

SUPER RETIREMENT FUND

ABN 40 328 908 469

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2021**

SUPER RETIREMENT FUND
CONTENTS

	Page(s)
Statement of Financial Position	1
Income Statement	2
Statement of Changes in Member Benefits	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 17
Trustee's Declaration to the Members	18
Auditor's Report to the Trustee	19

SUPER RETIREMENT FUND
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 \$'000	2020 \$'000
Assets			
Receivables			
Other receivables		2,669	1,237
Investments			
Investments held at fair value	4	3,040,330	2,963,297
Total assets		3,042,999	2,964,534
Liabilities			
Benefits payable		670	1,543
Accounts payable		3,217	3,152
Contributions tax payable		5,700	5,800
Total liabilities excluding member benefits		9,587	10,495
Net assets available for member benefits		3,033,412	2,954,039
Member benefits			
Defined contribution member benefits	7	3,033,412	2,954,039
Total member benefits		3,033,412	2,954,039
Total net assets		-	-
Equity			
Total equity		-	-

The above Statement of Financial Position should be read in conjunction with the accompanying Notes to the Financial Statements.

SUPER RETIREMENT FUND
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$'000	2020 \$'000
Superannuation activities			
Revenue			
Net changes in fair value of investments		403,351	710
Other income		1	13
Total revenue		403,352	723
Expenses			
General administration and operating expenses	5	9,061	10,146
Total expenses		9,061	10,146
Operating result before income tax expense		394,291	(9,423)
Income tax expense	9	-	-
Operating result after income tax expense		394,291	(9,423)
Net benefit allocated to defined contribution member accounts		(394,291)	9,423
Operating result		-	-

The above Income Statement should be read in conjunction with the accompanying Notes to the Financial Statements.

SUPER RETIREMENT FUND
STATEMENT OF CHANGES IN MEMBER BENEFITS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
Note	<u>\$'000</u>	<u>\$'000</u>
Opening balance of Member Benefits as at 1 July 2020	2,954,039	3,348,269
Contributions:		
- Member contributions	27,183	27,041
- Employer contributions	42,629	44,117
Transfers from other superannuation entities	15,615	23,055
Income tax on contributions	(7,082)	(7,055)
Net after tax contributions	78,345	87,158
Transfers to other superannuation entities	(214,658)	(268,939)
Benefits to members or beneficiaries	(174,301)	(199,384)
Insurance premiums charged to members	(12,986)	(13,207)
Death and disability benefits credited to member accounts	8,682	9,565
Net (losses)/benefits allocated comprising:		
- Investment income	403,351	710
- Other income	1	13
- General administration and operating expenses	(9,061)	(10,146)
Closing balance of Member Benefits as at 30 June 2021	3,033,412	2,954,039

The above Statement of Changes in Member Benefits should be read in conjunction with the accompanying Notes to the Financial Statements.

SUPER RETIREMENT FUND
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Total equity \$'000
Balance at 30 June 2019	-
Operating result for the year after income tax	-
Balance at 30 June 2020	-
Balance at 30 June 2020	-
Operating result for the year after income tax	-
Balance at 30 June 2021	-

The above Statement of Changes in Equity should be read in conjunction with the accompanying Notes to the Financial Statements.

SUPER RETIREMENT FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$'000	2020 \$'000
Cash flows from operating activities			
Death and disability benefits received		8,682	9,565
Other income received		1	13
Administration expenses paid		(9,015)	(10,019)
Insurance premiums paid		(12,991)	(13,495)
Net cash outflow from operating activities	10	(13,323)	(13,936)
Cash flows from investing activities			
Proceeds from sale of investments		418,996	499,739
Purchases of investments		(92,678)	(104,347)
Net cash inflow from investing activities		326,318	395,392
Cash flows from financing activities			
Contributions received		69,477	71,623
Payment of member benefits		(175,174)	(198,430)
Transfers from other superannuation funds		14,518	23,146
Transfers to other superannuation funds		(214,634)	(270,340)
Contributions tax paid		(7,182)	(7,455)
Net cash outflow from financing activities		(312,995)	(381,456)
Net increase in cash held		-	-
Cash at the beginning of the financial year		-	-
Cash at the end of the financial year		-	-

The above Statement of Cash Flows should be read in conjunction with the accompanying Notes to the Financial Statements.

