



# Mason Stevens Super

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Annual Report  
For the year ended 30 June 2024

Mason Stevens Super  
ABN 34 422 545 198

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## Directors' report

The directors of Diversa Trustees Limited (the Trustee) for Mason Stevens Super (the Fund), present their report together with the financial statements of the Fund for the year ended 30 June 2024.

### Directors

The names of the directors in office of the Trustee during the financial year and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

Name	Position	Term as director
V. Plant	Independent chair	Full financial year
A. Peterson	Executive director/CEO	Full financial year
F. McNabb	Independent director	Full financial year
R. Beard	Independent director	Full financial year (Resigned 27 July 2024)
S. Thomas	Non-Executive Director	Full financial year
M. Walter	Independent director	Full financial year

### Principal activities

Mason Stevens Super (ABN 34 422 545 198) (the "Fund") is a retail superannuation fund domiciled in Australia. The Fund primarily provides retirement benefits to its members and remains open to new members through financial advice. It was constituted by a Trust Deed dated 1 June 1988, as amended.

### Review of operations and results

Net assets available for member benefits on 30 June 2024 grew from \$873 million to \$1,153 million during the year, predominantly due to member contributions and investment returns.

The Fund operates within a dynamic environment characterised by various risks that may impact its financial prospects. Embracing a risk management approach aligned with industry best practices and regulatory expectations, the Fund aims to strike a balance between risk and reward for the benefit of its members. Existing and emerging business risks faced by the Fund include:

**Regulatory and Legislative Changes:** The dynamic regulatory landscape governing superannuation undergoes frequent adjustments, potentially presenting challenges to compliance and operational effectiveness. The Trustee diligently monitors regulatory developments, proactively adapting to changes, and maintains robust governance frameworks. Furthermore, the Trustee adjusts its strategies and operations to align with evolving legal requirements.

**Operational Risk:** Operational risks include various factors, including those associated with the operations of the Trustee oversight model and its service providers delivering services to the Fund. These risks may arise from deficiencies or failures in the governance processes, internal controls, or operational procedures related to the oversight of the Trustee's activities. Potential risks include inadequate oversight of investment decisions, compliance failures, conflicts of interest, and ineffective management of third-party service providers. To mitigate operational risks, we maintain rigorous governance frameworks, conduct regular assessments of the Trustee oversight model, implement robust internal controls, and foster a culture of accountability and transparency.

**Climate Change:** Climate change presents both physical and transitional risks to investments, affecting asset valuations and long-term sustainability. Environmental, social, and governance (ESG) developments, along with emerging risks and opportunities, may impact investment returns for members. The Trustee monitors any ESG developments to identify issues that may impact investment returns for members.

## Fund membership

The Fund's membership expanded to over 3,404 (30 June 2023: 2,658), largely due to its member-direct investment structure.

Average member account balances decreased to \$286,558 (30 June 2023: \$324,127).

## Service provider

Service	Provider	Term as service provider
Trustee	Diversa Trustees Limited	Full financial year
Administrator	FNZ (Australia) Pty Limited	Full financial year
Promoter	Mason Stevens Limited	Full financial year
Investment Manager	Mason Stevens Asset Management	Full financial year
Custodian	Mason Stevens Limited	Full financial year
RSE Auditor	Grant Thornton	Ceased 5 July 2024
RSE Auditor	Ernst & Young Australia	Appointed 1 August 2024

## Significant changes after the end of the year

There are no other matters or circumstances that have arisen since 30 June 2024 that have significantly affected, or may have a significant effect, on:

- i. The operations of the Fund in future financial years
- ii. The results of those operations in future financial years
- iii. The state of affairs of the Fund in future financial years

## Likely developments in the Fund's operations and expected results

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the Trustee's Product Disclosure Statements and the provisions of the Trust Deed.

The results of the Fund's operations will be affected by a number of factors, including the performance of the investment markets in which the Fund invests. Investment performance is not guaranteed, and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

## Environmental regulation and performance

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

## Indemnification and insurance of officers

Under the Trust Deed, the Trustee including its officers and employees, is indemnified out of the Fund's assets for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Fund.

During the financial year the Trustee paid premiums in respect of its officers for professional indemnity insurance contracts for the year ended 30 June 2024. The Trustee has paid or agreed to pay in respect of the Fund, premiums in respect of such insurance contracts for the year ending 30 June 2024. The Fund did not reimburse the Trustee for such costs.

Details of the nature of the liabilities covered or the amount of the premium paid have not been included as such disclosure is prohibited under the terms of the contracts.

## Auditor's independence declaration

The auditor's independence declaration is included on page 9.

## Audit and non-audit services

The auditor did not provide non-audit services during the financial year.

Details of amounts paid or payable to the auditor for audit and non-audit services provided during the year by the auditor are disclosed in the table below.

	2024 \$'000	2023 \$'000
Statutory assurance services required by legislation to be provided by the auditor	120	54
Other Services	-	4
<b>Total</b>	<b>120</b>	<b>58</b>

During the financial year, the auditor: Ernest & Young (2023: Grant Thornton) did not provide any non-audit services to the Fund. Further details on the compensation paid to the auditor are provided in Note 18 Remuneration of auditors to the financial statements including details of audit-related services provided during the year of \$120K (2023: \$58K).

## Indemnification of auditors

The Trustee has not, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify the Fund's auditor against a liability incurred as an auditor.

## Environmental regulation

As of the time of reporting, the Fund's operations are not subject to any particular or significant environmental regulations under Commonwealth, State, or Territory law. However, the Trustee believes that the Fund has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they may apply to the Fund.

## Financial statements presentation

The Fund is an entity of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest thousand dollars unless otherwise indicated.

## Directors' remuneration report (audited)

The directors of the Trustee present the Remuneration Report for the Fund for the year ended 30 June 2024. The Remuneration Report forms part of the Directors' Report and has been audited in accordance with section 300C of the Corporations Act 2001. The Remuneration report details the remuneration arrangements for the Directors and the Key Management Personnel (KMP) of the Fund which includes persons who directly, indirectly, have authority and responsibility for planning, directing, and controlling the major activities of the Fund.

### 1. Remuneration objectives and principles

Our remuneration objectives and principles are firmly aligned with our commitment to both our members and colleagues. They serve as guiding principles in the development and implementation of our remuneration structures.

To ensure compliance with regulatory standards, the Trustee Board has established the Remuneration and Nomination Committee, as mandated by APRA Prudential Standards SPS 510 Governance (SPS 510) and CPS 511 Remuneration (CPS 511).

