

CBH SUPERANNUATION FUND

ANNUAL REPORT TO MEMBERS

For the year ended 31 October

2007

THE CORPORATE SUPERANNUATION FUND FOR CBH GROUP EMPLOYEES.

CBH SUPERANNUATION FUND – 2007 ANNUAL REPORT

ISSUED: February 2008 (Docs #626423)

CONTENTS

Overview	Page 4
Strengths and Challenges	Page 4
Investment Report:	
- Investment performance	Page 6
- Return on assets	Page 7
- Major investments	Page 8
- Asset allocations	Page 9
- Investment approach	Page 9
- Investment strategy for 2008	Page 10
Membership Issues:	
- Crediting rates	Page 11
- Contributions	Page 12
- Benefits	Page 13
- Portability & voluntary withdrawals	Page 14
Fees & Expenses	Page 15
Trustee Information	Page 17
Enquiries & Complaints	Page 19
Abridged Financial Statements	Page 20
Contact Directory	Page 23

OVERVIEW

The 2007 year was arguably the best year to date in the 62 year history of the CBH Superannuation Fund, particularly from members' perspective.

Providing good returns to members has been the key Fund focus ever since it commenced providing accumulation benefits and the Trustee's willingness to ignore the general superannuation industry outsourcing and investment "fashions" provided excellent results this year.

Not only did the Trustee distribute a total of \$10.2 million of actuarial surplus to member accounts in June 2007, but favourable investment markets also enabled a 33.5% annual interest rate to be credited to member accounts.

In an additional bonus to all superannuation fund members, legislative changes improved superannuation's attractiveness, with the "better super" legislative changes that came into effect on 1 July 2007 elevating it to the most favoured investment vehicle status for employees saving for their retirement.

As well as providing taxation relief on earnings, superannuation payments to persons over 60 years of age are now tax-free. Full details of the changes can be obtained on the government website www.ato.gov.au/bettersuper.

Any member contemplating increasing their superannuation savings should refer to the "Contributions" section later in this report.

What are the main strengths of the CBH Superannuation Fund?

With all superannuation fund members now having the right to transfer their account balance from one fund to another it is important that members and potential members should be aware of the main issues that set the CBH Superannuation Fund apart from other funds available to them.

Member Focus. *The key objective of the Fund is to provide above average superannuation benefits to its members.* It has no overriding motives to detract it from achieving this objective.

The structure and composition of the Trustee and the role of the Fund Secretary are designed to enable the maximisation of member returns.

Low Cost Base. This is achieved by undertaking most Fund activities in-house. The provision of human and other resources by the employer greatly assists operating efficiently.

Experienced Staff. Directors Terry Cunningham, Imre Mencshelyi and Michael Thorne all have considerable superannuation trustee experience and the Fund Secretary has been involved in the administration of the Fund since 1989.

Ease of Communications. All member communications is maintained in-house. Any questions that members may have regarding their superannuation can be easily dealt with by the Fund Secretary or the Member-Directors through direct contact or Company email and telephone services.

Any CBH Group employee who feels that the CBH Superannuation Fund may be a better option than their current superannuation arrangements should contact Rob Burns to obtain a copy of the Product Disclosure Statement and application form.

However, there are several challenges ahead....

Investment Markets. Notwithstanding the impressive 2007 result, there are several reasons why the coming investment year is anticipated with some caution:

- Firstly, in a rather unfortunate turn of events, the Fund's year-end coincided with the Australian stock market attaining its all-time highs, from whence it immediately commenced to subside;
- Secondly, the credit crisis arising from poor quality US residential housing lending practices has yet to be fully resolved. The efficiently functioning financial markets necessary to sustain world economic growth are under more strain than has been evident for many decades;
- Thirdly, there is every indication that the US may be heading into recession and there are doubts as to whether the Chinese economy is sufficiently robust to withstand a decline in demand from a major customer for its exports; and
- Fourthly, the continuation of the resources boom is problematical in the face of a slowing global economy at the same time as the reduced exploration and development that occurred over the past decade is rapidly being reversed, with substantial additional capacity coming on line.

Regulatory Constraints. The superannuation industry regulators at present grant several major concessions to corporate superannuation funds. However, the dramatic reduction in the number of corporate superannuation funds operating in Australia increases the risk of those concessions being withdrawn. The Fund would find it difficult to meet standard "public offer" superannuation licensing requirements in its present configuration.

Residual Defined Benefit Liabilities. The need to maintain the separate administration systems and to undertake various actuarial reporting requirements for the remaining five defined benefit members, pensioners and uninsured benefits causes significant additional expenses that are borne by all Fund members. The Trustee's goal is to reduce all defined benefit liabilities as soon as practical.

Corporate Relevance. The advent of universal superannuation coverage has substantially diminished the effectiveness of corporate superannuation funds in retaining valued employees and the Fund can only expect to continue while it can demonstrate a clear positive cost/benefit to the operations of the sponsoring employer.

Absence of Investment Choice. In order to minimise investment expenses the Fund maintains a single investment pool and does not provide members with any investment choice capacity. This may not be acceptable to some potential members.

Absence of Account Draw-Down Products. The Fund is focussed on generating member benefits in the accumulation stage and does not provide "transition to retirement" pensions that are recommended by some financial planners to reduce members' income tax liabilities. Further, as membership ceases with employment termination, it is necessary for all members to choose an alternative fund when retiring or changing employers – and the Fund is unable to assist exiting members with such financial planning matters.

