Equipsuper

ABN 33 813 823 017

Financial Statements

For the year ended 30 June 2024

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DIRECTORS' REPORT

The directors of Togethr Trustees Pty Ltd (the Trustee), as trustee for the Equipsuper Superannuation Fund (Equipsuper or the Fund), present their report of the Fund for the financial year ended 30 June 2024. In order to comply with the provisions of the *Corporations Act 2001* , the directors of the Trustee report as follows:

Principal activities

The purpose of the Fund is to offer defined benefit and defined contribution benefits for members, account based pensions and defined benefit pensions for retired members and eligible dependents and rollover benefits for members who have terminated employment but not retired.

Review of operations

The Fund's operating result before income tax for the current financial year was $2,927,100,000 (2023: $3,045,158,000) of which $2,703,410,000 (2023: $2,600,362,000) was attributed to member benefits. The operating profit after tax was $79,260,000 (2023: $255,550,000). The Fund's funds under management (FUM) increased by $2,888,900,000 (2023: $2,743,361,000).

Fund performance

Equipsuper delivered positive returns for its members during the 2023-24 financial year, headlined by the Balanced Growth investment option returning 9.23%, Growth Plus investment option returning 12.12% and the Balanced Growth (Retirement Income) investment option returning 9.88%. The results build on the long-term performance of the Fund, with the Balanced Growth option returning an average of 8.19% p.a. over the 15 years to 30 June 2024.

Responsible investment

Equipsuper believes the incorporation of Environmental, Social and Governance (ESG) factors in investment processes and decision making is fundamental in achieving investment success. Equipsuper recognises that climate change represents a material, foreseeable actionable financial risk, that is unique and far-reaching in its impacts. Equipsuper's approach to responsible investment, including climate-related risk, is outlined in the Fund's Responsible Investment Policy. This policy was updated in December 2023.

During the 2024 financial year, the Fund also updated its Climate Change Plan, which provides greater detail about how the fund is addressing climate-related impacts on the portfolio. This is available on the Fund's website.

Performance test

Equipsuper's investment options assessed by the Australian Prudential Regulation Authority (APRA) passed APRA's Performance Test for 2024. This annual review benchmarks super funds' various investment products and publicly names underperformers. It assesses various investment products against an objective benchmark.

Changes in state of affairs

During the financial year, the Fund undertook a custody transition from National Australia Bank Ltd to Northern Trust Corporation. The custodial assets of the Fund were transferred with an effective date of 2 April 2024.

There have been no other significant changes in the state of affairs of the Fund during the financial year.

Subsequent events

The directors are not aware of any matters or circumstances that have arisen since the end of the financial year which significantly affected, or may significantly affect, the operations of the Fund, the result of those operations, or the state of affairs of the Fund in future financial years (except as may be stated elsewhere in the financial statements).

DIRECTORS' REPORT

Future developments

The directors have no likely developments to report except as may be stated elsewhere in this report or in the financial statements. Further information on likely developments in the operations of the Fund and the expected results of operations, have not been included in the annual financial statements because the Directors believe it would be likely to result in unreasonable prejudice to the Fund.

Environmental regulations

The Fund's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a State or Territory.

Non-audit services

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 $	2023 $
Deloitte Touche Tohmatsu and related network firms		
Tax controls testing guidance	-	12,000
Financial Accountability Regime (FAR) and CPS 511 Remuneration guidance	21,950	66,600
	21,950	78,600

The directors of the Fund are satisfied that the provision of non-audit services provided during the year by the auditor (or by another person or firm on the Auditor’s behalf) is compatible with the standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed above do not compromise the external auditor’s independence, for the following reasons:

- All non-assurance services have been approved by the audit and finance committee as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional & Ethical Standards Board (APES 110)
- All the services comply with the general principles relating to auditor independence as set out in APES 110, including not assuming management responsibilities or reviewing or auditing the auditor’s own work, and ensuring threats to independence are either eliminated or reduced to an acceptable level.

The above directors’ statements are in accordance with the advice received from the audit committee.

Auditor's independence declaration

The auditor's independence declaration is included on page 7.

Rounding off of amounts

Equipsuper is an entity of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191* , dated 24 March 2016, 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.

Remuneration report

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of the key management personnel of Equipsuper for the financial year ended 30 June 2024. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly, including any director (whether executive or otherwise) of the Trustee of the Fund. The prescribed details for each person covered by this report are detailed below under the following headings:

- Key management personnel;
- Remuneration of key management personnel;
- Key terms of employment contracts;
- Bonuses granted in the current financial year; and
- Other payments.

With respect to governance, the Board of Directors are responsible for the Fund's Remuneration Framework and its effective application, including the Remuneration Policy.

The discretion with regard to the setting of targets and hurdles rests with the Board of Directors, as well as decisions regarding performance and remuneration outcomes for the executive team, on recommendation by the Governance and Cultural Committee.

(a) Key management personnel

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

Directors of the Trustee

Mr M. A. Cameron (Chair of the Board/Independent Director - Appointed 1 November 2023)
Mr D. G. Casey (Chair of the Board/Independent Director - Retired 31 October 2023)
Mr M. R. Cassin (Member Director)
Mr M. N. Cerche (Employer Director)
Ms P. Davy-Whyte (Independent Director)
Mr D. A. Doolan (Member Director)
Ms J. S. Hickey (Deputy Chair of the Board/Independent Director)
Mr S. Rahmani (Employer Director)
Ms S. M. Thompson (Employer Director)
Mr J. J. Widdup (Member Director - Appointed 1 July 2023)

Other key management personnel

Mr S. A. Cameron (Chief Executive Officer)
Ms N. E. Alford (Chief Risk Officer)
Ms A. H. Harrison (Chief Member Officer - Ceased employment 29 February 2024)
Mr A. N. Howard (Chief Investment Officer)
Mr I. Lancaster (Acting Executive Officer, Governance and Risk - Term of appointment 18 July 2022 to 28 July 2023)
Ms C. B. Norman (Chief Experience Officer - Appointed 11 June 2024)
Ms A. Papile (Chief Operations Officer)
Mr M. P. Pizzichetta (Chief Financial Officer)
Mr B. A. Retallick (Chief Technology and Transformation Officer)
Mr A. G. Vogt (Executive Officer, Financial Planning - Ceased employment 29 February 2024)
Mr C. Yanni (Chief Growth Officer and Employer Relations, Acting Chief Experience Officer - Term of appointment 1 March 2024 to 30 June 2024)
Ms A. H. T. Veldman (Chief People Officer)

DIRECTORS' REPORT

Renumeration report (continued)

(b) Remuneration of key management personnel

	Short-term employee benefits				Post employ-ment benefits	Long-term employee benefits		
	Salary & fees	Cash bonus	Non-monetary	Other	Super-annuation	Long Service Leave	Termin-ation benefits	Total
2024	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Directors of the Trustee								
Mr M. A. Cameron (i)	106,061	-	-	-	11,667	-	-	117,728
Mr D. G. Casey (ii)	53,030	-	-	-	5,833	-	-	58,863
Mr M. R. Cassin	79,545	-	-	-	8,750	-	-	88,295
Mr M. N. Cerche	93,182	-	-	-	10,250	-	-	103,432
Ms P. Davy-Whyte	93,182	-	-	-	10,250	-	-	103,432
Mr D. A. Doolan	93,182	-	-	-	10,250	-	-	103,432
Ms J. S. Hickey	119,546	-	-	-	13,150	-	-	132,696
Mr S. Rahmani	79,545	-	-	-	8,750	-	-	88,295
Ms S. M. Thompson	93,182	-	-	-	10,250	-	-	103,432
Mr J. J. Widdup	79,545	-	-	-	8,750	-	-	88,295
	890,000	-	-	-	97,900	-	-	987,900
Other key management personnel								
Mr S.A. Cameron	723,471	-	-	-	27,399	7,748	-	758,618
Ms N.E. Alford	324,448	-	-	-	27,399	9,314	-	361,161
Ms A. H. Harrison (iii)	227,239	-	-	-	24,755	-	144,251	396,245
Mr A.N. Howard	645,692	-	-	-	27,399	2,134	-	675,225
Mr I. Lancaster (iv)	-	-	-	-	-	-	-	-
Ms C. B. Norman (v)	-	-	-	-	-	-	-	-
Ms A. Papile	369,154	-	-	-	27,399	3,841	-	400,394
Mr M. P. Pizzichetta	416,632	-	-	-	27,399	14,054	-	458,085
Mr B. A. Retallick	410,685	-	-	-	27,399	1,233	-	439,317
Ms A. H. T. Veldman	335,234	-	-	-	27,399	737	-	363,370
Mr A.G. Vogt (iii)	216,155	-	-	-	24,439	-	161,934	402,528
Mr C. Yanni (vi)	348,392	-	-	-	27,399	12,280	-	388,071
	4,017,102	-	-	-	268,386	51,341	306,185	4,643,014
Total	**4,907,102**	**-**	**-**	**-**	**366,286**	**51,341**	**306,185**	**5,630,914**

(i) For the period 1 November 2023, when the director was appointed, until 30 June 2024.

(ii) For the period 1 July 2023 until 31 October 2023, when the director retired.

(iii) For the period 1 July 2023 until 29 February 2024, when the Executives ceased employment.

(iv) Details of Mr Lancaster's remuneration for the period that he was acting Executive Officer - Governance and Risk is discussed in paragraph (e) below.

