

IS Industry Fund Pty Ltd
ACN 010 814 623

Financial Report for Year Ended 30 June 2020

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IS Industry Fund Pty Ltd

Directors' Report

For the year ended 30 June 2020

The Board of Directors of IS Industry Fund Pty Ltd (the Company) has the pleasure in submitting its report in respect of the financial year ended 30 June 2020.

Directors

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

Employer Representatives

Justin O'Connor
Charles Stewart
Michael Wilson

Employee Representatives

Gary Bullock
Fiona Scalon
Troy Burton

All directors are in office from the start of the financial year until the date of this report unless otherwise stated.

Principal Activity

The principal activity of the Company during the period was to act as Trustee for Intrust Super. There was no significant change in the activities of the Company during the financial year.

Results and Review of Operations

The only activity of the Company is to act as trustee for Intrust Super, for which it charges fees in order to pay its directors.

Significant Changes in the State Of Affairs

There has been no significant changes in the state of affairs during the year.

Significant Events after Year End

No matter or circumstance has arisen since the end of the financial year which is not otherwise dealt with in this report, that has significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

Likely Developments and Future Results

At this time, the directors are not aware of any developments likely to have a significant effect upon the operations or the result of the Company in the subsequent financial year which have not been adequately dealt with in the Financial Report.

The directors intend, for the future role of the Company, to be that of trustee of Intrust Super Fund.

Environmental Regulation Performance

The Company was not subject to any particular and significant environmental regulations of the Commonwealth or a State or Territory during the financial year.

Indemnification of Officers

During the financial year, insurance and indemnity arrangements were entered into concerning officers of the Company. The insurance contract prohibits disclosure of the insured liability and the premium.

**IS Industry Fund Pty Ltd
Directors' Report (continued)
For the year ended 30 June 2020**

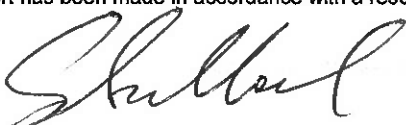
Proceedings on behalf of Company

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 proceedings during the year.

Auditor's Independence Declaration

The Auditor's Independence Declaration forms part of the Directors' Report and can be found on page 3.

This report has been made in accordance with a resolution of directors.



Director



Director

Brisbane, 28th September 2020



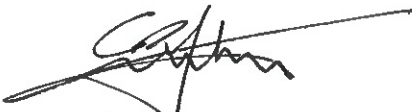
Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY C R JENKINS TO THE DIRECTORS OF IS INDUSTRY FUND PTY LTD

As lead auditor of IS Industry Fund Pty Ltd for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



C R Jenkins
Director

BDO Audit Pty Ltd

Brisbane, 28 September 2020

Auditor's Independence Declaration to be inserted

IS Industry Fund Pty Ltd
Statement of Comprehensive Income
For the year ended 30 June 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
Revenue		
Management Fee	225,285	212,752
Expense		
Directors' Fees	225,285	212,752
Profit before income tax	<u>-</u>	<u>-</u>
Income Tax Expense	<u>-</u>	<u>-</u>
Profit	<u>-</u>	<u>-</u>
Profit attributable to members	<u>-</u>	<u>-</u>
Other comprehensive income for the year net of tax	-	-
Total Comprehensive Income for the year	<u><u>-</u></u>	<u><u>-</u></u>

The Statement of Comprehensive Income should be read in conjunction with the notes to the Financial Statements.

IS Industry Fund Pty Ltd
Statement of Financial Position
At 30 June 2020

	NOTE	<u>2020</u> \$	<u>2019</u> \$
Assets			
Current Assets			
Cash and cash equivalents		600	600
Trade and Other Receivables	3	<u>10,213</u>	<u>27,028</u>
Total Assets		<u>10,813</u>	<u>27,628</u>
Liabilities			
Current Liabilities			
Trade and Other Payables	4	<u>10,213</u>	<u>27,028</u>
Total Liabilities		<u>10,213</u>	<u>27,028</u>
Net Assets		<u>600</u>	<u>600</u>
Equity			
Issued Capital	6	<u>600</u>	<u>600</u>
Total Equity		<u>600</u>	<u>600</u>

The Statement of Financial Position should be read in conjunction with the notes to the Financial Statements.

