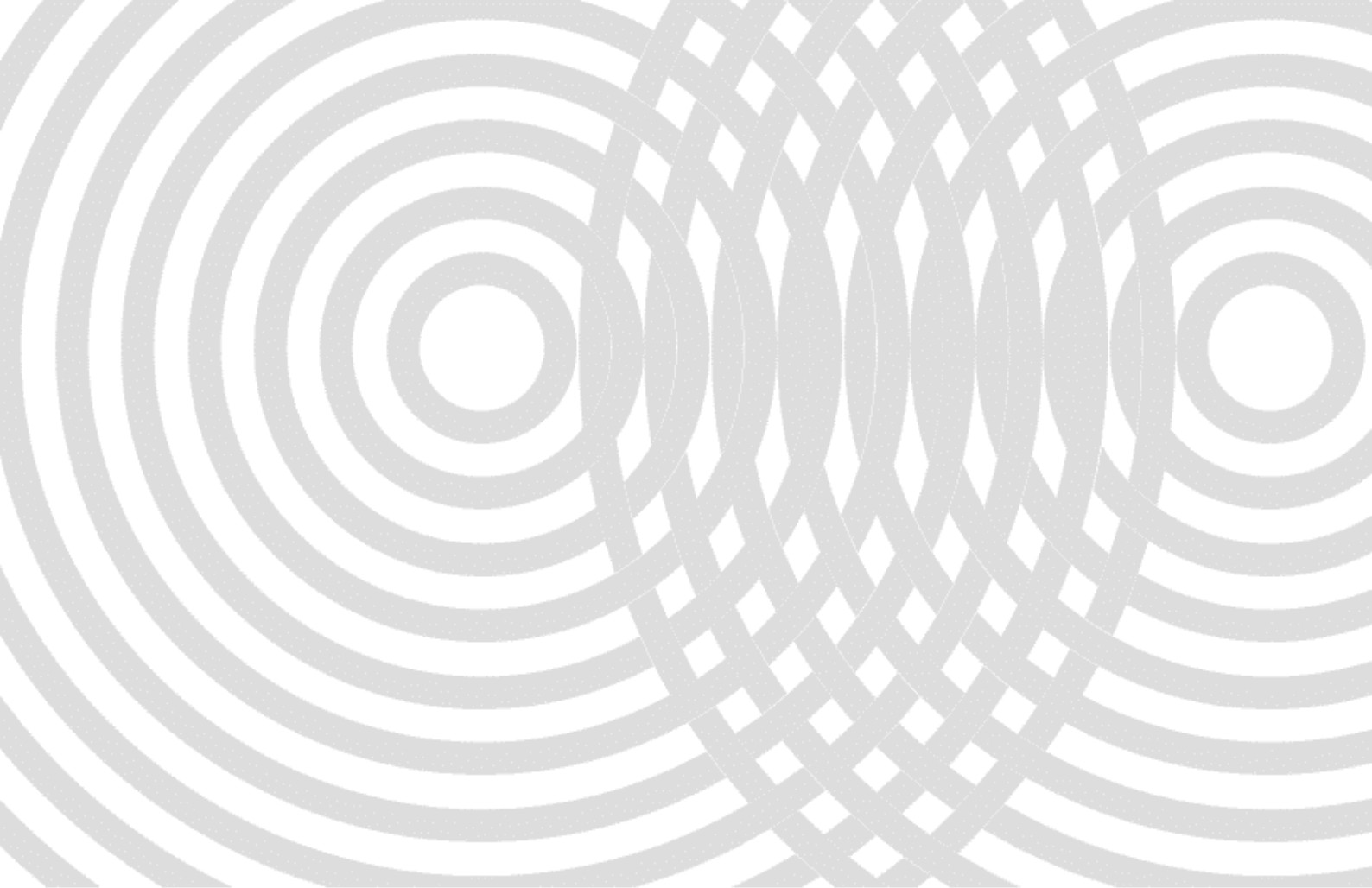




VALUE ACCOUNTS

Superannuation Fund

Annual report

For the year ended 30 June 2025

This illustrative publication presents the sample annual report of a fictitious superannuation fund, VALUE ACCOUNTS Superannuation Fund. It illustrates the financial reporting requirements that would apply to such a fund under Australian Accounting Standards on issue at 31 March 2025. Supporting commentary for the reporting requirements is also provided. For the purposes of this publication, VALUE ACCOUNTS Superannuation Fund is overseen by the Registrable Superannuation Entity ('RSE') Licensee.

The reporting requirements that apply to the VALUE ACCOUNTS Superannuation Fund include:

- Australian Accounting Standards (AAS)
- Interpretations issued by the Australian Accounting Standards Board (AASB) and the Urgent Issues Group (UIG)
- *Corporations Act 2001* (Corporations Act) and Regulations
- Australian Securities & Investments Commission releases
- *Superannuation Industry (Supervision) Act 1993* (SIS Act) and Regulations

VALUE ACCOUNTS Superannuation Fund is for illustrative purposes and should be used in conjunction with the relevant legislation, standards and other reporting pronouncements.

Disclaimer

This publication has been prepared for general reference only and does not constitute professional advice. It is not intended to be and is not comprehensive in relation to its subject matter. This publication is not intended to cover all aspects of Australian Accounting Standards, or to be used as a substitute for reading any relevant accounting standard, professional pronouncement or guidance, legislation (including the SIS Act) or any other relevant material. Specific entity structure, facts and circumstances will have a material impact on the preparation and content of financial reports. No person should undertake or refrain from undertaking any action based on this publication or otherwise rely on this publication. Any use or reliance on this publication is at a person's own risk. This publication should not be used as a substitute for consultation with a professional adviser with knowledge of information relevant to your particular circumstances. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication. To the extent permitted by law PwC and, its partners, members, employees and agents do not accept or assume any liability, responsibility or duty of care to anyone for any use of or reliance on this publication. Any references in this publication to PwC providing, or agreeing to provide, any services to any entity are illustrative only and are not intended to reflect or summarise the terms of actual arrangements in respect of any particular parties or the provision of services to them. Accordingly, users of this publication should not rely on such references as reflecting or summarising actual terms. Legal advice should be obtained as to whether any particular arrangements are required to be disclosed, and as to the form and context of any disclosure. This disclaimer applies to the maximum extent permitted by law and, without limitation, to liability arising in negligence or under statute. Liability is limited by a scheme approved under Professional Standards Legislation.

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Annual report 2025

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Introduction

This publication presents an illustrative annual report for a fictitious superannuation fund, VALUE ACCOUNTS Superannuation Fund. The report complies with the *Corporations Act 2001* (Corporations Act) and authoritative pronouncements on issue as at 31 March 2025 that are effective for periods commencing from 1 July 2024.

The purpose of this publication is to highlight disclosure requirements and provide sample disclosures required by AASB 1056 *Superannuation Entities*, other relevant Australian Accounting Standards (AAS) and the *Corporations Act*. The disclosures should be adapted to particular situations as required. Alternative disclosures, wording and forms of presentation may be used provided they include the specific disclosures prescribed in the accounting and reporting pronouncements.

Please note that the amounts disclosed in this publication are purely for illustrative purposes and may not necessarily be consistent throughout the publication.

This illustrative annual report is not intended to consider all potential situations and related disclosures. The facts and circumstances of the VALUE ACCOUNTS Superannuation Fund are described in the assumptions section below and elsewhere in the annual report if relevant. The illustrative disclosures will need to be tailored to suit the particular facts and circumstances of each superannuation fund.

The appendices provide further information on Australia's financial reporting regime:

- [Appendix A](#) includes supplementary disclosures that are not applicable to VALUE ACCOUNTS Superannuation Fund, however, may be applicable to other Funds depending on their circumstances.
- [Appendix B](#) includes a summary of accounting and reporting pronouncements that apply for the first time to annual reports beginning on or after 1 July 2024.
- [Appendix C](#) provides a summary of key developments relating to sustainability reporting and discusses how climate change could affect certain measurements and therefore disclosures in the financial statements.
- [Appendix D](#) provides a list of abbreviations used in this publication.

Value Accounts structure and materiality

Our VALUE ACCOUNTS Superannuation Fund publication provides a practical structure that will help make your financial reports less complex and more accessible. The structure used will provide you with possible ideas, but there's no 'one size fits all' approach. We recommend Superannuation Trustees engage with the stakeholders who use your financial reports to determine what's most relevant to them.

Our VALUE ACCOUNTS Superannuation Fund publication is a reference tool and we have included illustrative disclosures for common scenarios. Too much immaterial information can obscure the information that is actually useful to readers. We encourage users of the publication to consider carefully what to include and exclude, based on what is relevant in assisting members' decision making. However, since this publication is a reference tool, we have not removed disclosures based on materiality. Instead, we have included illustrative disclosures for as many common scenarios as possible that could be relevant to our reporting entity.

Early adoption of accounting standards

VALUE ACCOUNTS Superannuation Fund generally only adopts standards early if they clarify existing practice, such as the amendments made by the AASB as part of the improvements programme, but do not introduce substantive changes.

As required under Australian Accounting Standards, the impacts of standards and interpretations that have not been early adopted and that are expected to have a material effect on the fund are disclosed in accounting policy [note 2\(a\)\(i\)](#). A summary of all pronouncements relevant for annual reporting periods ending on or after 30 June 2025 is included in [Appendix B](#). For updates after the cut-off date for our publication, see www.viewpoint.com

ASIC Areas of Focus

ASIC has responsibility for the surveillance, investigation and enforcement of the financial reporting and auditing requirements of the Corporations Act, including RSE's.

ASIC provided a market update in May 2025 which confirmed that they are still finalising the review of around 50% of all lodged RSE financial reports and five RSE audit files in respect to FY24. ASIC confirmed that for the FY25 reporting season, they will review the remaining 50% of RSE financial reports as well as a further selection of audit files.

ASIC's focus areas for RSE financial reports include:

- the measurement and disclosure of investment portfolios; and
- disclosure of marketing and advertising expenses.

ASIC also confirmed that in keeping with its historical financial report focus areas, it will continue to focus on areas where significant judgement from preparers of financial reports is required. The following table lists these areas and explains how they might impact superannuation entities. For details on all ASIC Areas of Focus, please refer to [ASIC's website](#).

ASIC Area of Focus	Nature	Impact
Asset values	Matters that may require specific focus in relation to asset values in the current environment include: • Impairment of non-financial assets • Valuation of property assets • Expected credit losses on loans and receivables • Financial asset classification • Values of other assets	As AASB 1056 requires superannuation funds to hold investments at fair value, trustees should already be assessing the carrying values of assets (eg, unlisted entities, commercial and retail properties) and ensuring appropriate valuation and disclosure.
Provisions	There is a focus on the adequacy of provisions for matters such as leased property make good, financial guarantees given and restructuring.	Trustees should consider the need for and the adequacy of provisions for matters such as leased property make-good requirements, financial guarantees given, regulatory fines, legal action and remediation activities.
Subsequent events	Events occurring after year-end and before completing the financial report should be reviewed to determine whether they affect the conditions of assets, liabilities, incomes or expenses at year-end or relate to new conditions requiring disclosure.	Subsequent events could impact the judgements and assumptions in respect of unlisted investments and potentially affect the measurement of assets or liabilities. They could also affect successor fund transfer arrangements or there might be material changes in trustees or RSE Licence conditions that need to be disclosed in accordance with AASB 110. Those events should be monitored closely up to the date of issuance of the annual report.
Disclosures in the financial report and Operating and Financial Review (OFR)	ASIC has reminded entities that when considering the information that should be disclosed in the financial report and OFR, directors and preparers should put themselves in the shoes of investors and consider what information investors would want to know. Disclosures should be specific to the circumstances of the entity, its business, its assets and its financial position and performance. Changes from the previous period should be assessed and disclosed from the perspective of the members and other users of the financial report. The financial report should explain uncertainties, key assumptions and sensitivities associated with asset values and estimates to assist users in	The OFR should complement the annual report and tell the story of how the superannuation fund's business, results and prospects are impacted by economic and market conditions. The OFR should also: • Explain the underlying drivers of the results and financial position, as well as risks, management strategies and future prospects. • Include and give appropriate prominence to significant factors. • Discuss the impact of climate change. ASIC has specifically identified climate change risk as

ASIC Area of Focus	Nature	Impact
	understanding the approach taken, understanding potential future impacts and making comparisons with other entities in order to inform the decision-making process for members and other users of the financial report. Entities should also explain where uncertainties have changed since the prior year financial reports. While the guide is for listed entities, ASIC's Regulatory Guide 247 <i>Effective disclosure in an operation and financial review</i> explains their expectations in relation to the disclosures contained in the OFR and could be used as a useful resource for RSE Trustee Directors. ASIC has further reminded entities that non-IFRS financial information must not be presented in a potentially misleading manner and that entities should refer to the guidance in ASIC RG 230 <i>Disclosing non-IFRS financial information</i>.	having a potentially material impact on the future prospects of entities and suggests directors consider disclosing the information recommended by the Task Force on Climate-related Financial Disclosures. • Consider cyber security risks such as loss of personal data, denial of service attack and how this may impact the fund. • Discuss product acceptance and performance, and consider implications of evolving customer preferences and reputational implications of fund performance. • Consider other significant developments and changes in circumstances.

Impacts of the geopolitical, macroeconomic and regulatory environment

Many entities might find that their operations are experiencing specific effects of the broader geopolitical, macroeconomic and/or regulatory environment. Funds should carefully consider how events such as geopolitical conflicts, interest rates or inflation (including hyper-inflation) impacted its business during the reporting period, and it should make any resulting updates to the financial report.

Geopolitical considerations

Geopolitical conflicts have continued not only to create significant shifts in the global risk landscape but also to have a pervasive economic impact both within those regions directly affected and globally where businesses engage in cross-border economic activities. Funds should carefully consider their direct and indirect exposures to geopolitical conflicts and provide required disclosures in a manner that is appropriately tailored to their individual circumstances. We have not updated the illustrative disclosures to reflect potential implications, because every entity will be impacted differently.

Publications such as the statement issued by the European Securities and Markets Authority (ESMA) [Implications of Russia's invasion of Ukraine on half-yearly financial reports](#), and our In depth INT 2024-04 [Accounting implications of geopolitical conflicts](#) on Viewpoint include considerations that might be relevant to geopolitical conflicts in general.

Assumptions

The following assumptions have been made in preparing the annual report for the VALUE ACCOUNTS Superannuation Fund:

- The VALUE ACCOUNTS Superannuation Fund is an RSE that is required to prepare an annual report under the *Corporations Act*.
- Trustee fees paid by the RSE to the Trustee include fees for services provided by key management personnel.
 - The Trustee acts as a trustee only to the VALUE ACCOUNTS Superannuation Fund and therefore the services provided by key management personnel are solely attributed to the VALUE ACCOUNTS Superannuation Fund.
 - Key management personnels do not receive any form of share-based payment compensation.
- This is a hybrid fund with both defined contribution and defined benefit members.
- The Fund has two defined benefit sub-plans. One sub-plan is in a satisfactory position and the other sub-plan is in deficit.
- With regards to the insurance arrangements for members, the Fund does not act in the capacity of an insurer. The additional requirements for funds acting as an insurer are illustrated in [Appendix A](#).
- For the purposes of meeting the requirements of Superannuation Prudential Standard 114 *Operational Risk Financial Requirement* (SPS 114), the Operational Risk Financial Requirement ('ORFR') target level is 25 basis points of net assets and is fully funded. A revised SPS 114 is applicable from 1 July 2025 which may result in some RSE's lowering their ORFR target level. VALUE ACCOUNTS Superannuation Fund has not approved a change to its target level as a result of the revised SPS 114.

- The Fund does not have any investments that are controlled entities.
- During the year, the Fund engaged in a Successor Fund Transfer (SFT) with ABC Defined Contribution Fund ('ABC Fund'), a defined contribution fund. The Fund has signed a Memorandum of Understanding to pursue a SFT with the ABC Fund. The ABC Fund will transfer all of its assets, liabilities, members' liabilities and equity into the Fund and ABC Fund will subsequently terminate. This SFT has not been completed as at 30 June 2024.
- During the year, the Fund had completed a SFT with XYZ Defined Contribution Fund ('XYZ Fund'), a defined contribution fund. The Fund had signed a Memorandum of Understanding and completed the SFT with the XYZ Fund. The XYZ Fund has transferred all of its members' assets and liabilities into the Fund and had subsequently terminated. This SFT was completed as at 30 June 2024.
- In the SFT events outlined above:
 - prior to the SFT taking place, the outgoing and incoming trustee have agreed that the receiving successor fund will provide members with 'equivalent rights' to those the members in the outgoing fund had prior to the transfer,
 - ABC and XYZ funds are expected to terminate and their assets, liabilities and reserves will be carried across at fair value through profit or loss,
 - there were no deferred tax assets or deferred tax liabilities included as part of the transfer,
 - operationally, there have been no transfer or changes to employees, systems, processes and service organisation and service providers of the transferor, subsequent to the SFT,
 - the net assets of the transferees (ie, ABC Fund and XYZ Fund) are not originally held in deficit prior to the SFT,
 - the net assets attributable to defined contribution members involved in the SFT have been substantially allocated and therefore there were no unallocated amounts from the SFT, required to be shown in the statement of financial position, and
 - the SFT illustrated above is not considered a business combination. Where a merger transaction is considered a business combination, the accounting would differ to this illustration with reference to AASB 3 *Business Combinations*.

Feedback

We welcome your feedback on the format and content of these value accounts. Please contact us at [IFRS Communications](#) or speak to your usual PwC representative to let us know your thoughts.

Directors' report ¹⁻²⁷

CA299(2)(a) The directors of Super Trustee Pty Ltd (the 'Trustee'), as Trustee for the VALUE ACCOUNTS Superannuation Fund (the 'Fund'), present their report on the Fund for the year ended 30 June 2025.

CA299(1)(c) Principal activities

During the year the principal continuing activities of the Fund consisted of providing superannuation and retirement benefits.

There were no significant changes to the principal operations of the Fund during the year.

CA299(1)(a) Review and results of operations

During the year, the Fund signed a memorandum of understanding and completed a Successor Fund Transfer ('SFT') with XYZ Defined Contribution Fund ('XYZ Fund'), a defined contribution fund. The XYZ Fund has transferred all of its 100 members and \$13,039,419 of member liabilities and \$13,300,000 net assets available to pay members benefits. This SFT was completed as at 30 June 2025.

RG 247
G100 Guide

The content of the review of operation is not prescribed by the legislation or any regulation. Further, there is no guidance specifically issued for superannuation entities. However, ASIC and the ASX have issued guidance for listed entities, and superannuation funds should consider this guidance to the extent that it is relevant. A summary of this guidance is in our VALUE ACCOUNTS Holdings Limited 31 December 2024 publication in Appendix B. Superannuation funds should consider their own circumstances and discuss what is relevant in the context of the industry that they operate in. This may include discussion of issues such as:

- Description of business and external environment,
- Significant operational and product changes,
- Fund objectives to enhance member outcomes and result of member outcomes assessment,
- Key financial and non-financial performance indicators,
- Operating results for the period, including investment returns,
- Defined benefit funding position,
- Performance test results,
- ESG practices, and
- Impact of legislation and other external requirements.

RG 230

If the entity discloses financial information in the review and results of operations that is not determined in accordance with all relevant accounting standards, the trustees should further be mindful of the guidance in ASIC Regulatory Guide 230 *Disclosing non-IFRS financial information*.

CA299(1)(b)

Significant changes in the state of affairs

As noted in the review of operations, the Fund completed an SFT with XYZ Fund during the year. This SFT was completed as at 30 June 2025. Details of the change are disclosed in [note 20](#) to the financial statements.

Other than the SFT with XYZ Fund, there were no significant changes in the state of affairs of the Fund that occurred during the financial year.

CA299(1)(d)

Events since the end of the financial year

During the year, the Fund engaged in an SFT with ABC Defined Contribution Fund ('ABC Fund'). The Fund signed a Memorandum of Understanding to pursue an SFT with the ABC Fund on 1 August 2024. The ABC Fund will transfer approximately \$10,000,000 in members' assets and liabilities into the Fund on 10 September 2025 and ABC Fund subsequently wound up.

Except as disclosed above, no matter or circumstance has arisen since 30 June 2025 that has significantly affected the Fund's operations, results or state of affairs, or may do so in future years.

CA299(1)(e)

Likely developments and expected results of operations ⁵

There are no likely developments as at the date of this report.

CA299(1)(f)

Environmental regulation ⁶

The operations of the Fund are not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory.

CA300C(4)-(8)

Audit and non-audit services

During the year the following fees were paid or payable for services provided by PricewaterhouseCoopers Australia (PwC) as the auditor of the Fund and by PwC's related network firms.

	2025 \$	2024 \$
Auditors of the Fund – PwC and related network firms		
Audit of financial reports	165,000	153,000
Other assurance services		
Type 2 controls assurance report	55,000	55,000
Audit of compliance and other regulatory returns	35,000	27,000
Total other assurance services	90,000	82,000
Other services		
Tax compliance services	45,000	40,000
Total other non-audit services	45,000	40,000
Total services provided by PwC	300,000	275,000

The directors of the trustee, in accordance with advice provided by the audit committee, are satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

CA300C(7)-(8)

- all non-audit services have been reviewed by the 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 amounts to the nearest thousand dollars ⁷⁻⁸

ASIC2016/191

Amounts in the directors' report have been rounded to the nearest thousand dollars in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, unless otherwise indicated.

Auditor's independence declaration ⁹⁻¹⁰CA298(1AA)(c)
CA298(1AB)(b)

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 14.

CA300C(2)

Remuneration report 12-27

The directors present the VALUE ACCOUNTS Superannuation Fund 2025 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year.

The report is structured as follows:

- (a) Key management personnel covered in this report
- (b) Remuneration expenses
- (c) Remuneration policy and link to performance
- (d) Elements of remuneration
- (e) Performance based remuneration granted and forfeited during the year
- (f) Contractual arrangements
- (g) Directors' remuneration

CA300C(1)(a)

(a) Key management personnel covered in this reportCR2M.3.04(1)
Item 1-4***Directors of Super Trustee Pty Ltd***

Name	Role
J C Campbell	Independent Chair
H G Wells	Employer representative (from 31 July 2024)
R T Brown	Employer representative (until 30 November 2024)
R J Hunter	Member representative
B A Wilson	Member representative (until 24 July 2025)

CR2M.3.04(1)
Item 2CR2M.3.04(1)
Item 2***Other key management personnel***

Name	Role
C A Maxwell	Chief Executive Officer
P M Elliot	Chief Operating Officer
D M Green	Chief of People and Culture
S J McInnes	Chief Financial Officer
B D Faraday	Chief Technology Officer (from 31 July 2024)

Not
mandatory

B A Wilson was a member representative Director from the beginning of the financial year until his resignation on 24 July 2025. B C Bristol was appointed as the new member representative Director on 25 July 2025 and continues in office at the date of this report.

(b) Remuneration expenses ¹²⁻²⁷

CA
300C(1)(a),(3)
,
CR2M.3.04(1)
Item 5 – 10

The following table shows details of the remuneration expense recognised for the directors of the Fund's trustee and other key management personnel for the period measured in accordance with the requirements of the accounting standards.

Name	Short term employment benefit	Post employment benefit	Long term employee benefit		Termination benefit	Total
	Salary	Cash bonus	Super*	Annual and long service leave	Variable remuneration 22-24	Other
Directors						
J C Campbell	50,459	-	6,236	-	-	- 56,695
H G Wells	21,865	-	2,702	-	-	- 24,567
R T Brown	9,389	-	1,228	-	-	- 10,617
R J Hunter	23,853	-	2,948	-	-	- 26,801
B A Wilson	23,853	-	2,948	-	-	- 26,801
Other key management personnel						
C A Maxwell	350,000	-	66,493	24,922	50,300	- 491,715
P M Elliott	174,955	-	33,317	12,461	-	- 220,733
D M Green	165,533	-	33,492	15,576	-	- 214,601
S J McInnes	159,967	-	32,698	15,576	-	- 208,241
B D Faraday	160,029	-	31,822	13,707	-	- 205,558
Total	1,139,903	-	213,884	82,242	50,300	- 1,486,329

* Superannuation Guarantee rate rises to 11.5% for FY 2025.

CR2M.3.04(1)
Item 16

R T Brown is an Employer representative elected director and \$11,167 is attributable to the services of R T Brown during the period were made directly to the Employer.

CR2M.3.04(1)
Item 9

No key management personnel appointed during the period received a payment as part of their consideration for agreeing to hold the position.

CR2M.3.04(1)
Item 12

(c) Remuneration policy and link to performance

The Board Remuneration committee is made up of three directors. The committee recommends and the board approves the remuneration policy and structure at least annually to ensure it remains aligned to business needs, and meets our remuneration principles. From time to time, the committee also engages external remuneration consultants to assist with this review. In particular, the board aims to maintain a remuneration framework that:

- aligns with the Trustee's business plan, strategic objectives and risk management framework;
- promotes effective management of both financial and non-financial risks, sustainable performance and the Trustee's and the Fund's long-term soundness;
- promotes performing its duties and exercising its powers in the best financial interests of beneficiaries; and
- supports the prevention and mitigation of conduct risk.

Figure 1: Remuneration framework

CR2M.3.04(1)
Item 12

Element	Purpose	Performance metrics	Potential value	Changes in FY 2025 *
Fixed remuneration (FR)	Provide competitive market salary including superannuation and non-monetary benefits	Nil	Positioned at median market rate	Reviewed in line with market positioning
Variable remuneration (VR)	Reward for annual performance (Cash bonus)	Fund performance, individual performance during the current financial year	CEO: Total VR set at 30% of FR, 60% of total VR deferred Other executive KMP: Total VR set at 30% of FR, 40% of total VR deferred	As a result of implementing Superannuation Prudential Standard CPS 511 <i>Remuneration</i> , all executive KMP contracts were amended effective 1 July 2024 to defer a portion of VR.

(d) Elements of remuneration**(i) Fixed annual remuneration (FR)**

Executives may receive their fixed remuneration as cash, or cash with non-monetary benefits such as health insurance, car allowances and tax advisory services. FR is reviewed annually, or on promotion. It is benchmarked against market data for comparable roles in other superannuation funds with similar funds under management. The committee aims to position executives at or near the median, with flexibility to take into account capability, experience, value to the Fund and performance of the individual.

Superannuation is included in the FR for all executives.

In FY 2025, FR was increased for 3 executives, with an average increase of [X]% *. This was done to align the remuneration with the median level for comparative roles. No FR increase was given to any other executive KMPs.

(ii) Variable remuneration (VR) ¹⁹⁻²³

Figure 2: Structure of the annual incentive plan

Feature	Description								
Max opportunity	CEO and other executive KMP: 30% of fixed remuneration								
Performance metrics	The VR metrics align with our strategic priorities of [...].								
	<table><tr><th>Metric</th><th>Target</th><th>Weighting</th><th>Reason for selection</th></tr><tr><td>[Metric]</td><td>[% target]</td><td>[% weighting]</td><td>[Alignment with remuneration strategy]</td></tr></table>	Metric	Target	Weighting	Reason for selection	[Metric]	[% target]	[% weighting]	[Alignment with remuneration strategy]
	Metric	Target	Weighting	Reason for selection					
[Metric]	[% target]	[% weighting]	[Alignment with remuneration strategy]						
Delivery of VR	CEO: • 40% of the VR is paid in cash at the end of the financial year. • 60% of the VR is deferred for a maximum of 6 years, vesting in three equal instalments after 4, 5 and 6 years. Executives: • 60% of the VR is paid in cash at the end of the financial year. • 40% of the VR is deferred for a maximum of 5 years, vesting in two equal instalments in years 4 and 5.								
Forfeiture and termination ²³	The unvested portion of deferred VR will be forfeited unless the board determines otherwise under 'specific exceptions', e.g in the case of retirement due to death, serious disability, serious illness or redundancy.								

Board discretion	The Board has discretion to adjust remuneration outcomes up or down to prevent any inappropriate reward outcomes, including reducing (down to zero, if appropriate) any deferred VR.
------------------	--

CR2M.3.04(1)
Item 12(h)(e)(f)(g)

(e) Performance based remuneration granted and forfeited during the year

Figure 3 shows for each KMP how much of their VR was awarded and how much was forfeited based on the satisfaction of the performance metrics and service conditions.

Figure 3: Performance based remuneration granted and forfeited during the year

2024	Total variable remuneration				Vesting		
	Grant date	Total opportunity \$	Awarded** %	Forfeited %	Vested \$	Max yet to vest* \$	Years in which remainder of cash bonus will be paid
CEO	1-Jul-2024	105,000	100%	0%	42,000	63,000	FY 2028 FY 2029 FY 2030

*

The minimum value of the deferred compensation that is yet to vest is nil. Deferred VR vests in instalments after 4 years, as disclosed in Figure 2.

**

No part of the incentives granted on 1 July 2024 were paid in FY 2025. Annual incentive bonus amounts earned for FY 2025 that are not subject to deferral were paid in September 2025.

CR2M.3.04(1)
Item 12

(f) Contractual arrangements ²⁵⁻²⁶

During the financial year, the following new contracts for services were negotiated between the Fund and a member of KMP:

Component	H G Wells	B D Faraday
Base fee/Fixed remuneration	\$24,568	\$205,558
Contract duration	4 years	4 years
Notice by the individual/entity	3 months	6 months
Variable remuneration	Not applicable.	Entitled to a cash bonus based on performance of the Fund, a portion of which is deferred as disclosed in Figure 2.

CR2M.3.04(1)
Item 12(a)

(g) Directors remuneration

Directors receive a board role fee and fees for chairing or participating on board committees. They do not receive performance-based pay or retirement allowances. The fees are inclusive of superannuation. The chair does not receive additional fees for participating in or chairing committees.

Fees are reviewed annually by the board taking into account comparable roles and market data provided by the board's independent remuneration adviser. The current base fees were reviewed with effect from 1 January 2025.

The maximum annual aggregate directors' fee pool limit is \$350,000 and was approved by Trustee's Remuneration Committee on 7 August 2024.

All directors enter into a service agreement with the Trustee in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director.

CA298(2)(a)

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

CA298(2)(c)

B Director

Disclosure of location not mandatory

Sydney

CA298(2)(b)

14 September 2025 ¹²



CA298(1AA)(c)
CA307C

Auditor's independence declaration⁹⁻¹¹

As lead auditor for the audit of VALUE ACCOUNTS Superannuation Fund for the year ended 30 June 2025, 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.

This declaration is in respect of VALUE ACCOUNTS Superannuation Fund.

A B Jones
Partner
PricewaterhouseCoopers

Sydney
14 September 2025

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Directors' report

Contents of directors' reports

CA298(1)

1. The directors of the trustee of a registrable superannuation entity (RSE) must prepare a directors' report for each financial year. While this example directors' report presents a typical report for an RSE, it is not an exhaustive illustration of all potential components of a directors' report. For further details of the information required in various reporting scenarios refer to our [Value Accounts Holdings - Annual financial reporting December 2024](#) 4 publication for the 'Summary of content of directors' report by classes of entities' contained in the commentary to the directors' report.

CA299(2)

2. Provided the RSE is not required to prepare consolidated financial statements in accordance with AASB 10 *Consolidated Financial Statements*, the information in the directors' report only needs to cover the RSE itself. However, if the RSE must prepare a consolidated annual report, the directors' report would need to cover the consolidated entity.

3. Where a disclosure requirement is not relevant to an entity (including a consolidated entity) for a particular financial year, PwC's view is that it is not necessary to include a reference to the matter. However, it should be noted that, in respect of environmental reporting, ASIC recommends the inclusion of a comment that no significant environmental regulations apply. Where an item is significant and no comment is made in the directors' report, the directors should consider specifically minuting their decisions at the directors' meeting called to approve the directors' report.

Comparative figures

4. Comparative figures are not mandatory for directors' reports, but are recommended in the interests of more meaningful disclosure.

