

SPSL Pooled Superannuation Trust Annual Report

For the year ended 30 June 2024



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SPSL Pooled Superannuation Trust

Annual report

for the financial year ended 30 June 2024

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SPSL Pooled Superannuation Trust

Directors' report

Effective 1 October 2023, SPSL Limited, the trustee for SPSL Pooled Superannuation Trust (the Trust), transferred its role as trustee to LGIASuper Trustee.

The directors of LGIASuper Trustee (the Trustee) as trustee for the Trust, present their annual report together with the financial statements of the Trust for the financial year ended 30 June 2024 and the auditor's report thereon.

Principal activities

The Trust is a pooled superannuation trust. Its principal activity is investment in life assurance policies in accordance with the provisions of the Trust Deed dated 7 November 1994, as amended.

Review of operations

The operating results after tax for the financial year ended 30 June 2024 was a loss of \$217,993 (2023: \$486,468 profit).

The total investment loss was \$183,411 compared to investment income of \$512,858 for the 2023 financial year. The decrease primarily represents a change, as assessed by the TAL Life Limited (TAL) appointed actuary, in the net present value of the future payments to investors determined using a refined calculation including the assessment of cost of living expectations and life span of the underlying members.

Total expenses increased by \$8,192 compared to the 2023 financial year. This was primarily due to audit fees of \$15,000 (previously paid by SPSL Limited), offset by a decrease in Trustee fees (\$6,740) and other expenses (\$68).

The Trust holds life assurance policies, which pay a regular pension income to members. Total members as of 30 June 2024 was 29 (2023: 37).

Total assets decreased by \$2,836,207 largely due to a decrease in investment securities of \$2,837,988 driven by pension and redemptions paid to members, and an actuarial valuation of investment in life assurance policies held with TAL.

Total liabilities increased by \$11,396 compared to last year, primarily due to audit fees payable.

During the year, a transfer of unallocated funds from members' funds was made to the Operational risk reserve of \$20,000 (2023: nil).

With effect from 27 March 2024, Globe Hold Co Pty Ltd, a wholly owned subsidiary of the Trustee, entered into a Share Sale Deed with an external party to acquire 100% ownership of SPSL Limited, conditional on a final determination covering all necessary regulatory, prudential and fiduciary requirements. Part of the terms of the sale agreement, includes the transfer of trustee of the Trust to SPSL Limited. The sale still remains conditional.

Significant changes in the state of affairs

Effective from 1 October 2023, SPSL Limited transferred its role as trustee to the Trustee.

There were no further significant changes in the state of affairs of the Trust that occurred during the financial year.

Events subsequent to reporting date

On 1 July 2024, LGIASuper Trustee (the Company's ultimate parent) changed its legal name to Brighter Super Trustee. Effective from this date, all references relating to LGIASuper will be updated to Brighter Super.

There have been no other significant events occurring after the balance date which may affect either the Trust's operations or results of those operations or the Trust's state of affairs.

SPSL Pooled Superannuation Trust

Directors' report (continued)

Likely developments

There has been no other substantial change in the business operations, and no substantial changes are expected in the coming financial year.

Environmental regulation and performance

The Trust is not subject to any particular or significant environmental regulation under any law of the Commonwealth of Australia or any of its states or territories.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 8.

Audit and non-audit services

During the year the Trustee appointed PricewaterhouseCoopers Australia auditor of the Trust for the 2024 financial year (FY). For the previous financial year KPMG were the appointed auditor for the Trust.

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers Australia FY 2024 and KPMG FY 2023) for audit and non-audit services during the year are disclosed in note 12.

The directors, in accordance with the advice provided by the Finance and Audit Committee, is satisfied that the provision of non-audit services provided during the year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are of the opinion that the services as disclosed above do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Finance and Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor, and
- None of the services undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*.

Rounding of the amounts to the nearest dollar

Amounts in the directors' report and the financial statements are rounded to the nearest whole dollar, in accordance with *Australian Securities and Investments Commission Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

SPSL Pooled Superannuation Trust

Directors' report (continued)

Remuneration report

The directors present the Trust's remuneration report for the financial year ended 2024, outlining key aspects of our remuneration policies and framework, and remuneration awarded this year. The remuneration report forms part of the directors' report and has been audited in accordance with section 300C of the *Corporations Act 2001*. The remuneration report details the remuneration arrangements for the Key Management Personnel (KMP) of the Trust which include those persons who, directly or indirectly, have authority and responsibility for planning, directing, and controlling the major activities of the Trust. For the Trust this includes the board of directors, specialist advisors and executive key management personnel.

(a) Key management personnel

Directors and other executive key management personnel of SPSL Limited, trustee of the Trust until 30 September 2023. Subsequent to the Trustee change, the key management personnel noted below continued their duties for SPSL Limited for the entire financial year.