Our remuneration strategy undergoes an internal review on, at least, an annual basis, considering factors such as the size, complexity, and responsibilities of roles, individual performance and behaviour, as well as skills and experience consistent with our fiduciary duties and the best financial interests of our members. This review includes the utilisation of key performance indicators aligned with the trustee's strategic objectives and risk tolerance.

The policy may also be reviewed by an independent third party. No external review of the policy has been undertaken during the year.

### 2. Key management personnel

The directors of the Trustee and other key management personnel of the trustee during the financial year were:

### 3. Directors of the Trustee

Name	Date of appointment	Status
V. Plant (Chairperson)	4 May 2017	Independent
A. Peterson	28 June 2019	Chief Executive Officer
F. McNabb	28 June 2019	Independent
R. Beard	18 February 2021 (Resigned 27 July 2024)	Independent
S. Thomas	15 August 2022	Non-Executive Director
M. Walter	26 June 2023	Independent

### 4. Other key management personnel

The following is the list of executives, who at any time during the period up to the date of this report had an authority and responsibility for planning, directing and controlling activities either directly or indirectly:

Name	Date of appointment	Position
J. Hartnett	14 Feb 2022	General Manager Office of Superannuation Trustees
J. Haymes	15 Feb 2022	General Manager Strategy
R. Griffith	12 Jul 2021	General Manager Investment Oversight & Board Company Secretary

The following section provides remuneration disclosures for the Directors and the Key Management Personnel of the Trustee. As the Trustee manages multiple funds, the disclosed remuneration incorporates awards granted across all funds under its management, and as such, the amounts below are not specific to this Fund alone. Directors of the Trustee and other key management personnel do not receive remuneration directly from the Fund.

The executive remuneration and reward framework has three components:

- base pay;
- short-term discretionary bonuses; and
- other remuneration such as superannuation, annual leave and long service leave.

The combination of these comprises the executive's total remuneration.

FY24 remuneration for Directors and Key Management Personnel

2024	Short-term employee benefits		Post-employment benefits	Long-term employee benefits	Termination Benefits	Total incl accrued leave entitlements
	Cash Salary & Fees	Cash Bonus	Superannuation	Annual and Long Service Leave*		
	\$	\$	\$	\$		
<b>Directors of the Trustee</b>						
V. Plant	\$220,000	-	\$24,200	-	-	\$224,200
A. Peterson	\$750,000	\$630,000	\$27,399	\$117,411	-	\$1,524,810
F. McNabb	\$155,000	-	\$17,050	-	-	\$172,050
R. Beard	\$161,096	-	\$17,721	-	-	\$178,817
S. Thomas	\$145,001	-	\$15,950	-	-	\$160,951
M. Walter	\$142,404	-	\$15,664	-	-	\$158,068
<b>Other key management personnel</b>						
J. Hartnett	\$252,317	\$45,669	\$27,399	\$18,883	-	\$344,268
J. Haymes	\$229,585	\$45,514	\$25,618	(\$5,587)	-	\$295,130
R. Griffith	\$393,068	\$79,511	\$25,125	\$41,458	-	\$539,162

\*Annual Leave and Long Service Leave accrued during the year takes into consideration the impact of changes to the Superannuation Guarantee percentage. The amount represents the accrued amount less any time taken during the year and does not represent the amount paid.

\*\*Any model developed by the Trustee to allow a split at the fund level would need to enable the business to distinguish between work performed for the Trustee and work performed for individual funds. Implementing such a model would significantly increase costs and reduce efficiency. Additionally, a split model would require each fund's auditor to perform extra work to verify its fairness, leading to higher audit costs and extending the audit timeline. We also believe this approach would not provide significant value to our members, as the allocation may fluctuate annually, introducing substantial complexity and inconsistency in reporting. As a result, we have taken a conservative approach and prefer to disclose the full remuneration received by the directors and Key Management.

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

## 5. Non Cash Benefits

The Trustee does not pay non-cash benefits to its Directors or Key Management Personnel.

## 6. Bonuses granted in the current financial year

### Cash bonuses

Key management personnel were granted and paid a cash bonus of \$800,694. The cash bonus was given in recognition of the substantial effort to negotiate and implement trustee's strategy, and these are discretionary in nature.

These bonuses are discretionary in nature and are based on the performance of individuals against financial and non-financial criteria as laid out in individual employee contracts. This performance is considered as part of the annual performance review process and the bonuses are subject to Executive approval. The bonus of the CEO is recommended to and approved by the board.

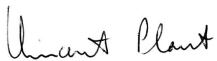
## 7. Service agreements

Remuneration arrangements for executives are formalised through employment agreements. These agreements outline the terms and conditions of employment, including the structure of remuneration packages and performance criteria.

## 8. Director's resolution

This directors' report is signed in accordance with a resolution of directors of the Trustee made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors of the Trustee



V. Plant  
Chairperson

Melbourne 8 November 2024





**Building a better  
working world**

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## **Auditor's independence declaration to the directors of Diversa Trustees Limited as trustee of the Trustee of Mason Stevens Super**

As lead auditor for the audit of the financial report of the Trustee of Mason Stevens Super for the financial year ended 30 June 2024, I declare 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;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of the Trustee of Mason Stevens Super during the financial year.

A handwritten signature in black ink that reads "Ernst &amp; Young".

Ernst & Young

A handwritten signature in black ink that reads "Maree Pallisco".

Maree Pallisco  
Partner  
8 November 2024

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	2024 \$'000	2023 \$'000
<b>Assets</b>			
Cash and cash equivalents	12, 4	179,366	159,884
Distributions and dividends receivable		9,120	4,689
Due from brokers – receivables for securities sold		3,721	15,579
Other receivables		-	182
Financial assets measured at fair value through profit and loss	4	978,945	703,304
<b>Total assets</b>		<b>1,171,152</b>	<b>883,638</b>
<b>Liabilities</b>			
Due to brokers – payables for securities purchased		10,163	5,662
Accounts payable and accrued expenses		1,708	1,323
Benefits payable		42	115
Current tax liabilities		3,707	2,138
Deferred tax liabilities	10	2,782	1,190
<b>Total liabilities excluding member benefits</b>		<b>18,402</b>	<b>10,428</b>
<b>Net assets available for member benefits</b>		<b>1,152,750</b>	<b>873,210</b>
Defined contribution member liabilities		1,147,507	866,292
<b>Total net assets</b>		<b>5,243</b>	<b>6,918</b>
<b>Equity</b>			
Operational risk reserve	9	2,421	2,200
General reserve	9	758	570
Unallocated surplus		2,064	4,148
<b>Total equity</b>		<b>5,243</b>	<b>6,918</b>