SUPER RETIREMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1 GENERAL INFORMATION

Super Retirement Fund ("the Fund") was created by a Trust Deed dated 1 May 1993 (as amended on 13 December 2012). The purpose of the Fund is to provide retirement benefits to its members.

The Fund is a defined contribution fund that provides benefits to its members in accordance with the terms of the Trust Deed.

The Fund is managed by Equity Trustees Superannuation Limited ("the Trustee") (ABN 50 055 641 757 AFSL No. 229757 RSE License L0001458). The Trustee is incorporated in Australia and its registered office is Level 1, 575 Bourke Street, Melbourne, Victoria 3000. Both the Trustee and the Fund are domiciled in Australia and registered with the Australian Prudential Regulation Authority.

On 1 April 2021, the joint co-operation agreement between the Commonwealth Bank of Australia ("CBA") and AIA Australia Limited (ABN 79 004 837 861) ("AIAA") concluded as Colonial Mutual Life Assurance Society Ltd. (ABN 12 004 021 809) ("CMLA"), a subsidiary of the CBA, completed a Part 9 portfolio transfer of its insurance business to AIAA. As a result, as the appointed administrator of the Fund, CMLA retired and was replaced by AIAA ("the Administrator") and the Fund was renamed from Colonial Super Retirement Fund to Super Retirement Fund.

2 BASIS OF PREPARATION

(a) Statement of Compliance

The Financial Statements ("the Financial Statements") are a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Interpretations, the Superannuation Industry (Supervision) Act 1993 and provisions of the Trust Deed.

The Financial Statements were authorised and issued by the Directors of the Trustee on 27 September 2021. The Directors of the Trustee have the power to amend and re-issue the Financial Statements. The Financial Statements cover the Fund as an individual entity. For the purposes of preparing the Financial Statements the Fund is a for-profit entity.

(b) Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

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

Judgments made by management in the application of Accounting Standards that may have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Particular consideration has been given in the preparation of these Financial Statements, to areas that may be impacted by COVID-19. Refer to Note 16.

(c) New Standards and Interpretations adopted during the year

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2020 that have material impact on the amount recognised in the prior year or will effect the current or future years.

SUPER RETIREMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

2 BASIS OF PREPARATION (continued)

(d) Accounting Standards and Interpretations issued, but not yet effective

At the date of authorisation of the Financial Statements, there are no new standards, interpretations or amendments to existing standards which are expected to be relevant to the Fund, were in issue but not yet effective that may materially impact on the amount recognised in the current or future years.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied in preparing the Financial Statements for the year ended 30 June 2021 and the comparative information presented in these Financial Statements for the year ended 30 June 2020.

(a) Investments

(i) Classification

The Fund invests in life investment and life insurance policies issued by the Administrator in accordance with its governing rules and investment strategy.

The Fund's investments are designated at fair value through profit or loss upon initial recognition.

(ii) Recognition/de-recognition

Investments are recognised on the date the Fund becomes party to a contractual agreement ("trade date") and changes in fair value are recognised from this date. Investments are derecognised when the right to receive cash flows from the investments have expired or the Fund has transferred substantially all of the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Fund measures investments at fair value. Transaction costs are captured in the wholesale prices.

Subsequent to initial recognition, investments are measured at fair value. Gains and losses are presented in the Income Statement in the year in which they arise as net changes in fair value of investments. Refer to Note 4 for further details on fair value.

(b) Receivables

Receivables are carried at nominal amounts which approximate fair value. Nominal amounts refer to the actual amounts reasonably expected to be received.

Receivable amounts are generally received within 30 days of being recorded as receivables.

Collectability of receivables is reviewed regularly. Debts which are known to be uncollectable are written off by reducing the carrying amount.