Name	Role	Term as KMP
Director		
Ms M Collopy	Non-Executive director	Full financial year
Mr H Capra	Non-Executive director	Full financial year
Mr M Petrie	Non-Executive director	Full financial year
Other executive key management personnel		
Ms K Farrar	Chief Executive Officer	Full financial year
Mr G Hollier	Chief Financial Officer	Full financial year
Mr S Chan	Chief Risk Officer	Full financial year
Mr M Rider	Chief Investment Officer	Full financial year
Mr J Gyton	Chief Operating Officer	Full financial year
Mr M Pinto	Head of Office of the Superannuation Trustee	Full financial year
Ms M White	Company Secretary	Ceased 28 July 2023
Mr B Ingram	Company Secretary	Full financial year

SPSL Pooled Superannuation Trust

Directors' report (continued)

(a) Key management personnel (continued)

Directors, special advisors and other executive key management personnel of LGIAsuper Trustee, trustee of the Trust from 1 October 2023. The key management personnel below reflects their position for LGIAsuper Trustee for the entire financial year.

Name	Role	Term as KMP
Directors		
Mr J Smith	Independent chair	Full financial year
Mr R Dewhurst	Independent	Full financial year
Mr R Burton PSM	Member representative	Full financial year
Mr M Jamieson	Employer representative	Full financial year
Mr G Hallam AM PSM	Employer representative	Full financial year
Ms T Dyson	Employer representative	Full financial year
Ms J Thomas	Member representative	Full financial year
Ms M Collopy	Employer representative	Full financial year
Mr H Capra	Member representative	Full financial year
Ms N Traill	Member representative	Appointed 9 April 2024
Special Advisors		
Mr A Cormie	Specialist Advisor Investment Committee	Ceased 12 October 2023
Mr J Wilson	Specialist Advisor Investment Committee	Full financial year
Mr R Wood	Specialist Advisor Investment Committee	Full financial year
Mr P Kazacos OAM	Specialist Advisor Technology Oversight Committee	Appointed 1 January 2024
Other executive key management personnel		
Ms K Farrar	Chief Executive Officer	Full financial year
Mr G Hollier	Chief Financial Officer	Full financial year
Mr R Gajanayake	Chief Technology Officer	Full financial year
Mr S Chan	Chief Risk Officer	Full financial year
Mr H McKellar	General Counsel and Company Secretary	Ceased 4 July 2023
Ms L Kay	Chief Member Officer	Full financial year
Mr S Marteene	Chief Commercial Officer	Full financial year
Mr M Rider	Chief Investment Officer	Full financial year
Mr J Gyton	Chief Operating Officer	Full financial year
Ms A Kelsall	Chief People Officer	Full financial year
Mr B Ingram	Company Secretary	Appointed 4 July 2023

- During the year the executive team was restructured, Mr J Gyton was appointed Chief Operating Officer effective 1 October 2023, previously Chief Transformation Officer. Mr S Marteene was appointed Chief Commercial Officer effective 1 October 2023, previously Chief Operating Officer and Ms Lisa Kay was appointed Chief Member Officer effective 1 October 2023, previously Chief Experience Officer. Each of the executives held a key management role before and after the restructure and therefore their KMP term has been considered for the full financial year.

SPSL Pooled Superannuation Trust

Directors' report (continued)

(b) Remuneration expenses

Remuneration expenses are measured in accordance with the requirements of the accounting standards and *Corporations Act 2001* for the directors and other executive key management personnel including specialist advisors of SPSL Limited as trustee of the Trust (1 July 2023 to 30 September 2023) and LGIAsuper Trustee as trustee of the Trust (1 October 2023 to 30 June 2024).

Both Trustees for the Trust during the period have determined the compensation of key management personnel in accordance with their roles as they relate to the trustee. The Trustees determined that the key management personnel service contracts do not include any compensation, including variable consideration, specifically related to the role of key management personnel of the Trust. There is also no link between key management personnel compensation and the financial results of the Trust. Remuneration paid to key management personnel of the Trustees is either paid directly from the Trustee or a related entity of the Trustee. No remuneration for key management personnel is paid directly by the Trust.

In accordance with the requirements of the *Corporation Act 2001*, as no remuneration paid to key management personnel from a related entity is linked to work performed for the Trust, no remuneration expenditure has been included within the Remuneration report.

No non-monetary benefits were provided to key management personnel.

This report is signed in accordance with a resolution of the directors.



John Smith

Chair



Teresa Dyson

Director

24 September 2024

Brisbane



Auditor's Independence Declaration

As lead auditor for the audit of SPSL Pooled Superannuation Trust for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Paul Collins', written over a light blue horizontal line.

Paul Collins
Partner
PricewaterhouseCoopers

Brisbane
24 September 2024

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SPSL Pooled Superannuation Trust

Income statement

for the financial year ended 30 June 2024

	Note	2024 \$	2023 \$
Investment income/(loss)			
Interest		7,058	2,787
Net change in fair value of investment securities	4.1	(190,469)	510,071
Total investment (loss)/income		(183,411)	512,858
Expenses			
Trustee fees	11.2	(19,578)	(26,318)
Audit fees	12	(15,000)	-
Other expenses		(4)	(72)
Total expenses		(34,582)	(26,390)
Operating result before income tax		(217,993)	486,468
Income tax expense	3	-	-
Operating result after income tax (benefit)/expense		(217,993)	486,468

The Income statement is to be read in conjunction with the accompanying notes.