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

## INCOME STATEMENT

For the year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
<b>Superannuation activities</b>			
Interest income		1,511	683
Dividend income		15,144	9,832
Distribution income		14,800	8,070
Net change in the fair value of investments	5	48,009	32,860
Other income		2,003	2,457
<b>Total net income</b>		<b>81,467</b>	<b>53,902</b>
<b>Expenses</b>			
Investment expenses		2,798	2,070
General administration expenses	11	10,281	6,827
<b>Total expenses</b>		<b>13,079</b>	<b>8,897</b>
<b>Results from superannuation activities before income tax expense</b>		<b>68,388</b>	<b>45,005</b>
Income tax (expense) / Benefits	10	789	(1,427)
<b>Results from superannuation activities after income tax expense</b>		<b>69,177</b>	<b>43,578</b>
Net benefits allocated to defined contribution members		(70,852)	(38,653)
<b>Net profit / (loss) after income tax</b>		<b>(1,675)</b>	<b>4,925</b>

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

## STATEMENT OF CHANGES IN MEMBER BENEFITS

For the year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
<b>Opening balance of member benefits</b>		<b>866,292</b>	<b>520,125</b>
Contributions:			
Employer contributions		15,634	11,087
Member contributions		70,424	70,825
Government contributions		44	29
Transfers in from other superannuation funds		296,347	297,808
Income tax on contributions		(4,068)	(2,786)
<b>Net after-tax contributions</b>		<b>378,381</b>	<b>376,963</b>
Benefits paid to members		(76,818)	(43,103)
Transfers out to other superannuation entities		(90,991)	(26,165)
Insurance premiums charged to member accounts		(203)	(181)
<i>Net benefits /(expense) allocated comprising:</i>			
Net investment income		81,127	45,480
Administration expenses		(10,281)	(6,827)
<b>Closing balance of member benefits</b>		<b>1,147,507</b>	<b>866,292</b>

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

## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	Expense Reserve \$'000	Operational Risk Reserve \$'000	Unallocated Surplus \$'000	Total Equity \$'000
<b>Opening balance as at 1 July 2022</b>	<b>251</b>	<b>1,352</b>	<b>390</b>	<b>1,993</b>
Operating result	-	-	4,925	4,925
Transfers between reserves	319	848	(1,167)	-
<b>Closing balance as at 30 June 2023</b>	<b>570</b>	<b>2,200</b>	<b>4,148</b>	<b>6,918</b>
<b>Opening balance as at 1 July 2023</b>	<b>570</b>	<b>2,200</b>	<b>4,148</b>	<b>6,918</b>
Operating result	-	-	(1,675)	(1,675)
Transfers between reserves	188	221	(409)	-
<b>Closing balance as at 30 June 2024</b>	<b>758</b>	<b>2,421</b>	<b>2,064</b>	<b>5,243</b>

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

## STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
<b>Cash flows from operating activities</b>			
Interest income received		1,511	683
Dividend income received		14,778	9,418
Distribution income received		10,735	9,545
Other income received		2,003	2,457
General administration expenses paid		(9,896)	(6,779)
Investment expenses paid		(2,798)	(2,070)
Insurance premiums paid		(203)	(181)
Income tax refund received		3,951	1,837
<b>Net cash inflow from operating activities</b>	13	<b>20,081</b>	<b>14,910</b>
<b>Cash flows from investing activities</b>			
Sale of financial instruments		453,783	312,440
Purchases of financial instruments		(664,879)	(566,604)
<b>Net cash (outflow) from investing activities</b>		<b>(211,096)</b>	<b>(254,164)</b>
<b>Cash flows from financing activities</b>			
Employer contributions received		15,634	11,408
Member contributions received		70,424	70,825
Government contributions received		44	29
Transfers from other superannuation activities		296,347	297,808
Transfers to other superannuation funds		(90,991)	(26,165)
Benefit payments to members or beneficiaries		(76,893)	(43,659)
Tax paid on contributions		(4,068)	(2,786)
<b>Net cash inflow from financing activities</b>		<b>210,497</b>	<b>307,460</b>
<b>Net increase in cash and cash equivalents</b>		<b>19,482</b>	<b>68,206</b>
Cash and cash equivalents at the beginning of the financial year		159,884	91,885
Effect of foreign currency exchange rate changes on cash and cash equivalents		-	(207)
<b>Cash and cash equivalents at the end of the financial year</b>	12	<b>179,366</b>	<b>159,884</b>

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

## NOTES TO THE FINANCIAL STATEMENTS

### 1. General information

Mason Stevens Super (ABN 34 422 545 198) (the “Fund”) is a retail superannuation fund domiciled in Australia. The Fund primarily provides retirement benefits to its members. It was constituted by a Trust Deed dated 1 June 1988, as amended.

In accordance with amendments to the Superannuation Industry (Supervision) Act 1993, the Fund is registered with the Australian Prudential Regulation Authority (“APRA”) as a Registrable Superannuation Entity (“RSE”) R1004168.

The Fund is a defined contribution fund. Members 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.

During the reporting period, the Trustee of the Fund was Diversa Trustees Limited (ABN 49 006 421 638) (RSE Licensee No L0000635). The address of the Fund’s registered office is Level 17, IBM Tower, 60 City Road, Southbank Victoria. Both the Trustee and the Fund are domiciled in Australia and registered with APRA.

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 8 November 2024. The directors of the Trustee have the power to amend and re-issue these financial statements.

### 2. Summary of material accounting policies

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.

#### (a) Basis of preparation

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*, *Corporations Regulations 2001*, and the provisions of the Trust Deed. The financial statements are presented in Australian currency.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity, and there is no distinction between current and non-current. All balances are expected to be recovered or settled within twelve months, except for financial investments and net assets available for member benefits.

Amounts in the financial statements have been rounded to the nearest thousand dollars unless otherwise indicated.

#### (b) Financial instruments

##### *i. Classification*

The Fund’s investments are classified as at fair value through profit and loss in accordance with AASB 1056. They comprise:

- Financial instruments held for trading  
Derivative financial instruments such as futures, forward contracts, options and interest rate swaps are included under this classification. However, the Fund presently is not directly exposed to or involved in the use of derivative financial instruments. However, some of the underlying investments may utilise

derivative financial instruments to hedge or partially hedge specific exposures. The Fund does not enter into, hold or issue derivative financial instruments for trading purposes.

