



# TAL Superannuation Limited

**General purpose financial report  
For the year ended 31 March 2023**

# TAL Superannuation Limited

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## Directors' Report

The Directors of TAL Superannuation Limited ("the Company") present their report for the year ended 31 March 2023 ("the financial year").

### 1. Directors

The following persons were Directors of the Company during the financial year and up to the date of this report, unless otherwise stated:

Peter Lewinsky  
Alex Homer  
Steven Helmich

### 2. Principal activities

The Company was acting as trustee for the TAL Superannuation and Insurance Fund ("the Fund") which has been dormant following the completion of its member transfer to Mercer Superannuation Limited on 20 May 2021. The Company ceased to act as the Trustee of the Fund on 8 November 2022 when APRA officially confirmed that the Fund had been removed from APRA's official register of Registrable Superannuation Entities.

As at the reporting date, the Company still holds an Australian Financial Services Licence under the Corporations Act 2001 (Licence number 237851) and a RSE Licence under the Superannuation Industry (Supervision) Act 1993 (Licence number L0000642). The Company will continue to hold cash but will cease all other operations. This will not impact the financial position or financial performance of the Company.

There were no costs incurred by the Company while providing its services as the Trustee of the Fund for the period up to 8 November 2022.

The Company created the 'Office of the Trustee' which is responsible for the operational management of the Company. The Office of the Trustee is governed by a Charter that sets out its activities, responsibilities, and delegations of authority.

The Company as trustee holds cash at bank to meet potential future liabilities that may emerge if certain operational risks eventuate in the future. These liabilities are uncertain and defined under *Prudential Standard SPS 114 Operational Risk Financial Requirement*, effective 1 July 2013, as an Operational Risk Financial Reserve ("ORFR"). The ORFR may only be used in accordance with legislative requirements and has been determined to be \$5,000,000.

The Company earns investment income on cash held to back the ORFR. This income and associated tax are recognised in the Statement of Comprehensive Income.

## Directors' Report (continued)

### 3. Related Party transactions

TAL Services Limited ("TAL Services") is a related party of the Company. TAL Dai-ichi Life Australia Pty Limited ("TDA") is the ultimate Australian parent entity of both TAL Services and the Company.

TAL Services provides the Company with the resources and corporate services they respectively need when fulfilling its duty as a trustee and administrator. The Company has been dormant since the completion of the Fund's member transfer on 20 May 2021 and no longer requires any direct services from TAL Services.

All material information required to be disclosed under AASB 124: Related Party Disclosures has been included in the financial statements as follows:

Tax sharing agreement	note 4
Remuneration of key management personnel	note 9
Related party transactions with key management personnel	note 9

### 4. Review of operations

The operating profit of the Company for the financial year after provision for income tax was \$26,451 (31 March 2022: \$7,411). Income for the financial year is attributable to interest income less consequential tax.

The Directors are reasonably satisfied that the Fund's investments remain liquid and adequate to meet any potential liabilities.

### 5. Dividends

In respect of the financial year and the comparative financial year, no dividends have been paid or declared.

### 6. Changes in state of affairs

There were no other significant changes in the state of affairs of the Company during the financial year.

### 7. Matters subsequent to the end of the financial year

There were no matters subsequent to the end of financial year to report.

### 8. Likely developments and expected results of operations

The Company is classified as a discontinued business by its sole shareholder.

Since the completion of the Fund's member transfer on 20 May 2021, the Company remains dormant and has commenced steps to terminate its licenses, the financial statements have not been prepared on a going concern basis and have been prepared on a liquidation basis.

### 9. Environmental regulation

The Company is not subject to any particular or significant environmental regulation.

## Directors' Report (continued)

### 10. Indemnification of the company

#### Agreement to indemnify Directors and Officers

TDA, the ultimate Australian parent entity, has entered into agreements to indemnify Directors and Officers of TDA and its controlled entities ("TAL Group").

The indemnity relates to any liability:

- (i) to a third party (other than TDA or a related Company) unless the liability is a criminal liability or arises out of a breach of specific or fiduciary duties, and
- (ii) for legal costs incurred in successfully defending civil or criminal proceedings, or in connection with proceedings in which relief is granted under the *Corporations Act 2001*.

The Directors are not aware of any liability, or potential liability arising under these indemnities as at the date of this report.

#### Insurance of Directors and Officers

During the financial year, TAL Services, a related entity, paid a premium of \$5,426,222 (2022: \$3,854,205) to insure the Directors and Officers of the Company (as named above) against certain liabilities incurred as Directors and Officers of the Company to the extent permitted by the *Corporations Act 2001*.

#### Indemnity out of assets of the Fund

As the trustee of the Fund, the Company has a right to resort to and apply the Fund's assets for the discharge of liabilities it incurs in the authorised conduct of the trust set out in the Fund's trust deed.