(v) Ms C.B. Norman took unpaid leave from the date of her appointment 11 June 2024 until 30 June 2024.

(vi) Mr C. Yanni received additional remuneration in consideration of his additional duties during the period 1 March 2024 to 30 June 2024.

DIRECTORS' REPORT

Renumeration report (continued)

(c) Key terms of employment contracts

During the year, contracts for service were agreed with Mr M. A. Cameron and Mr J. J. Widdup, appointed as Chair and Director of the Trustee respectively, and Ms C. B. Norman as Chief Experience Officer. The terms of the contracts are outlined below.

	Base Salary	Contract duration	Notice period	Variable remuneration
Mr M. A. Cameron	176,591	4 years	90 days	None
Mr J. J. Widdup	87,898	4 years	90 days	None
Ms C. B. Norman	442,553	Permanent	12 weeks	None

(d) Bonuses granted in the current financial year

There were no cash bonuses granted or paid during the financial year.

(e) Other payments

Mr I. Lancaster is a director of Lancaster Partners Pty Ltd. The Trustee company paid Lancaster Partners Pty Ltd for the services of Mr. I. Lancaster as Acting Executive Officer, Governance and Risk during a period of parental leave taken by the Chief Risk Officer. Total service fees paid to Lancaster Partners Pty Ltd during the year were $23,760 (2023: $357,480).

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

Mr M. A. Cameron
Chair

Mr M. N. Cerche
Director

Melbourne, 24 September 2024

Equipsuper A.B.N. 33 813 823 017 RSE No. R1000177
Trustee: Togethr Trustees Pty Ltd A.B.N. 64 006 964 049 AFSL 246383 RSE Licence L0000123

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24 September 2024

The Board of Directors
Togethr Trustees Pty Ltd ATF
Equipsuper Superannuation Fund
Level 12, 330 Collins Street
MELBOURNE VIC 3001

Dear Board Members

Auditor's independence declaration to the trustees of Equipsuper Superannuation Fund.

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Togethr Trustees Pty Ltd as trustee for Equipsuper Superannuation Fund.

As lead audit partner for the audit of the financial report of Equipsuper Superannuation Fund for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Fiona O'Keefe
Partner
Chartered Accountants

Deloitte.

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Independent Auditor’s Report to the members of Equipsuper Superannuation Fund

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Equipsuper Superannuation Fund (the “RSE”), which comprises the statement of financial position as at 30 June 2024, the income statement, the statement of changes in member benefits, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and the directors’ declaration.

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

- Giving a true and fair view of Equipsuper Superannuation Fund’s financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted the 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 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 RSE Licensee (“the directors”), would be in the same terms if given to the directors as at the time of this auditor’s report.

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

Responsibilities of the Directors for the Financial Report

The Directors’ 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. The Directors are also responsible 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 are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error 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 exercised professional judgement and maintained professional scepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the financial report, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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.
- Obtained 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.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Concluded 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 audit 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.
- Evaluated the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonable be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in **pages 4 to 5** of the Directors' Report for the year ended 30 June 2024**.**

In our opinion, the Remuneration Report of Equipsuper Superannuation Fund**,** for the year ended 30 June 2024**,** complies with section 300C of the *Corporations Act 2001*.

Responsibilities

The Directors 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Fiona O'Keefe
Partner
Chartered Accountants

Melbourne, 24 September 2024

DIRECTORS' DECLARATION

The directors of Togethr Trustees Pty Ltd (Trustee), as trustee for the Equipsuper Superannuation Fund (the Fund), declare that:

(a) in the directors' opinion, 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

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001* , including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Fund.

Signed in accordance with a resolution of the directors of the Trustee made pursuant to s.295(5) of the *Corporations Act 2001* .

On behalf of the directors of the Trustee

Mr M. A. Cameron
Chair

Mr M. N. Cerche
Director

Melbourne, 24 September 2024

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Notes	2024 $'000	2023 $'000
Assets			
Cash and receivables			
Cash and cash equivalents		175,400	143,086
Term deposits		150,000	-
Receivables	16	205,077	694,923
Total cash and receivables		**530,477**	**838,009**
Investments			
Cash and deposits	8	865,825	2,017,568
Listed securities	8	16,313,956	14,477,310
Unlisted securities	8	9,597,719	9,282,385
Other interest bearing securities	8	7,832,353	6,056,262
Derivative assets	8	118,325	102,240
Annuity	8	1,422	1,454
Total investments		**34,729,600**	**31,937,219**
Non-financial assets			
Plant and equipment		414	826
Current tax assets		-	96,677
Total non-financial assets		**414**	**97,503**
Total assets		**35,260,491**	**32,872,731**
Liabilities			
Payables	17	(270,152)	(208,136)
Derivative liabilities	8	(24,797)	(121,316)
Income tax payable		(104,912)	-
Deferred tax liabilities	13	(636,414)	(512,094)
Total liabilities excluding member benefits		**(1,036,275)**	**(841,546)**
Net assets available for member benefits		**34,224,216**	**32,031,185**
Member liabilities:			
Defined contribution member liabilities	3	(31,988,832)	(29,834,724)
Defined benefit member liabilities	4	(1,399,253)	(1,439,590)
Total member liabilities		**(33,388,085)**	**(31,274,314)**
Total net assets		**836,131**	**756,871**
Equity			
Operational risk financial reserve		87,396	83,217
Administration reserve		119,900	102,510
Insurance reserve		7,790	7,245
Investment reserve		117,808	93,549
Defined benefit plans over funded		503,237	470,350
Total equity		**836,131**	**756,871**

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
Superannuation activities			
Interest		182,813	113,339
Dividend and distribution revenue		811,640	1,071,776
Other investment income		7,931	12,436
Changes in assets measured at fair value	12	2,068,866	2,009,016
Other income		10,788	5,970
Total income		**3,082,038**	**3,212,537**
Investment expenses		(73,283)	(87,713)
Administration expenses		(81,655)	(79,666)
Total expenses		**(154,938)**	**(167,379)**
Operating result		**2,927,100**	**3,045,158**
Net change in defined benefit member liabilities		(99,730)	68,597
Net benefits allocated to defined contribution member accounts		(2,603,680)	(2,668,959)
Operating result before income tax expense		**223,690**	**444,796**
Income tax expense attributable to net result	13	(144,430)	(189,246)
Operating result after income tax expense		**79,260**	**255,550**

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	Defined contribution members' benefits* $'000	Defined benefit members' benefits* $'000	Total $'000
Opening balance as at 1 July 2023		29,834,724	1,439,590	31,274,314
Member contributions		392,088	1,286	393,374
Spouse contributions		1,699	-	1,699
Employer contributions		1,178,946	37,737	1,216,683
Transfers from other superannuation plans		364,011	(222)	363,789
Income tax on contributions	13	(163,991)	(3,762)	(167,753)
Net after tax contributions		1,772,753	35,039	1,807,792
Benefits paid to members/beneficiaries		(1,337,285)	(40,455)	(1,377,740)
Transfers to other superannuation plans		(1,004,027)	-	(1,004,027)
Insurance premiums charged to members		(54,532)	(5,188)	(59,720)
Death and disability benefits credited to members		42,484	1,572	44,056
Transfer of funds from defined benefit members		-	(131,035)	(131,035)
Transfer of funds to defined contribution members		131,035	-	131,035
Net benefits allocated comprising:				
Net investment income allocated		2,670,272	-	2,670,272
Administration fees**		(66,592)	-	(66,592)
Net change in defined benefit member benefits		-	99,730	99,730
Closing balance as at 30 June 2024		**31,988,832**	**1,399,253**	**33,388,085**

* Note that defined contribution balances that belong to defined benefit members are included in the defined contribution members' benefits column.

** Defined benefit administration fees are deducted from Employer Benefit Account (EBA) and not from the members' account.

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

STATEMENT OF CHANGES IN MEMBER BENEFITS
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Defined contribution members' benefits* $'000	Defined benefit members' benefits* $'000	Total $'000
Opening balance as at 1 July 2022		27,425,104	1,659,719	29,084,823
Member contributions		355,495	1,485	356,980
Spouse contributions		1,882	-	1,882
Employer contributions		1,096,048	42,767	1,138,815
Transfers from other superannuation plans		340,165	33	340,198
Income tax on contributions	13	(162,070)	(5,211)	(167,281)
Net after tax contributions		1,631,520	39,074	1,670,594
Benefits paid to members/beneficiaries		(1,119,264)	(36,655)	(1,155,919)
Transfers to other superannuation plans		(903,261)	-	(903,261)
Insurance premiums charged to members		(52,994)	(5,426)	(58,420)
Death and disability benefits credited to members		35,760	375	36,135
Transfer of funds from defined benefit members		-	(148,900)	(148,900)
Transfer of funds to defined contribution members		148,900	-	148,900
Net benefits allocated comprising:				
Net investment income allocated		2,737,509	-	2,737,509
Administration fees**		(68,550)	-	(68,550)
Net change in defined benefit member benefits		-	(68,597)	(68,597)
Closing balance as at 30 June 2023		**29,834,724**	**1,439,590**	**31,274,314**

* Note that defined contribution balances that belong to defined benefit members are included in the defined contribution members' benefits column.