CA299(1)(e)

Likely developments and expected results of operations

CA299(3)

5. The report may omit material on likely developments and expected results of operations if it is likely that its disclosure would result in unreasonable prejudice to the Fund, the consolidated entity or any entity that is part of the consolidated entity. ASIC Regulatory Guide 247 *Effective disclosure in an operating and financial review* sets out ASIC's view on when the exemption can be applied. According to the guide, a director should:

- (a) identify the adverse consequences that are likely to occur
- (b) consider whether these consequences are reasonable, and
- (c) assess whether it is likely (more probable than not) that they will occur.

It will be difficult to demonstrate unreasonable prejudice if the relevant information has already been disclosed elsewhere or can be inferred from information that is in the public domain. Where information has been omitted in reliance on the exemption, the entity must disclose this fact and should also provide a short, high-level summary of the type of information that has been omitted and the reasons for the omission. ASIC further recommends that entities document their assessment in their director meeting minutes if they have relied on the exemption.

Environmental regulation

CA299(1)(f)

6. If the entity's operations are subject to any particular and significant environmental regulation under a Commonwealth, State or Territory law, details of the entity's performance in relation to environmental regulation must be disclosed.

Rounding of amounts

ASIC2016/191

7. In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 016/191, amounts in the financial report are permitted to be rounded as follows:

Asset category:	Round off to nearest:
Less than \$10 million	\$1
Greater than \$10 million (but less than \$1,000 million)	\$1,000

Directors' report

Greater than \$1,000 million (but less than \$10,000 million)	\$100,000
Greater than \$10,000 million	\$1,000,000

8. Entities may round to lower amounts, provided that the rounding is applied consistently to all amounts in the financial report or directors' report. Further, certain disclosures must be shown to the nearest dollar, unless the entity's total assets at the end of the relevant period exceed \$1,000 million, in which case the disclosures may be rounded to the nearest \$1,000. This applies to the following disclosures:

- (a) Details, values and aggregates required to be disclosed in the directors' report under paragraph 300(1)(g), subsections 300(8), (9), (11B) and (11C), paragraph 300(13)(a) and paragraphs 300A(1)(c) and (1)(e) of the Corporations Act 2001, being information about indemnification and insurance of officers or auditors, non-audit services, fees paid to the responsible entity and associates and remuneration of directors and executives
- (b) Amounts required to be disclosed under paragraph 50 of AASB 2 Share-based payment
- (c) Remuneration of auditors to be disclosed under paragraph 10 of AASB 1054 Australian Additional Disclosures
- (d) Compensation of key management personnel required to be disclosed under paragraph 17 of AASB 124 Related Party Disclosures, and
- (e) Transactions between related parties required to be disclosed under paragraphs 18, 18A and 19 of AASB 124.

In preparing this illustrative annual report, we have assumed that similar rounding restrictions will apply to RSEs when the ASIC relief is extended to RSEs.

Auditor's independence declaration

9. CA 307C(5A) provides that the declaration may be given to the directors before they pass their resolution in relation to the directors' report and before the audit report is signed, provided that:

- a. the declaration is given to the directors before the directors resolve to make the directors' report
- b. the directors' report is signed within 7 days after the declaration is given
- c. the auditor's report is made within 7 days after the directors' report is signed and includes a statement that:
 - (i) either the declaration would be in the same terms if it was given to the directors at the time the auditor's report is made, or
 - (ii) circumstances have changed since the declaration was given to the directors and setting out how the declaration would differ if it was given to the directors at the time the auditor's report is made.

10. The directors' report must include a copy of the auditor's independence declaration made under CA307C in relation to the audit for the financial year. *ASIC Corporations (Directors' Report Relief) Instrument 2016/188* (ASIC 2016/188) permits the declaration to be transferred to a document included with the directors' report and financial report. At the date of this publication, ASIC has not extended ASIC 2016/188 to RSEs that are within the scope of Chapter 2M of the Corporations Act. However, we assume that ASIC will be amending the relief to cover RSEs and we have therefore relied on the relief in the preparation of this illustrative financial report.

Where advantage is taken of the relief in ASIC 2016/188, the directors' report must contain a clear cross reference to the page or pages containing the transferred information. VALUE ACCOUNTS Superannuation Fund includes a copy of the auditor's independence declaration separately from the directors' report on page 15 and references the auditor's independence declaration within the directors' report.

Dating and signing of report

CA307C

CA298(1AA)(c)
CA307C
ASIC2016/188

Directors' report

CA298(2)

11. The directors' report must be made in accordance with a resolution of the directors, specify the date on which it was made and be signed by a director.

Directors' report: Remuneration report

S300C(1)

Remuneration disclosure requirements

12. For periods beginning on or after 1 July 2024, the details set out in *Corporations Regulation 2M.3.04* in relation to the remuneration of key management personnel must be included in the annual directors' report for the entity in a separate and clearly identified section (e.g. under a heading Remuneration report).

13. Comparative remuneration disclosures are not mandatory and are not illustrated for VALUE ACCOUNTS Superannuation Fund. Preparers may choose to voluntarily include comparative information.

S.314AA

14. *Corporations Act* s 314AA requires the directors' report (which includes the Remuneration report) to be published annually on the entity's website within three months after the end of the entity's financial year.

Defining compensation and categories

CRM2M.3.04(4),(5)
AASB124(Aus9.1),
(Aus9.1.1)

15. References in the *Corporations Act* and the associated CR 2M.3.04 to 'remuneration' should be taken as referring to 'compensation' as defined and explained in AASB 124 *Related Party Disclosures*. Remuneration therefore includes all employee benefits (as defined in AASB 119 *Employee Benefits*) and share-based compensation benefits, being options as well as shares or any other equity instruments issued by the entity in exchange for services rendered by the KMP. It also means that the definitions for short-term and long-term employee benefits from AASB 119 apply. For example, if the Fund's annual leave obligations qualify as long-term benefits under AASB 119 because the entity does not expect to settle its annual leave obligations wholly within 12 months of when the relevant services were provided, then they must be presented as long-term benefit in the remuneration table.

Measuring compensation

CR2M.3.04(1)

16. Compensation must be measured in accordance with AASB 119 *Employee Benefits* and AASB 2 *Share-based Payment*. As a result, the amount disclosed as compensation should equal the amount expensed under those standards. This applies also to long service leave; that is, the amount disclosed in the remuneration table as a person's long service leave benefits should reflect the expense (normally the increase in the provision) recognised in relation to this person during the year.

Key management personnel appointed, resigned and/or changed during the period

CR2M.3.04(1)Item
2

17. Where a key management personnel was appointed and/or resigned during the period, only the compensation related to the services rendered, during the period the individual has served as a key management personnel. Where a person was appointed as director during the period, but was another type of key management personnel for some other part of the period, we consider all remuneration received by such a director during the period, whether as a director or as another key management person, should be disclosed as director's remuneration.

Remuneration for key management personnel services paid to an organisation or entity rather than to the key management personnel

CR2M.3.04(1)Item
16

18. If an amount attributable to the service of a member of the key management personnel for the most recently completed financial year is paid to an organisation or entity rather than to the member, for each such member, the remuneration report must include both the amount and the name of the organisation or entity.

Variable compensation

AASB119(70)

19. The accounting for the variable compensation, including the deferred portion, will depend on the terms and conditions of each arrangement. Different terms will also affect the appropriate accounting for those plans. Where long-term employee benefits in the scope of AASB 119 vest in instalments over a vesting period, there are two approaches to recognise the expenses. One approach would be to view the deferred component as one plan and use the plan's benefit formula to recognise the expenses over the service period, in accordance AASB 119 paragraph 70. Where benefits are

materially higher in later years, the expenses should be recognised over the vesting period on a straight-line basis.

20. A second approach is to view the bonus arrangement as multiple awards with different service periods. Under this approach, the plan's benefit formula is based on each award's individual service period. This means that the expense is recognised separately for each instalment over the respective service period for that instalment. The period of service is the period for which the employee is required to be employed by the entity before being unconditionally entitled to the bonus payments. For the purpose of this publication, we have used this second approach. However, the most appropriate approach will depend on the design of each individual plan.

AASB119(5)(a)

21. Similarly, the disclosure of variable compensation will also depend on the terms and conditions of each arrangement. If variable compensation is one benefit plan with a portion deferred for greater than 12 months, it would be considered a long-term employee benefit under AASB 119. If there are two incentive benefit plans i.e. a short-term and long-term incentive, the short-term incentive would only be considered a short-term benefit under AASB 119 if it is expected that the incentive would be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services.

APRA CPS 511

Deferral of variable remuneration

22. APRA Prudential Standard CPS 511 *Remuneration* requires an APRA regulated entity that is classified as a 'significant financial institution' (SFI), as defined by CPS 511, to defer variable remuneration for certain members of management on specified terms. Non-SFIs do not have to defer remuneration. While VALUE ACCOUNTS Superannuation Fund is not an SFI, we have illustrated how the deferral of variable remuneration might be disclosed for one member of the KMP.

23. CPS 511 paragraph 73 states an APRA-regulated entity must not accelerate the vesting of unvested variable remuneration for a person in a specified role no longer employed or engaged by the entity, unless specific exceptions have been included in the remuneration policy. A reference to 'specific exceptions' is limited to death, serious incapacity, serious disability, serious illness or partial vesting of only the amount required to enable the person to cover taxation obligations arising from the deferred variable remuneration at termination.

CR2M.3.04(2)

AASB124(17A)

Key management personnel services provided by another entity

24. AASB 124 paragraph 17A states that if an entity obtains key management personnel services from another entity, the entity is not required to apply the requirements in AASB 124 paragraph 17 to the compensation paid or payable by the other entity to the other entity's employees or directors. However, if the other entity is a related party, CR 2M.3.04(2) requires that, to the extent that the compensation relates to work performed for the RSE, the requirements of CR 2M.3.04(1) apply in the same way as if it were paid or given by the RSE. The Trustee is a related party of the Fund per the definition of related party in AASB 124 paragraph 9(b)(viii) and therefore the exemption in AASB 124 paragraph 17A will not apply in relation to amounts paid to the key management personnel by the Trustee.

CR2M.3.04(1)Item
12

Contractual arrangements with Directors and other key management personnel

25. The Fund is only required to disclose contracts for services negotiated between the Fund and a member of the key management personnel during the most recently completed financial year. This is different to listed companies which must disclose all contracts for services with key management personnel irrespective of the period.

26. If a contract for services was negotiated between the RSE licensee and a key management personnel, the remuneration report must include an explanation of how the amount of compensation was determined. To meet this requirement VALUE ACCOUNTS Superannuation Fund includes details of the Fund's remuneration policy and associated oversight. Funds should tailor their disclosure to meet this requirement based on the circumstances of how key management personnel compensation is determined.

Disclosures not illustrated: not applicable to VALUE ACCOUNTS Superannuation Fund

27. The following requirements are not illustrated in this publication as they are assumed not to be applicable to VALUE ACCOUNTS Superannuation Fund:

Directors' report – general disclosures

Item	Nature of disclosure
CA298(1A)	The financial report includes additional information to give a true and fair view of the financial position and performance
CA300(11AA)	Modification of auditor rotation requirements
CA300(2),(2A)	Amounts paid to the auditor for non-audit services are disclosed in the notes to the financial report
CA300(1)(ca)	Officers who are former auditors
CA300(14)	Applications for leave under CA237 to bring in, or intervene in, proceedings on behalf of the company
CA300(15)	Proceedings brought, or intervened in, on behalf of the company with leave under CA 237

Remuneration report

Item	Nature of disclosure
CR2M.3.04(1) Item10, 11, 13, 14 and 15.	Share-based payments granted to key management personnel, and shares, rights to shares and options held by key management personnel.
CR2M.3.04(1) Item3	The position of a KMP has changed during the year

VALUE ACCOUNTS Superannuation Fund

AASB101(49)(51)(a)

ABN 43 251 987 634

AASB101(51)(c)

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Financial statements

Accounting standard for financial statements presentation and disclosures

- | | |
|------------------------------|--|
| AASB1056(3) | 1. AASB 1056 applies to general purpose financial statements of each superannuation entity that is a reporting entity. |
| AASB1056(6) | 2. Where AASB 1056 is silent on accounting treatment and disclosure, the requirements of other applicable Accounting Standards need to be applied such as AASB 101 <i>Presentation of Financial Statements</i> . |
| AASB1056(8) | 3. According to AASB 1056, a superannuation entity shall present: <ul style="list-style-type: none"> a. a statement of financial position as at the end of the reporting period b. an income statement for the period c. a statement of changes in equity/reserves for the period d. a statement of cash flow for the period e. a statement of changes in member benefits for the period, and f. notes to the financial statements. |
| AASB101(11) | 4. The statements must all be presented with equal prominence. |
| AASB101(10) | 5. The titles of the individual statements are not mandatory and an entity can, for example continue to refer to the statement of financial position as 'balance sheet' and to the income statement as 'profit or loss'. The Fund has chosen to retain the titles statement of financial position and income statement, as they are in line with AASB 1056. |
| AASB10(27)
AASB1056(AG51) | 6. The Fund does not illustrate consolidated financial statements. Most superannuation Funds would qualify as an 'investment entity' and apply the exception under AASB 10 <i>Consolidated Financial Statements</i> . However, where that is the case, additional disclosures will be required under AASB 12 <i>Disclosure of Interests in Other Entities</i> . The exception does not apply to subsidiaries that provide services relating to the superannuation entity's investment activities. Such subsidiaries would therefore have to be consolidated. |
| AASB12(19A-G) | |

AASB 1056(8a)

Statement of financial position 1-27

	Notes	2025 \$'000	2024 \$'000
Assets 1-9			
AASB101(54)(i)	Cash and cash equivalents 12-15	2,931,258	2,475,987
AASB101(54)(h)	Other receivables	513,703	323,380
AASB101(55)	Due from brokers – receivables for securities sold	1,405,750	936,390
AASB101(54)(d)	Financial investments 10-11	14,995,175	15,219,910
AASB101(54)(o)	Deferred tax assets	26,698	18,693
Total assets		19,838,049	19,258,331
Liabilities 1-9			
AASB101(55)	Due to brokers – payables for securities purchased	1,979,239	1,706,551
AASB101(55)	Benefits payable	588,251	570,383
AASB101(54)(k),(55)	Other payables	71,870	54,274
AASB101(54)(m)	Financial liabilities 10-11	2,488,978	1,828,240
AASB101(54)(n)	Income tax payable	16,333	38,950
Total liabilities excluding member benefits		5,144,671	4,198,398
Net assets available for member benefits		14,693,378	15,059,933
AASB1056(14),(32), (AG10)	Defined contribution ('DC') member liabilities 20-22	13,466,064	13,123,035
AASB1056(14),(32), (AG10)	Defined benefit ('DB') member liabilities 20-22	1,338,687	1,785,770
Total net assets (liabilities)		(111,373)	151,128
Equity 26-27			
AASB101(54)(r)	Reserves	127,806	89,913
AASB1056(28)	Defined benefits that are over or (under) funded	(239,179)	61,215
Total equity (deficit)		(111,373)	151,128

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

Statement of financial position

Information to be disclosed in the statement of financial position

AASB101 (Aus 11.1)

AASB101(10)

1. Requirements for the presentation of the statement of financial position are primarily included in AASB 101. The standard applies to each entity which is required to prepare financial statements in accordance with Part 2M.3 of the Corporations Act, general purpose financial statements of each reporting entity, and to financial statements that are, or are held out to be, general purpose financial statements.

AASB101,(54)(55)

2. Paragraph 54 of AASB 101 sets out the line items that shall as a minimum be presented in the statement of financial position. Additional line items, headings and subtotals shall be presented in the statement of financial position when such presentation is relevant to an understanding of the entity's financial position.

AASB101(54)

3. As a minimum, the statement of financial position shall typically include line items that present the following amounts (not all being applicable to a typical superannuation fund):

- a. property, plant and equipment,
- b. investment property,
- c. intangible assets,
- d. financial assets (excluding amounts shown under separate lines),
- e. investments accounted for using the equity method,
- f. trade and other receivables,
- g. cash and cash equivalents,
- h. the total of assets classified as held for sale and assets included in disposal groups classified as held for sale in accordance with AASB 5,
- i. trade and other payables,
- j. provisions,
- k. financial liabilities (excluding amounts shown under separate lines),
- l. liabilities and assets for current tax, as defined in AASB 112,
- m. deferred tax assets and liabilities, as defined in AASB 112,
- n. liabilities included in disposal groups classified as held for sale in accordance with AASB 5,
- o. non-controlling interest, and
- p. issued capital, reserves and retained earnings attributable to owners of the parent.

AASB101(77)(78)

4. An entity shall disclose, either in the statement of financial position or in the notes, further sub-classifications of the line items presented, classified in a manner appropriate to the entity's operations. The detail provided in sub-classifications depends on the AAS requirements and on the size, nature and function of the amounts involved. The statement of financial position of the Fund shows an immaterial amount of 'other assets' and 'other liabilities'. However, if these were material, further details should be disclosed either in the statement of financial position or in the notes.

AASB7(8)

5. The carrying amounts of each of the following categories, as specified in AASB 9, shall be disclosed either in the statement of financial position or in the notes:
 - a. financial assets at fair value through profit or loss, showing separately (i) those designated as such upon initial recognition or subsequently, and (ii) those mandatorily measured at fair value through profit or loss
 - b. financial liabilities at fair value through profit or loss, showing separately (i) those designated as such upon initial recognition or subsequently and (ii) those that meet the definition of held for trading.

In addition to the above disclosures, AASB 7 provides further guidance on the disclosures that shall be included for assets and liabilities, as set out in the commentary to [note 2](#) and [note 3](#) to the financial statements to the financial statements

AASB1056(6)

Statement of financial position

Set out below is additional guidance on requirements that are specific to AASB 1056 and superannuation entities.

AASB101(60)

Current/non-current vs liquidity presentation

6. An entity presents current and non-current assets and current and non-current liabilities as separate classifications in its statement of financial position except when a presentation based on liquidity provides information that is reliable and is more relevant. When that exception applies, all assets and liabilities are presented broadly in order of liquidity.
7. A superannuation fund typically groups assets and liabilities by nature and presents them in decreasing order of liquidity, which may equate broadly to their maturities. This presentation is more relevant than distinguishing between current and non-current items as most assets and liabilities can be realised or settled in the near future.

AASB101(61)

8. Whichever method of presentation is adopted, an entity shall disclose the amount expected to be recovered or settled after more than twelve months for each asset and liability line item that combines amounts expected to be recovered or settled: (a) no more than twelve months after the reporting period, and (b) more than twelve months after the reporting period.
9. The Fund expects that all asset and liability amounts will be recovered or settled no more than twelve months after the reporting period, except for financial investments, derivatives and defined contribution and defined benefit member liabilities. In the case of financial investments, the Fund will manage the portfolio of assets based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at balance date.

Assets and liabilities measured at fair value

AASB1056(13)

10. All recognised assets and liabilities (except member liabilities, tax assets and liabilities, acquired goodwill, insurance assets and liabilities, and employer-sponsor receivables) must be measured at fair value at each reporting date.

AASB1056(AG24)

11. In determining the fair value measurements and accounting for any transaction costs, a superannuation fund applies the relevant principles and requirements in other applicable Australian Accounting Standards, including in particular AASB 13 *Fair Value Measurement*.

Cash and cash equivalents

AASB107(6)

12. Cash includes cash on hand and demand deposits. Cash equivalents are short-term highly liquid (with an original maturity of 3 months or less) investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

AASB107(7)

13. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Investments normally only qualify as cash equivalents if they have a short maturity of three months or less from the date of acquisition.
14. An investment in a cash management trust might meet the definition of a cash equivalent for statement of cash flow purposes where all investments held in the cash management trust qualify individually as cash and cash equivalents.
15. However, ordinarily a cash management trust would not meet the above definition and could not be a cash equivalent and would typically be at fair value through profit or loss.

Margin accounts

16. Preparers should closely consider the contractual terms of their margin accounts and broker arrangements to determine the appropriateness of the inclusion or exclusion of margin accounts in/from cash and cash equivalents.

Offsetting a financial asset and a financial liability

AASB132(42)

17. Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Specific disclosures apply to financial assets and liabilities which are offset in the Statement of financial position (or could be potentially offset) to recognise the net exposure

Statement of financial position

(when financial instruments are subject to an enforceable master netting arrangement or similar agreements). Please see note 5 to the financial statements for further information.

AASB132(43)

18. In other circumstances, financial assets and financial liabilities are presented separately from each other.

AASB101(54)(k)

19. Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but that have not yet settled at year end. In certain circumstances a netting arrangement might exist with brokers to allow the netting of unsettled trades.

Member liabilities

AASB1056(14)

20. Obligations relating to member entitlements shall be recognised as member liabilities.

AASB1056(15)

21. Member liabilities are measured as the accrued benefits of members. Accrued benefits are the benefits the superannuation entity is presently obliged to transfer to members or their beneficiaries in the future as a result of membership up to the end of the reporting period.

AASB1056(17)

22. Defined benefit member liabilities are measured as the amount of a portfolio of investments that would be needed as at the reporting date to yield future net cash inflows that would be sufficient to meet accrued benefits as at that date when they are expected to fall due.

Disaggregated financial information

AASB1056(32)

23. A superannuation fund shall disclose disaggregated information when it is necessary to explain the risks and benefit arrangements relating to different categories of members. In order to help explain the risks to which the different categories of members are exposed, the Trustee has disaggregated financial information accordingly.

AASB1056(AG34)(a)

24. A superannuation fund that has material member liabilities relating to different types of members, such as defined contribution members and defined benefit members, would need to consider separately presenting line items in the statement of financial position for each of the different membership types in respect of member liabilities.

Insurance arrangements for members

AASB1056(33)

25. A superannuation fund which is exposed to significant insurance risk shall:
- recognise liabilities and assets arising from its insurance and reinsurance arrangements
 - measure liabilities and assets arising from insurance and reinsurance arrangements using the approach to measuring defined benefit member liabilities, and
 - if reinsurance assets are impaired, reduce the carrying amount of those assets and recognise the impairment in the income statement.

For further guidance on insurance accounting and the presentation and disclosure requirements for a superannuation fund exposed to significant insurance risk refer to [Appendix A](#).

AASB1056(AusBC20)

With the issuance of AASB 17 *Insurance Contracts*, the AASB were aware that a superannuation entity 'acting in the capacity of an insurer' would apply AASB 1056 requirements as it overrides AASB 17. AASB 1057 *Application of Australian Accounting Standards* was also amended to clarify that superannuation entities should not apply AASB 17.

Equity

AASB1056(AG8)
AASB101(55)

26. Where a superannuation fund's total assets differ from its total liabilities (including defined contribution member liabilities, defined benefit member liabilities and any obligations to employer-sponsors), the difference is classified as equity and presented in accordance with applicable Australian Accounting Standards. In this case, the superannuation entity may need to present additional line items, headings and subtotals in the statement of financial position when such presentation is relevant to an understanding of the entity's financial position. The Fund has chosen to present a breakdown of its reserve balances in the statement of changes in equity.

AASB1056(AG9)

27. Differences between the total assets and total liabilities of a superannuation entity commonly arise in relation to matters such as reserves and in respect of defined benefit member's liabilities.

AASB 1056(8)(b)

Income statement ¹⁻¹²

		Notes	2025 \$'000	2024 \$'000
	Superannuation activities ⁵⁻¹⁰			
AASB1056(AG13), (AG29)(a)	Interest income		186,045	379,652
AASB1056(AG13), (AG29)(a)	Dividend income		379,803	470,476
AASB1056(AG13), (AG29)(a)	Distribution income		125,860	155,688
AASB1056(AG13), (AG29)(b)	Net changes in fair value of financial instruments	<u>6</u>	(489,030)	(741,628)
AASB1056(AG13)	Other income		1,015	1,257
AASB1056(9)(a)	Total net income		203,693	265,445
AASB1056(AG13), (AG29)(e)	Investment expenses		(80,193)	(119,948)
AASB1056(AG13), (AG29)(d)	Administration expenses		(14,917)	(13,768)
AASB1056(AG13)	Other expenses	<u>12</u>	(5,230)	(5,792)
AASB1056(9)(b)	Total expenses ¹⁰		(100,340)	(139,508)
	Results from superannuation activities before income tax expense ³⁻⁸		103,353	125,937
AASB1056(9)(f)	Income tax expense ¹¹	<u>11</u>	(13,990)	(54,493)
	Results from superannuation activities after income tax expense		89,363	71,444
AASB1056(9)(c)	Net benefits allocated to defined contribution members		(120,435)	(100,296)
AASB1056(9)(d), (AG16)	Net change in defined benefit member benefits ⁴		(195,329)	(89,319)
AASB1056(9)(e)	Operating result after income tax		(226,401)	(118,171)

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

Income statement

Requirements for the presentation of an income statement

AASB1056(AG7)

1. Requirements for the presentation the income statement are set out in AASB 101 *Presentation of Financial Statements*. Consistent with AASB 101, entities may use alternative titles for the financial statements to suit the individual circumstances.

AASB101(10)

Set out below is additional guidance on requirements that are specific to superannuation entities under AASB 1056.

AASB1056(AG17)

2. The style and format of the illustrative financial statements and note disclosures is not mandatory. Alternative formats and presentations are acceptable as long as they comply with the requirements of AASB 1056 and other applicable standards, including AASB 101 and AASB 107 *Statement of Cash Flows*.

In the income statement

AASB1056(9)

3. The income statement shall include line items that present, when applicable, the following amounts for the period:
 - a. income, in aggregate or subclassified,
 - b. expenses, in aggregate or subclassified,
 - c. net benefits allocated to defined contribution member accounts,
 - d. the net change in defined benefit member liabilities,
 - e. net result, and
 - f. income tax expense or benefit attributable to net result.

AASB1056(AG16)

4. The net change in defined benefit member liabilities for a period is the difference between the opening and closing balances of the defined benefit member liabilities for the period, after adjusting for:
 - a. contributions,
 - b. tax on contributions,
 - c. benefits to members, and
 - d. transfers between reserves and accrued benefits.

AASB101(32)

Income and expense items are not offset unless the criteria in AASB 101 paragraph 32 are met.

AASB101(35)

5. Examples of income and expense that are required or permitted to be offset, as applicable to superannuation funds, are gains and losses arising from a group of similar transactions reported on a net basis, for example, losses arising on financial instruments at fair value through profit or loss.

Either in the income statement or in the notes

AASB1056(AG13)

6. Revenues and expenses are presented in relevant sub-classifications in the income statement or notes to the financial statements.

AASB1056(22)

7. A superannuation entity shall disclose information that provides users with a basis for understanding the nature and amounts of income and expenses.

AASB1056(AG29)

8. To meet the objectives of AASB 1056 paragraph 22, when relevant, a superannuation entity shall disclose:
 - a. Income by class, such as interest, dividends and rentals;
 - b. Net gain or loss arising from the remeasurement of assets and liabilities measured at fair value;
 - c. Net gain or loss attributable to liabilities and assets arising from insurance arrangements the superannuation entity provides to its members;
 - d. Administration expenses;
 - e. Investment expenses, such as investment manager fees, investment consultant fees and custodian fees;

Income statement

- f. Actuarial fees;
- g. Audit fees;
- h. Commissions paid directly by the superannuation entity;
- i. Trustee fees and reimbursements; and
- j. Sponsorship and advertising expenses.

Insurance arrangements

AASB1056(10)

9. When a superannuation entity is exposed to significant insurance risk, the income statement or notes to the financial statements shall separately present insurance premiums, claim expenses, reinsurance expenses, reinsurance recoveries, and the net result from insurance activities. For further guidance on insurance accounting and the presentation and disclosure requirements for a superannuation entity exposed to significant insurance risk refer to [Appendix A](#).

With the issuance of AASB 17, the AASB were aware that a superannuation entity 'acting in the capacity of an insurer' would apply AASB 1056 requirements as it overrides AASB 17. AASB 1057 was also amended to clarify that superannuation entities should not apply AASB 17

Interest income and expense

AASB1056(AusBC20)

10. An entity shall disclose total interest income and total interest expense (calculated using the effective interest method) for financial assets that are measured at amortised cost or that are measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of AASB 9 (showing these amounts separately); or financial liabilities that are not measured at fair value through profit or loss.

In addition to items required by other Australian Accounting Standards, the profit or loss section or the statement of profit or loss shall include a line item that presents separately interest revenue calculated using the effective interest method.

The IFRS Interpretations Committee (the 'Committee') issued an agenda decision in March 2018 which concluded that the requirement in paragraph 82(a) of AASB 101 to present separately an interest income line item calculated using the effective interest method applies only to those assets that are subsequently measured at amortised cost or fair value through other comprehensive income. Consequently, interest income on financial assets measured at fair value through profit and loss should not be included in the same line item as interest income calculated using the effective interest method.

Some entities may wish, as a matter of accounting policy, to present additional line items, on the face of the income statement, for 'interest' on instruments measured at fair value through profit or loss. Whilst not addressed by the Committee, AASB 101 permits an entity to present additional line items where doing so is relevant to an understanding of the entity's financial performance. If such a presentation is adopted, the additional line items should be appropriately presented and labelled. Also, the entity's accounting policy, including how such amounts are calculated and on which instruments, should be disclosed.

Income tax expense / (benefit)

AASB1056(AG15)

11. The income tax expense or benefit attributable to profit or loss does not include the taxes levied on contributions, which are included in the statement of changes in member benefits and the amount of net benefits allocated to members.

Withholding taxes

AASB112(2),(77)

IFRS IC Agenda
decisions March 2006
and May 2009

AASB101(122)

12. Dividend income is recognised gross of any withholding taxes paid and franking credits. Consideration should be given to the appropriate presentation of withholding tax expense in the statement of comprehensive income. Withholding tax deducted at the source might be within the scope of AASB 112. This is likely to occur where the withholding tax is calculated based on a net amount of profit (for example, on net profits or dividends of the investment). Where a preparer has determined that the withholding tax is within the scope of AASB 112, it should be present such withholding taxes within the tax expense line. As withholding tax expense is not material for the Fund, it has not been disclosed separately.

