

**ENCIRCLE
SUPERANNUATION FUND**

ABN 68 486 630 403

**FINAL FINANCIAL REPORT
FOR THE PERIOD ENDED 28 JUNE 2024**

TRUSTEE OF THE FUND:

**AVANTEOS
INVESTMENTS LIMITED**

**ABN 20 096 259 979
RSE Licence No L0002691**

Level 15, 400 George Street
Sydney, NSW 2000

ENCIRCLE SUPERANNUATION FUND

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ENCIRCLE SUPERANNUATION FUND

**STATEMENT OF FINANCIAL POSITION
AS AT 28 JUNE 2024**

	Notes	2024 \$	2023 \$
Assets			
Cash and cash equivalents	12	-	247,374,000
Receivables		-	68,178,000
Income tax receivable		-	14,799,000
Financial investments	4	-	2,639,640,000
Total assets		-	2,969,991,000
Liabilities			
Other payables		-	12,273,000
Income tax payable		-	-
Deferred tax liabilities	10	-	1,021,000
Total liabilities excluding member benefits		-	13,294,000
Net assets available for member benefits		-	2,956,697,000
Defined contribution member liabilities	7	-	2,956,694,000
Total net assets		-	3,000
Equity			
Reserve	9	-	3,000
Total equity		-	3,000

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

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**INCOME STATEMENT
FOR THE PERIOD ENDED 28 JUNE 2024**

Notes	2024 \$	2023 \$
Superannuation activities		
Interest income	2,426,637	8,770,000
Dividend income	2,694,663	16,970,000
Distribution income	655	94,493,000
Net changes in fair value of financial investments	2,525,241	136,815,000
Other income	25,046	64,000
Total income	7,672,242	257,112,000
Administration expenses	(619,989)	(8,338,000)
Adviser service fees	-	(32,897,000)
Other expenses	-	(196,000)
Total expenses	(619,989)	(41,431,000)
Results from superannuation activities before income tax expense	7,052,253	215,681,000
Income tax benefit/(expense)	(9,197,074)	17,407,000
Results from superannuation activities after income tax expense	(2,144,821)	233,088,000
Net benefits allocated to defined contribution members	2,144,821	(233,088,000)
Operating result after income tax	-	-

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

ENCIRCLE SUPERANNUATION FUND

**STATEMENT OF CHANGES IN MEMBER BENEFITS
FOR THE PERIOD ENDED 28 JUNE 2024**

Notes	2024 \$	2023 \$
Opening balance of member benefits	2,956,694,000	2,740,841,000
Member contributions	16,946,832	128,242,000
Employer contributions	2,133,507	15,379,000
Transfers from other superannuation funds	8,501,763	175,574,000
Transfers to other superannuation funds	(9,946,774)	(124,706,000)
Income tax on contributions	(396,730)	(4,398,000)
Net after tax contributions 7	17,238,598	190,091,000
Benefits to members or beneficiaries	(51,145,513)	(207,249,000)
Insurance premiums charged to members' accounts	-	(77,000)
Net benefits allocated comprising:		
- Net investment income	(1,524,832)	274,519,000
- Net administration fees	(619,989)	(8,534,000)
- Adviser service fees	-	(32,897,000)
- Transfer to Centric Super	(2,920,642,264)	-
Closing balance of member benefits 7	-	2,956,694,000

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

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**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 28 JUNE 2024**

Notes	Reserve \$	Total equity \$
Opening balance as at 1 July 2023	3,000	3,000
Net transfers to/from equity	(3,000)	(3,000)
Operating result after income tax	-	-
Closing balance as at 28 June 2024	-	-
Opening balance as at 1 July 2022	3,000	3,000
Net transfers to/from equity	-	-
Operating result after income tax	-	-
Closing balance as at 30 June 2023	3,000	3,000

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

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**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 28 JUNE 2024**

Notes	2024 \$	2023 \$
Cash flows from operating activities:		
Interest income received	2,498,702	8,070,000
Dividend income received	2,056,697	16,970,000
Distribution income received	48,405,657	98,409,000
Other income received	25,046	64,000
Income tax refund/(payment)	8,691,735	6,177,000
Administration expenses paid	(9,236,901)	(35,910,000)
Insurance premiums paid to insurer	-	(77,000)
Net cash inflow / (outflow) from operating activities	52,440,936	93,703,000
13 (a)		
Cash flows from investing activities:		
Proceeds from sales of financial investments	121,368,562	797,505,000
Payments for purchase of financial investments	(50,673,404)	(787,432,000)
Net cash inflow / (outflow) from investing activities	70,695,158	10,073,000
Cash flows from financing activities:		
Contributions received	19,711,547	275,330,000
Payment of member benefits	(59,145,649)	(296,649,000)
Tax paid on contributions	(4,148,280)	(4,505,000)
Transfer to Centric Super	(326,927,712)	-
Net cash inflow / (outflow) from financing activities	(370,510,094)	(25,824,000)
Net increase / (decrease) in cash and cash equivalents	(247,374,000)	77,952,000
Cash and cash equivalents at the beginning of the financial year	247,374,000	169,422,000
Cash and cash equivalents at the end of the financial period/year	-	247,374,000
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The above statement of cash flows should be read in conjunction with the accompanying notes.