** Defined benefit administration fees are deducted from EBA and not from the members' account.

The above Statement of changes in member benefits 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
Cashflows from operating activities			
Interest received		8,518	5,095
Insurance premiums paid		(54,591)	(59,376)
Other income		1,152	1,056
Administration expenses		(79,069)	(83,280)
Investment expenses		(68,660)	(63,465)
Other expenses		(269)	(258)
Death and disability benefits received		44,057	36,134
Income tax refund received		126,552	73,158
Net cash used in operating activities	15	**(22,310)**	**(90,936)**
Cashflows from investing activities			
Net purchases of investments		725,905	511,599
Net purchases of term deposits		(150,000)	-
Plant and equipment purchased		(242)	(303)
Net cash generated by investing activities		**575,663**	**511,296**
Cashflows from financing activities			
Employer contributions		1,214,621	1,138,815
Member contributions		393,375	358,607
Spouse contributions		1,699	1,882
Benefit payments made to members		(1,377,671)	(1,156,811)
Income tax paid on contributions		(112,825)	(141,237)
Transfers from other superannuation plans		363,789	340,037
Transfers to other superannuation plans		(1,004,027)	(903,261)
Net cash used in financing activities		**(521,039)**	**(361,968)**
Net increase in cash and cash equivalents		**32,314**	**58,392**
Cash and cash equivalents at beginning of the financial year		**143,086**	**84,694**
Cash and cash equivalents at the end of financial year		**175,400**	**143,086**

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	Operational risk financial reserve $'000	Admin reserve $'000	Insurance reserve $'000	Investment reserve $'000	Defined benefit plans over funded $'000	Total equity/ (deficit) $'000
Opening balance at 1 July 2023	**83,217**	**102,510**	**7,245**	**93,549**	**470,350**	**756,871**
Transfer between reserves	(3,232)	5,320	-	(2,088)	-	-
Transfer to/(from) reserves	-	-	-	-	-	-
Operating result	7,411	12,070	545	26,347	32,887	79,260
Closing balance at 30 June 2024	**87,396**	**119,900**	**7,790**	**117,808**	**503,237**	**836,131**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Operational risk financial reserve $'000	Admin reserve $'000	Insurance reserve $'000	Investment reserve $'000	Defined benefit plans over funded $'000	Total equity/ (deficit) $'000
Opening balance at 1 July 2022	**76,041**	**94,091**	**6,901**	**50,063**	**274,519**	**501,615**
Transfer between reserves	-	5,418	-	(5,418)	-	-
Transfer to/(from) reserves	(294)	-	-	-	-	(294)
Operating result	7,470	3,001	344	48,904	195,831	255,550
Closing balance at 30 June 2023	**83,217**	**102,510**	**7,245**	**93,549**	**470,350**	**756,871**

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

1. General information

(a) Information about the Fund

Equipsuper Superannuation Fund (Fund or Equipsuper) was originally established in 1931 by the State Electricity Commission of Victoria (SECV) to provide superannuation benefits for its staff. The Fund has developed into a multi-employer fund offering a diverse product range following the disaggregation of the SECV (1994) and various mergers.

The purpose of the Fund is to offer defined benefit and defined contribution benefits for members, account based pensions and defined benefit pensions for retired members and eligible dependents and rollover benefits for members who have terminated employment but not retired.

The Trustee company for the Fund is Togethr Trustees Pty Ltd (former name Equipsuper Pty Ltd) ABN 64 006 964 049 (Trustee). The Trustee's registered office is Level 12, 330 Collins Street, Melbourne VIC. Both the Trustee and the Fund are domiciled in Australia and registered with the Australian Prudential Regulation Authority (APRA). The Fund is a complying superannuation fund under the Superannuation Industry (Supervision) Act 1993.

(b) Basis of preparation

These financial statements are general purpose financial statements which have been prepared in accordance with the Australian Accounting Standards, interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), the *Corporations Act 2001* and *Corporations Regulations 2001* and the provisions of the Fund's Trust Deed.

The financial statements are the separate financial statements of the Fund. For the purposes of preparing the financial statements, the Fund is a member for-profit entity.

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

The financial statements were authorised for issue by the Trustee's board of directors on 24 September 2024. The Trustee's board of directors have the power to amend and reissue this financial report.

(c) Presentation currency and rounding

The functional and presentation currency of the Fund is Australian Dollars, which is the currency of the primary economic environment in which it operates.

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Exchange differences are recognised in the income statement in the period in which they arise.

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

(d) Comparative amounts

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current period's financial statements. As a result, some line items in the notes to the financial statements have been reclassified to align comparative information with the current year's presentation.

The comparatives in the table showing credit quality by class of debt instrument in Note 10(a) have been updated to align with the ratings disclosed in the current year. Specifically, short term ratings disclosed in the prior year accounts have been combined with the corresponding long term ratings for cash and deposits and discount securities.

2. Material accounting policies and reporting requirements

(a) New and amended Australian Accounting Standards that are effective for the current year

There are no standards, interpretations or amendments to standards that are effective for the first time in the financial year commencing 1 July 2023 that have a material impact on the amounts recognised in the prior or current periods or that will affect future periods.

(b) New and revised Australian Accounting Standards and Interpretations on issue but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period. These have not been adopted early.

(c) Changes to financial reporting requirements

The Fund is a registrable superannuation entity that is subject to amendments made to the Corporations Act 2001 by the Treasury Laws Amendment (2002 Measures No.4) Act 2022. These amendments are effective for financial years beginning on or after 1 July 2023 and bring registrable superannuation entities such as the Fund into the financial reporting provisions of the *Corporations Act 2001* .

Accordingly, this is the first year that the Fund has prepared an annual report, consisting of a financial report (including financial statements, notes and a directors' declaration), a directors' report (including a remuneration report) and an attached auditor's report and auditor's independence declaration. These changes have not impacted the recognition and measurement requirements utilised in the preparation of the financial report of the Fund.

(d) Material accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

The material accounting policies have been consistently applied in the current financial year and the comparative period, unless otherwise stated. Where necessary, comparative information has been represented to be consistent with current period disclosures.

Valuation of defined benefit member liabilities

The amount of the liabilities in relation to defined benefit members has been determined using actuarial valuation techniques and assumptions. An actuarial valuation involves making various assumptions about the future. Actual developments in the future may differ from these assumptions. The assumptions relate to member turnover, future investment returns, pension indexation rates, mortality rates and future salary increases. Due to the complexities involved in the valuation and its long-term nature, defined benefit member liabilities are highly sensitive to changes in these assumptions. Assumptions are reviewed at each reporting date.

Refer to Note 4 for more information.

Fair value of investments

When the fair values of the investments recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. Further information on the techniques used is included in note 9.

Changes in assumptions about these factors could affect the reported fair value of these investments.

2. Material accounting policies and reporting requirements (continued)

(e) Material accounting policies

The Fund's material accounting policies are included as part of the note to which they relate. The Fund has identified the following as its material accounting policies:

Financial instruments

The Fund's policies in relation to measurement, recognition and derecognition, classification and offsetting of financial instruments are discussed in note 8.

Cash and cash equivalents

Cash and cash equivalents are defined in note 15.

Receivables and payables

The valuation and settlement terms of receivables and payables are described in notes 16 and 17 respectively.

Revenue recognition

A description of how the Fund recognises each material class of revenue is included in note 12.

Income tax

Information about the Fund's tax status, applicable tax rate, measurement and recognition of tax balances is contained in note 13.

Foreign currency

The presentation currency, measurement of balances and valuation of transactions denominated in foreign currencies and recognition of associated gains or losses are discussed in note 1(c).

Member liabilities

The policies applicable to the measurement of defined benefit member liabilities and defined contribution member liabilities are discussed in notes 3 and 4, respectively.

3. Defined contribution member liabilities

The defined contribution division is an accumulation fund that offers investment, contribution and insurance. Defined contribution member liabilities are measured as the amount of member account balances as at reporting date.

Defined contribution member account balances are determined by unit prices that are determined based on the underlying investment options. Defined contribution members bear the investment risk relating to the underlying investment options. Unit prices used to measure the member liabilities are updated daily for movements in investment values.

At 30 June 2024, all net assets attributable to defined contribution members have been allocated to those members except for the Investment Reserve, which is attributed to members subsequent to year end.

Defined contribution member liabilities are fully vested.

4. Defined benefit member liabilities

Members of the defined benefit division are employees of employers with defined benefit plans for their employees. There are 39 sub plans (2023: 40 sub plans) within the defined benefit division, with each sub plan related to a different employer. The benefits provided and the contribution levels by members and employers depend on the particular benefit division of the sub plan. When a member retires and takes a lifetime pension, the pension liability is supported by assets in the defined benefit EBA.

4. Defined benefit member liabilities (continued)

Obligations relating to entitlements of the members of the defined benefit fund are recognised as member liabilities.

Defined benefit members 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.

The Fund engages qualified actuaries on an annual basis to measure the defined benefit members' liabilities.

The amount of the liabilities in relation to defined benefit members has been determined using actuarial valuation techniques and assumptions. An actuarial valuation involves making various assumptions about the future. Actual developments in the future may differ from these assumptions. The assumptions relate to member turnover, future investment returns, pension indexation rates, mortality rates and future salary increases. Due to the complexities involved in the valuation and its long-term nature, defined benefit member liabilities are highly sensitive to changes in these assumptions. Assumptions are reviewed at each reporting date.

