

VAN EYK THREE PILLARS LIMITED

ABN 91 106 854 175

APPENDIX 4E

**PRELIMINARY FINAL REPORT
YEAR ENDED 30 JUNE 2010**

(Previous corresponding period 1 July 2008 to 30 June 2009)

VAN EYK THREE PILLARS LIMITED
ABN 91 106 854 175

RESULTS FOR ANNOUNCEMENT TO THE MARKET
YEAR ENDED 30 JUNE 2010

	June 2010 \$'000	June 2009 \$'000	% change prior year	Up / Down
Investment revenues from ordinary activities	12,499	(28,672)	143.59	Up
Profit/(loss) before tax for the period attributable to members	10,871	(30,222)	135.97	Up
Profit/(loss) from ordinary activities after tax for the period attributable to members (1)	8,447	(19,646)	143.00	Up
Net Tangible Assets per share (2)	\$0.97	\$0.92	5.43	Up

DIVIDENDS

The following dividend was paid during the year:

	Dividend Rate	Total Amount \$'000	Date of Payment	Percentage Franked
Ordinary	2.5 cps	\$3,227	25/08/2009	100%

BRIEF EXPLANATION OF ANY OF THE FIGURES REPORTED ABOVE

- (1) Net profit after tax increased by \$28,092,834 (143%) compared to 30 June 2009.
(2) Net tangible asset backing per share post deferred income tax.

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VAN EYK THREE PILLARS LIMITED

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COMMENTARY ON THE RESULTS FOR THE PERIOD

Revenue from ordinary activities of \$12,498,843 for the financial year ended 30 June 2010 consisted of net unrealised and realised gains of \$8,596,105, dividends of \$3,459,694 and interest of \$443,044. This compares to losses from ordinary activities of \$28,672,299 for the financial year ended 30 June 2009 which consisted of net unrealised and realised losses of \$34,442,684, revenues from dividends of \$5,522,652 and interest of \$247,733.

A profit before income tax expense of \$10,871,661 for the financial year ended 30 June 2010 was earned, after expenses of \$1,627,182. This compares to a loss before income tax expense of \$30,222,358 for the financial year ended 30 June 2009, after expenses of \$1,550,059.

A net profit, after income tax expense of \$2,424,617 amounting to \$8,447,044 was earned for the financial year ended 30 June 2010. This compares to a net loss after income tax expense of \$19,645,791 for the financial year ended 30 June 2009, after adjusting for an income tax benefit of \$10,576,567.

Basic and diluted earnings per share were 7.2 cents for financial year ended 30 June 2010 compared to a loss of 14.6 cents for the financial year ended 30 June 2009.

VTP paid a 100% franked ordinary interim dividend of 2.5 cents per share on the 25th of August 2009.

The net assets per share (after tax) increased from \$0.92 at financial year ended 30 June 2009 to \$0.97 at financial year ended 30 June 2010. The gross asset backing per share increased to \$0.97 as at 30 June 2010, from \$0.94 as at 30 June 2009. The company listed on 28 January 2004 with a net asset backing of \$0.97 per share.

On 29 September 2009, shareholders voted to elect a new Board who were mandated to conduct a detailed strategic review which would examine a range of options to achieve the objectives of:

- increasing the value of shares in the Company; and
- providing mechanisms for shareholders to realise their investment in the Company at, or close to, the value of the shares' net tangible asset (NTA) backing in a fair and timely manner.

As part of the strategic review, the Board reviewed a range of capital management initiatives. Capital management initiatives considered by the Board included a substantial share buy-back, a return of capital, a takeover of the Company and a winding-up of the Company. The conclusion of the strategic review was a recommendation by the Board that the Company return capital to its shareholders amounting to about 95% of the value of the Company's gross tangible assets, and then consolidate all shares on a 20 for 1 basis. On 8 April 2010, a general meeting of shareholders voted to strongly support three resolutions to approve that proposal.

Following the approval by shareholders of a capital return and share consolidation and a satisfactory Class Ruling issued by the ATO on 28 July 2010, van Eyk Three Pillars Limited has realised the majority of its equities portfolio and will distribute \$0.88 per share to shareholders as a capital return on 27 August 2010. The remaining portfolio is expected to largely comprise cash and shares in entities listed on ASX, accordingly, its value will change after that time due to the impact of changes in the market value of the remaining portfolio's underlying investments.

This report is based on the audited financial statements for the year ended 30 June 2010.

All the documents comprise the information required by listing rule 4.3A.

For any queries please contact:

Telephone: 1300 732 413

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van Eyk Three Pillars Limited

ABN 91 106 854 175

**Financial Statements
For the year ended 30 June 2010**

van Eyk Three Pillars Limited
ABN 91 106 854 175

Contents
For the year ended 30 June 2010

	Page
Directory	1
Corporate Governance Statement	2
Portfolio Shareholdings at 30 June 2010	8
Directors' Report	9
Auditors' Independence Declaration	13
Statement of Comprehensive Income	14
Statement of Financial Position	15
Statement of Changes in Equity	16
Statement of Cash Flows	17
Notes to the Financial Statements	18
Directors' Declaration	29
Independent Audit Report to the Members	30
Members Information	32
Pro Forma Statement of Financial Position	34

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van Eyk Three Pillars Limited
ABN 91 106 854 175
Directory

Investment Manager

Three Pillars Portfolio Managers Pty Limited (an authorised representative of van Eyk Research Limited)
Level 10
9 Castlereagh Street
Sydney NSW 2000
Telephone: (02) 9225 6000

Directors

Current Board

Alan Dixon (appointed 29 September 2009)
Chris Brown (appointed 29 September 2009)
Chris Duffield (appointed 29 September 2009)
Alex MacLachlan (appointed 29 September 2009)
Stuart Nisbett (appointed 12 October 2009)
John Vatovec (appointed 12 October 2009)

Former Board (holding office until 29 September 2009)

David Illiffe (Chairman)
Andrew Grant
Cameron McCullagh
Mark Thomas

Company Secretary

Brian McGarry (appointed 2 October 2009)
Peter Roberts (resigned 2 October 2009)

Registered Office

Level 37
2 Park Street
Sydney NSW 2000
Telephone: 1300 732 413

Accounting & Administration

White Outsourcing Pty Limited (as engaged by VTP Management Pty Limited)
Level 7
20 Hunter Street
Sydney NSW 2000
Telephone: (02) 8236 7701
Fax: (02) 9221 1194

Postal Address:

GPO Box 5482
Sydney NSW 2001

Auditors

MNSA Pty Ltd
Level 2
333 George Street
Sydney NSW 2000
Telephone: (02) 9299 0901

Share Registrar

Registries Limited
Level 7
207 Kent St
Sydney NSW 2000

Shareholder enquiries

Telephone: (02) 9290 9600

Company secretarial & all other enquiries

Brian McGarry
Telephone: 1300 732 413

Australian Securities Exchange (ASX) Code

VTP (Ordinary Shares)

Country of Incorporation

Australia

Corporate Governance Statement

This statement outlines the main corporate governance practices adopted by the Company, which comply with the ASX Corporate Governance Council Principles and Recommendations (2nd Edition, August 2007) unless otherwise stated.

Board of Directors and Its Committees

Structure of the Board

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report is included in the Director's Report on page 10. Directors of van Eyk Three Pillars Limited are considered to be independent when they are non-executive directors who are not a member of management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the independent exercise of judgment.

In the context of director independence, "materiality" is considered from both the company and individual director's perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the directors in question to shape the direction of the company's loyalty.

In accordance with the definition of independence above, and the materiality thresholds set, the following directors of van Eyk Three Pillars Limited are considered to be independent:

Name	Position
Stuart Nisbett	Chairman, Non-Executive Director
John Vatovec	Non-Executive Director
Alan Dixon	Non-Executive Director
Chris Brown	Non-Executive Director
Chris Duffield	Non-Executive Director
Alex MacLachlan	Non-Executive Director

There are procedures in place, agreed by the board, to enable directors, in furtherance of their duties, to seek independent professional advice at the company's expense.

The term in office held by each director in office at the date of this report is as follows:

Name	Term in office
Stuart Nisbett	10 Months
John Vatovec	10 Months
Alan Dixon	11 Months
Chris Brown	11 months
Chris Duffield	11 Months
Alex MacLachlan	11 Months

Recommendation 2.1 requires that "A majority of the Board should be independent directors." The Company complies with this recommendation. Following the removal of the previous Board on 29 September 2009, the Board presently comprises six directors, all of whom are considered to be independent. Although Alan Dixon, Chris Brown, Alex MacLachlan and Chris Duffield are all directors or employees of Dixon Advisory and also hold some cross directorships (as set out in their biographies page 10), the Board considers each of these directors to be independent as they each satisfy the independence criteria set out below and are each free of any relationship that could materially interfere with the independent exercise of their judgments.

Recommendation 2.3 requires that "the role of the Chair and Chief Executive Officer of the Company should not be exercised by the same individual". There is no Chief Executive Officer of the Company (for more information refer "Executive Management" in this Statement).

Role of the Board

The Board's primary role is the protection and enhancement of long-term shareholder value. To fulfill this role the Board seeks to address:

- the prudential control of the Company's operations;
- the resourcing, review and monitoring of executive management;
- the timeliness and accuracy of reporting to shareholders; and

Corporate Governance Statement

(d) the determination of the Company's broad objectives.

Board Processes

The Board has established a number of Board Committees including a Nomination Committee, a Remuneration Committee and an Audit Committee. These committees have written mandates and operating procedures which are reviewed on a regular basis. The Board has also established a range of policies which govern its operation.

The Board will hold four scheduled meetings each year plus any other strategic meetings as and when necessitated by the Company's operations. The agenda for meetings is prepared through the input of the Chairman and the Company Secretary. Standing items include matters of Compliance and Reporting, Financials, Shareholder Communications and Investment Strategy and Outcomes. Submissions are circulated in advance.

Composition of the Board

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report and their term of office are detailed in the directors' report.

The names of the directors of the Company in office at the date of this Statement are set out in the Directors' Report on page 9.