At balance date, all liabilities of the Company in its personal capacity will be paid from cash and the Directors are not aware of any liabilities of the Company in its personal capacity that would be met from assets of the Fund.

At balance date, the Directors are not aware of any breaches of fiduciary duty by the Company, as trustee of the Fund.

### 11. 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 7.

## Directors' Report (continued)

### 12. Auditor

KPMG continues in office in accordance with section 327D of the *Corporations Act 2001*.

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

On behalf of the Directors



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Director  
Sydney  
19 June 2023



# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of TAL Superannuation Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of TAL Superannuation Limited for the financial year ended 31 March 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink that reads 'KPMG'.

KPMG

A handwritten signature in blue ink that reads 'Julia Gunn'.

Julia Gunn  
Partner

Sydney  
19 June 2023

## Statement of Comprehensive Income

	Note	Year ended 31 March 2023 \$	Year ended 31 March 2022 \$
<b>Revenue</b>	2	94,402	10,587
<b>Expense</b>		39,630	-
<b>Profit from continuing operations before income tax expense</b>		54,772	10,587
Income tax expense	4	28,321	3,176
<b>Profit from continuing operations after income tax expense</b>		26,451	7,411
<b>Profit attributable to shareholders of TAL Superannuation Limited</b>		26,451	7,411
<b>Total comprehensive income for the year attributable to shareholders of TAL Superannuation Limited</b>		<b>26,451</b>	<b>7,411</b>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.



## Statement of Financial Position

	Note	As at 31 March 2023 \$	As at 31 March 2022 \$
<b>Assets</b>			
Cash and cash equivalents	5	5,320,325	5,289,976
<b>Total assets</b>		<b>5,320,325</b>	<b>5,289,976</b>
<b>Liabilities</b>			
Payables		4,020	122
<b>Total liabilities</b>		<b>4,020</b>	<b>122</b>
<b>Net assets</b>		<b>5,316,305</b>	<b>5,289,854</b>
<b>Equity</b>			
Contributed equity	6	5,000,002	5,000,002
Retained earnings	7	316,303	289,852
<b>Total equity attributable to shareholders of TAL Superannuation Limited</b>		<b>5,316,305</b>	<b>5,289,854</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

## Statement of Changes in Equity

	Contributed equity \$	Retained earnings \$	Total \$
<b>Year ended 31 March 2023</b>			
Balance at beginning of year	5,000,002	289,852	5,289,854
Total comprehensive income for the year	-	26,451	26,451
<b>Balance at end of year</b>	<b>5,000,002</b>	<b>316,303</b>	<b>5,316,305</b>
<b>Year ended 31 March 2022</b>			
Balance at beginning of year	5,000,002	282,441	5,282,443
Total comprehensive income for the year	-	7,411	7,411
<b>Balance at end of year</b>	<b>5,000,002</b>	<b>289,852</b>	<b>5,289,854</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

## Statement of Cash Flows

	Note	Year ended 31 March 2023 \$	Year ended 31 March 2022 \$
<b>Cash flows from operating activities</b>			
Interest received		94,402	10,587
Intercompany settlement		(24,423)	(3,540)
Expense paid		(39,630)	-
<b>Net cash inflow from operating activities</b>	5(b)	<b>30,349</b>	<b>7,047</b>
<b>Net increase in cash and cash equivalents</b>		<b>30,349</b>	<b>7,047</b>
Cash and cash equivalents at beginning of the financial year		5,289,976	5,282,929
<b>Cash and cash equivalents at end of the financial year</b>	5	<b>5,320,325</b>	<b>5,289,976</b>

The above cash flow statement should be read in conjunction with the accompanying notes.

# Notes to the Financial Statements

## 1. Summary of significant accounting policies

These financial statements were prepared for the Company for the financial year. The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The Company is a for-profit entity.

These financial statements were authorised for issue by the Directors on 19 June 2023. The Directors have the power to amend and reissue the financial report.

### Basis of preparation

In the Directors' opinion, the Company is not publicly accountable. This general purpose financial report has been prepared for the purpose of complying with the *Corporations Act 2001* requirements to prepare and distribute a financial report to the shareholder.

This general purpose financial report has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards – Simplified Disclosures and other authoritative pronouncements of the Australian Accounting Standards Board. In the prior year the financial statements were prepared as special purpose financial statements and complied with all recognition and measurement requirements of the Australian Accounting Standards – Reduced Disclosure Requirements. Therefore, there was no impact on the recognition and measurement of amounts recognised in the financial report as a result of the change in basis of preparation.

Since the completion of the Fund's member transfer on 20 May 2021, the Company remains dormant and has commenced steps to terminate its licenses, the financial statements have not been prepared on a going concern basis and have been prepared on a liquidation basis.

In preparing the financial statements on a liquidation basis, the assets and liabilities have been measured at fair value under the relevant accounting standards.