SPSL Pooled Superannuation Trust

Statement of financial position

as at 30 June 2024

	Note	2024 \$	2023 \$
Assets			
Cash and cash equivalents		124,390	120,081
Investment receivables		51,359	53,887
Investment securities	4	4,927,688	7,765,676
Total assets		5,103,437	7,939,644
Liabilities			
Other payables		15,000	2,037
Benefits payable		-	1,567
Total liabilities		15,000	3,604
Net assets available for member benefits		5,088,437	7,936,040
Equity			
Members' funds	5	5,068,437	7,936,040
Operational risk reserve	6	20,000	-
Total equity		5,088,437	7,936,040

The Statement of financial position is to be read in conjunction with the accompanying notes.

SPSL Pooled Superannuation Trust

Statement of changes in equity

for the financial year ended 30 June 2024

	Member's funds \$	Operational risk reserve \$	Total equity \$
Balance at 1 July 2022	8,569,786	-	8,569,786
Total operating result for the financial year	486,468	-	486,468
<i>Transactions with owners in their capacity as owners:</i>			
Redemptions & pensions payments	(1,120,214)	-	(1,120,214)
Balance at 30 June 2023	7,936,040	-	7,936,040
Total operating result for the financial year	(217,993)	-	(217,993)
<i>Transactions with owners in their capacity as owners:</i>			
Redemptions & pensions payments	(2,629,610)	-	(2,629,610)
Transfers to the operational risk reserve	(20,000)	20,000	-
Balance at 30 June 2024	5,068,437	20,000	5,088,437

The Statement of changes in equity is to be read in conjunction with the accompanying notes.

SPSL Pooled Superannuation Trust

Statement of cash flows

for the financial year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Interest received		7,058	2,787
Trustee fees		(19,578)	(26,318)
Other expenses		(4)	(72)
Net cash flows used in operating activities	8	(12,524)	(23,603)
Cash flows from investing activities			
Receipt from sale of investment securities		2,650,047	1,135,612
Net cash flows from investing activities		2,650,047	1,135,612
Cash flows from financing activities			
Lifetime pension redemptions		(2,633,214)	(1,118,937)
Net cash flows used in financing activities		(2,633,214)	(1,118,937)
Net increase/(decrease) in cash and cash equivalents		4,309	(6,928)
Cash and cash equivalents at the beginning of the financial year		120,081	127,009
Cash and cash equivalents at the end of the financial year		124,390	120,081

The Statement of cash flows is to be read in conjunction with the accompanying notes.

SPSL Pooled Superannuation Trust

Notes to the financial statements for the financial year ended 30 June 2024

1. Reporting entity

SPSL Pooled Superannuation Trust (the Trust) is a pooled superannuation trust domiciled in Australia. Its registered office is at Level 20, 333 Ann Street, Brisbane, Queensland 4000.

The principal activity of the Trust is investing in life assurance policies in accordance with the provisions of the Trust Deed. The Trust is constituted by a Trust Deed, dated 7 November 1994, as amended. The trustee of the Trust was SPSL Limited until 1 October 2023. Effective from this date, SPSL Limited's role as trustee was transferred to LGIA Super Trustee (the Trustee).

In accordance with amendments to the *Superannuation Industry (Supervision) Act 1993* the Trust was registered with the Australian Prudential Regulation Authority (APRA) on 15 June 2006.

The financial statements for the financial year ended 30 June 2024 were authorised for issue by the board of directors of the Trustee on 24 September 2024.

2. Basis of preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB), the provision of the Trust Deed and the *Superannuation Industry (Supervision) Act 1993*. The Trust is a for-profit unit trust for the purpose of preparing the financial statements.

The financial statements are prepared on a basis of fair value measurement of assets and liabilities except otherwise stated.

The *Statement of financial position* is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for financial assets at fair value through profit or loss and net assets attributable to members.

The financial statements are presented in Australian dollars, which is the Trust's functional and presentation currency.

A summary of material accounting policies applied in the preparation of these financial statements are set out in note 14. The accounting policies used in the preparation of the financial statements, as described below, are consistent with previous years except for the following change:

Under *ASIC Corporations (Rounding in Financial/Director's Report(s) instrument 2016/191*, the level of rounding permitted in the financial statements depends upon the amount of total assets of the Trust. For the years ending 30 June 2024 and 30 June 2023, the total assets of the Trust fell below the rounding permitted threshold (total assets <\$10m) and therefore all financial information has been reported as rounded to the nearest whole dollar unless otherwise stated. Previously all financial information had been reported as rounded to the nearest thousand dollars.

There were no other changes to accounting policies used in the preparation of the financial statements.