The composition of the Board is determined using the following principles:

- A minimum of three directors;
- An independent, non-executive director as Chairman;
- A majority of non-executive directors

An independent director is considered to be a director:

- (a) who is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- (b) who is not a member of management;
- (c) who has not within the last three years been employed in an executive capacity by the Company or been a principal of a professional adviser or consultant to the Company;
- (d) is not a significant supplier to or customer of the Company; and
- (e) has no material contractual relationship with the Company other than as a director.

At each Annual General Meeting at least one-third of the total number of Directors must retire from office by rotation.

Performance Evaluation of Directors

The Nomination Committee is responsible for the review of the Board's performance as a whole. This review is conducted annually. Individual directors are subject to continuous review by the Chairman.

Nomination Committee

The Nomination Committee considers the appropriate size and composition of the Board, criteria for membership, identification of potential candidates and the terms and conditions of appointment to and retirement from the Board.

The Nomination Committee is responsible for:

- Conducting an annual review of the Board membership with regard to the present and future requirements of the Company and make recommendations as to composition and appointments;
- Review of Board succession plans, including succession of the Chairman, to maintain an appropriate balance of skills, experience and expertise;
- Conducting an annual review of the time required from non-executive directors, and whether the directors are meeting this;
- Requesting non-executive directors to inform the Chair and the Chair of the nomination committee before accepting any new appointments as directors;
- Conducting an annual review of the independence of directors; and
- Recommendations to the Board on necessary and desirable competencies of directors.

The Committee's target is to ensure that (as a minimum) directors collectively have investment accounting, general business experience and shareholder representation.

The terms and conditions of the appointment and retirement of non-executive directors are set out in a letter of appointment. The Committee is responsible for the performance review of the Board and its

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Corporate Governance Statement

Committees. Individual directors are subject to continuous review by the Chairman. Directors whose performance is unsatisfactory are asked to retire.

In addition, the performance of service providers (VTP Management Pty Ltd and Three Pillars Portfolio Managers Pty Ltd) is the subject of continuous oversight by the Chairman and the Board as a whole. A performance review of the Board as a whole was conducted by the Nomination Committee in accordance with the process disclosed.

The Nomination Committee comprised the following members during the year:

- Stuart Nisbett – Chairman (appointed 27 November 2009)
- John Vatovec – Independent Non-Executive (appointed 27 November 2009)
- Chris Brown – Non-Executive (appointed 27 November 2009)

The Nomination Committee meets annually unless otherwise required. For details on the number of meetings of the nomination committee held during the year and the attendees at those meetings, refer to page 11 of the Director's Report.

Director Dealing in Company Shares

The company encourages directors to have a significant personal financial interest in van Eyk Three Pillars Limited, by acquiring and holding shares on a long-term basis.

Short term trading in van Eyk Three Pillars Limited's shares by directors is not permitted.

The Board has adopted the following policy concerning dealing in van Eyk Three Pillars Limited's shares by directors and officers.

- Insider trading laws prohibit Directors and their associates from dealing in the Company's shares whilst in possession of price sensitive information that is not generally available.
- Directors and their associates are prohibited from trading in the Company's shares during the period of seven days prior to the announcement of financial results, including the Company's half year and full year results.
- As a matter of practice, Directors and their associates will generally only be able to deal in the Company's shares:
 - In the period of two weeks following the release of the Company's monthly NTA results;
 - In the period of two weeks following the release of the Company's annual results;
 - In the period of two weeks following the release of the Company's half yearly results;
 - In the period of two weeks following the Annual General Meeting of the Company; and
 - Following the release of a prospectus by the Company relating to an issue of shares.

Independent Professional Advice and Access to Company Information

Each director has the right of access to all relevant Company information and to the Company's service providers and subject to prior consultation with the Chairman, may seek independent professional advice at the company's expense. A copy of advice received by the director is made available to all other members of the Board.

Remuneration Committee

The Remuneration Committee reviews and makes recommendations to the Board on remuneration of the directors themselves. The Remuneration Committee meets once every full calendar year. Full details on Directors' remuneration are provided in the Directors' Report.

The members of the Remuneration Committee during the year were:

- Stuart Nisbett - Chairman (appointed 27 November 2009)
- John Vatovec – Independent Non-Executive (appointed 27 November 2009)
- Chris Brown – Non-Executive (appointed 27 November 2009)

The responsibility of considering and recommending appropriate remuneration of the independent non-executive directors' packages for the Board lies with the Remuneration Committee. Independent non-executive directors are remunerated by way of cash and superannuation contributions. Non independent non-executive directors receive no fees for their duties as director.

As previously noted, the executive function of the Company has been outsourced to VTP Management Pty Limited (accounting and administration) and Three Pillars Portfolio Managers Pty Limited (funds management).

van Eyk Three Pillars Limited has a contractual agreement with VTP Management Pty Limited, where VTP Management Pty Limited is responsible for providing back office and managerial services for a fee charged as a percentage of the portfolio value on a monthly basis. VTP Management Pty Limited has

Corporate Governance Statement

engaged the services of White Outsourcing Pty Limited to perform these functions. Mr Cameron McCullagh, who was a director of the Company until 29 September 2009, received no fees as an individual, but is a director and shareholder of VTP Management Pty Limited which received management fees during the financial year for the management of the Company. Mr Cameron McCullagh is also a director and shareholder of White Outsourcing Pty Limited, which received fees relating to accounting and administration work as a result of engagement by VTP Management Pty Limited.

van Eyk Three Pillars Limited has a contractual agreement with van Eyk Research Limited. Its authorised representative, Three Pillars Portfolio Managers Pty Limited, provides investment management services for a fee charged as a percentage of the portfolio value on a monthly basis. Mr Mark Thomas, who was a director of the Company until 29 September 2009, is a shareholder and director of van Eyk Research Limited and Three Pillars Portfolio Managers Pty Limited. Mr Cameron McCullagh is a shareholder and director of van Eyk Research Limited. During the year Three Pillars Portfolio Managers Pty Limited (an authorised representative of van Eyk Research Limited) received fees for the investment management of the Company's portfolio. Mark Thomas also received \$5,000 as the Managing Director of van Eyk Three Pillars Limited for the period 1 July 2009 until he was removed as a Director of the Company on 29 September 2009.

None of the current Directors of the Company are associated with any of VTP Management Pty Limited, van Eyk Research Limited or Three Pillars Portfolio Managers Pty Limited.

For details on the number of meetings of the remuneration committee held during the year and the attendees at those meetings, refer to page 11 of the Director's Report.

Audit Committee

The Audit Committee has a documented Charter, approved by the Board. At least two members must be independent non-executive directors. The Audit Committee Chairman is not the Chairman of the Board. A majority of the Audit Committee must have experience in financial and accounting matters. The Committee is responsible for considering the effectiveness of the systems and standards of internal control, financial reporting and any other matter at the request of the Board. The Audit Committee will meet at least two times per year.

The Audit Committee may have in attendance at their meeting such members of management as may be deemed necessary to provide information and explanations. The external auditors attend meetings by invitation to report to the Committee.

The members of the Audit Committee during the year were:

- John Vatovec – Chairman - Independent Non-Executive (appointed 27 November 2009)
- Stuart Nisbett – Independent Non-Executive (appointed 27 November 2009)
- Chris Brown – Independent Non-Executive (appointed 27 November 2009)

Accordingly, the Company complies with Recommendation 4.2 that the Audit Committee be comprised of only of non executive directors, comprises a majority of independent directors, is chaired by an independent chair and has at least three members.

The responsibilities of the Audit Committee are to ensure that:

1. Relevant, reliable and timely information is available to the Board to monitor the performance of the Company;
2. External reporting is consistent with committee members' information and knowledge and is adequate for shareholder needs;
3. Management process support external reporting in a format which facilitates ease of understanding by shareholders and institutions;
4. The external audit arrangements are adequate to ensure the maintenance of an effective and efficient external audit. This involves:
 - (a) reviewing the terms of engagement, scope and auditor's independence;
 - (b) recommendations as to the appointment, removal and remuneration of an auditor; and
 - (c) reviewing the provision of non-audit services provided by the external auditor ensuring they do not adversely impact on audit independence.
5. Review the Company's risk profile and assess the operation of the Company's internal control system.

The external auditor is required to attend the Annual General Meeting and is available to answer shareholder questions.

Corporate Governance Statement

For details on the number of meetings of the Audit Committee held during the year and the attendees at those meetings, refer to page 11 of the Director's Report.

Risk Management Policy

The Board acknowledges that it is responsible for the overall system of internal control but recognises that no cost effective internal control system will preclude all errors and irregularities. The Board has delegated responsibility for reviewing the risk profile and reporting on the operation of the internal control system to the Audit Committee.

The Audit Committee (a) requires executive management to report annually on the operation of internal controls, (b) reviews the external audit of internal controls and liaises with the external auditor and (c) conducts any other investigations and obtains any other information it requires in order to report to the Board on the effectiveness of the internal control system. In respect of the current financial year all necessary declarations have been submitted to the Board.

The Board identifies the following business risks as having the potential to significantly or materially impact the company's performance (a) administrative risks including operational, compliance and financial reporting (b) market related risks.

Administrative Risks

The Company has outsourced its administrative functions to service providers, JPMorgan Chase Bank, National Association (Sydney Branch) (custody), White Outsourcing Pty Limited (accounting) and Three Pillars Portfolio Managers Pty Limited (investment management). Accordingly risk issues associated with these activities are handled in accordance with the service providers' policies and procedures. White Outsourcing Pty Limited is responsible for recognising and managing administrative risks including (a) operational, (b) compliance and (c) financial reporting.

The Company Secretary provides a declaration to the Board twice annually, to certify that the Company's financial statements and notes present a true and fair view, in all material respects, of the Company's financial condition and operational results and that they have been prepared and maintained in accordance with relevant Accounting Standards and the Corporations Act 2001. In respect of the current financial year all necessary declarations have been submitted to the Board.