- Financial instruments designated at fair value through income statement upon initial recognition. These include financial assets that are not held for trading purposes and which may be sold. These are investments in exchange-traded debt and equity instruments, unlisted trusts and commercial paper.

These investments are managed, and their performance is evaluated on a fair value basis in accordance with the Fund's investment strategy.

*ii. Recognition/de-recognition*

Financial assets and liabilities are recognised on the date the Fund becomes a party to the contractual agreement (trade date), and changes in the fair value of the financial assets or liabilities are recognised from this date.

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

*iii. Measurement*

At initial recognition, the Fund measures a financial asset or liability at fair value. Transaction costs are expensed in the income statement.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through income statement 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 the fair value of financial instruments.

For further details on how the fair values of financial instruments are determined, refer to Note 4.

*iv. Offsetting financial instruments*

Financial assets and liabilities are offset, and the net amount is 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.

**(c) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from investing activities.

**(d) Revenue recognition**

Interest revenue from financial instruments that are held at fair value is determined based on the effective interest rate and includes interest from cash and cash equivalents. Other changes in fair value for such instruments are recorded in accordance with the policies described in Note 2(b) to the financial statements.

Dividend and trust distribution income is recognised gross of withholding tax in the period in which the Fund's right to receive payment is established.



**(e) Foreign currency translation**

Foreign currency transactions are translated into 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 the translations at year-end exchange rates of monetary items denominated in foreign currencies.

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

**(f) Due from/to brokers**

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 the trade date. A provision for impairment is made when the Fund is not able to collect all amounts due from the relevant broker.

**(g) Receivables**

Receivable amounts (e.g. dividends, distributions, interest) are generally received within 30 days of being recorded as receivables.

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 the last payment in accordance with the policy set out in note 2(d) above.

The collectability of trade receivables is reviewed regularly. Amounts known to be uncollectable are written off by reducing the carrying amount.

**(h) Accounts payable and accrued expenses**

Payables include liabilities and accrued expenses owed by the Fund, which are unpaid as of the end of the reporting period. These amounts are unsecured and are usually paid within 30 days of recognition.

**(i) Benefits payable**

Benefits paid/payable are valued at the amounts due to members at the reporting date. Benefits paid/payable comprise pensions accrued at the balance date and lump sum benefits of members who are due a benefit but had not been paid at the balance date.

**(j) Contributions received and transfers from other funds**

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 been transferred to the Fund. They are recognised gross of any taxes.

**(k) Other income**

Other income includes compensation, foreign exchange gains, and operating interest.

**(l) Use of estimates**

The Fund makes estimates and assumptions affecting the reported assets and liabilities amounts. Estimates are evaluated 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, such as unquoted securities, are fairly 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. Refer to Note 4 for details.

**(m) New and amended standards adopted by the Fund**

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

- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2]
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction [AASB 112]
- AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules [AASB 112]

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

**(n) New accounting standards and interpretations adopted during the year**

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2023 that significantly impact the amounts recognised in the prior or current periods or that will affect future periods.

**(o) Accounting Standards and Interpretations issued but not yet adopted**

Certain amendments to accounting standards have been published that are not mandatory for 30 June 2024 reporting periods and have not been early adopted by the Fund. These amendments are not expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

New or revised requirement	Title	Effective Date (annual periods beginning on or after)	30 June 2024 YE Applicability
AASB 2020-1	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current, AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date and AASB 2023-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants	1 January 2024	Optional
AASB 18	Presentation and Disclosure in Financial Statements	1 January 2028	Optional

There are no other new accounting standards and other authoritative pronouncements that are expected to have a material impact on the Fund.

#### **(p) Comparative figures**

Where required by Accounting Standards or otherwise, comparative figures have been adjusted to conform to changes in the presentation for the current financial year.

#### **Other legislative/government developments**

On 27 March 2024, Treasury released the Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024 (the Bill). Schedule 4 of the Bill introduces a proposed new mandatory climate related financial disclosure regime. The Bill outlines the introduction of reporting obligations in three groups over a four-year period, based on criteria such as revenue, assets, number of employees, and whether the entity has existing climate reporting obligations. The first phase for large entities is scheduled to commence on 1 January 2025. Specific reporting content will be established in new accounting standards under the Australia Sustainability Reporting Standards (ASRS) set by the Australian Accounting Standards Board (AASB), with new assurance standards to be developed and maintained by the Australian Auditing and Assurance Standards Board (AUASB). The fund is not expected to have reporting obligations until 1 July 2027.

#### **(q) Reserves**

##### **Operational risk financial reserve**

The Operational Risk Financial Reserve (ORFR) may address operational risk events or claims against the Fund arising from certain operational risk events. The ORFR is operated in accordance with the Operational Risk Financial Requirement Strategy. The Trustee has assessed an ORFR target amount of 0.25% of funds under management as appropriate for the Fund. The Fund achieves its ORFR target amount via an operational risk reserve in the Fund.

Changes in the ORFR are detailed in the Statement of Changes in Equity.

##### **A combination of ORTC & ORR**

The Trustee has established a combination of Operational Risk Trustee Capital ("ORTC") and Operational Risk Reserve ("ORR") in response to the operational risk financial requirement introduced into the Superannuation Industry (Supervision) Act 1993 on 1 July 2013.

#### **(r) Expense recovery reserve**

The expense recovery reserve has been established to meet the fund's operating costs.

#### **(s) Income tax**

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

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.

Deferred tax is recognised for 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.

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.

### 3. Financial risk management

The Fund's activities expose it to various financial risks, including market risk, price risk, currency risk, interest rate risk, credit risk, and liquidity risk.

The Trustee is responsible for identifying and controlling the risk that arise from these financial instruments. The Trustee has taken into consideration the current global inflation, the rise in interest rates, and the ongoing global uncertainty associated with the conflict in Ukraine when preparing these financial statements. As a result, assessing fair value as of the reporting date involves increased uncertainties around the underlying valuation assumptions, given the wide range of potential paths forward for both economies, policy responses and asset fundamentals.

The Investment Governance Framework ("IGF") sets out the Trustee's policies and procedures for selecting, managing, and monitoring the Fund's investments. For each investment option offered by the Fund, the Trustee seeks to maximise the returns derived for the level of risk to which the Fund is exposed. The Board Investment Committee oversees the implementation of the IGF.