2.1. Statement of compliance

Compliance with IFRS

The financial statements and notes for the Company comply with the International Financial Reporting Standards (IFRS) and the interpretations adopted by International Accounting Standards Board (IASB).

SPSL Pooled Superannuation Trust

Notes to the financial statements for the financial year ended 30 June 2024

2. Basis of preparation (continued)

2.1. Statement of compliance (continued)

Application of Accounting Standards

(i) *New and amended accounting standards and interpretations:*

The Trust has applied the following standards and amendments for the first time for its annual reporting period commencing 1 July 2023:

- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2].

The amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(ii) *New standards and interpretations effective after 1 July 2024 and have not been early adopted:*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2024 and have not been adopted early in preparing these financial statements. None of these are expected to have a material impact on the financial statements of the Trust.

2.2. Comparative figures

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures. In accordance with ASIC Corporations (Rounding in Financial/Director's Report(s) instrument 2016/191, the level of rounding for financial information for the prior year has been reported as rounded to the nearest dollar unless otherwise stated.

2.3. Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported in the financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are considered to be reasonable under the circumstances. Estimates and underlying assumptions are reviewed on an ongoing basis. Where revisions are made to accounting estimates, any financial impact is recognised in the period in which the estimate is revised.

Significant estimates, judgments and assumptions are discussed in note 14.8 for the valuation of financial instruments.

3. Income tax expense

	2024 \$	2023 \$
Reconciliation of prima facie to actual income tax expense:		
Operating result before income tax	(217,993)	486,468
Prima facie income tax (benefit)/expense at 15%	(32,699)	72,970
<i>Tax effect of amounts which are not deductible in calculating taxable income:</i>		
Other	(1,058)	(407)
Non-assessable realised and unrealised losses/(gains)	28,570	(76,511)
Non-deductible expenses	5,187	3,948
Total income tax expense	-	-

A tax benefit of \$35,303 (2023: \$36,361) for carry forward tax losses is available to the Trust for future periods. The tax benefit has not been brought to account as a deferred tax asset, as the realisation of the benefit is not considered probable. Significant accounting policies applied to income tax are set out in note 14.3.

SPSL Pooled Superannuation Trust

Notes to the financial statements

for the financial year ended 30 June 2024

4. Investment securities

	2024	2023
	\$	\$
Financial assets at fair value through profit or loss:		
Life assurance policies	4,927,688	7,765,676
Total investment securities	4,927,688	7,765,676

The life assurance policy valuations are performed by TAL Life Limited's (TAL) appointed actuary and the Certificates of Insurance are provided to the Trust.

4.1. Net change in fair value of investment securities

	2024	2023
	\$	\$
Net unrealised (losses)/gains on financial assets at fair value through profit or loss	(190,469)	510,071
Total change in fair value of investment securities	(190,469)	510,071

5. Net assets attributable to members

The Trust manages its net assets attributable to members as capital.

The Trust strives to invest in products that meet its investment objectives while maintaining sufficient liquidity to fund pension payments.

Movements in pension members' funds during the financial year were disclosed as follows:

	2024	2023
	\$	\$
Lifetime pension members		
Balance at the beginning of the financial year	7,936,040	8,569,786
Benefit payments	(2,629,610)	(1,120,214)
Total comprehensive (loss)/gain attributable to lifetime pension members	(217,993)	486,468
Transfers to the operational risk reserve	(20,000)	-
Balance at the end of the financial year	5,068,437	7,936,040

Lifetime pension members

Lifetime pension investments are invested into life assurance policies issued by TAL.

The lifetime pension investments provide monthly pension payments to the investors of the regulated superannuation funds. The pension payments are adjusted with the Consumer Price Index in July every year.

6. Operational risk financial requirements

Under Superannuation Prudential Standards (SPS 114): *Operational Risk Financial Requirements* (ORFR), the Trustee has determined that an ORFR target amount of 25 basis points for all funds under management (FUM) is sufficient to meet SPS 114 requirements.

The Trustee of the Trust was transferred from SPSL Limited to LGIAsuper Trustee as at 1 October 2023. At this date, a transfer of unallocated funds from member's funds to the Operational risk reserve occurred.

	2024	2023
	\$	\$
Opening balance	-	-
Transfer from member's funds	20,000	-
Closing balance	20,000	-

SPSL Pooled Superannuation Trust

Notes to the financial statements for the financial year ended 30 June 2024

6. Operational risk financial requirements (continued)

During the prior financial year, SPSL Limited as trustee of the Trust, determined that an ORFR target amount of 25 basis points for FUM was sufficient to meet SPS 114 requirements. SPSL Limited held the ORFR target amount on behalf of the Trust (2023: \$19,414). The Trust itself did not hold this reserve.

7. Guaranteed benefits

The issuer (TAL) has guaranteed income to investors in the Trust, over the life term, with payments increasing annually with indexation, as applicable. The valuation of this income stream and the corresponding liability for accrued benefits at the reporting date was \$4,927,688 (2023: \$7,765,676) representing the lifetime pension payments. No guarantees have been made in respect of any other part of the liability for accrued benefits of the Trust.

