

FOUNDATION PST

RSE NUMBER: R1001136

FINANCIAL REPORT

FOR THE PERIOD ENDED 30 JUNE 2010

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Foundation PST
Statement of Financial Position
As at 30 June 2010

	Note	2010 \$'000	2009 \$'000
ASSETS			
Investments			
Units in managed investments	13a, 14	55,721	50,241
Total Investments		55,721	50,241
Other assets			
Cash at bank	2c, 10a	16	63
Investment Income receivable		1,192	462
Receivables	8	156	21
Total Other Assets		1,364	546
Total Assets		57,085	50,787
LIABILITIES			
Other payables	9	235	279
Current tax liabilities		(42)	(148)
Deferred tax liabilities		(152)	(67)
Total Liabilities		41	64
Net Assets		57,044	50,723
UNITHOLDERS' FUNDS			
Units on Issue	7	57,044	50,723
Total Unitholders' Funds		57,044	50,723

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**Foundation PST
Operating Statement
For the period ended 30 June 2010**

	Note	2010 \$'000	2009 \$'000
Revenue			
Investment revenue	3	5,374	(6,308)
Total Revenue		5,374	(6,308)
Expenses			
Direct Investment		117	272
General Administration	5	312	298
Total Expenses		429	570
Net Income/(Loss) as a Result of Operations Before Income Tax		4,945	(6,878)
Income Tax Expense	6	(116)	(201)
Net Income/(Loss) as a Result of Operations		5,061	(6,677)

The above Operating Statement should be read in conjunction with the accompanying notes.

Foundation PST
Statement of Cash Flows
For the period ended 30 June 2010

	Note	2010 \$'000	2009 \$'000
Cash Flows from Operating Activities			
Applications Received		3,646	1,276
Interest received		2	4
Income Tax paid		178	(7)
General administration expenses and direct expenses		(329)	(319)
Redemptions Paid		(2,200)	(4,054)
Net cash provided by (used in) operating activities	10b	1,297	(3,100)
Cash Flows from Investing Activities			
Proceeds from:			
Units in managed investments		4,183	4,254
Purchases:			
Units in managed investments		(5,527)	(1,106)
Net cash (used in) provided by investing activities		(1,344)	3,148
Net increase/(decrease) in Cash Held		(47)	48
Cash at the Beginning of the Financial Year		63	15
Cash at the End of the Financial Year	10a	16	63

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Foundation PST

Notes to the Financial Statements

For the period ended 30 June 2010

Note 1: Nature of the Trust

The Foundation PST (Trust) was established by a Trust Deed that commenced on 8 December 2002.

The Trust is a pooled superannuation trust as defined in Section 10 of the Superannuation Industry (*Supervision*) Act 1993.

Note 2: Statement Of Significant Accounting Policies

Basis of Preparation

This financial statement is a general purpose financial statement that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the Trust's Trust Deed and relevant legislative requirements.

International Financial Reporting Standards (IFRS) form the basis of Australian Account Standards adopted by the AASB. The financial statement does not comply with IFRSs due to the requirements of AAS 25.

Material accounting policies adopted in the preparation of this financial statement are presented below. They have been consistently applied unless otherwise stated.

The financial statement has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

a. Measurement of Assets and Liabilities

Assets of the Trust have been measured at net market values after allowing for costs of realisation. Changes in the net market value of assets are brought to account in the operating statement in the periods in which they occur.

Net market values have been determined as follows:

- i. shares in listed companies, government securities and other fixed interest securities by reference to the relevant market quotations at the reporting date;
- ii. mortgage loans by reference to the outstanding principal of the loans;
- iii. units in managed funds by reference to the unit redemption price at the reporting date;
- iv. insurance policies by reference to an actuarial assessment of the amount receivable from the insurer in respect of the policy; and
- v. property, plant and equipment at trustees' assessment of their realisable value.

Financial liabilities, which are all current in nature, are measured at the gross value of the outstanding balance at year-end.

Foundation PST
Notes to the Financial Statements
For the period ended 30 June 2010

Note 2: Statement Of Significant Accounting Policies

b. Income Tax Expense

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit of loss is the tax payable on taxable income calculated using applicable income tax rates as at the reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, when there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future tax profit will be available against which the benefits of the deferred tax asset can be utilised.

c. Cash and Cash Equivalents

For the purposes of the statement of cash flow statement, cash and cash equivalents includes cash on hand and at call deposits with banks, and short term, highly liquid investments that are readily convertible to cash and are subject to an insignificant risk of changes in value.

d. Revenue

Revenue is recognised at the fair value of the consideration received or receivable.