The actuarial valuation of member liabilities reflects the actuarial assessment of the benefits accrued up to the reporting date and payable to members on retirement, resignation, death and disability. This assessment may result in an employer being required to make additional contributions to the sub plan. The defined benefit sub plans are quarantined from the other assets of the Fund. In an event that the assets of a particular sub plan are not adequate to provide for members' liabilities and if the employer contributions are insufficient, the member liabilities are limited to the assets of the particular sub plan.

The main assumptions used to determine the value of the accrued benefits for the sub plans were:

- the assumed discount rate determined by reference to the future rate of investment returns;
- the future rate of salary growth; and
- the future rate of pension increases.

The defined benefit members' liabilities have changed in the current financial year as a result of salary increases and additional service accrual.

The Trustee has a number of processes in place to manage the risks associated with defined benefit sub plans. The Trustee has appointed external consulting actuaries to advise on risks, including establishing suitable funding objectives. These funding objectives and the defined benefit sub plans circumstances are taken into account by the actuaries when recommending the required employer contribution levels.

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

There are no employer sponsored contributions receivable as at 30 June 2024 (2023: Nil).

The Trustee also uses sensitivity analysis to monitor the potential impact of changes to key variables about which assumptions need to be made. The Fund has identified two assumptions (being the discount rate and the rate of salary adjustment) for which changes are reasonably possible that would have a material impact on the amount of the defined benefit member liabilities.

i. The assumed discount rate has been determined by reference to the investment returns expected on an investment portfolio that reflects the opportunities reasonably available to the Fund in the investment markets, and also reflects the Fund's actual investments and investment strategy in respect of defined benefit member liabilities. The assumed discount rate is dependent on the specific investment strategy selected by the employer for their defined benefit sub plan.

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4. Defined benefit member liabilities (continued)

ii. The assumed annual salary adjustment 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 rate applied to each defined benefit sub plan is specific to the employer.

The other variables about which assumptions have been made in measuring defined benefit member liabilities and for which changes are not considered reasonably possible, or for which reasonably possible changes would not be expected to have a material effect, include pension indexation rates, mortality rates and resignations.

The table below summarises the sensitivity calculations on a univariate basis for investment return and rate of salary adjustment assumptions for the defined benefit sub plans.

Sensitivity Analysis

	Range utilised by sub-plans		Amount of increase/(decrease) in member liabilities $'000	
	2024	2023	2024	2023
Discount rate (-1%)	4.4% pa to 7.5% pa	4.4% pa to 7.3% pa	73,559	79,199
Salary adjustment rate (+1%)	2.5% pa to 4.0% pa	2.5% pa to 4.0% pa	53,432	58,315

5. Defined benefit plans that are over/(under) funded

As at 30 June 2024, the assets of the defined benefit division in aggregate exceeded accrued benefits in that division by $503 million (2023: $470 million) and vested benefits by $406 million (2023: $370 million). The defined benefit division is made up of 39 separately funded plans and accrued benefit liabilities, which on an individual basis have different levels of funding. All sub plans are contributing at the rate recommended by the actuaries.

As at the 30 June 2024, there was 1 plan that was underfunded (2023: 1). Subsequent to the balance date, the Fund's actuary re-calculated the funding position for all funds as at the 16 August 24, and this plan remains in a deficit position. The actuary recommended in the previous year that the employer sponsor make additional contributions, which according to current assumptions, will result in member liabilities being equal to 100% of accrued liabilities over a period of three years and the assets being equal to the target funding ratio multiplied by the accrued liabilities over five years.

6. Insurance arrangements

The Fund acts in the capacity of an agent with respect to insurance arrangements.

The Fund provides income protection, death and disability benefits to its members. The Trustee has group policies in place with a third party insurance company to ensure that there are income protection, death and disability benefits available 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. Therefore, group life insurance premiums are not revenues or expenses of the Fund and do not give rise to insurance contract liabilities and reinsurance assets. Group life insurance premiums charged to members' accounts and insurance proceeds allocated to members' accounts are recognised in the statement of changes in member benefits.

7. Reserves

The trustee operates the following Reserves.

Operational risk financial reserve
Established to meet the requirements of Superannuation Prudential Standard 114 “Operational Risk Financial Requirement”, this reserve is intended to provide financial resources to address losses that may arise from operational risks. The target funding level for this reserve is 25 basis points (or 0.25%) of total member entitlements. The reserve is monitored on an on-going basis and replenished with additional funds in the event the balance falls below the tolerance limit.

Administration reserve
Established to facilitate the finance of current and future operational requirements of the Fund, this reserve is available to meet both day-to-day operational costs as well as one-off approved expenditures considered to be in the best financial interests of members.

Investment reserve
The investment reserve reflects the net investment earnings accumulated which have not yet been allocated to members. The daily value will represent difference between the cumulative amount of net investment income (after fees and taxes) earned by the Fund and the cumulative returns provided to members via the unit price. The key component will represent the differences between the estimated tax rates utilised in the daily unit pricing and the actual investment tax experience of the Fund. This difference is trued up to the unit price on a regular basis.

Insurance reserve
The insurance reserve is used to fund the future service component of the death and disability benefits of certain defined benefit members (historical self-insurance policies).

8. Investments at fair value

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

	2024 $'000	2023 $'000
Financial assets		
Cash and deposits	865,825	2,017,568
Listed securities		
Listed equities	15,331,195	13,723,147
Listed unit trusts	982,761	754,163
Unlisted securities		
Unlisted equities	887,081	801,484
Unlisted unit trusts	6,486,865	6,941,039
Unlisted partnerships	2,223,773	1,539,862
Other interest-bearing securities	7,832,353	6,056,262
Derivatives	118,325	102,240
Annuity	1,422	1,454
	34,729,600	**31,937,219**
Financial liabilities		
Derivatives	**24,797**	**121,316**

8. Investments at fair value (continued)

Recognition and de-recognition
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 and financial liabilities from this date.

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

Measurement
At initial recognition, the Fund measures financial assets and liabilities at fair value. All transaction costs for such instruments are recognised directly in the income statement.

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

When the fair values of the investments recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. Further information on the techniques used is included in note 9 (page 26).

Changes in assumptions about these factors could affect the reported fair value of these investments.

Offsetting
Financial assets and liabilities are only offset, and the net amount presented in the statement of financial position when the Fund has a legally enforceable right to set off the recognised amounts and it is intended either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derivatives
The Fund enters into derivative transactions, principally fixed interest futures, swaps and forward foreign exchange contracts. The Trustee utilises derivatives in order to gain access to the financial markets and allow flexibility in order to manage and structure the Fund's investment portfolio in line with the Fund's investment strategy. Derivatives are not utilised in a speculative manner therefore, whenever derivative positions are created, cash or securities are held to cover any derivatives exposures.

Offsetting of derivatives
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.

8. Investments at fair value (continued)

Derivatives (continued)

(a) Offsetting financial assets and financial liabilities

The gross and net positions of financial assets and liabilities that have been offset in the statement of financial position are disclosed in the table below.

30 June 2024 *Derivative assets*	Gross financial assets $'000	Gross offsetting financial liabilities $'000	Net amounts presented in SOFP $'000	Amounts subject to netting arrangements $'000	Net Amounts $'000
Forward foreign exchange	15,169,515	15,059,716	109,799	-	109,799
Futures contracts	5,597	-	5,597	-	5,597
Options contracts	20	-	20	-	20
Swaps contracts	2,909	-	2,909	-	2,909
	15,178,041	**15,059,716**	**118,325**	**-**	**118,325**

Derivative liabilities	Gross financial liabilities $'000	Gross offsetting financial assets $'000	Net amounts presented in SOFP $'000	Amounts subject to netting arrangements $'000	Net Amounts $'000
Forward foreign exchange	15,070,905	15,059,716	11,189	-	11,189
Futures contracts	6,100	-	6,100	-	6,100
Options contracts	-	-	-	-	-
Swaps contracts	7,508	-	7,508	-	7,508
	15,084,513	**15,059,716**	**24,797**	**-**	**24,797**

30 June 2023 *Derivative assets*	Gross financial assets $'000	Gross offsetting financial liabilities $'000	Net amounts presented in SOFP $'000	Amounts subject to netting arrangements $'000	Net Amounts $'000
Forward foreign exchange	12,591,579	12,512,185	79,394	-	79,394
Futures contracts	3,740	-	3,740	-	3,740
Options contracts	-	-	-	-	-
Swaps contracts	1,856,226	1,837,120	19,106	-	19,106
	14,451,545	**14,349,305**	**102,240**	**-**	**102,240**

Derivative liabilities	Gross financial liabilities $'000	Gross offsetting financial assets $'000	Net amounts presented in SOFP $'000	Amounts subject to netting arrangements $'000	Net Amounts $'000
Forward foreign exchange	12,606,430	12,512,185	94,245	-	94,245
Futures contracts	7,388	-	7,388	-	7,388
Options contracts	2,041	-	2,041	-	2,041
Swaps contracts	1,854,762	1,837,120	17,642	-	17,642
	14,470,621	**14,349,305**	**121,316**	**-**	**121,316**

9. Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Fund.

The fair value of the asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Classifications of financial instruments under the 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 (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable.

The determination of what instruments are classified in the hierarchy is based on the lowest level input that is significant to the fair value measurement in its entirety. Assessment of the significance of an input requires judgement after considering factors specific to the instrument.