8. Reconciliation of operating result to net cash flows from operating activities

	2024	2023
	\$	\$
Operating result after income tax for the financial year	(217,993)	486,468
Net changes in fair value of investment securities	190,469	(510,071)
Increase/(decrease) in trade and other payables	15,000	-
Net cash flows used in operating activities	(12,524)	(23,603)

9. Fair value of financial instruments

Fair values are categorised by a three-level hierarchy which identifies the inputs to valuation techniques used to measure fair value:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities. These inputs are readily available in the market and are normally obtainable from multiple sources.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly. The Trustee values lifetime pensions held by the Trust using actuarial valuations provided by TAL's appointed actuary.
- Level 3 – one or more of the significant inputs are not based on observable market data, examples include implied unit prices, capitalisation rates, earnings multiples and recent comparable market transactions.

The following table presents the investments that are measured at fair value categorised by fair value hierarchy.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
30 June 2023				
Life assurance policies	-	7,765,676	-	7,765,676
Total	-	7,765,676	-	7,765,676
30 June 2024				
Life assurance policies	-	4,927,688	-	4,927,688
Total	-	4,927,688	-	4,927,688

There was no transfer between Level 1 and Level 2 during the 2024 and 2023 financial years.

All financial assets and liabilities other than investment securities are at fair value.

SPSL Pooled Superannuation Trust

Notes to the financial statements for the financial year ended 30 June 2024

10. Risk management

The Board of the Trustee (the Board) holds overall responsibility for risk management within the Trust's business operations. The Board and management recognise that effective risk management is critical to the achievement of the Trust's objectives. During the year, the Risk and Compliance Committee (RCC) had delegated authority from the Board to oversee the adequacy and effectiveness of the risk management frameworks and processes within the Trust.

The Board has a Risk Management Framework (RMF) which includes the Risk Management Strategy (RMS) and Risk Appetite Statement (RAS), and which were reviewed by the RCC and approved by the Board.

The RMF is the totality of systems, structures, policies, processes and people within the Trustee's business operations that identifies, assesses, manages, mitigates and monitors all internal and external sources of risk that could have a material impact on Trustee's business operations or the interests of members.

The RMF was adopted by the Board and Management for managing risks within the Trustee's business as required by APRA Prudential Standard (SPS 220): *Risk Management*, and the requirements of the *Superannuation Industry (Supervision) Act 1993 (SIS Act)*. The RMF described the key elements of the Trustee's risk management framework, including risk appetite, policies, procedures, management responsibilities and controls.

The following disclosures are made in respect of the Trust's exposure to variety of financial risks including: credit risk, liquidity risk and market risk.

10.1. Credit risk

The Trust is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due, causing financial loss to the Trust.

Credit risk in the Trust is minimised primarily by ensuring the use of approved counterparties together with approved credit limits.

The Trust is subjected to credit risk which arises from its holding of cash and cash equivalents, investments in life assurance policies and investment receivables. The carrying amount of relevant investments in the *Statement of financial position* represents the maximum amount of credit exposures at the reporting date. No financial assets are considered past due as all payments are considered recoverable when contractually due.

Cash and cash equivalents held by the Trust are held by Commonwealth Bank of Australia which are rated AA- (as determined by rating agency Standard & Poor's long-term ratings). Bankruptcy or insolvency by Commonwealth Bank of Australia may cause the Trust's rights with respect to cash held by the bank to be delayed or limited. Life assurance policies are held with TAL who is wholly owned by the Dai-ichi Life Group rated A+ (as determined by rating agency Standard & Poor's insurer financial strength ratings). The Trust monitors its credit risk by monitoring the credit quality and financial positions of the Commonwealth Bank of Australia and TAL.

The Trust's financial instruments exposed to credit risk amounted to the following:

	2024	2023
	\$	\$
Cash and cash equivalents	124,390	120,081
Investment receivables	51,359	53,887
Life assurance policies	4,927,688	7,765,676
Total	5,103,437	7,939,644

No financial instruments are considered past due.

10.2. Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due. The key objective of the Trust's liquidity and funding management is to ensure that it has sufficient available liquidity to meet the Trust's current and future obligations under both normal and stressed liquidity environments and does not introduce an unacceptable level of funding risk.

SPSL Pooled Superannuation Trust

Notes to the financial statements for the financial year ended 30 June 2024

10. Risk management (continued)

10.2. Liquidity risk (continued)

The risk is controlled through the Trust's investment in life assurance policies, which under normal market conditions readily convert to cash, and through the cash deposits held to meet day-to-day obligations.

10.3. Market risk

Market risk comprises three types of risk: foreign currency risk, interest rate risk and other market price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(a) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Trust has no direct exposure to foreign exchange risk as all its financial instruments are denominated in Australian dollars.

The Trust invests in Australian domiciled units in life assurance policies where the underlying investments may be denominated in foreign currencies. As a result, the Trust is subject to indirect exposure to foreign exchange risk.