Market Risks

The Board is primarily responsible for recognising and managing market related risks. By its nature as a Listed Investment Company, the Company will always carry investment risk because it must invest its capital in securities which are not risk free. However, the Company seeks to reduce this investment risk by a policy of diversification of investments across industries and companies operating in various sectors of the market. Three Pillars Portfolio Managers Pty Limited (investment manager), is required to act in accordance with the Board approved investment management agreement and reports to the Board quarterly on the portfolio's performance, material actions of the investment manager during that quarter and an explanation of the investment manager's material proposed actions for the upcoming quarter. In addition, the investment manager is required to report half-yearly that Three Pillars Portfolio Managers Pty Limited have invested the Company's assets in accordance with the approved investment mandate and complied with the Investment Management Agreement requirements during the reporting period. In respect of the current financial year all necessary declarations have been submitted to the Board. In assessing the Company's risk tolerance level the Board considers any instance which materially affects the Company's monthly Net Tangible Asset backing announcement released to the ASX.

The Audit Committee and the Board perform a risk review on an annual basis to ensure that adequate controls are in place to mitigate risk associated with investment manager performance, market risk, fraud, transaction reporting errors, material reporting risks and compliance risk.

Executive Management

The Company's operations are conducted through Three Pillars Portfolio Managers Pty Limited (Investment Manager) and White Outsourcing Pty Limited as engaged by VTP Management Pty Limited (Administration Manager). These entities incorporate the specialist wholesale investment and administration personnel who have undertaken the Company's executive operations since inception. The Company has contracted with Three Pillars Portfolio Managers Pty Limited (via van Eyk Research) and VTP Management Pty Limited to provide all investment management and administration services.

The Company's executive management arrangements have been structured to provide investors with a cost efficient investment vehicle and access to a significant depth of professional resources.

Corporate Governance Statement

Ethical Standards

The Board expects all directors to act professionally in their conduct and with the utmost integrity and objectivity. All directors must comply with the Company's Code of Conduct and Ethics.

The Board monitors its outsourced services providers compliance with the Company's Code of Conduct and Ethics, which is accessible to outside parties via the Company's website.

Shareholder Rights

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of directors, changes to the constitution and are able to receive annual and interim financial statements if requested. Shareholders are strongly encouraged to attend and participate in the Annual General Meetings of van Eyk Three Pillars Limited, to lodge questions to be responded by the Board, and are able to appoint proxies.

Shareholder Communications

The Board informs shareholders of all major developments affecting the Company's state of affairs as follows:

- All information lodged with the ASX is available on the Company's website at www.threepillars.vaneyk.com.au
- A hard copy Annual Report will be mailed to shareholders who have requested to receive one at the close of the financial year. An electronic version of the Annual Report will be available on the Company's website.
- As a minimum net asset backing per share is released to the ASX by the 14th day following each month-end.

The Company Secretary is responsible for ensuring van Eyk Three Pillars Limited complies with its continuous disclosure obligations.

All relevant staff of Three Pillars Portfolio Managers Pty Limited and White Outsourcing Pty Limited are made aware of these obligations and are required to report any price sensitive information to the Company Secretary immediately, once they become aware of it. The Company Secretary in consultation with a Director will decide whether the information should be disclosed to the ASX.

Where possible, all continuous disclosure releases to the ASX are approved by the Board, except the monthly net asset backing per share which is approved by Three Pillars Portfolio Managers Pty Limited in consultation with White Outsourcing Pty Limited. Where time does not permit approval by the Board, the Chairman of directors must approve the release.

Any information of a material nature affecting the Company is disclosed to the market through release to the ASX as soon as the Company becomes aware of such information, in accordance with the ASX Continuous Disclosure requirement. All ASX releases are available on the Company's website (www.threepillars.vaneyk.com.au).

Board policies and charters covering the following are available on the Company's website at www.threepillars.vaneyk.com.au:

- Board charter
- Appointment and Selection of Directors policy
- Nomination Committee charter
- Code of Conduct and Ethics
- Audit Committee charter
- Remuneration Committee charter
- Disclosure policy
- Communication policy
- Risk management policy
- Performance Evaluation policy
- Trading policy

van Eyk Three Pillars Limited
 ABN 91 106 854 175

Portfolio Shareholdings
 As at 30 June 2010

Security	Value \$	% of portfolio
Blue Chip		
Australia & New Zealand Banking Group Ltd.	5,402,500	6.04%
BHP Billiton Ltd.	7,906,500	8.84%
Commonwealth Bank of Australia	4,134,400	4.62%
National Australia Bank Ltd.	5,121,600	5.72%
Orica Ltd.	2,016,000	2.25%
Origin Energy Ltd.	3,137,400	3.51%
QBE Insurance Group Ltd.	2,184,000	2.44%
Rio Tinto Ltd.	3,999,600	4.47%
Santos Ltd	2,520,000	2.82%
Westpac Banking Corp.	4,882,900	5.45%
Woolworths Ltd.	1,891,400	2.11%
Woodside Petroleum Ltd	1,882,800	2.10%
	<u>45,079,100</u>	<u>50.37%</u>
Growth		
Challenger Financial Services Group	1,584,000	1.77%
Coffey International Ltd.	144,000	0.16%
CSL Ltd.	2,606,400	2.91%
Hastie Group Ltd	1,408,000	1.57%
Leighton Holdings Ltd.	1,505,400	1.68%
Primary Health Care Ltd	1,780,000	1.99%
Tassal Group Ltd.	211,500	0.24%
Toll Holdings Ltd.	2,137,200	2.39%
UXC Ltd.	108,900	0.12%
WorleyParsons Ltd.	1,776,800	1.99%
	<u>13,262,200</u>	<u>14.82%</u>
Special Situations		
Centennial Coal Company Ltd.	2,458,500	2.75%
Downer EDI Ltd.	864,000	0.97%
Eastern Star Gas Limited	412,500	0.46%
Elders Limited	585,000	0.65%
Emerging Leaders Investment Ltd.	2,563,020	2.86%
Graincorp Ltd.	2,398,500	2.68%
Incitec Pivot Ltd.	2,593,500	2.89%
Kingsgate Consolidated Ltd.	947,000	1.06%
Lihir Gold Ltd.	4,525,500	5.06%
Mirabela Nickel Ltd	408,000	0.46%
Newcrest Mining Ltd.	2,106,000	2.35%
Prime AG Australia Ltd.	1,050,000	1.17%
Resolute Mining Ltd	738,500	0.83%
SIMS Group Ltd	1,796,550	2.01%
	<u>23,446,570</u>	<u>26.20%</u>
Cash (excludes operating accounts)	7,143,957	7.98%
Accrued dividends	559,700	0.63%
TOTAL	<u>89,491,526</u>	<u>100.00%</u>

van Eyk Three Pillars Limited
ABN 91 106 854 175

Directors' report
For the year ended 30 June 2010

The directors present their report on the Company for the financial year ended 30 June 2010.

Directors

The names of directors in office at any time during or since the end of the year are:

	Period of directorship
Stuart Nisbett (Chairman, Non-Executive Director)	Appointed 12/10/2009
John Vatovec (Non-Executive Director)	Appointed 12/10/2009
Alan Dixon (Non-Executive Director)	Appointed 29/09/2009
Chris Brown (Non-Executive Director)	Appointed 29/09/2009
Chris Duffield (Non-Executive Director)	Appointed 29/09/2009
Alex MacLachlan (Non-Executive Director)	Appointed 29/09/2009
David Illiffe (Chairman, Non-Executive Director)	Appointed 29/10/2003 to 29/9/2009
Cameron McCullagh (Executive Director)	Appointed 29/10/2003 to 29/9/2009
David Davis (Non-Executive Director)	Appointed 29/10/2003 to 26/2/2009
Mark Thomas (Managing Director)	Appointed 02/02/2006 to 29/9/2009
Andrew Grant (Non-executive Director)	Appointed 23/09/2008 to 29/9/2009

The directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

Brian McGarry is a Fellow of the Australian Society of Accountants and is Fellow of the Institute of Chartered Secretaries and Administrators. His career has included appointments as Company Secretary for such listed entities as General Property Trust and, from 2001, Investa Property Trust.

Principal Activities

The principal activity of the Company during the year was investment in securities listed on the Australian Securities Exchange.

There were no changes in the nature of the Company's principal activity during the financial year.

Dividends Paid or Recommended

Dividends paid or declared for payment are as follows:

	2010	2009
	\$	\$
Ordinary dividend of 2.5 cents per share paid on 25 August 2009	3,226,805	-
	<u>3,226,805</u>	<u>-</u>

Operating Results and Financial Review

	2010	2009
	\$	\$
Profit/(loss) from ordinary activities before income tax benefit/(expense)	10,871,661	(30,222,358)
Income tax benefit/(expense)	(2,424,617)	10,576,567
Profit/(loss) from ordinary activities after income tax benefit/(expense)	<u>8,447,044</u>	<u>(19,645,791)</u>

The net assets of the company have decreased by \$14,596,630 from 30 June 2009 to \$106,365,148 in 2010. This decrease has largely resulted from the following factors:

- Share buyback
- Diminution in the value of the trading portfolio

The net tangible asset backing of the Company as at 30 June 2010 was \$0.97 per share (including deferred tax benefit). This is an increase from \$0.92 per share (including deferred tax benefit) in 2009.

Earnings and diluted profit/(loss) per share

	2010	2009
Basic and diluted profit/(loss) per share	<u>7.2 cents</u>	<u>(14.6 cents)</u>

Significant changes in the state of affairs

The Company continued an on market buy-back of up to 11,570,829 VTP shares. 4,210,664 shares were bought back during the period 1 July to 17 September 2009.

On 29 September 2009, shareholders voted to elect a new Board who were mandated to conduct a detailed strategic review which would examine a range of options to achieve the objectives of:

- increasing the value of shares in the Company; and
- providing mechanisms for shareholders to realise their investment in the Company at, or close to, the value of the shares' net tangible asset (NTA) backing in a fair and timely manner.