#### (a) Market risk

On 30 June, the overall risk was as follows:

<b>Market Risk</b>	<b>2024 \$'000</b>	<b>2023 \$'000</b>
Price risk	931,406	666,606
Credit risk	47,539	36,698
	<u>978,945</u>	<u>703,304</u>

##### *i. Price risk*

The Fund is exposed to equity securities and derivative price risk, which arise from investments held by the Fund for uncertain future prices.

The Trustee mitigates price risk through diversification and a careful selection of securities. Compliance with the IGF and supporting investment guidelines are monitored by the Trustee on a regular basis.

On 30 June, the fair value of investments exposed to price risk were as follows:

<b>Price Risk</b>	<b>2024 \$'000</b>	<b>2023 \$'000</b>
Equity securities	202,136	115,549
Unlisted unit trusts	344,821	276,817
Exchange-traded funds	384,449	274,240
<b>Net exposure to price risk</b>	<u>931,406</u>	<u>666,606</u>

##### *ii. Foreign currency risk*

The Fund operates internationally and has assets and liabilities denominated in currencies other than the Australian dollar. Foreign currency risk arises as the value of securities denominated in foreign currencies will fluctuate due to changes in exchange rates.

The Fund's policy is not to hedge the direct foreign currency exposure on financial assets and liabilities.

The table below summarises the Fund's financial assets and liabilities, which are denominated in foreign currencies in thousands of dollars.

<b>30 June 2024</b>	<b>USD</b>	<b>GBP</b>	<b>EUR</b>	<b>DKK</b>	<b>CHF</b>	<b>CAD</b>
Cash and cash equivalents	710	46	95	4	3	2
Financial assets	45,324	2,390	6,663	1,086	412	436
<b>Exposure to foreign exchange risk</b>	<b>46,034</b>	<b>2,436</b>	<b>6,758</b>	<b>1,090</b>	<b>415</b>	<b>438</b>

	<b>HKD</b>	<b>JPY</b>	<b>SEK</b>	<b>NZD</b>	<b>NOK</b>
Cash and cash equivalents	3	5	-	-	2
Financial assets	1,861	2,374	132	7	1
<b>Exposure to foreign exchange risk</b>	<b>1,864</b>	<b>2,379</b>	<b>132</b>	<b>7</b>	<b>3</b>

<b>30 June 2023</b>	<b>USD</b>	<b>GBP</b>	<b>EUR</b>	<b>DKK</b>	<b>CHF</b>	<b>CAD</b>
Cash and cash equivalents	677	94	123	10	12	2
Financial assets	40,308	4,877	2,924	973	426	205
<b>Exposure to foreign exchange risk</b>	<b>40,985</b>	<b>4,971</b>	<b>3,047</b>	<b>983</b>	<b>438</b>	<b>207</b>

	<b>HKD</b>	<b>JPY</b>	<b>SEK</b>	<b>NZD</b>	<b>NOK</b>
Cash and cash equivalents	2	45	-	1	-
Financial assets	367	689	3	19	3
<b>Exposure to foreign exchange risk</b>	<b>369</b>	<b>734</b>	<b>3</b>	<b>20</b>	<b>3</b>

iii. *Cash flow and fair value interest rate risk*

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 table below summarises the Fund's direct exposure to interest rate risk.

<b>At 30 June 2024</b>	<b>Floating interest rate \$'000</b>	<b>Fixed interest rate \$'000</b>	<b>Non-interest bearing \$'000</b>	<b>Total \$'000</b>
<b>Financial assets</b>				
Cash and cash equivalents	179,366	-	-	179,366
Due from brokers	-	-	3,721	3,721
Financial assets	45,954	1,585	-	47,539
<b>Net exposure interest rate risk</b>	<b>225,320</b>	<b>1,585</b>	<b>3,721</b>	<b>230,626</b>
<b>Financial liabilities</b>				
Due to brokers	-	-	(10,163)	(10,163)
<b>Net exposure interest rate risk</b>	<b>-</b>	<b>-</b>	<b>(10,163)</b>	<b>(10,163)</b>

<b>At 30 June 2023</b>	<b>Floating interest rate \$'000</b>	<b>Fixed interest rate \$'000</b>	<b>Non-interest bearing \$'000</b>	<b>Total \$'000</b>
<b>Financial assets</b>				
Cash and cash equivalents	159,884	-	-	159,884
Due from brokers	-	-	15,579	15,579
Financial assets	8,385	28,313	-	36,698
<b>Total Financial assets</b>	<b>168,269</b>	<b>28,313</b>	<b>15,579</b>	<b>212,161</b>
<b>Financial liabilities</b>				
Due to brokers	-	-	(5,661)	(5,661)
<b>Net exposure interest rate risk</b>	<b>-</b>	<b>-</b>	<b>(5,661)</b>	<b>(5,661)</b>

**(b) Summarised sensitivity analysis**

The following table summarises the sensitivity of the Fund's operating profit and net assets attributable to unitholders to interest rate, foreign exchange, and price risks. The possible movements in the risk variables have been based on the Trustee's best estimate with 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, historical variations in risk variables should not be used to predict future variations in the risk variables.

	<b>Price risk</b>		<b>Interest rate risk</b>	
	<b>Impact on operating profit/net assets attributable to members</b>			
	<b>MSCI index 15% decrease \$'000</b>	<b>MSCI index 7.5% increase \$'000</b>	<b>-75 bps decrease \$'000</b>	<b>75 bps increase \$'000</b>
<b>30 June</b>				
2024	(139,711)	69,855	(1,730)	1,730
2023	(99,991)	49,995	(1,262)	1,262

*i. Foreign exchange risk*

	<b>Impact on operating profit/net assets attributable to members</b>			
	<b>2024 10% decrease \$'000</b>	<b>2024 5% increase \$'000</b>	<b>2023 10% decrease \$'000</b>	<b>2023 5% increase \$'000</b>
	<b>Currency</b>			
CAD Canadian Dollar	(44)	22	(21)	10
CHF Swiss Franc	(42)	21	(44)	22
DKK Danish Kroner	(109)	55	(98)	49
EUR Euro	(676)	338	(305)	152
GBP Great British Pound	(244)	122	(497)	249
HKD Hong Kong Dollar	(186)	93	(37)	18
JPY Japanese Yen	(238)	119	(73)	37
NOK Norwegian Kroner	-	-	-	-
NZD New Zealand Dollar	(1)	-	(2)	1
SEK Swedish Kronor	(13)	7	-	-
SGD Singapore Dollar	-	-	-	-
USD United States Dollar	(4,603)	2,302	(4,099)	2,049

**(c) Credit risk**

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 credit risks, to which the Fund is exposed, arises from the Fund's investment in cash and cash equivalents, interest bearing securities, units in unit trusts and other receivables. The Trustee monitors the Fund's credit risk exposure on a regular basis.