The financial statements are presented in Australian dollars, which is also the Company's functional currency.

### Early adoption of standards

The Company has elected not to early adopt any accounting standards during the year ended 31 March 2023.

### Historical cost convention

Under liquidation basis the historical cost convention is no longer applicable. As stated in the basis of preparation, all assets and liabilities are measured at fair value which is equal to their net realisable value.

### Significant judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Assumptions made at each reporting date are based on best estimates at that date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events.

The accounting policies adopted are consistent with those of the previous financial year, except for as stated below.

### Changes in significant accounting policies

There are no changes in significant accounting policies during the financial year.

# Notes to the Financial Statements (continued)

## 1. Summary of significant accounting policies (continued)

### a) Revenue

Interest income is recognised as it accrues at the end of each month.

### b) Taxation

#### *Current tax liability*

Current tax is calculated by reference to the amount of income tax payable or recoverable in respect of the taxable profit or tax loss for the financial year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior years is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Current tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

#### *Income tax expense*

The income tax expense is the tax payable on taxable income for the current financial year, based on the income tax rate for each jurisdiction and adjusted for changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

#### *Tax consolidation*

The Company is part of a tax consolidated group of which TDA is the head entity. Under tax consolidation the head entity assumes the following balances from controlled entities within the tax consolidated group:

- current tax balances arising from external transactions recognised by entities in the tax-consolidated group which occurred after implementation date; and
- deferred tax assets arising from unused tax losses and unused tax credits recognised by entities in the tax-consolidated group which occurred after implementation date.

Assets and liabilities which arise as a result of balances transferred from entities within the tax consolidated group to the head entity are recognised as related party balances receivable and payable in the Statement of Financial Position. The recoverability of balances arising from tax funding agreements is based on the ability of the tax-consolidated group to utilise the amounts recognised by the head entity.

### c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with financial institutions.

### d) Contributed equity

Ordinary shares issued by the Company are classified as equity and are recognised at fair value less direct issue costs.

## Notes to the Financial Statements (continued)

### 2. Revenue

	Year ended 31 March 2023 \$	Year ended 31 March 2022 \$
Interest income	94,402	10,587
<b>Total revenue</b>	<b>94,402</b>	<b>10,587</b>

### 3. Auditor's remuneration

	Year ended 31 March 2023 \$	Year ended 31 March 2022 \$
KPMG – Australian Firm:		
External Audit Services	10,700	10,000
External Assurance Services – Regulatory Audits	4,300	4,000
<b>Total auditor's remuneration</b>	<b>15,000</b>	<b>14,000</b>

KPMG's remuneration is being borne by TAL Services, a related party company within TDA Group.

### 4. Taxation

	Year ended 31 March 2023 \$	Year ended 31 March 2022 \$
Current income tax	28,321	3,176
<b>Income tax expense</b>	<b>28,321</b>	<b>3,176</b>
<b>Profit before income tax expense</b>	<b>54,772</b>	<b>10,587</b>
Income tax at current rate of 30%	16,432	3,176
Taxation effect of non-deductible expenses:		
Permanent difference	11,889	-
<b>Income tax expense</b>	<b>28,321</b>	<b>3,176</b>

TDA is the head entity of the tax consolidated group, which comprised of TDA and its wholly-owned entities. The accounting policy in relation to this legislation is set out in note 1(b).

## Notes to the Financial Statements (continued)

### 4. Taxation (continued)

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement where the assets and liabilities which arise as a result of balances transferred from entities within the tax consolidated group to the head entity are recognised as payable balances in the Statement of Financial Position.

The tax sharing agreement allows the Company to compensate TDA for any current income tax payable which is attributable to the Company. Under this agreement, the Company is also entitled to compensation from TDA for any tax losses or credits used by TDA which are attributable to the Company.

The reimbursements are payable at the same time as the associated income tax liability falls due and have therefore been recognised as a current related party receivable/payable (see note 11).

### 5. Cash and cash equivalents

	As at 31 March 2023 \$	As at 31 March 2022 \$
Cash at bank	5,320,325	5,289,976
<b>Total cash and cash equivalents</b>	<b>5,320,325</b>	<b>5,289,976</b>

Total effective interest rate for cash at bank is 2.07% (2022: 0.09%). All cash and cash equivalents are classified as current of three months or less.

