Annual Financial Report
30 June 2020

Vision Super Pty Ltd

ACN: 082 924 561

Australian Financial Services Licence: 225054

CONTENTS

Vision Super Pty Ltd

Directors' Report
for the year ended 30 June 2020

1. Directors

The Company had nine Directors as at 30 June 2020. The Directors of the Company during the financial year are:

Member Directors:

Lisa Darmanin
Casey Nunn
Peter Gebert
Diane Smith

Employer Directors:

Geoff Lake
Graham Sherry
Peter Wilson
Kerry Thompson (appointed 1 January 2020)
Rob Spence (end of term 31 December 2019)

Independent Director:

Joanne Dawson

Geoff Lake was Chair and Lisa Darmanin was Deputy Chair during the year.

2. Principal activities

The principal activities of the Company during the course of the financial year were to provide trustee and administration services to Local Authorities Superannuation Fund (LASF).

3. Operating and financial review

The Company's net loss after income tax is $426,000 (2019: $239,000).

In general terms, the Company does not aim to make any profit on operations. However, it does maintain reserves. The two main reserves that are maintained are the General Reserve (GR) and Operational Risk Financial Requirement (ORFR) reserve. As at 30 June 2020, the GR was $1,578,000 (2019: $1,588,000) and the ORFR Reserve was $8,956,000 (2019: $8,924,000)

These reserves are maintained to provide the Trustee with access to funds to protect members' interests and mitigate the impact of an adverse event. The Australian Prudential Regulation Authority (APRA) requires ORFR reserves to be maintained in relation to superannuation entities. A portion of the ORFR reserves for the Vision Super group is maintained in VSPL.

4. Significant changes

There have been no significant changes to the company's operations during the year.

5. Dividend

Dividends paid during the year to LASF were $nil (2019: $10,000,000).

6. Indemnification and insurance of officers

The Company has agreed to indemnify all current and former Directors of the Company against all liabilities to another person that may arise from their position as Directors of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has agreed to indemnify all senior executives for all liabilities to another person that may arise from their position in the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including legal fees.

For the year ended 30 June 2020, the Company paid indemnity insurance premiums of $215,119 (2019: $95,833).

7. Likely developments

The Directors have a Business Plan which outlines the objectives for the Company. As the superannuation industry is subject to constant change, the Directors continue to monitor the superannuation environment as it is important that the Company is able to respond to any significant changes. The structure and products offered by the Company and associated entities will be monitored to ensure they remain relevant.

8. Auditor's independence declaration

The auditor's independence declaration is set out at the end of the report and forms part of the Directors' report for the year ended 30 June 2020.

9. Coronavirus (COVID-19) impact

COVID-19 is a respiratory illness caused by a recently discovered coronavirus which has not been identified in humans prior to late 2019. The World Health Organisation declared COVID-19 a worldwide pandemic on 11 March 2020. The global spread and responses to COVID-19 have had a significant impact on global economies and investment markets (including equity, debt and commodity markets). The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. Management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, suppliers, industry and workforce. As the Company is a superannuation trustee, it is unlikely that the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, will have a negative effect on the Company's results of operations, financial condition or liquidity for financial year 2020.

10. Subsequent events

In the interval between the end of the financial year and the date of this report, no item, transaction or event of a material and unusual nature has arisen that is likely, in the opinion of the Directors of the Company, to significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

Although the Company cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have an effect on the Company's results of future operations, financial position and liquidity in future financial years.

11. Rounding

The amounts contained in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) where noted ($000) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

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

Name: Geoff Lake
Director

Date: 18 September 2020
Melbourne

Vision Super Pty Ltd

Statement of Comprehensive Income
for the year ended 30 June 2020

	Note	2020 $000	2019 $000
Revenues			
Trustee and administration services revenue		**25,237**	22,624
Interest revenue		**48**	108
Distribution revenue		**-**	164
Change in fair value of financial assets at fair value through profit or loss	*4*	**-**	845
Other revenue		**1,208**	1,523
Total revenues		**26,493**	25,264
Expenses			
Employee expenses		**17,199**	15,753
Computing expenses		**2,705**	1,699
Professional fees		**601**	835
Member and employer services		**2,190**	2,349
Depreciation and amortisation expenses		**1,795**	1,253
Premise expenses		**472**	1,322
Interest expense		**120**	-
Other administrative expenses		**1,915**	2,292
Total expenses		**26,997**	25,503
Profit/(loss) before income tax benefit/(expense)		**(504)**	(239)
Income tax benefit/(expense)	*13*	**78**	-
Net profit/(loss) after income tax benefit/(expense)		**(426)**	(239)
Total comprehensive income/(loss)		**(426)**	(239)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Vision Super Pty Ltd

Statement of Financial Position
as at 30 June 2020

	Note	2020 $000	2019 $000
Assets			
Cash and cash equivalents	*16(a)*	**14,594**	13,845
Trade and other receivables	*8*	**2,440**	2,646
Income tax receivable		**263**	-
Prepayments		**571**	538
Total current assets		**17,868**	17,029
Property, plant and equipment	*9*	**123**	63
Intangible assets	*10*	**11**	913
Right-of-use assets	*5(b)*	**3,054**	-
Deferred tax assets	*13*	**1,061**	901
Total non-current assets		**4,249**	1,877
Total assets		**22,117**	18,906
Liabilities			
Amounts held in trust		**618**	240
Trade and other payables	*11*	**532**	899
Provisions	*12*	**3,049**	2,646
Lease liabilities	*5(b)*	**806**	-
Income tax payable		**-**	549
Total current liabilities		**5,005**	4,334
Provisions	*12*	**433**	339
Lease liabilities	*5(b)*	**2,868**	-
Deferred tax liabilities	*13*	**4**	-
Total non-current liabilities		**3,305**	339
Total liabilities		**8,310**	4,673
Net assets		**13,807**	14,233
Equity			
Contributed equity		**-**	-
Retained earnings	*14*	**3,273**	3,721
Reserves	*15*	**10,534**	10,512
Total equity		**13,807**	14,233