Interest revenue from the Trust's operating bank account is recognised when received.

Dividend revenue is recognised when the Trust has established that it has a right to receive a dividend.

Managed investment distributions are recognised as income when advice is received. If not received at reporting date are reflected in the statement of financial position as a receivable while units in managed investments are valued on an ex-distribution redemption price.

All revenue received arises from the operating activities of the Trust.

e. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office.

In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST.

Foundation PST
Notes to the Financial Statements
For the period ended 30 June 2010

Note 2: Statement Of Significant Accounting Policies

f. Rounding

The Trust has applied the requirements of Class Order 98/100 issued by the Australian Securities & Investment Commission in the preparation and presentation of amounts in the financial statements and notes to the financial statements. Accordingly, amounts have been rounded off to the nearest one thousand dollars unless otherwise stated.

g. Critical Accounting Estimates and Judgments

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

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

The financial report was authorised for issue on 5 October 2010 by the Trustee.

Note 3: Investment Revenue

Investments	Note	2010 \$'000	2009 \$'000
Interest		3	4
Trust distributions		4,519	3,255
Changes in net market value	4	852	(9,567)
		<u>5,374</u>	<u>(6,308)</u>

Note 4: Movement in Net Market Values

Investments

Unrealised investments held at reporting date:

Units in managed investments	<u>(1,406)</u>	<u>(8,933)</u>
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Investments realised:

Units in managed investments	2,258	(634)
	<u>852</u>	<u>(9,567)</u>

Note 5: General Administration Expenses

	2010 \$	2009 \$
Trustee expenses	57,909	52,798
Management expenses	231,409	211,093
Remuneration of auditor:		
Audit of the financial statements of the Trust	13,200	11,000
Other general administration expenses	9,358	22,755
	<u>311,876</u>	<u>297,646</u>

Foundation PST
Notes to the Financial Statements
For the period ended 30 June 2010

Note 6: Income Tax Expense	Note	2010 \$'000	2009 \$'000
a. The components of tax expense comprise:			
Current tax		(31)	(134)
Deferred tax	18	(85)	(67)
		<u>(116)</u>	<u>(201)</u>
b. The prima facie tax on benefits accrued before income tax is reconciled to the income tax as follows:			
Prima facie tax payable on benefits accrued before income tax at 15%		741	(1,032)
Add:			
Tax effect of:			
imputation credits		28	42
foreign tax credits		4	4
		<u>32</u>	<u>46</u>
Less:			
Tax effect of:			
exempt income		189	242
non-taxable realised and unrealised gains		238	(1,345)
non taxable income		225	21
		<u>652</u>	<u>(1,082)</u>
Less credits			
imputation credits		188	277
foreign tax credits		49	20
		<u>237</u>	<u>297</u>
Income tax expense		<u>(116)</u>	<u>(201)</u>

Note 7: Unitholders' Funds

Changes in the unitholders' funds			
Unitholders' funds at beginning of period		50,723	60,119
Add Applications		7,323	2,398
Add Net Income/(Loss) as a Result of Operations		5,061	(6,677)
Less Redemptions		6,063	5,117
Unitholders' funds at end of financial period		<u>57,044</u>	<u>50,723</u>

The difference between applications received and redemptions paid as disclosed in the statement of cash flows is a result of internal investment strategy switches by unitholders. The value of internal switches by unitholders was \$3,546,921.

Foundation PST
Notes to the Financial Statements
For the period ended 30 June 2010

Note 8: Receivables	Note	2010 \$'000	2009 \$'000
Sundry Due – Investment Proceeds		146	0
GST Refund Receivable (RITC)		10	21
		<u>156</u>	<u>21</u>

Note 9: Creditors and accruals

Trustee expenses payable		6	5
Management expenses payable		24	18
Investment expenses payable		10	183
Other expenses payable		63	65
Redemptions payable		132	8
		<u>235</u>	<u>279</u>

Note 10: Cash Flow Information

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 balance sheet as follows:

Cash at Bank	16	63
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b. Reconciliation of Cash Flow from Operations to Net Income/(Loss) as a Result of Operations

	Note	2010 \$'000	2009 \$'000
Net Income/(Loss) as a result of operations		5,061	(6,677)
(Increase)/Decrease in income entitlement on managed investments reinvested		(3,732)	(6,533)
Direct Investment Expenses		117	272
Applications Received		3,646	1,276
Redemptions Paid		(2,200)	(4,054)
(Increase) / Decrease in investment income receivable		(730)	3,090
Increase / (Decrease) in income taxes payable		106	(153)
Increase/ (Decrease) in deferred taxes payable		(84)	29
(Increase) / Decrease in other receivables		10	(11)
Increase / (Decrease) in creditors and accruals		(44)	94
Changes in net market value		(853)	9,567
Net cash provided by (used in) Operating Activities		<u>1,297</u>	<u>(3,100)</u>

Foundation PST
Notes to the Financial Statements
For the period ended 30 June 2010

Note 10: Cash Flow Information

- c. The Trust has no credit standby arrangements or loan facilities.
(2009: Nil)

Note 11: Segment Reporting

The superannuation Trust operates in one business and geographical segment, being the provision of superannuation benefits for members in Australia.

Note 12: Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

a. **Trustee Company**

The Trust Company (Superannuation) Limited (ABN 49 006 421 638; AFSL 235153; Trustee licence number L0000635) is the Trustee of the Trust.

The Trustee is a wholly owned and controlled entity of The Trust Company Limited (ABN 59 004 027 749).

b. **Trustee**

The names of the directors of the trustee company who held office during the year are:

BOARD OF DIRECTORS

Vicki Lee ALLEN (Chairperson)	(Appointed 28 March 2007)
Noel Albert DAVIS	(Appointed 1 September 2005)
Luigi Mario RODRIQUEZ	(Appointed 30 July 1998)
John ATKIN	(Appointed 1 September 2010)

SECRETARY

Nicholas SETTE	(Appointed 29 November 2006)
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TCSSL FORMER DIRECTORS

David Roko Grbin	(Appointed 17 December 2008) (Resigned 1 September 2010)
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c. **Reimbursable Capital Costs**

Under the provisions of the Trust Deed, the Trust reimburses the Trustee and/or Manager for costs incurred by the Trustee on behalf of the Trust. These costs include those reasonably and properly incurred in the administration of the Trust as well as costs associated with the development of the Trust and the issuing of Product Disclosure Statement.

Foundation PST
Notes to the Financial Statements
For the period ended 30 June 2010

Note 13: Financial Risk Management

a. Financial Risk Management Policies

The Trust's assets principally consist of financial instruments which comprise units in collective investment vehicles such as unit trusts and other unitised investments. The Trustee has determined that investing via these types of instruments is appropriate for the Trust.

The main purpose of these financial instruments is to achieve the Trust's investment objectives outlined in the Trust's investment strategy.

The Trust's investing activities expose it to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

These risks are described more fully on the following pages. Set out below is a general description of how investment risk is managed by the Trustee.

The Trustee acknowledges that an integral part of its good governance practice is a sound and prudent risk management framework. The risk management framework is documented in the Trust's Risk Management Plan and Strategy which is subject to regular review both by management and the Board and an annual audit of compliance.

The Board of Directors of the Trustee has overall responsibility for the establishment and oversight of the Trust's risk management framework. The Trustee's Audit, Compliance and Risk Management Committee oversees how management monitors compliance with the Trust's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Trust. The Trustee's risk management policies are established to identify and analyse the risks faced by the Trust (including the investment risks managed by the Trust's Investment Committee), to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Trust's activities.

The allocation of the investments of the Trust to the various types of asset classes is determined by the Trust's Investment Committee in consultation with its appointed investment consultant. Once allocated, they are invested in accordance with the Trust's published investment strategies for the various investment options available to unitholders.

The Board's Investment Committee consists of selected Board Members with appropriate investment experience. The Investment Committee is responsible for developing and monitoring the Trust's risk management policies related to investment activities. This includes oversight of the allocation of investments to fund managers, evaluating their performance and providing recommendations to the Trustee Board which has ultimate responsibility for the appointment of fund managers.