The exchange rate of Australian dollars relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the underlying investments denominated in foreign currencies.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Trust is exposed to interest rate risk on financial instruments at variable rates. Financial instruments at fixed rates expose the Trust to fair value interest rate risk.

The Trust invests in Australian domiciled life assurance policies where the underlying investments may include interest-bearing financial instruments. As a result, the Trust is subject to indirect exposure to interest rate risk due to fluctuations in the prevailing levels of market interest rates and security prices can be influenced by changes in interest rates.

The investments of the Trust held as cash and cash equivalents expose it to risks associated with the effects of fluctuations in market interest rates.

All interest-bearing financial instruments below, are at call.

	2024	2023
Interest-bearing instruments	\$	\$
Cash and cash equivalents	124,390	120,081
Total	124,390	120,081

(c) Other market price risk

Other market price risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market prices.

The Trust is directly exposed to other market price risk through its investments in life assurance policies, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

SPSL Pooled Superannuation Trust

Notes to the financial statements for the financial year ended 30 June 2024

10. Risk management (continued)

10.3. Market risk (continued)

	2024	2023
Financial instruments	\$	\$
Life assurance policies	4,927,688	7,765,676
Total	4,927,688	7,765,676

10.4. Summarised sensitivity analysis

The following tables summarise the sensitivity of the Trust's operating profit and unitholders' funds to interest rate risk and other market price risk. The classification of the Trust's financial instruments means that sensitivities have the same impact on operating profit and unitholders' funds.

The reasonably possible movements in the risk variables have been based on the Trustee's best estimate, having regard to a number of factors, including advice from the Trustee's asset consultants, historical levels of changes in interest rates, foreign exchange rates and market volatility. Actual movements in the risk variables may be greater or less than anticipated due to a number of factors. As a result, historical variations in risk variables should not be used to predict future variations in the risk variables.

In determining the impact of an increase or decrease in unitholders' funds arising from other market price risk, the Trustee has considered prior period and expected future movements of the portfolio based on market information.

The Trust's exposure to interest rate risk is measured by sensitivity analysis and is included in the table shown below.

Volatility factors	2024	2024	2023	2023
	+ 0.74% of AUD interest rate	- 0.74% of AUD interest rate	+ 0.68% of AUD interest rate	- 0.68% of AUD interest rate
Cash and cash equivalents	920	(920)	817	(817)
Effect on operating result for the year	920	(920)	817	(817)

The Trust's exposure to other market price risk is measured by sensitivity analysis and is included in the table shown below.

Volatility factors	2024	2024	2023	2023
	+ 3.00% change in market price	- 3.00% change in market price	+ 3.00% change in market price	- 3.00% change in market price
Life assurance policies	147,831	(147,831)	232,970	(232,970)
Effect on operating result for the year	147,831	(147,831)	232,970	(232,970)

SPSL Pooled Superannuation Trust

Notes to the financial statements for the financial year ended 30 June 2024

11. Related party transactions

11.1. Directors, Officers and Company Secretary (key management personnel)

Key management personnel (KMP) include directors, specialist advisors and executives who have authority and responsibility for planning, directing and controlling the activities of the Trust.

KMP of SPSL Limited trustee of the Trust until 30 September 2023:

Director	Position	Appointment date	Resignation date
Ms M Collopy	Non-Executive director	16 September 2019 – Chair	
Mr H Capra	Non-Executive director	5 March 2016	
Mr M Petrie	Non-Executive director	1 October 2022	
Executive officers	Position	Appointment date	Resignation date
Ms K Farrar	Chief Executive Officer	1 April 2022	
Mr G Hollier	Chief Financial Officer	1 April 2022	
Mr S Chan	Chief Risk Officer	1 April 2022	
Mr M Rider	Chief Investment Officer	1 April 2022	
Mr J Gyton	Chief Operating Officer	22 July 2021	
Mr M Pinto	Head of Office of the Superannuation Trustee	26 April 2018	
Ms M White	Company Secretary	15 April 2019	28 July 2023
Mr B Ingram ¹	Company Secretary	14 August 2020	

¹ Mr Ingram was appointed as an executive officer of SPSL Limited 14 August 2020, since this date he has held multiple executive roles including: Head of the Office of the Superannuation Trustee, Deputy Company Secretary, Head of Regulatory Affairs and Company Secretary.