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

Vision Super Pty Ltd

Statement of Changes in Equity
for the year ended 30 June 2020

	Share capital $000	Reserves $000	Retained earnings $000	Total $000
As at 1 July 2018	-	19,578	4,894	24,472
Profit for the year	-	-	(239)	(239)
Transfer	-	934	(934)	-
Dividend payment	-	(10,000)		(10,000)
As at 30 June 2019	-	10,512	3,721	14,233

	Share capital $000	**Reserves $000**	**Retained earnings $000**	**Total $000**
As at 1 July 2019	**-**	**10,512**	**3,721**	**14,233**
Profit for the year	**-**	**-**	**(426)**	**(426)**
Transfer	**-**	**22**	**(22)**	**-**
As at 30 June 2020	**-**	**10,534**	**3,273**	**13,807**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Vision Super Pty Ltd

Statement of Cash Flows
for the year ended 30 June 2020

	Note	2020 $000	2019 $000
Operating activities:			
Cash receipts from customers		**26,651**	24,101
Cash paid to suppliers and employees		**(24,347)**	(24,154)
Income tax refund received		**(890)**	-
Net cash flows from/(used in) operating activities	*16(b)*	**1,414**	(53)
Investing activities:			
Proceeds from sale of property, plant and equipment		**-**	-
Purchase of property, plant and equipment		**(83)**	(19)
Purchase of intangible assets		**-**	(1)
Sale/(purchase) of financial assets at fair value through profit or loss		**-**	13,578
Interest received		**48**	108
Investment distributions received		**-**	164
Net cash flows from/(used in) investing activities		**(35)**	13,830
Financing activities:			
Interest expense on lease liabilities		**120**	**-**
Payment of dividend		**-**	(10,000)
Lease payments		**(750)**	-
Net cash flows from/(used in) financing activities		**(630)**	(10,000)
Net increase/(decrease) in cash and cash equivalents		**749**	3,777
Cash and cash equivalents at the beginning of the year		**13,845**	10,068
Cash and cash equivalents at the end of the year	*16(a)*	**14,594**	13,845

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

1. Corporate information

Vision Super Pty Ltd (the Company) is a company limited by shares that was incorporated on 10 June 1998 and is domiciled in Australia.

The office of Vision Super Pty Ltd is located at Level 15, 360 Collins Street Melbourne Victoria 3000.

The nature of the operations and principal activities of the Company are to provide trustee and administration services to superannuation entities, being Local Authorities Superannuation Fund (LASF).

The financial statements were approved by the Board of Directors on 18 September 2020.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Certain comparative amounts have been reclassified to conform to the current year's presentation where necessary.

(a) Basis of preparation

The financial statements are a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial statements have also been prepared on a historical cost basis, except for financial assets held at fair value through profit or loss, that have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($000) unless otherwise stated. Due to rounding, numbers presented throughout this general purpose financial report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

(b) Compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(c) Basis of non-consolidation

Consolidated financial statements comprise the financial statements of the parent entity and its subsidiaries as at and for the year ended 30 June each year.

For these purposes, subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

Management has completed a detailed review of the ownership and control of the Vision Super entities which includes the Company. As part of this review, management has completed a consolidation assessment and concluded that the effect of consolidation on the Group's financial position and results of operations would be immaterial.

Therefore, Vision Super Pty Ltd has not prepared consolidated financial statements as at and for the year ended 30 June 2020.

2. Summary of significant accounting policies (continued)

(c) Basis of non-consolidation (continued)

The entity that has not been consolidated is: Vision Holding Company Pty Ltd (trustee). The Company does not have any other subsidiaries.

(d) Adoption of new accounting standards

The following standards were applied for the first time for the year ended 30 June 2020. There is a material impact in the financial statements from the adoption of AASB 16 Leases.

There was no material impact from the adoption of IFRIC 23 Uncertainty over Income Tax Treatments.

Accounting Standard	Nature	Application Date of Standard	Application Date for Group
AASB 16 *Leases*	This standard replaces AASB 117 *Leases*. Under the standard, all leases are to be accounted for "on-balance sheet' by lessees (other than short-term and low value asset leases) similar to the way finance leases are currently accounted for under AASB 117. There will also be some new and different disclosures included in the financial statements about leases.	1 January 2019	1 July 2019
Interpretation 23 *Uncertainty over Income Tax Treatments*	This interpretation clarifies how the recognition and measurement requirements of AASB 112 Income Taxes are applied where there is uncertainty over income tax treatments.	1 January 2019	1 July 2019

(e) New accounting standards and interpretations

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 30 June 2020. They have not been applied in preparing the financial statements. Those that may be relevant to the Company are set out below. The Company does not plan to adopt these standards early.