#### (a) Reconciliation to cash at the end of the financial year

The above figures are reconciled to cash at the end of the financial period as shown in the Statement of Cash Flows:

	As at 31 March 2023 \$	As at 31 March 2022 \$
Balance as above	5,320,325	5,289,976
<b>Balance per Statement of Cash Flows</b>	<b>5,320,325</b>	<b>5,289,976</b>

## Notes to the Financial Statements (continued)

### 5. Cash and cash equivalents (continued)

(b) Reconciliation of profit for the financial year to net cash flows from operating activities

	31 March 2023 \$	31 March 2022 \$
<b>Profit attributable to shareholders</b>	<b>26,451</b>	<b>7,411</b>
<b>Add / (less) movements relating to operating activities</b>		
Change in tax payable	3,898	(364)
<b>Net cash inflows from operating activities</b>	<b>30,349</b>	<b>7,047</b>

### 6. Contributed equity

	As at 31 March 2023 \$	As at 31 March 2022 \$
10,000,005 ordinary shares at \$0.50 each	5,000,002	5,000,002
<b>Total issued capital</b>	<b>5,000,002</b>	<b>5,000,002</b>

Fully paid ordinary shares carry one vote per share and carry the right to dividends. All issued shares are fully paid.

### 7. Retained earnings

	Year ended 31 March 2023 \$	Year ended 31 March 2022 \$
Opening balance	289,852	282,441
Net profit for the financial year	26,451	7,411
<b>Closing balance</b>	<b>316,303</b>	<b>289,852</b>

### 8. Capital management

The Company holds an ORFR of \$5,000,000 (2022: \$5,000,000) to absorb the costs, charges and expenses arising from potential operational risk. The ORFR may not be used for any other purpose and is held in an interest-bearing bank account.



## Notes to the Financial Statements (continued)

### 9. Key management personnel disclosures

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

#### a) Directors

The following persons were Directors of the Company during the financial year:

Peter Lewinsky  
Steven Helmich  
Alex Homer

#### b) Other key management personnel

As the Trustee Advocate, Paul Cleary is a delegate of the Board of the Company and is responsible for delivering, on behalf of the Board, the strategic, governance and operational functions of the Company. These functions include: Board support; customer advocacy; developing and implementing strategic initiatives; discretionary decision-making; financial stewardship; governance, risk and compliance; and service provider oversight.

#### c) Key management personnel compensation

The remuneration of Directors and other members of key management during the financial year was paid by TAL Services. The key management personnel compensation paid during the financial year comprised of:

	Year ended 31 March 2023	Year ended 31 March 2022
	\$	\$
Salaries and other short-term benefits	924,880	1,070,079
Termination benefits	-	-
Post employment benefit, including superannuation	46,483	43,184
Other long-term benefit	549,496	329,550
<b>Total key management personnel compensation</b>	<b>1,520,858</b>	<b>1,442,813</b>

#### d) Loans to key management personnel

There have been no loans made to Directors and other key management personnel of the Company, including their personally related parties.

## Notes to the Financial Statements (continued)

### 10. Dividends

No dividends were paid or proposed during the financial year (31 March 2022: \$nil).

### 11. Related Parties

The immediate Australian parent entity and ultimate Australian parent entity is TDA. The Company's ultimate parent entity is Dai-ichi Holdings, Inc., which is domiciled in Japan and listed on the Tokyo Stock Exchange.

Trade amounts owing between related parties are payable under normal commercial terms. All material information required to be disclosed under AASB 124: Related Party Disclosures has been included in the financial statements.

As at 31 March 2023 the related party payables were \$4,020 (31 March 2022: \$122).

### 12. Subsequent Events

There were no matters subsequent to the end of financial year to report.

### 13. Additional company information

TAL Superannuation Limited is a public company incorporated and operating in Australia.

*Principal Registered Office and Principal Place of Business*

Level 16, 363 George Street

Sydney NSW 2000

Tel: (02) 9448 9000

## Directors' Declaration

In the Directors' opinion:

- a) the financial statements and notes set out on pages 8 to 18 are in accordance with the *Corporations Act 2001*, including:
  - i) complying with Accounting Standards and other mandatory professional reporting requirements as detailed above, the Corporations Regulations 2001; and
  - ii) giving a true and fair view of the Company's financial position as at 31 March 2023 and of its performance for the financial year ended on that date; and
- b) 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 Directors.

On behalf of the Directors



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Director  
Sydney  
19 June 2023



# Independent Auditor's Report

To the Shareholder of **TAL Superannuation Limited**

## Opinion

We have audited the **Financial Report** of TAL Superannuation Limited (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 31 March 2023 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards - Simplified Disclosures* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of financial position as at 31 March 2023
- Statement comprehensive income, Statement of changes in equity, and Statement of cash flows 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 (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

## Emphasis of Matter – basis of preparation other than going concern

We draw attention to Note 1 of the Financial Report which describes that the financial report has been prepared on a basis other than going concern. Our opinion is not modified in respect of this matter.

## Other Information

Other Information is financial and non-financial information in TAL Superannuation Limited'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 in accordance with *Australian Accounting Standards -Simplified Disclosures* and the *Corporations Act 2001*
- 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
- 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/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf) This description forms part of our Auditor's Report.

KPMG

Julia Gunn

Partner

Sydney

19 June 2023