Legal Super Pty Limited

A.B.N. 37 004 455 789

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Legal Super Pty Limited
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FOR THE YEAR ENDED 30 JUNE 2021

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Legal Super Pty Limited
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2021

The Directors present their report together with the financial statements of Legal Super Pty Ltd for the financial year ended 30 June 2021.

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

Chair

Kirsten Mander

Member Directors

Carita Kazakoff
Nikhil Mishra
Imogen Sturni
James Peters AM, QC
Anastasia Polites
Emma Maiden (retired 20/09/20)
Phil Kennon, QC (retired 09/06/21)

Employer Directors

Adam Trevor Awty
Andrew Boog
Richard Fleming
Richard Flitcroft
Geoffrey Hone (retired 31/03/21)

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

The profit of the Company for the financial year after providing for income tax amounted to $Nil.

The Company acts as Trustee of legalsuper and did not trade in its own right during the year.

No significant change in the nature of activities undertaken by the Company occurred during the year.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in future financial years.

No dividends were paid during the year.

No Director has received or become entitled to receive, during or since the financial year an interest because of a contract made by the Company or a related party entity with the Director, a firm of which the Director is a member, or an entity in which the Director has a substantial financial interest other than the interests as disclosed in the notes to and forming part of the accounts. This statement excludes an interest included in the aggregate amount of emoluments received or due and receivable by Directors shown in the Company's financial statements, or the fixed salary of a full-time employee of the Company or related entity.

During the year a premium was paid in respect of an insurance policy to indemnify the Directors and Officers against liabilities that may arise from their position as Directors or Officers of the Company. The total amount paid by legalsuper in trustee liability insurance premiums and broker costs during the year was $164,021 (2020: $169,098) which included broker costs paid for the prior year amounting to $25,196 (2020: $20,900).

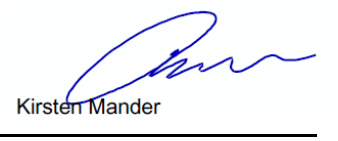
During the year, Directors received remuneration from Legal Super Pty Limited of $526,348 (2020: $522,147).

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

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

The auditor's independence declaration is set out on page 15 and forms part of the directors' report for the year ended 30 June 2021.

Signed in accordance with a resolution of the Board of Directors:



Kirsten Mander
Chair - Board

Richard Flitcroft
Chair - Audit, Risk and Governance Committee

Dated this 23rd day of September 2021

Melbourne, Victoria

Legal Super Pty Limited
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	2021 $	2020 $
Revenues from ordinary activities		
Trustee services	760,709	826,806
General administration expenses		
Operating expenses	(760,709)	(826,806)
Profit from ordinary activities before income tax	-	-
Income tax expense relating to ordinary activities	-	-
Profit from ordinary activities after income tax expense	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-

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

Legal Super Pty Limited
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTE	2021 $	2020 $
Current assets			
Receivables		16	16
Total current assets		16	16
Total assets		16	16
Equity			
Issued capital	3	16	16
Total equity		16	16

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

Legal Super Pty Limited
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	2021 $	2020 $
Total equity at the beginning of the financial year	16	16
Profit/(loss) for the financial year	-	-
Other comprehensive income for the financial year	-	-
Total equity at the end of the financial year	16	16

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

These special purpose financial statements have been prepared in accordance with the lodgement requirements of the company's Australian Financial Services Licence. The accounting policies used in the preparation of these financial statements, as described below, are consistent with previous years, and are, in the opinion of the Directors appropriate to meet the needs of the Australian Securities and Investments Commission and the Directors.

The financial statements have been prepared on an accrual basis of accounting and with the application of the historical cost convention and going concern assumption.

The requirements of Accounting Standards and other professional reporting requirements in Australia do not have a mandatory applicability to Legal Super Pty Limited in relation to the year ended 30 June 2021, because it is not a "reporting entity". The Directors have, however, prepared the financial statements in accordance with all Accounting Standards and other professional reporting requirements in Australia, with the following exceptions:

AASB 114: Segment Reporting
AASB 124: Related Party Disclosures
AASB 132: Presentation and Disclosure of Financial Instruments

(b) Change in accounting policies

The accounting policies adopted are consistent with those of the previous year.