The tables below set demonstrate the allocation of the Fund's investments to each level within the fair value hierarchy.

	30 June 2024			
Types of assets/liabilities	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Assets				
Cash and deposits	-	865,825	-	865,825
Derivative assets	5,617	112,708	-	118,325
Listed equities	15,330,666	-	529	15,331,195
Listed property trusts, Listed unit trusts	982,761	-	-	982,761
Other interest-bearing securities	-	7,829,135	3,218	7,832,353
Unlisted equities	-	499,135	387,946	887,081
Unlisted unit trusts	-	3,004,766	3,482,099	6,486,865
Unlisted partnerships	-	410,940	1,812,833	2,223,773
Annuities	-	1,422	-	1,422
Total assets	**16,319,044**	**12,723,931**	**5,686,625**	**34,729,600**
Liabilities				
Derivative liabilities	6,100	18,697	-	24,797
Total liabilities	**6,100**	**18,697**	**-**	**24,797**

9. Fair value of financial instruments (continued)

	30 June 2023			
Types of assets/liabilities	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Cash and deposits	-	2,017,568	-	2,017,568
Derivative assets	3,740	98,500	-	102,240
Listed equities	13,723,147	-	-	13,723,147
Listed property trusts, Listed unit trusts	751,011	-	3,152	754,163
Other interest-bearing securities	-	6,053,044	3,218	6,056,262
Unlisted equities	-	468,717	332,767	801,484
Unlisted unit trusts	-	3,721,561	3,219,478	6,941,039
Unlisted partnerships	-	129,257	1,410,605	1,539,862
Annuities	-	1,454	-	1,454
Total assets	**14,477,898**	**12,490,101**	**4,969,220**	**31,937,219**
Liabilities				
Derivative liabilities	7,388	113,928	-	121,316
Total liabilities	**7,388**	**113,928**	**-**	**121,316**

Valuation techniques

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

A financial instrument is regarded as quoted in an active market if quoted prices are 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.

Assets included within this level includes cash, listed equities, listed unit trusts and other interest-bearing securities.

(ii) Fair value in an inactive or unquoted market (level 2 and level 3)
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.

Units in managed funds and property trusts:
Investments held in unlisted unit trusts are valued by reference to the price at the reporting date as advised by the investment managers. The Fund reviews the valuation methodology adopted by the relevant investment manager as part of initial due diligence stages of investment. The valuation provided by the manager is based on the market value of the underlying investments held in the unlisted trust.

Depending on the nature of the underlying trust assets and the level of trading in the trusts, the Fund classifies these funds as either Level 2 or Level 3.

9. Fair value of financial instruments (continued)

Valuation techniques (continued)

Unlisted equities

Independent valuation reports are obtained for unlisted equities held directly by the Fund. Valuation reports are received at least annually. Transactions in such investments do not occur on a regular basis.

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 rate for 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.

Other interest bearing securities

As can be seen from the table above the Fund invests in debt securities, including corporate and government bonds, both directly and indirectly. In the absence of a quoted price in an active market, observable inputs such as recently executed transaction prices in securities of the issuer or comparable issuers and yield curves are utilised. Adjustments are made to the valuations when necessary to recognise differences in the instrument's terms. To the extent that the significant inputs are observable, the Fund categorises these investments as Level 2.

Derivatives

The fair value of derivatives that are not exchange traded is estimated as 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. For these financial instruments, significant input models are market observable and they are therefore included within Level 2.

Valuation techniques for level 3 valuations

The Level 3 assets of the Fund are predominantly composed of investments which are valued at the latest net asset value price received from the relevant fund manager up to 30 June 2024.

The Fund uses a market-based valuation technique for these private equity positions. The Fund's investment manager determines comparable public companies (peers) based on industry size, leverage and strategy, and calculates an appropriate trading multiple for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the investee company to measure the fair value. The Fund classifies the fair value of these investments as Level 3.

The remainder of the balance of Level 3 assets of the Fund are composed of directly held infrastructure assets which are not actively traded. The fair value of these investments are based on recent independent valuations. Independent valuations are completed quarterly and reviewed and approved by the Trustee's investment committee prior to the revaluation of an asset being included.

9. Fair value of financial instruments (continued)

(a) Quantitative information of significant unobservable inputs - Level 3

Description		$'000*	Valuation technique	Significant unobservable inputs	Discount rate
Fixed interest loan (Equipsuper Holdings)	2024	3,218	Face value		
	2023	3,218			
Listed equities	2024	529	Last traded price		
	2023	-			
Unlisted equities	2024	49,501	Last available price		
	2023	47,003			
Listed property trusts, Listed unit trusts	2024	-	Last traded price		
	2023	3,152			
Unlisted equities (Brisbane Airport)	2024	133,986	Discounted cashflow method	Discount rate	9.55%
	2023	104,896		Discount rate	9.60%
Unlisted equities (Flinders Ports)	2024	204,459	Discounted cashflow method	Discount rate	9.40%
	2023	180,868		Discount rate	9.30%
Unlisted unit trusts (Flinders Ports)	2024	225,540	Discounted cashflow method	Discount rate	9.40%
	2023	199,242		Discount rate	9.30%
Unlisted unit trusts	2024	3,256,559	Net asset values		
	2023	3,020,236			
Unlisted partnerships	2024	1,812,833	Net asset values		
	2023	1,410,605			

Description	Input	Sensitivity used**	Effect on fair value
Unlisted equities (Brisbane Airport)	Discount rate	0.35%	10,487
Unlisted equities (Flinders Ports)	Discount rate	0.40%	14,348
Unlisted unit trusts (Flinders Ports)	Discount rate	0.40%	15,828

*The fair value of the asset would increase/decrease if the discount rate decreases/increases.

**The sensitivity analysis refers to a percentage amount added or deducted from the significant unobservable input and the effect this has on the fair value.

9. Fair value of financial instruments (continued)

(b) Level 3 financial instruments transactions

The following table shows a reconciliation of the movement in the fair value of financial instruments categorised within level 3 between the beginning and end of the reporting period.

30 June 2024

	Cash	Listed equities	Listed trusts	Other interest bearing securities	Unlisted equities	Unlisted unit trusts	Unlisted partner-ships	Total
Opening balance	-	-	3,152	3,218	332,767	3,219,478	1,410,605	4,969,220
Change in fair value	-	(534)	(3)	-	46,671	(13,548)	(92,918)	(60,332)
Purchases/applications	-	-	-	-	104,495	99,359	703,017	906,871
Sales/redemptions	-	-	(3,149)	-	(98,098)	(4,660)	(400,224)	(506,131)
Transfers into level 3	-	1,063	-	-	2,111	181,470	192,353	376,997
	-	**529**	**-**	**3,218**	**387,946**	**3,482,099**	**1,812,833**	**5,686,625**

30 June 2023

	Cash	Listed equities	Listed trusts	Other interest bearing securities	Unlisted equities	Unlisted unit trusts	Unlisted partner-ships	Total
Opening balance	443	-	-	3,458	316,653	3,206,235	1,479,923	5,006,712
Change in fair value	(443)	-	502	(1)	17,633	(65,225)	(42,595)	(90,129)
Purchases/applications	-	-	-	-	3,204	79,836	94,147	177,187
Sales/redemptions	-	-	-	-	(5,968)	(1,368)	(120,870)	(128,206)
Transfers into level 3	-	-	2,650	-	1,245	-	-	3,895
Transfers from level 3	-	-	-	(239)	-	-	-	(239)
	-	**-**	**3,152**	**3,218**	**332,767**	**3,219,478**	**1,410,605**	**4,969,220**

(c) Transfers between level 1 or 2 and level 3

Investments of $4,214,146 from level 1 (2023: $535,070) and $372,781,769 (2023: $3,359,450) from level 2 were transferred into level 3 during the period as the valuation inputs for these securities were not based on market observable inputs.

10. Financial risk management

Risk is inherent in the Fund's activities, but it is managed through the process of ongoing identification, measurement, monitoring, imposition of risk limits and other controls. The Fund is exposed to market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Fund's overall objective is to generate a return on investment for the benefit of its members.

The Trustee is responsible for identifying and controlling the risks that arise from the financial instruments held and does this through the Fund's Risk Management Framework. The framework is composed of risk management policies and systems which are reviewed regularly to reflect changes in market conditions and the Fund's activities. Compliance with the framework is subject to regular review both by management and the board and also via an annual audit.

10. Financial risk management (continued)

The financial risks are managed by the Trustee through approving the investment objectives and strategic asset allocations for each investment option, including the defined benefit division. The Fund's Investment Governance Framework sets out the policies, procedures, standards, resources and governance measures relevant to the management of the Fund's investments.

The Board of Directors has delegated certain powers to the Investment Committee, which is responsible for developing and monitoring the Fund's risk management policies related to investment activities. These include selection of fund managers, oversight of the allocation of investments to fund managers and evaluating their performance.

In carrying out the above responsibilities, the Investment Committee and Board of Directors receive reporting from management and external advisers.

Each fund manager is required to invest the assets managed by it in accordance with the terms of a written mandate.

The Investment Committee uses different methods to measure different types of risk to which the Fund is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and rating analysis for credit risk. The Investment Committee, in conjunction with its investment adviser, uses a range of qualitative and quantitative measures when assessing the individual fund managers' and overall Fund's investment arrangements.