Accounting Standard	Nature	Application Date of Standard	Application Date for Group
The Conceptual Framework for Financial Reporting	The revised *Conceptual Framework for Financial Reporting* (the Conceptual Framework) is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist the Board in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.	1 January 2020	1 July 2020

2. Summary of significant accounting policies (continued)

(f) Significant accounting judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, income and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances; the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the Note 2(o) and (p) in relation to the estimation of useful lives of assets and Note 2(m) Income Tax in relation to the recovery of deferred tax assets.

(g) Financial instruments

The Company did not hold any financial assets during the year ended 30 June 2020. During the 2019 financial year, the Company disposed of the financial asset held at the beginning of the year. The following applies in relation to any financial assets held by the Company.

(i) Classification

The Company's only financial asset held during the 2019 financial year was an investment in the unlisted managed investment scheme. It is classified as financial instruments designated as at fair value through profit or loss upon initial recognition in the category of financial assets at fair value through profit or loss in accordance with AASB 139. The financial asset is designated on the basis that it is managed and has its performance evaluated on a fair value basis in accordance with risk management and investment strategy of the Company.

(ii) Recognition

The Company recognises a financial asset when, and only when, it becomes a party to the contractual provisions of the Company.

(iii) Derecognition

A financial asset is derecognised where:

1. The rights to receive cash flows from the assets have expired, or

2. The company has transferred its rights to receive cash flows in full without material delay to a third party under a "pass through" arrangement, and

3. Either:

   (a) The Company has transferred substantially all the risks and rewards of the asset, or

   (b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

(iv) Initial measurement

Financial assets at fair value through profit or loss are recorded in the Statement of Financial Position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

2. Summary of significant accounting policies (continued)

(g) Financial instruments (continued)

(v) Subsequent measurement

After initial measurement, the Company measures financial instruments which are classified as at fair value through profit or loss at fair value. Subsequent changes in the fair value of those financial instruments are recorded in “Change in fair value of financial assets at fair value through profit or loss”. Interest earned is recorded in “Interest revenue” according to the terms of the contract. Distribution revenue is recorded in “Distribution revenue”.

(h) Trade and other receivables

Trade and other receivables largely consist of trustee services fees due and receivable from LASF, and during the 2019 financial year, services fees due and receivable from Vision Pooled Superannuation Trust (VPST).

(i) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Trustee and Administration Services Revenue

Revenue from the rendering of administration services is recognised at the end of each month and based on both paid and accrued administration expenses recognised in profit or loss at the reporting date.

Interest revenue

Interest earned on financial assets at fair value through profit and loss is recorded in interest revenue according to the terms of the contract.

Distribution revenue

Distributions from the managed investment scheme are recognised as at the date the unit value is quoted ex-distribution and, if not received at reporting date, are reflected in the Statement of Comprehensive Income.

Change in fair value of financial assets

This item includes the fair value of financial assets designated upon initial recognition as “held at fair value through profit or loss” and excludes interest and distribution revenue. Amounts are calculated as the difference between the fair value at sale or at year end, and the fair value at the previous valuation point. This includes both realised and unrealised gains and losses.

(j) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position and Statement of Cash Flows comprise of cash at bank and term deposits with original maturity of three months or less.

(k) Contributed equity

Ordinary shares are classified as equity.

2. Summary of significant accounting policies (continued)

(l) Trustee liabilities, right of indemnity and obligations

During the financial year, the Company acts solely as trustee of LASF and liabilities have been incurred on behalf of the LASF in the Company's capacity as corporate trustee.

Liabilities incurred on behalf of LASF are not recognised in the Company's financial statements when it is not probable that the Company will have to meet any of these trust liabilities from its own resources. When it is probable that the Company will have to meet some trust liabilities, a liability for the deficiency in Trust Right of Indemnity is brought to account.

Details of the trust liabilities, the offsetting right of indemnity and any deficiency in the right of indemnity are disclosed by way of note to the financial statements.

(m) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the Statement of Financial Position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(n) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis.

(o) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

2. Summary of significant accounting policies (continued)

(o) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(ii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives of the current and comparative period are as follows:

	2020	2019
Fixtures and fittings	10 years	10 years
Computer hardware	2.5 - 3 years	2.5 - 3 years
IT communications & cabling	4 years	4 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

(p) Intangible assets

(i) IT development and software

System development expenditure is capitalised only if development expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss when incurred. Expenditure relating to the acquisition of software is capitalised. Expenditure relating to the acquisition of a software licence is capitalised where the licence fee is a once-off payment. Capitalised system development expenditures are measured at cost less accumulated amortisation and accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

(iii) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The Company uses a ‘software as a service’ (SaaS) arrangement (Acurity) for its administration services. The system development costs of Acurity are recorded as computer software.

	2020	2019
Computer software	**4 years**	4 years

2. Summary of significant accounting policies (continued)

(q) Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(r) Leases

The determination of whether an arrangement is a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A contract is assessed at its inception to determine whether a contract is, or contains, a lease (ie. whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration).

The Company, as a lessee, applies a single recognition and measurement approach for all leases, except for the short-term leases and low-value assets. There is a recognition of lease liabilities to make lease payments and right-of-use assets representing the right to use underlying assets.

(i) Right-of-use assets

The right-of-use assets is recognised at the commencement date of the lease (ie. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

(ii) Lease liabilities

At the commencement date of the lease, the lease liabilities are measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

2. Summary of significant accounting policies (continued)

(r) Leases (continued)

(ii) Lease liabilities (continued)

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised and payments of penalties for terminating the lease, if the lease term is terminated. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of the lease payments, an incremental borrowing rate at the lease commencement date is used because the interest rate implicit in the lease is not readily determinable.