In order to address the discount at which the Company's shares were trading to their NTA backing, the Company commenced a second on market buy-back of up to 25% of shares on 18 October 2009, which was suspended on 22 January 2010. During the period from 18 October 2009 to 21 January 2010, a total of 18,368,679 shares were bought-back by the Company. The Company is permitted to buy-back up to a further 13,384,796 Shares under the terms of that buy-back.

As part of the strategic review, the Board reviewed a range of capital management initiatives. Capital management initiatives considered by the Board included a substantial share buy-back, a return of capital, a takeover of the Company and a winding-up of the Company. The conclusion of the strategic review was a recommendation by the Board that the Company return capital to its shareholders amounting to about 95% of the value of the Company's gross tangible assets, and then consolidate all shares on a 20 for 1 basis. On 8 April 2010, a general meeting of shareholders voted to strongly support three resolutions to approve that proposal.

It was a condition of the capital return approved by shareholders that the Company receive from the Australian Taxation Office, prior to 31 July 2010, a class ruling confirming that no part of the capital return would be a deemed assessable dividend.

Directors' report (continued)
For the year ended 30 June 2010

Significant changes in the state of affairs (continued)

On 28 July 2010, the Company received a class ruling that was considered to satisfy the pre-condition of the resolutions passed on 8 April 2010. Accordingly, as at the date of this report, the Company has realised the majority of its equities portfolio and will distribute \$0.88 per share to shareholders as a capital return on 27 August 2010. The remaining portfolio is expected to largely comprise cash and shares in entities listed on ASX, accordingly, its value will change after that time due to the impact of changes in the market value of the remaining portfolio's underlying investments.

Other than the above no significant changes in the Company's state of affairs occurred during the financial year.

Events subsequent to statement of financial position date

Other than matters described in Note 17, in the Notes to the Financial Statements, no other matter or circumstance has arisen since the end of the financial year which has significantly affected or may significantly affect:

- (a) the Company's operations in future financial years; or
- (b) the results of those operations in future financial years; or
- (c) the Company's state of affairs in future financial years.

Environmental Issues

The Company's operations are not subject to any significant environmental regulations under the law of the Commonwealth and State.

To the extent that any environmental regulations may have an incidental impact on the Company's operations, the Directors of the Company are not aware of any breach by the Company of those regulations.

Likely developments and expected results of operations

The Company will continue to pursue its objectives for the long term benefit of the members. This will require continual review of strategies that are currently in place and may require changes to these strategies to maximise returns.

Directors' Benefits

No Director of the Company has received or become entitled to receive a benefit, other than a remuneration benefit as disclosed in the directors' report, by reason of a contract made by the Company or a related entity with the director or with a firm of which he is a member, or with a Company in which he has a substantial interest.

Information on Directors

Director	Experience, Qualifications and Special Responsibilities	Particulars of	Particulars of
		directors' interest in shares of the Company Direct Holdings (Shares)	directors' interest in shares of the Company Indirect Holdings (Shares)
Stuart Nisbett (Chairman, Non-Executive Director)	Managing Director, Archerfield Capital Partners; Previously Executive Director, Head of Property Funds, ANZ Institutional Bank; Previously Managing Director and Head of Property Investment Banking, N M Rothschild; Previously Director, Property Investment Banking Macquarie Bank; Previously Senior Development & Finance Executive Lend Lease Group; Stuart holds a Bachelor of Commerce and Master of Commerce from the University of New South Wales	nil	nil
John Vatovec (Non-Executive Director)	Non-Executive Vice Chairman, Arowana Capital Managing Partner, Firefox Capital Previously International Portfolio Manager, Lowy Family Group; Previously Divisional Director, Macquarie Group; Previously Portfolio Manager & Analyst, Prudential; John holds a Bachelor of Commerce from the University of NSW.	nil	nil
Alan Dixon (Non-Executive Director)	Managing Director, Dixon Advisory & Superannuation Services Limited; Director, Australian Masters Corporate Bond Fund No. 1, No. 2, No. 3, No. 4 & No. 5; Non-Executive Director, Asian Masters Fund Limited; Non-Executive Director, Global Resource Masters Fund Limited; Alan holds a Bachelor of Commerce from the Australian National University and is a Member of the Institute of Chartered Accountants in Australia.	nil	1,690,658
Chris Brown (Non-Executive Director)	Managing Director, Strategy, Dixon Advisory & Superannuation Services Limited; Director, Australian Masters Corporate Bond Fund No. 1, No. 2, No. 3, No. 4 & No. 5; Previously Executive Director, Investment Banking, UBS AG; Chris has a Bachelor of Chemical Engineering with 1st class honors and a Bachelor of Commerce from Sydney University.	nil	45,000
Chris Duffield (Non-Executive Director)	Executive Director, Dixon Advisory & Superannuation Services Limited; Property Division Head, Dixon Advisory & Superannuation Services Limited; Previously held roles across the UK & Europe, including assisting with the demerger and restructure of Allergen and AMO; Chris holds a Bachelor of Economics and a Bachelor of Information Technology both from the Australian National University.	nil	6,000
Alex MacLachlan (Non-Executive Director)	Managing Director, Funds Management, Dixon Advisory & Superannuation Services Limited; Managing Director, Global Resource Masters Fund Limited; Director, Australian Masters Corporate Bond Fund No. 1, No. 2, No. 3, No. 4 & No. 5; Director, Asian Masters Fund Limited. Previously Head of Energy, Australasia, UBS AG; Alex has a Bachelor of Arts from Cornell University and a Masters of Business Administration from The Wharton School, University of Pennsylvania.	nil	10,000

Directors' report (continued)
For the year ended 30 June 2010

Meetings of Directors of the Company

The following table sets out the number of meetings of the Company's directors held during the year ended 30 June 2010, and the numbers of meetings attended by each director of the Company:

	Full meetings		Audit Committee	
	Number of meetings held	Meetings attended	Number of meetings held	Meetings attended
Alan Dixon (appointed 29 September 2009)	6	6		
Chris Brown (appointed 29 September 2009)	6	6	2	2
Chris Duffield (appointed 29 September 2009)	6	5		
Alex MacLachlan (appointed 29 September 2009)	6	4		
Stuart Nisbett (appointed 12 October 2009)	5	4	2	2
John Vatovec (appointed 12 October 2009)	5	4	2	2
David Liffie (held office until 29 September 2009)	4	4	1	1
Cameron McCullagh (held office until 29 September 2009)	4	4		
Mark Thomas (held office until 29 September 2009)	4	4		
Andrew Grant (Appointed 23 September 2008 and held office until 29 September 2009)	4	4	1	1

	Remuneration Committee		Nomination Committee	
	Number of meetings held	Meetings attended	Number of meetings held	Meetings attended
Alan Dixon (appointed 29 September 2009)				
Chris Brown (appointed 29 September 2009)				
Chris Duffield (appointed 29 September 2009)				
Alex MacLachlan (appointed 29 September 2009)				
Stuart Nisbett (appointed 12 October 2009)				
John Vatovec (appointed 12 October 2009)				
David Liffie (held office until 29 September 2009)	1	1	1	1
Cameron McCullagh (held office until 29 September 2009)	1	1	1	1
Mark Thomas (held office until 29 September 2009)				
Andrew Grant (Appointed 23 September 2008 and held office until 29 September 2009)	1	1	1	1

Remuneration Report and Policy

The Board determines the remuneration structure of the Managing Director and Non-Executive Directors based on the recommendation of the Remuneration Committee, having regard to the scope of the Company's operations and other relevant factors including the frequency of Board meetings as well as directors' length of service, particular experience and qualifications. The Board makes a recommendation to shareholders as to the level of Non-Executive Directors remuneration which is then put to shareholders at the Annual General Meeting for approval.

As the company does not pay performance based remuneration, nor provide share or option schemes to Directors and executives, remuneration of Executive and Non-executive Directors is not explicitly linked to the Company's performance. Notwithstanding this, Board members and Company executives are subject to ongoing performance monitoring and regular performance reviews.

The remuneration of the Chairman was \$150,000 (2009: \$25,000) per annum. The remuneration of Mr John Vatovec (non-executive director) was \$75,000 per annum. The remuneration of the former Chairman (up to 29 September 2009) was \$25,000 per annum. The remuneration of Mr Andrew Grant (up to 29 September 2009) was \$25,000 per annum. The remaining non-executive directors received no remuneration from the Company. The remuneration is inclusive of superannuation where applicable.

Details of the nature and amount of each director and senior executives' emoluments from the Company were:

2010	Base fee	Superannuation	Total
	\$	\$	\$
Directors			-
Stuart Nisbett (appointed 12 October 2009)	98,713	8,884	107,597
John Vatovec (appointed 12 October 2009)	49,357	4,442	53,799
David Liffie (held office until 29 September 2009)	5,718	515	6,233
Andrew Grant (Appointed 23 September 2008 and held office until 29 September 2009)	5,718	515	6,233
Cameron McCullagh (held office until 29 September 2009)	-	-	-
Mark Thomas (held office until 29 September 2009)	5,000	-	5,000
Alan Dixon (appointed 29 September 2009)	-	-	-
Chris Brown (appointed 29 September 2009)	-	-	-
Chris Duffield (appointed 29 September 2009)	-	-	-
Alex MacLachlan (appointed 29 September 2009)	-	-	-
	164,506	14,356	178,862
Company Secretary			
Brian McGarry	4,920	-	4,920

van Eyk Three Pillars Limited
ABN 91 106 854 175

Directors' report (continued)
For the year ended 30 June 2010

2009	Base fee \$	Superannuation \$	Total \$
Directors			
David Illiffe	22,936	2,064	25,000
Mark Thomas	20,000	-	20,000
Andrew Grant (Appointed 23 September 2008)	17,752	1,598	19,350
David Davis (Resigned 26 February 2009)	16,436	-	16,436
Cameron McCullagh	-	-	-
	<u>77,124</u>	<u>3,662</u>	<u>80,786</u>
Company Secretary			
Peter Roberts	-	-	-

Insurance of directors

During the financial year the Company has paid insurance premiums to insure directors against liabilities incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

The directors & officers liability of the Company insures any past, present or future director, secretary, executive officer or employee of van Eyk Three Pillars Limited.