(c) Trustee liabilities and right of indemnity

The Company acts solely as Trustee of legalsuper and on behalf of legalsuper, has incurred liabilities as at 30 June 2021. The assets of legalsuper were sufficient to discharge all the liabilities of legalsuper as at 30 June 2021.

Legal Super Pty Ltd has taken out a trustee liability insurance policy, which covers legalsuper, the Company as Trustee, Directors of the Trustee and officers and employees of legalsuper.

Liabilities of legalsuper not recorded in the financial statements of Legal Super Pty Limited are represented by:

	2021 $	2020 $
Total liabilities excluding member benefits	110,691,542	44,481,306
Total member liabilities	4,934,037,855	4,156,592,935
Total liabilities including member benefits	5,044,729,397	4,201,074,241
Right of indemnity for liabilities incurred by Legal Super Pty Limited on behalf of legalsuper not recorded in the financial statements of the Company were:	5,044,729,397	4,201,074,241
	5,044,729,397	4,201,074,241

The assets of legalsuper, which support the right of indemnity, are not directly available to meet any liabilities of the Company acting in its own right.

NOTE 2. CONTINGENT LIABILITIES

A contingent liability exists relative to any future claims, which may be made against the Company arising from its activities as Trustee of legalsuper.

NOTE 3. CONTRIBUTED EQUITY

	2021 $	2020 $
Issued and paid up capital		
8 ordinary shares each fully paid at $2 each	16	16

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

NOTE 4. RELATED PARTY TRANSACTIONS

a) Trustee

The Trustee of legalsuper is Legal Super Pty Ltd. The shareholders of Legal Super Pty Ltd are the Law Institute of Victoria and the Law Society of New South Wales, each holding 50% of the issued capital of Legal Super Pty Ltd. No dividends are paid to the shareholders of Legal Super Pty Ltd.

The Board of Legal Super Pty Ltd is comprised of ten directors, including:

i. Independent Chair – Kirsten Mander
ii. 4 employer directors – Adam Awty, Andrew Boog, Richard Fleming, and Richard Flitcroft
iii. 5 member directors – Carita Kazakoff, Nikhil Mishra, Anastasia Polites, Imogen Sturni and James Peters AM, QC

The Independent Chair is appointed by the Board of Legal Super Pty Ltd.

All other directors are nominated for office by the stakeholders of legalsuper, including:

i. 2 employer directors by the Law Institute of Victoria;
ii. 2 employer directors by the Law Society of New South Wales;
iii. 2 member directors by the New South Wales Local Government, Clerical, Administrative, Energy, Airlines and trading as the United Services Union;
iv. 2 member directors by the Australian Municipal, Administrative, Clerical and Services Union, trading as the Utilities Union, Australian Services Union (Victorian Private Sector Branch); and
v. 1 member director by the Victorian Bar Inc.

The remuneration of Directors differs to reflect their varying workload. Some Committees meet more often than others and more time is involved for the Chairs of Committees.

The remuneration of the Independent Chair is determined by the Board. The remuneration of other Directors requires the approval of the stakeholders of legalsuper. It is indexed annually for a cost of living adjustment.

Travel, accommodation and other incidental costs associated with performing their responsibilities as Directors are either paid directly or reimbursed by legalsuper.

NOTE 4. RELATED PARTY TRANSACTIONS (continued)

a) Trustee (continued)

Remuneration paid in respect of each Director for the last two financial years is shown in the table below. As indicated in the table, some Directors have instructed the Trustee to pay their remuneration to another organisation.

The director fees paid to each of the Directors were as follows:		2021 $	2020 $
Director name	**Remuneration paid to:**		
Current Directors			
Andrew Boog	Director	41,493	41,493
Richard Fleming	Director	57,053	57,053
Richard Flitcroft	Director	43,154	40,640
Nikhil Mishra	Director	46,124	10,373
Carita Kazakoff (1)	Australian Services Union	51,867	51,867
Kirsten Mander	Director	103,734	103,734
Imogen Sturni	Australian Services Union	40,853	40,640
Anastasia Polites	Director	32,377	-
Adam Trevor Awty	Director	10,373	-
James Peters AM, QC	Director	-	-
Retired Directors			
Chris Joyce	Director (retired 31/03/20)	-	31,120
Emma Maiden	Director (retired 20/09/20)	16,373	46,680
Geoffrey Hone	Director (retired 31/03/21)	38,900	51,867
Phil Kennon, QC	Director (retired 09/06/21)	44,047	46,680
Total		526,348	522,147

(1) A meeting attendance fee was paid to Carita Kazakoff - $7,000 (2020: $3,000) by the Australian Services Union.