ENCIRCLE SUPERANNUATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 JUNE 2024

1. GENERAL INFORMATION

encircle Superannuation Fund (the 'Fund') was created by a Trust Deed dated 27 July 2010. The purpose of the Fund is to provide retirement benefits to its members. For the purposes of the financial statements, the Fund is a for profit entity.

The Fund is a defined contribution fund. Members have voluntarily selected the Fund.

The Fund is managed by Avanteos Investments Limited (ABN 20 096 259 979) (the 'Trustee') which is incorporated in Australia. The registered office of the Trustee is Level 15, 400 George Street, Sydney, NSW 2000. Both the Trustee and the Fund are domiciled in Australia and registered with the Australian Prudential Regulation Authority (APRA).

On 26 August 2023, the Fund transferred all investments in-specie and members to Centric Super as part of a successor fund transfer.

On 28 June 2024, the Fund has wound up following the completion of all wind-up activities and the residual net assets have been transferred to Centric Super in accordance with the Transfer Deed.

There were no other significant changes in the nature of the Fund's activities during the reporting period.

These financial statements cover the Fund as an individual entity. The financial statements of the Fund were authorised for issue by the directors of the Trustee on 24 September 2024. The directors of the Trustee have the power to amend and re-issue these financial statements.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB), the *Corporations Act 2001*, the *Corporations Regulations* and the provisions of the Fund's Trust Deed. The financial statements are presented in the Australian currency which is the Fund's functional currency.

The Trustee approved the termination of the Fund in June 2022. The directors have therefore determined that the going concern basis of preparation is no longer appropriate. As such the financial statements have been prepared on a non-going concern basis whereby the Fund's assets have been realised and liabilities have been settled. As at 28 June 2024, the wind-up process is complete and a final set of accounts have been prepared for the Fund.

The following reconciles the balance of the Successor Fund Transferred out items as at 26 August 2023.

	\$
Successor fund transfer out	2,920,642,264
Cash	326,927,712
Investments	2,592,657,461
Other assets	1,416,138
Liabilities	(359,047)
Net assets	<u><u>2,920,642,264</u></u>
Total member liabilities	<u><u>2,920,642,264</u></u>

ENCIRCLE SUPERANNUATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 JUNE 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances have been settled as at 28 June 2024.

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

(b) Financial investments

(i) Classification

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

(ii) Recognition/derecognition

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

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

(iii) Measurement

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

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

For further details on how the fair values of financial investments are determined refer to note 4.

(iv) Offsetting financial instruments

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

(c) Cash and cash equivalents

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

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from investing activities, as movements in the fair value of these securities represent the Fund's main income generating activity.

The carrying amount of cash and cash equivalents is a reasonable approximation of fair value.

ENCIRCLE SUPERANNUATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 JUNE 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(d) Revenue recognition

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

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

Other changes in fair value for financial investments are recorded in accordance with the policies described in note 2(b) to the financial statements.

(e) Foreign currency translation

The Fund transacts only in Australian currency.

(f) Income tax

Under the *Income Tax Assessment Act 1997*, the Fund is a complying superannuation fund. As such, a concessional tax rate of 15% is applied on net earnings with deductions allowable for administrative and operational expenses. Financial investments held for less than 12 months are taxed at the Fund's rate of 15%. For financial investments held for more than 12 months, the Fund is entitled to a further discount on the tax rate leading to an effective tax rate of 10% on any gains/ (losses) arising from the disposal of investments.

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

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the amounts used for taxation purposes. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent it is no longer probable that the related tax benefit will be realised. Deferred tax liabilities are recognised for taxable temporary difference which arises when the carrying amount of an asset exceeds its tax base.

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

(g) Due from/to brokers

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

(h) Receivables

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

ENCIRCLE SUPERANNUATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 JUNE 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(i) Payables

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

(j) Benefits paid/payable

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

(k) Contributions received and transfers from other funds

Contributions received and transfers from other funds are recognised in the statement of changes in member benefits when the control of the contribution or transfer has transferred to the Fund. They are recognised gross of any taxes.

(l) Use of estimates

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

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example unquoted securities, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel where applicable to the fair value measurement, the current changing market conditions are assessed and estimated. Actual results may differ from these estimates. Refer to note 4 for details of estimates with respect to fair value measurements of the Fund's financial assets and liabilities.