Options

No options over issued shares or interest in the Company were granted during the financial year and there were no options outstanding at the date of this report.

Proceedings on behalf of the Company

No person has applied to the Court to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-Audit Services

The board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in Professional Statement *F1 Professional Independence*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Auditor's Independence Declaration

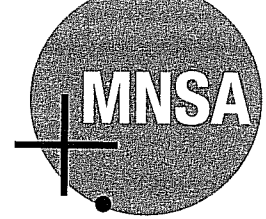
The auditor's independence declaration for the year ended 30 June 2010 has been received and can be found on page 13.

This report is made in accordance with a resolution of the Directors of the Company.



Stuart Nisbett
Director

Sydney, 31st August 2010



VAN EYK THREE PILLARS LIMITED
ABN 91 106 854 175

**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF VAN EYK THREE PILLARS
LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2010 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

MNSA Pty Ltd.

MNSA PTY LTD

Phillip Miller

Phillip Miller
Director

Dated in Sydney, this 31st day of August 2010

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van Eyk Three Pillars Limited
 ABN 91 106 854 175

Statement of Comprehensive Income
For the year ended 30 June 2010

	Notes	2010 \$	2009 \$
Revenue from trading portfolio			
Dividends		3,459,694	5,522,652
Interest		443,044	247,733
Net unrealised gains/(loss)		6,593,865	(8,659,246)
Realised gain/(loss) on sale of trading portfolio		2,002,240	(25,783,438)
Total profit/(loss) from trading portfolio		12,498,843	(28,672,299)
Expenses			
Management Fees	12(b)	(955,912)	(1,110,970)
Audit fees	10	(24,025)	(26,235)
Brokerage		(82,898)	(110,005)
Share registry fees		(140,614)	(67,439)
Directors' fees		(178,862)	(80,780)
Insurance		(72,738)	(46,367)
ASX listing fees		(51,269)	(43,462)
Legal fees		(13,416)	(17,919)
EGM related fees		(42,404)	-
Other		(65,044)	(46,882)
Total expenses		(1,627,182)	(1,550,059)
Profit/(loss) before income tax benefit/(expense)		10,871,661	(30,222,358)
Income tax benefit/(expense)	11(a)	(2,424,617)	10,576,567
Profit/(loss) after income tax benefit/(expense)		8,447,044	(19,645,791)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		8,447,044	(19,645,791)
Basic and diluted profit/(loss) per share	18	7.2 cents	(14.6 cents)

The above statement of comprehensive income should be read in conjunction with the accompanying notes to the financial statements.

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van Eyk Three Pillars Limited
ABN 91 106 854 175

Statement of Financial Position
As at 30 June 2010

	Notes	2010 \$	2009 \$
Assets			
Cash assets		15,723,404	5,509,785
Trade and other receivables	3	621,174	577,393
Trading portfolio (held for trading)	4	81,787,871	105,844,613
Prepayments		102,782	30,984
Deferred tax assets	5	8,456,467	10,657,705
Total assets		<u>106,691,698</u>	<u>122,620,480</u>
Liabilities			
Trade and other payables	6	309,268	1,645,470
Provision for dividend		-	-
Current tax liabilities	7(a)	-	-
Deferred tax liabilities	7(b)	17,282	13,232
Total liabilities		<u>326,550</u>	<u>1,658,702</u>
Net assets		<u>106,365,148</u>	<u>120,961,778</u>
Equity			
Share Capital	8	121,723,638	141,540,507
Accumulated Losses	9	(15,358,490)	(20,578,729)
Total equity		<u>106,365,148</u>	<u>120,961,778</u>

The above statement of financial position should be read in conjunction with the accompanying notes to the financial statements.

van Eyk Three Pillars Limited
 ABN 91 106 854 175

Statement of Changes in Equity
For the year ended 30 June 2010

	Notes	Share Capital \$	Accumulated Losses \$	Total \$
As at 1 July 2008		143,191,056	(932,938)	142,258,118
Loss for the year		-	(19,645,791)	(19,645,791)
Other comprehensive income for the year		-	-	-
Total comprehensive loss for the year		-	(19,645,791)	(19,645,791)
Dividends paid or provided for Dividend Reinvestment Plan shares issued for dividend payment	16	-	-	-
On market share buy-back		2,599,879 (4,250,428)	-	2,599,879 (4,250,428)
As at 30 June 2009		141,540,507	(20,578,729)	120,961,778
Profit for the year		-	8,447,044	8,447,044
Other comprehensive income for the year		-	-	-
Total comprehensive profit for the year		-	8,447,044	8,447,044
Dividends paid or provided for Dividend Reinvestment Plan shares issued for dividend payment	16	-	(3,226,805)	(3,226,805)
On market share buy-back		1,215,288 (20,520,390)	-	1,215,288 (20,520,390)
Costs of Issued Capital		(511,767)	-	(511,767)
As at 30 June 2010		121,723,638	(15,358,490)	106,365,148

The above statement of changes in equity should be read in conjunction with the notes to the financial statements.

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van Eyk Three Pillars Limited
ABN 91 106 854 175

Statement of Cash Flows
For the year ended 30 June 2010

	Notes	2010 \$	2009 \$
Cash flows from operating activities			
Proceeds from sale of trading portfolio		72,594,692	50,328,448
Payment for purchase of trading portfolio		(41,355,106)	(50,623,456)
Dividends received		3,441,594	5,524,452
Interest received		430,238	317,458
Management fees paid		(971,889)	(1,048,871)
Other expenses paid		(1,369,542)	(289,669)
Income tax paid		-	(1,032,898)
Net Cash provided by/(used in) Operating Activities	15(a)	<u>32,769,987</u>	<u>3,175,464</u>
Cash flows from financing activities			
Dividends Paid		(2,011,524)	(4,102,700)
Payment for share buy-back		(20,544,844)	(4,225,968)
Net Cash provided by/(used in) Financing Activities		<u>(22,556,368)</u>	<u>(8,328,668)</u>
Net Increase/(Decrease) in Cash Held		10,213,619	(5,153,204)
Cash at the beginning of the financial year		5,509,785	10,662,989
Cash at the end of the financial year	15(b)	<u>15,723,404</u>	<u>5,509,785</u>
Non-Cash financial activities			
Dividends paid by Dividend Reinvestment Plan		1,215,288	2,599,879

The above statement of cash flows should be read in conjunction with the accompanying notes to the financial statements.

van Eyk Three Pillars Limited
ABN 91 106 854 175

Notes to the financial statements
For the year ended 30 June 2010

1 Reporting Entity

van Eyk Three Pillars Limited is a company domiciled in Australia. The Company's registered office is Level 37, 2 Park Street, Sydney NSW, 2000. The financial statements of van Eyk Three Pillars Limited are for the year ended 30 June 2010. The Company is primarily involved in the operations of the financial sector of Australia, making investments and deriving revenue and investment income in securities listed on the Australian Stock Exchange.

2 Statement of Significant Accounting Policies

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transaction events and conditions to which they apply. Compliance with Australian Accounting Standards means that the financial statements and notes also comply with International Financial Reporting Standards.

The financial statements cover van Eyk Three Pillars Limited which is a listed public Company, incorporated and domiciled in Australia. The financial statements have been prepared on an accruals basis and are based on historical costs with the exception of the revaluation of financial assets and financial liabilities for which the fair value basis of accounting has applied.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current, additional information regarding this is included in the relevant notes.

(b) Trading Portfolio

(i) Classification

The trading portfolio comprises securities held for short term trading purposes. The purchase and the sale of securities are accounted for at the date of trade. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace conventions.

Securities in the trading portfolio are classified as "assets measured at fair value through the profit or loss statement."

(ii) Valuation and Recognition of Trading Portfolio

Financial instruments are initially measured at fair value on trade dates which excludes transaction costs, where the contractual rights or obligations exist.

All securities in the trading portfolio are revalued to market values continuously.

Increments and decrements on the value of the securities in the trading portfolio are taken directly through the Statement of Comprehensive Income in the period in which they arise.

(iii) Income from holdings of securities

Distributions relating to listed securities are recognised as income when those securities are quoted in the market on an ex-distribution basis unless the distributions are capital returns on ordinary shares in which case the amount of the distribution is treated as an adjustment to the carrying value of the shares.

(iv) Determination of Fair Value

AIFRS defines fair value for the purpose of valuing holdings of securities that are listed or traded on an exchange to be based on quoted "bid" prices for securities prevailing at the close of business on the balance date.

AASB 139 and AG72 state that the current bid price is usually the appropriate price to be used in measuring the fair value of actively traded financial assets. Financial assets should be valued at their fair values without any deduction for transaction costs that may be incurred on sale or other disposal. Certain costs in acquiring investments, such as brokerage and stamp duty, are expensed in the Statement of Comprehensive Income.

Notes to the financial statements
For the year ended 30 June 2010

2 Statement of Significant Accounting Policies (continued)

(c) Taxation

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at 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.

Current and deferred income tax expense (benefit) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

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. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective assets and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Trading portfolio

A tax provision is made for unrealised gain or loss on securities valued at fair value through the Statement of Comprehensive Income.

Where the Company disposes of such securities, tax is calculated on gains made according to the particular parcels allocated to the sale for the tax purposes offset against any losses carried forward.

(d) Investment income

The change in the net fair value of the trading portfolio as mentioned in note 2b(ii) above is recognised as income in determining the profit and loss for the year.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

Dividend revenue is recognised when the right to receive a dividend has been established.

The realised gains or losses on the sale of the trading portfolio represent the difference between the net proceeds and the net fair value of the investments at the prior year end or cost if acquired during the year.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

For the purposes of the Statement of Cash Flows, cash includes deposits held at call with financial institutions.

(f) Trade and other receivables

Receivables may include amounts for dividends, interest and securities sold. Dividends are receivable when they have been declared and are legally payable. Interest is accrued at the year end from the time of last payment. Amounts received for securities sold are recorded when a sale has occurred. Amounts are generally received within 30 days of being recorded as a receivable.

(g) Trade and other payables

Payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid at the reporting date. Payables are unsecured and are usually paid within 30 days of recognition.