(iii) Short-term leases and lease of low-value assets

Short-term leases are those that have a lease term of 12 months or less from the commencement date and do not contain a purchase option.

The assessment of whether an underlying asset is a low-value asset is performed on an absolute basis. An underlying asset can be of low-value only if:

- The lessee can benefit from use of the underlying asset on its own or together with other resources that are readily available to the lessee, and
- The underlying asset is not highly dependent on, or highly interrelated with, other assets.

(s) Employee benefits

(i) Wages, salaries, annual leave, sick leave and non-monetary benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave expected to be settled within 12 months of the year end represent present obligations resulting from employees' services at reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs.

(ii) Long service leave

The provision for employee benefits for long service leave represents the present value of the estimated future cash outflows to be made resulting from employee's services provided to reporting date.

Obligations for contributions to LASF, a hybrid superannuation fund, are recognised as an expense in the Statement of Comprehensive Income as incurred.

3. Coronavirus (COVID-19) impact

COVID-19 is a respiratory illness caused by a recently discovered coronavirus which has not been previously identified in humans prior to late 2019. The World Health Organisation declared COVID-19 a worldwide pandemic on 11 March 2020. The global spread and responses to COVID-19 have since had a significant impact on global economies and investment markets.

Management has taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our staff; social distancing and working from home.

Management has considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

4. Change in fair value of financial assets at fair value through profit and loss

	2020 $000	2019 $000
Net changes in fair value of financial assets at fair value through profit and loss:		
Realised gains at fair value through profit and loss	**-**	**845**

5. Lease commitments

The Company leases its offices under a lease agreement for a period of 10 years from 1 August 2014, with an option to renew the lease after that date for another 5 years. Management has elected not to consider the renewal option on transition to AASB 16 as it is not reasonably certain that the lease will be renewed. As a lessee, the Company is required to apply AASB 16 *Leases* to its leases either retrospectively to each prior reporting period (the full retrospective method), or retrospectively with cumulative effect recognised at the date of initial application (the modified retrospective method). The Company has elected to apply the modified retrospective method in adopting the standard.

In adopting the modified retrospective method, comparative figures are not restated and the cumulative effect of initially applying the standard is recognised as an adjustment to the opening of the retained earnings.

The Company has recognised right-of-use (ROU) assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The ROU asset, in this case, the office lease, was recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on present value of the remaining lease payments, discounted using the incremental borrowing rate at the date on initial application. The ROU asset was reduced by the accrued lease liability recognised per AASB 117 in prior years. Depreciation was calculated on a straight-line basis over the estimated useful life of the asset.

(a) Short-term leases and leases of low-value assets as at 30 June:

	2020 $000
Expenses relating to short-term leases	**113**
Expenses relating to leases of low-value assets	**63**
	176

(b) Right-of-use assets - Office leases

	2020 $000
Right-of-use assets	
Balance as at 1 July 2019	**4,424**
Accrued lease expense (AASB 117)	**(500)**
	3,924
Depreciation for the period	**(870)**
Balance as at 30 June 2020	**3,054**
Lease liabilities	
Balance as at 1 July 2019	**4,424**
Lease payments for the period	**(750)**
Balance as at 30 June 2020	**3,674**

5. Lease commitments (continued)

The lease liability as at 1 July 2019 can be reconciled to the operating lease commitments as at 30 June 2019 as shown in Note 4 of the signed financial statements for the year ended 30 June 2019:

	2020 $000
Operating lease commitment	
Office rental	4,772
Information technology (IT)	239
Operating lease commitments as at 30 June 2019	5,011
Less	
Commitments relating to short-term and low value asset leases	239
Lease liability as at 1 July 2019	4,772
Incremental borrowing rate as at 1 July 2019	3.0%
Discounted operating lease commitments as at 30 June 2019	4,424

6. Sponsorship and Advertising

	2020 $000	2019 $000
Sponsorship (including medical research)	84	132
Advertising	1,433	1,433
	1,517	1,565

7. Auditors remuneration

	2020 $	2019 $
Amounts received or due and receivable by Ernst & Young for:		
- An audit of the financial statements	27,316	21,840
	27,316	21,840

8. Trade and other receivables

	2020 $000	2019 $000
Other receivables	2,440	2,646
Total receivables	2,440	2,646

9. Property, plant and equipment

	Plant and Equipment $000	Fixtures and Fittings $000	Total property, plant & equipment $000
Cost and Deemed Cost			
Balance as at 1 July 2018	600	164	764
Additions	15	4	19
Disposals	(16)	-	(16)
Balance as at 30 June 2019	599	168	767
Balance as at 1 July 2019	**599**	**168**	**767**
Additions	**60**	**23**	**83**
Disposals	**(102)**	**-**	**(102)**
Balance as at 30 June 2020	**557**	**191**	**748**
Depreciation and Impairment Losses			
Balance as at 1 July 2018	564	123	687
Depreciation for the period	26	7	33
Disposals	(16)	-	(16)
Balance as at 30 June 2019	574	130	704
Balance as at 1 July 2019	**574**	**130**	**704**
	14	**9**	
Depreciation for the period			**23**
Disposals	**(102)**	**-**	**(102)**
Balance as at 30 June 2020	**486**	**139**	**625**
Carrying amount			
At 1 July 2018	36	41	77
At 30 June 2019	25	38	63
At 1 July 2019	**25**	**38**	**63**
At 30 June 2020	**71**	**52**	**123**

