>55,281</u>

**NOTE 15. SEGMENT INFORMATION**

The Fund operates solely in the business of provision of benefits to members and operates in Australia only.

**PROFESSIONAL ASSOCIATIONS SUPERANNUATION FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**16. INCOME TAX**

Major components of income tax expense for the years ended 30 June 2007 and 30 June 2006 are:

	<b>30-Jun-07</b>	<b>30-Jun-06</b>
	\$	\$
<b>Operating Statement</b>		
<b>Current Income Tax</b>		
Current Income Tax Charge	32,557,227	21,479,978
Adjustments in Respect of Previous Years	187,177	(457,928)
<b>Deferred Income Tax</b>		
Relating to origination and reversal of Temporary Differences	(4,671,557)	6,279,735
	<b>28,072,847</b>	<b>27,301,785</b>
Benefits accrued before Income Tax	525,476,701	552,657,730
Prima Facie Tax Thereon at 15%	78,821,505	82,898,659
<b>Permanent Differences</b>		
Non-Assessable Contributions	(3,357,406)	(660,230)
Non-Assessable Roll ins/Transfers	(22,922,641)	(49,221,971)
Non-Assessable Investment Income	(2,813)	(441,876)
Trust Distributions - Imputation Credits	159,561	120,859
Trust Distributions	(165,380)	(212,469)
Realised Taxable Gains/(Losses)	2,208,919	1,328,701
Unrealised Capital Gains/(Losses)	(25,541,475)	(5,769,353)
Group Life Insurance Proceeds	(413,136)	(135,250)
Legal Fees	7,950	7,803
Superannuation Surcharge	134,980	97,634
Imputation Credits & Other Rebates	(1,063,738)	(805,728)
Movement re: Tax Rate Change on Unrealised Losses	-	552,934
Adjustments in Respect of Previous Years	187,177	(457,928)
Unallocated contributions	19,344	-
	<b>28,072,847</b>	<b>27,301,785</b>
<b>Income Tax Expense</b>	<b>28,072,847</b>	<b>27,301,785</b>
	<b>30-Jun-07</b>	<b>30-Jun-06</b>
	\$	\$
<b>Deferred Income Tax</b>		
Deferred Income Tax at 30 June relates to the following:		
<b>Deferred Income Tax Liabilities</b>		
Contributions Receivable	3,047,687	1,950,000
Interest Receivable	-	-
Distribution Deferred Income	285,484	-
Unrealised Gains in Investments relating to CGT	507,288,819	11,377,904
Audit Fees Payable	-	-
Insurance Premiums Payable	-	-
Other Income	-	2,225
	<b>8,406,053</b>	<b>13,330,129</b>
<b>Deferred Income Tax Assets</b>		
Realised Gains On Investments relating to CGT	-	-
Audit Fees Payable	(7,950)	(5,985)
Insurance Premiums Payable	(57,049)	(292,183)
Statutory Fees Payable	-	(19,350)
	<b>(64,999)</b>	<b>(317,518)</b>

**PROFESSIONAL ASSOCIATIONS SUPERANNUATION FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**NOTE 17. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	<b>30-Jun-07</b>	<b>30-Jun-06</b>
	<b>\$</b>	<b>\$</b>
Cash at Bank	<u>22,866,288</u>	<u>20,660,228</u>

**(b) Reconciliation of Net Cash Provided by Operating Activities to Benefits Accrued as a Result of Operations**

Benefits Accrued as a Result of Operations	497,403,855	525,355,944
--	-------------	-------------

**Cash Flows in Operating Profit Attributable to Non- Operating Activities**

Interest	(147,976)	(197,600)
Changes in Net Market Values of Investments (Gains)/Losses	(132,130,651)	(69,758,355)
Dividends/Distributions	(24,288,070)	(15,397,457)
Direct Investment Charges	(31,517)	518,960
Other Investment Income	(597,307)	(581,888)
Other Income	-	37,657
Foreign Exchange Forward Contract	1,012,014	-