(c) Payables

Payables include liabilities and accrued expenses owing by the Fund which are unpaid as at the end of the year. These amounts are unsecured and are usually paid within 30 days of recognition.

(d) Benefits Payable

Benefits payable reflects the amounts payable to members who are due a benefit but have not been paid at the reporting date. Benefits payable comprises pensions accrued and lump sum benefits of members who are due a benefit but have not been paid.

SUPER RETIREMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised to the extent in which it is probable that economic benefits will flow to the Fund and the amount of revenue can be reliably measured.

The following recognition criteria relates to the different items of revenue the Fund receives:

(i) Movement in fair value of investments

Changes in the fair value of investments are recognised as income/(losses) and are determined as the difference between the fair value at year end or consideration received (if sold during the year) and the fair value as at the prior year end or cost (if the investment was acquired during the period).

(ii) Other income

Other income relates to restitution income and is recognised in the Income Statement on an accrual basis.

(f) Contributions received and transfers from other funds

Contributions received and transfers from other funds are recognised in the Statement of Changes in Member Benefits when the control of the contribution or transfer has transferred to the Fund. They are recognised gross of any taxes.

(g) Income Tax

Under the Income Tax Assessment Act, the Fund is a complying superannuation fund. Members are subject to contributions tax at a rate of 15% on concessional contributions with deductions allowable for insurance premiums paid on members' policies. Contributions tax is calculated and deducted by the Administrator, and is disclosed in the Statement of Changes in Member Benefits. As the components of the Income Statement are not subject to tax, there is no income tax expense/benefit disclosed in the Income Statement. The contributions tax payable in the Statement of Financial Position is an estimate of contributions tax still to be deducted from members for the current year.

(h) Rounding of Amounts

Amounts in the Financial Statements have been rounded to the nearest thousand dollars unless indicated otherwise.

4 FAIR VALUE MEASUREMENT

The Fund classifies 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: Fair value is determined by reference to quoted prices (unadjusted) in active markets for identical assets and liabilities. These inputs are readily available.

Level 2: Fair value is estimated using inputs (other than quoted prices in an active market) that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Fair value is estimated using one or more significant inputs that are not based on observable market data.

The Fund's investments are all classified as Level 2 in the fair value hierarchy for both the current and prior financial year.

SUPER RETIREMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

5 GENERAL ADMINISTRATION AND OPERATING EXPENSES

	2021	2020
	\$'000	\$'000
Administration fees	8,733	9,282
Entry fees	182	680
APRA levies	146	184
Total general administration and operating expenses	9,061	10,146

6 FINANCIAL RISK MANAGEMENT

(a) Financial instruments management

The investments of the Fund are managed on behalf of the Trustee by specialist fund managers in accordance with the investment strategy to achieve the Fund's investment objectives.

The Fund's investment strategy is to invest in a capital guaranteed life insurance policy and a unit linked life insurance policy. During the financial year, the Fund invested in a high proportion of growth assets.

The Fund's investment performance is reviewed on a quarterly basis by the Board Investment Committee of the Trustee.

The Fund's financial assets and liabilities adopted in the Statement of Financial Position are carried at their fair value.

(b) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 3 to the Financial Statements.

(c) Capital risk management

The Trustee has established an Operational Risk Reserve ("ORR") to provide funding for incidents where material losses may arise from an operational risk event (as opposed to investment risk) relating to the Fund. The level of reserve is determined by the Trustee based on an assessment of the risks faced by the Fund. The Trustee has an operational risk financial requirement strategy to manage assets held in the ORR. According to *Superannuation Prudential Standard 114: Operational Risk Financial Requirement, (SPS 114)* which became effective 1 July 2013, the financial resources held to meet the ORR must be held either as;

- An operational risk reserve held within an RSE;
- Operational risk trustee capital held by the RSE licensee; or
- A combination of both an operational risk reserve held within an RSE and operational risk trustee capital held by the RSE Licensee.

SUPER RETIREMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

6 FINANCIAL RISK MANAGEMENT (continued)

(c) Capital risk management (continued)

As at 30 June 2021, the operational risk trustee capital held by the Trustee for the Fund was 0.222% of the Fund's Net Assets which was under the lower tolerance limit (90%) of its target amount of 0.25% by 0.003%.