The Fund measures credit risk using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information. At 30 June 2024 and 30 June 2023, all receivables, amounts due from brokers, cash and short-term deposits are held with counterparties are either callable on demand or due to be settled within 30 days.

Management considers 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.

*i. Debt securities*

The Fund invests in debt securities rated by Standard & Poor's (S&P). For unrated assets, the Trustee assesses credit risk using an approach similar to that used by rating agencies. An analysis of debt securities by rating is set out in the following table.

	2024 \$'000	2023 \$'000
<b>Australian</b>		
A+	137	-
A-	742	-
AA-	294	-
BBB+	594	619
BBB	11,079	673
BBB-	376	1,135
Not rated	34,317	34,271
<b>Total</b>	<b>47,539</b>	<b>36,698</b>

*ii. Derivative financial instruments*

The Fund presently is not directly exposed to or involved in the use of derivative financial instruments. However, some of the Fund's underlying investments may, as part of the respective fund manager's investment strategy, utilise derivative financial instruments to hedge or partially hedge specific exposures. The Fund does not enter into, hold or issue derivative financial instruments for trading purposes.

*iii. Settlement of securities transactions*

All transactions in listed securities are settled upon delivery using brokers approved by the Trustee. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment.

*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 A+ or higher (as determined by S&P).

*v. Assets in custody*

Citi Australia provided clearing and depository of the Fund's security transactions during the financial year. Citi Australia had a credit rating of BBB+ per S&P on 30 June 2024.

vi. *Maximum exposure to credit risk*

The Fund's maximum exposure to credit risk is the carrying amount of the financial assets. None of these assets are impaired or past due but not impaired.

(d) **Liquidity risk**

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 Funds 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 Funds 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 Fund is obligated to pay member benefits upon request in accordance with relevant legislative requirements. Therefore, the Trustee's policy is to primarily hold investments that are traded in an active market and can be readily disposed of and converted into known amounts of cash. Only a limited proportion of its assets are held in investments not actively traded on a stock exchange or ordinarily redeemable within a short period of time. The Fund's overall liquidity risks are monitored by the Trustee's Investment Committee by quarterly reviews of investment scorecards and at least annually by liquidity stress testing of financial assets 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.

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.

vii. *Maturities of financial liabilities*

The tables below show the Fund's financial liabilities based on their contractual maturities using undiscounted cash flows. Due to brokers and benefits payable are payable on demand. Liabilities to defined contribution members are payable upon request. The Fund considers it highly unlikely that all liabilities to members would fall due at the same time.

<b>At 30 June 2024</b>	<b>Less than</b>	<b>One to</b>	<b>Greater than</b>	<b>Total</b>
<b>Financial Liabilities</b>	<b>one month</b>	<b>three months</b>	<b>three months</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Non-derivatives</b>				
Due to brokers	10,163	-	-	10,163
Payables	1,750	-	-	1,750
Current tax liabilities	3,707	-	-	3,707
Liability for accrued benefits	1,147,507	-	-	1,147,507
<b>Total</b>	<b>1,163,127</b>	<b>-</b>	<b>-</b>	<b>1,163,127</b>



<b>At 30 June 2023</b>	<b>Less than</b>	<b>One to</b>	<b>Greater than</b>	<b>Total</b>
<b>Financial Liabilities</b>	<b>one month</b>	<b>three months</b>	<b>three months</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Non-derivatives</b>				
Due to brokers	5,661	-	-	5,661
Payables	1,438	-	-	1,438
Current tax liabilities	2,139	-	-	2,139
Liability for accrued benefits	866,292	-	-	866,292
<b>Total</b>	<b>875,530</b>	<b>-</b>	<b>-</b>	<b>875,530</b>

*The tables above have changed to include current tax liabilities*

The liability for accrued benefits has been included in the column for less than one month. This is the earliest date on which the Fund can be required to pay members' vested benefits. However, the Trustee does not anticipate that members will call upon amounts vested to them during this time.

## 4. Fair value measurement

### (a) Fair value hierarchy

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

The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities. These inputs are readily available in the market and are normally obtainable from multiple sources.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly. The Trustee values debt securities held by the Fund using broker quotes, units in unit trusts using the unit price provided by the underlying fund manager and OTC derivatives using valuation models.

Level 3: one or more significant inputs are not based on observable market data; examples include discount rates and other unobservable inputs. The Trustee values units in unit trusts classified as level 3 using the unit price provided by the underlying fund manager. These unit trusts hold illiquid investments such as unlisted property and private equity.

i. *Recognised fair value measurements*

The table below sets out the Fund's financial assets and liabilities at fair value according to the fair value hierarchy.

<b>At 30 June 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>				
<b>Australian</b>				
Cash management accounts	179,366	-	-	179,366
Direct fixed income	42,792	4,747	-	47,539
Direct shares	152,277	-	-	152,277
Listed investment schemes	373,623	-	-	373,623
Unlisted investment schemes	-	344,821	-	344,821
<b>International</b>				
Direct shares	49,859	-	-	49,859
Listed investment schemes	10,826	-	-	10,826
<b>Total</b>	<b>808,743</b>	<b>349,568</b>	<b>-</b>	<b>1,158,311</b>

<b>At 30 June 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>				
<b>Australian</b>				
Cash management accounts	159,884	-	-	159,884
Direct fixed income	31,764	4,933	-	36,697
Direct shares	83,689	-	-	83,689
Listed investment schemes	255,306	-	-	255,306
Unlisted investment schemes	-	276,817	-	276,817
<b>International</b>				
Direct shares	31,861	-	-	31,861
Listed investment schemes	18,934	-	-	18,934
<b>Total</b>	<b>581,438</b>	<b>281,750</b>	<b>-</b>	<b>863,188</b>

*Presentation of table above has been changed to separate listed and unlisted investments*

## 5. Net changes in fair value of investments

Net changes in financial assets and liabilities measured at fair value:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Net changes in fair value of investments</b>		
Direct fixed income	520	(74)
Direct shares	10,474	11,905
Listed investment schemes	23,879	15,350
Unlisted investment schemes	13,672	5,886
Currency gains and losses	(536)	(207)
<b>Total realised gains / (loss)</b>	<b>48,009</b>	<b>32,860</b>

## 6. Structured entities

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

The Fund considers all investments in managed investment schemes (funds) structured entities. It invests in underlying managed funds to gain capital appreciation and/or earn investment income.