IS Industry Fund Pty Ltd
Statement of Cash Flows
For the year ended 30 June 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
Cash Flows from Operating Activities		
Cash Inflows:		
Revenue	242,100	212,752
Cash Outflows:		
Operating Expenses	(242,100)	(212,752)
Net Cash Flow from Operating Activities	<u>-</u>	<u>-</u>
Cash and cash equivalent at Beginning of the Year	<u>600</u>	<u>600</u>
Cash and cash equivalent at the End of the Year	<u><u>600</u></u>	<u><u>600</u></u>

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

IS Industry Fund Pty Ltd
Statement of Changes in Equity
For the year ended 30 June 2020

	Issued Capital \$	Retained Earnings \$	Total Equity \$
1 July 2018	600	-	600
Profit for the year	-	-	-
Other Comprehensive Income for the year	<u>-</u>	<u>-</u>	<u>-</u>
Total Comprehensive Income for the year	-	-	-
Balance at 30 June 2019	<u><u>600</u></u>	<u><u>-</u></u>	<u><u>600</u></u>
1 July 2019	600	-	600
Profit for the year	-	-	-
Other Comprehensive Income for the year	<u>-</u>	<u>-</u>	<u>-</u>
Total Comprehensive Income for the year	-	-	-
Balance at 30 June 2020	<u><u>600</u></u>	<u><u>-</u></u>	<u><u>600</u></u>

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

IS Industry Fund Pty Ltd

Notes to the Financial Statements

For the year ended 30 June 2020

Note 1. Corporate Information

IS Industry Fund Pty Ltd (the Company) is a Proprietary company limited by shares that is incorporated and domiciled in Australia.

The registered office of IS Industry Fund Pty Ltd is located at:

Level 1
270 Adelaide Street
Brisbane QLD 4000

The principal activity during the year of the Company is to act as trustee of Intrust Super (the Superannuation Fund) under its Australian Financial Services Licence.

The financial statements have been authorised by the Board of Directors for issue on Friday, 28th September 2020.

Note 2. Statement of Accounting Policies

(a) Basis of Accounting

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

The financial statements and notes of IS Industry Fund Pty Ltd comply with International Financial Reporting Standard (IFRS) and interpretation adopted by the International Accounting Standard Board (IASB).

The financial statements have been prepared on an accruals basis and are based on historical costs. The financial statements are presented in Australian dollars, which is the Company's functional currency.

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

The company is a for-profit entity for financial reporting purposes.

(b) Adoption of new and revised accounting standards

The Company adopted AASB 16 Leases for the first time for the financial year beginning 1 July 2019 which had no material impact on the current or any prior period and is likely to not materially affect the future periods.

(c) Trustee Liabilities and Right of Indemnity

The Company acts solely as trustee of the superannuation fund. Assets are held in trust on behalf of members and other beneficiaries and liabilities have been incurred on behalf of the superannuation fund in the Company's capacity as corporate trustee.

The Company has a right of indemnity for liabilities incurred in performing its fiduciary duties as a trustee. The assets of the superannuation fund, which lie behind the right of indemnity, are not directly available to meet any liabilities of the company acting in its own right. There has been no breach of fiduciary duties during the year ended 30 June 2020.

The Net Assets of Intrust Super (the Superannuation Fund) as at 30 June 2020 were sufficient to meet the liabilities as at that date.

(d) Revenue Recognition

The Company's revenue is derived from Intrust Super Fund being reimbursement of the director fee expenses incurred in the financial year. Revenue is recognised at the same time as director fee expense is recognised.