The outlines of the various risks are a generic assessment of the financial risks and associated sensitivity analysis for the investment asset classes of the Fund. The impact of these sensitivities will vary between members depending on the members' choice of investment option(s). It is through the investment option that the member has exposure to the investment assets of the Fund and any movement in the underlying financial instruments.

(a) Credit risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The Fund is exposed to the risk of credit related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations.

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.

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values (i.e. derivative assets). The risk associated with these contracts is minimised by undertaking transactions with high quality counterparties on recognised exchanges and ensuring that transactions are undertaken with a number of counterparties.

There are no significant financial assets that are past due or impaired (2023: Nil).

10. Financial risk management (continued)

(a) Credit risk (continued)

Risk concentrations of the maximum exposure to credit risk

Concentration of credit risk is managed by counterparty and by geographical region. The Fund's financial assets in interest bearing securities except cash and deposits can be analysed by the following geographic regions:

	2024 $'000	2023 $'000
Australia	5,368,786	4,387,647
North America	1,519,677	800,235
Europe	663,372	460,010
Asia	238,266	397,805
Other	42,252	10,565
	7,832,353	**6,056,262**

Credit quality per class of debt instrument

The Fund invests in debt securities of which the majority are rated by well-known and industry recognised rating agencies. Investment managers manage the exposure to credit risk by setting limits to assessed credit ratings groupings.

The fair value of financial assets included in the statement of financial position represents the Fund's exposure to credit risk relating to those assets. An analysis of debt securities by rating is set out on the next page.

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10. Financial risk management (continued)

(a) Credit risk (continued)

Credit quality per class of debt instrument (continued)

30 June 2024

	AAA $'000	AA $'000	A $'000	BBB $'000	BB $'000	B $'000	Non-investment grade $'000	Not Rated $'000	Total $'000
Cash and deposits	-	865,825	-	-	-	-	-	-	**865,825**
Discount securities	-	2,058,436	516,177	-	-	-	-	145,459	2,720,072
Fixed interest securities	645,862	727,189	850,478	748,072	34,854	26,153	2,852	678,369	3,713,829
Indexed securities	36,613	10,627	-	28,105	-	-	-	9,277	84,622
Floating rate notes	167,018	173,705	167,631	124,311	4,720	1,945	-	99,921	739,251
Loans	-	973	-	1,650	3,664	2,719	824	5,788	15,618
Mortgage securities	18,181	53,363	124,801	166,079	32,948	37,086	514	125,989	558,961
Total other interest-bearing securities	**867,674**	**3,024,293**	**1,659,087**	**1,068,217**	**76,186**	**67,903**	**4,190**	**1,064,803**	**7,832,353**

30 June 2023

	AAA $'000	AA $'000	A $'000	BBB $'000	BB $'000	B $'000	Non-investment grade $'000	Not Rated $'000	Total $'000
Cash and deposits	-	-	2,017,568	-	-	-	-	-	**2,017,568**
Discount securities	-	-	2,815,422	-	-	-	-	94,279	2,909,701
Fixed interest securities	383,617	548,755	219,817	238,715	942	-	-	883,727	2,275,573
Indexed securities	3,022	-	-	-	-	-	-	53,276	56,298
Floating rate notes	-	48,889	112,286	149,838	286	-	-	45,828	357,127
Mortgage securities	212,205	9,368	3,044	327	164	-	-	232,455	457,563
Total other interest-bearing securities	**598,844**	**607,012**	**3,150,569**	**388,880**	**1,392**	**-**	**-**	**1,309,565**	**6,056,262**

10. Financial risk management (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. This risk is controlled through the Fund's investment in financial instruments, which under market conditions are readily convertible to cash. In addition, the Fund maintains sufficient cash and cash equivalents to meet normal operating requirements.

The Fund's significant financial liabilities are members' funds and payable liabilities.

The Fund manages its obligation to pay member liabilities on an expected maturity basis based on management's estimates of when such funds will be drawn down by members. The Fund considers it is highly unlikely that all members will request to roll over their superannuation fund account at the same time.

Other financial liabilities of the Fund comprise payables which are contractually due within 30 days and derivative liabilities comprising foreign exchange contracts payable within 12 months.

As at 30 June 2024	Carrying Amount $'000	Less than 1 month $'000	1-6 months $'000	>6 months $'000
Financial liabilities				
Net settled derivatives	24,797	9,050	8,620	7,127
Unsettled investment accruals	222,513	222,513	-	-
Other payables	47,639	47,639	-	-
Member liabilities	33,388,085	33,388,085	-	-
Total financial liabilities	**33,683,034**	**33,667,287**	**8,620**	**7,127**

As at 30 June 2023	Carrying Amount $'000	Less than 1 month $'000	1-6 months $'000	>6 months $'000
Financial liabilities				
Net settled derivatives	121,316	29,420	74,254	17,642
Unsettled investment accruals	156,045	156,045	-	-
Other payables	52,091	52,091	-	-
Member liabilities	31,274,314	31,274,314	-	-
Total financial liabilities	**31,603,766**	**31,511,870**	**74,254**	**17,642**

(c) Market risk

Market risk is the risk that the fair value or future cash flow of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, and equity prices. Market risk is minimised through ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies.

The Fund also enters into derivative transactions, principally fixed interest futures and foreign exchange contracts, to economically hedge against adverse price movements in the value of financial assets and mitigate market risk.

(i) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Fund has set investment allocation ranges to meet its objectives of holding a balanced portfolio, including limits on investments in interest bearing assets, which are monitored regularly. The Fund may use derivatives to hedge against changes in interest rates.

10. Financial risk management (continued)

(c) Market risk (continued)

(i) Interest rate risk (continued)

Financial assets of the Fund exposed to interest rate risk are cash and cash equivalents and other interest-bearing securities. At 30 June, the fair value of financial assets exposed to interest rate risk were as follows:

	2024 $'000	2023 $'000
Cash and cash equivalents	175,400	143,086
Term deposits	150,000	-
Investments		
Cash and short-term deposits	865,825	2,017,568
Other interest-bearing securities	7,832,353	6,056,262
	9,023,578	**8,216,916**

Sensitivity analysis

A sensitivity analysis has been undertaken using a 75 basis point change in interest rates (2023: 50 basis points) (Sensitivity Factor). As at 30 June 2024, a 75 basis point movement would have a $172m (2023: $89.284m) impact on the net assets of the Fund.

During the 2024 financial year, Equip re-evaluated the method and assumptions adopted in calculating the sensitivity analysis. The 2024 financial year analysis applied a duration of 5.75 years in calculating the Fund's net exposure to fixed interest rate instruments (reflecting the Fund's average exposure to global and Australian fixed interest bearing securities). The net exposure to fixed interest rate instruments is applied to the Fund's Sensitivity Factor to determine the movement of net assets attributable to members.

(ii) Foreign currency risk

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

As a result of significant investments held in the United States of America and Europe, the Fund's statement of financial position and income statement can be affected significantly by movements in USD, GBP and EUR when translated to AUD. The Fund manages its exposure to foreign currency risk and mitigates effects of its foreign currency translation exposure by adhering to the Fund's mandate which limits the portion of the Fund's assets which can be invested in different currencies in addition to taking out foreign exchange contracts. This foreign exchange policy is monitored against actual on an ongoing basis throughout the year.

10. Financial risk management (continued)

(c) Market risk (continued)

(ii) Foreign currency risk (continued)

The Fund's exposure to currency risk was as follows:

	2024 $'000	2023 $'000
United States of America (USD)	8,960,117	2,948,019
European community (EUR)	1,346,481	336,580
Great Britain (GBP)	408,768	83,102
Japan (YEN)	548,934	182,229
Canada (CAD)	213,574	84,379
South Korea (KRW)	197,387	130,934
India (INR)	193,860	178,137
Other currencies	942,041	540,527
Total currency exposure	**12,811,162**	**4,483,907**

The following table indicates the currencies to which the Fund has significant exposure at balance date on its monetary assets and liabilities and forecast cash flows. The analysis calculates the effect of a movement of global currency rates against the Australian Dollar on the statement of financial position and income statement, with all other variables held constant.

	2024			**2023**		
Currency	**Change in currency rate %**	**Effect on net assets / investment return $'000**		**Change in currency rate %**	**Effect on net assets / investment return $'000**	
USD	10 / (10)	(665,518)	813,412	10 / (10)	(228,141)	278,839
GBP	10 / (10)	(24,478)	29,918	10 / (10)	(4,078)	4,984
EUR	10 / (10)	(72,557)	88,681	10 / (10)	(26,730)	32,671
JPY	10 / (10)	(29,452)	35,997	10 / (10)	(16,284)	19,902
CAD	10 / (10)	(13,474)	16,468	10 / (10)	(7,154)	8,744
KRW	10 / (10)	(15,748)	19,248	10 / (10)	(11,903)	14,548
INR	10 / (10)	(17,624)	21,540	10 / (10)	(16,194)	19,793
Other	10 / (10)	(78,135)	95,498	10 / (10)	(82,918)	101,344

(iii) 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 (other than those arising from interest rate or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments in the market. Price risk exposure arises from the Fund’s investment portfolio.

Investments in the Fund that are exposed to other price risk include Australian and international equities and unlisted unit trusts.