The objectives of the investee funds are to achieve medium to long-term capital growth. They invest in various financial instruments, including equities, debt instruments, and infrastructure. The investee funds finance their operations by issuing redeemable shares, which are puttable at the holder's option and entitle the holder to a proportional stake in the respective fund's net assets.

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

Structured entities	2024 \$'000	2023 \$'000
Cash management accounts	214,349	172,822
Australian fixed interest funds	117,390	71,005
Australian property funds	11,592	20,356
Australian equity funds	336,312	197,727
Australian infrastructure funds	2,317	14,885
Australian commodities funds	1,387	10,552
International fixed interest funds	686	7,744
International property funds	6	18
International equity funds	8,617	6,276
International infrastructure funds	8	220
International commodities funds	1,509	4,062
Australian currency exposure	6	14,627
Alternative funds	35,091	30,763
<b>Total</b>	<b>729,270</b>	<b>551,057</b>

\* The table has been amended to conform with the current year's presentation.

The fair value of financial assets, \$729,270K (2023: \$551,057K), is included in financial assets in the statement of financial position.

The Fund's maximum exposure to loss from its interests in investee funds is equal to the total fair value of its investments in the investee funds. During the year ended 30 June 2024, total gains incurred on investments in investee funds were \$37,551K (total gains 2023: \$21,234K).

During the year, the Fund earned fair value gains and distribution income from its interests in other funds.

## 7. Member liabilities

### (a) Recognition and measurement of member liabilities

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

### (b) Defined contribution member liabilities

Defined contribution member account balances are measured using valuations determined by the Trustee based on the underlying investment option values selected by members or reflect the fair value of the investments held by the members.

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

As at 30 June 2024, the net assets attributable to defined contribution members have been substantially allocated. Unallocated amounts are shown in the statement of financial position as "Unallocated surplus/(deficit)" within equity.

## 8. Insurance arrangements

The Fund provides death and disability benefits to its members. The Trustee has group and/or retail policies in place with third-party insurance companies to insure these benefits.

The Fund collects premiums from members on behalf of the relevant insurance company. Insurance claim amounts are recognised when the insurer agrees to pay the claim. Therefore, insurance premiums are not revenues or expenses of the superannuation entity 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 member benefits changes.

The Trustee determined that the Fund is not exposed to material 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.

## 9. Reserves

	2024 \$'000	2023 \$'000
Reserve		
Expense Reserve	758	570
ORFR Reserve	2,421	2,200

The ORTC balance at the end of the reporting period was \$200K (2023: \$Nil). This amount is not reflected in the Statement of Financial Position. The ORR provides funding for incidents where losses may arise from an operational risk event related to the Trust. The Trustee determines the level of funding based on an assessment of the Trust's risks.

The ORR balance at the end of the reporting period was \$2,421K (2023: \$2,200K). This amount is reflected in the Statement of Financial Position.

## 10. Income Tax

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

*i. Income tax expense*

	2024 \$'000	2023 \$'000
<b>Current tax expense</b>		
Current tax on profits for the year	223	59
Adjustments for current tax of prior periods	(2,605)	(1,180)
<b>Current tax (benefit)</b>	<u>(2,382)</u>	<u>(1,121)</u>
Movement in temporary differences	1,593	2,548
<b>Income tax expense/(benefit)</b>	<u>(789)</u>	<u>1,427</u>

*ii. Numerical reconciliation of income tax expense to prima facie tax payable*

	2024 \$'000	2023 \$'000
<b>Operating result before income tax expense</b>	68,388	45,005
Tax at the Australian rate of 15% (2023 - 15%)	10,258	6,751
<i>Increase in tax expenses due to:</i>		
Unrealised change in fair value	(1,113)	2,645
Realised change in fair value	(1,094)	12
Tax on unrealised gains	(3,218)	(5,123)
Imputation and foreign tax credits	267	186
Non-deductible pension expenses	888	606
<i>Decrease in tax expenses due to:</i>		
Current tax or prior periods	(2,605)	(1,180)
Non-assessable pension income	(2,424)	(1,314)
Imputation and foreign tax credits	(1,647)	(1,156)
Others	(101)	-
<b>Income tax expense/(benefits)</b>	<u>(789)</u>	<u>1,427</u>

In addition to the above, \$4,068K (2023: \$2,786K) is recognised in the statement of changes in member benefits relating to tax on contributions deducted from member accounts.

iii. *Deferred tax balances*

The balance comprises temporary differences attributable to the following:

	2024 \$'000	2023 \$'000
<b>Deferred tax assets/(liabilities)</b>		
Financial assets measured at fair value through profit or loss Australian rate of 15% (2023 – 15%)	(2,782)	(1,190)
<b>Net deferred tax (liabilities)</b>	<u>(2,782)</u>	<u>(1,190)</u>

The movements in temporary differences during the year are:

<b>At 30 June 2024</b>	<b>Beginning of financial year \$'000</b>	<b>Recognised in income statement \$'000</b>	<b>End of the financial year \$'000</b>
Net changes in fair value of financial instruments	(1,190)	(1,592)	(2,782)
<b>Deferred tax (liabilities)</b>	<u>(1,190)</u>	<u>(1,592)</u>	<u>(2,782)</u>
<b>At 30 June 2023</b>	<b>Beginning of financial year \$'000</b>	<b>Recognised in income statement \$'000</b>	<b>End of the financial year \$'000</b>
Net changes in fair value of financial instruments	1,358	(2,548)	(1,190)
<b>Deferred tax assets/(liabilities)</b>	<u>1,358</u>	<u>(2,548)</u>	<u>(1,190)</u>

Prestation of tables above changed to correctly present net changes in fair value of financial instruments

## 11. General administration expenses

	2024 \$'000	2023 \$'000
Administration fees	2,523	1,652
Adviser fees	6,695	4,652
Trustee fees	725	523
Other expenses	338	-
	<u>10,281</u>	<u>6,827</u>

## 12. Cash and cash equivalents

	2024 \$'000	2023 \$'000
Cash at bank	179,366	159,884
	<u>179,366</u>	<u>159,884</u>

### 13.Reconciliation of profit/(loss) after income tax to net cash inflow/(outflow) from operating activities

(a) Reconciliation of profit/(loss) after income tax to net cash inflow/(outflow) from operating activities

	2024 \$'000	2023 \$'000
<b>Operating result after income tax expense</b>	<b>(1,675)</b>	<b>4,925</b>
<i>Adjustments for:</i>		
Net changes in financial instruments measured at fair value through the profit and loss	(48,009)	(32,860)
Net (expenses)/benefits allocated to defined contribution members	70,852	38,653
Insurance premiums paid	(203)	(181)
<i>Change in operating assets and liabilities</i>		
(Increase)/decrease in GST receivable	-	(66)
(Increase)/decrease in distributions and dividends receivable	(4,431)	1,061
(Increase)/decrease in deferred tax assets	-	1,358
Increase/(decrease) in payables	385	115
Increase/(decrease) in current tax liabilities	1,569	716
Increase/(decrease) in deferred tax liabilities	1,593	1,189
	<u>20,081</u>	<u>14,910</u>

(b) Non-cash financing and investing activities

There were no non-cash financing activities during the year or in the prior year.