Notes to the Financial Statements
for the year ended 30 June 2020

10. Intangible assets

	Intangible assets
Costs	**$000**
Balance as at 1 July 2018	5,763
Acquisition	1
Disposals	(22)
Balance as at 30 June 2019	5,742
Balance as at 1 July 2019	**5,742**
Acquisition	**-**
Disposals	**(1)**
Balance as at 30 June 2020	**5,741**
Amortisation and Impairment Losses	
Balance as at 1 July 2018	3,631
Amortisation for the year	1,220
Impairment loss	(22)
Balance as at 30 June 2019	4,829
Balance as at 1 July 2019	**4,829**
Amortisation for the year	**903**
Impairment loss	**(-)**
Balance as at 30 June 2020	**5,730**
Carrying amounts	
At 1 July 2018	2,132
At 30 June 2019	913
At 1 July 2019	**913**
At 30 June 2020	**11**

11. Trade and other payables

	2020	2019
	$000	$000
Other payables	**532**	899
Total trade and other payables	**532**	899

12. Provisions

	2020	2019
Current	**$000**	$000
Liability for annual leave	**1,414**	1,169
Liability for long service leave	**1,635**	1,477
Total employee benefits - current	**3,049**	2,646

Non-Current	**2020**	2019
	$000	$000
Liability for long service leave	**433**	339
Total employee benefits – non-current	**433**	339

Notes to the Financial Statements for the year ended 30 June 2020

13. Income tax

	2020 $000	2019 $000
Current tax expense		
Current year	51	686
Adjustment for the prior years	27	-
	78	686
Deferred tax expense		
Origination and reversal of temporary differences	(156)	(686)
Adjustment for prior years	-	-
	(156)	(686)
Total income tax expense/(benefit)	(78)	-

	2020 $000	2019 $000
Income tax benefit/(expense) numerical reconciliation between tax benefit/(expense) and pre-tax profit		
Net profit/(loss) for the year	(426)	(239)
Less: Income tax benefit/(expense) for the current year	78	-
Profit/(loss) before income tax	(504)	(239)
Income tax using the Company's tax rate of 30% (2019: 30%)	(151)	(72)
(Non-taxable Income)/Non-deductible losses	(13)	48
Disallowable expenses	20	6
Under provision in prior year	(27)	-
Other	93	18
	(78)	-

Deferred tax - 2020

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2020 $000	2019 $000	2020 $000	2019 $000	2020 $000	2019 $000
Employee provisions	1,045	895	-	-	1,045	895
Accrual expenses	16	1	-	-	16	1
Other	-	5	(4)	-	(4)	5
	1,061	901	(4)	-	1,057	901

13. Income tax (continued)

Deferred tax - 2019

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2019 $000	2018 $000	2019 $000	2018 $000	2019 $000	2018 $000
Employee provisions	895	722	-	-	895	722
Accrual expenses	1	4	-	-	1	4
Other	5	5	-	(516)	5	(511)
	901	731	-	(516)	901	215

Movement in temporary differences during the year - 2020

	Balance 1 July 2019 $000	Recognised in profit/loss $000	Transfers in/(out) $000	Balance 30 June 2020 $000
Employee provisions	**895**	**150**	-	**1,045**
Accrual expenses	**1**	**15**	-	**16**
Unrealised (gains)/loss	**-**	**-**	-	**-**
Other	**5**	(9)	-	**(4)**
	901	156	-	**1,057**

Movement in temporary differences during the year - 2019

	Balance 1 July 2018 $000	Recognised in profit/loss $000	Transfers in/(out) $000	Balance 30 June 2019 $000
Employee provisions	722	173	-	895
Accrual expenses	4	(3)	-	1
Unrealised (gains)/loss	(516)	516	-	-
Other	5	-	-	5
	215	686	-	901

14. Retained earnings

	2020 $000	2019 $000
Balance as at 1 July	**3,721**	4,894
Increase/(decrease) for the year	**(448)**	(1,173)
Balance as at 30 June	**3,273**	3,721

15. Reserves

The Company maintains two reserves: General Reserve (GR) and Operational Risk Financial Requirements Reserve (ORFR). Both reserves are operated in accordance with the Company's Reserve Policy.

The GR was established on 1 July 2007 to provide the Company with access to funds to protect members' interests and mitigate the impact of an adverse event. The GR is funded from any profit arising from future administration and investment fees. The profit is the difference between the fixed fees charged and the actual costs incurred. From time to time, amounts may be transferred from the GR to the ORFR reserve.

The ORFR reserve was established on 1 July 2013 in accordance with the Superannuation Prudential Standards SPS 114 - Operational Risk Financial Requirements. The ORFR reserve may be used in certain circumstances to address operational risk events or claims against the Company arising from operational risk. It was seeded by a transfer from the GR and is generally funded from earnings on the investments supporting the ORFR reserve. A dividend of $10,000,000 was paid out of this reserve to LASF during the 2018/19 year to transfer some of the ORFR to LASF so that LASF holds the reserve directly.