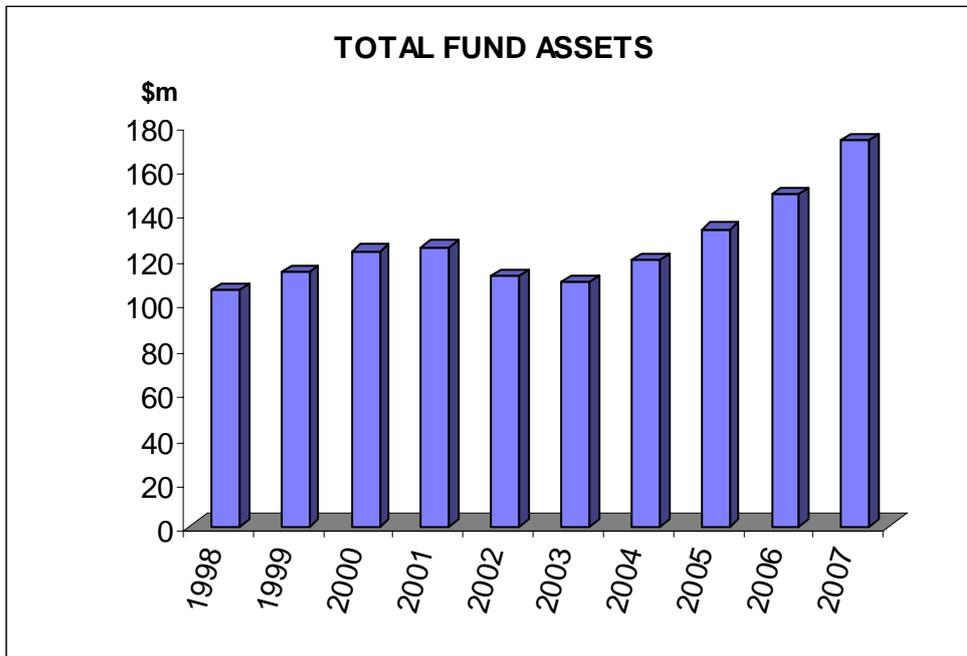
INVESTMENT REPORT

The global economy was surprisingly strong during the year, with the Chinese demand for resources in particular underpinning Australian economic activity.

In addition, the flow of money from the Asian manufacturing and oil exporting countries into the investment markets continued the run of asset price inflation that has been a feature of recent years.

Total Fund assets increased by 16% during the year and are now in excess of \$172 million. This is a very pleasing result considering that the amount paid out in benefit payments was 6 times greater than total contributions income.

The Fund is expected to continue to be cash flow negative while the employer contributions holiday remains in place, with the cash shortfall being met through asset sales.



INVESTMENT PERFORMANCE FOR THE YEAR

The after-tax investment return on average assets for the year was 28.11%.

However, there are numerous indications that the bull market is at or near turning point and investment returns are expected to be very much lower in coming years.

It is brought to members' attention that the Australian Stock Market achieved its all-time record high on 1 November 2007, coinciding with the Fund's year-end, and whilst this was a positive outcome from a 2007 Fund earnings perspective, the market decline that occurred immediately thereafter is detrimental to the prospects of achieving good returns in 2008.

The Fund's annual investment earning rates for the last 5 years were:

2007	28.11%
2006	18.81%
2005	15.18%
2004	14.05%
2003	10.16%

The return for the last 5 years averaged 17.26% pa and the 10 year average is 13.48%.

Only 17.83% of the earnings for the year were generated from interest, dividends, trust distributions and rental income, with the balance derived from the increase in the net market value of investment assets held.

Main Earnings Contributors

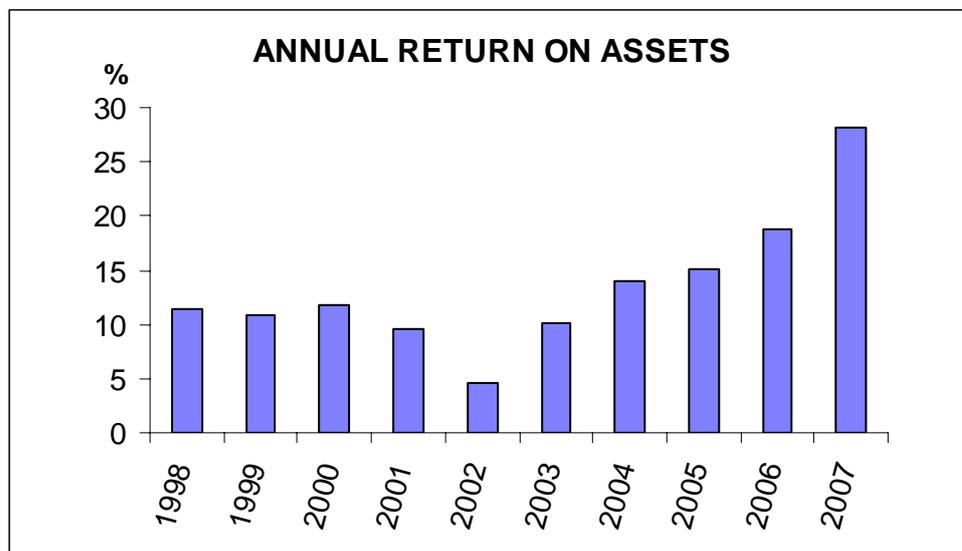
Continuing asset inflation driven by high levels of global liquidity (ie much cash seeking limited investment opportunities) combined with exceptionally high commodity prices providing a general uplift for all investment asset classes.

A return in excess of 70% was generated through the sale of the underdeveloped tavern and clubrooms land in West Perth at the height of the property boom and the tight West Perth office market enabled an upward revaluation of the Disability Services Commission tenanted building to give a 55% return on that remaining freehold property investment.

Other standout performers during the year were Australian Infrastructure Trust, BHP Billiton, Coca-Cola Amatil, CSL, Telstra Instalment Receipts, WA Newspapers, Woodside, Woolworths and Aspen Property Group - all of which yielded greater than 40% pa.