An external investment consultant is appointed to provide expert advice to the Trustee

Foundation PST
Notes to the Financial Statements
For the period ended 30 June 2010

Note 13: Financial Risk Management

Board regarding the management of the Trust's investment portfolio in accordance with the various investment strategies for the Trust's various investment options. The Trustee Board, in consultation with the appointed investment consultant, undertakes extensive due diligence to ensure the appointed fund managers have the requisite skills and expertise. Investments are monitored on a weekly basis through evaluation of prevailing market conditions and benchmark analysis. Lambda Investment Solutions Pty Ltd was the appointed investment consultant in December 2002.

The Investment Committee receives quarterly risk management reports from the Trust's Manager and, in turn, reports quarterly to the Board of Directors of the Trustee on its activities. Divergence from target asset allocations and the composition of the portfolio is monitored by the Trust's Manager on a weekly basis. Reports from the Trust's Manager include the following:

- details of the controls in place to monitor compliance with the Trust's various investment strategies;
- current asset allocations against target positions;
- investment performance against benchmarks; and
- fund manager compliance reporting

Set out below is a more detailed description of the components of the investment risks faced by the Trust (i.e. Market, Credit and Liquidity risk), how the Trustee manages these risks and the sensitivities of the Trust's investments to these components of investment risk.

Market risk

Market 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 comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return on risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Trust has exposure to currency risk through its investments in Australian domiciled registered funds that invest in international equities and bonds. The Trust's exposures to currency risk at 30 June 2010 was comprised as follows:

	2010	2009
	\$'000	\$'000
International Equities		
- held in Australian currency denominated collective investment vehicles	4,833	4,445

The currency risk disclosures have not been prepared on a look-through basis for investments held indirectly through collective investment vehicles. Consequently, the disclosure of currency risk in this note does not represent a comprehensive currency risk profile of the Trust. The potential effects of such movements are included in the sensitivity analysis under "other market price risk".

Foundation PST
Notes to the Financial Statements
For the period ended 30 June 2010

Note 13: Financial Risk Management

Interest rate risk

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

The majority of the Trust's financial instruments are non-interest bearing with only cash and cash equivalents and short term deposits being directly subject to interest rate risk. As a result, the Trust is subject to limited direct exposure to interest rate fluctuations in prevailing levels of market interest rates. The Trust is indirectly exposed to fluctuations in market interest rates through its investments in collective investment vehicles, which invest in a variety of short and long term interest bearing securities.

The interest rate risk disclosures have not been prepared on a look through basis for investments held indirectly through collective investment vehicles. Consequently, the disclosure of interest rate risk in this note does not represent a comprehensive interest rate risk profile of the Trust.

The Trust's interest rate risk is monitored on a weekly basis by the Manager in accordance with the policies and procedures in place including monitoring of exposure to interest rates and assessment of actual interest rates against the relevant benchmarks.

Currently, cash at bank is held through the Macquarie Cash Management Trust, which has a AAAM rating from Standard & Poor's. The rating of the Macquarie Cash Management Trust is reviewed by the Investment Committee on a quarterly basis. Any changes in banking arrangements requires the approval of the Trustee Board.

At the reporting date the profile of the Trust's interest-bearing and non-interest bearing financial instruments was:

30 June 2010

	Interest bearing	Non-interest bearing	Total
Assets			
Cash at bank	16	-	16
Investment Income Receivable	-	1,192	1,192
Receivables	-	156	156
Units in managed investments	-	55,721	55,721
	16	57,069	57,085
Liabilities			
Other Payables	-	235	235
Current tax liabilities	-	(194)	(194)
	-	41	41

30 June 2009

	Interest bearing	Non-interest bearing	Total
Assets			
Cash at bank	63	-	63
Investment Income Receivable	-	462	462
Receivables	-	21	21
Units in managed investments	-	50,241	50,241
	63	50,724	50,787

Foundation PST
Notes to the Financial Statements
For the period ended 30 June 2010

Note 13: Financial Risk Management

Liabilities

Other Payables	-	279	279
Current tax liabilities	-	(215)	(215)
	-	64	64

Sensitivity Analysis-Interest Rate Risk

Following analysis of historical data over the past 5 years and expected interest rate movement during the 2011 financial year together with consultation with the investment consultant, the Trust anticipates 100 basis point movement in interest rates is reasonably possible for the 2010/11 reporting period. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2009/10 and is not guaranteed.