AASB1056(8)(e)

Statement of changes in member benefits ¹⁻¹⁰

	<u>Notes</u>	DC member benefits \$'000	DB member benefits \$'000	Total \$'000
Balance at 1 July 2023		12,780,068	2,855,208	15,635,276
AASB1056(11)(a) Employer contributions ¹⁻²		288,145	392,749	680,894
AASB1056(11)(b) Member contributions ¹		63,604	74,320	137,924
AASB1056(11)(d) Transfers from other superannuation funds ¹		128,902	-	128,902
Successor fund transfer – XYZ Fund	<u>14, 20</u>	-	-	-
AASB1056(11)(c) Income tax on contributions ^{1,3}		(43,222)	(58,912)	(102,134)
Net after tax contributions		437,429	408,157	845,586
AASB1056(11)(e) Benefits to members or beneficiaries ¹		(1,499,595)	(665,655)	(2,165,250)
AASB1056(11)(f) Insurance premiums charged to members ^{1,10}		(14,407)	(33,616)	(48,023)
Death and disability insurance entitlements credited to members or beneficiaries ¹⁰		121,027	282,397	403,424
Transfers of members from DB to DC divisions ⁴		1,157,666	(1,157,666)	-
AASB1056(11)(i) Reserve transfers to (from) members ¹		40,551	7,626	48,177
AASB1056(11)(g) Net benefits allocated comprising: ^{1,5-6}				
AASB1056(AG20) Net investment income		104,065	-	104,065
		100,296		100,296
AASB1056(11)(h) Net change in member defined benefits ^{1,7}		-	89,319	89,319
Balance at 30 June 2024	<u>8</u>	13,223,331	1,785,770	15,009,101

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

AASB1056(8)(e)

Statement of changes in member benefits ¹⁻¹⁰

	Notes	DC member benefits \$'000	DB member benefits \$'000	Total \$'000
Balance at 1 July 2024 ⁸⁻⁹		13,123,035	1,785,770	14,908,805
AASB1056(11)(a) Employer contributions ¹⁻²		488,760	477,759	966,519
AASB1056(11)(b) Member contributions ¹		58,975	85,628	144,603
AASB1056(11)(d) Transfers from other superannuation funds ¹		113,300	-	113,300
Successor fund transfer – XYZ Fund	<u>14, 20</u>	13,000	-	13,000
AASB1056(11)(c) Income tax on contributions ³		(73,314)	(71,304)	(144,618)
Net after tax contributions		601,021	492,083	1,092,804
AASB1056(11)(e) Benefits to members or beneficiaries ¹		(1,331,291)	(564,160)	(1,895,451)
AASB1056(11)(f) Insurance premiums charged to members ^{1,10}		(15,578)	(34,918)	(50,496)
Death and disability insurance entitlements credited to members or beneficiaries ¹⁰		150,741	259,484	410,225
Transfers of members from DB to DC divisions ⁴		802,585	(802,585)	-
AASB1056(11)(i) Reserve transfers to (from) members ¹		28,416	7,684	36,100
AASB1056(11)(g) Net benefits allocated comprising: ^{1,5-6}				
Net investment income		125,353	-	125,353
Net administration fees		(4,918)	-	(4,918)
		120,435		120,435
AASB1056(11)(g)-(h) Net change in member defined benefits ^{1,7}		-	195,329	195,329
Balance at 30 June 2025	<u>8</u>	13,604,717	1,338,687	14,943,104

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

Statement of changes in member benefits

Information to be disclosed

- AASB1056(11)
1. A statement of changes in member benefits presents opening and closing balances for member liabilities and, when applicable, include the following line items for the period:
 - a. employer contributions,
 - b. member contributions,
 - c. taxes on contributions,
 - d. benefits transferred from/to the entity from/to other superannuation entities (including SFTs),
 - e. benefits to members or their beneficiaries,
 - f. insurance premiums charged to defined contribution member accounts,
 - g. net benefits allocated to defined contribution member accounts,
 - h. net changes to defined benefit member accrued benefits, and
 - i. amounts allocated to members from reserves.
- AASB1056(AG18)(a)
2. Employer contributions include both routine contributions and 'top-up' contributions made to fund defined benefit member liabilities.
- AASB1056(12)
3. Current tax and deferred tax are charged or credited directly to member liabilities and presented in the statement of changes in member benefits when the tax relates to items that are credited or charged, in the same or a different period, directly to member liabilities.
- AASB1056(AG19)
4. When a surplus in a defined benefit plan is being used to fund employer contributions for defined contribution members within the superannuation entity, the entity determines the most relevant presentation in the statement of changes in member benefits. That might include presenting a transfer from defined benefit member benefits to defined contribution member benefits as separate line items.
- AASB1056(AG18)(b)
5. Net benefits allocated to defined contribution members include the investment returns and fair value movements allocated to these members.
- AASB1056(AG20)
6. In relation to the net amount allocated to defined contribution member accounts, when appropriate, there shall be separate disclosure of net investment income and the administration costs charged to member accounts in the statement of changes in member benefits or in the notes to the financial statements.
- AASB1056(AG18)(c)
7. Net changes to defined benefit members may include a number of components including the service element, actual contributions and the interest cost associated with the liability.

Disaggregated financial information

- AASB1056(32)
- AASB1056(AG34)(b)
8. A superannuation entity discloses disaggregated information when it is necessary to explain the risks and benefit arrangements relating to different categories of members. In order to help explain the risks to which the different categories of members are exposed, the Trustee has disaggregated financial information in respect of this.
 9. A superannuation entity that has material member liabilities relating to different types of members, such as defined contribution members and defined benefit members, would need to consider separately presenting either a single statement of changes in member benefits with columns or notes showing the amounts relating to different membership types or separate statements of changes in member benefits for each different type of members. The Fund has presented a single statement of changes in member benefits with columns to show the disaggregated financial information for defined contribution members and defined benefit members.

Insurance arrangements for members

Superannuation entities not exposed to issued contracts with significant insurance risk, as holders of an insurance contract

Statement of changes in member benefits

AASB1056(AG43)(b)

10. If the superannuation entity is not exposed to significant insurance risk, insurance premiums are not revenues or expenses of the superannuation entity and do not give rise to insurance contract liabilities or reinsurance assets. However, premiums charged to member accounts and insurance benefits paid to members via the superannuation entity will affect the statement of changes in member benefits and should be presented separately, if material. [Appendix A](#) illustrates the additional presentation and disclosure requirements for entities exposed to significant insurance risk in accordance with AASB 1056.

AASB1056(8) (c)

Statement of changes in equity ¹⁻³

AASB1056 (AG22)

	Operational risk reserve \$'000	Investment reserves \$'000	Insurance reserve \$'000	Total reserves \$000	DB over or (under) funded \$'000	Total equity \$'000
Balance at 1 July 2023	13,775	46,118	19,518	79,411	238,065	317,476
Transfers to DC member accounts	(14,678)	(17,300)	(8,573)	(40,551)	-	(40,551)
Transfers to DB member accounts	(338)	(3,058)	(4,230)	(7,626)	-	(7,626)
Operating result	38,741	(882)	20,820	58,679	(176,850)	(118,171)
Balance at 30 June 2024	37,500	24,878	27,535	89,913	61,215	151,128
Transfers to DC member accounts	(14,673)	(2,950)	(10,793)	(28,416)	-	(28,416)
Transfers to DB member accounts	(1,643)	(1,468)	(4,573)	(7,684)	-	(7,684)
Successor fund transfer from XYZ Fund	3	158	100	261	-	261
Operating result	15,070	25,860	33,063	73,993	(300,394)	(226,401)
Balance at 30 June 2025	36,257	46,478	45,332	128,067	-239,179	-111,112

AASB101(113)

The above statement of changes in equity should be read in conjunction with the accompanying notes, in particular [note 10](#) regarding the reserves and [note 8](#) regarding the over/(under) funding of defined benefit plans and unallocated surplus (deficit) of defined contribution plans.

Statement of changes in equity

Requirements for the presentation of a statement of changes in equity

AASB1056(AG21)

1. Under AASB 1056, the interests of members of superannuation entities are liabilities and are not regarded as meeting the definition of an 'equity instrument' in paragraph 11 of AASB 132 *Financial Instruments: Presentation*.

AASB1056(AG8)

2. However, where a superannuation entity's total assets differ from its total liabilities (including defined contribution member liabilities and defined benefit member liabilities), the difference is classified as equity and presented in accordance with applicable AAS requirements.

AASB1056(AG9)

3. Differences between the total assets and total liabilities of a superannuation entity commonly arise in relation to matters such as reserves and a defined benefit plan deficit or surplus. Such items are classified as equity.

AASB1056(8)(d)

Statement of cash flows ¹⁻⁷

	Notes	2025 \$'000	2024 \$'000
AASB107(10),(14), (18)(a)	Cash flows from operating activities ¹		
	Interest income received	139,273	349,807
	Dividend income received	269,890	489,806
	Distribution income received	90,345	146,563
	Other income received	1,258	3,596
	Administration expenses paid	(15,698)	(14,934)
	Investment expenses paid	(76,625)	(125,674)
	Death and disability proceeds received from insurer	411,089	416,401
	Insurance premiums paid	(50,505)	(52,977)
	Other expenses paid	(5,230)	(5,793)
	Income taxes paid	(44,109)	(82,706)
	Net cash inflow/(outflow) from operating activities	14	1,124,089
AASB107(10),(16)	Cash flows from investing activities ⁴⁻⁵		
	Sales of financial investments	2,352,495	2,372,311
or	Purchases of financial investments	(1,868,753)	(2,288,745)
	Net cash inflow/(outflow) from investing activities	483,742	83,566
AASB107(10),(17)	Cash flows from financing activities ¹		
	Employer contributions received	969,862	674,894
	Member contributions received	144,603	137,924
	Transfers from (to) other superannuation entities	100,000	128,902
	Transfers from (to) successor fund transfers	606	-
	Benefit payments to members or beneficiaries	(1,862,765)	(1,714,102)
	Tax paid on contributions ³	(100,465)	(121,258)
	Net cash inflow/(outflow) from financing activities	(748,159)	(893,640)
	Net increase/(decrease) in cash and cash equivalents	455,271	314,015
	Cash and cash equivalents at the beginning of the period	2,475,987	2,161,972
	Cash and cash equivalents at end of year	13	2,475,987

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

Statement of cash flows

Requirements for the presentation of a statement of cash flows

1. AASB 101 requires that the financial statements include a statement of cash flows.
2. Requirements for the presentation of a statement of cash flows are set out in AASB 107. The standard applies to each entity which is required to prepare financial statements in accordance with Part 2M.3 of the Corporations Act, general purpose financial statements of each reporting entity, and to financial statements that are, or are held out to be, general purpose financial statements.

Information to be disclosed

3. The statement of cash flows shall report cash flows during the period classified by operating, investing and financing activities.
4. [Appendix A](#) illustrates the additional presentation and disclosure required for entities exposed to significant insurance risk.

Cash or cash equivalents

5. Paragraph 6 of AASB 107 defines investment activities as the acquisition and disposal of long-term assets and other investments not included in cash equivalents. In contrast, cash flows from operating activities are those that arising from the principal revenue-producing activities of the entity.
6. The Fund has classified its purchase and sale of investment as investment activities consistent with the illustrative presentation in AASB 1056. It is also arguable that superannuation funds generate significant returns from trading investments therefore these investment activities could be presented as operating activities.

Non-cash investing and financing transactions

7. Investing and financing transactions that do not require the use of cash or cash equivalents shall be excluded from a statement of cash flows. Such transactions shall be disclosed elsewhere in the financial statements in a way that provides all the relevant information about these investing and financing activities.

AASB107(1)

AASB107(6)

AASB107(15)

AASB107(43)

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Contents of the notes to the financial statement

Streamlining the annual report

1. There is a general view that financial reports have become too complex and difficult to read and that financial reporting tends to focus more on compliance than communication.
2. One common alternative presentation option is to group information about specific aspects of the fund's financial position and results of operations together, rather than following the order of the line items in the financial statements. For example, one section provides information about the fund's investments and another discusses member liabilities and other areas of risks. Critical information, such as information about significant estimates or judgements is made more prominent and easier to find. We have adopted this presentation for the Fund and highlighted information around critical judgements and significant estimates with shading.
3. Some financial statements also include relevant entity-specific accounting policies within the notes relating to individual line items in the financial statements, together with the information about significant estimates and judgements. Less significant accounting policies can then be disclosed in a separate note, which also explains the general basis. In a streamlined financial report these 'other' policies will often be disclosed at the very end of the notes to the financial statements, since they don't provide any entity-specific information. While this format is used for other VALUE ACCOUNTS publications, it has not been adopted for the Fund.
4. It is important to note that the structure used in this publication is not mandatory and it is only one possible example. In fact, our experience has shown that there is no one structure that is suitable for all entities. Rather, the appropriate structure depends on the Fund's structure and operations and each entity should consider what would be most useful and relevant for their stakeholders based on its individual circumstances. Further, entities might be required to adapt their financial statement structures as their operations evolve and new Australian Accounting Standards requirements become applicable.

Notes to the financial statements

AASB101(138)

1. General information ¹⁻²

AASB101(138)(b)

VALUE ACCOUNTS Superannuation Fund (the 'Fund') was created by a Trust Deed dated 1 December 1993 (the 'Trust Deed'). The purpose of the Fund is to provide retirement benefits to its members. For the purposes of the financial statements the Fund is a for profit entity.

AASB101(138)(b)

AASB1056(21)

The Fund consists of both a defined benefit division and a defined contribution division. Members of the defined benefit division are employees of Australian-based employers with defined benefit plans for their employees. Members of the defined contribution division are either those employees of Australian-based employers who have selected the Fund as the default fund for their employees or those members who have voluntarily selected the Fund.

AASB101(138)(a)

The defined benefit division of the Fund was closed to new members from 1 July 2002, with all new members since joining the defined contribution division of the Fund.

The Fund is managed by Super Trustee Pty Ltd (the 'Trustee') (ABN 43 251 987 635) which is incorporated in Australia. The registered office of the Trustee is 350 Harbour Street, Sydney, NSW 2000. Both the Trustee and the Fund are domiciled in Australia. The Trustee holds an Australian Financial Services Licence ('AFSL') and is a Registrable Superannuation Entity ('RSE').

AASB101(51)(b)
AASB110(17)

These financial statements cover the Fund as an individual entity. The financial statements of the Fund were authorised for issue by the directors of the Trustee on 14 September 2025. The directors of the Trustee have the power to amend and re-issue these financial statements.

During the year, the Trustee conditionally approved the successor fund transfer ('SFT') of members for all assets and liabilities of the ABC Fund, a defined contribution fund. This merger has not been completed as at 30 June 2025. For further details, refer to the subsequent event reported in [note 17](#).

During the year, the Trustee approved the SFT of members for all assets and liabilities of the XYZ Fund, a fully defined contribution fund. This merger has been completed as at 30 June 2025. For further details of the SFT, refer to [note 20](#).

General information

General information disclosures

AASB101(138)

1. An entity discloses the following, if not disclosed elsewhere in information published with the financial statements:
 - (a) the domicile and legal form of the entity, its country of incorporation and the address of its registered office (or principal place of business, if different from the registered office),
 - (b) a description of the nature of the entity's operations and its principal activities,
 - (c) the name of the parent, Trustee and the ultimate parent of the group, and
 - (d) if it is a limited life entity, information regarding the length of its life.

Date of authorisation for issue

AASB110(17),(18)

2. An entity discloses the date when the financial statements were authorised for issue and who gave that authorisation. If the entity's owners or others have the power to amend the financial statements after issue, the entity shall disclose that fact. It is important for users to know when the financial statements were authorised for issue, because the financial statements do not reflect events after this date.

AASB101(10)(e)

2. Summary of material accounting policies ¹⁻²²

AASB101(112)(a)

[Consider impact of climate change – see Appendix C](#)

Unless covered in other notes to the financial statements, the principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

AASB101(117),(119)

(a) Basis of preparation

AASB1054(7)

AASB101(51)(d)

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, the *Corporations Act 2001* and *Corporations Regulations 2001* and the provisions of the Trust Deed. The financial statements are presented in the Australian currency.

AASB101(60),(61)

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 investments, derivative liabilities and member liabilities.

AASB101(117)(a)

AASB1056(13)

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

(i) *New and amended standards adopted by the Fund* ¹²⁻¹⁴

AASB108(28)

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on or after 1 January 2024 that have a material effect on the financial statements of the Fund.

AASB108(30)

(ii) *New accounting standards and interpretations not yet adopted* ¹⁵⁻¹⁷

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2025, and have not been early adopted in preparing these financial statements. The Fund's assessment of the impact of these new standards and amendments is set out below:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to AASB 9 and AASB 7 (effective for annual periods beginning on or after 1 January 2026)

The AASB issued targeted amendments to AASB 9 and AASB 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. Among other amendments, the AASB clarified the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.

- AASB 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

The IASB issued the new standard on presentation and disclosure in financial statements, which replaces AASB 101, with a focus on updates to the statement of profit or loss. The AASB is currently considering the extend to which AASB 18 will be applicable to superannuation funds.

The key new concepts introduced in AASB 18 relate to:

- the structure of the statement of profit or loss with defined subtotals;
- the requirement to determine the most useful structured summary for presenting expenses in the statement of profit or loss;
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Fund is currently still assessing the effect of the forthcoming standard and amendments.

No other new standards or amendments to standards are expected to have a material effect on the financial statements of the Fund.

AASB101(119)

(b) Financial instruments

AASB7(21)

(i) Classification

AASB1056(13)

The Fund's investments and derivative liabilities are classified as fair value through profit or loss.

(ii) Recognition/derecognition

AASB7(21)

AASB9(5.1.1)

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in the fair value of the financial assets or financial liabilities from this date.

AASB9(3.2.3)

Investments are derecognised when the right to receive cash flows from the investments have expired or the Fund has transferred substantially all of the risks and rewards of ownership.

(iii) Measurement

AASB7(21)

AASB9(5.1.1)

At initial recognition, the Fund measures financial assets and financial liabilities at fair value. Transaction costs for financial assets and financial liabilities carried at fair value through profit or loss are expensed as incurred.

Subsequent to initial recognition, all financial assets and financial liabilities are measured at fair value. Gains and losses are presented in the income statement in the period in which they arise as net changes in fair value of financial instruments.

AASB7(21)

For further details on how the fair values of financial instruments are determined refer to [note 4](#).

(iv) Offsetting financial instruments

AASB132(42)

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability at the same time.

AASB101(119)

(c) Cash and cash equivalents ¹⁻²

AASB107(6),(8),(46)

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and cash held with the custodian of the Fund.

(d) Revenue recognition

AASB101(119)

AASB7(21)

AASB7(B5)(e)

Interest revenue from financial instruments that are held at fair value is determined based on the contractual coupon interest rate and includes interest from cash and cash equivalents.

AASB(5.7.1A)

Dividend and distributions income are recognised gross of withholding tax in the income statement within dividend income and distribution income when the Fund's right to receive payment is established.

Other changes in fair value for financial instruments are recorded in accordance with the policies described in [note 2\(b\)](#) to the financial statements.

AASB101(119)

(e) Foreign currency transactions and balances

AASB121(21),(28)

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses arise from the settlement of such transactions and from the translations at year end exchange rates of monetary items denominated in foreign currencies. Amounts are recognised in the period in which they arise within other income.

AASB121(23)

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at balance date. Translation differences on assets and liabilities carried at fair value are reported in the income statement on a net basis within net changes in fair value of financial instruments.

AASB101(119)

(f) Income tax

AASB112(46)

Under the *Income Tax Assessment Act 1997*, the Fund is a complying superannuation fund. As such, a concessional tax rate of 15% is applied on net investment earnings with deductions allowable for administrative and operational expenses. Financial investments held for less than 12 months are taxed at the Fund's rate of 15%. For financial investments held for more than 12

months, the Fund is entitled to a further discount on the tax rate leading to an effective tax rate of 10% on any gains/(losses) arising from the disposal of investments.

AASB112(12),(46)

Current tax is the expected tax payable on the estimated taxable income for the current year based on the applicable tax rate adjusted for instalment payments made to the ATO during the year and by changes in deferred tax assets and liabilities attributable to temporary differences.

AASB112(24),(34)

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the amounts used for taxation purposes. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise temporary differences and losses.

AASB112(71),(74)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

AASB101(119)

(g) Due from/to brokers

AASB7(21)

AASB139(59)

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date. These amounts are recognised initially at fair value and subsequently measured at fair value.

AASB101(119)

(h) Receivables

AASB7(21)

AASB1056(13)

Receivables may include amounts for dividends, interest and trust distributions and are measured at fair value. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in [note 2\(d\)](#) above. Amounts are generally received within 30 days of being recorded as receivables.

AASB101(119)

(i) Payables

AASB1056(13)

Payables include liabilities, members' benefits payable and accrued expenses owing by the Fund which are unpaid as at the end of the reporting period and are measured at fair value. These amounts are unsecured and are usually paid within 30 days of recognition.

AASB101(119)

(j) Member liabilities

AASB1056(15),(16)

The entitlements of members to benefit payments are recognised as liabilities. They are measured at the amount of the accrued benefits as at the reporting date, being the benefits that the Fund is presently obliged to transfer to members, or their beneficiaries, in the future as a result of the membership up to the end of the reporting period. Refer to [note 8](#) for details.

AASB101(119)

(k) Contributions received and transfers from other superannuation funds including successor fund transfer

AASB1056(11)

Contributions received and transfers from other funds are recognised in the statement of changes in member benefits when the control of the contribution or transfer has transferred to the Fund. They are recognised gross of any taxes. For successor fund transfers, refer to [note 20](#) for details.

AASB101(119)

(l) Goods and Services Tax ('GST')

UIG1031

The GST incurred on the costs of services provided to the Fund by third parties such as administration, investment management and custodial fees have been passed onto the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of 75%, such that investment management fees, custodial fees and other expenses have been recognised in profit or loss net of the amount of GST recoverable from the Australian Taxation Office ('ATO'). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the Statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

AASB101(119)

(m) Use of estimates

AASB101(122)

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates are evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over-the-counter derivatives or unquoted securities, are fair valued using valuation techniques. Where valuation techniques (for example,

pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For more information on how fair value is calculated please see [note 4](#) to the financial statements.

The Fund also makes estimates and assumptions in relation to the valuation of defined benefit member liabilities, details of which are set out in [note 8\(c\)](#).

(n) Rounding of amounts

AASB101(51)(e)

The Fund is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest million dollars, unless otherwise indicated.

Summary of material accounting policies

Cash and cash equivalents

Definition of cash and cash equivalents

1. In accordance with paragraph 7 of AASB 107, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Short-term investments will meet the definition of 'cash equivalents' and will be presented as cash equivalents only where they are held as a means of settling 'existing or potential cash commitments' in the near term, and not as an investment or for any other purpose.

Judgement might be required in some cases to conclude whether a particular asset should be classified as a cash equivalent. This will depend on the facts and might include consideration of the commercial reason for holding the asset, past practice and management intention.

Short-term investment

2. Many short-term instruments are readily convertible to known cash amounts, but only highly liquid instruments that are subject to insignificant risk of changes in value can be classified as cash equivalents.

The term 'readily convertible' implies that the investment would be convertible into cash without an undue period of notice and without incurring a significant penalty.

An investment with a maturity period of three months or less from the acquisition date will generally qualify as a cash equivalent, provided it is used for cash management purposes.

An investment will not become a cash equivalent when its remaining maturity period becomes three months or less, because the maturity period is measured from the acquisition date.

Whether to disclose an accounting policy

3. In deciding whether a particular accounting policy should be disclosed, management considers whether disclosure would assist users in understanding how transactions, other events and conditions are reflected in the reported financial performance and financial position.

4. Some Australian Accounting Standards specifically require disclosure of particular accounting policies, including choices made by management between different policies they allow. For example, the entity has elected to retain use of bid-ask prices to fair value actively quoted financial instruments. Where management elects to use an alternative basis, such as last traded price or mid-point, it should describe this change as part of its accounting policies.

5. The AASB has amended AASB 101 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting policy information.

6. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

7. Even if a transaction or other event is material in terms of amounts, accounting policy information could be omitted if the information itself is not material for an understanding of the entity's accounting for that particular transaction or event. Conversely, accounting policy information for less significant transactions or other events could, because of the nature of the related transaction or event, be material.

8. Factors to consider when determining if accounting policy information is material could include, but not necessarily be limited to, the following:

- (a) The entity changed its accounting policies during the reporting period, and the change resulted in a material change to the information in the financial statements.

AASB107(6),(8),(46)

AASB107(6),(8),(46)

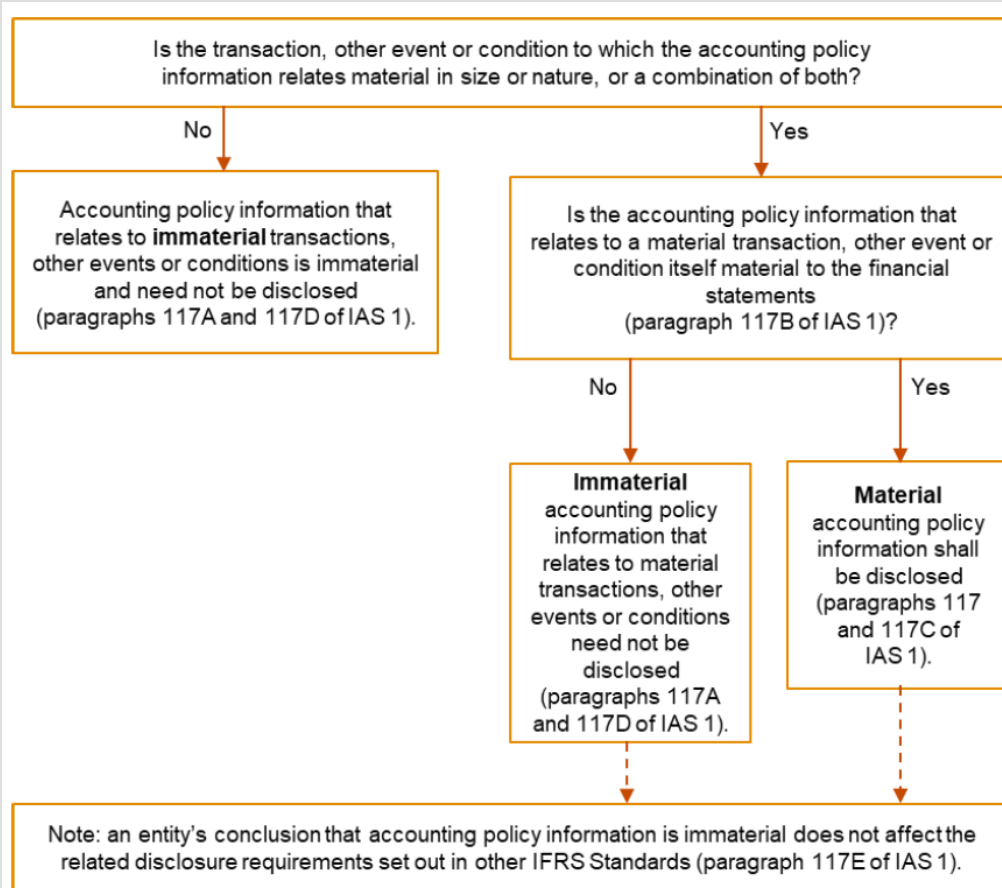
AASB2021-2

AAS101(117)

AAS101(117A)

AAS101(117B)

- (b) The accounting policies were chosen from a set of alternatives under Australian Accounting Standards ('AAS').
 - (c) Accounting policies for the particular transaction or event are not specifically described under AAS, hence the entity derived the accounting policies using the guidance in paragraphs 10-12 of AASB 108.
 - (d) The accounting policies relate to areas where the entity was required to apply significant judgement or assumptions in applying those policies, and the entity discloses those judgements or assumptions as required by paragraphs 122 and 125 of AASB 101.
 - (e) The accounting requirements for the particular transaction or event are complex, hence the primary users of the financial statements need information about the accounting policies to gain an understanding of the accounting for that transaction or event.
9. Accounting policy information that is entity-specific and tailor-made is more relevant for the primary user's understanding of the financial statements than generic information ("boilerplate information").
10. To support the amendments made to AASB 101, the AASB also amended AASB Practice Statement 2 *Making Materiality Judgements* to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The following decision tree from the practice statement may be helpful in determining if accounting policy information should be disclosed for any particular transaction or event:



11. Preparers should note that AASB 7 states that information about the measurement basis (bases) for financial instruments used in preparing the financial statements is expected to be material accounting policy information. Disclosure of the measurement bases of financial instruments may include:
- (a) the nature of financial assets and financial liabilities that have been designated at fair value through profit or loss (FVPL), the criteria for designating them at FVPL and how the entity has satisfied the conditions in AASB 9 for such designation,

AASB7(21),(B5)

- (b) whether regular way purchases and sales of financial assets are accounted for at trade date or at settlement date, and
- (c) how net gains or net losses on each category of financial instruments are determined (e.g. for example, whether the net gains or losses on items at FVPL include interest or dividend income).

Changes in accounting policy – new and revised accounting standards

12. Where an entity has changed any of its accounting policies either as a result of a new or revised accounting standard or voluntarily it must explain the change in its notes. Additional disclosures are required where a policy is changed retrospectively. For further information, refer to the 'Disclosures not illustrated: not applicable to VALUE ACCOUNTS Superannuation Fund' section below.
13. New or revised accounting standards and interpretations only need to be disclosed if they resulted in a change in accounting policy which had an impact in the current year or could impact on future periods. There is no need to disclose pronouncements that did not have any impact on the entity's accounting policies and amounts recognised in the financial statements.
14. For the purpose of this edition, we have assumed that VALUE ACCOUNTS Superannuation Fund did not have to make any changes to its accounting policies as a result of the amendments summarised in [Appendix D\(a\)](#). However, this assumption will not necessarily apply to all entities. Where there has been a change in policy, this will need to be explained. For further information, refer to the 'Disclosures not illustrated: not applicable to VALUE ACCOUNTS Superannuation Fund' section below.

Early adoption of accounting standards

15. VALUE ACCOUNTS Superannuation Fund does not generally adopt any standards or amendments to standards early, unless the amendments are only clarifying existing practice and do not introduce any major changes. For a listing of standards and interpretations that were on issue as at 30 September 2024 but not yet mandatory, refer to [Appendix D\(c\)](#).

Standards and interpretations issued but not yet effective

16. Entities must explain if there are any accounting standards and interpretations which are not yet applied but are expected to have a material effect on the entity in the current period and on foreseeable future transactions. Where a pronouncement introduces a new accounting option that was not previously available, the entity should explain whether and/or how it expects to use the option in the future.
17. In our view, where the expected impact is material, entities should make these disclosures even if the new accounting pronouncement is issued after the reporting date but before the date of authorisation of the financial statements.

Disclosures not illustrated: not applicable to VALUE ACCOUNTS Superannuation Fund

19. The following requirements are not illustrated in this publication as they are assumed not to be applicable to VALUE ACCOUNTS Superannuation Fund:

Voluntary changes in accounting policy

20. The disclosures for mandatory and voluntary changes in accounting policies are similar. Amongst others, entities must disclose in both cases the nature of the change in accounting policy, adjustments for the current and prior periods presented and adjustments relating to periods before those presented. However, entities that have voluntarily changed an accounting policy shall also explain the reasons why applying the new accounting policy provides reliable and more relevant information.

Impact of change on the current period

21. AASB 108 specifically requires disclosure of the effect of a change in accounting policy not only on prior periods but also on the current period, unless it is impracticable to determine the amount of the adjustment. To make this disclosure, entities will need to apply both the old accounting policy and the new policies parallel in the year of adoption. The standard includes a definition of impracticable and a set of criteria that must be satisfied for the exemption to be applied, setting quite a high hurdle for using this exemption.

Change of accounting policy in response to IFRS Interpretations Committee agenda decisions

22. While IFRS Interpretations Committee agenda decisions do not form part of IFRSs or AAS, they often produce explanatory material that provides new information 'that was not otherwise available and could not otherwise reasonably have been expected to be obtained' relating to the application of accounting standards. Therefore, an entity might be required to change its previous accounting treatment following the issue of an IFRS Interpretations Committee agenda decision. Often, but not always, changes resulting from an agenda decision would be a voluntary accounting policy change in accordance with AASB 108 as it arises from 'new information' and would generally have to be applied retrospectively. For a list of agenda decisions issued in the last 12 months, see [Appendix D\(b\)](#).

Financial instruments

Not mandatory This section provides information regarding the Fund's financial instruments including details of various risks arising from these financial instruments, how they could affect the Funds' financial position and performance and how the Trustee manages these risks.

3.	Financial risk management	48
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3. Financial risk management ¹⁻⁴³

AASB7(31)(32) The Fund's activities expose it to a variety of financial risks: market risk (including price risk, currency risk, and interest rate risk), credit risk and liquidity risk.

AASB7(33) The Trustee's overall objective is to maximise the Funds risk-adjusted returns over the medium to long term. The Trustee has established a Board Investment Committee ('BIC') which is governed by a charter and oversees the implementation of the Fund's Investment Governance Framework ('IGF') to support the achievement of the Fund's investment objective.

[Consider impact of climate change – see Appendix C](#)

The IGF sets out the Trustee's investment beliefs and the policies, procedures, standards, resources and governance measures relevant to the management of the Fund's investments.

(a) Market risk

(i) Price risk

AASB7(33)(a)(b) The Fund is exposed to equity securities and derivative price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates. Section (ii) below sets out how this component of price risk is managed and measured.

The Trustee mitigates price risk through diversification, the use of over the counter ('OTC') option contracts, and a careful selection of securities and other financial instruments within specified limits set by the Board, to hedge the Fund's exposure to price risk. Between 70% and 120% of the net assets available for member benefits are invested in equity securities and related derivatives.

The majority of the Fund's equity investments are publicly traded and are included in the Australian Securities Exchange (ASX) 200 Index, the NYSE International 100 Index or the FTSEurofirst 300 index. Compliance with the Fund's Product Disclosure Statement and the Fund's tracking error with reference to the MSCI World Index, which is the Fund's target benchmark, is reported to the BIC on a monthly basis.

The Fund's policy also limits individual equity securities to no more than 5% of net assets available for member benefits. The Fund had no concentrations in individual equity positions exceeding 4% (2024: 5%) of the net assets available for member benefits at 30 June 2025.