	GR $000	ORFR $000	Total $000
Balance as at 1 July 2018	1,940	17,638	19,578
Transfer	-	-	-
Increase/(decrease) for the year	(352)	(8,714)	(9,066)
Balance as at 30 June 2019	1,588	8,924	10,512
Balance as at 1 July 2019	**1,588**	**8,924**	**10,512**
Transfer	**-**	**-**	**-**
Increase/(decrease) for the year	**(10)**	**32**	**22**
Balance as at 30 June 2020	**1,578**	**8,956**	**10,534**

16. Cash flows statement reconciliation

(a) Cash and cash equivalents

	2020 **$000**	2019 $000
Cash at bank	**14,594**	9,046
Term deposit	**-**	4,799
Cash and cash equivalents	**14,594**	13,845

16. Cash flows statement reconciliation (continued)

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

	2020 $000	2019 $000
Cash flows from operating activities		
Profit/(loss) for the year	**(426)**	(239)
Adjustments for:		
Depreciation	**893**	33
Amortisation	**902**	1,220
Losses on sale of property, plant and equipment	**-**	-
Investment income	**-**	(272)
Interest income	**(48)**	-
Change in fair value in financial assets profit or loss	**-**	(845)
Operating profit before changes in working capital and provisions	**1,321**	(103)
(Increase)/decrease in prepayment	**(33)**	(248)
(Increase)/decrease in trades and other receivables	**206**	(46)
(Increase)/decrease in income tax receivable	**(263)**	-
(Increase)/decrease in deferred tax assets	**(160)**	(170)
Increase/(decrease) in trade and other payables	**(367)**	(26)
Increase/(decrease) in employee entitlements	**497**	576
Increase/(decrease) in amounts held in trust	**378**	(206)
Increase/(decrease) in income tax payable	**(549)**	686
Increase/(decrease) in deferred tax liabilities	**4**	(516)
Increase/(decrease) in ROU assets/lease liabilities^	**380**	-
Net cash from operating activities	**1,414**	(53)

^ This includes an adjustment relating to the adoption of AASB 16.

17. Employee superannuation benefits

The Company makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (LASF). LASF has two categories of membership, accumulation and defined benefit, each of which is funded differently. The defined benefits category provides lump sum benefits based on years of service and final average salary. In certain circumstances a defined benefit member may be eligible to purchase a lifetime pension with up to 50% of their lump sum benefit. The accumulation category receives fixed contributions from the Company and the Company's legal or constructive obligation is limited to these contributions.

Obligations for contributions to LASF are recognised as an expense in Statement of Comprehensive Income when they are made or due.

17. Employee superannuation benefits (continued)

(a) Accumulation

LASF's accumulation categories, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings. For the year ended 30 June 2020, this was 9.5% (2019: 9.5%) as required under Superannuation Guarantee (SG) legislation. Our commitment to accumulation plans is limited to making contributions in accordance with our minimum statutory requirements. No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of LASF.

The SG rate will remain at 9.5% for the next 2 years, increasing to 10% from 1 July 2021, and eventually to 12% from 1 July 2025.

(b) Defined Benefit

As provided under Paragraph 34 of AASB 119 – Employee Benefits, the Company does not use defined benefit accounting for its defined benefit obligations under the LASF's Defined Benefit category. This is because LASF's Defined Benefit category is a multi-employer sponsored plan.

As a multi-employer sponsored plan, LASF was established as a mutual scheme to allow for the mobility of the workforce between the participating employers without attaching a specific liability to particular employees and their current employer. Therefore, there is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of the Company in LASF cannot be measured as a percentage compared with other participating employers. While there is an agreed methodology to allocate any shortfalls identified by the fund Actuary for funding purposes, there is no agreed methodology to allocate benefit liabilities, assets and costs between the participating employers for accounting purposes. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119 because of the pooled nature of the LASF's defined benefit category.

Funding arrangements

The Company makes employer contributions to the LASF defined benefit category at rates determined by the Trustee on the advice of the Fund Actuary.

A triennial actuarial review for the Defined Benefit category as at 30 June 2020 was completed on 8 September 2020. As at 30 June 2019, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit Category.

The Vested Benefit Index (VBI) of the Defined Benefit category to which the Company is a contributing employer was 104.6% at 30 June 2020 (107.1% at 30 June 2019). The financial assumptions used to calculate the VBIs were:

	30 June 2020	**30 June 2019**
Net investment returns	5.6% p.a.	6.0% p.a.
Salary information	2.5% for 2 years and 2.75% thereafter	3.5% p.a.
Price inflation (CPI)	2.0% p.a.	2.0% p.a.

Vision Super has advised that the VBI at 30 June 2020 was 104.6% during August 2020.

The Australian Prudential Regulation Authority (APRA) superannuation prudential standard (SPS 160) - Defined Benefit Matters determines the funding requirements of a defined benefit (DB) arrangement.

17. Employee superannuation benefits (continued)

(b) Defined Benefit (continued)

Funding arrangements (continued)

Under this standard:

- The VBI is the measure to determine whether there is an unfunded liability, and
- Any unfunded liability that arises must be paid within three years.

Under SPS 160, the VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2020 triennial actuarial review showed that the Defined Benefit category was in a satisfactory financial position under SPS 160. As a result, the Fund Actuary determined that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

LASF's employer funding arrangements comprise of three components as follows:

1. Regular contributions - which are ongoing contributions needed to fund the balance of benefits for current members and pensioners
2. Funding calls – which are contributions in respect of each participating employer's share of any funding shortfalls that arise, and
3. Retrenchment increments – which are additional contributions to cover the increase in liability arising from retrenchments.

The Company is also required to make additional contributions to cover the contributions tax payable on components 2 and 3 referred to above. Employees are also required to makes member contributions to LASF. As such, assets accumulate in LASF to meet member benefits, as defined in the Trust Deed, as they accrue.