An increase/decrease of 100 basis points in interest rates at the reporting date would have increased/decreased the Change for the year in net assets available to pay benefits and Net assets available to pay benefits by the amounts shown below:

	Carrying Amount	Benefits Accrued as a result of operations before income tax		Statement of Financial Position	
		-100bps	+100bps	-100bps	+100bps
30 June 2010					
Cash	16	0	0	0	0
	16	0	0	0	0
30 June 2009					
Cash	63	(1)	1	(1)	1
	63	(1)	1	(1)	1

Other market price risk

Other market price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As all of the Trust's financial instruments are carried at net market value with changes recognised in the Operating Statement, changes in market conditions affecting net market value will be recognised in the Operating Statement. As the investments of the Trust (other than cash held for liquidity purposes) comprise units in collective investment vehicles, the Trust's exposure to other market risk is therefore limited to the market price movement of these investments. The Trust's exposure at year end to other market price is detailed below.

Sensitivity Analysis- Other market price risk

In consultation with the investment consultant, the Trust considers the following movements in other market price risk are reasonably possible for the 2010/11 reporting period:

Foundation PST
Notes to the Financial Statements
For the period ended 30 June 2010

Note 13: Financial Risk Management

Listed and unlisted Fixed Income Trusts	10%
Australian equities	10%
International equities	10%
Listed and unlisted Property Trusts	10%
Units in managed investments	10%

The increase/decrease in the market price against the investments of the Trust at 30 June would have increased/(decreased) the Benefits accrued as a result of operations before tax by the amounts shown below. The analysis assumes that all other variables, in particular, interest rates and foreign exchange rates remain constant. The analysis is performed on the same basis for 2010 and is not guaranteed.

	%	Carrying Amount	Benefits Accrued as a result of operations before income tax	Statement of Financial Position		
30 June 2010						
Listed and unlisted Fixed Income Trusts	10	10,612	(1,061)	1,061	(1,061)	1,061
Australian equities	10	12,932	(1,293)	1,293	(1,293)	1,293
International equities	10	10,864	(1,086)	1,086	(1,086)	1,086
Listed and unlisted Property Trusts	10	2,758	(276)	276	(276)	276
Units in managed investments	10	18,555	(1,855)	1,855	(1,855)	1,855
		55,721	(5,571)	5,571	(5,571)	5,571
30 June 2009						
Listed and unlisted Fixed Income Trusts	10	10,915	(1,092)	1,092	(1,092)	1,092
Australian equities	10	11,266	(1,127)	1,127	(1,127)	1,127
International equities	10	9,476	(948)	948	(948)	948
Listed and unlisted Property Trusts	10	2,533	(253)	253	(253)	253
Units in managed investments	10	16,051	(1,605)	1,605	(1,605)	1,605
		50,241	(5,025)	5,025	(5,025)	5,025

Credit Risk

Credit Risk is the risk that a counterparty to a financial instrument will cause a loss to the other party by failing to discharge an obligation. The Trust has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis by the Manager. The credit policy provides guidelines as to the appropriate terms and conditions of transactions entered into and the escalation procedures to follow when the recovery of assets is considered doubtful.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date. No collateral is held as security nor do other credit enhancements exist for financial assets held. No financial assets are considered past due as all payments are considered recoverable when contractually due. The Trust does not have any significant exposure to any individual counterparty or industry.

Substantially all of the cash held by the Trust is held in the Macquarie Cash Management Trust. The Trust monitors its credit risk by monitoring the credit quality and financial positions of the bank through regular analysis of their financial reports.

Foundation PST
Notes to the Financial Statements
For the period ended 30 June 2010

Note 13: Financial Risk Management

For investment in listed Australian equities credit risk arising on these investments is mitigated by monitoring that managers transact predominantly with reputable brokers on recognised exchanges.

Credit risk arising from other collective investments is mitigated by extensive due diligence prior to the appointment of Investment and Fund Managers, and benchmark analysis of the Investment and Fund Managers appointed.

Credit risk associated with contributions receivable and other receivables is considered low as there is usually a short settlement period as the receivable relates to timing differences in respect of the receipt of contributions from the employer sponsors. The Trust monitors the ageing of unsettled trades on a monthly basis to ensure receivables do not exceed 30 days.

Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as and when they fall due. The Trust'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 Trust's reputation.