AASB7(34) At 30 June 2025, the fair value of equity securities and related derivatives exposed to price risk were as follows:

	Note	2025 \$'000	2024 \$'000
Equity securities		7,863,444	6,572,997
Unlisted unit trusts	<u>7</u>	2,895,077	3,379,979
Increase/(decrease) from OTC equity options (notional principal)		(500,458)	(498,345)
Net exposure to price risk		10,258,063	9,454,631

The Fund also manages its exposure to price risk by analysing the investment portfolio by industrial sector and benchmarking the sector weighting to that of the MSCI World Index. The Fund's policy is to concentrate the investment portfolio in sectors where management believes that the Fund can maximise the returns derived for the level of risk to which the Fund is exposed. The table below is a summary of the significant sector concentrations within the equity portfolio, net of OTC equity options.

Sector	30 June 2025		30 June 2024	
	Fund's equity portfolio (%)	MSCI benchmark allocation (%)	Fund's equity portfolio (%)	MSCI benchmark allocation (%)
Telecommunications services	2.9	3.1	1.9	3.6
Materials	1.9	3.6	2.1	3.3
Utilities	2.1	3.7	3.1	3.6
Consumer discretionary	9.9	8.4	10.2	8.5
Industrials	13.2	11.4	10.5	11.5
Consumer staples	9.8	11.6	11.5	10.2
Health care	12.8	12.9	11.2	12.0
Energy	14.1	13.8	14.2	12.9
Financial services	18.2	14.4	18.1	17.6
Information technology	15.1	17.1	17.2	16.8
Total	100.0	100.0	100.0	100.0

AASB7(35) At the year ended 30 June 2025, the Fund's exposure to various industry sectors was significantly different to the exposure as at 30 June 2024. The Fund moved to an overweight position in the industrials sector at 30 June 2025. This movement was at the expense primarily of the 'consumer staples' and 'information technology' sectors. Although 'consumer staples' and 'information technology' sectors were in an overweight position at 30 June 2024, these sectors moved to an underweight position at 30 June 2025.

AASB7(33) The table in [note 3\(b\)](#) summarises the impact of an increase/decrease of the MSCI World Index on the Fund's net assets available for members benefits. The analysis is based on the assumptions that the index increased by 10% (2024: 7.5%) and decreased by 20% (2024: 15%) with all other variables held constant and that the fair value of the Fund's portfolio of equity securities and derivatives moved according to the historical correlation with the index. This represents management's best estimate of a reasonably possible shift in the MSCI World Index, having regard to the historical volatility of the index. The impact mainly arises from the reasonably possible change in the fair value of listed equities, unlisted unit trusts and equity derivatives.

AASB7(40) The Fund and its investment managers use the MSCI World Index as a reference point in making investment decisions. However, the Trustee does not manage the Fund's investment strategy to track the MSCI World Index or any other index or external benchmark. The sensitivity analysis presented is based upon the portfolio composition as at 30 June and the historical correlation of the securities comprising the portfolio to the MSCI World Index. The composition of the Fund's investment portfolio and the correlation thereof to the MSCI World Index, is expected to change over time. The sensitivity analysis prepared as of 30 June is not necessarily indicative of the effect on the Fund's net assets available for member benefits of future movements in the level of the MSCI World Index.

(ii) Foreign exchange risk

AASB7(33)(a)(b) The Fund holds investments globally and has financial assets and liabilities denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of monetary securities denominated in foreign currencies will fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk,

and not foreign exchange risk. However, management monitors the exposure on all foreign currency denominated assets and liabilities.

The Trustee's policy is to economically hedge up to 95% of the direct foreign currency exposure on financial assets and liabilities using forward foreign exchange contracts. Compliance with the Fund's hedging policy is monitored by the BIC on a regular basis. However, for accounting purposes, the Fund does not designate any derivatives in a hedging accounting relationship, and hence these derivative financial instruments are classified as at fair value through profit or loss.

When the Trustee formulates a view on the future direction of foreign exchange rates and the potential impact on the Fund, the Trustee factors that into its portfolio allocation decisions. While the Fund has direct exposure to foreign exchange rate changes on the price of non-Australian dollar-denominated securities, it might also be indirectly affected by the impact of foreign exchange rate changes on the earnings of certain companies in which the Fund invests directly, even if those companies' securities are denominated in Australian dollars, or invests indirectly through investment in Australian denominated funds that invests in non-Australian denominated securities. For that reason, the sensitivity analysis below might not necessarily indicate the total effect on the Fund's net assets available for members benefits of future movements in foreign exchange rates.

The table below summarises the Fund's financial assets and liabilities, monetary and non-monetary, which are denominated in foreign currencies.

	30 June 2025		30 June 2024	
	US Dollars A\$'000	Euro A\$'000	US Dollars A\$'000	Euro A\$'000
Cash and cash equivalents	537,895	264,894	463,779	235,478
Due from brokers – receivables for securities sold	12,430	24,658	10,363	29,554
Financial investments				
Equity securities	2,397,930	2,075,247	1,600,201	1,255,802
Fixed interest securities	685,123	592,928	457,201	358,801
Units in unit trusts	308,305	266,818	205,740	161,460
OTC equity options	34,256	29,646	22,860	17,940
Due to brokers – payables for securities purchased	(41,001)	(23,575)	(38,456)	(20,124)
Interest rate swaps	(247,886)	(302,971)	(173,597)	(212,174)
Increase/(decrease) from forward foreign exchange contracts (notional principal)	(3,358,958)	(2,534,881)	(2,157,801)	(1,459,261)
Net exposure to foreign exchange risk	328,094	392,764	390,290	367,476

AASB7(33)(b) In accordance with the Fund's policy, the Trustee monitors the Fund's foreign exchange exposure on a daily basis, and reports periodically to the Board Investment Committee

AASB7(33)(c)

At the year ended 30 June 2025, the Fund's foreign exchange exposure was significantly different to the exposure as at 30 June 2024. The Fund decreased its exposure to the Euro and increased its exposure to the US dollar based on changes in the investment strategy.

AASB7(33)

The table within [note 3\(b\)](#) summarises the sensitivities of the Fund's monetary assets and liabilities to foreign exchange risk. The analysis is based on the assumption that the Australian dollar weakened and strengthened by 15% (2024: 10%) against the US dollar and weakened and strengthened by 15% (2024: 10%) against the Euro, being the material foreign currencies to which the Fund is exposed.²⁶

This represents management's best estimate of a reasonably possible shift in the foreign exchange rates, having regard to historical volatility of those rates. This increase or decrease in the net assets available for members benefits arises mainly from a change in the fair value of US dollar equity and debt securities and Euro equities that are classified as financial assets and liabilities at fair value through profit or loss.

(iii) Cash flow and fair value interest rate risk

AASB7(33)(a)(b)

The Fund is exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed interest rates expose the Fund to fair value interest rate risk.

The Fund's interest-bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis.

The Fund's policy is to hold between [X]% and [X]% of the net assets available for members benefits invested in debt securities. Compliance with the Fund's policy is reported to the Board on a monthly basis. The Fund might also enter into derivative financial instruments to mitigate the risk of future interest rate changes. At year end, the Fund held interest rate swaps, as disclosed in [Note 4](#) to the financial statements.

The Fund has direct exposure to interest rate changes on the valuation and cash flows of its interest bearing assets and liabilities. However, it might also be indirectly affected by the impact of interest rate changes on the earnings of certain companies in which the Fund invests and impact on the valuation of certain assets that use interest rates as an input in their valuation model. Therefore, the sensitivity analysis within [note 3\(b\)](#) might not fully indicate the total effect on the Fund's net assets attributable to unitholders of future movements in interest rates.

The table below summarises the Fund's direct exposure to interest rate risk including the Fund's use of interest rate swap contracts which are used to manage exposure to interest rate risk.

30 June 2025				
	Floating interest rate A\$'000	Fixed interest rate A\$'000	Non-interest bearing A\$'000	Total A\$'000
Financial assets				
Cash and cash equivalents	2,896,723	-	-	2,896,723
Due from brokers – receivables for securities sold	-	-	1,405,750	1,405,750
Financial investments	-	3,587,639	11,407,536	14,995,175
Financial liabilities				
Due to brokers – payables for securities purchased	-	-	(1,979,239)	(1,979,239)
Financial liabilities	-	-	(2,488,978)	(2,488,978)
Increase/(decrease) from interest rate swap contracts (notional principal)	(528,983)	528,983	-	-
Net exposure interest rate risk	2,367,740	4,116,622	8,345,069	14,829,431

30 June 2024				
	Floating interest rate A\$'000	Fixed interest rate A\$'000	Non-interest bearing A\$'000	Total A\$'000
Financial assets				
Cash and cash equivalents	2,759,958	-	-	2,759,958
Due from brokers – receivables for securities sold	-	-	936,390	936,390
Financial investments	-	2,817,365	12,402,545	15,219,910
Financial liabilities				

Due to brokers – payables for securities purchased	-	-	(1,706,551)	(1,706,551)
Financial liabilities	-	-	(1,828,240)	(1,828,240)
Increase (decrease) from interest rate swap contracts (notional principal)	(498,321)	498,321	-	-
Net exposure interest rate risk	2,261,637	3,315,686	9,804,144	15,381,467

AASB7(33)

The table in section 3(b) summarises the impact of an increase/decrease of interest rates on the Fund's operating profit and net assets available for member benefits through changes in fair value or changes in future cash flows. The analysis is based on the assumption that interest rates changed by +25 basis points and -10 basis points (2024: +25/-10 basis points) from the year end rates with all other variables held constant. The impact mainly arises from changes in the fair value of debt securities.

AASB7(40)

(b) Summarised sensitivity analysis ²⁷⁻²⁸

The following table summarises the sensitivity of the Fund's operating profit and net assets available for member benefits to price risk, foreign exchange risk and interest rate risk. 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 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, historic variations in risk variables should not be used to predict future variations in the risk variables, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables should not be used to predict future variations in the risk variables

	Price risk		Foreign exchange risk				Interest rate risk	
	Impact on operating profit/net assets available for member benefits							
	-20% MSCI Index	+10% MSCI Index	-15% USD	+15% USD	-15% EUR	+15% EUR	-10 bps	+25 bps
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2025	(2,051,612)	1,025,807	(49,212)	49,212	(58,916)	58,916	10,709	(26,774)

	Price risk		Foreign exchange risk				Interest rate risk	
	Impact on operating profit/net assets available for member benefits							
	-15% MSCI Index	+7.5% MSCI Index	-10% USD	+10% USD	-10% EUR	+10% EUR	-10 bps	+25 bps
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2024	(1,418,195)	709,097	(39,029)	39,029	(36,748)	36,748	98,548	(98,448)

In determining the impact of an increase/decrease in net assets available for member benefits arising from market risk, the Trustee has considered prior period and expected future movements of the portfolio information in order to determine a reasonably possible shift in assumptions.

The Fund has changed certain assumptions in the current year as a result of heightened market volatility.

The Fund has not made any other changes to the methods or assumptions used to determine its sensitivity to the market risk compared to the comparative period.

(c) Credit risk¹⁷

AASB7(33)(a)(b)

The Fund 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 a financial loss to the Fund.

The main concentration of credit risk, to which the Fund is exposed, arises from the Fund's investment in interest bearing securities. The Fund is also exposed to credit risk on derivative financial instruments, cash and cash equivalents, amounts due from brokers and other receivables. The Trustee monitors the Fund's credit risk exposure on a regular basis.

AASB7(35B)(a)

The Fund measures credit risk using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information. At 30 June 2025 and 30 June 2024, all receivables, amounts due from brokers, cash and short-term deposits are held with counterparties with a credit rating of AA or higher and are either callable on demand or due to be settled within one week. Management consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

(i) Fixed interest securities

AASB7(35B)(c)

The Fund invests in fixed interest securities which are rated by Credit Rating Agency Limited. For unrated assets the Trustee assess credit risk using an approach similar to that used by rating agencies. All debt securities must have an investment rating of BBB or higher as determined by the Credit Rating Agency Limited to be considered investment grade. An analysis of debt securities by rating is set out in the following table.

	Rating	30 June 2025 \$'000	30 June 2024 \$'000
Australian			
AAA		697,524	1,237,801
AA		124,568	221,053
A		30,773	54,609
BBB		20,336	36,088
		873,201	1,549,551
International			
AAA		456,897	810,792
AA		257,541	457,022
		714,438	1,267,814
Total		1,587,639	2,817,365

AASB7(36)

(ii) Derivative financial instruments

For derivative financial instruments, the Trustee has established limits such that, at any time, less than 10% of the fair value of favourable contracts outstanding are with any individual counterparty and all contracts are with counterparties included in the Trustee's Approved Counterparties list.

Derivatives might be traded on an exchange (exchange traded) or they might be privately negotiated contracts, which are referred to as Over-The-Counter ('OTC') derivatives. The Fund's

OTC derivatives are cleared and settled either through central clearing counterparties (OTC-cleared), or bilateral contracts between two counterparties.

Exchange traded and OTC-cleared derivative contracts have reduced credit risk as the counterparty is a clearing house. The clearing house is responsible for managing the risk associated with the process on behalf of their members and ensuring it has adequate resources to fulfil its obligations when they become due. Clearing house members are required to provide initial margins in accordance with the exchange rules in the form of cash or securities, and provide daily variation margins in cash to cover changes in market values. Further, all members are generally required to contribute to (and guarantee) the compensation or reserve fund which might be used in the event of default and shortfall of a member.

The Fund also restricts its exposure to credit losses on the trading of certain OTC derivative instruments it holds by entering into master netting arrangements with counterparties (approved brokers) with whom it undertakes a significant volume of transactions. Master netting arrangements do not result in an offset of Statement of financial position assets and liabilities, because transactions are usually settled on a gross basis. However, the credit risk associated with favourable contracts is reduced by master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are closed and settled on the net basis. The Fund's overall exposure to credit risk on derivative instruments subject to a master netting arrangement can change substantially within a short period, as it is affected by each transaction subject to the arrangements. Refer to [note 5](#) to the financial statements for further analysis of the Fund's master netting arrangements.

AASB7(36)

(iii) Settlement of securities transactions

All transactions in listed securities are settled upon delivery using brokers approved by the BIC. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once purchase on the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

AASB7(36)

(iv) Cash and cash equivalents

The Fund's exposure to credit risk for cash and cash equivalents is considered low as all counterparties have a rating of AA (as determined by the Credit Rating Agency Limited) or higher.

AASB7(36)

(v) Assets in custody

The clearing and depository for the Fund's security transactions are concentrated with one counterparty, namely Custodian Limited. Custodian Limited had a credit rating of AA at 30 June 2025 (30 June 2024: AA). At 30 June 2025, substantially all cash and cash equivalents, balances due from broker and investments are held in custody by Custodian Limited.

(vi) Maximum exposure to credit risk

AASB7(36)(a)

The Fund's maximum exposure to credit risk before any credit enhancements is the carrying amount of the financial assets. None of the Fund's assets are past due.

(d) Liquidity risk ¹⁸⁻²⁰

AASB7(33)(a)

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations to members or counterparties in full as they fall due or can only do so on terms that are disadvantageous.

The Fund's liquidity policy is designed to ensure it will meet its obligations as and when they fall due by ensuring it has sufficient cash and liquid assets to sell without adversely affecting the Fund's net asset value. The Fund's liquidity policy is designed to ensure it maintains sufficient cash and liquid investments to meet its obligations to members and counterparties in both orderly markets and in periods of stress.

The BIC regularly monitors the Fund's liquidity position and reviews the results of liquidity stress testing across a number of different scenarios. These tests assess the impact on the liquidity of the investment portfolio and any consequential impact on asset allocations for a range of stressed market events taking into account potential adverse impacts on cash flows resulting from investment switching by members, rollover and benefit requests, settling foreign currency transactions and funding capital call commitments.

AASB1056(24)(a)
AASB7(39)(c)

The liquidity position of the Fund is conditional on a number of external factors including the liquidity of the investment markets in which the Fund invests and the relevant legislative requirements governing members' access to their superannuation benefits.

The Fund is obligated to pay member benefits in accordance with the relevant legislative requirements. This includes the payment of rollovers to other superannuation funds upon request and the payment of benefits to members within 28 days from meeting a condition of release.

The Trustee's policy is therefore to primarily hold cash and sufficient investments that are traded in an active market and can be readily disposed.

A proportion of the Fund's investments are also not actively traded on a stock exchange or able to facilitate daily redemption requests because the Trustee believes these investments offer higher risk adjusted returns in the medium to long term. These include but are not limited to investments classified as level 3 in the fair value hierarchy.

(vii) Maturities of financial liabilities²¹⁻²⁵

AASB7(39)(a)(b)

The tables below show the Fund's financial liabilities based on their contractual maturities using undiscounted cash flows. Due to brokers, benefits payable and defined contribution member liabilities are payable on demand. Defined benefit member liabilities are payable upon the member meeting a vesting condition (such as resignation or retirement) in accordance with the terms of the Fund's Trust Deed. However, the Trustee does not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows as members typically retain them for the medium to long term.

At 30 June 2025

AASB7(39)(c)

	Less than 1 month \$'000	1 – 6 months \$'000	6 – 12 months \$'000	1 – 2 years \$'000	Total \$'000
Non-derivatives					
Due to brokers – payable for securities purchased	1,979,239	-	-	-	1,979,239
Benefits payable	588,251	-	-	-	588,251
Other payables	-	26,205	45,665	-	71,870
Defined contribution member liabilities	13,466,064	-	-	-	13,466,064
Defined benefit member liabilities	1,338,687	-	-	-	1,338,687
Derivatives					
Net settled interest rate swaps	1,460,862	735,101	151,613	141,402	2,488,978

AASB1056(24)(a)
AASB7(B11B),(B11D)

At 30 June 2024

	Less than 1 month \$'000	1 – 6 Months \$'000	6 – 12 months \$'000	1 – 2 years \$'000	Total \$'000
AASB7(39)(a)	Non-derivatives				
	Due to brokers – payable for securities purchased	1,706,551	-	-	1,706,551
	Benefits payable	570,383	-	-	570,383
	Other payables	11,270	8,767	34,237	54,274
AASB1056(24)(a)	Defined contribution member liabilities	13,123,035	-	-	13,123,035
	Defined benefit member liabilities	1,785,770	-	-	1,785,770
AASB7(39)(a)	Derivatives				
	Net settled interest rate swaps	1,051,291	439,990	111,364	1,828,240

Financial risk management

AASB7

1. Disclosure requirements relating to financial instrument disclosures are set out in AASB 7 *Financial Instruments: Disclosures*. We have provided commentary explaining these requirements below.

AASB7(3)

2. AASB 7 is applicable to all reporting entities and to all types of financial instruments except:
 - a. those interests in subsidiaries, associates, and joint ventures that are accounted for under AASB 10 *Consolidated Financial Statements*; AASB 127 *Separate Financial Statements* or AASB 128 *Investments in Associates and Joint Ventures*. However, in some cases, AASB 10, AASB 127 or AASB 128 require or permit an entity to account for an interest in a subsidiary, associate or joint venture using AASB 9. In those cases, entities shall apply the requirements of AASB 7 and, for those measured at fair value, the requirements of AASB 13. Entities shall also apply this Standard to all derivatives linked to interests in subsidiaries, associates or joint ventures unless the derivative meets the definition of an equity instrument in AASB 132.
 - b. employers' rights and obligations under employee benefit plans, to which AASB 119 *Employee Benefits* applies.
 - c. insurance contracts as defined in AASB 17. With the issuance of AASB 17, the AASB were aware that a superannuation entity 'acting in the capacity of an insurer' would apply AASB 1056 requirements as it overrides AASB 17. AASB 1057 *Application of Australian Accounting Standards* was also amended to clarify that superannuation entities should not apply AASB 17. However, AASB 7 applies to derivatives that are embedded in insurance contracts if AASB 9 requires the entity to account for them separately.
 - d. financial instruments, contracts and obligations under share-based payment transactions to which AASB 2 *Share-based Payment* applies, except for contracts within the scope of paragraphs AASB 9 which must be disclosed under AASB 7.
 - e. puttable financial instruments that are required to be classified as equity instruments in accordance with paragraphs 16A and 16B or 16C and 16D of AASB 132.
3. AASB 7 applies to both recognised and unrecognised financial instruments, even if the financial instruments are not recognised under AASB 9. For example, some loan commitments are outside AASB 9's scope but within the scope of AASB 7 because they expose an entity to financial risks such as credit and liquidity risk.
4. However, AASB 7 does not apply to the following items as they are not financial instruments as defined in paragraph 11 of AASB 132:
 - a. prepayments made/advances received (right to receive future good or service, not cash or a financial asset)
 - b. tax receivables and payables and similar items (statutory rights or obligations, not contractual), or
 - c. deferred revenue and warranty obligations (obligation to deliver good or service, not cash or financial asset)

AASB1056(AusBC20)

AASB132(11)
AASB7(7)

Parent entity disclosures

5. Where applicable, all disclosure requirements outlined in AASB 7 must be made for both the parent and consolidated entity when presenting both parent and consolidated information.

AASB7(6),(B1)-(B3)

Classes of financial instruments

6. When AASB 7 requires disclosures by class of financial instrument, an entity shall group financial instruments into classes that are appropriate to the nature of the information disclosed and that take into account the characteristics of those financial instruments. An entity shall provide sufficient information to permit reconciliation to the line items presented in the statement of financial position.
7. The classes are determined by the entity and are, thus, distinct from the categories of financial instruments specified in AASB 9 (which determine how financial instruments are measured and where changes in fair value are recognised).
8. In determining classes of financial instrument, an entity shall, at a minimum, distinguish instruments measured at amortised cost from those measured at fair value and treat as a separate class or classes those financial instruments outside the scope of AASB 7.

Financial risk management

9. An entity decides, in the light of its circumstances, how much detail it provides to satisfy the requirements of AASB 7, how much emphasis it places on different aspects of the requirements and how it aggregates information to display the overall picture without combining information with different characteristics. It is necessary to strike a balance between overburdening financial statements with excessive detail that may not assist users of financial statements and obscuring important information as a result of too much aggregation. For example, an entity shall not obscure important information by including it among a large amount of insignificant detail. Similarly, an entity shall not disclose information that is so aggregated that it obscures important differences between individual transactions or associated risks

AASB7(34)(a)

Level of detail and selection of assumptions – information through the eyes of management

10. The disclosures in relation to the financial risk management of an entity should reflect the information provided internally to key management personnel. As such, the disclosures that will be provided by an entity, their level of detail and the underlying assumptions used will vary from entity to entity. The disclosures in the illustrative financial statements are only one example of the kind of information that might be disclosed and entities should consider carefully what might be appropriate in their individual circumstances.

AASB7(31),(32)

Nature and extent of risks arising from financial instruments

11. The financial statements shall include qualitative and quantitative disclosures that enable users to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the end of each reporting period. These risks typically include, but are not limited to, credit risk, liquidity risk and market risk.

AASB7(33)

Qualitative and Quantitative disclosures

12. The qualitative disclosures shall discuss for each type of risk:
- the exposures to the risk and how they arise
 - the entity's objectives, policies and processes for managing the risk and the methods used to measure the risk, and
 - any changes in (a) or (b) from the previous period.
13. They shall also enable users to form an overall picture of the nature and extent of risks arising from financial instruments by providing a link to related quantitative disclosures.
14. An entity shall provide for each type of risk, summary quantitative data on risk exposure at the end of each reporting period, based on information provided internally to key management personnel and any concentrations of risk. This information can be presented in narrative form. Alternatively, entities could provide the data in a table which sets out the impact of each major risk on each type of financial instruments. This table can also be a useful tool for compiling the necessary information that must be disclosed under paragraph 34 of AASB 7.
15. An entity should disclose concentrations of risk arise from financial instruments that have similar characteristics and are affected similarly by changes in economic or other conditions. The identification of concentrations of risk requires judgement taking into account the circumstances of the entity. Disclosure of concentrations of risk shall include:
- a description of how management determines concentrations
 - a description of the shared characteristic that identifies each concentration (for example., counterparty, geographical area, currency or market), and
 - the amount of the risk exposure associated with all financial instruments sharing that characteristic.

As stated in [note 3\(a\)\(i\)](#), the Fund manages concentrations of price risk diversification, a careful selection of securities and the use of exchange-traded and OTC derivatives to hedge the Fund's exposure to price risk. To satisfy the requirements of AASB 7 paragraph 34(c), the Fund discloses an analysis of the investments held, outlining the type of financial instrument held and its net exposure to price risk.

AASB7(34)(b)

Financial risk management

16. If not already provided as part of the summary quantitative data, the entity shall also provide the information in the paragraphs included within section "Credit Risk" until "Market risk exposures for fund-of-fund arrangements" below, unless the risk is not material.

AASB7(36)

Credit risk

17. For each class of financial instrument but to which the impairment requirements of AASB 9 are not applied, the entity shall disclose:
- the maximum exposure to credit risk (not required for instruments whose carrying amount best represents the maximum exposure to credit risk), and
 - a description of collateral held as security and of other credit enhancements, and their financial effect, in respect of the amount that best represents the maximum exposure to credit risk (.for example, a quantification of the extent to which collateral and other credit enhancements mitigate credit risk).

AASB7(34)(a),(39)

Liquidity risk

18. Information about liquidity risk shall be provided by way of:

- a maturity analysis for non-derivative financial liabilities (including issued financial guarantee contracts) that shows the remaining contractual maturities
- a maturity analysis for derivative financial liabilities (see 'Maturity analysis' section below for details), and
- a description of how the entity manages the liquidity risk inherent in (a) and (b) above.
- The Fund discloses defined benefit member liabilities and defined contribution member liabilities in maturity analysis of non-derivative financial liabilities as this provides useful information to the overall liquidity risk.

AASB7(B11E)

19. An entity shall disclose a maturity analysis of financial assets it holds for managing liquidity risk (for example, financial assets that are readily saleable or expected to generate cash inflows to meet cash outflows on financial liabilities), if that information is necessary to enable users of its financial statements to evaluate the nature and extent of liquidity risk.

Financial institutions may use financial assets to manage their liquidity risk. In certain circumstances, the information is likely to be necessary to enable users of financial statements to evaluate the nature and extent of liquidity risk, in which case we would expect them to present a maturity analysis of financial assets.

However, the disclosure requirements are not only relevant for financial institutions. Certain funds with significant trading activities (for example, actively managed funds) may hold financial assets to manage liquidity risk. Where such activities are a significant part of the entity's business, they should consider including a maturity analysis for assets.

AASB7(B11F)

20. In describing how liquidity risk is being managed, an entity should consider discussing whether it:
- has committed borrowing facilities or other lines of credit that it can access to meet liquidity needs
 - holds deposits at central banks to meet liquidity needs
 - has very diverse funding sources
 - 2has significant concentrations of liquidity risk in either its assets or its funding sources
 - has internal control processes and contingency plans for managing liquidity risk
 - has instruments that include accelerated repayment terms (.for example, on the downgrade of the entity's credit rating)
 - has instruments that could require the posting of collateral (for example., margin calls for derivatives)
 - has instruments that allow the entity to choose whether it settles its financial liabilities by delivering cash (or another financial asset) or by delivering its own shares, or
 - Maturity analysis has instruments that are subject to master netting agreements.

Financial risk management

AASB7(B11B),(N11C)(a)

Maturity analysis

21. All financial liabilities must be included in the maturity analysis. The analysis should generally be based on contractual maturities. However, for derivative financial liabilities the standard provides entities with a choice to base the maturity grouping on expected rather than contractual maturities, provided the contractual maturities are not essential for an understanding of the timing of the cash flows. This could be the case for derivative contracts that are held for trading. However, for contracts such as interest rate swaps in a cash flow hedge of a variable rate financial asset or liability and for all loan commitments, the remaining contractual maturities will generally be essential for an understanding of the timing of the cash flows. These contracts would therefore be grouped based on their contractual maturities.

AASB7(B10A),(B11D)

22. The amounts disclosed should be the amounts expected to be paid in future periods, determined by reference to the conditions existing at the end of the reporting period. However, AASB 7 does not specify whether current or forward rates should be used. PwC recommends the use of forward rates as they are a better approximation of future cash flows.

23. The specific time buckets presented are not mandated by the standard but are based on what is reported internally to the key management personnel. For financial guarantee contracts, the maximum amount of the guarantee must be allocated to the earliest period in which the guarantee could be called.

24. Since the amounts included in the maturity tables are the contractual undiscounted cash flows, these amounts will not reconcile to the amounts disclosed on the balance sheet, in particular as far as borrowings or derivative financial instruments are concerned. Entities can choose to add a column with the carrying amounts which ties in the balance sheet and a reconciling column if they so wish, but this is not mandatory.

25. If an outflow of cash could occur either significantly earlier than indicated or be for significantly different amounts from those indicated in the entity's disclosures about its exposure to liquidity risk, the entity shall state that fact and provide quantitative information that enables users of its financial statements to evaluate the extent of this risk. This disclosure is not necessary if that information is included in the contractual maturity analysis.

AASB107(50)(a)

Financing arrangements

26. Committed borrowing facilities are a major element of liquidity management. Entities should therefore consider providing information about their undrawn facilities. AASB 107 also recommends disclosure of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments, indicating any restrictions on the use of these facilities.

AASB7(40)

Market risk – sensitivity analysis

AASB7(B27)

27. Entities shall disclose a sensitivity analysis for each type of market risk (currency, interest rate and other price risk) to which an entity is exposed at the end of each reporting period, showing how profit or loss and equity would have been affected by 'reasonably possible' changes in the relevant risk variable, as well as the methods and assumptions used in preparing such an analysis. The estimation of a reasonably possible movement is subjective and must be made through the eyes of management. In this example, we have assumed that the impact on operating profit is the same as the impact on net assets attributable to unitholders on the basis that the impact on fair values of financial instruments are unrealised and therefore there will be no impact on distributable income and the quantum distributed to unitholders. Where an entity has many different types of financial instruments, it should consider disclosing the impact on a line by line basis. Where applicable, the disclosure should also distinguish between changes affecting profit or loss and those recognised directly in equity

AASB7(40)(c)

28. This example assumes that there has not been a change in the quantum of a reasonably possible change in the relevant index, the interest rate or foreign exchange rates from the previous period. If there have been any changes in methods and assumptions from the previous period, this must be disclosed together with the reasons for such a change.

AASB7(B23)

Foreign exchange risk

29. In accordance with paragraph B23 of AASB 7, foreign exchange risk arises on monetary items denominated in foreign currencies.

Financial risk management

Monetary versus non-monetary assets

30. The essential feature of a monetary item is a right to receive (or an obligation to deliver) a fixed or determinable number of units of currency. Examples include financial assets such as; cash, fixed income securities and receivables and financial liabilities such as debt.

As a result of this definition, equity investments (being non-monetary items) are not treated as being subject to foreign currency risk. The risk exposure and sensitivity analysis for non-monetary assets are included in price risk. Equity investments such as shares and holdings in other pooled vehicles (e.g., in fund-of-fund arrangements) should be disclosed as part of price risk and, under the standard, do not have exposure to interest rate or foreign currency risk (even though there may be underlying economic exposure).

However, as the AASB 7 disclosures are required to be presented based on the information provided to key management personnel, certain asset managers may view equity price risk and foreign exchange risk differently. In circumstances where management consider foreign currency risk to arise on equity securities and foreign currency risk is considered a component of price risk, it may be appropriate to present foreign currency risk on equity securities as part of foreign currency risk rather than price risk. The disclosures in [note 3\(a\)\(i\)](#) and [\(ii\)](#) have adopted this approach.

31. Under paragraph B23 of the appendix of AASB 7, foreign currency risk can only arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. Translation related risks are therefore not included in the assessment of the entity's exposure to currency risk. Translation exposures arise from financial and non-financial items held by an entity (for example, a subsidiary) with a functional currency different from the fund's presentation currency. However, foreign currency denominated inter-company receivables and payables which do not form part of a net investment in a foreign operation would be included in the sensitivity analysis for foreign currency risk, because even though the balances eliminate in the consolidated balance sheet, the effect on profit or loss of their revaluation under AASB 121 is not fully eliminated.
32. The disclosures in [note 3\(a\)\(ii\)](#) assumes that there has not been a change in the quantum of a reasonably possible change in foreign exchange rates against each currency. If there have been any changes in methods and assumptions from the previous period, this must be disclosed together with the reasons for such a change.