Main Earnings Detractors

The high Australian Dollar combined with operational issues caused the Iluka and Paperlinx share investments to lose over 30% of their value during the year. Iluka’s management has now taken action to protect against further currency appreciation and that investment is expected to provide positive returns in the future.



Note: Members should be aware that past performance should not be taken as an indication of future performance.

CBH SUPERANNUATION FUND – 2007 ANNUAL REPORT

MAJOR INVESTMENTS HELD AT 31 OCTOBER 2007

Asset	Number	Net Market Value	% of Assets
INTEREST BEARING INVESTMENTS:			
Commonwealth Bank Bills	5	\$24,737,017	14.38%
Coca-Cola Amatil Floating Rate Notes	10,000	\$992,500	0.58%
Commonwealth Bank PERLS 111	5,236	\$1,050,865	0.61%
Commonwealth Bank Floating Rate Notes	20,000	\$1,985,000	1.15%
HBOS Floating Rate Notes	20,000	\$1,985,000	1.15%
Wesfarmers Floating Rate Notes	10,000	\$992,500	0.58%
ORDINARY SHARES IN AUSTRALIAN LISTED COMPANIES:			
Ancor	243,188	\$1,694,375	0.98%
ANZ Banking Group	273,217	\$8,162,152	4.74%
Australian Foundation Investment Co	2,500,000	\$15,309,312	8.90%
BHP Billiton	237,744	\$10,877,798	6.32%
Boral	177,200	\$1,190,646	0.69%
Brambles	353,832	\$4,983,219	2.90%
Coca-Cola Amatil	127,000	\$1,285,684	0.75%
Commonwealth Bank	125,000	\$7,629,843	4.43%
CSL	67,500	\$2,463,750	1.42%
Djerriwarrh Investments	324,000	\$1,691,457	0.82%
National Australia Bank	210,000	\$8,983,117	5.22%
Origin Energy	206,734	\$1,877,428	1.09%
Publishing & Broadcasting	100,000	\$2,066,385	1.20%
Telstra (includes Instalment Receipts)	339,055	\$1,406,572	0.61%
WA Newspapers Holdings	229,780	\$3,172,268	1.84%
Wesfarmers	135,971	\$5,929,756	3.45%
Westpac Banking Corporation	250,000	\$7,577,737	4.40%
Woodside Petroleum	36,145	\$1,865,443	1.05%
Woolworths	102,629	\$3,407,193	1.98%
POOLED SUPERANNUATION TRUSTS:			
Mercer Conservative Growth	829,619	\$1,509,076	0.88%
Mercer Growth	760,379	\$1,718,608	1.00%
MISCELLANEOUS:			
Perth Clinic Investment Trust	600,000	\$946,273	0.55%
LISTED PROPERTY TRUSTS:			
Aspen	1,446,002	\$3,831,869	2.23%
Bunnings Warehouse Property	533,334	\$1,238,641	0.72%
DB RREEF	550,000	\$1,140,878	0.66%
GPT	200,000	\$917,070	0.53%
Mirvac	185,000	\$1,061,280	0.62%
Stockland	175,000	\$1,554,503	0.90%
DIRECT FREEHOLD PROPERTY:			
146-166 Colin Street, West Perth (DSC)		\$15,410,240	8.96%
PROPORTION OF TOTAL ASSETS:			88.30%

Note: The Australian Foundation Investment Company is a listed investment company that provides low-cost exposure to an extensive range of investment grade companies listed on the Australian Stock Exchange. This provides great diversification within the Australian share market.

ASSET CLASS ALLOCATION

The portfolio took on a more defensive nature over the course of the year as a result of a reduction in the proportion of investments in the share and property asset classes.

ASSET ALLOCATIONS		
	2007	2006
Australian Shares	58.99%	58.69%
Overseas Shares	0.55%	2.33%
Direct Property	8.96%	10.10%
Listed Property Trusts	7.03%	7.17%
Australian Fixed Interest	7.13%	6.57%
Cash & Liquids	16.69%	14.32%
Other	0.65%	0.82%

Disposals

The whole of the investments in Alinta, Coles, Mayne Pharma, Rinker and Investa Property Trust were relinquished as a consequence of takeover bids and the holdings in BHP Billiton and Wesfarmers were reduced slightly as part of portfolio rebalancing.

The substantial landholding in West Perth on which the Blue Note Tavern and the CBH Social Clubrooms were located was sold for a good profit while the demand for Perth property was very strong.

Purchases

Significant investments were made in CSL shares and HBOS Bank notes, and minor holdings of Boart Longyear shares and Telstra instalment receipts were acquired through their initial public offer floats.

A number of relatively small holdings in various Babcock & Brown utilities and infrastructure trusts were also taken up through the Alinta takeover process.

INVESTMENT APPROACH

Use of External Investment Managers

The Trustee has yet to see sufficient evidence to convince it that, at this time, the additional investment performance attainable from the use of asset consultants, investment managers and custodians justifies the additional layers of fees involved.

Consequently it believes that members' interests are best served through the continued self-management of the investment portfolio.

However, this does not preclude the use of investment managers in specialist areas where it is clearly in the Fund's interest to do so.

Performance against other superannuation funds is continually monitored and the investment approach will be reviewed should self-investment fail to deliver satisfactory returns in the future.

Investment Philosophy

The Trustee's investment philosophy is to purchase investments that are expected to generate good income flows (from interest, dividend or rent) and to hold those investments over the long term.

The share portfolio consists of mostly medium to large capitalisation Australian companies as the Trustee does not believe that Fund has the resources to adequately research overseas, small capitalisation or unlisted companies.

Although the portfolio is continually monitored, and investments may be sold to realign changed risk levels either within the portfolio or affecting the investment itself, the Trustee does not attempt to time stock market movements.

Use of Derivatives

The Trustee seeks to minimise investment risk by maintaining an appropriately diversified portfolio of investments and currently does not use derivatives or other hedging tools to protect against market downturns.