(m) New accounting standards, amendments and interpretations adopted by the Fund

The Fund has adopted the following Australian Accounting Standards for the reporting period beginning 1 July 2023:

- (i) *AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates* [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2]

AASB 2021-2 become effective for annual reporting periods beginning on or after 1 January 2023. The amendments require the disclosure of material accounting policies rather than significant accounting policies and clarify the distinction between accounting policies and accounting estimates. The amendments do not result in any changes to the accounting policies.

There are no other new accounting standards, amendments and interpretations that are effective for the first time for the reporting period beginning 1 July 2023 and have a material impact on the financial statements of the Fund.

(n) Rounding of amounts

The Fund is an entity referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* relating to the "rounding off" of amounts in the Directors' Report and the Financial Report. Amounts in the Directors' Report and the Financial Report have been rounded to the nearest \$1, as indicated.

ENCIRCLE SUPERANNUATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 JUNE 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(o) Investment Entity

The Trustee has determined that the Fund is an investment entity under the definition in AASB 10 *Consolidated financial statements (as amended)* as it meets the following criteria:

- (i) the Fund has obtained funds from members for the purpose of providing them with investment management services;
- (ii) the Fund's business purpose, which it communicated directly to members, is investing solely for returns from capital appreciation and investment income; and
- (iii) the performance of investments made by the Fund is measured and evaluated on a fair value basis.

The Fund also meets all of the typical characteristics of an investment entity. As a result, the Fund does not consolidate its investments but accounts for them at fair value through the income statement.

3. FINANCIAL RISK MANAGEMENT

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

The Fund has an investment governance framework ('IGF') established by the Trustee. The IGF sets out the Trustees policies and procedures for the selection, management and monitoring of investments for the Fund.

Different methods are used to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks.

(a) Market risk

(i) Price risk

The Fund is exposed to price risk through its investments in listed Australian securities, managed investment schemes and unlisted investments. This arises from investments held by the Fund for which prices in the future are uncertain.

The Trustee mitigates price risk through diversification and a careful selection of securities and other financial instruments within specified limits and guidelines in accordance with the Product Disclosure Statement or Constitution. Compliance with the IGF and supporting investment guidelines are monitored by the Trustee on a regular basis.

At 28 June 2024, the fair value of investments exposed to price risk were as follows:

	2024	2023	
	\$	\$	Note
Listed shares and securities	-	389,384,000	
Managed investment schemes	-	2,238,606,000	6
Net exposure to price risk	-	2,627,990,000	

(ii) Currency risk

The Fund does not hold monetary or non-monetary assets denominated in currencies other than the Australian dollar and therefore is not exposed to currency risk.

The Fund's only exposure to currency risk is indirectly via the Fund's investment in managed investment schemes. This indirect risk affects the price of the Fund's holdings in the managed investment schemes. The responsibility for the management of currency risk within the managed investment schemes lies with the respective investment managers rather than the Trustee of the Fund.

ENCIRCLE SUPERANNUATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 JUNE 2024

3. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

There were no investments held as at 28 June 2024 due to the SFT therefore the currency risk exposure was \$nil for the reporting period.

(iii) Interest rate risk

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

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

There were no investments held as at 28 June 2024 due to the SFT therefore the interest risk exposure was \$nil for the reporting period.

	30 June 2023			Total \$
	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	
Financial assets				
Cash and cash equivalents	247,374,000	-	-	247,374,000
Receivables	-	-	68,178,000	68,178,000
Financial investments	-	11,650,000	2,627,990,000	2,639,640,000
Financial liabilities				
Payables	-	-	(12,273,000)	(12,273,000)
Net exposure interest rate risk	247,374,000	11,650,000	2,683,895,000	2,942,919,000

(b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's operating profit and net assets attributable to members to interest rate risk and price risk. The reasonably possible movements in the risk variables have been based on the Trustee's best estimate, having regard to a number of factors, including historical levels of changes in interest rates and market volatility. Actual movements in the risk variables may be greater or less than anticipated due to a number of factors. As a result, historic variations in risk variables should not be used to predict future variations in the risk variables.

There were no investments held as at 28 June 2024 due to the SFT therefore the change in market price was \$nil for the reporting period.

	Price risk		Interest rate risk	
	Impact on operating profit/ Net assets available for member benefits			
	\$	\$	\$	\$
2023	-20% (525,598,000)	20% 525,598,000	-100 bps (2,590,000)	+50 bps 1,295,000

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 JUNE 2024

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due, causing a financial loss to the Fund.

The main concentration of credit risk, to which the Fund is exposed, arises from the Fund's investment in interest bearing securities with financial institutions in Australia with a minimum credit rating of BBB+. The Fund is also exposed to credit risk on cash and cash equivalent and other receivables. The Trustee monitors the Fund's credit risk exposure on a regular basis.