Interest rate risk

33. Sensitivity to changes in interest rates is relevant to the cash flows of financial assets or financial liabilities. For financial instruments bearing floating interest rates, the entity would disclose the effect on profit or loss (i.e., interest income/expense). For financial instruments bearing fixed interest rates, the entity would disclose the effect on profit or loss (i.e., change in fair value). Where the effect of interest rate risk is material for both financial instruments bearing floating interest rates and financial instruments bearing fixed interest rates, these should be disclosed separately. This was not disclosed for the Fund as it was not material.
34. Our fact pattern assumes that the Fund will not be affected by the interest rate benchmark reforms. However, entities with hedging relationships and entities that have exposure to interest rates where (i) the interest rates are dependent on interbank offered rates (IBORs), and (ii) these IBORs are subject to interest rate benchmark reform may need to provide additional IBOR reform disclosures. Our [Practical guide to Phase 2 amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 for interest rate benchmark \(IBOR\) reform](#) includes [example disclosures](#) which illustrate both 'phase 1' and 'phase 2' amendments to AASB 7 for a cash flow hedge and other financial instruments of a fund entity which applies AASB 9 to its hedge accounting relationships.

Foreign currency hedging

35. Where the economic exposure to currency risk has been hedged for example, using forward foreign currency contracts, this creates a mismatch, as the risk exposure of the equity security is subject to price risk and the risk exposure of the hedge derivative is subject to foreign currency risk. This can result in presentation of financial information that shows a greater exposure to changes in foreign currency than is actually the case i.e., the foreign currency risk disclosure shows only the hedge, without the offsetting underlying exposure. Under such circumstances, management could consider including qualitative information as part of the foreign currency risk disclosures and sensitivity analysis, which explains this mismatch and the Fund's net exposure to foreign currency risk.

Financial risk management

Market risk exposures are not mutually exclusive

36. A superannuation fund's financial instruments might need to be considered as subject to multiple market risks. For example, interest bearing securities are typically classified as subject to fair value or cash flow interest rate risk, however, their exposure to foreign currency should also be considered and, where appropriate, disclosed under foreign currency risk.

Market risk exposures for fund-of-fund arrangements

37. There are often different approaches to the application of AASB 7 to fund-of-fund arrangements. This is because AASB 7 requires disclosures based on the information provided to key management personnel i.e., the format will be influenced by the way in which the risks are managed internally. Whilst there is no explicit requirement in AASB 7 to 'look through' to underlying investment vehicles, the standard indicates that risk exposures should be presented consistent to the way which management manage and monitor risk exposures. The majority of superannuation funds tend to disclose their exposure to an underlying fund as solely subject to price risk, even if the underlying fund may have significant indirect foreign currency and interest rate risk exposure. However, if management 'look through' to the underlying funds' exposures, for example, to monitor the Fund's risks and returns when deciding which funds to invest in, the Fund should disclose relevant risks in a manner consistent with how they monitor them.

AASB7(7),(31)

Additional information where quantitative data about risk exposure is unrepresentative

38. If the quantitative data disclosed (as discussed in the above section) is unrepresentative of the entity's exposure to risk during the period, the entity shall provide further information that is representative. If the sensitivity analyses are unrepresentative of a risk inherent in a financial instrument (e.g., the year-end exposure does not reflect the exposure during the year), the entity shall disclose that fact and the reason why the sensitivity analyses are unrepresentative. Refer to [note 3](#) for details.

Information duplicated in financial risk management disclosure

39. This publication has included information in this note for convenience notwithstanding some of the information is also disclosed in the accounting policies note. The repetition of this information is not required.

Terms and conditions of financial instruments

40. Entities shall disclose sufficient information that enables users of its financial statements to evaluate the significance of financial instruments for its financial position and performance and the nature and extent of risks arising from these financial instruments. However, the intention of AASB 7 was to decrease the potentially voluminous disclosures that were required by AASB 132 and replace them with shorter but more meaningful information. Under normal circumstances entities are therefore not required to disclose the significant terms and conditions for each of their major borrowings. Having said that, if an entity has a borrowing (or other financial instrument) with unusual terms and conditions, then some information should be provided to enable users to assess the nature and extent of risks associated with these instruments.

Macroeconomic considerations on risk management disclosures

41. Volatility in inflation and interest rates, as well as other market changes that can accompany these conditions, might introduce new challenges when preparing financial statements and increase the relevance of some disclosures.

In the current economic environment, an entity might need to:

- a Reassess materiality judgements as previously immaterial items might become material.
- b Make significant judgements and estimates about future cash flows considering a wide range of outcomes.
- c More frequently reassess the facts and circumstances considered in its accounting assessments.
- d Rely less on (or adjust) historic trend information in making predictions about the future.
- e Provide additional disclosures about the impact of inflation and interest rates are having on the entity's business.

Financial risk management

42. The entity might need to provide additional disclosures or update existing disclosures. For example, sensitivity disclosures would need to be updated if the magnitude of a reasonably possible change in interest rates is different from previous periods. Where there are changes in expected volatility, prior year disclosures should not be restated. An entity could choose, however, to present additional sensitivity information for the comparative period in addition to the required comparative figures from the prior year.

In a difficult economic climate, it is likely that the entity will encounter increasing margin calls on derivatives requiring the posting of collateral, which can pose a significant liquidity risk. If collateral calls pose a significant liquidity risk, the entity would need to provide quantitative disclosures of their collateral arrangements to explain how this liquidity risk is managed. The carrying amount of financial assets pledged as collateral for liabilities or contingent liabilities should also be disclosed together with the terms and conditions relating to its pledge.

43. AASB 7 does not limit disclosure of risks to only credit risk, liquidity risk and market risk. Hence, the entity might need to provide specific disclosures relating to inflation risk, if this information is not already captured in other market risk disclosures. For example, if an entity has an inflation-linked financial instrument, the sensitivity of such an instrument to changes in inflation rates should be disclosed.

4. Fair value measurement ¹⁻³⁰

AASB13(70)

The Fund measures and recognises the following assets and liabilities at fair value on a recurring basis ⁹:

- Financial assets/liabilities at fair value through profit or loss ('FVPL')
- Derivative financial instruments.

AASB13(72)

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

(a) Fair value hierarchy definition

The Fund classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements.

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy:

AASB13(76)-(80)

i) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

AASB13(81)-(83)

ii) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and

AASB13(86)-(90)

iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categories in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

(b) Fair value hierarchy application

i) Fair value in an active market (level 1)

AASB13(76)-(80)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Fund values its investments in accordance with the accounting policies set out in [note 2](#) to the financial statements. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets held by the Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

ii) Fair value in an inactive or unquoted market (level 2)

AASB13(81)-(85)

The fair value of financial instruments that are not traded in an active market (for example over-the counter derivatives) is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Specific valuation techniques using observable inputs used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments

- Foreign currency forwards are valued at the present value of future cash flows based on the forward exchange rates at the balance sheet date.
- Interest rate swaps are valued at the present value of the estimated future cash flows based on observable yield curves
- Investments in daily-priced unlisted unit trusts are valued at the mid-price as established by the underlying trust's Responsible Entity, based on observable inputs from underlying Level 1 and 2 investments. The Fund might make adjustments to the value based on considerations such as: liquidity of the investee's fund or its underlying investments, the value date of the net asset value provided, any restrictions on redemptions and the basis of accounting.
- Securities which are not listed on a securities exchange or are thinly traded are valued using quotes from brokers.

iii) Fair value in an inactive or unquoted market (level 3)

AASB13(86)-(90)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date. The fair value of an option contract is determined by applying the Black Scholes option valuation model.

Investments in other unlisted unit trusts are recorded at the redemption value per unit as reported by the investment managers of such funds, based on unobservable inputs from significant underlying Level 3 investments. The Fund might make adjustments to the value based on considerations such as; liquidity of the Investee Fund or its underlying investments, the valuation date of the net asset value provided, or any restrictions on redemptions and the basis of accounting.

Some of the inputs to these models might not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed might not fully reflect all factors relevant to the positions the Fund holds.

(c) Recognised fair value measurements

The table below sets out the level of the fair value hierarchy within which the fair value measurements of the Fund are categorised.

AASB13(93)(a)(b),(99)

AASB13(27)-(33)

At 30 June 2025	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets					
Cash and cash equivalents		2,896,723	-	-	2,896,723
Other receivables		513,703	-	-	513,703
Due from brokers – receivables for securities sold		1,405,750	-	-	1,405,750
Equity securities					
Australian		2,187,629	-	-	2,187,629
International		5,675,815	-	-	5,675,815
Fixed interest securities					
Australian		261,759	610,770	672	873,201
International		214,331	500,107	-	714,438
Units in unit trusts	7				
Australian property trusts		-	-	519,251	519,251
Australian equity trusts		-	917,176	655,896	1,573,072
International property trusts		-	-	13,664	13,664
International equity trusts		-	611,451	177,639	789,090
Derivatives:					
OTC equity options		571,000	277,000	-	848,000
Forward FX contracts		900,440	900,575	-	1,801,015
At 30 June 2025		14,627,150	3,817,079	1,367,122	19,811,351
Financial liabilities					
Due to brokers – payable for securities purchased		1,979,239	-	-	1,979,239
Benefits payable		588,251	-	-	588,251
Other payables		71,870	-	-	71,870
Derivatives: Interest rate swaps		1,742,284	746,694	-	2,488,978
At 30 June 2025		4,381,644	746,694	-	5,128,338

At 30 June 2024	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets					
Cash and cash equivalents		2,759,958	-	-	2,759,958
Other receivables		323,380	-	-	323,380
Due from brokers – receivables for securities sold		936,390	-	-	936,390
Equity securities					
Australian		2,760,806	-	-	2,760,806
International		3,812,191	-	-	3,812,191
Fixed interest securities					
Australian		464,865	1,084,686	-	1,549,551
International		380,344	887,470	-	1,267,814
Units in unit trusts	<u>7</u>				
Australian property trusts		-	-	513,757	513,757
Australian equity trusts		-	1,216,792	648,956	1,865,748
International property trusts		-	-	13,520	13,520
International equity trusts		-	811,195	175,759	986,954
Derivatives:					
OTC equity options		365,789	197,376	-	563,165
Forward FX contracts		885,499	1,000,905	-	1,886,404
At 30 June 2024		12,689,222	5,198,424	1,351,992	19,239,638
Financial liabilities					
Due to brokers – payable for securities purchased		1,706,551	-	-	1,706,551
Benefits payable		570,383	-	-	570,383
Other payables		54,274	-	-	54,274
Derivatives:		1,462,592	365,648	-	1,828,240
Interest rate swaps					
At 30 June 2024		3,793,800	365,648	-	4,159,448

(d) Transfers between levels

AASB13(95)

The Fund's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

AASB13(93)(c),(99)

The following table presents the transfers between levels for the year ended 30 June 2025.

At 30 June 2025

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Transfers between levels 1 and 2:			
International debt securities	1,133	(1,133)	-
Transfers between levels 2 and 3:			
Australian debt securities	-	(672)	672
Unlisted Australian equity unit trust	-	477	(477)

The debt securities transferred into level 1 relate to non-US sovereign obligations for which significant trading activity existed on 30 June 2025 but which were only thinly traded on and around 30 June 2024.

AASB13(93)(e)(iv)

The transfer from level 2 to level 3 relates to a single Australian corporate debt security whose issuer experienced significant financial difficulty during the year. This ultimately resulted in a halt in trading activity on all of its issued debt instruments. Accordingly, the valuation inputs for this security were not based on market observable inputs and therefore resulted in the reclassification to level 3.

At 30 June 2024, the level 3 investment (which was transferred to level 2 in the current year) consisted of a single unlisted Australian unit trust (the suspended fund) which was fair valued with reference to its net asset value as reported by the suspended fund's administrator, adjusted to take into account restrictions applicable to redemptions which were introduced prior to 30 June 2024.

Management of the suspended fund lifted their suspension in January 2025 resulting in monthly unit holder activity resuming. This event resulted in a transfer to level 2.

AASB13(93)(h)

The model used to fair value the investment in the suspended fund was based on the investment managers' best estimate of the net asset value of the fund, adjusted for other relevant factors considered appropriate by the responsible entity. For the suspended fund classified as level 3 at 30 June 2024, if the valuation model was increased/decreased by 1% this would have resulted in an immaterial increase/decrease in the fair value of the Fund's investment in the suspended fund.

At 30 June 2024

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Transfers between levels 1 and 2:			
Debt securities	(1,012)	1,102	-
Transfers between levels 2 and 3:			
Debt securities	-	-	-
Unlisted Australian equity unit trust	-	(426)	426

(a) Movement in level 3 investments

AASB13(93)(e)

The below table set out the movements in fair value of level 3 investments.

	Fixed interest securities \$000	Units in unit trusts \$000	Total \$000
At 30 June 2025			
Opening balance	-	1,351,992	1,351,992
Purchases	-	547	547
Sales	-	(398)	(398)
Change in fair value*	-	14,786	14,786
Transfers into/(out) from level 3	672	(477)	195
Closing balance	672	1,366,450	1,366,642
*includes unrealised gains or (losses) recognised in profit or loss attributable to balances held at the end of the reporting period	-	12,485	12,485

At 30 June 2024	Fixed interest securities \$000	Units in unit trusts \$000	Total \$000
Opening balance	-	1,243,987	1,243,987
Purchases	-	689	689
Sales	-	(329)	(329)
Change in fair value	-	107,645	107,645
Transfers into/(out) from level 3	-	426	426
Closing balance	-	1,351,992	1,351,992
*includes unrealised gains or (losses) recognised in profit or loss attributable to balances held at the end of the reporting period	-	98,942	98,942

AASB13(93)(g)

(a) Valuation process

The Trustee has established a Board Valuation Committee ('BVC') which oversees the valuation of the Fund's investment portfolio.

Portfolio reviews are undertaken regularly by the Fund's investment administrator to identify securities that may not be actively traded or have stale security prices. This process identifies securities which could be regarded as being level 3 securities. Further analysis, if required, is undertaken to determine the accounting significance of the identification. In the event that a security is not actively traded, and there are no or few other reference points (such as broker quotes) to substantiate the quoted market price, an assessment is performed by the BVC to determine the appropriate valuation to use that is most representative of fair value.

In addition to securities identified as level 3 by the Fund's investment administrator, the BVC maintains a record of investments which are known to have characteristics of level 3 Investments. These include certain unlisted property trusts and private equity securities managed by an external investment manager.

Changes in level 2 and 3 fair values are analysed at each reporting date by the BVC. As part of this discussion a report is presented that explains the reason for the fair value movements.

In orderly markets, the BVC meets to review valuations identified as level 3 at least quarterly, and as required in more volatile markets or when the circumstances of a particular investment changes materially.

Level 3 Investments managed by external investment managers are investments held in unlisted property trusts and private equity partnerships which are closed-ended and not actively traded in public markets.

The BVC generally values interests in unlisted property trusts and private equity securities using the redemption price provided by the external investment manager, reflecting the net asset value per unit of the unlisted trust. As the underlying Fund's interest in these investments are not actively traded in a public market, the valuation provided by the external investment manager is considered unobservable and is therefore classified as a level 3 investment. For these unlisted unit trusts, management believes the Fund could have redeemed its investment at the net asset value per unit at the reporting date.

The Trustee reviews the valuation methodology adopted by the relevant investment manager and makes further enquiries, as appropriate, relating to valuation methodology and key inputs used to determine valuations.

For certain unlisted property trusts, the Fund has applied a discount to the valuation provided by the relevant external investment manager to reflect a difference in market outlook related to the underlying investments held in the trust.

Supplementary illustrative disclosure of the valuation policies and processes for other categories of level 3 investments

Level 3 investments managed directly by the Fund's internal investment team

Level 3 investments managed directly by the Fund's internal investment team are valued at least quarterly by a third-party valuer selected from the BVC's approved list of valuers. The BVC has policies and procedures governing the appointment and rotation of third-party valuers. These include an assessment of the qualifications and experience of the valuers prior to appointment and a requirement to rotate valuers for each investment every 3 years.

Valuations performed by third party valuers are reviewed by the BVC to confirm that an appropriate valuation methodology has been used and that key inputs, assumptions and judgements made by the valuer are appropriate.

Valuers generally provide a valuation range and it is the Trustee's policy to adopt the mid-point valuation unless there are reasons which indicate it is more appropriate to adopt a different valuation within the range provided by the valuer.

In limited circumstances, such as for recently acquired investments or where a third-party valuation cannot be obtained within the time frame required, management may prepare a valuation which is reviewed and approved by the BVC.

Where valuations are performed at a date other than balance sheet date, the BVC considers whether the valuation continues to remain appropriate at as balance sheet date.

The valuation methodologies adopted by the third-party valuers for material asset classes held by the Fund are summarised below:

Debt securities

Debt securities are valued using a discounted cash flow methodology. The key assumption in these valuations is the discount rate which is determined with reference to the discount rate of comparable debt securities and the initial traded yield of the debt security, adjusted for market movements and changes in credit risks up to balance sheet date.

Property

Both the capitalisation method and discounted cash flow methods are used to value the directly held properties. Where possible, cross checks are performed to recent transactions involving comparable properties. Key assumptions include the 10-yr compound market rental growth rate, capitalisation rate and discount rate.

Infrastructure

Infrastructure investments are valued using the discounted cash flow method as the primary valuation method. Key assumptions include cash flow estimates (operating cash flows, capital expenditure estimates and timing), growth rates, discount rates and terminal value estimates.

Unlisted Equities

Unlisted equities are valued using the discounted cash flow methodology, a market multiple approach or a net assets approach, as appropriate for the particular security.

Under the discounted cash flow methodology, a discount rate representing the weighted average cost of capital for the business is used to discount projected future cash flows to their present value. The projected future cash flows are estimated based on terminal value and revenue growth rates.

Under the market multiples approach, benchmarks implied from the traded price of listed peers or transactions of comparable businesses are used to estimate the fair value of the asset.

Under the net assets approach, the fair value of net assets (using book value or values revised to fair value) is used to approximate the value of the asset. Generally, this approach is adopted where the business is in distress, in wind up or where the operations of the business are on the balance sheet a fair value.

As at the reporting date, the Fund did not hold any financial instruments which were not measured at fair value on the statement of financial position.

(g) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used by the Trustee in level 3 fair value measurements.

AASB13(93)(d)-(h),(99))

Description ²	Fair value at 30 June 2025 \$000	Unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value ³ \$000
Unlisted Property Unit Trusts	22,125	Redemption price as reported by the Responsible Entity	Diverse ^(a)	These closed ended unlisted unit trusts are infrequently traded, therefore there are significant unobservable inputs into the fair value of these investments. The redemption price, representing the net asset value per unit provided by the Responsible Entity has been used in the financial statements for valuation purposes. Management considers this value to be appropriate. Increased/(decreased) unit price (+/- 10% would (decrease)/increase fair values by 420
Private equity partnerships	12,556	Redemption price as reported by the Responsible Entity	Diverse ^(a)	These interests in private equity partnerships are infrequently traded, therefore there are significant unobservable inputs into the fair value of these investments. The redemption price, representing the net asset value per unit provided by the Responsible Entity has been used in the financial statements for valuation purposes. Management considers this value to be appropriate. Increased/(decreased) unit price (+/- 10% would (decrease)/increase fair values by 220
Debt securities	15,681	Discount Rate	7.5% – 10% (8.5%)	Increased/(decreased) discount rate (+/-50 basis points (bps)) would (decrease)/increase fair value by 520
Property	23,459	Capitalisation Rate	4.75%-5.25% (4.95%)	Increased/(decreased) capitalisation rate (+/-25 basis points (bps)) would (decrease)/increase fair value by 800
		10-yr Compound Rental Market Growth Rates	0-3.1% (1.5%)	Increased/(decreased) 10-yr compound Rental Market Growth Rates (+/-10 basis points (bps)) would (decrease)/increase fair value by 900

AASB13(93)(d), (h)(i), (ii)

		Discount Rate	6.5%-8% (7%)	Increased/(decreased) discount rate (+/-25 basis points (bps)) would (decrease)/increase fair value by 600
Infrastructure	14,395	Discount Rate	7.6%-9.8% (8.9%)	Increased/(decreased) discount rate (+/-40 basis points (bps)) would (decrease)/increase fair value by 500
		Cash Flow Growth Rates	0%-4.7% (3.2%)	Increased/(decreased) cash flow growth rate (+/-10 basis points (bps)) would (decrease)/increase fair value by 600
Description²	Fair value at 30 June 2025 \$000	Unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value³ \$000
Unlisted Equities	14,934	Market Multiples	Diverse ^(b)	Increased/(decreased) market multiples (+/- 10%) would (decrease)/increase fair values by 140
		Discount Rate	10.8%-12.5% (11.2%)	Increased/(decreased) discount rate (+/-50 basis points (bps)) would (decrease)/increase fair value by 320
		Revenue Growth rate	0%-4.0%(1.5%)	Increased/(decreased) revenue growth rate (+/-25 basis points (bps)) would (decrease)/increase fair value by 250
		Terminal Value Growth Rate	2.0%-3.0%(2.5%)	Increased/(decreased) terminal value growth rate (+/-25 basis points (bps)) would (decrease)/increase fair value by 200

(a) The range of inputs related to the Unit Price is not disclosed as the number of the unlisted investments results in a wide range of unrelated inputs.

(b) The range of inputs related to the Market Multiples is not disclosed as a variety of unrelated market multiples may be used including enterprise-value-to-sales, price-to-earnings, price-to-book and price-to-free-cash-flow.

Description ²	Fair value at 30 June 2024 \$000	Unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value ³ \$000
Unlisted Property Unit Trusts	25,125	Unit Price	Diverse ^(a)	These closed ended unlisted unit trusts are infrequently traded, therefore there are significant unobservable inputs into the fair value of these investments. The redemption price, representing the net asset value per unit provided by the Responsible Entity has been used in the financial statements for valuation purposes. Management considers this value to be appropriate. Increased/(decreased) unit price (+/- 10% would (decrease)/increase fair values by 480
Private equity partnerships	13,556	Unit Price	Diverse ^(a)	These interests in private equity partnerships are infrequently traded, therefore there are significant unobservable inputs into the fair value of these investments. The redemption price, representing the net asset value per unit provided by the Responsible Entity has been used in the financial statements for valuation purposes. Management considers this value to be appropriate. Increased/(decreased) unit price (+/- 10% would (decrease)/increase fair values by 470
Debt securities	18,681	Discount Rate	6.5% – 9% (8.0%)	Increased/(decreased) discount rate (+/-50 basis points (bps)) would (decrease)/increase fair value by 590
Property	27,459	Capitalisation Rate	4.25%-5.05% (4.85%)	Increased/(decreased) capitalisation rate (+/-25 basis points (bps)) would (decrease)/increase fair value by 900
		10-yr Compound Rental Market Growth Rates	0-4.1% (2.5%)	Increased/(decreased) 10-yr compound Rental Market Growth Rates (+/-10 basis points (bps)) would (decrease)/increase fair value by 1,000
		Discount Rate	5.5%-7% (6%)	Increased/(decreased) discount rate (+/-25 basis points (bps)) would (decrease)/increase fair value by 700

Infrastructure	17,395	Discount Rate	6.6%-8.8% (8.2%)	Increased/(decreased) discount rate (+/-40 basis points (bps)) would (decrease)/increase fair value by 600
		Cash Flow Growth Rates	0%-5.7% (4.2%)	Increased/(decreased) cash flow growth rate (+/-10 basis points (bps)) would (decrease)/increase fair value by 700

Description ²	Fair value at 30 June 2024 \$000	Unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value ³ \$000
Unlisted Equities	18,934	Market Multiples	Diverse ^(b)	Increased/(decreased) market multiples (+/- 10%) would (decrease)/increase fair values by 200
		Discount Rate	10.1%-11.5% (10.5%)	Increased/(decreased) discount rate (+/-50 basis points (bps)) would (decrease)/increase fair value by 380
		Revenue Growth rate	1%-5.0% (2.5%)	Increased/(decreased) revenue growth rate (+/-25 basis points (bps)) would (decrease)/increase fair value by 300
		Terminal Value Growth Rate	2.0%-4.0% (3%)	Increased/(decreased) terminal value growth rate (+/-25 basis points (bps)) would (decrease)/increase fair value by 250

(a) The range of inputs related to the Unit Price is not disclosed as the number of the unlisted investments results in a wide range of unrelated inputs.

(b) The range of inputs related to the Market Multiples is not disclosed as a variety of unrelated market multiples may be used including enterprise-value-to-sales, price-to-earnings, price-to-book and price-to-free-cash-flow

Fair value measurement

AASB1056(AG11)

AASB7(6)

AASB1056(13),(AG23)AASB1056(A
G24)

AASB13

AASB13(24),(25)

AASB13(9)

AASB13(70)

AASB13(91)

AASB13(93)(a)

AASB13(92)

AASB13(99)

AASB13(72)-(90)

1. Superannuation entities should present the various classes of their investments in a meaningful way, consistent with the requirements of AASB 101 and AASB 7. Financial instruments should be grouped into classes that are appropriate to the nature of the information being disclosed and that take into account the characteristics of the instruments.
2. Assets and liabilities except member liabilities, tax assets and liabilities, acquired goodwill, insurance assets and liabilities and employer-sponsor receivables are measured at fair value at each reporting date. This would include:
 - a. financial assets and liabilities, including derivatives
 - b. investment property, and
 - c. infrastructure assets.
3. In determining the fair value measurements and accounting for any transaction costs, a superannuation entity applies the relevant principles and requirements in other applicable Australian Accounting Standards, including in particular AASB 13. Superannuation entities do not apply AASB 5.
4. AASB 13 explains how to measure fair value and aims to enhance fair value disclosures; it does not change when an entity is required to use fair value to measure an asset or liability. The standard defines fair value as 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 (exit price). It also provides guidance on how fair value should be measured. Preparers of financial reports will need to review their fair value measurements and determine whether any of the techniques used may have to change as a result of the guidance.
5. The disclosure requirements of AASB 13 are similar to those that were already included in AASB 7, but apply now to all assets and liabilities measured at fair value, not just financial ones. For the purpose of this illustrative we have combined all fair value disclosures in one note. The Fund does not hold any non-financial assets or liabilities.
6. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. The price shall not be adjusted for transaction costs.

Determining Fair Values

7. Hedge accounting may be impacted by the adoption of AASB 13 as a result of incorporating credit risk into the valuation of financial instruments. Generally credit risk is not designated as part of the risk being hedged, thus creating a mismatch between the hedged item and hedging instrument. The impact on an entity's hedging relationships should be analysed by management to determine whether it will give rise to ineffectiveness.
8. AASB 13 does not require the bid/ask prices for actively quoted financial instruments. Rather the most representative price within the bid/ask spread is used. The Fund has elected to retain the use of bid/ask prices to fair value actively quoted financial instruments. Where management elects to use an alternative basis, such as last traded price or mid-point, it should describe this change as part of its accounting policies.
9. Where last traded price is used by an entity, management should ensure at balance date that last traded price falls within the bid/ask spread as at that date. Where it falls outside the bid/ask spread, an alternative basis most representative of fair value within the bid/ask spread, must be used.

Disclosure objectives

10. AASB 13 requires disclosure of information that helps users of financial statements to assess:

Fair value measurement

AASB13(72)-(90)

- a. for assets and liabilities that are measured at fair value on a recurring or non-recurring basis after initial recognition, the valuation techniques and inputs used to develop those measurements
- b. for recurring fair value measurements using significant unobservable inputs (level 3), the effect of the measurements on profit or loss or other comprehensive income for the period.

AASB13(93)(d)

11. AASB 13 distinguishes between recurring and non-recurring fair value measurements. Recurring fair value measurements of assets or liabilities are those that other accounting standards require or permit at the end of each reporting period. Non-recurring fair value measurements are those that other standards require or permit in certain circumstances (e.g., when an entity measures an asset held for sale at fair value less costs to sell in accordance with AASB 5). The Fund does not have any non-recurring fair value measurements.
12. Entities shall consider what level of detail is necessary to satisfy the above disclosure objectives, how much emphasis needs to be placed on each of the requirements, to what extent information should be aggregated or disaggregated and whether any additional information is necessary to meet those objectives.
13. The information should be presented in tabular format unless another format is more appropriate

AASB13(93)(h)

Information about valuation techniques

14. Entities must describe the valuation technique(s) and inputs used in the fair value measurement for all recurring and non-recurring fair value measurements of financial instruments that are categorised within level 2 and level 3 of the fair value hierarchy. If there has been a change in valuation technique, the entity should disclose the change and the reason for making it.
15. For fair value measurements categorised within level 3 of the hierarchy, the entity must also provide quantitative information about the significant unobservable inputs used, unless quantitative inputs are not developed by the entity when measuring fair value (for example, if the entity uses prices from prior transactions or third-party pricing information without adjustment). An extensive example of the disclosures for level 3 unobservable inputs is included in [Appendix B](#).

AASB13(94)

AASB13(94)

Sensitivity

16. For all recurring fair value measurements that are classified as 'level 3' entities must provide information about the sensitivity of the fair value measurement to changes in unobservable inputs:
 - a. For all such measurements: a narrative description of the sensitivity if a change in unobservable inputs could result in significantly higher or lower fair values and a description of any interrelationships between those inputs and other unobservable inputs and how these interrelationships could magnify or mitigate the effect of changes in the inputs.
 - b. For financial assets and financial liabilities, if changing one or more unobservable inputs would change fair value significantly, entities shall disclose the effect of reasonably possible changes in assumptions and how the effect was calculated.

AASB13(93)(f)

Classes of assets and liabilities

17. The disclosures in AASB 13 must be made separately for each class of assets and liabilities. Entities shall determine appropriate classes of assets and liabilities by considering:
 - a. the nature, characteristics and risks of the asset or liability, and
 - b. the level of the fair value hierarchy within which the fair value measurement is categorised
18. A class of assets and liabilities will often require greater disaggregation than the line items presented in the balance sheet. The number of classes may also need to be greater for fair value measurements categorised within level 3 of the hierarchy, as those

Fair value measurement

AASB13(97),(93)(a)

measurements have a greater degree of uncertainty and subjectivity. Entities shall disclose sufficient information to allow a reconciliation back to the line items disclosed in the balance sheet.

Unrealised gains and losses on Level 3

19. AASB 13 does not provide any guidance on how to calculate the unrealised gains and losses for recurring level 3 measures. A similar requirement previously existed under US GAAP where three methods are acceptable. In our view, either of these methods would be acceptable under IFRS provided that they are consistently applied. The methods are:

AASB13(97),(93)(d)

AASB13(97),(93)(i)

- a. Balance sheet view: determine unrealised gains and losses as the fair value of the security less its amortised cost base. Under this view, gains and losses are realised at maturity or sale date. Therefore, the entire gain or loss is considered unrealised until maturity.
- b. Income statement view: determine unrealised gains and losses as the total gains and losses during the period less the cash received or paid for those items. Under this view each cash receipt or settlement represents a realised gain or loss in its entirety.
- c. Cash flow view: first determine any realised gains or losses as the difference between the expected cash flows at the beginning of the period and the actual cash flows at the end of the period. Then, determine unrealised gains or losses for items still held at the reporting date as the remaining expected cash flows for future periods at the end of the period less the remaining expected cash flows for future periods at the beginning of the period.

AASB7(25),(29)

AASB7(B51-B52)

Fair value disclosed, but not recognised

20. Entities must also provide information about the fair value hierarchy of fair value measurements that are disclosed in the notes to the financial statements, but where the assets and liabilities are not measured at fair value in the balance sheet. For fair value measurements that are classified as 'level 2' or 'level 3', entities must further disclose:

AASB7(29a)

- a. a description of the valuation technique(s) and the inputs used in the fair value measurement
- b. if the highest and best use of a non-financial asset differs from its current use, that fact and why the asset is being used in a manner that differs from its highest and best use.

AASB7(28)

Fair value disclosures: Financial instruments carried at other than fair value

21. An entity shall disclose the fair value for each class of financial assets and financial liabilities in a way that permits it to be compared with its carrying amount. Fair values do not need to be disclosed where the carrying amount is a reasonable approximation of fair value.