US Sub-Prime Mortgage and Collateral Debt Obligation Instruments

The Fund has no direct exposure to the US residential mortgage market and holds no collateral debt obligation (CDO) or long term debt instruments.

However, the repricing of financial risk and accompanying global credit crisis is still in progress and has had a post year-end negative impact on the Funds' portfolio of listed property trusts and bank stocks.

Socially Responsible Investing

The Trustee does not specifically address labour standards, social, environmental or ethical issues when assessing investments. It believes that companies that have poor socially responsible standards are most likely to also fail other fundamental investment assessment criteria.

Member Investment Choice

At this time the Fund offers only a single pooled investment and members do not have the option of nominating any investment preferences.

INVESTMENT STRATEGY FOR YEAR 2008

The Trustee believes that, due to changes in the demographics of the Fund membership, it is appropriate to position the Fund's investment portfolio in expectation of a period of more subdued economic activity.

The key features of the Trustee's current year investment strategy are:

- *to reduce the allocation to Australian shares to 53-54% of total assets;*
- *this will include the sale of the de-merged PBL companies and a reduction in direct bank stock holdings;*
- *to allot in excess of \$1 million towards improvements to the 146-160 Colin Street, West Perth building to assist in securing a new long term lease; and*
- *to reinvest any excess funds into Australian fixed interest instruments.*

MEMBERSHIP ISSUES

The CBH Superannuation Fund is open to all employees of Co-operative Bulk Handling Limited and Bulkwest Engineering Pty Ltd, other than those employed on a casual or temporary basis.

Despite the number of active members only increasing by 1 to 454 at year-end, member turnover was a very high 28%, with the 63 members departing being matched by the 64 new members joining during the year.

Provision of Tax File Numbers

Any new membership application form that does not have the applicant's tax file number inserted is considered to be incomplete and will not be accepted.

CREDITING RATES

Each year the Trustee sets an annual crediting rate based upon the Fund's net earning rate (being the net investment earning rate less administration expenses). The crediting rate is used in applying interest to all applicable members' accounts.

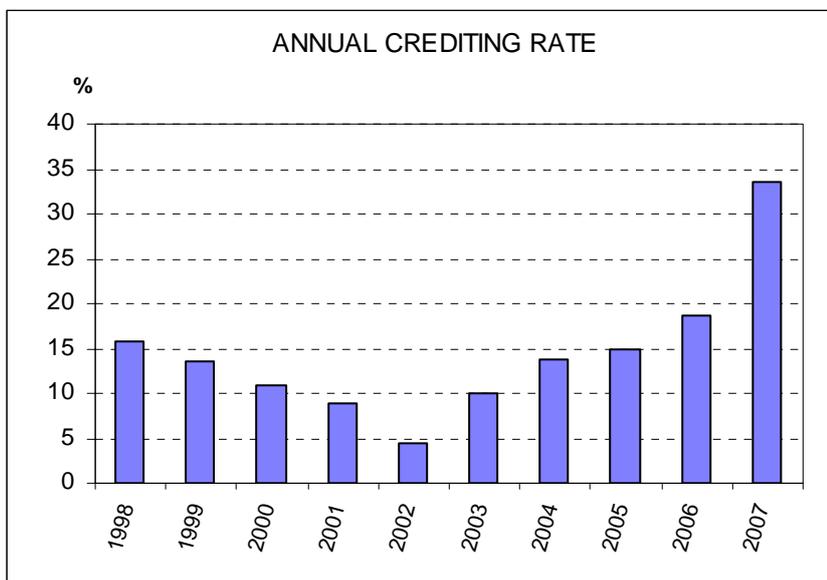
During the year the Trustee concluded that investing Fund assets for the purpose of increasing the duration of an employer contribution holiday was neither compatible with the Trustee's general fiduciary duty nor in accordance with the "sole purpose test" of the SIS Act, and resolved that earnings generated from assets supporting the contributions holiday should be applied to members' accounts through an enhanced interest rate.

Therefore the 2007 Fund net earning rate of 27.46% was uplifted by those additional earnings to generate a crediting rate of 33.50%.

The annual rate credited for the last 5 years were:

2007	33.50%
2006	18.64%
2005	14.97%
2004	13.87%
2003	10.00%

Over the last 10 year period the Fund's crediting rate averaged 14.48%. The 5 year average is 18.20%.



The Trustee also sets an interim rate for the calculation of the benefits payable to members who leave the Fund during the year. It is credited to the exiting member's account on a pro rata basis from the beginning of the Fund's financial year.

The interim rate is reviewed on a regular basis so as to avoid any cross-subsidy between current and exiting members occurring due to changing asset values.

CONTRIBUTIONS

Employer (Concessional) Contributions

Member accounts are credited with employer contributions of 9% of superannuation salary. However, as the employer is currently on a contributions holiday these contributions are effectively drawn from the Fund's actuarial surplus. This contribution holiday arrangement is expected to continue for many more years.

Employer contributions are subject to the legislative cap of \$50,000 per annum for "concessional contributions". A transitional measure permits those over 50 years of age at 1 July 2007 to receive up to \$100,000 pa of concessional contributions until 2012.

The mandated employer contribution rate of 9% of wages is generally accepted as being too low to provide adequate retirement income and most members will need to make some form of additional contributions during their working life.

Member (Non-Concessional) Contributions

Accumulation members may effectively contribute up to the \$150,000 p.a. cap from post-tax sources and those over 50 years of age at 1 July 2007 are able to make up to \$450,000 in a single year by bringing forward future year's entitlements. These are the only contributions that create an entitlement to government co-contributions.

Salary Sacrifice contributions

Members may enter into agreement with the employer for salary sacrificed contributions to be paid into their superannuation account. (This is not an option for defined benefit members).