Notes to the financial statements
For the year ended 30 June 2010

2 Statement of Significant Accounting Policies (continued)

(h) 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.

Cash flows are presented in the Statement of Cash Flows on a gross basis except the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Gain/(Loss) per share

Basic gain/(loss) per share is determined by dividing the operating result after income tax by the weighted average number of ordinary shares on issue during the financial year, adjusted for any bonus element.

(j) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

(k) Adoption of New and Revised Accounting Standards

(i) AASB 101 *Presentation of Financial Statements* (as revised in September 2007), AASB 2007-8 *Amendments to Australian Accounting Standards* arising from AASB 101 and AASB 2007-10 *Further Amendments to Australian Accounting Standards* arising from AASB 101

AASB 101 (September 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

(ii) AASB 8 *Operating Segments*

AASB 8 is a disclosure Standard that has not resulted in redesignation of the Company's reportable segments (see note 13).

(iii) AASB 2009-2 *Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments*

The amendments to AASB 7 expand the disclosures required in respect of fair value measurements and liquidity risk. The Company has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2010 reporting periods. The Directors' assessment of the impact of these new standards (to the extent relevant to the Company) and interpretations is set out below:

(i) AASB 9 *Financial Instruments* and AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* (effective 1 January 2013)

AASB 9 *Financial Instruments* addresses the classification and measurement of financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not traded. Fair value gains and losses on available-for-sale debt investment, for example, will therefore have to be recognised directly in profit or loss.

(ii) AASB 2009-5 *Further Amendments to Australian Accounting Standard arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 and 139]*

In May 2009 the AASB issued a number of improvements to AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, AASB 8 *Operating Segments*, AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 117 *Leases*, AASB 118 *Revenue*, AASB 136 *Impairment of Assets* and AASB 139 *Financial Instruments, Recognition and Measurement*. The Company will apply the revised Standards from 1 July 2010. The Company does not expect that any adjustments will be necessary as a result of applying the revised rules.

(iii) Revised AASB 124 *Related Party Disclosures* and AASB 2009-12 *Amendments to Australian Accounting Standards* (effective 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 *Related Party Disclosures*. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment removes the requirement for governments-related entities to disclose details of all transactions with the government and other government-related entities and clarifies and simplifies the definition of a related party. The Company will apply the amended standard from 1 July 2011. When the amendments are applied, the Company would need to disclose any transactions between its subsidiaries and its associates. However, as the Company does not have any subsidiaries and associates, the amendment will not have any effect on the Company's financial statements.

(l) Functional and presentation currency

The functional and presentation currency of the Company is Australian Dollars.

(m) Operating segments

The Company operated in Australia only and the principal activity is investment.

(n) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Company has recognised deferred tax assets relating to carried forward tax losses on the basis that it expects to derive future capital gains sufficient to utilise the current losses within a 3 to 5 year period. However, utilisation of the tax losses also depends on the ability of the entity to satisfy certain tests at the time the losses are recouped. The entity may fail to satisfy the continuity of ownership test and therefore has to rely on the same business test. If the entity fails to satisfy that test, carried forward losses of \$5,747,976 that are currently recognised as deferred tax asset would have to be written off to income tax expense.

Notes to the financial statements
For the year ended 30 June 2010

	Note	2010 \$	2009 \$
3 Trade and other receivables			
Accrued interest and dividends		580,205	549,299
GST receivable		26,319	28,094
Other receivable		14,650	-
		<u>621,174</u>	<u>577,393</u>

Receivables are non-interest bearing and unsecured. Outstanding settlements are on the terms operating in the securities industry, which usually require settlement within three days of the date of a transaction.

The credit risk of the Company in relation to receivables is the carrying amount.

4 Trading Portfolio - held for trading			
Listed securities- at fair value	2(b)(ii)	<u>81,787,871</u>	<u>105,844,613</u>

Listed securities are readily saleable with no fixed terms.

5 Deferred Tax assets			
Deferred tax assets comprises the estimated expense at current income tax rates on the following items:			
- Unrealised losses on trading portfolio		328,388	2,281,679
- Tax Benefit on listing costs and legal fees		400,392	337,751
- Expenses not deductible in current year		2,698	4,658
- Excess franking credits not deductible in current year		-	2,152,476
- Carry forward losses		<u>7,724,989</u>	<u>5,881,141</u>
		<u>8,456,467</u>	<u>10,657,705</u>

Based on the Company's history of realised capital gains the directors believe that the Company will realise taxable capital gains in the future against which the carried forward realised capital losses can be utilised.

6 Trade and Other Payables			
Unsettled Trades		-	1,354,825
Trade creditors		146,205	111,605
Management & performance fees		163,063	179,040
		<u>309,268</u>	<u>1,645,470</u>

Payables are non-interest bearing and unsecured. Outstanding settlements are on terms operating in the securities industry, which usually require settlement within three days of the date of transaction.

7 Tax liabilities			
(a) Income Tax Payable		-	-

(b) Deferred Tax Liabilities			
Provision for deferred income tax comprises the estimated expense at current income tax rates of 30% on the following items:			
- Accrued dividends		11,131	10,921
- Interest Accrued		6,151	2,311
		<u>17,282</u>	<u>13,232</u>

(c) The overall movement in the net deferred tax asset and liability account is as follows			
Opening balance		(10,644,473)	(78,976)
(Charge)/credit to statement of comprehensive income		2,205,288	(10,565,497)
Charge to equity		-	-
Closing Balance		<u>(8,439,185)</u>	<u>(10,644,473)</u>

	2010 No.	2010 \$	2009 No.	2009 \$
8 Share Capital				
(a) Ordinary shares	109,758,280	121,723,638	130,807,208	141,540,507
	<u>No.</u>	<u>\$</u>	<u>No.</u>	<u>\$</u>
Opening Balance	130,807,208	141,540,507	134,051,579	143,191,056
Dividend Reinvestment Plan shares				
Issued for dividend payment	1,530,417	1,215,288	2,756,129	2,599,879
Share Placement	-	-	-	-
Share buy-back	(22,579,345)	(20,520,390)	(6,000,500)	(4,250,428)
Cost of share capital	-	(511,767)	-	-
Closing balance	<u>109,758,280</u>	<u>121,723,638</u>	<u>130,807,208</u>	<u>141,540,507</u>

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the financial statements
 For the year ended 30 June 2010

8 Share Capital (continued)

Terms and conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and may also elect to participate in the Company's Dividend Reinvestment Plan. Shareholders are entitled to one vote per share when a poll is called at shareholder meetings. Otherwise each shareholder has one vote on a show of hands. In the event of winding up the Company ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

(b) Capital Management

Since the election of the new Board on 29 September 2009, capital management by the Board focused on providing mechanisms for shareholders to realise their investment in the Company at, or close to, the value of the shares' net tangible asset backing in a fair and timely manner.

Accordingly, the Board conducted a strategic review of capital management initiatives including a substantial share buy-back, a return of capital, a takeover of the Company and a winding-up of the Company. The conclusion of the strategic review was a recommendation by the Board that the Company return capital to its shareholders amounting to about 95% of the value of the Company's gross tangible assets, and then consolidate all shares on a 20 for 1 basis.

	2010	2009
	\$	\$
9 Accumulated losses		
Opening balance	(20,578,729)	(932,938)
Profit/(loss) for the current year	8,447,044	(19,645,791)
Dividends paid or provided for	(3,226,805)	-
Balance at the end of the financial year	<u>(15,358,490)</u>	<u>(20,578,729)</u>

10 Auditors remuneration

Amounts received and receivable, by the auditor of the Company for:

Auditing and reviewing the accounts	21,517	22,275
Other services	2,508	3,960
	<u>24,025</u>	<u>26,235</u>

11 Income tax expense/(benefit)

(a) The income tax from the financial year differs from the amount calculated on the loss. The differences are reconciled as follows:

Profit/(Loss) from ordinary activities before income tax benefit	10,871,661	(30,222,358)
Prima facie tax expense at 30%	3,261,498	(9,066,707)
Over provided in prior years	-	(14,586)
Temporary differences	(5,220)	11,460
Franking credits on dividends received	(1,188,088)	(2,152,476)
Imputation gross-up on dividends received	356,426	645,743
Income tax expense/(benefit)	<u>2,424,617</u>	<u>(10,576,567)</u>
The applicable weighted average effective tax rates are as follows:	<u>22.30%</u>	<u>35.00%</u>

(b) Income Tax Expense recognised in the Statement of Comprehensive Income

- Current Income tax expense	308,627	(8,048,203)
- Deferred income tax relating to the origination and reversal of temporary differences	2,115,990	(2,528,364)
	<u>2,424,617</u>	<u>(10,576,567)</u>

van Eyk Three Pillars Limited
 ABN 91 106 854 175

Notes to the financial statements
For the year ended 30 June 2010

12 Related party information

(a) Key management personnel

The names of the persons who were key management personnel of the Company during the financial year were:

Alan Dixon (appointed 29 September 2009)
 Chris Brown (appointed 29 September 2009)
 Chris Duffield (appointed 29 September 2009)
 Alex MacLachlan (appointed 29 September 2009)
 Stuart Nisbett (appointed 12 October 2009)
 John Vatovec (appointed 12 October 2009)
 David Illiffe (Chairman, Non-executive Director) (held office until 29 September 2009)
 Cameron McCullagh (Executive Director) (held office until 29 September 2009)
 Mark Thomas (Managing Director) (held office until 29 September 2009)
 Andrew Grant (Non-executive Director) (Appointed 23/09/2008 and held office until 29 September 2009)

Key management personnel remuneration has been included in the remuneration report section of the Directors' Report.

(b) Key management personnel remuneration

Income paid to key management personnel by the Company and related parties in connection with the management of affairs of the Company were:

	Short-term Employee	Post-Employment	Total
	Benefit	Benefit	
	Cash salary & Fees	Superannuation	
2010	164,506	14,356	178,862
2009	77,124	3,662	80,786

The directors' remuneration excludes insurance premiums paid and payable by the Company in respect of directors' liability insurance.