22. The information about the fair values can be provided either in combined financial instruments note or in a separate note. However, fair values must be separately disclosed for each class of financial instrument which means that each line item in the table would have to be broken down into individual classes. Refer to the appendix of AASB 7 for further details. For that reason, the Fund has chosen to provide the information in a separate note.

AASB13 (98)

Carrying amounts are a reasonable approximation of fair value

23. A statement that the carrying amount of financial assets or financial liabilities is a reasonable approximation of their fair value should only be made if it can be substantiated. That is, entities must have made a formal assessment of the carrying amounts of their financial assets and liabilities in comparison to their fair values and documented this assessment. If the fair values are not a reasonable approximation of the carrying amounts, the fair values must be disclosed.

Fair value determined using valuation technique - difference on initial recognition

24. If the market for a financial instrument is not active its fair value must be determined using a valuation technique. In these circumstances, there may be a difference between

AASB7(30)
AASB13(91)-(93)(h),
(94)-(96),(98),(99)
AASB7(25),(26),
(28)-(30)

Fair value measurement

the fair value at initial recognition (established based on the transaction price) and the amount that would be determined at that date using the valuation technique. If there is such a difference an entity shall disclose (by class of financial instrument) the accounting policy for recognising that difference in profit or loss.

Fair value of liabilities with third-party credit enhancements

25. For liabilities measured at fair value and issued with an inseparable third-party credit enhancement, an issuer shall disclose the existence of that credit enhancement and whether it is reflected in the fair value measurement of the liability.

Fair value of financial assets and financial liabilities with offsetting positions

26. If an entity has applied the exception in AASB 13 paragraph 48 and measured the fair value of a group of financial assets or financial liabilities on the basis of the price that it would receive to sell a net long position (asset) or pay to transfer a net short position (liability) for a particular risk exposure, it shall disclose that fact.

Financial instruments measured at cost where fair value cannot be determined reliably

27. If the fair value of investments in unquoted equity instruments, derivatives linked to such equity instruments or a contract containing a discretionary participation feature cannot be measured reliably the entity must disclose:
- the fact that fair value information has not been disclosed because it cannot be measured reliably
 - a description of the financial instruments, their carrying amount and an explanation of why fair value cannot be measured reliably
 - information about the market for the instruments
 - information about whether and how the entity intends to dispose of the financial instruments
 - if the instruments are subsequently derecognised, that fact, their carrying amounts at the time of derecognising and the amount of gain or loss recognised.

Fair value hierarchy – further guidance

28. Set out in the following table are some examples of inputs that might be considered appropriate for the levels indicated. However the facts and circumstances applicable to the individual security should always be assessed.

	Description of level in the fair value hierarchy	Financial instruments commonly classified in this level	Sources of pricing inputs commonly classified in this level
Level 1	Inputs must be quoted prices in an active market for an identical asset. The quoted prices must be readily and regularly available and the prices must represent actual and regularly occurring market transactions on an arm's length basis.	- Actively traded investments, including: - ASX listed equities and other listed equities in active markets. - Government bonds - Listed corporate bonds. - Exchange traded futures contracts. - Listed unit trusts.	Items traded on an exchange or active index/market location (for example, the ASX, NYSE).

Fair value measurement

Level 2	Inputs that are observable (directly or indirectly) in the market.	- Certain corporate bonds where interest rate and credit risk inputs are observable. - Government bonds that are not actively traded. - Some interest rate swaps based on the BBSW swap rate. - Foreign currency forward contracts where the evaluation is based on quoted benchmark data and observed credit spread. - Some listed securities that are not traded in an active market. - Unlisted unit trusts holding level 1 or 2 investments and which are open for applications and redemptions on a regular basis.	- Quoted prices for similar instruments in active markets. - Posted or published clearing prices, if corroborated by observable market data through correlation or by other means (market-corroborated inputs). - Broker quotes corroborated by observable market data. - Dealer quotes for non-liquid securities provided the dealer is standing ready and able to transact. - Most inputs, other than quoted prices that are observable on the market (for example, interest rates, yield curves observable at commonly quoted intervals).
Level 3	- Inputs that are not observable in the market, which may include information that is derived through extrapolation and which is not corroborated by observable market data. - Level 3 inputs generally reflect the entity's own assumptions about how a market participant would reasonably be expected to determine the price of a financial instrument.	- Some long-dated interest rate options. - Long-dated foreign currency derivatives. - Unlisted equity investments where the valuation is determined using management's financial forecasts. - Long-dated corporate bonds with few contributors to consensus pricing. - Listed securities where the market is inactive (where the quoted price isn't current, little information is publicly available, price quotations vary substantially over time or among market makers, or management's assumptions are used). - Long dated energy derivatives. - Investments in property, private equity or	- Inputs from broker quotes that are indicative (i.e., not transacted upon) or not corroborated by observable market data. - Models incorporating management's assumptions, which are not corroborated by observable market data.

Fair value measurement

infrastructure type funds where the fund is closed, and therefore valuation is not based on observable inputs.

- Unlisted unit trusts that are not traded actively and have infrequent unit pricing as these hold significant investments in level 3 assets (for example, unlisted property, infrastructure, or private equity).
- Unlisted unit trusts which have gates or other restrictions on redemptions.

AASB13(93)(d)

Valuation inputs and relationship to fair value

29. The Fund's level 3 investments are valued based on third-party pricing information with adjustment only in rare cases. As the entity is not required to create quantitative information to comply with the disclosure requirement of AASB 13 if quantitative unobservable inputs are not developed by the entity when measuring fair value, no additional disclosures are required. However, when providing this disclosure an entity cannot ignore quantitative unobservable inputs that are significant to the fair value measurement and are reasonably available to the entity.

5. Offsetting financial assets and financial liabilities

1-13

AASB132(42)
AASB7(13A),(13B)

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

As at 30 June 2025 and 2024 the Fund was subject to one master netting arrangement with its sole derivative counterparty. All of the derivative assets and liabilities of the Fund are held with this counterparty and the margin balance maintained by the Fund is for the purpose of providing collateral on derivative positions.

The following tables present the Fund's financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar arrangements.

AASB7(13C)

Financial assets		Effects of offsetting on the statement of financial position		Related amounts not offset	
	Gross amounts of financial assets	Gross amounts set off in the statement of financial position	Net amount of financial assets presented in the statement of financial position ¹	Amounts subject to master netting arrangements	Net amount
	\$'000	\$'000	\$'000	\$'000	\$'000
2025					
Derivative financial instruments (i)	2,649,015	-	2,649,015	(2,488,978)	160,037
Total	2,649,015	-	2,649,015	(2,488,978)	160,037
2024					
Derivative financial instruments (i)	2,449,569	-	2,449,569	(1,828,240)	621,329
Total	2,449,569	-	2,449,569	(1,828,240)	621,329
Financial liabilities		Effects of offsetting on the statement of financial position		Related amounts not offset	
	Gross amounts of financial liabilities	Gross amounts set off in the statement of financial position	Net amount of financial liabilities presented in the statement of financial position	Amounts subject to master netting arrangements	Net amount
	\$'000	\$'000	\$'000	\$'000	\$'000
2025					
Derivative financial instruments (i)	2,488,978	-	2,488,978	(2,488,978)	-
Total	2,488,978	-	2,488,978	(2,488,978)	-
2024					

Derivative financial instruments (i)	1,828,240	-	1,828,240	(1,828,240)	-
Total	1,828,240	-	1,828,240	(1,828,240)	-

1 The net amount presented in the statement of financial position takes into account derivative and non-derivative investments and will not directly reconcile to the offsetting note disclosure.

Master netting arrangement – not currently enforceable

AASB7(13E),(B50)

Agreements with derivative counterparties are based on the ISDA Master Agreement. Under the terms of these arrangements where certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing. Since the Fund does not presently have a legally enforceable right of set-off, these amounts have not been offset in the statement of financial position but have been presented separately in the above table.

Offsetting of financial assets and financial liabilities

Offsetting of financial assets and financial liabilities

AASB7(13B)

AASB132(AG38A-F)

1. AASB 7 Financial Instruments: Disclosures requires additional disclosures about the effect or the potential effects of netting arrangements, including rights of set-off associated with an entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. The new guidance in AASB 132 states that the right of offset must be available today (i.e., not contingent on a future event) and must be legally enforceable in the normal course of business as well as in the event of default, insolvency or bankruptcy.

2. AASB 132 also states that gross settlement can be considered equivalent to net settlement if, and only if, the gross settlement mechanism has features that eliminate or result in insignificant credit and liquidity risk, and that mechanism will process receivables and payables in a single settlement process or cycle. Several characteristics that a gross settlement system might have that would allow it to meet this criterion are listed in paragraph AG38F of AASB 132, as follows:

- a financial assets and financial liabilities eligible for set-off are submitted at the same point in time for processing;
- b once the financial assets and financial liabilities are submitted for processing, the parties are committed to fulfil the settlement obligation;
- c there is no potential for the cash flows arising from the assets and liabilities to change once they have been submitted for processing (unless the processing fails – see (d) below);
- d assets and liabilities that are collateralised with securities will be settled on a securities transfer or similar system (for example, delivery versus payment), so that if the transfer of securities fails, the processing of the related receivable or payable for which the securities are collateral will also fail (and vice versa);
- e any transactions that fail, as outlined in (d), will be re-entered for processing until they are settled;
- f settlement is carried out through the same settlement institution (for example, a settlement bank, a central bank or a central securities depository), and
- g an intraday credit facility is in place that will provide sufficient overdraft amounts to enable the processing of payments at the settlement date for each of the parties, and it is virtually certain that the intraday credit facility will be honoured if called upon.'

It is possible that systems utilised, for instance, by certain clearing houses might be considered equivalent to a net settlement system.

AASB7(13A),(B40)

3. The disclosures are required for all recognised financial instruments that are off set in accordance with paragraph 42 of AASB 132. They also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreements, irrespective of whether they are off set in accordance with paragraph 42 of AASB 132.

4. A master netting arrangement will commonly:

AASB132(50)

- a. provide for a single net settlement of all financial instruments covered by the agreement in the event of default on, or termination of, any one contract
- b. be used by financial institutions to provide protection against loss in the event of bankruptcy or other circumstances that result in a counterparty being unable to meet its obligations, and
- c. create a right of off set that becomes enforceable and affects the realisation or settlement of individual financial assets and financial liabilities only following a specified event of default or in other circumstances not expected to arise in the normal course of business.

5. The guidance above does not impact arrangements, such as:

AASB7(B41)

- a. financial instruments with only non-financial collateral agreements
- b. financial instruments with financial collateral agreements but no other rights of off set, and
- c. loans and customer deposits with the same financial institution, unless they are off set in the balance sheet

6. Because of the broad scope of the offsetting requirements, these disclosures are relevant not only to financial institutions but also corporate entities. The disclosures were introduced primarily to allow users of the financial statements to assess the impact of the different offsetting requirements under IFRS and US GAAP. They will therefore be particularly relevant for entities with US-based stakeholders, but less relevant for entities that operate exclusively in countries with IFRS or IFRS compliant standards.

7. Entities will need to disclose separately for recognised financial assets and recognised financial liabilities:

AASB7(13B),
(13C)(a),(c),(d),(e),
(13E),(B40)-(B42)

- a. the gross amounts of the recognised financial assets and financial liabilities, the amounts that are off set and the net amounts presented in the balance sheet
- b. the amounts subject to an enforceable master netting arrangement or similar agreement, including amounts related to recognised financial instruments that do not meet some or all of the offsetting criteria and amounts related to financial collateral
- c. the net amount after deducting the amounts disclosed under (b) from the net amounts presented in the balance sheet (after off set) in (a)
- d. a description of the rights of associated with financial assets and liabilities that are subject to enforceable master netting arrangements and similar agreements, and
- e. a description of measurement differences between the set-off amounts (e.g., amortised cost vs fair value).

AASB7(13C),(B51)
(B52)

8. The quantitative information above may be grouped by type of financial instrument or transaction, or in some instances also by counterparty. It should be provided in tabular format unless another format is more appropriate.

9. Where the disclosures are provided in more than one note to the financial statements, cross references between the notes shall be included.

AASB7(13F)

Master netting

10. An entity may have entered into one or more master netting arrangements that serve to mitigate its exposure to credit loss but do not meet the criteria for offsetting. When a master netting arrangement significantly reduces the credit risk associated with financial assets not offset against financial liabilities with the same counterparty, the entity must provide additional information concerning the effect of the arrangement.

AASB7(36)(a)

Collateral arrangements

11. Where an entity has pledged financial instruments (including cash in margin accounts) as collateral, this is required to be disclosed as part of the table where there are other off set arrangements currently in place. The Fund Limited illustrates an example where there is a netting arrangement requiring offsetting disclosure.

VAASB7(13C)(d),(B41)

12. Preparers need to firstly consider whether the periodic posting of cash collateral with derivative counterparties results in the legal settlement (derecognition) of the associated outstanding derivative balance. This is commonly referred to as 'settlement to market' ('STM'). Alternatively, the terms of the collateral agreement may mean collateral posted will be used to settle the derivative as and when payments are due ('collateralised to market' ('CTM')). This should be considered based on the

contractual arrangements with counterparties/brokers and Stock Exchange rule books the Fund trades on.

Credit risk exposures

13. Disclosures relating to valuation may be particularly relevant for funds holding significant investment positions or exposures to Silicon Valley Bank or Credit Suisse. In particular, paragraph 22(g) of AASB 110 *Events after the Reporting Period* notes that abnormally large changes after the reporting period in asset prices would be an example of a non-adjusting event after the reporting period requiring disclosure.

6. Net changes in fair value of financial instruments

1-2

AASB1056(22),(AG13) Net changes in financial assets and liabilities measured at fair value:

	2025 \$'000	2024 \$'000
AASB7(20)(a)(i) Fair value through profit or loss		
Equity securities	(295,800)	(1,801,203)
Fixed interest securities	224,373	347,854
Unlisted unit trusts	(450,976)	796,472
Derivatives	33,373	(84,751)
Total	(489,030)	(741,628)

Net changes in assets measured at fair value

AASB7(20)(a)(i)

1. Where applicable, net gains or net losses on financial assets and financial liabilities at fair value through profit or loss must be separately disclosed, showing separately those designated as such upon initial recognition and those mandatorily measured at fair value through profit or loss in accordance with AASB 9. For financial liabilities at fair value through profit or loss, an entity shall show separately the amount of gain or loss recognised in other comprehensive income and the amount recognised in profit or loss.

AASB13(93)(f)

2. There is no requirement in the accounting standards to differentiate between realised and unrealised gains or losses in the income statement. Where an entity does disclose realised gains/losses separately, it should explain in a footnote how they have been calculated for example by reference to historical cost. Unrealised gains or losses relating to recurring level 3 investments require disclosure in the notes.

7. Structured entities ¹⁻¹¹

AASB12(B21)

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity and the relevant activities are directed by means of contractual arrangements.

AASB12(26)

The Fund considers all investments in managed investment schemes ('MIS') to be structured entities. The Fund invests in underlying managed funds for the purpose of capital appreciation and/or earning investment income.

The objectives of the investee MIS are to achieve medium to long term capital growth. The investee MIS invest in a number of different financial instruments, including equities, debt instruments and non-financial assets, including property. The investee MIS finance their operations by issuing either redeemable units which are puttable at the holder's option or units which are redeemable only at the discretion of the issuer. These units entitle the holder to a proportional stake in the respective MIS's net assets.

The Fund seeks to holds redeemable shares in each of the MIS it invests in wherever possible.

AASB12(26)

The Fund's investments in MIS are subject to the terms and conditions of the respective MIS's offering documentation and are susceptible to market price risk arising from uncertainties about future values of those MIS. The investment manager makes investment decisions after extensive due diligence of the underlying fund, its strategy and the overall quality of the underlying funds' manager. All of the MIS in the investment portfolio are managed by portfolio managers who are compensated by the respective MIS for their services. Such compensation generally consists of an asset-based fee and a performance-based incentive fee and is reflected in the valuation of the Fund's investment in each of the MIS.

AASB12(29)

The exposure to investments in investee MIS at fair value, by investment strategy, is disclosed below:

AASB12(29)(a)

	Fair value of investment 2025 \$'000	Fair value of investment 2024 \$'000
Australian property funds	723,769	844,995
Australian equity funds	1,158,031	1,351,992
International property funds	434,262	506,997
International equity funds	579,015	675,995
	2,895,077	3,379,979

AASB12(29)(b)

The fair value of financial assets (30 June 2025: \$2,895,077,000, 30 June 2024: \$3,379,979,000) is included in financial investments in the balance sheet.

AASB12(29)(c)(d)

The Fund's maximum exposure to loss from its interests in the MIS's is equal to the total fair value of its investments in the MIS as there are no off-Statement of financial position exposures relating to any of the investee funds. Once the Fund has disposed of its units in an MIS, it ceases to be exposed to any risk from that MIS.

AASB12(B26)(b)

During the year ended 30 June 2025, total losses incurred on investments in investee MIS's were \$450,976,000 (total gain for the year ended 30 June 2024: \$796,472,000).

AASB12(B26)(c)

During the year the Fund earned fair value gains and distribution income as a result of its interests in other funds.

AASB12(30)

As at 30 June 2025 and 30 June 2024, there were no capital commitment obligations and no amounts due to MIS for unsettled purchases.

Structured entities

AASB12

Disclosure requirements relating to structured entities are illustrated in AASB 12 *Disclosure of Interests in Other Entities*.

Disclosure objectives

AASB12(1)

1. The objective of AASB 12 is to require an entity to disclose information that enables users of its financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. The requirements to disclose off balance sheet exposures and maximum exposures to losses relating to structured entities are among the key requirements of the standard.

AASB12(2)

2. To accomplish that objective, the standard requires disclosures about the entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities as well as non-controlling interests (for subsidiaries) and significant judgements made in determining the accounting for interests in other entities and the determination that the entity is an investment entity, if applicable. The Fund only illustrates those disclosures relating to interests in structured entities.

Interests in unconsolidated structured entities

AASB12(24)

3. AASB 12 requires entities to disclose information about unconsolidated structured entities that helps users of its financial statements:
 - a. to understand the nature and extent of the entity's interests in unconsolidated structured entities, and
 - b. to evaluate the nature of, and changes in, the risks associated with the entity's interests in unconsolidated structured entities.

AASB12(26)
AASB12(29-31)

4. AASB 12 then outlines a number of specific disclosure requirements relating to interests in structured entities to meet the objectives outlined above covering:
 - a. the nature, purpose, size and activities of the structured entity as well as how the structured entity is financed
 - b. the carrying amounts of any recognised assets or liabilities relating to the unconsolidated structured entities (i.e., only those balances which are on the investor's balance sheet)
 - c. the line item in the statement of financial position this information is presented in
 - d. the amount that best represents the entity's maximum exposure to loss, including how this is determined
 - e. a comparison of the carrying value outlined above to the maximum exposure to loss
 - f. information about situations during the reporting period where an entity has provided financial or other support to a structured entity without having a contractual obligation to do so covering types of support and reasons for providing
 - g. any current intentions to provide financial or other support to a structured entity.

AASB12(B25),(B26)

5. The appendix of the standard also lists out additional information an entity would be expected to disclose in relation to interests in unconsolidated structured entities to meet the disclosure objectives of the standard.

Sponsorship

AASB12(27)

6. Where an entity does not have an interest in a structured entity but has sponsored the entity then AASB 12 also requires a number of disclosures covering:
 - a. how it has been determined which structured entities are sponsored
 - b. amounts of income and descriptions of income earned from the structured entity during the reporting period
 - c. the carrying amount of any assets transferred to the structured entity during the reporting period.

Structured entities

AASB12(B2)-(B6)

These disclosures are only required where the entity does not have an interest in the structured entity at the reporting date.

Aggregation

AASB12(B2)-(B6)

7. An entity shall decide, in the light of its circumstances, how much detail it provides to satisfy the information needs of users, how much emphasis it places on different aspects of the requirements and how it aggregates the information. It is necessary to strike a balance between burdening financial statements with excessive detail that may not assist users of financial statements and obscuring information as a result of too much aggregation.
8. An entity may aggregate the disclosures required by this Standard for interests in similar entities if aggregation is consistent with the disclosure objective and the requirements in paragraph B4, and does not obscure the information provided. An entity shall disclose how it has aggregated its interests in similar entities.
9. An entity shall present information separately for interests in:
 - a. subsidiaries
 - b. joint ventures
 - c. joint operations
 - d. associates, and
 - e. unconsolidated structured entities.
10. In determining whether to aggregate information, an entity shall consider quantitative and qualitative information about the different risk and return characteristics of each entity it is considering for aggregation and the significance of each such entity to the reporting entity. The entity shall present the disclosures in a manner that clearly explains to users of financial statements the nature and extent of its interests in those other entities.
11. Examples of aggregation levels within the classes of entities set out in paragraph B4 that might be appropriate are:
 - a. nature of activities (e.g., a research and development entity, a revolving credit card securitisation entity)
 - b. industry classification
 - c. geography (e.g., country or region).

Members liabilities and other areas of risk

Not mandatory This section of the notes discusses the member liabilities and other areas of risks and shows how these could affect the Fund’s financial position and operating results.

8.	Member liabilities	90
9.	Insurance arrangements	94
10.	Reserves	95
11.	Income tax	96
12.	Other items	98

8. Member liabilities ¹⁻¹⁵

(a) Recognition and measurement of member liabilities ¹⁻⁷

AASB1056(14)

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

AASB1056(15)

(i) Defined contribution member liabilities

Defined contribution member account balances are measured using unit prices determined by the Trustee based on the underlying investment option values selected by members.

(ii) Defined benefit member liabilities

Defined benefit member liabilities are measured as the estimated present value of a portfolio of investments that would be needed as at the reporting date to yield future net cash flows that would be sufficient to meet the accrued benefits on the date when they are expected to fall due.

(b) Defined contribution member liabilities ⁸⁻¹⁰

AASB1056(AG31)

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

AASB1056(23)

(c) Defined benefit member liabilities ¹¹⁻¹⁵

AASB1056(25)(a)(i)

The Fund has identified two defined benefit sub plans (Plan A and Plan B).

AASB1056(25)(d)

The Fund engages qualified actuaries to measure the defined benefit member liabilities in each of its two defined benefit plans. Member liabilities can only be satisfied with assets of the relevant sub plan and are quarantined from the other assets of the Fund. Both plans provide lump sum benefits which are payable to members on retirement.

The Fund manages its obligation to pay member liabilities on an expected maturity basis which is based on management's estimates of when such funds will be drawn down by members.

AASB101(125)

AASB1056(25)(a)(ii)

AASB1056(25)(a)(iii)

Significant estimates

The Fund has identified two assumptions (discount rate and rate of salary adjustment) for which changes are reasonably possible and would have a material impact on the amount of the liabilities.

(i) Discount rate

The assumed discount rate for the two plans has been determined by reference to the investment returns expected on the investment portfolio which reflects the Fund's actual investments and investment strategy in respect of defined benefit member liabilities. The assumed discount rate is the same for each of the two defined benefit plans.

(ii) Rate of salary adjustment

Defined member benefits in each of the Fund's two plans are based on an average of each member's salary at specified anniversary dates in each of the last three years of their expected membership of their plan. The assumed annual salary adjustments for each of the Fund's two plans has been determined by reference to the Wage Price Index produced by the Australian Bureau of Statistics and in consultation with the employer-sponsors.

The Trustee considers the potential impact of changes to key variables about which assumptions need to be made. The following are sensitivity calculations for each of the discount rate and rate of salary assumptions used for Plan A and Plan B.

Defined benefit plan	Assumption	Assumed at reporting date	Reasonably possible change	Amount of (increase) decrease in member benefit liability \$'000
Plan A	Discount rate	5.0% (2024: 5.0%)	+0.5%/-0.5% (2024: +0.5%/-0.5%)	22,280/(22,280) (2024: 27,004/(27,004))
	Salary adjustment rate	4.0% (2024: 4.0%)	+1.0%/-1.0% (2024: +1.0%/-1.0%)	(31,368)/31,368 (2024: (34,422)/34,422)
Plan B	Discount rate	5.0% (2024: 5.0%)	+0.5%/-0.5% (2024: +0.5%/-0.5%)	23,549/(23,549) (2024: 29,774/(29,774))
	Salary adjustment rate	3.0% (2024: 3.0%)	+1.0%/-1.0% (2024: +1.0%/-1.0%)	(30,529)/30,529 (2024: (35,584)/35,584)

2024

(d) Defined benefit plans that are over (under) funded ¹⁰⁻¹⁴

AASB1056(28-30)

For the two defined benefit sub-plans, there were no unexpected events that changed defined benefit member liabilities materially. The plan has no information that would lead it to adjust the assumptions around pension index rates, resignations and mortality, which are all unchanged from the previous reporting period.

The appointed actuaries report to the Trustee each quarter on the status of the defined benefit sub plans. Where a sub plan is in, or likely to enter, an unsatisfactory financial position, the report sets out any remedial action and agreed rectification programs in respect of each employer.

The Fund's two defined benefit sub plans are over (under) funded by the amounts disclosed below:

		2025 \$'000	2024 \$'000
Plan A	(i)	(297,073)	(15,789)
Plan B	(ii)	57,894	77,004
		(239,179)	61,215

AASB1056(29)

(i.) Plan A

The deficiency in Plan A arose due to the difference in actual salary rate increases experienced compared with the actuarial assumption used. The employer-sponsors of Plan A intends to increase contributions for a period of three financial periods to a level that is projected, based on current assumptions, to result in member liabilities being fully funded by July 2025.

AASB1056(25)(c)

(ii.) Plan B

Plan B continues to remain in surplus. The employer-sponsor of Plan B intends to reduce contributions to the minimum amount required to meet its superannuation guarantee obligations, which is projected, based on current assumptions, to eliminate the surplus by July 2025.

The employers of both sub plans are contributing at the rate recommended by the actuaries.

Member liabilities

Recognition

1. Obligations relating to member entitlements are recognised as member liabilities.
2. Member liabilities should be recognised as liabilities of superannuation entities because:
 - a. the obligation to fund a member's defined contribution entitlements falls on the member's superannuation entity and the obligation is legally enforceable, and
 - b. the obligation to fund a member's defined benefit entitlements, as specified in the relevant trust deed, falls primarily on the member's plan and the obligation is contractual and/or constructive in nature.

Measurement

3. Member liabilities are measured as the accrued benefits of members.
4. The value of accrued benefits is defined as the benefits the superannuation entity is presently obliged to transfer to members or their beneficiaries in the future as a result of membership up to the end of the reporting period.
5. The value of vested benefits is defined as the value of benefits to which members or their beneficiaries would be entitled on voluntary withdrawal from the superannuation entity or on becoming entitled to a pension or deferred benefit as at the end of the reporting period.
6. Defined contribution member liabilities are measured as the amount of member account balances as at the reporting date.
7. Defined benefit member liabilities are measured as the amount of a portfolio of investments that would be needed as at the reporting date to yield future net cash inflows that would be sufficient to meet accrued benefits as at that date when they are expected to fall due.

Defined contribution member liabilities

8. A superannuation entity shall disclose information that provides users with a basis for understanding member liabilities.
9. In relation to defined contribution member liabilities, when applicable, an entity:
 - (a) applies the disclosure requirements of AASB 7 in respect of credit risk, market risk and liquidity risk, as if defined contribution member liabilities were financial liabilities, and
 - (b) discloses the amount of any net assets attributable to defined contribution members but not allocated to those members as at the end of the period.
10. In applying the principles and requirements of AASB 7 to defined contribution member liabilities, a superannuation fund should consider disclosing the mechanism by which market risk is passed on to members for example through frequent crediting of member accounts, and how it manages the liquidity risk associated with meeting withdrawals or pension payments.

Defined benefit member liabilities

11. A superannuation entity shall disclose information that provides users with a basis for understanding member liabilities.
12. The amount of defined benefit member liabilities is a present value based on a portfolio of investments estimated to yield future net cash inflows that would be sufficient to meet accrued benefit payments when they are expected to fall due. That is:
 - (a) the amount relates to members' service up to the reporting date
 - (b) it is assumed the accrued benefits will be fulfilled and, accordingly, there is no adjustment for the superannuation entity's own credit risk
 - (c) the expected cash outflows relevant to measuring the liability take into account the timing and probabilities attaching to various factors that reflect the characteristics of the members/beneficiaries and the features of entitlements (including expected rates of member turnover, mortality and disability; salary adjustment; early retirement; member choice of available options such as lump sum and pension options)

AASB1056(14)
AASB1056(BC102)
AASB1056(15)
AASB1056
(Appendix A)
AASB1056
(Appendix A)
AASB1056(16)
AASB1056(17)

AASB1056(23)

AASB1056(24)
AASB1056(AG31)

AASB1056(23)
AASB1056(AG25)

Member liabilities

- (d) the investment returns relevant to measuring the liabilities are those expected on a portfolio of investments that reflect the opportunities available in investment markets and not necessarily the actual investments held by the superannuation entity to meet the accrued defined benefit member liabilities
- (e) the accrued benefit amount might be more or less than the value of vested benefits, and
- (f) the discount rate would exclude risks incorporated in the expected cash flows.

AASB1056(25)

13. In relation to defined benefit member liabilities, the disclosures would include:

- (a) information in relation to the key assumptions used in measuring defined benefit member liabilities, including:
 - (i) the basis for the key assumptions, including the manner in which they have been determined
 - (ii) the key assumptions used, as percentages or in other quantitative terms or in qualitative form, and
 - (iii) the sensitivity of the liabilities to reasonably possible changes in the key assumptions.
- (b) the amount of vested benefits at the end of the period
- (c) whether the actual level of contributions is consistent with the actuary's recommendations
- (d) information about the manner in which the entity manages liquidity risk, and
- (e) where the entity's actual investment portfolio differs from the portfolio used in measuring defined benefit member liabilities, an explanation of why that is the case.

AASB1056(28)(29)

14. Where the amount of net assets attributable to defined benefit members differs from defined benefit member liabilities, the entity shall disclose information that provides users with a basis for understanding the nature, causes of and any strategies for addressing the difference between the two amounts. The disclosures would include:

- (a) whether the difference has arisen, in whole or in part, as a consequence of applying different assumptions for the purposes of determining funding levels and measuring defined benefit member liabilities and if so, the nature of the differences between the assumptions, and
- (b) in the case of a difference not wholly explained by (a):
 - (i) the entity's strategy for addressing the difference and the anticipated timeframe over which the difference is expected to be eliminated, and
 - (ii) any plans or processes in place for employer-sponsors to seek to be paid some or all of a surplus or to reduce the level of their contribution in the future.

AASB1056(30)

15. A superannuation entity shall disclose information that provides users with a basis for understanding the overall change in a defined benefit member liability.

9. Insurance arrangements ¹⁻²

AASB1058(AG40-42)

The Fund provides death, disability and income protection benefits to its members. The Trustee has a group policy in place with a third-party insurance company to insure the death, disability and income protection benefits for the members of the Fund.

The Fund collects premiums from members on behalf of the insurance company. Insurance claim amounts are recognised where the insurer has agreed to pay the claim via the Fund. Therefore, insurance premiums are not revenues or expenses of the Fund and do not give rise to insurance contract liabilities or reinsurance assets. Insurance premiums charged to members accounts and reinsurance recoveries allocated are recognised in the statement of changes in members benefits.

AASB101(122)

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

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

Insurance arrangements

AASB1056(AG43)

1. When a superannuation entity is not exposed to a significant insurance risk, insurance premiums are not revenues or expenses of the superannuation entity and do not give rise to insurance contract liabilities or reinsurance assets.

AASB1056(BC148)

2. A superannuation entity, which offers insurance arrangements to members acting as agent on behalf of an insurer, is unlikely to be exposed to significant insurance risk as members or their beneficiaries would not generally have recourse to the assets of the superannuation entity, even in the event the insurer fails.

10. Reserves ¹⁻²

AASB1056(32)

(a) Operational risk financial reserve ¹⁻²

	2025 \$'000	2024 \$'000
Defined contribution division	32,976	33,010
Defined benefit division	3,278	4,490
Total	36,254	37,500

AASB101(79)(b)

In accordance with SPS 114 *Operational Risk Financial Requirement*, the Fund holds an operational risk financial reserve (ORFR) that may be used in certain circumstances to address operational risk events or claims against the Fund arising from operational risk.