(d) Financial risk management objectives

The Fund is exposed to a variety of financial risks as a result of its activities. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Fund's risk management and investment policies, approved by the Trustee, seek to minimise the potential adverse effects of these risks on the Fund's financial performance. These policies may include the use of certain financial derivative instruments.

It is ultimately the responsibility of the Trustee to ensure that there is an effective risk management control framework in place. Consistent with regulatory requirements the Trustee has the function of overseeing the establishment and maintenance of risk-based systems and controls for the Fund. The Trustee has developed, implemented and maintains a Risk Management Framework ("RMF").

The RMF identifies the Trustee's policies and procedures, processes and controls that comprise its risk management and control systems. These systems address all material risks, financial and non-financial, likely to be faced by the Fund. Annually, the Trustee is required to certify to APRA whether adequate strategies have been put in place to monitor those risks, that the Trustee has systems in place to ensure compliance with legislative and prudential requirements and that the Trustee has satisfied itself as to the compliance with the RMF.

(e) Investment risk

The Funds assets principally consist of investments in unit linked, traditional (participating and non-participating) and investment account policies. For unit linked products investment risk is borne entirely by the members of the Fund. The Trustee has determined that this type of investment is appropriate for the Fund and is in accordance with the Fund's investment strategy.

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

- Market risk
- Credit risk
- Liquidity risk

(f) Market risk

Market risk is the risk that changes in market variables, such as foreign exchange rates, interest rates and other market variables, will affect the Fund's income or the carrying value of its financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

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

The Fund is exposed to market risk through its investment in life investment and life insurance policies. The fair value of these policies is determined by the market value of the underlying assets backing them, which are exposed to fluctuations in variables such as interest rates, foreign bank account and equity prices.

SUPER RETIREMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

6 FINANCIAL RISK MANAGEMENT (continued)

(f) Market risk (continued)

The following table illustrates the sensitivity of the Fund's operating profit and net assets attributable to a change in the market price of its investments. The reasonably possible movements in prices have been based on the Trustee's best estimate, having regard to a number of factors, including historical levels of market volatility.

Actual movements in the price may be greater or less than anticipated due to a number of factors. As a result, historic variations in market price should not be used to predict future variations.

	Price risk			
	Impact on operating profit / Net assets available for member benefits			
	-12%	+12%	-15%	+15%
	\$'000	\$'000	\$'000	\$'000
As at 30 June 2021	(360,218)	360,218		
As at 30 June 2020			(474,096)	474,096

(g) Credit risk

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

Credit risk primarily arises from the Fund's investment in life investment and life insurance policies issued by the Administrator, with the maximum exposure equal to the carrying amount of these assets.

The Administrator has a Standard & Poor's credit rating of A+ (2020: A+).

No assets are impaired or past due as at 30 June 2021 (2020: nil).

(h) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations to members or counterparties in full as they fall due, or can only do so on terms that are disadvantageous. The Fund is exposed to daily withdrawals of benefits. The Fund's investments in life investment and life insurance policies are readily disposable.

The Fund's overall liquidity risks are monitored regularly and at least quarterly by the Trustee and in accordance with policies and procedures in place.

7 MEMBER LIABILITIES

(a) Recognition and measurement of member liabilities

The entitlements of members to benefit payments are recognised as liabilities. They are measured at the amount of the accrued benefits as at the reporting date, being the benefits that the Fund is presently obliged to transfer to members or their beneficiaries in the future as a result of their membership up to the end of the year.

Defined contribution member account balances are measured using unit prices determined by the Administrator.

SUPER RETIREMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

7 MEMBER LIABILITIES (continued)

(b) Defined contribution member liabilities

The defined contribution members bear the investment risk relating to the underlying investment options. Unit prices used to measure defined contribution member benefits are updated each day for movements in investment values.

As at 30 June 2021, the net assets attributable to defined contribution members have been fully allocated.