Salary sacrifice contributions are included in the \$50,000 pa concessional contributions cap.

Any Fund member considering salary sacrifice should seek financial advice as to its appropriateness in their circumstances.

Government Co-contributions

The Federal Government's incentive scheme to encourage low income employees to contribute personal contributions to their superannuation remains in place.

The government contributes \$1.50 per \$1 of personal contributions made by eligible persons earning \$28,000 or less with a maximum co-contribution amount of \$1,500 available. The co-contribution amount progressively reduces as income increases and cuts out totally at \$58,000 pa.

The co-contribution amount put to the member's account is automatically calculated by the Australian Taxation Office, and remitted to the Fund, after the eligible person has submitted their annual income tax return.

Spouse Contributions

A rebate of 18% is claimable on contributions of up to \$3,000 made on behalf of a spouse earning less than \$10,800 (maximum rebate \$540). Spouse contributions must be made from after-tax monies.

Contribution Splitting to Spouse Accounts

Members may split up to 85% of employer (including salary sacrifice) contributions made to their account during the preceding financial year to their spouse’s superannuation account under certain circumstances. A fee of \$200 is deducted from each contribution split transfer

Contribution splits have largely lost their attractiveness following the abolition of reasonable benefits limits.

Employer Contribution Holiday

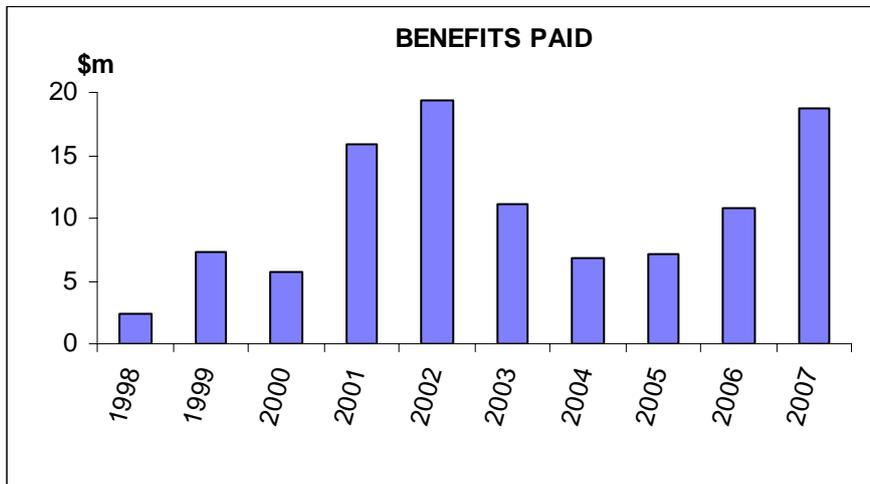
As the Fund’s rules do not provide for any defined benefit fund surplus to be distributed to the employer, its entitlement to fund surplus is provided by way of a holiday on the remittance of employer and salary sacrifice contributions. This contribution holiday arrangement is expected to continue for many more years.

BENEFITS

Payment of Benefits

Superannuation benefits become payable when a member ceases to be an employee of the CBH Group for any reason.

Benefit payments totalling \$18,678,804 were paid during the year. This was made up of \$14,848,888 of lump sum benefits to exiting members, \$446,072 paid as defined benefit pensions and \$3,383,844 as commuted lump sum amounts paid to pension beneficiaries.



Accumulation section members receive a benefit being the balance of their account at the time. The member’s account balance is determined by adding contributions, incoming transfers and credited interest to the opening balance, and deducting any insurance, taxes and administration expenses incurred during the year.

Defined benefit members receive a benefit as determined using the appropriate formula in the Trust Deed.

Benefits cannot remain with the Fund after a member has ceased to be an employee of Co-operative Bulk Handling Ltd or an associated employer subsidiary.

If an exiting member fails to provide adequate instructions for the payment of a benefit then the due benefit will be transferred from the Fund as per the Fund’s unclaimed benefit policy following.

Unclaimed Benefits Policy

The Trustee is required to transfer due benefits into an Eligible Rollover Fund (ERF) if the exiting member does not provide the Fund with adequate benefit payment instructions.

If a benefit is transferred to an ERF then all membership entitlements, including any death or disability benefit cover, will cease.

The Fund's current ERF is The Australian Eligible Rollover Fund and it may be contacted at Locked Bag 5429, Parramatta NSW 2124 (telephone 1800 677 424).

The Australian Taxation Office (ATO) operates a superannuation helpline on telephone 13 10 20 and maintains a record of all lost superannuation benefits. If you think that you may have superannuation owing to you from previous employers or other superannuation funds, then it could be in your interest to check the lost member register by contacting the helpline or by going to the "superseeker" page on their website at www.ato.gov.au.

Pension Benefits

The Trustee no longer offers to pay any benefit, other than temporary disability benefits, in the form of a pension.

A commutation programme to assist pensioners to better structure their financial affairs was undertaken during the year which resulted in the number of pension beneficiaries being reduced from 28 to 11.

Vested Benefits

Vested benefits are the entitlements to which members would have been due in the event that they had terminated their Fund membership on the reporting date.

Total vested benefits increased from \$103,283,616 at 31 October 2006 to \$133,246,749 at 31 October 2007.

Portability and Voluntary Withdrawals

Any member who is dissatisfied with the Fund may elect to have their account balance transferred to a regulated superannuation fund of their choice. This will be done within 30 days of submission of the appropriate documentation, including any identification requirements.

Any member making such an election is required to transfer the whole of their account balance to their nominated fund. Their membership will cease from that time and they may not apply to rejoin the Fund for at least 12 months.