### 14.Commitments

There are no commitments the Trustee is aware of as of this report's date.

### 15.Contingent liabilities and contingent assets

There are no outstanding contingent assets or liabilities as at 30 June 2024 and 30 June 2023.

### 16.Events occurring after the reporting period

No significant event has occurred since the end of the reporting period which would impact the Fund's financial position as of 30th June 2024 or the results and cash flows of the Fund for the year ended on that date.

## 17. Related party transactions

### (a) Trustee

The Trustee of Mason Stevens Super is Diversa Trustees Limited.

### (b) Directors

Key management personnel include persons who were directors of Diversa Trustees Limited at any time during the financial year as follows:

Name	Position	Term as director
V. Plant	Independent chair	Full financial year
A. Peterson	Executive director/CEO	Full financial year
F. McNabb	Independent director	Full financial year
R. Beard	Independent director	Full financial year (Resigned 27 July 2024)
S. Thomas	Non-executive director	Full financial year
M. Walter	Independent director	Full financial year

None of the directors nor the Trustee are or were members of the Fund.

### (c) Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly, during the financial year

### (d) Remuneration of directors of the trustee

There have been no transactions between the Trustee and the Fund other than trustee fees disclosed in Note 10. The compensation received or due and receivable by the Trustee from the Promoter in connection with the trusteeship of the Fund was \$750,200 (2023: \$523,000).

### (e) Other entities with significant influence over the fund

#### *i. Promoter/Sponsor/Custodian/Investment Manager*

The Fund's Promoter, Sponsor, and Custodian are Mason Stevens Limited (ABN 91 141 447 217) (AFSL 351578).

The Fund's Investment Manager is Mason Stevens Asset Management (ABN 92 141 447 654).

Under the terms of the Trust Deed, the Promoter, Sponsor, and Investment Manager are entitled to receive compensation for services provided to the Fund.

#### *ii. Remuneration of the Promoter/Sponsor/Custodian/Investment Manager*

No transactions between the Promoter/Sponsor/Custodian/Investment Manager and the Fund other than administration fees are disclosed in Note 10. The compensation received or due and receivable by the Promoter/Sponsor/Custodian from the Fund in connection with services provided to the Fund was \$3,585,787 (2023: \$2,174,464). The compensation received or due and receivable by the Investment Manager from the Fund in connection with services provided to the Fund was \$2,798,278 (2023: \$2,070,647).

In addition, the Sponsor is responsible for paying the costs associated with running the Fund, including trustee fees, audit fees and administration fees.

Subject to sufficient reserves being held, the Sponsor may be entitled to be reimbursed for the payment of Fund expenses.



There were no other transactions between the Promoter/Sponsor/Custodian/Investment Manager and the Fund during the year.

*iii. Investments*

The Fund held investments in the following schemes, which the Promoter also manages. The investments are disclosed on the statement of financial position.

Investments held

At 30 June 2024	Units held		Fair value of investments held	
	2024 Units	2023 Units	2024 \$'000	2023 \$'000
Mason Stevens Credit Fund	259,824	432,048	257	418
	<b>259,824</b>	<b>432,048</b>	<b>257</b>	<b>418</b>

## 18. Remuneration of auditors

During the year, the following fees were paid or payable for services provided by the auditor(s) of the Fund:

	2024 \$'000	2023 \$'000
<b>Grant Thornton Australia</b>		
Audit and review of financial statements and regulatory audit services	-	54
RMF Audit	-	4
<b>Total remuneration to Grant Thornton Australia</b>		<b>58</b>
<b>BDO Australia</b>		
RMF Audit	4	-
<b>Total remuneration to BDO Australia</b>	<b>4</b>	<b>-</b>
<b>Ernst &amp; Young Australia</b>		
Audit and review of financial statements and regulatory audit services	120	-
<b>Total remuneration to Ernst &amp; Young Australia</b>	<b>120</b>	<b>-</b>
<b>Total remuneration of auditors</b>	<b>124</b>	<b>58</b>

## TRUSTEES' DECLARATION

In the opinion of the directors of the Trustee of Mason Stevens Superannuation Fund:

- (a) the financial statements and notes set out on pages 3 to 33 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the Fund's financial positions as at 30 June 2024 and of its performance of the financial year ended on that date, and
- (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

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

Signed on behalf of the Board of Directors of Diversa Trustees Limited as Trustee for Mason Stevens Super.

Director



Melbourne

8 November 2024



**Building a better  
working world**

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## Independent auditor's report to the members of the Trustee of Mason Stevens Super

### Opinion

We have audited the financial report of the Trustee Mason Stevens Super ("the RSE"), which comprises the statement of financial position as at 30 June 2024, the income statement, statement of changes in member benefits, statement of cash flows and statement of changes in reserves for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the RSE is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the RSE's financial position as at 30 June 2024, and of its financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for opinion

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

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

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

### Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the directors for the financial report

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

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

#### Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the RSE's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the RSE's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the RSE to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



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We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in page 3 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of the Trustee Mason Stevens Super for the year ended 30 June 2024, complies with section 300C of the *Corporations Act 2001*.

Emphasis of Matter

The trustee considers the remuneration report true and fair at the fund level and concluded that the nature of the independent trustee model means the responsibilities and accountabilities of Directors and key management personnel extend beyond the oversight of this funds operations. As a trustee, ensuring the development of key frameworks requires an approach that covers oversight of all funds under trusteeship. This activity cannot necessarily be attributed to all funds equally. Accordingly, the fund has disclosed remuneration attributable to all funds the trustees has responsibility over. Our opinion is not modified in respect of this matter.

Responsibilities

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

A handwritten signature in black ink that reads "Ernst &amp; Young".

Ernst & Young

A handwritten signature in black ink that reads "Maree Pallisco".

Maree Pallisco  
Partner  
Melbourne  
8 November 2024