8 INSURANCE ARRANGEMENTS

The Fund provides death and disability benefits to its members. The Trustee has a group policy in place with the Administrator to insure these death and disability benefits.

The Administrator collects premiums directly from members. Insurance claim amounts are recognised when the Administrator has agreed to pay the claim. Therefore, insurance premiums are not revenues or expenses of the Fund and do not give rise to insurance contract liabilities or reinsurance assets. Insurance premiums charged and claims credited to members' accounts are recognised in the Statement of Changes in Member Benefits.

The Trustee has determined that the Fund is not exposed to material insurance risk because:

- members (or their beneficiaries) will only receive insurance benefits if the Administrator pays the claim,
- insurance premiums are only paid through the Fund for administrative reasons, and
- insurance premiums are effectively set directly by reference to premiums set by the Administrator.

9 INCOME TAX EXPENSE

Recognised in the Income Statement:

	2021	2020
	\$'000	\$'000
Operating result before income tax expense	394,291	(9,423)
Tax at the Australian rate of 15% (2020: 15%)	59,144	(1,413)
(Decrease)/increase in income tax expense due to:		
Non-deductible expenses	1,359	1,522
Non-assessable income	(60,503)	(109)
Income tax expense in Income Statement	-	-

SUPER RETIREMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

10 RECONCILIATION OF OPERATING RESULT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2021	2020
	\$'000	\$'000
Operating result	-	-
Adjustment for:		
Net changes in fair value of investments	(403,351)	(710)
Net benefits/(losses) allocated to defined contribution members	394,291	(9,423)
Death and disability proceeds received from insurer	8,682	9,565
Insurance premiums paid	(12,986)	(13,207)
Change in operating assets and liabilities:		
Increase/(decrease) in payables	41	(161)
Net cash outflow from operating activities	(13,323)	(13,936)

11 COMMITMENTS

There are no commitments as at 30 June 2021 (30 June 2020: nil).

12 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no outstanding contingent assets or liabilities as at 30 June 2021 (30 June 2020: nil).

13 RELATED PARTY TRANSACTIONS

(a) Trustee

The Trustee of the Fund is Equity Trustees Superannuation Limited (ABN 50 055 641 757, RSE Licensee L0001458).

(b) Directors

Key management personnel includes persons who were directors of the Trustee at any time during the year.

SUPER RETIREMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

13 RELATED PARTY TRANSACTIONS (continued)

(b) Directors (continued)

The names of the directors of the Trustee who held office during the year until the signing date are:

Name	Title	Appointed
Michael Joseph O'Brien	Managing Director and Executive Director	
Anthony Jude Lally	Non-Executive Director and Chairman	
Ellis Varejes	Non-Executive Director	
Mark Andrew Blair	Executive Director	
Susan Granville Everingham	Non-Executive Director	
Paul Douglas Rogan	Non-Executive Director	
Jezy (George) Zielinski	Non-Executive Director	6 July 2020

None of the above directors of the Trustee are members of the Fund.

(c) Other key management personnel

There are no other persons with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly, during the year other than the directors above.

(d) Remuneration of directors of the Trustee

No amounts were paid by the Fund to the directors of the Trustee.

(e) Trustee fees

During the year, the Fund incurred no trustee fees (2020: nil).

The Administrator pays an aggregate fee to the Trustee with respect to a number of superannuation funds, including the Fund. There have been no transactions between the Trustee and the Fund.

14 ADMINISTRATION ARRANGEMENTS

The fair value of life investment and life insurance policies issued by the Administrator that were held by the Fund at 30 June 2021 was \$3,040,330,466 (2020: \$2,963,297,416).

During the year, the Fund incurred expenses for administrative services provided by the Administrator of \$9,061,811 (2020: \$10,145,979). As of 30 June 2021, there was administration expenses payable by the Fund to the Administrator of \$578,440 (2020: \$532,348).

The Administrator processes all cash flows on behalf of the Fund. The Fund does not have its own bank account.

The Administrator also collects contributions tax from members and settles liabilities on behalf of the Fund.