The Trust's Trust Deed and Product Disclosure Statement provides for the weekly withdrawal of benefits and it is therefore exposed to the liquidity risk of meeting unitholders' withdrawals on a weekly basis.

The Trust's liquidity risk is managed on a weekly basis by the Manager in accordance with policies and procedures in place and the Trust's Investment Strategy. The Trust's overall liquidity risks are monitored on a quarterly basis by the Trustee. The following are in contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements.

	Carrying Amount	Contractual cash flows	Less than 1 month	1-6 months	Over 1 Year
30 June 2010					
Benefits payables	132	132	-	-	-
Other payables	103	103	-	-	-
Income tax payable	-	-	-	-	-
Unitholders' funds	57,044	-	52,150	-	4,894
	57,279	235	52,150	0	4,894
30 June 2009					
Benefits payables	8	8	-	-	-
Other payables	271	271	-	-	-
Income tax payable	-	-	-	-	-
Unitholders' funds	50,724	-	44,117	-	6,607
	51,003	279	44,117	0	0

Collateral

The Trust has not pledged any collateral as security for liabilities or contingent liabilities. The Trust does not hold any collateral to secure amounts receivable, nor has the Trust taken possession of any previously held collateral.

Foundation PST
Notes to the Financial Statements
For the period ended 30 June 2010

Note 13: Financial Risk Management

Impairment

Due to the nature of the Trust's financial assets and those assets being carried at market value, no impairment losses were recognised during the current or prior reporting period, and no interest was charged.

Defaults and breaches

The Trust has no external borrowings and as such has not breached any loan agreements, nor was the Trust in default of any loans payable.

Estimation of fair values

The Trust's financial assets and liabilities included in the Statement of Financial Position are carried at net market value which the directors believe approximate fair value. The major methods and assumptions used in determining net market value of financial instruments were disclosed in note 2 of the Significant accounting policies section.

Note 14: Managed Investments

2010
\$'000 **2009**
\$'000

Details of the Trust's investments in managed investments are as follows:

AMP Capital Balanced Growth Fund	1,520	1,362
AMP Capital Enhanced Yield Fund	4,894	6,607
Total AMP Capital	6,414	7,969

MFS Global Equity Trust	1,836	1,620
MFS Hedged Global Equity Trust	1,486	732
Total MFS	3,322	2,352

PM Capital Enhanced Yield Fund	1,934	1,764
Total PM Capital	1,934	1,764

Queensland Investment Corporation (QIC)

QIC Active Large Companies Fund	2,284	2,061
QIC Active Small Companies Fund	184	148
QIC Australian Equities Fund	2,627	2,443
QIC Cash Enhanced Fund	1,064	72
QIC Diversified Fixed Interest Fund	1,806	1,525
QIC GFI Alpha Fund	11,920	10,097
QIC Global Listed Real Estate Fund	504	0
QIC Growth Fund	2,528	2,314
QIC Hedged International Equities Fund	4,546	4,299
QIC Implemented Australian Equities Fund	3,042	2,505
QIC International Share Fund	1,656	1,656
QIC Property Securities Fund	0	519

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Notes to the Financial Statements
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Note 14: Managed Investments	2010	2009
	\$'000	\$'000
QIC Stable Fund	384	342
Total QIC	32,545	27,981
Tyndall Australian Share Wholesale Portfolio	1,862	1,604
Total Tyndall	1,862	1,604
UBS Global Asset Management (Australia) Ltd (UBS)		
UBS Australian Share Fund	2,932	2,504
UBS Balanced Fund	2,203	1,936
UBS Diversified Credit Income Fund	914	948
UBS Global Property Securities Fund	822	731
UBS International Share Fund	1,341	1,169
UBS Property Securities Fund	633	425
Total UBS	8,845	7,713
Vanguard International Property Securities Index Fund	799	858
Total Vanguard	799	858
	55,721	50,241

Note 15: Subsequent Events

There has not arisen in the interval between the end of the financial year and the date of these financial statements any item, transaction or event of a material nature likely, in the opinion of the directors of the Trust, to affect significantly the operations of the Trust, the results of those operations, or the state of affairs of the Trust, in subsequent financial years.

Note 16: Capital Management

The trustee controls the capital of the Trust to ensure that adequate cash flows are generated to meet financial liabilities and that returns from investments are maximised. The trustee ensures that the overall risk management strategy is in line with this objective.