Legal Super Pty Limited has in place a trustee liability insurance policy for director and officer liabilities, professional indemnity and crime. During the year, legalsuper paid premiums and broker costs of $164,021 (2020: $169,098) which included broker costs paid for the prior year amounting to $25,196 (2020: $20,900) for the trustee liability insurance policy.

Directors have access to a right of indemnity under the Constitution of the Trustee.

The following directors are members of legalsuper:

i. Anastasia Polites
ii. Nikhil Mishra
iii. Adam Trevor Awty
iv. James Peters AM, QC
v. Imogen Sturni
vi. Richard Fleming
vii. Carita Kazakoff
viii. Richard Flitcroft

Directors are subject to the same terms and conditions that apply to all other members of legalsuper.

NOTE 4. RELATED PARTY TRANSACTIONS (continued)

b) Key management personnel

The Board has determined that the following individuals are responsible officers of the Trustee:

i. Andrew Proebstl – Chief Executive
ii. David Eastwood – Executive Manager, Operations and Member Services
iii. Norman Zhang - Chief Investment Officer
iv. Kaye Wheatley Brown - Executive Manager, Legal, Risk & Compliance
v. Patsy Mullen-Conolly - Executive Manager, Member Experience (Ceased on 17/07/20)
vi. Carrie Norman - Executive Manager, Member Experience (Commenced on 14/09/20)

The above individuals are key management personnel of legalsuper and its Trustee. They are employed by the Trustee and paid remuneration that is included in these financial statements.

The remuneration paid to each of the responsible officers for services to legalsuper is as follows:

	2021 $	2020 $
Short-term employee benefits	1,596,235	1,407,342
Post-employment benefits	122,436	107,622
Other long-term employee benefits	220,279	203,268
Total	1,938,950	1,718,232

Apart from those details disclosed in this note, no key management personnel have entered into a contract for services with legalsuper since the end of the previous financial year and there are no contracts involving key management personnel subsisting at year end.

c) Other

The Trustee provides sponsorship support to promote professional development and general financial literacy/awareness among members of the legal community.

These initiatives also increase awareness of legalsuper's products and services in the legal profession.

The aggregate amount paid for these sponsorships was $364,457 (2020: $302,189).

The organisations sponsored by legalsuper include the shareholders of the Trustee, the Law Institute of Victoria, the Law Society of New South Wales and the Australian Services Union.

Legal Super Pty Limited
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2021

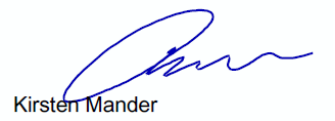
The Directors have determined that the Company is not a reporting entity. The Directors have determined that these special purpose financial statements should be prepared in accordance with the accounting policies outlined in Note 1 of the financial statements.

The Directors of the Company declare that:

1 The financial statements and notes present fairly the Company's financial position as at 30 June 2021 and performance of the Company for the financial year ended on that date in accordance with the accounting policies outlined in Note 1 of the financial statements.

2 In the Director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Kirsten Mander
Chair - Board

Richard Flitcroft
Chair - Audit, Risk and Governance Committee

Dated this 23rd day of September 2021

Melbourne, Victoria

Independent Auditor's Report

To the directors and members of Legal Super Pty Ltd (the Company)

Opinion

We have audited the ***Financial Report*** of Legal Super Pty Ltd (the Company).

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

- giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* to the extent described in Note 1 and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Statement of financial position as at 30 June 2021
- Statement of comprehensive income and Statement of changes in equity for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter – basis of preparation and restriction on use

We draw attention to Note 1 to the Financial Report, which describes the basis of preparation.

The Financial Report has been prepared for the purpose of fulfilling the Directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the directors and members of Legal Super Pty Ltd and should not be used by parties other than the directors and members of Legal Super Pty Ltd. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Report to which it relates, to any person other than the directors and members of Legal Super Pty Ltd or for any other purpose than that for which it was prepared.

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Other Information

Other Information is financial and non-financial information in Legal Super Pty Ltd's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the Financial Report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the directors and members;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they 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 objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our Auditor's Report.

KPMG

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Dean Waters
Partner
Melbourne
27 September 2021