The Remuneration Committee of the Board of Directors of van Eyk Three Pillars Limited is responsible for determining and reviewing compensation arrangements for the directors. The Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of each director on a periodic basis by reference to workload and market conditions. The overall objective is to ensure maximum stakeholder benefit from the retention of a high quality board whilst constraining costs.

Apart from the details disclosed in this note, no director has entered into a material contract with the Company during the financial year.

There were no shares granted during the reporting period as compensation.

Management Agreements

van Eyk Three Pillars Limited has a contractual agreement with VTP Management Pty Limited to provide back office and managerial services for a fee charged as a percentage of the portfolio value on a monthly basis. VTP Management Pty Limited has engaged the services of White Outsourcing Pty Limited to perform various accounting, company secretarial and investment operation functions, and White Outsourcing Pty Limited receives fees as agreed between VTP Management Pty Limited and White Outsourcing Pty Limited.

VTP Management Pty Limited	2010	2009
	\$	\$
Fees paid during the year	395,435	421,936
Fees payable at year end	30,590	37,335
	<u>426,025</u>	<u>459,271</u>

White Outsourcing Pty Limited (fees received from VTP Management Pty Limited)	2010	2009
	\$	\$
Fees paid during the year	143,736	136,757
Fees payable at year end	6,375	6,862
	<u>150,111</u>	<u>143,619</u>

Three Pillars Portfolio Managers Pty Limited (an authorised representative of van Eyk Research Limited) received fees during the financial year for the investment management of the Company as follows:

Three Pillars Portfolio Managers Pty Ltd	2010	2009
	\$	\$
Management Fees paid during the year	491,657	522,246
Management Fees payable at year end (excludes performance fee payable carried forward from prior years)	38,230	129,453
	<u>529,887</u>	<u>651,699</u>

Notes to the financial statements
 For the year ended 30 June 2010

12 Related party information (continued)

(c) Shareholdings of Key Management Personnel (and their related entities)

Directors' transactions concerning dividends and ordinary shares are on the same terms and conditions applicable to ordinary members.

2010

Equity Instruments and Directors

Holdings - Ordinary Shares

Name of Director	Balance at 1 July 2009	Acquired/Initial holdings	Sold	Shares no longer deemed to be director related	Balance at 30 June 2010
Alan Dixon	-	1,690,658	-	-	1,690,658
Chris Brown	-	45,000	-	-	45,000
Chris Duffield	-	6,000	-	-	6,000
Alex MacLachlan	-	10,000	-	-	10,000
Stuart Nisbett	-	-	-	-	-
John Vatovec	-	-	-	-	-
David Iliffe	162,182	-	-	(162,182)	-
Cameron McCullagh	2,721,260	-	-	(2,721,260)	-
Mark Thomas	84,526	-	-	(84,526)	-

2009

Equity Instruments and Directors

Holdings - Ordinary Shares

Name of Director	Balance at 1 July 2008	Acquired	Sold	Shares no longer deemed to be director related	Balance at 30 June 2009
David Iliffe	162,182	-	-	-	162,182
Cameron McCullagh	2,721,260	-	-	-	2,721,260
Mark Thomas	80,271	4,255	-	-	84,526
Andrew Grant (appointed 23/09/2008)	-	-	-	-	-
David Davis (resigned 26/02/2009)	57,988	-	(10,000)	(47,988)	-

13 Segment information

The Company has only one reportable segment. The Company operates predominantly in Australia and in one industry being the securities investment industry, deriving revenue from dividend income, interest income and from the sale of its portfolio. Segments identified in accordance with the first time application of AASB 8: Operating Segments have not differed from those disclosed under AASB 114: Segment Reporting in the annual financial report for the year ended 30 June 2010.

Notes to the financial statements
 For the year ended 30 June 2010

14 Financial Risk Management

The Company's financial instruments comprise mainly of deposits with banks, trading portfolio, accounts receivable and payable.

The Company's activities expose it to a variety of financial risks: market risk (including price risk), credit risk and liquidity risk.

The Investment Manager reviews and agrees policies for managing each of these risks and they are summarised below. The Investment Manager also monitors the market price risk arising from all financial instruments.

(a) Credit risk

The standard defines this as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure to credit risk excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statement.

There are no other material amounts of collateral held as security at 30 June 2010.

Credit risk is managed as provided in Note 3 with respect to receivables and Note 15 with respect to cash assets. None of these assets are overdue or considered to be impaired.

(b) Liquidity risk

The standard defines this as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Investment Manager monitors its cash-flow requirements daily in relation to the trading account taking into account upcoming dividends, tax payments and trading activity.

The Company's inward cash-flows depend upon the level of dividend and distribution revenue received. Should these decrease by a material amount, the Company would amend its outward cash-flows accordingly. As the Company's major cash outflows are the purchase of securities and dividends paid to shareholders, the level of both of these is managed by the Board and Investment Manager.

Furthermore, the assets of the Company are largely in the form of readily tradeable securities which can be sold on-market if necessary.

The table below analyses the Company's non-derivative financial liabilities in relevant maturity groupings based on the remaining period to the earliest possible contractual maturity date at the year end date. The amounts in the table are contractual undiscounted cash flows.

	Less than 1 month \$000	More than 1 month \$000	Total
At 30 June 2010			
Trade and other payables	309,268	-	309,268
Current tax liabilities	-	-	-
Deferred tax liabilities	-	17,282	17,282
Total financial liabilities	309,268	17,282	326,550
At 30 June 2009			
Trade and other payables	1,645,470	-	1,645,470
Current tax liabilities	-	-	-
Deferred tax liabilities	-	13,232	13,232
Total financial liabilities	1,645,470	13,232	1,658,702

(c) Market risk

The standard defined this as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

By its nature as a Listed Investment Company that invests, the Company can never be free of market risk as it invests its capital in securities which are not risk free - the market price of these securities can fluctuate.

A general fall in market prices of 5 per cent and 10 per cent, if spread equally over all assets in the investment portfolio would lead to a reduction in the Company's equity of \$2.9 million (2009: \$3.7 million) and \$5.8 million (2009: \$7.4 million) respectively, assuming a flat tax-rate of 30 per cent.

van Eyk Three Pillars Limited seeks to manage and constrain market risk by diversification of the investment portfolio across multiple stocks and industry sectors. The portfolio is maintained by the Investment Manager within a range of parameters governing the levels of acceptable exposure to stocks and industry sectors. The relative weightings of the individual securities and relevant market sectors are reviewed normally daily and risk can be managed by reducing exposure where necessary.

Notes to the financial statements
For the year ended 30 June 2010

14 Financial Risk Management (continued)

The Company's investment sector as at 30 June is as below:

	2010	2009
	%	%
Consumer staple	6.22	8.20
Energy	14.90	12.03
Financials	32.92	24.22
Healthcare	5.36	9.14
Industrials	7.41	16.94
Information technology	0.13	1.90
Materials	33.06	25.16
Telecommunications	-	2.41
	<u>100.00</u>	<u>100.00</u>

Securities representing over 5 per cent of the investment portfolio at 30 June were:

	2010
	%
BHP Billiton	9.67
Commonwealth Bank of Australia	5.06
ANZ Banking Group Limited	6.61
National Australia Bank Limited	6.26
Lihir Gold Limited	5.53
Westpac Banking Corporation	5.97

No other security represents over 5 per cent of the Company's trading portfolio.

The Company is also not directly exposed to currency risk as all its investments are quoted in Australian dollars.

(d) Interest rate risk

The Company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

Sensitivity analysis - interest rate risk

An increase of 75 basis points in interest rates as at the reporting date (assuming a flat tax rate of 30 per cent) would have increased the Company's equity and revenue from trading portfolio by \$82,548 (2009: \$28,926). A decrease of 75 basis points would have an equal but opposite effect.

(e) Fair value hierarchy

The Company has adopted the amendments to AASB 7, effective 1 July 2009. This requires the Company to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Directors. The Directors consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The table below sets out the Company's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2010. Comparative information has not been provided as permitted by the transitional provisions of the new rules.

	Level 1	Level 2	Level 3	TOTAL
	\$	\$	\$	\$'000
Financial assets				
Listed equities	81,787,871	-	-	81,787,871
Total	<u>81,787,871</u>	<u>-</u>	<u>-</u>	<u>81,787,871</u>

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities, certain unlisted unit trusts and exchange traded derivatives.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. The Company has no investments that are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they are infrequently traded. The Company has no investments that are classified within level 3.

Notes to the financial statements
 For the year ended 30 June 2010

	2010	2009
	\$	\$
15 Statement of Cash Flows		
(a) Reconciliation of profit/(loss) after income tax to net cash utilised in operating activities		
Profit/(Loss) after income tax benefit/(expense)	8,447,044	(19,645,791)
Adjustments for:		
Unrealised changes in the net fair value of trading portfolio	(6,593,865)	8,659,246
Change in operating assets and liabilities:		
Decrease / (Increase) in trade and other receivables	(43,781)	71,525
Decrease / (Increase) in prepayments	(71,798)	(6,746)
Decrease / (Increase) in trading portfolio	30,650,608	24,268,073
Increase / (Decrease) in trade and other payables	(1,311,741)	1,428,591
Increase / (Decrease) in tax liabilities	2,205,288	(11,599,434)
Net cash provided by/(used in) operating activities	<u>33,281,755</u>	<u>3,175,464</u>

The effective interest rate on bank deposits was 3.3% (2009: 4.7%)

	2010	2009
	\$	\$
(b) 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:		
Cash on hand	1	1
Cash at bank	15,723,403	5,509,784
	<u>15,723,404</u>	<u>5,509,785</u>

The credit risk of the company in relation to cash is the carrying amount and any unpaid interest. Cash investments are made with ANZ which is rated AA by Standard and Poor's.