**Changes in Asset and Liabilities Attributable to Operating Activities**

(Increase)/Decrease in Contributions Receivable	(7,317,913)	(1,827,617)
(Increase)/Decrease in Successor Fund Transfers In	(95,920,510)	(302,381,022)
(Increase)/Decrease in Deferred Tax Assets	337,434	1,487,160
(Increase)/Decrease in GST Receivable	(120,789)	(261,850)
(Increase)/Decrease in Other Debtors	(547,091)	(23,094)
Increase/(Decrease) in Administration Services Payable	1,008,405	794,256
Increase/(Decrease) in Group Life Insurance Premiums Payable	(144,389)	1,939,396
Increase/(Decrease) in Audit Fees Payable	(31,900)	(2,200)
Increase/(Decrease) in Operating Expenses Payable	(239,372)	119,822
Increase/(Decrease) in Direct Investment Expenses Payable	(41,179)	(58,428)
Increase/(Decrease) in Benefits Payable	(175,494)	36,747
Increase/(Decrease) in Benefits Tax Payable	198,869	123,565
Increase/(Decrease) in PAYG Tax Payable	(20,020)	15,537
Increase/(Decrease) in Surcharge Tax Payable	(379,808)	292,117
Increase/(Decrease) in Cancelled and Unpresented Cheques	(32,807)	38,290
Increase/(Decrease) in Other Payables	(3,580,811)	3,739
Increase/(Decrease) in Income Tax Payable	4,070,697	(435,728)
Increase/(Decrease) in Deferred Tax Payable	(4,924,077)	4,792,574

**Cash Items not included in Result of Operations**

Benefits Paid	(139,998,673)	(78,575,658)
---------------	---------------	--------------

**Net Cash Provided by Operating Activities**

	<u>93,360,921</u>	<u>66,054,870</u>
--	-------------------	-------------------

**(c) Non Cash Transactions**

During the year, dividends/distributions of were received and which were reinvested by way of acquiring units.

**PROFESSIONAL ASSOCIATIONS SUPERANNUATION FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**NOTE 18. INTEREST CREDITING RATE**

Interest allocated to members' accounts for the year ended is based on crediting rates as follows:

	<b>30-Jun-07</b>	<b>30-Jun-06</b>
	<b>%</b>	<b>%</b>
<b><i>Recruitment Super Division - Preserved Super and Easy Super</i></b>		
Members with a balance less than \$3,000	15.1	14.5
Members with a balance at least \$3,000	15.1	14.5
<b><i>Recruitment Super Division - Select Super (*)</i></b>		
Aggressive Growth	19.9	16.1
Balanced Growth	16.1	13.3
Cash Plus	5.6	5.0
High Growth	17.7	14.2
Conservative Growth	9.0	6.2
<b><i>Accountants Super Division (*)</i></b>		
Australian Shares	26.7	17.2
Cash Option	5.0	3.8
Fixed Interest	3.4	2.0
Managed Growth	14.4	12.2
Managed Stable	8.2	6.7
Overseas Shares	9.6	18.0
Priority Growth	18.1	15.2
Property Option	23.9	11.5
<b><i>Australian Enterprise Super Division (**)</i></b>		
Cash Option	4.4	3.6
Security Focus	3.4	5.8
Balanced Growth	9.0	11.2
Growth Maximiser	11.0	13.3

(\*) This denotes annualised returns

(\*\*) This denotes the returns are calculated from date of succession fund transfer i.e 1 April 2007. The comparatives are for 12 months to 30 June 2006

**PROFESSIONAL ASSOCIATIONS SUPERANNUATION FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**NOTE 19. RELATED PARTIES**

*(a) Trustee*

The trustee of the Fund throughout the year was Professional Associations Superannuation Ltd (A.B.N. 78 984 178 687). The names of the directors of the Trustee Company who held office during the year are:

<b>Employer Representatives</b>	<b>Member Representatives</b>
G.R.Fisher - Chairman	M.V.Bolton
J.C..Plummer	E.Turek
R.Herron	S Moreno

<b>30-Jun-07</b>	<b>30-Jun-06</b>
\$	\$

*(b) Remuneration of Directors of the Trustee*

Income received, or due and receivable by all directors of the trustee company from the fund or any related party in connection with the management of the Fund:

467,518	460,137
---------	---------

Number of directors of the trustee company whose income from the fund or related party was within the following bands:

\$0	\$10,000	-	-
\$10,001	\$20,000	-	1
\$20,000	\$40,000	-	-
\$40,001	\$50,000	3	4
\$50,000	\$70,000	1	-
\$90,000	\$110,000	1	1
\$110,001	\$120,000	-	-
\$120,001	\$140,000	1	1

*(c) Director-related entities*

R. Herron, G.R. Fisher and J.C. Plummer are directors of eo Group Limited and eo Financial Services Pty Ltd. eo Group is the parent of eo Financial Services Pty Ltd and is incorporated as a company with its shares held beneficially for Professional Associations Superannuation Fund. The Fund has an investment loan of \$3,000,000 to eo Group.