Employer contributions

(A) Regular contributions

On the basis of the results of the 2019 interim actuarial investigation conducted by the Fund Actuary as at 30 June 2019, the Company makes employer contributions to LASF's Defined Benefit category at rates determined by the LASF's Trustee, on the advice of the Fund Actuary. For the year ended 30 June 2020, this rate was 9.5% of members' salaries (9.5% in 2018/2019). This rate will increase in line with the required SG increases.

In addition, the Company reimburses LASF to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit (the funded resignation or retirement benefit is calculated as the VBI multiplied by the benefit).

(B) Funding calls

LASF is required to comply with the superannuation prudential standards. Under the superannuation prudential standard SPS 160, LASF is required to target full funding of its vested benefits. There may be circumstances where:

17. Employee superannuation benefits (continued)

(b) Defined Benefit (continued)

Employer contributions (continued)

(B) Funding calls (continued)

- A fund is in an unsatisfactory financial position at an actuarial investigation (i.e. its vested benefit index (VBI) is less than 100% at the date of the actuarial investigation), or
- A fund's VBI is below its shortfall limit at any time other than at the date of the actuarial investigations.

If either of the above occur, LASF has a shortfall for the purposes of SPS 160 and LASF is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. There may be circumstances where the Australian Prudential Regulation Authority (APRA) may approve a period longer than three years.

LASF monitors its VBI on a quarterly basis and LASF has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, LASF's participating employers (including the Company) are required to make an employer contribution to cover the shortfall. The methodology used to allocate the shortfall was agreed in 1997 to fairly and reasonably apportion the shortfall between the participating employers.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of LASF's defined benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

The pre-1 July 1993 and post-30 June 1993 service liabilities of LASF are based on:

- The service periods of all active members split between the active members pre-1 July 1993 and post-30 June 1993 service period, and
- The pensioner (including fixed term pension) liabilities which are allocated to the pre-1993 period.

The pre-1 July 1993 component of the shortfall is apportioned between the participating employers based on the employer's share of the total participating employer payroll at 30 June 1993.

The post-30 June 1993 component of the shortfall is apportioned between the participating employers based on the employer's share of the total participating employer payroll at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and LASF, and that LASF includes lifetime pensioners and their reversionary beneficiaries; it is unlikely that LASF will be wound up. In the unlikely event that LASF is wound up and there is a surplus in LASF, the surplus cannot be applied for the benefit of the defined benefit employers where there are on-going defined benefit obligations. The surplus would be transferred to the fund accepting those defined benefit obligations (including the lifetime pension obligations) of LASF.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

17. Employee superannuation benefits (continued)

(b) Defined Benefit (continued)

Employer contributions (continued)

(C) Retrenchment increments

During the year ended 30 June 2020, the Company was not required to make payments to LASF in respect of retrenchment increments (2019: nil). The Company's liability to LASF as at 30 June 2020, for retrenchment increments, accrued interest and tax is nil (2019: nil).

The 2020 triennial actuarial review surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Company is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. The 2020 triennial actuarial review has been completed. As the Defined Benefit category provides lifetime pensions, an interim investigation was conducted as at 30 June 2019.

The Fund's actuarial investigations identified the following for the Defined Benefit category of which the Company is a contributing employer:

	2020 $m	**2019 $m**
• A VBI surplus	$97.6	$151.3
• A total service liability surplus	$202.0	$233.4
• A discounted accrued benefits surplus	$217.8	$256.7

The VBI surplus means that the market value of the funds' assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2020.

The total service liability surplus means that the current value of the assets in the Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2020.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2020.

17. Employee superannuation benefits (continued)

(b) Defined Benefit (continued)

Accrued benefits

LASF's liability for accrued benefits was determined in the 2020 full actuarial investigation pursuant to the requirements of Australian Accounting Standard Board AASB 1056 *Superannuation Entities* follows:

	30 June 2020 $ million	30 June 2019 $ million
Net Market Value of Assets	2,253.4	2,320.2
Accrued Benefits (per accounting standards)	2,035.6	2,063.8
Difference between Assets and Accrued Benefits	217.8	256.4
Vested Benefits (Minimum sum which must be paid to members when they leave the fund)	2,153.4	2,169.0

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

	30 June 2020	30 June 2019
• Net Investment Return	5.60%pa	6.00%pa
• Salary Inflation	2.5% for 2 years and 2.75% thereafter pa	3.50%pa
• Price Inflation	2.00%pa	2.00%pa

(c) Superannuation contributions

Contributions by the Company (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2020 are detailed below:

Scheme	Type of Scheme	Rate	2020 $000	2019 $000
LASF	Defined benefit	**9.50%**	**59**	58
LASF	Accumulation	**9.50%**	**1,000**	915

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2020.

The contribution paid to the Defined Benefits category of LASF for the year ending 30 June 2020 is $52,990 (2019: $52,035).

18. Financial risk management

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables which are mainly trustee services fees to LASF. Consequently, the Company's exposure to credit risk is considered minimal.

The amount that best represents the Company's maximum exposure to credit risk at reporting date in relation to these receivables is the carrying value in the Statement of Financial Position.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's exposure to liquidity risk is not material as the Company always maintains sufficient cash at bank to cover daily operational expenses. Additionally, the Company also maintains reserves of $10,534 (2019: $10,512) as at the reporting date.

There are no contractual maturities for financial liabilities in excess of 12 months.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

(i) Foreign currency risk

The Company is not exposed to foreign currency risk as it operates in Australia only and all transactions are in Australian dollars.