16 Dividends

Dividends Paid or Recommended

Dividends paid or declared for payment are as follows:

	2010	2009
	\$	\$
Ordinary dividend of 2.5 cents per share paid on 25 August 2009	3,226,805	-
	<u>3,226,805</u>	<u>-</u>

Franking Account

Franking account balance at the end of the financial year

Adjusted for:

- Franking credits / (debits) that will arise from the payment / (refund) of income tax payable / (receivable) as at the end of the financial year

- Franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

	409,788	604,617
	-	-
	223,971	216,514
	<u>633,759</u>	<u>821,131</u>

Adjusted franking account balance

Impact on the franking account of dividends proposed or declared before the financial report is authorised for issue but not recognised as a distribution to equity holders during the year

	-	(1,382,917)
	<u>633,759</u>	<u>(561,786)</u>

van Eyk Three Pillars Limited
ABN 91 106 854 175

Notes to the financial statements
For the year ended 30 June 2010

17 Events occurring after the Statement of financial position date

The financial report was authorised for issue on 28th August 2010 by the Board of Directors.

Following the approval by shareholders on 8 April 2010 of a capital return and share consolidation and a satisfactory Class Ruling issued by the ATO on 28 July 2010, van Eyk Three Pillars Limited has realised the majority of its equities portfolio and distributed \$0.88 per share to shareholders as a capital return on 27 August 2010.

There has not been in the interval between the end of the financial period and the date of this report any other item, any other transaction or event of a material and unusual nature likely, in the opinion of the Company, to significantly affect the operations of the entity, the results of these operations, or the state of affairs of the entity, in future financial years.

	2010	2009
18 Basic and diluted gain/(loss) per share	7.2 cents	(14.6 cents)

Weighted average number of ordinary shares outstanding used in the calculation of basic earnings per share

117,016,042	134,848,151
-------------	-------------

Diluted gains/(loss) per share is the same as basic gains/(loss) per share. The Company has no securities outstanding which have the potential to convert to ordinary shares and dilute the basic gains per share.

19 Contingent liabilities

The Investment Management Agreement entered into by the Company with van Eyk Research Limited is for an initial period of 25 years, commencing from 28 January 2004. The Management Agreement entered into by the company with VTP Management Pty Limited is for an initial period of 25 years commencing from 28 January 2004.

20 Company Details

The registered office of the Company is:

Level 37
2 Park Street
Sydney NSW 2000
Telephone: 1300 732 413

The principal place of business of the Company is:

Level 7
20 Hunter Street
Sydney NSW 2000
Telephone: 1300 732 413

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van Eyk Three Pillars Limited
ABN 91 106 854 175

Directors' Declaration
For the year ended 30 June 2010

The directors of the Company declare that:

- 1 The financial statements and notes, as set out on pages 14 to 28, are in accordance with the *Corporations Act 2001* and:
 - a. Comply with Accounting Standards; and
 - b. Give a true and fair view of the financial position of the Company as at 30 June 2010 and of the performance for the year ended on that date.
- 2 The Directors have declared that:
 - a. The financial records of the Company for the financial year have been properly maintained in accordance with s286 of the Corporations Act 2001;
 - b. The financial statements and notes for the financial year comply with the Accounting Standards; and
 - c. The financial statements and notes for the financial year give a true and fair view.
- 3 As at the date of this declaration, in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Stuart Nisbett
Director

Sydney, 31st August 2010

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VAN EYK THREE
PILLARS LIMITED ABN 91 106 854 175**

Report on the Financial Report

We have audited the accompanying financial report of van Eyk Three Pillars Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of van Eyk Three Pillars Limited

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

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

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

Our procedures included reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by the directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

- a. the financial report of van Eyk Three Pillars Limited is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Report on the Remuneration Report

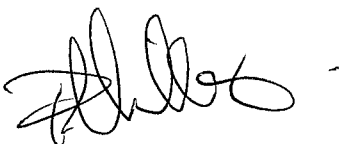
We have audited the Remuneration Report included in pages 14 to 15 of the report of the directors for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the remuneration report of van Eyk Three Pillars Limited for the year ended 30 June 2010, complies with s 300A of the *Corporations Act 2001*.



MNSA PTY LTD



Phillip Miller
Director

Sydney

Dated this 31st day of August 2010

van Eyk Three Pillars Limited
 ABN 91 106 854 175

Members Information as at 18 August 2010

1. Shareholding

(a) Distribution of securities as at 18 August 2010

Category (size of holding)	Number of shareholders	Number of Shares
1 - 1,000	124	60,899
1,001 - 5,000	422	1,392,623
5,001 - 10,000	546	4,006,398
10,001 - 100,000	1,899	60,831,128
100,001 and over	136	43,467,232
	3,127	109,758,280

(b) The number of shareholdings comprising less than a marketable parcel is 1,235.

(c) Substantial holders

Name	Number of shares held
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	8,000,823

(d) Twenty largest holders

The names of the 20 largest holders as at 18 August 2010 are listed below:

Name	Number of shares held	%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	8,000,823	7.29
RBC DEXIA INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED<BKCUST A/C>	4,609,173	4.20
CSM INVESTMENT PTY LTD	1,493,708	1.36
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <SETTLEMENT A/C>	1,372,217	1.25
DARMAL PTY LIMITED	1,321,246	1.20
MR BARRY MARTIN LAMBERT & MRS JOY WILMA LILLIAN LAMBERT <LAMBERT SUPER FUND A/C>	1,302,428	1.19
COUNT FINANCIAL LIMITED	1,198,937	1.09
MR JOHN AUSTIN BENNETT	757,051	0.69
MRS MARGARET ROSE AIKEN	690,000	0.63
WILMAR ENTERPRISES PTY LTD	650,000	0.59
ASWIG MANAGEMENT PTY LTD	494,922	0.45
GEGM INVESTMENTS PTY	466,470	0.42
MR PETER DONALD MCKENNA	410,201	0.37
JAKAJAMINA PTY LTD <JC LEA FAMILY A/C>	363,656	0.33
MOLADI PTY LTD <KAHRISKY SUPER FUND A/C>	361,223	0.33
MR MICHAEL JOSEPH MAY & MRS PAULINE THERESE MAY	351,682	0.32
BOND STREET CUSTODIANS LIMITED <MCGOL - V04293 A/C>	341,912	0.31
DR KENNETH ERSKINE DOWNES & MRS MARGOT RUTH DOWNES <KE DOWNES PROVIDENT FUND A/C>	339,802	0.31
MR JOHN MALCOLM MC KENNA & MRS JUDITH ELIZABETH MC KENNA <JM & JE MC KENNA S/F ACCOUNT>	320,810	0.29
CUSTODIAL SERVICES LIMITED <BENEFICIARIES HOLDING A/C>	312,500	0.28
	25,158,761	22.90

(e) Voting rights

At a general meeting, on the show of hands, every ordinary member present in person shall have one vote for every share held. Proxies present at the meeting are not entitled to vote on a show of hands, but on a poll have one vote for every share held.

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van Eyk Three Pillars Limited
ABN 91 106 854 175

Members Information (Continued)

2. The name of the Company secretary is Mr Brian McGarry.

3. The registered office of the Company is:
Level 37
2 Park Street
Sydney NSW 2000
Telephone: 1300 732 413

The principal place of business of the Company is:
Level 7
20 Hunter Street
Sydney NSW 2000
Telephone: 1300 732 413

4. **Registry**

Share registry functions are maintained by Registries Limited and their details are as follows:

Level 7
207 Kent Street
Sydney NSW 2000
Shareholder enquiries telephone: (02) 9290 9600

5. **Stock Exchange Listing**

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Stock Exchange Limited.

6. The Company has followed all applicable best practice recommendations set by ASX Corporate Governance Council during the reporting period, unless otherwise stated.

7. The Company has used cash and assets in a form readily convertible to cash that it had at the time of admission consistent with its business objectives.

8. The company conducted 284 security transactions during the financial year. Brokerage paid during the year net of RITC claimable was \$246,344.

9. The management agreements with van Eyk Research Limited and VTP Management Pty Limited provide for combined management fees of 0.9% p.a. of the value of the portfolio up to \$100M. For funds in excess of \$100M, management fees will be 0.75% p.a. of the portion of the portfolio greater than \$100M. In addition a performance fee of 15% of the positive excess performance of the portfolio above the ASX 300 Accumulation Index applies, payable annually and subject to a high water mark. Any underperformance needs to be recouped by positive performance before a performance fee becomes payable. Copies of these agreements were released in full on the ASX Company Announcements platform on 25th August 2009.

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**Pro Forma Statement of Financial Position
 As at 30 June 2010**

The unaudited Pro Forma Statement of Financial Position as at 33 August 2010 has been calculated with respect to the following, post balance sheet date adjustments:

- 88 cent per share a capital return (Record Date 20 August); and
- Reversal of deferred tax assets due to the significant reduction in Company scale and the uncertainty of the amount of future profits. These deferred tax losses remain with the Company however have been written off the Statement of Financial Position due to uncertainty of their realisation.

	Unaudited 20 August 2010 \$	Capital Return \$	Derecognition of DTA balance \$	Pro forma 20 August 2010 \$
Assets				
Cash and equity investments	103,216,601	(96,620,844)	-	6,595,757
Trade and other receivables	56,521			56,521
Prepayments	86,737			86,737
Deferred tax assets	6,958,087		(6,954,127)	3,960
Total assets	<u>110,317,946</u>	<u>(96,620,844)</u>	<u>(6,954,127)</u>	<u>6,742,975</u>
Liabilities				
Trade and other payables	465,727			465,727
Provision for dividend				-
Current tax liabilities				-
Deferred tax liabilities	3,960			3,960
Total liabilities	<u>469,687</u>	<u>-</u>	<u>-</u>	<u>469,687</u>
Net assets	<u>109,848,259</u>	<u>(96,620,844)</u>	<u>(6,954,127)</u>	<u>6,273,288</u>
Equity				
Share Capital	121,600,868	(96,620,844)		24,980,024
Accumulated Losses	(11,752,609)		(6,954,127)	(18,706,736)
Total equity	<u>109,848,259</u>	<u>(96,620,844)</u>	<u>(6,954,127)</u>	<u>6,273,288</u>

The above statement of financial position should be read in conjunction with the accompanying notes to the financial statements.

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