The Trustee has assessed an ORFR of 0.25% of funds under management as appropriate for the Fund.

(b) Investment reserve ¹⁻²

AASB101(79)(b)

The investment reserve was established to provide the Fund with access to funds to protect members' interests and mitigate the impact of adverse events. The investment reserve comprises the difference between the cumulative amount of investment income (net of investment expenses) allocated to members' accounts compared with the cumulative investment income (net of investment expenses) earned by the Fund.

(c) Insurance reserve ¹⁻²

AASB101(79)(b)

The insurance reserve was established for insurance related revenue and expenditure of the Fund. It is primarily used to account for timing differences between the premiums the Fund pays the insurer and charges members.

Reserves

AASB1056(AG9)

AASB101(79)(b)

1. Differences between the total assets and total liabilities of a superannuation entity commonly arise in relation to matters such as reserves.
2. An entity shall disclose a description of the nature and purpose of each reserve within equity.

11. Income tax ¹⁻³

This note provides an analysis of the Fund's income tax expense and how the tax expense is affected by non-assessable and non-deductible items.

AASB112(79) (i.) Income tax expense

	2025 \$'000	2024 \$'000
Current tax		
AASB112(80)(a) Current tax on profits for the year	28,641	44,011
AASB112(80)(b) Adjustments for current tax of prior periods	(6,646)	6,578
Total current tax expense	21,995	50,589
Deferred income tax		
AASB112(80)(c) Decrease/(increase) in deferred tax assets	(8,005)	3,904
Income tax expense	13,990	54,493

AASB112(81)(d),(85)

(ii.) Numerical reconciliation of income tax expense to prima facie tax payable¹

	2025 \$'000	2024 \$'000
Operating result before income tax expense	103,353	125,937
Tax at the Australian rate of 15% (2023 – 15%)	15,053	18,891
Discount on capital gains	17,261	34,877
Non-deductible expenses	1,041	1,200
Other non-assessable income	(5,246)	(2,469)
Imputation credits	(7,473)	(4,589)
AASB112(80)(b) Adjustments for current tax of prior periods	(6,646)	6,583
Income tax expense	13,990	54,493

In addition to the above \$144,618,000 (2024: \$102,134,000) is recognised in the statement of changes in member benefits relating to tax on contributions deducted from member accounts.

AASB112(81)(g)(i) (iii.) Deferred tax balances ²⁻³

The balance comprises temporary differences attributable to:

	2025 \$'000	2024 \$'000
Deferred tax assets		
Financial assets measured at fair value through profit or loss	26,698	18,693
Net deferred tax assets	26,698	18,693

The movements in temporary differences during the year are:

	Beginning of year \$'000	Recognised in income \$'000	End of year \$'000
At 30 June 2025			
Deferred tax assets			
Net changes in financial assets measured at fair value through profit or loss	18,693	8,005	26,698
Net deferred tax assets	18,693	8,005	26,698
At 30 June 2024			
Deferred tax assets			
Net changes in financial assets measured at fair value through profit or loss	14,789	3,904	18,693
Net deferred tax assets	14,789	3,904	18,693

Income tax

Relationship between tax expense and accounting profit

AASB112(81)(c),(85)

1. A superannuation entity can explain the relationship between tax expense (income) and accounting profit by disclosing reconciliations between:
 - a. tax expense and the product of accounting profit multiplied by the applicable tax rate, or
 - b. the average effective tax rate and the applicable tax rate.

Deferred tax assets and liabilities

AASB112(81)(g)

2. AASB 112 requires the following disclosures for each type of temporary difference and in respect of each type of unused tax loss and tax credit:
 - c. the deferred tax balances recognised for each period presented
 - d. the amounts of deferred tax income or expense recognised in profit or loss, if this is not apparent from the changes in the amounts recognised in the statement of financial position.
3. This information can be presented in various ways. The Fund has chosen to provide the information in the form of a reconciliation by type of temporary difference. However, other formats are equally acceptable as long as all of the required disclosures are made.

12. Other items ¹⁻³

AASB1056(22)(AG13)

Other operating expenses

		2025 \$'000	2024 \$'000
AASB1056(22) (AG29)(i)	Trustee fees and reimbursements	1,035	1,182
AASB1056(22) (AG29)(f)	Actuarial fees	1,000	1,030
AASB1056(22) (AG29)(g)	Audit fees	300	275
AASB1056(22) (AG29)(h)	Commissions paid directly	1,618	1,807
AASB1056(22) (AG29)(j)	Sponsorship and advertising	1,277	1,498
		5,230	5,792

Other operating expenses

AASB1056(22)

1. A superannuation entity discloses information that provides users with a basis for understanding the nature and amounts of income and expenses.

AASB1056(AG29)(f-j)

2. A superannuation entity shall disclose:

- (a) actuarial fees
- (b) audit fees
- (c) commissions paid directly by the superannuation entity
- (d) trustee fees and reimbursements, and
- (e) sponsorship and advertising expenses.

AASB1056(AG29)(d)(e)

If these expenses are paid by the Trustee and are reimbursed by the Fund through Trustee fees and reimbursements, consider including additional disclosure.

AASB1056(AG13)
(AG29)(a)

3. The Fund has chosen to disclose investment and administration expenses as separate line items within total expenses in the income statement. Superannuation entities will also need to provide additional information about their income items where these include unusual or one-off items.

Cash flow information

Not mandatory This section provides further information in relation to the Fund's statement of cash flows.

13.	Cash and cash equivalents	100
14.	Reconciliation of profit/(loss) after income tax to net cash inflow/(outflow) from operating activities	100

13. Cash and cash equivalents ¹⁻⁵

		2025 \$'000	2024 \$'000
AASB107(45)	Cash at bank	58,540	214,313
AASB107(45)	Money market instruments	2,872,718	2,261,674
		<u>2,931,258</u>	<u>2,475,987</u>

14. Reconciliation of profit/(loss) after income tax to net cash inflow/(outflow) from operating activities ²⁻¹²

AASB107(45)	(a) Reconciliation of profit/(loss) after income tax to net cash inflow/(outflow) from operating activities		
		2025 \$'000	2024 \$'000
	Operating result after tax	(226,401)	(118,171)
	Adjustments for:		
	Net changes in financial assets measured at fair value through profit or loss	489,030	741,628
	Net benefits allocated to defined contribution members	120,435	100,296
	Net change in defined benefit member benefits	195,329	89,319
	Change in operating assets and liabilities:		
	(Increase)/decrease in receivables	(190,323)	(26,876)
	Increase/(decrease) in payables	(28,966)	(25,531)
AASB1056(AG44)	Death and disability proceeds received from insurer	411,089	416,401
	Insurance premiums paid	(50,505)	(52,977)
	Net cash inflow/(outflow) from operating activities	<u>719,688</u>	<u>1,124,089</u>

(b) Non-cash financing and investing activities

Successor fund transfer of members' assets settled as non-cash	15,109	-
Successor fund transfer of members' liabilities settled as non-cash	(13,039)	-

Successor fund transfer settled as non-cash

Non-cash member assets of \$15,108,800 (2025: nil) and liabilities of \$13,039,419 were transferred into the Fund due to a successor fund transfer with the Fund XYZ. There were no other non-cash financing activities during the year (2025: nil).

Cash flow information

Cash and cash equivalents

AASB107

1. An entity shall disclose the components of cash and cash equivalents and shall present a reconciliation of the amounts in its statement of cash flows with the equivalent items reported in the balance sheet.
2. In view of the variety of cash management practices and banking arrangements between entities, financial statements should disclose the policy being adopted in determining the composition of cash and cash equivalents.

Cash flow information

3. In accordance with AASB 107, cash equivalents within the statement of cash flows can include short term maturing assets (three months or less) from the date of acquisition, provided they are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Consider whether restricted funds that are not 'cash' (see Viewpoint [FAQ 7.3.1](#)) meet the definition of 'cash equivalents' (see [FAQ 7.3.3](#)), or whether the funds are restricted in a manner such that the definition is not met. This is to ensure that only those items that are available to meet short-term cash commitments are classified as a part of 'cash or cash equivalents'. The economic substance of the restrictions should be assessed in each case. Deposits that are available for use in the short term, albeit with some restrictions over their use, might still meet the definition of cash equivalents and therefore be classified as part of 'cash and cash equivalents'. For example, the definition of cash equivalents might be met if the entity needs approval to withdraw the funds but the approval process is perfunctory. This will depend on the specific facts of the restrictions.

4. Funds that do not meet the criteria to be classified as 'cash and cash equivalents' should not be presented as part of 'cash and cash equivalents'. Management should assess whether these funds should be presented in a separate line item in the statement of financial position, based on IAS 1's requirements, and should clearly distinguish restricted funds from cash and cash equivalents where relevant to an understanding of the entity's financial position. If the funds meet the criteria to be classified as cash and cash equivalents but the use of the funds is subject to restrictions, disclosure is required of the relevant amounts, along with a commentary on their restrictions.
5. Under AASB requirements, an investment in a cash management trust may meet the definition of a cash equivalent for statement of cash flows purposes (see the commentary on the Balance Sheet for further information). However, normally these would be disclosed as at fair value through profit or loss.

Reporting cash flows on a net basis

6. Cash flows arising from the following operating, investing or financing activities may be reported on a net basis:
 - (a) cash receipts and payments on behalf of customers when the cash flows reflect the activities of the customer rather than those of the entity (e.g., funds held for customers by an investment entity), and
 - (b) cash receipt and payments for items in which the turnover is quick, the amounts are large, and the maturities are short (e.g., the purchase and sale of investments).

Operating activities

7. An entity shall report cash flows from operating activities using either:
 - (a) the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed, or
 the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows. However, AASB 107 encourages entities to use the direct method, as it provides information which may be useful in estimating future cash flows and which is not available under the indirect method. The Fund therefore uses the direct method.
8. A superannuation fund typically holds securities for dealing or trading purposes, which is the main income generating activity. Accordingly, cash flows arising from the purchase and sale of financial instruments at fair value through profit or loss are classified as operating activities.

Interest and dividends/distributions

9. Cash flows from interest and dividends received and paid shall each be disclosed separately. Each shall be classified in a consistent manner from period to period as either operating, investing or financing activities.
10. Interest paid and interest and dividends received are usually classified as operating cash flows for a financial institution. However, there is no consensus on the classification of these cash flows for other entities. Interest paid and interest and dividends received may be classified as operating cash flows because they enter into the determination of net profit or loss. Alternatively, interest paid and interest and dividends received may be classified as financing cash flows and investing cash flows respectively, because they are costs of obtaining financial resources or returns on investments.

Cash flow information

11. Dividends or distributions paid may be classified as a financing cash flow because they are a cost of obtaining financial resources. Alternatively, they may be classified as operating cash flows to assist users to determine the ability of an entity to pay dividends or distributions out of operating cash flows.

Effects of exchange rate changes

12. Unrealised gains and losses arising from changes in foreign currency exchange rates are not cash flows. However, the effect of exchange rate changes on cash and cash equivalents held or due in a foreign currency is reported in the statement of cash flows in order to reconcile cash and cash equivalents at the beginning and the end of the period. This amount is presented separately from cash flows from operating and financing activities and includes the differences, if any, had those cash flows been reported at end of period exchange rates.

Classification

13. In the case where the Fund invests into a cash management trust (dollar stable funds), these unit trust investments are classified as Cash and cash equivalents **in accordance with the definition stipulated in AASB 107.**
14. The following factors **should be considered to determine whether the cash management trust funds should be held as a Cash and cash equivalent:**
- (a) Cash equivalents are held for the purposes of meeting short-term cash commitments rather than for investment or other purposes.
 - (b) Readily convertible.
 - (c) To a known amount of cash and is subject to an insignificant risk of change in value.
 - (d) Short maturity of three months or less from the date of acquisition. *

** Equity investments are excluded from cash equivalents unless they are, in substance, cash equivalents. For example, preferred shares acquired within a short period of their maturity and within a specified redemption date.*

Information to be disclosed

AASB107(43)

15. Investing and financing transactions that do not require the use of cash or cash equivalents shall be disclosed in a way that provides of all the relevant information about the investing and financing activities.

AASB107(44)

16. An acquisition of assets by assuming directly related liabilities such as a successor fund transfer is an example of a transaction or event that would require disclosure under paragraph 43 of AASB 107

Unrecognised items

Not mandatory This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

15.	Commitments	104
16.	Contingent liabilities and contingent assets	104
17.	Events occurring after the reporting period	104

15. Commitments ¹⁻³

a. Investment commitments

AASB101(112)(c)

The Fund has made commitments to invest in certain managed investment schemes. Significant investment commitments contracted for at the end of the reporting period but not recognised as assets are as follows:

	2025 \$'000	2024 \$'000
Uncalled commitments in Australian Property Trust	23,450	45,892

Other than as noted above, there are no outstanding commitments as at 30 June 2025 and 30 June 2024.

Commitments

1. The above disclosure only illustrates an uncalled investment commitment held with an external unit trust.

Related parties of the Fund

2. In the event it is a related party of the Fund, additional disclosure should be included below the table to explain the related party (or parties) of the Fund have made a commitment to purchase units in the Fund for the same commitment amount and refer to the related party note disclosure (e.g. [note 18\(c\)](#)).

Recallable distributions

3. In addition, the underlying fund managers of the unit trusts may allow the right for the Fund to recall capital from distributions paid during an investment period up to the value of the capital component of distributions actually paid. These are known as recallable distributions and will require additional disclosure below the table above.

16. Contingent liabilities and contingent assets

AASB137(86),(89),(91)

There are no outstanding contingent assets or liabilities as at 30 June 2025 and 30 June 2024.

17. Events occurring after the reporting period ¹⁻⁵

AASB110(21)

The Trustee entered into an agreement for a successor fund transfer with the Trustee of the ABC Fund. As at the date of this report, the Trustee of the ABC Fund had \$10,000,000 in members' assets and liabilities that has been transferred into the Fund on 30 September 2025.

Except as disclosed above, no other significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund as at 30 June 2025 or on the results and cash flows of the Fund for the year ended on that date.

Events occurring after the reporting period

AASB110(21)(a)(b)

Non adjusting events after the reporting period

1. The above disclosure indicates that there have been no reportable subsequent events. In the event that an event occurred that is indicative of conditions that arose after the reporting period (i.e., a non-adjusting event), disclosure should be made of the nature of the event and an estimate of its financial effect (or a statement that such an estimate cannot be made).

AASB110(19),(20)

Updating disclosure about conditions at the end of the reporting period

2. If an entity receives information after the reporting period about conditions that existed at the end of the reporting period, it shall update disclosures that relate to these conditions, in the light of the new information.
3. More detailed disclosures and commentary are provided in the financial statements of [Value Accounts Holdings Limited - Annual financial reporting 2024](#) publication.

AASB3(59)(b)
AASB3(B64) (B66)

Using pro forma balance sheets to disclose post reporting period acquisitions and disposals

4. To illustrate the financial effect of material acquisitions and disposals of entities or operations after the reporting period, an entity may wish to present a pro-forma balance sheet in the notes to the financial statements. While the *Corporations Act* does not generally permit pro-forma financial statements to be included in a financial report, ASIC has given relief in these particular circumstances, provided certain conditions set out in ASIC Corporations (Post Balance Date Reporting) Instrument 2015/842 (formerly class order 05/644) are satisfied.

ASIC 2015/842

Successor fund transfer after the reporting period

5. To illustrate successor fund transfers that is expected to occur after the period, an entity may wish to disclose the facts surrounding the successor fund transfer, including the date of conditional approval for the transfer, date of the successor fund transfer deed entered into between the Trustees e.g. On 1 April 2025, the Trustee has conditionally approved the successor fund transfer of members, and the assets and liabilities of the ABC Fund into the Fund. The successor fund transfer is yet to be completed by 30 June 2025 on the terms set out in the deed.

Further details

Not mandatory This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

18.	Related party transactions	107
19.	Remuneration of auditors	112
20.	Successor fund Transfer	115

18. Related party transactions ¹⁻²³

(a) Trustee

AASB124(18)
AASB1056(AG39)

The Trustee of the Fund is Super Trustee Pty Ltd ('Trustee'). Amounts paid to the Trustee in the form of fees and reimbursements are disclosed in [note 12](#) and total \$1,035,231 (2024: \$1,182,145). As at 30 June 2025, \$130,000 (2024: \$90,000) was payable to the Trustee and is included other payables in the statement of financial position.

AASB124(17)

(b) Key management personnel compensation

	2025 \$	2024 \$
AASB124(17)(a) Short-term employee benefits	1,139,903	754,824
AASB124(17)(b) Post-employment benefits	213,884	458,629
AASB124(17)(c) Long-term benefits	132,542	84,369
AASB124(17)(d) Termination benefits	-	-
AASB124(17)(e) Share-based payments	-	-
	1,486,329	1,297,822

Certain KMP are contributing members of the Fund. The membership terms and conditions for KMP are the same as those available to other members of the Fund.

KMP compensation is paid by the Trustee on behalf of the Fund.

Further remuneration disclosures are provided in the remuneration report on pages 9 to 14.

(c) Transactions with other related parties

Australian Property Fund Pty Ltd is the trustee of Australian Property Fund. The Fund held a 25% (2024: 25%) interest in Australian Property Fund. All transactions were made on normal commercial terms, under normal conditions and at market rates.

J C Campbell is a director of Australian Property Fund Pty Ltd and the Trustee.

Related party transactions

Accounting standards and other guidance for related party disclosures

AASB (18)-(19)

- Accounting standards for related party disclosures are set out in AASB 124 *Related Party Disclosures*. While not all of the disclosure requirements of AASB 124 are set out in this note, those normally relevant to superannuation entities have been illustrated.

Presentation

AASB (18)-(19)

- All of the related party information required by AASB 124 that is relevant to the Fund has been presented, or referred to, in one note. This is considered to be a convenient and desirable method of presentation, but there is no requirement to present the information in this manner. Compliance with the standard could also be achieved by disclosing the information in relevant notes throughout the financial statements.

Materiality

AASB101(7))

- The disclosures required by AASB 124 apply to the financial statements where the information is material. According to AASB 101, materiality depends on the size and nature of an item. It might be necessary to treat an item or a group of items as material because of their nature, even if they would not be judged material on the basis of the amounts involved. This might apply where transactions occur between an entity and parties who have a fiduciary responsibility in relation to that entity, such as those transactions between the entity and its key management personnel.

Related party transactions

AASB101(7)

4. It is particularly important to consider the nature of related party transactions. For example, services may be provided free of charge to a related party and a conclusion on whether the services provided are material can only be made by considering their nature.

Relationships between parents and subsidiaries

AASB124(13)

5. Relationships between parents and subsidiaries shall be disclosed irrespective of whether there have been transactions between those related parties. An entity shall disclose the name of the entity's parent and, if different, the ultimate controlling party. If neither the entity's parent nor the ultimate controlling party produces financial statements available for public use, the name of the next most senior parent that does so shall also be disclosed.

AASB124(13)

6. The ultimate controlling party may be an individual or a group of individuals (e.g. a family).

AASB124(Aus13.1)

7. If any of the parent entities or the ultimate controlling parties disclosed as per paragraph 5 above is incorporated or otherwise constituted outside Australia, the disclosure must identify which of the entities is incorporated overseas and where, and disclose the name of the ultimate controlling entity that is incorporated within Australia.

Transactions with related parties

AASB124(18)

8. If there have been transactions between the reporting entity and a related party, the reporting entity must disclose:

- (a) the nature of the related party transactions, and
- (b) information about the transactions and outstanding balances necessary for an understanding of the potential effect of the relationship on the financial statements:

AASB124(18)(a)

- 1. the amount of the transactions

AASB124(18)(b)

- 2. the amount of outstanding balances (including commitments) and their terms and conditions, whether they are secured, the nature of the consideration to be provided in settlement and details of any guarantees given

AASB124(18)(c)

- 3. provisions for doubtful debts related to the amount of outstanding balances, and

AASB124(18)(d)

- 4. the expense recognised during the period in respect of bad or doubtful debts due from related parties.

AASB124(9),(21i)

AASB137(3)

9. Related party transactions are transfers of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged. They include commitments to do something if a particular event occurs (or does not occur) in the future and executory contracts (recognised or unrecognised). In accordance with AASB 137, executory contracts are contracts under which neither party has performed any of its obligations, or both parties have partially performed their obligations to an equal extent.

Related party definition

AASB124(9),(IE4)-(IE26)

10. The definition of a related party includes the following persons and entities:

- (a) A person (or a close member of that person's family) is related to the reporting entity if the person:
 - (i) has control or joint control over the reporting entity,
 - (ii) has significant influence over the reporting entity, or
 - (iii) is a member of the key management personnel of the reporting entity, or of a parent of the reporting entity
- (b) An entity (B) is related to a reporting entity (A) if:
 - (i) A and B are members of the same group (that is all entities within a group are related to each other),
 - (ii) A is an associate or joint venture of B. In this case A is related to all members of the group that B belongs to,
 - (iii) A and B are joint ventures of the same third party C,
 - (iv) A is a joint venture of C and B is an associate of C (or vice versa),

Related party transactions

- (v) B is a post-employment benefit plan for the benefit of employees of A or an entity related to A. If A is itself a post-employment benefit plan, any sponsoring employers are also related to A,
- (vi) B is controlled or jointly controlled by a person identified in (a) above,
- (vii) a person who has control or joint control over A has significant influence over B or is a member of the key management personnel of B, or
- (viii) B (or any member of a group of which B is a part of), provides key management personnel services to A or to A's parent.

AASB124(12)

11. In the above definition, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

AASB124(9)

12. Close family members are defined as those family members who may be expected to influence, or be influenced by, the key management person. They include a person's children and spouse or domestic partner, children of that person's spouse or domestic partner and dependants of that person's spouse or domestic partner.

Key management personnel disclosures

Disclosures for all reporting entities

AASB124(17)

13. All reporting entities must disclose key management personnel compensation in total and for each of the following categories:

AASB124(17)(a)

- (a) Short-term employee benefits

AASB124(17)(b)

- (b) Post-employment benefits

AASB124(17)(c)

- (c) other long-term benefits

AASB124(17)(d)

- (d) termination benefits

AASB124(17)(e)

- (e) share-based payments

Key management personnel

AASB124(9)

14. For the purposes of AASB 124, key management personnel are defined as persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of that entity.

AASB124(Aus9.1)

15. A director is a person who is a director under the *Corporations Act* or, in the case of entities governed by bodies not called a board of directors, a person who, regardless of the name that is given to the position, is appointed to the position of member of the governing body, council, commission or authority. Individuals who are directors of subsidiaries within an economic entity but not directors of the parent entity are not directors of the group.

16. The key management personnel of a superannuation entity will include the directors of the trustee and possibly other non-director personnel of either the trustee or Fund.

AASB124
(17A),(18A)

17. AASB 124 paragraph 17A states that if an entity obtains key management personnel services from another entity (e.g., a trustee company or management entity), the entity does not need to disclose the compensation paid by the trustee/management entity to its employees or directors. Entities will often apply this exemption when employees or directors of the trustee/management entity provide KMP services to multiple RSEs or investment schemes. Irrespective of whether the paragraph 17A exemption is applied, the trustee/management entity is identified as a related party and amounts incurred by the entity for the provision of KMP services must be separately disclosed.

AASB124(18)

18. In addition, if there are any transactions entered into directly between the Fund and the key management personnel these would need to be disclosed in aggregate. The Fund has not entered into any such transactions.

Transactions with related parties of the Trustee Company

AASB124(1)

19. The objective of AASB 124 is to ensure that the entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties. On that basis, if there are significant transactions with entities that are a related party of the Trustee Company, then these should also be disclosed. The amendments in AASB 124

Related party transactions

confirm this, by specifically identifying a management entity and any members of the group of which the management entity is a part as related parties.

20. Examples of such transactions may be deposits held with, or custodian fees paid to a parent entity or a sister entity of the Trustee Company. The Fund has not entered into any such transactions and therefore has not made any disclosures in this regard.

Transactions with KMP

AASB124(18)

21. The notes to the financial statements must provide aggregate information about transactions with KMPs and loans made to KMPs, in addition to the detailed disclosures required in the remuneration report. Entities cannot satisfy disclosure requirements of accounting standards by reference to documents outside the financial report.

22. The Corporations Regulations 2001 provide an exception for transactions with KMPs that are trivial or domestic in nature and were undertaken on an arm's length basis. However, this exception only applies to the remuneration report and does not apply to the disclosures in the notes to the financial statements. Instead, the disclosures required under paragraph 18 of AASB 124 are subject to materiality, which should be assessed from both the entity's and the individual's perspective. The amount of detail that will need to be disclosed in the notes will depend on the type of business and the volume of the relevant transactions.

Comparatives

AASB101(38)

23. AASB 124 is silent on comparatives. Under AASB 101 Presentation of Financial Statements comparative information must be provided for all amounts reported in the financial statements, except where a standard provides otherwise, which is not the case with AASB 124. Since the notes are part of the financial statements (see paragraph 10 of AASB 101), comparative information should be included for all amounts that provide further analysis of the line items in the financial statements.

24. AASB 101 further states that comparative information should also be provided for narrative and descriptive information where it is relevant to an understanding of the current period's financial statements. In the case of related party disclosures, comparative information is likely to be relevant for all narrative and descriptive information. The comparative information should disclose transactions with parties that were related when the time the transaction took place, but need not disclose information about transactions with parties that were unrelated at that time.

Terms and conditions

AASB124(18)(b)(i),
(23)

21. The terms and conditions of outstanding balances shall be disclosed, including whether they are secured, and the nature of the consideration to be provided in settlement. Disclosures that related party transactions were made on terms equivalent to those that prevail in arm's length transactions are made only if such terms can be substantiated.

Categories

AASB124(19)

22. The disclosures of related party transactions required by paragraph 18 of AASB 124 shall be made separately for each of the following categories:

- (a) the parent
- (b) entities with joint control or significant influence over the entity
- (c) subsidiaries
- (d) associates
- (e) joint ventures in which the entity is a venture
- (f) key management personnel of the entity or its parent, and
- (g) other related parties.

Rounding

Related party transactions

ASIC 2016/191

23. Any amounts required to be disclosed by AASB 124 in relation to transactions with related parties, key management personnel compensation and other key management personnel information shall be shown to the nearest dollar by entities with assets (or consolidated assets) of less than \$1,000 million and might only be rounded to the nearest \$1,000 by entities with assets (or consolidated assets) of more than \$1,000 million.

19. Remuneration of auditors ¹⁻¹⁵

AASB1054(10)

During the year the following fees were paid or payable for services provided by PricewaterhouseCoopers Australia (PwC) as the auditor of the Fund and by PwC's related network firms:

	2025 \$	2024 \$
AASB1054(10)(a)		
Auditors of the Fund – PwC and related network firms ⁹⁻¹¹		
Audit of financial report ³⁻⁴	165,000	153,000
Other statutory assurance services ⁵		
Audit of compliance and other regulatory returns	35,000	27,000
Total other statutory assurance services	35,000	27,000
AASB1054(10)(b),(11)		
Other assurance services ⁶⁻⁷		
Type 2 controls assurance report	55,000	55,000
Total other assurance services	55,000	55,000
AASB1054(10)(b),(11)		
Other services ⁸		
Tax compliance services	45,000	40,000
Total other non-audit services	45,000	40,000
Total services provided by PwC	300,000	275,000

Remuneration of auditors

Audit remuneration disclosure requirements

1. Under AASB 1054 *Australian Additional Disclosures* entities must disclose fees to each auditor or reviewer, including any network firm, separately for:
 - (a) the audit or review of the financial statements, and
 - (b) all other services performed during the period.
2. The *Parliamentary Joint Committee on Corporations and Financial Services Regulation of Auditing in Australia* recommended that standard setters enhance the disclosures of auditor remuneration by better defining the categories so that they provide more information about the split of remuneration between audit and non-audit services. While changes to the audit remuneration disclosure requirements are yet to be made, we have developed the illustrative disclosures in this publication based on draft recommendations made by ASIC and we encourage entities to consider these in their 30 June 2025 financial statements. These enhanced disclosures go further than the current disclosure requirements in AASB 1054 *Australian Additional Disclosures* and section 300 of the *Corporations Act* as outlined in paragraphs 1 and 10 of this commentary.

Audit of the financial report

3. In our illustrative disclosures, audit of the financial report includes services provided by the auditor and their network firms to audit the statutory financial report of the Fund. As a practical approach, the fees disclosed for the current year will also include overruns billed after the financial statements for the previous period were finalised. If an entity chooses to restate the comparatives to reflect overruns relating to the prior year, that fact and the amount of the restatement would need to be disclosed.
4. ASIC proposes including the full year audit and half year review in this category. Remuneration paid to other auditors outside of PwC networks also needs to be disclosed separately. There are some new areas of work such as wages trust or fraud where a component of the work is done as part of the audit of the financial report and so is included in the audit fees. Other components of this work, such as legal assurance over compliance with contracts, may currently be included in other assurance services.

Other statutory assurance services

5. Other statutory assurance services include services required by legislation to be provided by the statutory financial report auditor. Examples are Australian Financial Services License audits and regulatory assurance requirements set out in Superannuation Prudential Standard 310 Audit Matters..

Other assurance services

6. In our illustrative disclosures, other Assurance services include other assurance and agreed-upon-procedures services as defined in APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) (or similar professional requirements, or performed under contractual arrangements) where there is discretion as to whether the service is provided by the statutory auditor or another firm.
7. It would also include extended audit work that is authorised by those charged with governance and performed on financial or non-financial information and financial or non-financial controls where this work is intended to extend the audit work and provide additional assurance. Examples of other assurance services might include reviews of climate-related financial disclosures, cyber controls assurance, fraud or wage contract compliance agreed-upon-procedures, financial due diligence, controls assurance and agreed-upon-procedures performed for APRA. For the SEC and in the UK some services that may have been classified as other assurance services or other non-audit services are now prohibited.

AASB1054(10)

AASB1054(11)

AASB101(41)

Remuneration of auditors

AASB1054(10)(b),(11)

Other non-audit services

8. Other fees for non-audit services are required to be disclosed by type of service under the *Corporations Act* (Section 300 (11B) and (11C)). All fees paid to auditors of the parent, controlled entities and joint operations are included, following normal consolidation requirements.

Network firm

9. Services provided by non-related audit firms and their related networks are required to be disclosed separately. However, as the Fund did not receive any services from non-related audit firms, the illustration in [note 15](#) does not include such disclosures.
10. A network firm is defined in APES 110 as a firm or entity that belongs to a network. A network is a larger structure:
- (a) that is aimed at co-operation, and
 - (b) that is clearly aimed at profit or cost sharing, or shares common ownership, control or management, common quality control policies and procedures, common business strategy, the use of a common brand name or a significant part of professional resources.
11. Further guidance on networks and network firms can be found in paragraphs 400.50.A1 to 400.54.A1 of APES 110.

SI 2011/2198

Amounts paid or payable by another entity

12. Where an amount is paid or payable by another entity (for example, the parent entity or the Trustee) the entity should disclose the amount in the individual entity's notes to the financial statements, regardless of who paid it. In cases where it is not possible to make an allocation, the individual entity's financial statements should include a suitable explanation.

AASB1054(BC7)

Goods and Services Tax (GST)

13. Amounts disclosed for auditor's remuneration should be net of goods and services tax (GST) except where the GST included in fees is not recoverable from the tax authority. GST that is not recoverable should be included as part of the remuneration. This disclosure is consistent with UIG 1031 Accounting for the Goods and Services Tax (GST) which requires revenues, expenses and assets to be recognised net of the amount of GST, except that where the GST is not recoverable it shall be recognised as part of the cost of acquisition of the asset or as part of the item of expense to which it relates.
14. We recommend that entities that are not able to recover GST on fees for audit and other services and other expenses should include a policy note indicating which expense items disclosed in the financial statements are inclusive of nonrecoverable GST. They could also amend the wording of specific disclosures such as auditor's remuneration to make it clear that the amounts disclosed are inclusive of nonrecoverable GST, for example, by adding the words 'including non-recoverable GST' to the relevant captions.