(ii) Interest rate risk

The Company's exposure to interest rate risk is not material as its interest income for the year 2020: $48,000 (2019: $108,000) is not material and the Company does not borrow money. Consequently, no sensitivity analysis is disclosed in this note.

(iii) Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors affecting all similar financial instruments in the market. As the Company did not hold any investments in a financial instrument at 30 June 2020, the Company does not have any equity price risk (2019: $0).

19. Related parties

(a) Key Management Personnel

The Company has nine Directors. The directors of the Company are:

Member Directors:
Lisa Darmanin
Casey Nunn
Peter Gebert
Diane Smith

Employer Directors:
Geoff Lake (Chair)
Graham Sherry
Peter Wilson
Kerry Thompson (appointed 1 January 2020)
Rob Spence (end of term 31 December 2019)

Independent Director:
Joanne Dawson

Geoff Lake was Chair and Lisa Darmanin was Deputy Chair during the year.

Each Director attended the following meetings and Board Committees during the year as a member of the Board or relevant Committee. Nine board meetings were held during the year and the attendance was as follows:

Name	**Board Meetings**	
	Attended	**Eligible to attend**
Geoff Lake	**9**	9
Lisa Darmanin	**9**	9
Peter Wilson	**9**	9
Graham Sherry	**9**	9
Joanne Dawson	**9**	9
Casey Nunn	**8**	9
Peter Gebert	**9**	9
Diane Smith	**9**	9
Kerry Thompson	**4**	5
Rob Spence	**4**	4

Board Committees are open to all Directors and were attended by a quorum of Directors on all occasions.

In addition to the Company's Directors, the Chief Executive Officer, Chief Financial Officer, Chief Investment Officer, Chief Risk Officer, General Manager Operations and Transitions, Head of Fund Administration, General Manager Strategy and Growth and Head of Human Resources are considered to be Key Management Personnel (KMP) for the purpose of these financial statements.

(b) Key management personnel and executives' compensation

The KMP's compensation is presented in the table below for year 2020. Total compensation received, or due and receivable, by key management personnel amounted to $3,157,435 (2019: $2,804,613).

The detail is as follows:	**2020**	2019
	$	$
Short-term employee benefits	**2,924,200**	2,596,551
Other long-term benefits	**-**	-
Post-employment benefits	**233,235**	208,062
	3,157,435	2,804,613

The table below lists the number of KMP and executive positions named above whose income falls within the following bands for the financial year ending 30 June:

19. Related parties (continued)

(b) Key management personnel and executives' compensation (continued)

Amounts falling between…	2020	2019
Up to $39,999	1	2
$40,000 - $49,999	1	-
$50,000 - $99,999	6	8
$100,000 - $149,999	1	1
$150,000 - $199,999	2	1
$200,000 – $249,999	-	1
$250,000 - $299,999	1	-
$300,000 - $349,999	1	1
$350,000 - $399,999	1	2
$400,000 - $449,999	1	-
$500,000 - $549,999	-	-
$550,000 - $599,999	1	1

There is no additional remuneration for Directors' attendance at Committee meetings.

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

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

	2020 $	2019 $
Roll ins from KMP to LASF/VSF	-	-
Benefits paid to KMP from LASF/VSF	-	66,630
Vested Benefits of KMP	7,005,517	7,332,437

(c) Related party transactions

(i) Local Authorities Superannuation Fund (LASF)

The Company is the trustee of LASF. The trustee services fees paid and payable to the Company by LASF for the year ended 30 June 2020 is $25,236,529 (2019: $20,498,795). The majority of employees of the Company are members of LASF.

(ii) Pooled Superannuation Pty Ltd (PSPL)

Pooled Superannuation Pty Ltd (PSPL) was established on 12 March 2010 for the purpose of acting as Trustee Company for Vision Pooled Superannuation Trust (VPST). The company is 100% owned by Vision Financial Holdings Pty Ltd.

The professional indemnity insurance premium expense paid and payable by the Company on the behalf of PSPL is $nil (2019: $23,307). PSPL has reimbursed the Company in full for this expense.

19. Related parties (continued)

(c) Related party transactions (continued)

(iii) Vision Pooled Superannuation Trust (VPST)

The Company provided administration services to VPST until the wind-up of VPST on 28 February 2019. The administration fees payable/paid to the Company by VPST for the year ended 30 June 2019: $2,125,146.

(iv) Vision Holding Company Pty Ltd

Vision Holding Company Pty Ltd was established in 2008 for the purpose of acting as trustee company for the Private Equity Trust which holds a number of overseas private equity investments. The Company holds 100% of Vision Holding Company Pty Ltd.

20. Subsequent events after balance date

Since 30 June 2020, COVID-19 continues to have a significant impact on global economies and investment markets. However, there has not been any other matter or circumstances not otherwise dealt with in the financial statements that has significantly affected or may significantly affect the Company.

Vision Super Pty Ltd

Directors' Declaration

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

(a) The financial statements and notes, set out on pages 4 to 32, are in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Company's financial position as at 30 June 2020 and of its performance, for the financial year ended on that date, and

(ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) The financial report also complies with International Financial Reporting Standards as described in Note 2, and

(c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Geoff Lake Chair	Casey Nunn Audit Committee Chair

Dated 18 September 2020
Melbourne

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Independent Auditor's Report to the Members of Vision Super Pty Ltd

Opinion

We have audited the financial report of Vision Super Pty Ltd (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

John MacDonald
Partner
Melbourne
18 September 2020