Preservation Rules

All contributions and investment earnings received after 1 July 1999 are fully preserved. If you leave your employer for any reason other than retirement, you will generally have to roll over your benefit to another fund until you retire permanently from the workforce after you reach your preservation age. Your preservation age will depend on your date of birth, as shown below:

Date of Birth	Preservation Age
Before 01/07/1960	55
01/07/1960 – 30/06/1961	56
01/07/1961 – 30/06/1962	57
01/07/1962 – 30/06/1963	58
01/07/1963 – 30/06/1964	59
After 30/06/1964	60

Any non-preserved benefit may generally be paid to you upon employment termination, less any lump sum tax applicable.

New Identification Requirements

With new Anti Money-Laundering & Counter Terrorism Financing Act provisions coming into effect on 12 December 2007, the Fund is now required to obtain adequate member identification prior to making a benefit payment to ensure that the person receiving the payment is who they purport to be.

FEES AND EXPENSES

The general administration expenses for the year were \$286,663, a 24% increase on 2006. This increase is mainly attributable to the unavoidable one-off costs associated with the implementation of the “better super” changes and effecting the 2007 surplus distribution to members.

The employer meets the salary of the Fund Secretary and provides office and other facilities to enable the Fund to operate.

While there are certain costs such as APRA Levies, audit fees and the cost of actuarial and legal advice which are unavoidable, the Trustee endeavours to keep other expenses to a minimum by retaining in-house every function that it is practical and possible to do so.

Consequently minimal use is made of investment managers and no asset consultants or custodians are engaged.

Management Expense Ratio

The annualised management expense ratio (the ratio of total non-tax expenses to total assets) for the financial year ended 31 October 2007 was 0.49%.

The expense ratio comprises 0.15% for investment expenses and 0.22% for general administration expenses, with the balance attributable to contributions surcharge tax and benefit insurance costs that are recouped from the respective member accounts.

Application of Charges to Member Accounts

The Trustee endeavours to apply any expenses against the account of the individual member on whose behalf the expense was incurred. The aim is that members should not indirectly pay for services or benefits that are either received by another member or which the member does not require.

An administration fee of \$80 per annum per member account is charged to partly recoup the cost of external administration services.

Any death or disability insurance premiums or contributions surcharge tax liabilities pertaining to a member are also debited against that member’s account.

In addition, when a member leaves the Fund, a single amount of \$98 is deducted from their benefit amount to cover the cost to the Fund of the external administration work involved in preparing the payment documentation.

A splitting fee of \$150 applies where a benefit is split to a non-member spouse under the Family Law Act provisions and a \$200 fee applies to each contributions split to a spouse account.

Effect of Fees & Expenses on Member Account Balances

Fund operating and investment expenses are deducted from earnings prior to the determination of the interest rate to be credited to member accounts. Therefore

investment and administration expenses incurred have the effect of reducing the potential amount of earnings that can be distributed to members.

For a member with a \$50,000 account balance, the total of the Fund expenses incurred against earnings and the administration fee that is deducted from the member account balance, but excluding any insurance premiums, is approximately \$235 per annum.

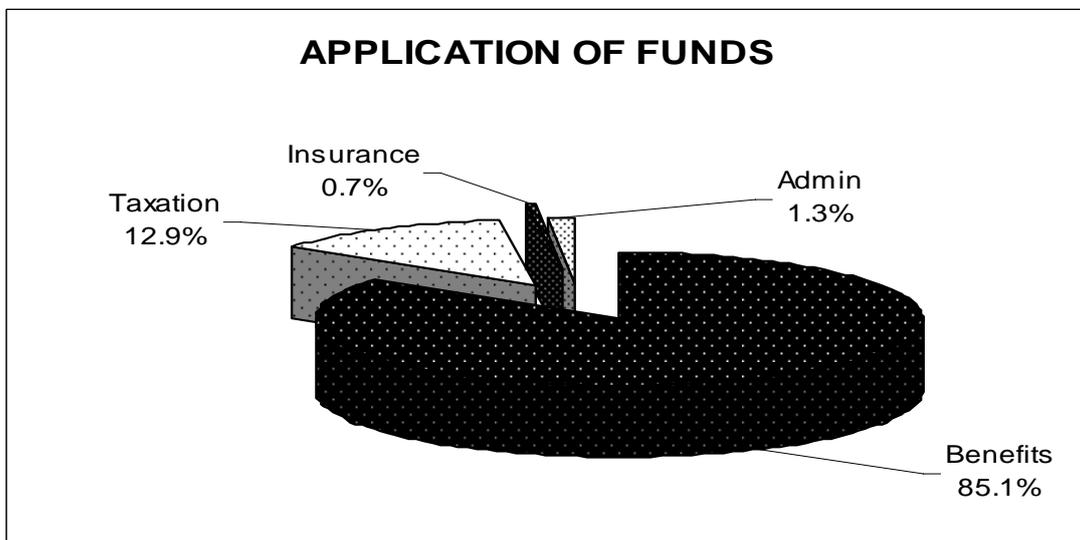
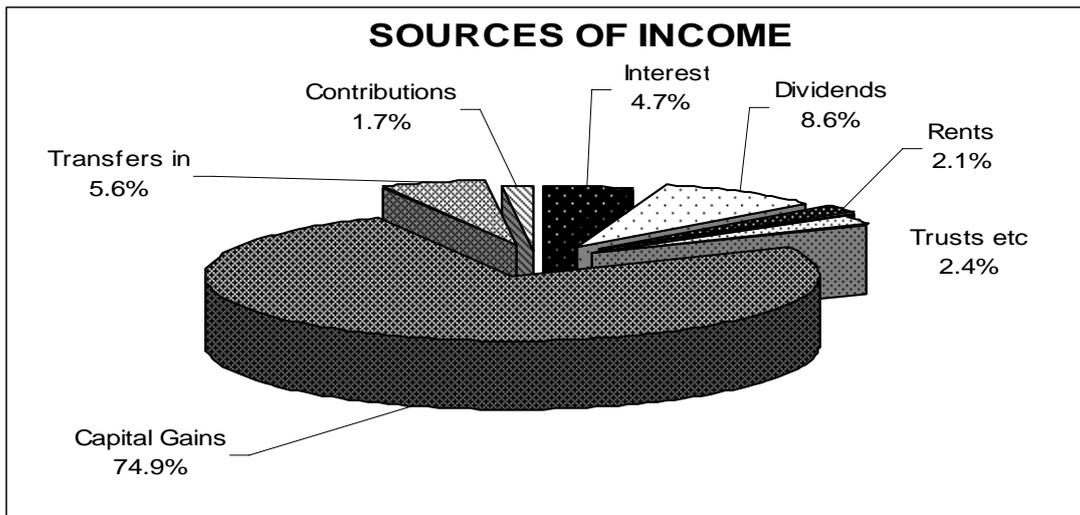
Contributions Tax