AASB1054(BC7)

APES 110

Glossary UIG1031(6),(7)

Rounding

15. Under ASIC 2016/191 audit remuneration must be disclosed to the nearest dollar by entities with assets (or consolidated assets) of less than \$1,000 million, and such remuneration may only be rounded to the nearest \$1,000 by entities with assets (or consolidated assets) of more than \$1,000 million.

20. Successor fund Transfer

AASB 101(112)

On 31 May 2025, the Fund acquired by successor fund transfer ('SFT') all the assets and liabilities of the XYZ Fund. The net amount available for member benefits transferred to the Fund was \$13,300,000 and the member liabilities transferred was \$13,039,419. The assets and liabilities received by the Fund:

Assets Investments	Amount \$
Australian shares	1,204,918
International shares	1,791,701
Private capital	501,951
Property	8,578,713
Infrastructure	1,048,117
Fixed interest	601,940
Alternative strategies	1,069,401
Cash	205,554
Total investments	15,002,295
Other assets	
Cash and cash equivalents	401,052
Receivables	312,059
Total other assets	713,111
Total assets	15,715,406
Liabilities	
Benefits payable and other liabilities	310,491
Current tax liabilities	2,104,915
Total liabilities	2,415,406
Net assets available for member benefits	13,300,000
Member liabilities	
Defined contribution member liabilities	13,039,419
Total member liabilities	13,039,419
Total net assets	260,581
Equity	
Investment reserve	156,841
Insurance reserve	100,490
Operational risk financial risk (ORFR) requirement	3,250
Total equity	260,581

CA295(1)(c)

Trustees' declaration 1-3

In the opinion of the directors of the Trustee of VALUE ACCOUNTS Superannuation Fund:

CA295(4)(d)

(a) the financial statements and notes set out on pages 21 to 116 are in accordance with the *Corporations Act 2001*, including:

- (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements ², and
- (ii) giving a true and fair view of the Fund's financial position as at 30 June 2025 and of its performance for the financial year ended on that date, and

CA295(4)(c)

(b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable, and

CA295(5)(a),
CA295A(1),(2)

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

CA295(5)(c)

A Director
Director

Disclosure of location not
mandatory

Sydney

14 September 2025

CA295(5)(b)

Trustees' declaration

Format of directors' declaration

1. The directors' declaration illustrated is included by way of example. Other formats can be used as long as they comply with all relevant requirements.

Reference to other mandatory professional reporting requirements

2. Reference to other mandatory professional reporting requirements is not required but is recommended.

CA295(4)(ca)

IFRS compliance statement

3. As Superannuation funds are required to comply with AASB 1056 *Superannuation Entities*, the fund is not compliant with *IAS 26 Accounting and Reporting by Retirement Benefit Plans* and can therefore not make a full and unreserved statement of compliance with all IFRS Accounting Standards. Accordingly, the directors' declaration does not include a statement about compliance with International Financial Reporting Standards.

Independent auditor's report to the members of VALUE ACCOUNTS Superannuation Fund ¹⁻⁶

Independent audit report

Form and content of audit report

- | | |
|---------------|--|
| SPS310(15-21) | 1. Standards and guidance on the preparation of audit reports for superannuation entities are given in Prudential Standard SPS 310 <i>Audit and Related Matters</i> . |
| CA307A | 2. Standards and guidance on the preparation of audit reports on general purpose financial reports are given in Auditing Standard ASA 700 <i>The Auditor's Report on a General Purpose Financial Report</i> . Compliance with ASA 700 is mandatory for all audits carried out under the Corporations Act and for all other audits carried out by members of the Accounting Bodies. |

Other matters on which the auditor might be required to report

- | | |
|-----------|--|
| CA308(2) | 3. At a minimum, the auditor's report, which must be prepared by the RSE auditor, must provide reasonable assurance addressing annual financial statements of each RSE prepared in accordance with relevant Australian Accounting Standards issued by the Australian Accounting Standards Board. If the auditor is of the opinion that the financial report does not comply with an accounting standard, the audit report must, to the extent it is practicable to do so, quantify the effect of the non-compliance. If it is not practicable to quantify the effect fully, the report must say why. |
| CA308(3) | 4. The audit report must describe (on an exception basis): <ul style="list-style-type: none"> a. any defect or irregularity in the financial report b. any deficiency, failure shortcoming in respect of the following or matters: <ul style="list-style-type: none"> i. whether the auditor has been given all information, explanation and assistance necessary for the conduct of the audit ii. whether the entity has kept financial records sufficient to enable a financial report to be prepared and audited iii. whether the entity has kept other records and registers as required by the Corporations Act 2001. |
| CA308(3A) | 5. The audit report must include any statements or disclosures required by auditing standards. |
| CA308(3B) | 6. If the financial report includes additional information under CA 295(3)(c) (information included to give a true and fair view of financial position and performance), the audit report must include a statement of the auditor's opinion on whether the inclusion of that additional information was necessary to give the true and fair view required by CA 297. |

Appendices

Not mandatory	This section includes other information that must be disclosed to comply with the specific requirements of AASB 1056 if certain conditions, as set in the standard, are met.	
Appendix A – Other illustrative scenarios		119
Example 1 - Insurance arrangements for funds exposed to material insurance risk		119
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Appendix A – Other illustrative scenarios

Example 1 – Insurance arrangements for funds exposed to significant insurance risk ¹⁻⁵

Statement of financial position (extract)

	2025 \$'000	2024 \$'000
Assets		
Reinsurance assets	1,370,780	870,780
Liabilities		
Insurance liabilities	1,896,238	1,634,738

Income statement (extract)

Results from insurance activities	(76,326)	(73,475)
-----------------------------------	----------	----------

Summary of significant accounting policies (extract)

(a) Measurement of insurance contract assets and liabilities

Insurance contract liabilities and reinsurance contract assets are recognised at their fair value which is determined as the estimated amount of a portfolio of investments that would be needed as at the reporting date to yield future net cash flows that would be sufficient to meet the insured benefits on the date when they are expected to fall due.

The carrying amount of the reinsurance assets is adjusted for impairment if there is objective evidence as a result of an event that occurred after their initial recognition that the Fund will not receive amounts due to it under the terms of the contract, and the impact of the event on the amounts receivable from the reinsurer can be reliably measured.

Insurance activities

The Fund provides death and disability benefits to its defined contribution members. The Fund self-insures this risk as the Trustee believes it is appropriate in light of the Fund's present membership and benefit levels. The table below outlines the net results of the Fund's insurance activities during the year:

	2025 \$'000	2024 \$'000
Insurance activities ¹⁻¹²		
Insurance contract revenue	874,590	647,550
Less: Outward reinsurance premiums	(874,555)	(647,525)
Net premium revenue	35	25
Reinsurance recoveries revenues	396,344	406,749
Insurance contract claims expenses	(711,205)	(770,316)
Movement in insurance liabilities	(261,500)	(357,291)
Movement in reinsurance assets	500,000	647,358
	(76,326)	(73,475)

AASB101(122)

(a) Critical judgments regarding the recognition of insurance assets and liabilities

The Trustee has assessed whether the Fund is exposed to significant insurance risks and has determined that it is appropriate to recognise liabilities associated with the death and disability benefits provided to members and the assets arising from reinsurance contracts. The Trustee considered that significant insurance risk arises because there are differences between the terms and conditions associated with insurance benefits provided to members and the reinsurance contract maintained by the Fund. This means that in certain circumstances, members (or their beneficiaries) may be entitled to receive insurance benefits irrespective of whether the external reinsurer accepts the claim.

(b) Significant estimates made in measuring insurance contract asset and liabilities

AASB1056(36)(a)

AASB1056(36)(b)

The Fund uses the services of an actuary to determine its insurance contract assets and liabilities. An actuarial valuation involves making various assumptions about the future. Actual events in the future may differ from these assumptions. Due to the complexity involved in the valuation and its long term nature, insurance assets and liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The key assumptions used in measuring the insurance contract liabilities are:

1. interest rate of 2.85% (2024: 3.15%)
2. salary inflation rates of 2.0% (2024: 2.4%)
3. mortality rates based on ALT 10-12, uplifted with mortality improvements and scaled to reflect fund's claim experience and different risk profiles such as occupational ratings and smoking, and
4. disability rates based on fund's claim experience and different risk profiles such as occupational ratings and smoking.

The key factors or uncertainties that impact the key assumptions above are:

5. If interest rate decreases, it will result in an increase in insurance liabilities and an increase in the value of the insurance assets. These insurance liabilities are reinsured and it is expected that there will be minimal impact to the Fund's overall result.
6. If salary inflation rates increase, it will result in the increase in insurance liabilities that would result in a decline in the net assets of the Fund.
7. Higher mortality and disability rates will result in an increase in insurance liabilities as a result of higher claims and will lead to a decline in the net assets of the Fund.

AASB1056(36)(c)

A better than expected claims experience will result in lower liabilities and an increase in the net assets of the Fund.

There are minimal uncertainties relating to the recoverability of the reinsurance assets as these have been reinsured with ABC Reinsurance (Australia) Ltd which has an AA credit rating.

(c) Impairment assessment of insurance contract assets

AASB1056(34)

There has been no event during the year that has affected the recoverability of the reinsurance assets of the Fund.

Insurance activities

AASB1056(AG40)

AASB1056(AG41)

AASB1056(AG42)

1. Superannuation entities must recognise liabilities and assets arising from their insurance and reinsurance arrangements if they are exposed to a significant insurance risk.

Indicators that the entity is not exposed to a significant insurance risk include:

- (a) members (or their beneficiaries) will only receive insurance benefits if the external insurer/reinsurer pays the claims
- (b) insurance premiums are only paid through the superannuation entity for administrative reasons, and
- (c) insurance premiums are effectively set directly by reference to premiums set by an external insurer.

Further, a superannuation entity has not taken on significant insurance risk simply by:

- (a) taking out (group) insurance cover in the name of the superannuation entity
- (b) paying claim benefits to members (or their beneficiaries) via the superannuation entity, and
- (c) making occasional ex gratia payments in respect of death and disability benefits.

Similarly, the following factors alone would not generally be indicative of exposure to significant insurance risk:

- (a) the entity has oversight over the claims process, reviews declined claims and occasionally agrees to pay a claim out of reserves, or
- (b) the entity is assisting the insurer by administering the claims and is charging an administration fee for these service to the members.

To assess whether the entity has a legal or constructive obligation in relation to the insurance cover, superannuation entities should consider their trust deeds and review the communications provided to members. For example:

- (a) What have the members been told in relation to the insurance arrangements?
- (b) Are they aware that the insurance is provided by a third party, or is it implied that the superannuation entity will be ultimately responsible for providing the benefits?
- (c) Do the documents provided to members refer to the third party insurance policy for the terms and conditions, or do they set out their own terms and conditions under which claims will be paid?
- (d) If the documents repeat the terms and conditions of a third party insurance arrangement, is it clear that these may change if the insurance policy is renewed and are there procedures in place to ensure members are informed of any changes?

AASB1056(33)

2. A superannuation entity that is exposed to a significant insurance risk shall:
 - (a) recognise liabilities and assets arising from its insurance and reinsurance arrangements
 - (b) measure liabilities and assets arising from insurance and reinsurance arrangements using the approach to measuring defined benefit member liabilities, and
 - (c) If reinsurance assets are impaired, reduce the carrying amount of those assets and recognise the impairment in the income statement.

AASB1056(35)(36)

3. A superannuation entity that is exposed to a significant insurance risk in respect of defined contribution members that recognises insurance liabilities and assets shall disclose information that provides a basis for understanding the amount, timing and uncertainty of future cash flows relating to those liabilities and assets. The disclosures include quantitative or qualitative information in relation to:
 - (d) key assumptions used in measuring liabilities arising from insurance arrangements the superannuation entity provides to its members
 - (e) any uncertainties surrounding those key assumptions, and
 - (f) any uncertainties surrounding reinsurance assets.

Insurance activities

AASB1056(AG46)

4. Liabilities arising from insurance arrangements a superannuation entity provides to defined contribution members shall be presented separately from the entity's liabilities for such members' benefits in the statement of financial position.

AASB1056(AG44)-(AG49)

5. Insurance accounting is complex and the illustrative disclosures included above are designed to highlight the key requirements applicable to the Fund.

Example 2 – Employer-sponsor receivables¹⁻²

AASB101(54)(h)

	2025 \$'000	2024 \$'000
AASB1056(18)		
Employer-sponsor receivables ¹⁻²	297,073	15,789
Investment income receivables	512,681	321,830
Prepayments	583	863
Sundry debtors	439	687
	810,776	339,169

AASB1056(26),(27)

The employer sponsor receivable recognised in the financial statements relates to the deficiency in Plan A and is measured as the difference between the defined benefit member liabilities relating to Plan A and the amount of the other recognised assets held to meet those liabilities. ABC Proprietary Limited is the employer sponsor and has a statutory responsibility under statute XYZ to make additional contributions for a period of 3 years to fully fund the deficit by July 2025.

Other receivables

Employer-sponsor receivables

AASB1056(18),(AG27)

1. An employer-sponsor receivable shall be recognised for the difference between

- a defined benefit member liability, and
- the fair value of the assets available to meet that liability

provided the receivable meets the definition and recognition criteria for an asset. This would be the case, for example where there are specific contractual or statutory arrangements in place between the superannuation entity and the relevant employer-sponsor(s) in relation to the funding of the defined benefit member liabilities.

AASB1056(19),(AG28)

2. The asset should be measured at its intrinsic value, being the difference between the defined benefit member liabilities and the amount of the other recognised assets held to meet those liabilities (measured as required under AASB 1056), unless the amount of the receivable is capped or impaired in any way.

Appendix B – New standards forthcoming standards and amendments

This appendix provides a summary of (a) new standards and amendments that are effective for the first time for periods commencing on or after 1 July 2024 (i.e. years ending 30 June 2025), (b) IFRS Interpretations Committee agenda decisions issued in the last 12 months, and (c) forthcoming requirements, being standards and amendments that will become effective on or after 1 July 2025.

(a) New standards and amendments – applicable 1 July 2024

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 July 2024:

Title	Key requirements	Effective date * and further guidance
AASB 2020-1 Amendments to Australian Accounting Standards Classification of Liabilities as Current or Non-current [AASB 101]	Amendments made to AASB 101 Presentation of Financial Statements in 2020 and 2022 clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (for example, the receipt of a waiver or a breach of covenant that an entity is required to comply with only after the reporting period). Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either on or before the reporting date, this needs to be considered in the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.	1 January 2024 For further information, Viewpoint website and Indepth INT2022-16
AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Noncurrent – Deferral of Effective Date [AASB 101]	The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants with which the entity must comply within 12 months of the reporting date. The disclosures include: • the carrying amount of the liability • information about the covenants (including the nature of the covenants and when the entity is required to comply with them), and • facts and circumstances, if any, that indicate that the entity might have difficulty complying with the covenants.	
AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants [AASB 101 and AASB Practice Statement 2]	The amendments must be applied retrospectively in accordance with the requirements in AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.	
AASB 2023-3 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants: Tier 2 [AASB 1060]		

* Applicable to reporting periods commencing on or after the given date.

(a) IFRS IC agenda decisions issued in the last 12 months

As at 31 December 2024, the following agenda decisions were issued that may be relevant for the preparation of annual reports in 2025. The date issued refers to the date of approval by the IASB as per the [IASB's website](#). For more recent information refer to our website at [viewpoint.pwc.com](#).

Date issued	Topic
April 2024	Payments Contingent on Continued Employment during Handover Periods (IFRS 3)
April 2024	Climate-related Commitments (IAS 37)
July 2024	Disclosure of Revenue and Expenses for Reportable Segments in brief INT2024-18.

(b) Forthcoming requirements

As at 31 December 2024, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 30 June 2025. For more recent information refer to our website at [www.viewpoint.pwc.com](#).

Title	Key requirements	Effective date * and further guidance
AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability [AASB 1, AASB 121 & AASB 1060]	In October 2023, the AASB amended AASB 121 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, AASB 121 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary. These new requirements will apply for annual reporting periods beginning on or after 1 January 2025. Early application is permitted. Refer to Filling the gap in currency accounting: new IFRS requirements for lack of exchangeability for further details.	1 January 2025 (Early adoption is available) In brief INT2023-19
AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments [AASB 7 & AASB 9]	In July 2024, the AASB issued targeted amendments to AASB 9 Financial Instruments and AASB 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments: a. clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; b clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;	1 January 2026 For further information, see In brief INT2024-14

Title	Key requirements	Effective date * and further guidance
	c add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and d update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The amendments in (b) are most relevant to financial institutions, but the amendments in (a), (c) and (d) are relevant to all entities. The amendments to AASB 9 and AASB 7 will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted	
AASB 18 Presentation and Disclosure in Financial Statements	This is the new standard on presentation and disclosure in financial statements, which replaces AASB 101, with a focus on updates to the statement of profit or loss. The key new concepts introduced in AASB 18 relate to: • the structure of the statement of profit or loss with defined subtotals; • requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss • required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and • enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general	1 January 2027 (early adoption is permitted) – for for-profit entities 1 January 2028 (early adoption is permitted) – for not-for-profit and superannuation entities In brief INT2024-06 For financial services companies, see In brief INT2024-08 For treasury topics for corporate entities, see In brief INT2024-09
ASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11[AASB 1, AASB 7, AASB 9, AASB 10 & AASB 107]	The AASB has made the following minor improvements in September 2024: • AASB 1 First-time Adoption of International Financial Reporting – to improve consistency between AASB 1 and AASB 9 - Financial Instruments in relation to the requirements for hedge accounting, and improve the understandability of AASB 1; • AASB 7 Financial Instruments: Disclosures – to improve consistency in the language used in AASB 7 with the language used in AASB 13 Fair Value Measurement; • AASB 9 Financial Instruments – to clarify how a lessee accounts for the derecognition of a lease liability when it is extinguished and address an inconsistency between AASB 9 and AASB 15 Revenue from Contracts with Customers in relation to the term 'transaction price'; • AASB 10 Consolidated Financial Statements – to clarify the requirements in relation to determining de facto agents of an entity; and	1 January 2026

Title	Key requirements	Effective date * and further guidance
	• AASB 107 Statement of Cash Flows – to replace the term ‘cost method’ with ‘at cost’ as the term is no longer defined in Australian Accounting Standards	
AASB 2014-10 <i>Amendments to Australian Accounting Standards: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture</i>	The AASB has made limited scope amendments to AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i> .	n/a ***
AASB 2015-10 <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128</i>	The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a ‘business’ (as defined in AASB 3 <i>Business Combinations</i>). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor’s interests in the associate or joint venture. The amendments apply prospectively.	
AASB 2017-5 <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</i>	*** In December 2015 the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method. However, the AASB cannot legally issue amendments without an operative date. It has therefore initially deferred the application date to 1 January 2018 and subsequently extended this to 1 January 2025.	
AASB 2021-7 <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</i>	Even though the amendments are not yet mandatory, they can be applied early if an entity elects to do so.	

* Applicable to reporting periods commencing on or after the given date; unless otherwise stated, early adoption is permitted.

Appendix C: Impact of climate change on financial statements

AASB101(11
2)(c)

1. For information regarding sustainability reporting disclosure frameworks, reporting requirements and application guidance, refer to our [Sustainability reporting guide](#) and our [Global sustainability reporting](#) landing page on Viewpoint. In Australia, most entities that are required to prepare financial statements under Chapter 2M of the Corporations Act will be required to prepare a sustainability report that complies with Australian Sustainability Reporting Standards (ASRS), including Superannuation funds. For more information, see our Australian publication Sustainability reporting standards and legislation finalised: mandatory sustainability reporting begins.
 2. Overall, it will be important for entities to ensure consistency between their financial and sustainability reporting on key assumptions where such consistency is necessary for compliance with Australian Accounting Standards (AAS).
 3. The incorporation of sustainability related impacts, risks and opportunities -- and, in particular, climate-related impacts, risks and opportunities -- when making estimates and judgements continues to be a focus for investors and regulators.
 4. Climate change, in particular, might have a significant effect on entities' financial position or performance there are physical risks (such as damage to assets as a result of fires or flooding caused by extreme weather events) as well as transitional risks and opportunities resulting from regulations (such as additional costs incurred by the entity as a result of transitioning to a low carbon.
 5. The accounting standards have an overarching requirement to disclose information that users need in order to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance. Therefore, in light of the current focus on, and effect of, sustainability reporting (specifically climate), entities should ensure that they have assessed the effect of climate change and other sustainability matters, risks, and opportunities (as applicable) and, they should provide adequate disclosures to comply with Australian Accounting Standards (AAS).
 6. The objective of this appendix is to:
 - summarise key developments from the IASB and AASB, specifically with response to climate related reporting matters, and
 - discusses how climate change could affect certain measurements and therefore the related disclosures in the financial statements.
 7. We have outlined some of the relevant considerations when making estimates and judgements and drafting the related disclosures to satisfy current IFRS Accounting Standards and AAS requirements. For further information see our In depth [Impact of ESG matters on IFRS financial statements](#) and our webpage on Viewpoint Environmental, Social and Governance (ESG) in IFRS on Viewpoint.
 8. Whilst this appendix summarises certain climate related considerations that might be relevant for an entity, it is not an exhaustive list of all possible matters that could arise. Entities will need to assess the impact that climate related matters have on their financial statements based on their specific facts and circumstances which might involve considerations over and above the ones listed in this appendix.
- Recent developments in IASB/AASB guidance**
9. At it's April 2024 board meeting, the IASB discussed and did not object to an IFRIC agenda decision for Climate-related Commitments (AASB 137 Provisions, Contingent Liabilities and Contingent Assets). The IFRS Interpretations Committee was asked specifically how recognising a provision under IAS 37 applies to net zero commitments. The agenda decision clarifies that, at the time when the entity makes a net zero commitment statement, that judgement will need to be applied to the specific facts and circumstances to determine if a constructive obligation exists. If there is a constructive obligation, and each of the recognition criteria in IAS 37 is met, an entity might need to recognise a provision for net zero commitments.
 10. In July 2024, the Committee received a follow-up submission requesting further clarification for situations in which a provision for a net-zero commitment is recognised, specifically whether the corresponding amount is recognised as an expense or as an asset. Entities should continue to monitor developments as this submission is discussed by the Committee.
 11. In August 2024, the AASB published an ED on Climate-related and Other Uncertainties in the Financial Statements to propose illustrative examples of how an entity might apply the requirements In AAS to disclose the effects of climate-related and other uncertainties in the financial statements. **The ED includes examples for materiality judgements, disclosure of assumptions, disclosures about credit risk, disaggregated information and decommissioning and restoration provisions.**

12. While the proposed examples in the ED are still subject to change, entities might find the examples **a useful source of information in assessing how to comply with existing standards in conjunction** with the educational material published by the IASB discussed below.
13. Until the project is completed, the IASB's educational material remains a valuable source of **guidance under IFRS Accounting Standards for considering climate-related effects**. **ESMA has also** released its report *The Heat is On* as part of its strategic priorities to promote high-quality sustainability disclosures. However, preparers should continue to closely monitor accounting and regulatory developments in this area.

Effect of climate-related uncertainties on the financial statements

Note 2 – Going concern

AASB101(25)
)
ASA570(19)

15. AASB 101 requires management to assess an entity's ability to continue as a going concern when preparing financial statements. In assessing whether the going concern basis of preparation is appropriate, management considers all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. If climate-related matters create material uncertainties related to events or conditions that might cast significant doubt on an entity's ability to continue as a going concern, the entity should disclose these uncertainties even if the financial statements continue to be prepared on a going concern basis. See the commentary to [note 2](#) for further guidance on going concern disclosures.

AASB101(12
2)
AASB7(39)

16. Where management has concluded that there are no material uncertainties related to the going concern assumption that require disclosure, but reaching that conclusion involves significant judgement (for example, about the feasibility and effectiveness of any planned mitigation), AASB 101 requires disclosure of that judgement. Entities should also consider the interrelationship with the liquidity risk disclosures discussed in [note 3\(d\)](#).

Note 4 - Fair value measurements

AASB13
(93)(d),
(h)(i)-(ii)

17. AASB 13 Fair Value Measurement requires disclosure of the inputs used in fair value measurements and, for recurring fair value measurements with significant unobservable inputs, a description of the sensitivity of those measurements to changes in unobservable inputs.

18. Valuation models for assets or liabilities items that are not traded in an active market should be reviewed to ensure that they adequately incorporate inputs and assumptions, which might be affected by climate-related risks, including but not limited to: rep

- a. discount rates,
- b. the timing and amount of forecasted cash flows (for example, the fair value measurement for an investment property might need to be adjusted to reflect climate impacts on rental income, occupancy rates as well as insurance cost assumptions),
- c. the highest and best use for certain assets measured at fair value,
- d. inflation rates, and
- e. other assumptions that a market participant would consider in the circumstances.

Note 3(a) – Financial risk management – market risk

AASB7([App
endix A](#))

19. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by:

- a. factors specific to the individual financial instrument or its issuer, or
- b. factors affecting all similar financial instruments traded in a market.

AASB7(40)

Entities must disclose a sensitivity analysis which shows how profit or loss and equity would have been affected by changes in risk variables.

AASB7(40),(41)

AASB7(20B)-(20D)

20. Climate risk could have a significant effect on market risk, for example, for investments in industries impacted both positively and negatively by climate-related risk. In some cases, it may be necessary to provide additional explanations and disclose a sensitivity analysis that reflects interdependencies between risk variables. For example, if an entity has an interest rate that is floating based on both meeting its climate initiatives and a market benchmark, the entity should consider disclosing how the impact of meeting the climate initiative was incorporated into the sensitivity analysis. An entity should also consider the disclosure requirements regarding contingent events that could change the amount of contractual cash flows for financial instruments (such as sustainability linked loans) in AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments [AASB 7 & AASB 9].

Note 3(c) – Financial risk management – credit risk and concentrations of risk

AASB7(34)(c),(B8)

21. AASB 7 requires that entities disclose concentrations of risk including:

- a. how management determines such concentrations
- b. a description of the shared characteristic that identifies each concentration, and
- c. the amount of the risk exposure associated with all financial instruments sharing that characteristic.

22. Entities might have to change the way in which they are approaching their risk concentration disclosures to take into account climate-related risk. For example, more precision in determining geographic concentration might be necessary to reflect heightened risk in particular areas (such as city versus provincial/state disclosures where a particular city is particularly impacted) or more precision in the industry sector (such as a more precise disaggregation of exposure to different industrial products sectors based on carbon intensity).

Note 3(d) – Financial risk management – liquidity risk

AASB7(Appendix A)

23. Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

AASB7(39)

1. 24. Entities are required to disclose a maturity analysis for their financial instruments as well as a description of how they manage the liquidity risk inherent in the maturities.

AASB7(B11D)

25. Where the effects of climate change could accelerate the timing or alter the amount of contractual maturities of financial liabilities, for example as a result of clauses in a sustainability linked loan, entities should disclose that information.

26. When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. For example, when the amount payable varies with changes in an index, the amount disclosed will be based on the index's level at the end of the period. In this case, entities should disclose the risk that the amount payable will increase depending on the index.

AASB101(135)(a)(ii)

27. As an entity's climate-related risk exposures become more significant, there could also be growing pressure on an entity's debt covenants. In this context, disclosures about key covenants and facts and circumstances, if any, that indicate that the entity might have difficulty complying with the covenants and that non-current liabilities could become repayable within the next 12 months might become increasingly material. Reduced access to funding from investors in carbon-intensive industries could also be a risk that entities need to address and disclose.

Other potentially material accounting policies

28. In the absence of an Australian Accounting Standard that specifically applies to a transaction, other event or condition, management should use its judgement in developing and applying an accounting policy that results in relevant and reliable information.

AASB101(117-117B)

29. Funds should disclose accounting policy information if it is material. Information is material if, when considered together with other information included in the financial statements, it can reasonably be expected to influence user's decisions made on the basis of the financial statements.

AASB 101 also notes that an accounting policy might be material because of the nature of the entity's operations even if amounts for current and prior periods are not material. Furthermore, accounting policies developed in accordance with AASB 108 are an example of policies that would likely be considered material.

30. Funds should therefore not underestimate the importance of disclosing climate-related accounting policies in the notes to the financial statements.

Emissions trading schemes

31. There is no specific accounting standard that deals with accounting for emissions trading schemes. IFRIC 3 Emission Rights was intended to address the accounting in this area, but it was withdrawn in 2005.

AASB101(11
7)-(117B)

32. The withdrawal of IFRIC 3 means that there are a number of accounting models that entities can use under AASB 108 in accounting for the participation in these schemes. Entities should disclose the accounting policies adopted for:

- a. recognition
- b. initial measurement
- c. subsequent measurement, and
- d. presentation of the balances.

See the discussion about disclosure of accounting policies in paragraph 28 to 30 above.

33. Emissions credits granted by a government entity are generally accounted for under AASB 120 as the receipt of a non-monetary asset. However, AASB 120 allows for different accounting policy choices with respect to measurement on initial recognition and the presentation in both the Statement of Financial Position and the Income Statement. Disclosure of the accounting policy for these programs is key to understanding the effects of these programs on the financial statements.

2. 34. To the extent that entities determine that aspects of their emissions trading schemes meet the definition of financial assets and qualify for derivative or hedge accounting they should further consider the disclosure requirements of AASB 7 and AASB 13.

35. For a detailed discussion on accounting for emissions trading schemes refer to our publication [Emissions trading schemes: The opportunities ahead](#).

Accounting for carbon offsets in the voluntary carbon market

36. The voluntary carbon market (VCM) is growing. However, similarly to emission trading schemes there are also no accounting standards of IFRS interpretations that directly address the accounting for carbon offsets and related projects. Our In depth INT2023 IFRS Financial reporting considerations for entities participating in the voluntary carbon market discusses how the accounting for carbon offset arrangements by various counterparties can be addressed using current accounting standards and interpretations.

37. Funds participating in the VCM will need to explain what accounting policies they have applied to carbon offsets and related projects.

Appendix D – Abbreviations

Abbreviations used in this publication are set out below.

AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
AASB (Number)	Accounting Standards issued by the AASB
AASB (Number)R	Revised accounting standard – not yet operative
AASB-I (Number)	Interpretations issued by the AASB
ABN	Australian Business Number
ADI	Authorised Deposit taking Institution
AfS	Available for sale (financial assets)
AFSL	Australian Financial Services Licence
AGS	Auditing Guidance Statements
AIFRS	Australian equivalents to International Financial Reporting Standards
APES	Standards issued by the Accounting Professional & Ethical Standards Board (APESB)
APRA	Australian Prudential Regulation Authority
APS	Miscellaneous Professional Statements
ASA	Auditing Standards issued by the AUASB under the <i>Corporations Act 2001</i>
ASIC	Australian Securities and Investments Commission
ASIC Act	<i>Australian Securities and Investments Commission Act 2001</i>
ASIC MR	ASIC Media Releases
AUASB	Auditing and Assurance Standards Board
bps	basis points
CA	<i>Corporations Act 2001</i>
CAANZ	Chartered Accountants in Australia and New Zealand
CPA	CPA Australia
DB	Defined benefit
DC	Defined contribution
DP	Discussion Papers
ED	Accounting Exposure Drafts
ESG	Environmental Social and Governance
FRC	Financial Reporting Council
FVTPL	(Financial assets/liabilities at) fair value through profit or loss
GAAP	Generally Accepted Accounting Principles
GPFS	General Purpose Financial Statements
GS	Guidance Statements issued by the AUASB
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ICAA	The Institute of Chartered Accountants in Australia
IFRIC	Interpretations issued by the IFRS Interpretations Committee of the IASB
IFRS	International Financial Reporting Standards
ITC	Invitation to Comment issued by the AASB
RCF	(Revised) Conceptual Framework issued by the IASB in 2018
RSE	Registerable Superannuation Entity
SAC	Statements of Accounting Concepts
SIC	Interpretations issued by the Standing Interpretations Committee of the International Accounting Standards Committee, the predecessor of the IASB.
SIS	Superannuation Industry (Supervision) Act 1993
SPS	Superannuation Prudential Standard
SFT	Successor Fund Transfer
UIG	Urgent Issues Group
UIG (Number)	UIG Interpretations

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