**PROFESSIONAL ASSOCIATIONS SUPERANNUATION FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Fund's principal financial instruments, comprise units in pooled superannuation trusts and unit trusts. The main purpose of these financial instruments is to generate a return on investment.

The Fund also has various other financial instruments such as sundry receivables and payables, which arise directly from its operations.

The Fund also enters into derivative transactions via these pooled superannuation trusts and unit trusts. The main purpose is to manage financial risks associated with the Fund's investment transactions, and as a means of effecting a change in the asset mix. Investments in derivatives are not used to gear the Fund's investment portfolio, and are limited to the asset allocation limits for the underlying investment class.

The main risks arising from the Fund's financial instruments are interest rate risks, credit risk, market price risk and foreign currency risk. The Trustee reviews and agrees policies for managing each of these risks and they are summarised below. The Fund also monitors the market price risk arising from all financial instruments.

***Interest Rate Risk***

Interest rate risk represents the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Fund's exposure to market risk for changes in interest rates relate primarily to investments held in interest bearing securities held for trading.

The Fund's exposure to interest rate risk is set out in Note 21(c).

***Credit Risk***

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

With respect to credit rate arising from the financial assets of the Fund, other than derivatives, the Fund's exposure to credit rate risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these investments.

There are no significant concentrations of credit risk within the Fund.

***Market Price Risk***

Market price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments in the market.

Market risk is minimised through ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies.

***Foreign Currency Risk***

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund has exposure to foreign currency risk implicit in the value of portfolio securities denominated in a foreign currency. Foreign exchange contracts are used by the Fund to reduce exposure to adverse foreign currency movements in the value of underlying international listed equities.

***Liquidity and Cash Flow Interest Rate Risk***

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments. Cash flow interest rate risk is the risk that future cash flows on a financial instrument will fluctuate because of changes in market interest rates.

To control liquidity and cash flow interest rate risk, The Fund invests in financial instruments which, under normal market conditions are readily convertible to cash.

**PROFESSIONAL ASSOCIATIONS SUPERANNUATION FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**21. FINANCIAL INSTRUMENTS (Continued)**

The investments of the Fund (other than cash held for liquidity purposes), are managed on behalf of the Trustee by a variety of investment managers. Each investment manager is required to invest the assets managed by it in accordance with the terms of a written investment mandate.

The Trustee has determined that the appointment of these managers is appropriate for the Fund and is in accordance with the Fund's investment strategy. The Trustee obtained regular reports from each investment manager on the nature of the investments and on its associated risks. Such reports include receipt of formal risk management statements as required by the Australian Prudential Regulation Authority from each manager.

(a) Use of Derivative Financial Instruments

The Fund's investment managers may use derivative instruments to reduce risks in the share, bond and currency markets and to increase or decrease the Fund's exposure to particular investment classes or markets. Derivative financial instruments are included in the relevant asset category disclosed in the Statement of Financial Position.

(b) Credit Risk

The net market value of financial assets included in the statement of the financial position represent the Fund's exposure to credit risk in relation to those assets. Individual investment managers invest these assets in specific investment trusts as disclosed in note 7.

(c) Interest Rate Risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments on behalf of its members. The Fund's investments are subject to interest rate risks and the return on the investments will fluctuate in accordance with movements in the market interest rates. The comparatives relate to only Recruitments Services Superannuation Fund - one of the divisions of the Fund whilst the current year ended 30 June 2007 relates to three divisions of the Fund.

The Fund's exposure to interest rate movements on direct investments at 30 June 2007 was as follows:

	<b>FIXED INTEREST RATE</b>						
	<b>Floating Interest Rate \$'000</b>	<b>1 year or Less \$'000</b>	<b>1-5 years \$'000</b>	<b>Over 5 years \$'000</b>	<b>Non Int. Bearing \$'000</b>	<b>TOTAL \$'000</b>	<b>Weighted Average Int. Rate</b>
Cash - Bank Accounts	22,866					22,866	5.25%
Receivables					22,543	22,543	0.00%
Other Interest Bearing Investments	1078		3,000			4,078	4.05%
Pooled Superannuation Funds & Unit Trusts					1,288,928	1,288,928	0.00%
<b>Total Assets</b>	<b>23,944</b>	<b>-</b>	<b>3000</b>	<b>-</b>	<b>1,311,471</b>	<b>1,338,415</b>	
Liabilities					5,506	5,506	0.00%
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,506</b>	<b>5,506</b>	<b>0.00%</b>