To limit other price risk the Trustee diversifies its investment portfolio in line with the Fund’s mandate and the strategic asset allocation of the options. The majority of the equity investments are of high quality and are publicly traded on recognised, reputable exchanges. The Trustee monitors the Fund’s exposure to various indices on an ongoing basis throughout the year ensuring the mandate is not breached.

10. Financial risk management (continued)

(c) Market risk (continued)

(iii) Other price risk (continued)

The effect on the statement of financial position due to reasonably possible changes in market factors, as represented by the volatility of change in the individual indices over the last 10 years, with all other variables held constant, is indicated in the table below.

	2024			2023		
Index/benchmark	**Change in investment price %**	**Effect on net assets / investment return $'000**		**Change in investment price %**	**Effect on net assets / investment return $'000**	
Australian and International Equities						
ASX 300	16.8 / (16.8)	1,370,748	(1,370,748)	16.8 / (16.8)	1,288,298	(1,288,298)
MSCI World ex Australia	14.7 / (14.7)	1,478,854	(1,478,854)	14.7 / (14.7)	955,810	(955,810)
Fixed Interest						
Bloomberg AusBond Composite Bond	4 / (4)	248,315	(248,315)	4 / (4)	229,322	(229,322)
Cash						
Bloomberg AusBond Bank Bill Index	0.5 / (0.5)	18,362	(18,362)	0.5 / (0.5)	17,482	(17,482)

11. Responsible investment

The overall objective is to optimise the retirement income for members of the Fund. The Trustee recognises that Environmental, Social and Governance (ESG) issues are factors which may influence whether this objective is met.

ESG issues cover a range of topics and generally have one or more of the following characteristics:

- are a focus of public concern;
- have a medium to long-term horizon;
- may be qualitative and not readily quantifiable in monetary terms;
- reflect externalities not well captured by market mechanisms;
- are often the focus of policy and regulatory reform; and
- can arise throughout a company's supply chain as well as in its operations, for example, the production process, marketing, and eventual use of the products and services produced by the company.

The integration of ESG issues, and the application of responsible investment practices, into the management of the Fund's investment portfolios is consistent with the Trustee's overall investment beliefs. This approach can enhance the risk adjusted returns for the Fund's members over the long term.

The Trustee has a Responsible Investment Policy that outlines the Fund's commitment and approach to responsible investment.

The Trustee recognises that climate change represents a material, foreseeable and actionable financial risk that is unique and far reaching in its impacts. As such, the Trustee needs to manage implications for the Fund on behalf of members.

11. Responsible investment (continued)

Climate change considerations and our commitments are incorporated into the Fund's risk management process, through our Responsible Investment Policy.

As part of the management of climate change the Trustee is committed to supporting the transition to net zero emissions economy by 2050 (in line with the international climate agreement), in recognition that this goal aligns to the best financial interests of our members.

12. Revenue

Interest revenue
Interest revenue on cash and other financial assets carried at fair value is recorded according to the terms of the contract and recognised in the income statement.

Dividend and distribution revenue
Dividend and distribution revenue are recognised when the Fund’s right to receive payment is established. Revenue is presented gross of any non-recoverable withholding taxes, which are disclosed separately as tax expense in the income statement.

Changes in fair value of investments
Changes in the fair value of investments (financial assets and financial liabilities) are recognised as revenue (or expense) and are determined as the difference between the fair value at year end or consideration paid (if settled during the year) and the fair value as at the prior year end or amount originally incurred (if the financial assets or financial liabilities were incurred during the period).

The table below shows the changes in the fair value of investments:

	2024 $'000	2023 $'000
Investments		
Cash and deposits	160,404	(7,048)
Derivatives	36,449	(240,046)
Listed equities	1,609,097	1,928,782
Listed unit trusts	32,155	(11,119)
Other interest-bearing securities	(22,293)	59,779
Unlisted equities	73,292	86,458
Unlisted unit trusts	248,397	188,580
Unlisted partnerships	(68,603)	3,804
Annuity	(32)	(174)
	2,068,866	**2,009,016**

13. Income tax

(a) Income taxes applicable to the Fund

The Fund is a complying superannuation fund for the purpose of the provisions of the Income Tax Assessment Act 1997. Accordingly, the concessional tax rate of 15% has been applied to the Fund’s taxable income. Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted at the balance date.

Income tax in the income statement for the year comprises current and deferred tax.

Current tax assets and liabilities are measured as the amount expected to be recovered from or paid to the taxation authorities for the current year and any adjustment to tax payable in respect of prior years.

13. Income tax (continued)

(a) Income taxes applicable to the Fund (continued)

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 to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

Deferred tax assets and liabilities can be offset when they relate to income taxes levied by the same taxation authority and the Fund intends to settle its current tax assets and liabilities on a net basis.

(b) Current and deferred tax for the period	2024 $'000	2023 $'000
Current tax (benefit)/expense		
Current tax on profits for the year	27,029	(74,559)
Adjustment for current tax of prior periods	(6,919)	14,463
Other (including withholding tax)	-	37,506
Deferred tax expense/(benefit)		
(Decrease)/increase in net deferred tax liabilities	124,320	211,836
Total tax expense/(benefit) as reported in income statement	**144,430**	**189,246**

(c) Reconciliation between income tax expense and the accounting profit before income tax:	2024 $'000	2023 $'000
Profit/(loss) from operating activities	2,927,100	3,045,158
Income tax expense/(benefit) at 15% (2023: 15%)	439,065	456,774
Increase in tax expense due to:		
Adjustment for current tax of prior periods	(6,919)	14,463
Pension exemption	(38,686)	(11,222)
Difference between accounting and tax	(153,210)	(192,191)
Discount on capital gains	17,440	(3,318)
Net imputation and foreign tax credits	(113,260)	(112,766)
Other (including withholding tax)	-	37,506
Income tax expense/(benefit) reported in the income statement	**144,430**	**189,246**

(d) Reconciliation of taxes on contributions recognised in the statement of changes in members' benefits:	2024 $'000	2023 $'000
Total contributions shown in the statement of changes in members' benefits	(421,886)	(243,590)
Income tax on contributions at 15% (2023: 15%)	(63,283)	(36,539)
Increase in tax expense due to:		
Adjustment for current tax of prior periods	(14,911)	(3,464)
Non-concessional contributions received	(122,635)	(101,874)
Pension exemption - contribution income	10	(2)
Non-deductible contribution expenses	367,248	308,877
No TFN	23	(20)
Difference between accounting and tax	1,301	303
Income tax on contributions recognised in the statement of changes in members' benefits	**167,753**	**167,281**

13. Income tax (continued)

(e) Deferred tax

Type of temporary difference	2024 Opening balance $'000	Recognised in income $'000	Other movement $'000	Closing balance $'000
Deferred tax assets				
Fund expenses accrued but not incurred	5,211	269	-	5,480
	5,211	269	-	5,480
Deferred tax liabilities				
Accrued income	(7,168)	4,452	-	(2,716)
Unrealised gains on investments	(510,137)	(129,041)	-	(639,178)
	(517,305)	(124,589)	-	(641,894)
Net deferred tax asset/(liability)	(512,094)	(124,320)	-	(636,414)

Type of temporary difference	2023 Opening balance $'000	Recognised in income $'000	Other movement $'000	Closing balance $'000
Deferred tax assets				
Fund expenses accrued but not incurred	5,330	(119)	-	5,211
	5,330	(119)	-	5,211
Deferred tax liabilities				
Accrued income	(13,299)	6,131	-	(7,168)
Unrealised gains on investments	(292,289)	(217,848)	-	(510,137)
	(305,588)	(211,717)	-	(517,305)
Net deferred tax asset/(liability)	(300,258)	(211,836)	-	(512,094)

14. Related parties

(a) Key management personnel

Key management personnel include persons who were directors of the Trustee, and other executives at any time during the reporting period.

Togethr Trustees Pty Ltd acts as Trustee for the Fund and the compensation disclosed are in respect of responsibilities of directors and executives across the fund under trusteeship. Directors are paid by the Trustee company and executives are paid by either the Trustee company, Togethr Financial Planning Pty Ltd (TFP) or the Fund.

Directors and key management personnel compensation for the years ended 30 June is set out in aggregate below. Remuneration details of the individual key management personnel are included in the remuneration report.

	2024 $	2023 $
Short-term employment benefits	4,907,102	4,723,922
Post-employment benefits	366,286	343,657
Long-term benefits	51,341	49,416
Termination benefits	306,185	101,047
	5,630,914	**5,218,042**

Short- term employment benefits include cash salary, annual leave, lump sum payments and other non-monetary benefits. Post-employment benefits relate to superannuation benefits. Other long-term benefits relate to long service leave entitlements.

14. Related parties (continued)

(b) Related party transactions

Togethr Trustees Pty Ltd incurs costs to administer the Fund, these costs are reimbursed by the Fund on a cost recovery basis.

The fees paid and accrued as a reimbursement to the Trustee company by the Fund during the year were $76,580,252 (2023: $74,890,963). This amount includes a Trustee Indemnity Reserve Fee of $3,176,028 (2023: $2,276,255) which is calculated in accordance with the Trust Deed (for further information refer Note 14(d) below). The amounts due and payable at balance sheet date were $7,290,755 (2023: $7,988,867).

Togethr Asset Management Pty Ltd (TAM) is a related party of the Trustee through common control and provides the Fund with investment management services. The fees paid and accrued as a reimbursement to TAM by the Fund during the year were $46,787,528 (2023: $49,103,649). The amounts due and payable at balance date were $13,184,370 (2023: $16,892,395).