A tax of 15% is paid on all employer contributions, including salary sacrifice member contributions.

The amount of tax payable on the employer contributions for each Accumulation Section member is debited against that member’s account, regardless of whether the contribution is actually remitted by the employer or whether it is funded through the contribution holiday.

Superannuation Surcharge Tax

Although the surcharge tax was abolished for employer contributions made after 1 July 2005, due to the slow rate at which assessments are processed by the Australian Taxation office, it is possible for some members to incur surcharge tax during the coming year. Any assessment paid by the Fund is deducted from the relevant member’s account.



TRUSTEE INFORMATION

The Trustee of CBH Superannuation Fund, CBH Superannuation Holdings Pty Ltd (ACN 008 684 268), is responsible for managing the Fund on behalf of the members in accordance with the Trust Deed and relevant legislation.

The Directors of the Trustee Company are drawn equally from members and the employer, meet regularly and have equal voting rights. Any resolution requires a 2/3 majority to be passed.

The employer Directors are selected by Co-operative Bulk Handling Limited. Member representatives are elected for a 5-year term by a ballot of members.

Corporations Law and the Superannuation Industry Supervision Act codify the duties and responsibilities of superannuation fund Trustees.

The day to day running of the Fund is undertaken by the Fund Secretary, reporting to, and acting in accordance with the instructions of the Trustee.

As the Trustee does not hold an Australian Financial Services licence neither the Trustee Directors nor the Fund Secretary may provide any financial advice to members.

All Fund assets are held in the Trustee's name and consequently, with no related party investments, the assets supporting member benefits are secure against any employer action including takeover or financial failure.

Appointment and Removal of Member Representatives

The role of the member representatives on the Trustee Board is to safeguard the interests of the general membership and benefit recipients.

Member representatives may be removed from office in the following circumstances:

- Expiry of term of office;
- Retiring from office by giving written notice;
- Ceasing to be a Fund member;
- Removal by resolution passed at a meeting of members;
- Death;
- Failure to satisfy the Trustee's "Fit & Proper" standards; or
- Becoming a disqualified person or disqualified by law.

The process for appointing member representatives to the Trustee is an election held by secret ballot of all contributing members. All candidates must satisfy the eligibility requirements of the Trustee as provided for in the Fund's "Fit and Proper" Policy to ensure that Trustee Directors have the appropriate propriety, skills and knowledge to manage other people's money in a superannuation environment.

Casual vacancies may remain unfilled, or may be filled by a nominee of the Trustee, provided the period of the vacancy does not exceed the 90-day limit.

Fund "Fit & Proper" Governance

The Trustee has adopted a governance policy that sets out the minimum standards of competency and probity to be met by Trustee Directors and the Fund Secretary to ensure that the Fund is managed in an honest and competent manner.

Any person seeking to hold office with the Fund will have to demonstrate that they have the integrity and skills to do so. In addition to consenting to bankruptcy and Federal Police checks, all Trustee Directors and the Fund Secretary are required to undertake necessary training courses and attend industry seminars and conferences as reasonably required.

Trustee Remuneration

All the Directors of the Fund Trustee are either employees or Directors of the CBH Group and receive no remuneration from the Fund for their services.

Trustee Indemnity Insurance

The CBH Superannuation Fund, its Trustee and Directors and Officers of the Trustee are covered by liability insurance underwritten by QBE Insurance. This covers against claims and legal action arising from the management and operation of the Fund and is limited to \$5 million for any one claim and \$10 million in the aggregate.

Trust Deed Changes

The Trust Deed is the governing document for the Fund. It sets out the entitlements of Fund members and states the obligations and duties of the Trustee.

Although no changes were made to the Trust Deed during the year, an amendment has been drafted that when approved will clarify certain issues in relation to the commutation of retirement pensions and provide the Trustee with the capacity to restructure the Fund in circumstances other than the employer ceasing business.

Actuarial Investigation

Although the vast majority of members have accumulation accounts, the Fund is still classified as a defined benefit fund and total assets are not aligned fully with member benefit liabilities.

Consequently there is a legal requirement for the Fund to regularly undergo actuarial reviews to confirm its viability.

The latest actuarial investigation was undertaken as at 31 October 2006, when the Actuary found that the Fund was in a very strong financial position, with a considerable surplus remaining from the defined benefit operations.

It is the 3-yearly actuarial investigations that provide the basis for determining surplus distributions and, with the current surplus amount fully earmarked for use in funding the employer contributions holiday, the Trustee does not believe that there will be any future capacity for further surplus distributions to members.

Registrable Superannuation Entity Licensing & Fund Compliance

The CBH Superannuation Fund is registered to provide corporate superannuation services and the Trustee is licensed by APRA to manage the Fund.

The Trustee acknowledges that licensing is a valuable tool that the government regulator uses to improve the safety of superannuation fund assets and protect members and the Trustee is committed to retaining its license and to complying with all relevant legislation.