KMP of LGIAsuper Trustee, trustee of the Trust effective 1 October 2023:

Directors	Role	Appointment date	Resignation date
Mr J Smith	Independent chair	1 December 2013, 1 October 2016 - Chair	
Mr R Dewhurst	Independent	6 June 2018	
Mr R Burton PSM	Member representative	1 July 2018	
Mr M Jamieson	Employer representative	1 July 2018	
Mr G Hallam AM PSM	Employer representative	1 October 2020	
Ms T Dyson	Employer representative	1 July 2021	
Ms J Thomas	Member representative	1 July 2021	
Ms M Collopy	Employer representative	1 June 2023	
Mr H Capra	Member representative	1 June 2023	
Ms N Traill	Member representative	9 April 2024	

SPSL Pooled Superannuation Trust

Notes to the financial statements

for the financial year ended 30 June 2024

11. Related party transactions (continued)

11.1 Directors, Officers and Company Secretary (key management personnel) (continued)

Executives	Role	Appointment date	Resignation date
Ms K Farrar	Chief Executive Officer	1 April 2022	
Mr G Hollier	Chief Financial Officer	3 September 2018	
Mr R Gajanayake	Chief Technology Officer	6 August 2022	
Mr S Chan	Chief Risk Officer	1 October 2019	
Mr H McKellar	General Counsel and Company Secretary	1 July 2021	4 July 2023
Ms L Kay	Chief Member Officer	1 July 2021	
Mr S Marteene	Chief Commercial Officer	1 April 2022	
Mr M Rider	Chief Investment Officer	14 February 2022	
Mr J Gyton	Chief Operating Officer	22 July 2021	
Ms A Kelsall	Chief People Officer	22 October 2022	
Mr B Ingram	Company Secretary	4 July 2023	

For full remuneration details of KMP, refer to the Remuneration report.

11.2. Other related party transactions

The Trust has related party relationships with its KMP (refer note 11.1) and with subsidiaries within the LGIA Super Group.

Transactions with the Trustee or its parent

The Trustee is entitled to a fee for the provision of trustee services. Trustee fees are disclosed in the *Income statement* and were calculated in accordance with the Trust Deed. The Trustee has ensured that the fees charged take into account those fees already charged by the Trustee for investments held by the Trust in other related entities.

Under the provisions of the Trust Deed, the Trust reimburses the Trustee for expenses incurred by the Trustee or its subsidiaries on behalf of the Trust. The Trustee has delegated the provision of administration services to its subsidiary SPSL Services Pty Ltd who received the Trustee fee. These expenses include those reasonably and properly incurred in the administration of the Trust as well as the expenses associated with the development of the Trust and issuing of offer documents.

The liability to make these payments are contingent on the Trustee electing to charge the expenses and the Trust being able to make such payments without breaching the recoverable fee allowed to be charged in accordance with the Trust Deed, in any particular year. Refer also to note 13 concerning contingent liabilities and commitments as at 30 June 2024.

SPSL Pooled Superannuation Trust

Notes to the financial statements

for the financial year ended 30 June 2024

11. Related party transactions (continued)

11.2. Other related party transactions (continued)

Transactions with the other related parties

The following table presents the related party transactions of the Trust.

	2024	2023
	\$	\$
The aggregate amounts included in the determination of the operating result before tax that resulted from transactions with related parties are:		
Trustee fees paid or due and payable		
- SPSL Limited	(4,519)	(26,318)
- SPSL Services Pty Ltd	(15,059)	-
Total trustee fees paid or due and payable	(19,578)	(26,318)

12. Auditor's remuneration

During the year the Trustee appointed PricewaterhouseCoopers Australia auditor of the Trust for the 2024 financial year (FY). For the previous financial year KPMG Australia were the appointed auditor for the Trust. The following were paid or payable for services provided by PwC (FY 2024) and KPMG (FY 2023) as auditor of the Trust.

	2024	2023
	\$	\$
PricewaterhouseCoopers Australia		
Audit and review services		
Audit and review of financial reports	10,000	-
Assurance services		
Regulatory assurance services	5,000	-
Total auditor's remuneration	15,000	-

KPMG Australia

Audit and review services

Audit and review of financial reports	-	16,059
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Assurance services

Regulatory assurance services	-	3,978
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Total auditor's remuneration	-	20,037
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For the 2024 financial year, fees for services rendered by the Trust's auditor are borne by Trust, whereas for the prior financial year these fees for services were borne by SPSL Limited.

13. Contingent assets and liabilities

There are no contingent assets or liabilities as at 30 June 2024 (2023: Nil).

14. Summary of material accounting policies

This note provides a summary of the material accounting policies adopted in the presentation of these financial statements. The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

SPSL Pooled Superannuation Trust

Notes to the financial statements for the financial year ended 30 June 2024

14. Summary of material accounting policies (continued)

14.1 Investment income

All interest income is brought to account on an accruals basis.

Changes in the fair value of the financial assets and liabilities are recognised as income or expense in the income statement in the period in which changes occur.

14.2 Expenses

Expenditure is brought to account on an accruals basis and any expenses incurred but not paid at reporting date are reflected in the *Statement of financial position* as payables.

14.3 Income tax

The rate of tax that applies to the Trust is 15%, however income arising from assets supporting pension liabilities in complying superannuation funds is exempt from tax.

The assets invested by complying superannuation funds into the Trust are funding current pension income streams payable by those superannuation funds. Accordingly, all investment income arising from the Trust's assets should be exempt from tax and a refund of income tax will be available for any franking credits derived by the Trust.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised when it is probable that future taxable profits will be available against which the temporary differences can be utilised. Provisions for taxation require the Trust to take into account the impact of uncertain tax positions. For such uncertainties, the Trust relies on estimates and assumptions about future events. The benefit has not been brought to account as a deferred tax asset as the realisation of the benefit is not considered probable.