TFP is a related party of the Trustee through common control and provides the Fund with financial planning services. The service fees paid and accrued to TFP by the Fund during the year were $4,084,506 (2023: $3,925,499). The amounts due and payable at balance date were $790,224 (2023: $923,826).

The Fund had paid monies to the Trustee company in 2005-06 to meet Australian Prudential Regulation Authority Registrable Superannuation Entity Licensing conditions to hold cash of at least $100,000. The amount of $100,000 is held by the Trustee in a term deposit and must be returned to the Fund if the Trustee company is wound up.

The Trustee company purchases gas, electricity, water and other related services from employers who participate in the Fund. The transactions are carried out on an arms-length basis.

Mr M. A. Cameron has been a director of Resolution Capital Limited (RCL) since 30 April 2020. TAM has paid investment management fees to RCL under an investment management agreement dated 13 April 2016 and this is one of many agreements TAM has with multiple investment managers in the ordinary course of business. Investment management services are in the form of management of a portfolio of global listed real estate securities for Equipsuper. Mr Cameron is not involved in any acquisition or divestment decisions associated with Equipsuper's investments managed by RCL. Investment management fees paid to RCL during his term as director of the Trustee company from 1 November 2023 to 30 June 2024 amount to $713,967 (2023: N/A).

Mr M. N. Cerche is a former partner of Allens and is entitled to a retirement income payment from Allens. Mr Cerche is not involved in any decision to engage Allens to provide advice to Equipsuper. The Trustee company used Allens legal services during the year, with expenses totalling $305,215 during the current financial year (2023: $1,016,731).

Ms J. S. Hickey is a director of Australian Council of Superannuation Investors Ltd (ACSI). Ms Hickey is not directly involved in services provided to Equipsuper. The Trustee company paid membership fees and voting alert service subscriptions to ACSI during the year totalling $379,897 (2023: $325,375).

Ms J. S. Hickey became a director of QIC Limited (QIC) on 7 December 2023. TAM has paid investment management fees to QIC under an investment management agreement dated 13 December 2019. Investment management services provided are in the form of beta replication overlay services for Australian and international equities, Australian and international fixed income and cash for the Fund. Ms Hickey is not involved in any acquisition or divestment decisions associated with Equipsuper's investments managed by QIC. Investment management fees paid to QIC from the date she became a director of QIC on 8 December 2023 to 30 June 2024 amount to $197,492 (2023: N/A).

14. Related parties (continued)

(b) Related party transactions (continued)

Mr J. J. Widdup has been a director of Rural Funds Management Limited (RFML) since 15 February 2017. RFML is the Responsible Entity for a number of Funds including Rural Funds Group (ASX listed entity: RFF). Equipsuper has held the listed investment in RFF since 26 June 2023. Mr Widdup is not involved in any acquisition or divestment decisions associated with Equipsuper's security holdings in RFF. Cash distributions received by Equipsuper from RFF during his term as director of the Trustee company from 1 July 2023 to 30 June 2024 amount to $3,168 (2023: N/A). The investment at fair value as at 30 June 2024 amounted to $54,677 (2023: N/A).

Mr I. Lancaster is a director of Lancaster Partners Pty Ltd (LPPL). The Trustee company paid LPPL for the services of Mr. I. Lancaster as Acting Executive Officer, Governance and Risk during a period of parental leave taken by the Executive Officer, Governance and Risk. Total service fees paid to LPPL during the year were $21,600 (2023: $324,982).

Terms and conditions of transactions with related parties

All related party transactions are on normal commercial terms and conditions. Outstanding balances at year end are unsecured, interest free and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables or payables.

(c) Controlled entities

The Fund invests in the following controlled entities:

Equipsuper Holdings Pty Ltd	100%	100%
South Australia Ports Trust	100%	100%
Equipsuper Growth Alternatives Holdings Pty Ltd	100%	100%
CSF Australian Social Infrastructure Pty Ltd	100%	100%

The Fund fulfils the definition criteria of an investment entity and has elected to adopt the exemption from consolidation afforded by AASB 10 'Consolidated Financial Statements' and does not consolidate the entities it controls. Instead, interests in controlled entities are measured at fair value.

The Fund meets the criteria which define an investment entity because the Fund:

- obtains funds from members for the purpose of providing those members with investment management services;
- commits to its members that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- measures and evaluates the performance of all its investments on a fair value basis.

The Fund's product disclosure statements detail its objectives of providing services to members which include investing in equities, fixed income securities and private equity for the purpose of returns in the form of income and capital appreciation.

The Fund reports to its members, via an annual report, and to its management, via internal management reports, on a fair value basis. All investments are reported at fair value to the extent allowed by AASB 1056 in the Fund's annual report.

(d) Trustee's responsibility for liabilities of Togethr and Right of Indemnity

From 1 January 2022, as a result of changes to section 56 and 57 of the Superannuation Industry (Supervision) Act 1992 (SIS Act), superannuation Trustees and Trustee directors are not permitted to use trust assets to pay criminal, civil or administrative penalties incurred in relation to breaches of Commonwealth law.

14. Related parties (continued)

(d) Trustee's responsibility for liabilities of Togethr and Right of Indemnity (continued)

On 7 November 2022 the Supreme Court of South Australia changed the Trust Deed of Equipsuper, at the request of the Trustee company. These changes allow the Trustee to:

- charge a Trustee fee (Trustee Indemnity Reserve Fee) to the Fund, and
- establish a Trustee reserve (Trustee Indemnity Reserve) from which to pay fines and penalties should the need arise.

The fee is calculated in accordance with the Trust Deed.

In order to mitigate any funding risks, the Trustee company established a Trustee Indemnity Reserve during the previous year. The Fund paid to the Trustee a total Trustee Indemnity Reserve Fee of $3,176,028 (2023: $2,276,255) during the year. This reserve will be maintained to ensure sufficient liquidity is available should a penalty be incurred. The reserve cannot be used by the Trustee or its directors, to conduct other businesses or pay any dividends or profits to the Trustee’s shareholders.

15. Statement of cash flows

	2024 $'000	2023 $'000
Cash and cash equivalents	175,400	143,086
	175,400	**143,086**

For the purpose of statement of cash flows, cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

	2024 $'000	2023 $'000
Operating result after income tax	79,260	255,550
Adjustments for:		
Depreciation	653	2,418
Changes in assets measured at fair value	(2,068,866)	(2,009,016)
Investment income reinvested	(992,944)	(1,197,475)
Investment expenses deducted from investments	15,825	19,237
Withholding tax expense	-	37,506
Allocation to members	2,603,680	2,668,959
Net change in defined benefit member liabilities	99,730	(68,597)
Increase/(decrease) in payables	(9,839)	(1,947)
(Increase)/decrease in receivables	(10,257)	4,468
Increase/(decrease) in income tax payable	146,662	9,367
Increase/(decrease) in deferred tax payable	124,320	211,836
Insurance premiums paid	(54,591)	(59,376)
Death and disability benefits received	44,057	36,134
Net cash flows used in operating activities	**(22,310)**	**(90,936)**

16. Receivables

Receivables include amounts for dividends and distributions and interest. Dividends and distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each period. Receivables are carried at nominal amounts due which approximate fair value and are generally settled within 30 days.

	2024 $'000	2023 $'000
Unsettled investment sales	105,132	631,492
Investment income due and receivable	88,020	61,761
Foreign tax refund receivable	8,849	-
Term deposit interest accrued	1,755	-
Employer fees receivable	237	284
Prepaid expenses	354	506
GST receivable	560	716
Other receivables	170	164
Total	**205,077**	**694,923**

17. Payables

Payables are carried at nominal amounts which approximate fair value. They represent liabilities for goods and services provided to the Fund prior to the end of financial year that are unpaid when the Fund becomes obliged to make future payments in respect of the purchase of these goods or services. Payables are normally settled on 30-day terms.

	2024 $'000	2023 $'000
Unsettled investment purchases	222,513	156,045
Accounts due and unpaid	40,348	44,102
Administration fee payable to Togethr Trustees Pty Ltd	7,291	7,989
	270,152	**208,136**

18. Commitments and contingent liabilities

(a) Capital commitments

The Fund has outstanding capital commitments in relation to uncalled capital amounts that are committed to various private equity and direct lending funds. Commitments contracted for at the reporting date but not recognised as liabilities are expected to be settled as follows:

	2024 $'000	2023 $'000
Within one year	668,000	415,000
After one year but not later than five years	-	-
More than five years	-	-
	668,000	**415,000**

(b) Contingent liabilities

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

19. Auditor's remuneration

	2024 $	2023 $
Auditor’s remuneration is paid by the Trustee company and reimbursed by the Fund on a cost recovery basis:		
Deloitte Touche Tohmatsu		
Audit of the Fund	486,153	397,175
Other services:		
Tax controls testing guidance	-	12,000
Financial Accountability Regime (FAR) and CPS 511 Remuneration guidance	21,950	66,600
Total Auditor's remuneration	**508,103**	**475,775**

20. Events subsequent to balance sheet date

There are no matters or circumstances that have arisen since the end of the financial year, which significantly affected or may significantly affect the operation of the Fund, the result of those operations or the state of affairs of the Fund in subsequent financial years except as may be stated elsewhere in the financial statements.