SUPER RETIREMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

14 ADMINISTRATION ARRANGEMENTS (continued)

The Fund incurred life insurance premiums of \$12,986,194 (2020: \$13,206,832) during the year in relation to policies issued by the Administrator. As of 30 June 2021, there was life insurance premiums payable by the Fund to the Administrator of \$365,684 (2020: \$370,955). Claim proceeds received from the Administrator for the year were \$8,682,353 (2020: \$9,564,433).

The Statement of Cash Flows in the Financial Statements has been presented to illustrate the cash flows of the Fund's transactions through the life insurance policies held with the Administrator.

15 AUDITOR'S REMUNERATION

	2021	2020
	\$	\$
Amount received or due and receivable by PricewaterhouseCoopers for:		
Audit of the financial statements and other assurance services of the Fund	385,203	371,080
	385,203	371,080

	2021	2020
	\$	\$
Amount received or due and receivable by Deloitte for:		
Other assurance services (risk management framework)	21,994	15,470
	21,994	15,470

Auditor's remuneration paid to PricewaterhouseCoopers and Deloitte are paid outside the Fund. The auditor did not perform any non-audit services for the Fund in the current or prior year.

16 IMPACT ON THE FUND DUE TO THE GOVERNMENT'S RESPONSE TO THE CORONAVIRUS (COVID-19) PANDEMIC

(a) Background

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. Since that time, the pandemic has had a significant impact on the community, the economy, investment markets, and the operations of businesses across the country and world.

SUPER RETIREMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

16 IMPACT ON THE FUND DUE TO THE GOVERNMENT'S RESPONSE TO THE CORONAVIRUS (COVID-19) PANDEMIC (continued)

(a) Background (continued)

On 22 March 2020, the federal government announced a temporary measure due to the effects of coronavirus on the economy. This new rule allowed individuals to access up to \$10,000 of their superannuation in financial year 2019/20 and a further \$10,000 in financial year 2020/21. This measure ended on 31 December 2020.

For the year ended 30 June 2021, the Fund paid out \$23.4 million (2020: \$19.1 million) in benefits to members seeking early access to their super.

The Trustee has considered the impact of the government's response to COVID-19 and other market volatility in preparing its financial statements. The financial report has been prepared on a going concern basis, which contemplates the continuation of normal business operations and the realisation of assets and settlement of liabilities in the normal course of business and whilst the situation remains uncertain, the Trustee remains confident that the Fund will be able to continue as a going concern and has sufficient liquidity to meet its debts as and when they fall due.

(b) Significant estimates and judgements

In preparing these Financial Statements, the Trustee has taken into account the impacts of the Federal Government's response to COVID-19 in making judgements, estimates and assumptions that affect the amounts reported in the Financial Statements. The estimates and judgements are continually evaluated and are based on historical experience and various other factors, including reasonable expectations of future events. As such, actual results could differ from those estimates.

(c) Investments

The global pandemic has impacted global economic activity and, to varying degrees, financial markets around the world. As a result, assessing fair value as at reporting date involves increased uncertainties around the underlying assumptions for valuations given the very wide range of potential paths forward for both economies, policy responses and asset fundamentals. Additionally, very low, if any, transaction volumes make evidential valuation difficult.

At the previous reporting date, reduced transaction volume was driven by the unfolding crisis, and therefore the quality of estimates of the value of assets was impacted. Whilst liquidity has returned to markets, the price of certain assets has been heavily influenced by government intervention. For example, for most of the reporting period the Reserve Bank of Australia has taken steps to maintain the target of 10 basis points for the cash rate and the yield on 3-year Australian Government bonds, the latter through on market purchase of these bonds. As a result, our assessment of fair value is partly dependent on governments maintaining their stated policies to manage investment market conditions.

The value of more than 90.0% of the Fund's investments is valued based upon observable market prices as of 30 June 2021.

(d) Risk management

The Trustee's robust risk management framework continues to be applied across the Fund's operations and the Trustee continues to monitor the impact of the Federal Government's response to COVID-19 on the Fund's risk profile. Non-financial risks emerging from global movement restrictions, and remote working by our staff, counterparties, clients and suppliers, are being identified, assessed, managed and governed through timely application of the Trustee's risk management framework.