IS Industry Fund Pty Ltd

Notes to the Financial Statements

For the year ended 30 June 2020

Note 2. Statement of Accounting Policies (continued)

(e) Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expenses. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

(g) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cashflow.

(h) Income Tax

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities/(assets) are therefore measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

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

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

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

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary differences can be controlled and is not probable that the reversal will occur in the foreseeable future.

IS Industry Fund Pty Ltd
Notes to the Financial Statements
For the year ended 30 June 2020

Note 2. Statement of Accounting Policies (continued)

(h) Income Tax (continued)

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

(i) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates - Provision for impairment of receivables

The directors believe that the full amount of the debt is recoverable, and no provision for impairment of receivables has been made at 30 June 2020 (2019:\$nil).

(j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(k) New Accounting Standards and Interpretations not yet adopted.

A number of accounting standards, amendments to accounting standards and interpretations are effective and available for early adoption at 30 June 2020, and have not been applied in preparing this financial report. None of these are expected to have significant effect on the financial statements.

Note 3. Trade and Other Receivables

	<u>2020</u>	<u>2019</u>
	\$	\$
Management Fee Receivable	10,213	27,028
	<u>10,213</u>	<u>27,028</u>

Note 4. Trade and Other Payables

	<u>2020</u>	<u>2019</u>
	\$	\$
Directors' Fees Payable	10,213	27,028
	<u>10,213</u>	<u>27,028</u>

Note 5. Contingent Liabilities

A contingent liability exists relative to any future claims, which may be made against the Company arising from trusteeship dealings. However for the year ended 30 June 2020 and 2019 the Company has no known contingent liabilities.

IS Industry Fund Pty Ltd
Notes to the Financial Statements
For the year ended 30 June 2020

Note 6. Issued Capital

	<u>2020</u>	<u>2019</u>
	\$	\$
Class AA Shares		
300 shares of \$1	300	300
Ordinary Shares		
300 shares of \$1	300	300
	<u>600</u>	<u>600</u>

Note 7. Trustee Liabilities and Right of Indemnity

Liabilities of the Fund not recorded in the financial statements of the Company were:

	<u>2020</u>	<u>2019</u>
	\$	\$
Provision for employee benefits	1,023,110	996,165
Sundry liabilities	2,210,562	3,409,595
Cash in transit	2,724,102	3,394,086
Deferred tax liability	13,326,059	35,905,653
Income tax payable	9,702,135	-
Total liabilities	<u>28,985,968</u>	<u>43,705,499</u>

Right of indemnity for liabilities incurred by the Company on behalf of the Fund:
 Intrust Superannuation Fund

<u>28,985,968</u>	<u>43,705,499</u>
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The assets of the Fund, which lie behind the right of indemnity, are not directly available to meet any liabilities of the Company acting in its own right. As at 30 June 2020, assets of the Fund of \$2,666,545,656 (2019: \$2,852,018,424) were sufficient to discharge all of the liabilities.

Note 8. Reconciliation of Cash Flow from Operations with Profit after Income Tax

	<u>2020</u>	<u>2019</u>
	\$	\$
Profit for the year	-	-
Increase/(Decrease) in trade and other receivables	(16,815)	(26,695)
(Increase)/Decrease in trade and other payables	16,815	26,695
Net Cash flow from operating activities	<u>-</u>	<u>-</u>

Note 9. Related Parties

(a) Identification of Related Parties and Key Management Personnel

IS Industry Fund Pty Ltd acts as the trustee for Intrust Super (ABN: 65704511371).
 The following individuals are Directors of IS Industry Fund Pty Ltd:

Employer Representatives

Justin O'Connor
 Charles Stewart
 Michael Wilson

Employee Representatives

Gary Bullock
 Fiona Scalon
 Troy Burton

IS Industry Fund Pty Ltd

Notes to the Financial Statements

For the year ended 30 June 2020

Note 9. Related Parties (continued)

(b) Related party transactions

Director Fees

During the financial year, Intrust Super paid director remuneration on behalf of the Trustee totalling \$225,285 (2019: \$212,752).