The Fund's exposure to interest rate movements on direct investments at 30 June 2006 was as follows:

	<b>FIXED INTEREST RATE</b>						
	<b>Floating Interest Rate \$'000</b>	<b>1 year or Less \$'000</b>	<b>1-5 years \$'000</b>	<b>Over 5 years \$'000</b>	<b>Non Int. Bearing \$'000</b>	<b>TOTAL \$'000</b>	<b>Weighted Average Int. Rate</b>
Cash - Bank Accounts	20,660					20,660	5.25%
Receivables					14,092	14,092	0.00%
Other Interest Bearing Investments	539		3,000			3,539	4.05%
Pooled Superannuation Funds & Unit Trusts					641,260	641,260	0.00%
<b>Total Assets</b>	<b>21,199</b>	<b>-</b>	<b>3000</b>	<b>-</b>	<b>655,352</b>	<b>679,551</b>	
Liabilities					7,646	7,646	0.00%
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,646</b>	<b>7,646</b>	<b>0.00%</b>

Net Fair Values

The net fair value of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the fund intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Performance and in the notes to and forming the financial statements.

**PROFESSIONAL ASSOCIATIONS SUPERANNUATION FUND**

**TRUSTEE STATEMENT**

In the opinion of the Directors of Professional Associations Superannuation Ltd (A.B.N. 78 984 178 687) being the Trustee of Professional Associations Superannuation Fund:

1. the accompanying financial statements of Professional Associations Superannuation Fund are properly drawn up so as to present fairly the financial position of the Fund as at 30 June 2007 and the results and cash flow for the year ended on that date.
2. the accompanying financial statements have been drawn up in accordance with Australian Accounting Standards and Urgent Issues Group Consensus Views; and
3. the Fund has been conducted in accordance with its constituent Trust Deed as amended at all times during the year ended 30 June 2007 and in compliance with the requirements requirements of the Superannuation Industry (Supervision) Act.

This statement has been made in accordance with a resolution of the Directors on behalf of the Trustee Company of Professional Associations Superannuation Ltd (A.B.N. 78 984 178 687).

Signed at Melbourne this 30<sup>th</sup> day of October 2007

Director

Director

## INDEPENDENT REPORT BY THE APPROVED AUDITOR TO THE TRUSTEE

### (A) Financial statements

I have audited the financial statements of Professional Associations Superannuation Fund for the year ended 30 June 2007 comprising the statement of financial position, operating statement and statement of cashflows.

#### Trustee's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted an independent audit of the financial statements in order to express an opinion on them to the trustee of Professional Associations Superannuation Fund.

My audit has been conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the trustee's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trustee's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustee, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Auditor's Opinion

In my opinion the financial statements present fairly, in all material respects, in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the financial position of Professional Associations Superannuation Fund as at 30 June 2007 and the results of its operations and its cash flows for the year ended 30 June 2007.

## (B) Compliance

### Trustee's Responsibility for Compliance

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

### Auditor's Responsibility

My responsibility is to express an opinion on the trustee's compliance with the requirements of the SIS Act, SIS Regulations, FSCODA Reporting Standards, Corporations Act and Corporation Regulations based on the audit. My audit has been conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit. I have conducted tests in accordance with Australian Auditing Standards as necessary to provide reasonable assurance whether the trustee of the Professional Associations Superannuation Fund has in all material respects:

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

sections 19(2), 19(3), 36, 65, 66, 67, 69-85, 86-93A, 95, 97, 98, 101, 103, 104, 105, 106, 107, 109, 111, 113, 117, 118, 121, 122, 124, 125, 152, 154;

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

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

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

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

regulation 7.9.32(3); and

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

for the year ended 30 June 2007.

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

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

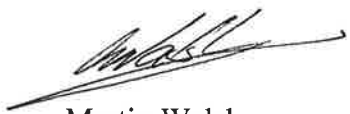
These tests have not been performed continuously throughout the period, were not designed to detect all instances of non-compliance, and have not covered any other provisions of the SIS Act and SIS Regulations, FSCODA Reporting Standards, Corporations Act and Corporations Regulations apart from those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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Auditor's Opinion**

In my opinion the trustee of Professional Associations Superannuation Fund has complied, in all material respects, with the requirements of the SIS Act and SIS Regulations, FSCODA Reporting Standards, Corporations Act and Corporations Regulations for the year ended 30 June 2007.

  
ERNST & YOUNG

  
Martin Walsh  
Partner  
Melbourne

Date: 31 October 2007