SUPER RETIREMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

**16 IMPACT ON THE FUND DUE TO THE GOVERNMENT'S RESPONSE TO THE CORONAVIRUS
(COVID-19) PANDEMIC (continued)**

(d) Risk management (continued)

The management of liquidity risk is a key element of the Trustee's investment process and has been subject to increased focus during the COVID-19 pandemic due to Government's superannuation early release measures. This risk is controlled through the Fund's investments in the Administrator's capital guaranteed and unit linked insurance policies. The assets underpinning these policies contain a large proportion of cash investments and securities which can be readily converted into cash in a short period of time if required to fund benefits to members seeking early release to their superannuation accounts.

17 EVENTS SUBSEQUENT TO THE REPORTING PERIOD

There has not arisen in the interval between the end of the financial year and the date of this financial report any item, transaction or event of an unusual nature likely to affect significantly the operations, the result of the operations, or the state of affairs of the Fund.

SUPER RETIREMENT FUND
TRUSTEE'S DECLARATION TO THE MEMBERS
FOR THE YEAR ENDED 30 JUNE 2021

In the opinion of the Directors of the Trustee of Super Retirement Fund ("the Fund"):

1. The accompanying Financial Statements and notes set out on pages 1 to 17 are in accordance with:
 - Australian Accounting Standards and other mandatory professional reporting requirements, and
 - present fairly the Fund's financial position as at 30 June 2021 and of its performance for the financial year ended on that date.
2. The Fund has been conducted in accordance with its constituent Trustee Deed and the requirements of the *Superannuation Industry (Supervision) Act 1993* and its accompanying Regulations; the relevant requirements of the *Corporations Act 2001 and Regulations*; the requirements under section 13 of the *Financial Sector (Collection of Data) Act 2001*, during the year ended 30 June 2021.
3. There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors of Equity Trustees Superannuation Limited (ABN 50 055 641 757) as Trustee for the Super Retirement Fund.



Director

27 September 2021



Independent Auditor's report on financial statements

Independent Auditor's report approved form for an RSE which is a reporting entity

*Report by the RSE Auditor to the trustee of the Super Retirement Fund (the RSE)
(ABN: 40 328 908 469)*

Opinion

I have audited the financial statements of the Super Retirement Fund for the year ended 30 June 2021 comprising the Statement of Financial Position, Income Statement, Statement of Changes in Member Benefits, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements.

In my opinion, the financial statements present fairly, in all material respects, in accordance with Australian Accounting Standards the financial position of the Super Retirement Fund as at 30 June 2021 and the results of its operations, cash flows, changes in equity and changes in members' benefits for the year ended 30 June 2021.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities* section of my report. I am independent of the entity in accordance with the auditor independence 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 my audit of the financial statements in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Responsibilities of the trustee for the Financial Statements

The RSE's trustee is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the requirements of the *Superannuation Industry (Supervision) Act 1993* (SIS Act) and the *Superannuation Industry (Supervision) Regulations 1994* (SIS Regulations). The trustee is also responsible for such internal control as the trustee determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the ability of the RSE to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to liquidate the RSE or to cease operations, or has no realistic alternative but to do so.

PricewaterhouseCoopers, ABN 52 780 433 757

*One International Towers Sydney, Watermans Quay, Barangaroo NSW 2000, GPO BOX 2650 Sydney NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au*

*Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au*



Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes my 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 these financial statements.

As part of an audit in accordance with the Australian Auditing Standards, I exercised professional judgment and maintained professional scepticism throughout the audit. I also:

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for my 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.
- Obtained 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 RSE's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustee.
- Concluded on the appropriateness of the trustee's 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 RSE's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my audit opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the RSE to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Communicated with the trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identified during my audit.

PricewaterhouseCoopers

PricewaterhouseCoopers

Paul Collins

Paul Collins
Partner

Sydney
27 September 2021