ENQUIRIES AND COMPLAINTS

Enquiries

Any enquiries regarding member benefits or any other aspect of the operation of the Fund should be directed to the Fund Secretary, Rob Burns (telephone 08 9237 9707 or email rob.burns@cbh.com.au). Your member-elected Trustee Directors may also assist you with any enquiries.

Written enquiries may either be forwarded through Co-operative Bulk Handling Limited's internal mail system or be posted to "The Secretary", CBH Superannuation Fund at GPO Box L886, Perth, WA 6842.

Complaints

The CBH Superannuation Fund responds quickly and sensitively to members' complaints, but if we are unable to help you to your satisfaction you may make a formal complaint in writing to "The Complaints Officer", CBH Superannuation Fund at GPO Box L886, Perth, WA 6842. You can expect a reply within 28 days, although sometimes the maximum period of 90 days may elapse where complicated issues are involved.

If you are dissatisfied with the response you receive then you may ask the complaint to be reviewed by the Trustee acting as Complaints Committee. The Trustee will review your complaint and respond within 90 days.

Superannuation Complaints Tribunal

If you have followed the complaints procedure as set out above and are still not satisfied with the outcome, you may be able to take the matter to the Superannuation Complaints Tribunal; an independent body set up by the Federal Government to help members and beneficiaries to resolve superannuation complaints. The Tribunal's contact details are:

Superannuation Complaints Tribunal
Locked Bag 3060
GPO Melbourne VIC 3001
Phone: 1300 780 808

ABRIDGED FINANCIAL STATEMENTS

The following is a summary of the CBH Superannuation Fund's accounts for the year ended 31 October 2007. There is no segregation of assets between the defined benefit and accumulation sections of the Fund.

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 October 2007

	2007	2006
	\$	\$
Investment Revenue		
Interest	1,997,909	1,719,494
Dividends	3,677,683	3,608,097
Trust distributions	1,014,649	859,897
Gross rental income	930,811	1,041,620
Sundry income	-	2,227
Changes in net market value	32,087,261	18,590,808
Direct investment expenses	(82,709)	(204,056)
	39,625,604	25,618,087
Contributions Revenue		
Employer contributions	6,051	6,166
Members' contributions	709,050	451,352
Transfers In	2,394,141	2,065,895
	3,109,242	2,523,413
Total Revenue	42,734,846	28,141,500
Less:		
General Administration Expenses	286,663	230,650
Group Life and Salary Continuance Premiums	156,089	137,857
Contribution Surcharge	10,573	45,820
Benefits Paid	18,678,804	10,725,915
Total Expenses	19,132,129	11,140,242
Changes in Net Assets before Income Tax	23,602,717	17,001,258
Income Tax expense/(benefit)	2,823,975	1,469,082
Change In Net Assets after Tax	20,778,742	15,532,176
Net assets available to pay benefits at beginning of year	140,974,339	125,442,163
Net assets available to pay benefits at end of year	161,753,081	140,974,339

STATEMENT OF NET ASSETS

as at 31 October 2007

	2007	2006
	\$	\$
Investments		
Interest Bearing Deposits	28,598,719	20,395,331
Unsecured Notes & Preference Shares	10,918,161	8,508,301
Pooled Superannuation Trusts	3,227,685	2,911,278
Unit Trusts	12,873,992	11,517,640
Securities in Listed Companies	100,904,841	89,044,159
Direct Property	15,410,240	14,971,287
	171,933,638	147,347,996
Other Assets		
Cash at Bank	169,329	820,291
Receivables & Accrued Income	174,788	195,016
Prepayments	2,424	20,616
Sundry Debtors	-	3,623
Other Assets	16,136	44,921
	362,677	1,084,467
Total Assets	172,296,315	148,432,463
Less:		
Liabilities		
Benefits Payable	414,321	125,155
Creditors and Accrued Expenses	123,013	150,919
Provision for construction costs	20,000	-
Current tax liabilities	1,397,087	-
Provision for Deferred Income Tax	8,588,813	7,182,050
Total Liabilities	10,543,234	7,458,124
Net Assets Available to Pay Benefits	161,753,081	140,974,339

Note: Members may request a copy of the audited financial statements by contacting the Fund Secretary.

DISCLAIMER

This Annual Report, issued by the Trustee of the CBH Superannuation Fund, is a regulated document that summarises the Fund's performance over the past year.

The Trustee does not guarantee any particular rate of return or return of capital from the CBH Superannuation Fund.

The information contained in this Annual Report does not provide personal financial product advice and does not take into account any member's personal needs, objectives, risk profile or financial position.

You should assess your financial position and personal objectives before making any decision based on this information.

CBH SUPERANNUATION FUND CONTACT DIRECTORY

Trustee CBH Superannuation Holdings Pty Ltd

A.B.N. 84 433 159 328

Trustee RSE Licence Number L0001625

Fund Registration Number R1005165

Superannuation Fund Number (SFN) 1583 449 42

Location 30 Delhi St, West Perth

Postal Address GPO Box L886, Perth WA 6842

TRUSTEE DIRECTORS:

Company Appointed Imre Mencshelyi
Neil Wandel

Member Elected Terry Cunningham - Chairman
Michael Thorne
Ron Silvestri - alternate director for Michael Thorne

Fund Secretary Rob Burns

Auditors PricewaterhouseCoopers

Accountant Sharyn Long Chartered Accountants

Actuary Kathryn Daniels, Mercer

Enquiries - Telephone 08 9237 9707
- Facsimile 08 9322 3942
- email rob.burns@cbh.com.au

Documents Available on Request from the Fund Secretary. Product Disclosure Statement, Trust Deed & Rules, Audited Financial Statements, APRA Annual Return, Actuarial Review Report, Investment Strategy, Privacy Policy Statement, Fit & Proper (Governance) Policy, Risk Management Plan, AML/CTF program.