The Trust's capital consists of financial liabilities, including liabilities accrued to unitholders of the Trust.

The trustee effectively manages the Trust's capital by assessing the Trust's financial risks and responding to changes in these risks and in the market.

There have been no changes in the strategy adopted by the trustee to control the capital of the Trust since the prior year. The Trust is not able to borrow under legislative requirements. The Trust ensures that sufficient cash is at hand to meet financial obligations as they arise.

Foundation PST
Notes to the Financial Statements
For the period ended 30 June 2010

Note 17: Accounting Policy

The AASB has issued new, revised and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Plan has decided not to early adopt. A discussion of those future requirements and their impact on the Plan is as follows:

AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards are applicable retrospectively and amend the classification and measurement of financial assets. The Plan has not yet determined any potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows.

AASB 2009-4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the Plan.

Foundation PST
Notes to the Financial Statements
For the period ended 30 June 2010

AASB 2009-14: Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

The Plan does not anticipate early adoption of any of the above Australian Accounting Standards.

Note 18: Tax

	Note	2010 \$'000	2009 \$'000
a. Liabilities			
CURRENT			
Income tax		(42)	(148)
		<hr/>	<hr/>
Deferred tax liability comprises:			
Investments		(152)	(67)
Total		(152)	(67)
		<hr/>	<hr/>
b. Reconciliations			
i. Gross Movements			
The overall movement in the deferred tax account is as follows:			
Opening balance		(67)	0
Charge/(credit) to income statement	6	(85)	(67)
Closing balance		(152)	(67)
		<hr/>	<hr/>
ii. Deferred Tax Liability			
The movement in deferred tax liability for each temporary difference during the year is as follows:			
Investments			
At 1 July		(67)	0
Charged to the income statement		(85)	(67)
At 30 June		(152)	(67)
		<hr/>	<hr/>

Foundation PST Trustees' Declaration


The directors of The Trust Company (Superannuation) Limited being the Trustee of the Foundation PST (Trust) declare that:

- i. the financial statements and notes, as set out on pages 1 to 14, present fairly the financial position of the Trust as at 30 June 2010 and the results of its operations for the year then ended in accordance with Australian Accounting Standards and other mandatory professional reporting requirements;
- ii. the financial statements and notes to the financial statements have been prepared in accordance with the requirements of the Trust Deed and the *Superannuation Industry (Supervision) Act 1993* and Regulations; and
- iii. the operation of the Trust has been carried out in accordance with its Trust Deed and in compliance with the requirements of the *Superannuation Industry (Supervision) Act 1993*, its Regulations and Guidelines and the *Corporations Act 2001* during the period ended 30 June 2010.

This declaration is made in accordance with a resolution of the trustee;
~~THE TRUST COMPANY (SUPERANNUATION)~~

~~LIMITED ABN 49 006 421 638~~

~~By its Attorneys who declare that they have no
notice of revocation of the Power of Attorney
under which this document is signed.~~



Nicholas Sette
The Trust Company (Superannuation)
Limited



Christopher Young
The Trust Company (Superannuation)
Limited

Dated this 5TH day of OCTOBER 2010

PARTNERS

Geoffrey J. Read
Linda E. Timms
Anthony C. Bryen

Foundation PST A.B.N. 23 174 629 885

Independent Report by Approved Auditor to the Trustee and Members

ASSOCIATE

Susan J. Mortimer

Financial Statements

I have audited the financial statements of Foundation PST for the year ended 30 June 2010 comprising the Statement of Financial Position, Operating Statement, Statement of Cash Flows, Notes to the Financial Statements and Trustees' Declaration.

Trustee's Responsibility for the financial statements

The superannuation entity's trustee is responsible for the preparation and fair presentation financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the requirements of the *SIS Act* and the *Superannuation Industry (Supervision) Regulations 1994* (SIS Regulations). The trustee's responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of 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 and members of Foundation PST.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the trustees' 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 trustees' internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustee, as well as evaluating the overall presentation of the financial statements.

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

Audit 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 Foundation PST as at 30 June 2010 and the results of its operations and its cash flows for the year ended 30 June 2010.



Sothertons - Brisbane Partnership



**A C Bryen
Partner**

Date at Brisbane this thirteenth day of October 2010.