14.4 Goods and Services Tax (GST)

Trustee fees and other expenses have been recognised in the Income statement net of the amount of GST recoverable from the Australian Taxation Office.

Receivables and payables are stated with the amount of GST included.

Cash flows relating to GST are included in the *Statement of cash flows* on a gross basis.

14.5 Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash on deposit, highly liquid short-term investments and money at short call. They are carried at gross value of the outstanding balance.

14.6 Receivables

Receivables may include amounts for interest and investments sold where settlement has not yet occurred. Interest is accrued at the reporting date from the time of last payment using the effective interest method. Amounts are generally received within 30 days of being recorded as receivables.

14.7 Payables

Payables include liabilities and accrued expenses owed by the Trust which are unpaid as at reporting date.

Trades are recorded on trade date, and normally settled within three business days. Purchases of investments that are unsettled at reporting date are included in payables.

SPSL Pooled Superannuation Trust

Notes to the financial statements for the financial year ended 30 June 2024

14. Summary of material accounting policies (continued)

14.8 Financial instruments

The Trust has classified all of its investment securities at fair value through profit or loss. Instruments are included in the *Statement of financial position* at fair value as at reporting date and movements in the fair value of investments are recognised in the income statement in the periods in which they occur.

The Trust recognises financial assets and liabilities on the date it becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are recognised using trade date accounting. From this date, any gains and losses arising from changes in fair value are recorded.

Financial assets at fair value through profit and loss include life investment policies to support lifetime pensions.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Trust has access at the date.

Financial assets are derecognised when the rights to receive future cash flows from the assets have expired, or have been transferred, and the Trust has transferred substantially all risk and rewards of ownership.

The Trust does not hold any derivative instruments.

Investments in life assurance policies are valued by reference to the amount advised by the insurer as the current redemption value if the policies were redeemed rather than held for their contracted duration.

14.9 Redemptions

There are no exit fees charged on redemption of units from the Trust.

15. Events subsequent to reporting date

On 1 July 2024, LGIASuper Trustee (the Company's ultimate parent) changed its legal name to Brighter Super Trustee. Effective from this date, all references relating to LGIASuper will be updated to Brighter Super.

There have been no other significant events occurring after the balance date which may affect either the Trust's operations or results of those operations or the Trust's state of affairs.

SPSL Pooled Superannuation Trust

Trustees' Declaration

In the opinion of the directors of LGIASuper Trustee, the Trustee of SPSL Pooled Superannuation Trust:

- a) the financial statements and notes set out on pages 9 to 24, are in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Trust's financial position as at 30 June 2024 and its performance for the financial year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- b) the operation of the Trust has been carried out in accordance with its Trust Deed dated 7 November 1994, as amended and in compliance with the requirements of the *Superannuation Industry (Supervision) Act 1993* and *Regulations*, applicable sections of the *Corporations Act 2001* and *Regulations*, the requirements under Section 13 of the *Financial Sector (Collection of Data) Act 2001*; and
- c) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors of the Trustee, LGIASuper Trustee as trustee for SPSL Pooled Superannuation Trust.



John Smith

Chair



Teresa Dyson

Director

24 September 2024
Brisbane



Independent auditor's report

To LGIAsuper Trustee, the Trustee of SPSL Pooled Superannuation Trust (ABN: 14 099 548 418)

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of SPSL Pooled Superannuation Trust (the RSE) is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the RSE's financial position as at 30 June 2024 and of its financial performance for the year then ended
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2024
- the income statement for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, including material accounting policy information and other explanatory information
- the Trustees' declaration.

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

Independence

We are independent of the RSE in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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.

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Liability limited by a scheme approved under Professional Standards Legislation.

Other information

The directors of the Trustee are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

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 on the other information that we obtained prior to the date of this auditor's report, 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.

Responsibilities of the directors of the Trustee for the financial report

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

In preparing the financial report, the directors are 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 directors either intend to liquidate the RSE 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 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/ar4.pdf. This description forms part of our auditor's report.



Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of SPSL Pooled Superannuation Trust for the year ended 30 June 2024 complies with section 300C of the *Corporations Act 2001*.

Responsibilities

The directors of the Trustee are responsible for the preparation and presentation of the remuneration report in accordance with section 300C of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

A stylized signature of the PricewaterhouseCoopers firm.

PricewaterhouseCoopers

A handwritten signature of Paul Collins.

Paul Collins
Partner

Brisbane
24 September 2024



right by your side

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LGIAsuper Trustee (ABN 94 085 088 484 AFS Licence No. 230511) (Trustee) as trustee for LGIAsuper (ABN 23 053 121 564) (Fund), trading as Brighter Super. Brighter Super products are issued by the Trustee on behalf of the Fund.