Certain key management personnel, including the directors of the Trustee are members of the Fund. Their membership terms and conditions are the same as those available to other members of the Fund.

Compensation of other key management personnel (excluding Directors)

	<u>2020</u>	<u>2019</u>
	\$	\$
Short Term Benefits	1,624,092	1,499,462
Long Term Benefits	398,432	343,739
Post Employment	-	-
	<u>2,022,524</u>	<u>1,843,201</u>

This is in relation to remuneration of management employed by Intrust Super Fund.

Terms and conditions of transactions with related parties

Transactions with related parties are conducted on normal terms and conditions.

Management fees receivable from Intrust Super represent the amount of director fee payable as at the end of financial year. It is expected that the receivable and/or payable amount are settled in the following month.

Note 10. Financial Risk Management Policies

(a) Financial Instrument Composition and Maturity Analysis

The tables below reflect management's expectations of the settlement period for all financial instruments.

The Management Fee receivable is expected to be paid as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
Less than 6 months	10,213	27,028
6 months to 1 year	-	-
1 - 5 years	-	-
	<u>10,213</u>	<u>27,028</u>

Directors Fee payable is expected to be paid as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
Less than 6 months	10,213	27,028
6 months to 1 year	-	-
1 - 5 years	-	-
	<u>10,213</u>	<u>27,028</u>

IS Industry Fund Pty Ltd
Notes to the Financial Statements
For the year ended 30 June 2020

Note 10. Financial Risk Management Policies (continued)

(b) Capital Management

Management controls the capital of the Company in order to maintain a good debt to equity ratio and ensures that it can fund its operations and continue as a going concern.

The company's debt and capital includes Class AA shares and ordinary share capital and financial liabilities, supported by financial assets.

There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year.

	2020	2019
	\$	\$
Total borrowings	-	-
Trade and other payables	10,213	27,028
Less Cash and cash equivalents	600	600
Net Debt	<u>9,613</u>	<u>26,428</u>
Total Equity	600	600
Total Capital	<u>600</u>	<u>600</u>

Note 11. Events Subsequent to Reporting Date

Since 30 June 2020 there have been no matters or circumstances which have arisen that have significantly affected or may significantly affect the financial position or operating results of the Fund.

Note 12. Economic dependency

The Company is dependent on Intrust Super as its principal. The Company's activity is to act as corporate trustee for the Fund.

Note 13. Auditor's remuneration.

Amounts received or due and receivable by BDO Audit Pty Ltd for:

	2020	2019
	\$	\$
Audit of financial statements and compliance with AFSL	<u>2,530</u>	<u>2,420</u>
	<u>2,530</u>	<u>2,420</u>

Audit expenses incurred by the Company are paid or payable by the Fund.

IS Industry Fund Pty Ltd Directors' Declaration

The directors of the Company declare that:

The financial statements comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and accompanying notes are in accordance with the Corporations Act 2001 and:

- a) comply with the Australian Accounting Standards and the Corporations Regulations 2001;
- b) give a true and fair view of the financial position as at 30 June 2020 and performance of the Company for the year then ended;
- c) the Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with the International Financial Reporting Standards; and
- d) in the directors opinion, as at the date of this declaration, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable and the financial statements and notes are in accordance with the Corporations Act 2001, including sections 296 and 297.

Made in accordance with a resolution of the directors.



Director



Director

Brisbane, 28th September 2020

INDEPENDENT AUDITOR'S REPORT

To the members of IS Industry Fund Pty Ltd

Report on the Audit of the Financial Report

Opinion

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

In our opinion the accompanying financial report of IS Industry Fund Pty Ltd, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors' report, 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.



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 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 for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

C R Jenkins
Director

Brisbane, 28 September 2020