There were no investments held as at 28 June 2024 due to the SFT therefore the exposure to credit risk was \$nil for the reporting period.

(d) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations to members or counterparties in full as they fall due or can only do so on terms that are disadvantageous. The Fund is obligated to pay member benefits upon request or able to facilitate daily redemption requests.

There were no investments held as at 28 June 2024 due to the SFT therefore the liquidity risk was \$nil for the reporting period.

4. FAIR VALUE MEASUREMENT

(a) Fair value hierarchy

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

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities. These inputs are readily available in the market and are normally obtainable from multiple sources. The fund holds investments in fixed interest securities which comprise of term deposits. The fair value of these investments are classified as Level 1.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly. The Trustee values fixed interest securities held by the Fund using broker quotes, units in unit trusts using the unit price provided by the underlying fund manager. The fair value of these investments are classified as Level 2.
- Level 3: one or more of the significant inputs are not based on observable market data, examples include discount rates and other material unobservable inputs. The Trustee values units in unit trusts classified as level 3 using the unit price provided by the underlying fund manager. These unit trusts hold illiquid investments such as unlisted property and private equity.

ENCIRCLE SUPERANNUATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 JUNE 2024

4. FAIR VALUE MEASUREMENT (continued)

(a) Fair value hierarchy (continued)

Recognised fair value measurements

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

The fair value of the Fund's investments as at the reporting date was \$nil due to the SFT to Centric Super. The table below sets out the Fund's investments at the fair value according to the fair value hierarchy as at 30 June 2023.

30/06/2023	Total \$	Level 1 \$	Level 2 \$	Level 3 \$
Financial assets				
Listed shares and securities	389,384,000	389,384,000	-	-
Fixed interest securities	11,650,000	11,650,000	-	-
Managed investment schemes	2,238,606,000	-	2,238,606,000	-
Total Investments	2,639,640,000	401,034,000	2,238,606,000	-

(i) *Transfers between levels*

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

There were no transfers between the levels in the fair value hierarchy during the period ended 28 June 2024.

(ii) *Movement in Level 3 Instruments*

There were no level 3 movements during the period ended 28 June 2024 and the year ended 30 June 2023.

5. NET CHANGES IN FAIR VALUE OF FINANCIAL INVESTMENTS

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

Fair value through profit or loss

Listed shares and securities
Managed investment schemes
Total

2024 \$	2023 \$
(865,685)	23,567,000
3,390,926	134,154,000
2,525,241	157,721,000

ENCIRCLE SUPERANNUATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 JUNE 2024

6. STRUCTURED ENTITIES

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

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

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

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

The fair value of managed investment schemes is \$nil as at the reporting date (2023: \$2,238,606,000) is included in financial investments in the statement of financial position.

The Fund's maximum exposure to loss from its interests in investee funds is equal to the total fair value of its investments in the investee funds.

During the period ended 28 June 2024, total gains derived on investments in investee funds were \$3,390,926 (total gains 2023: \$134,154,000).

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

7. MEMBER LIABILITIES

(a) Recognition and measurement of member liabilities

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

(b) Defined contribution member liabilities

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

Member liabilities vest 100% to members.

As at 28 June 2024, the net assets attributable to defined contribution members was \$nil as there are no longer any members within the Fund. This is due to the successor fund transfer that occurred on 26 August 2023 where the Fund transferred all investments in-specie and members to Centric Super.

8. INSURANCE ARRANGEMENTS

The Fund provides death and disability benefits to its members. The Trustee has a group policy in place with AIA Australia Limited ("AIA") to insure these death and disability benefits for the members of the Fund.

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

ENCIRCLE SUPERANNUATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 JUNE 2024

8. INSURANCE ARRANGEMENTS (continued)

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

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

9. RESERVES

The Trustee has established a Reserve Account in respect of the Fund to be used to fund members' requests for rollovers or transfers (whether partial or whole), pension payments, severe financial hardship and compassionate grounds benefits, terminal illness, permanent incapacity and other mandated payments outlined in the Suspended Investments Options Policy where the amount requested is attributable to a Suspended Investment Option of the Fund that cannot be redeemed at the time of request.

The Trustee has determined that the cash funding for all of the Reserve Accounts should not exceed a total of \$175,000 for the superannuation funds where the Trustee acts in the capacity of a trustee.

10. INCOME TAX

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

(a) Income tax expense

	2024 \$	2023 \$
<i>Current tax</i>		
Current tax on profits for the period/year	64,108	(18,284,000)
Adjustments for current tax of prior periods	9,889,535	(3,516,000)
Total current tax expense/(benefit)	9,953,643	(21,800,000)
<i>Deferred income tax</i>		
Increase/(Decrease) in deferred tax liabilities	(756,569)	1,021,000
Decrease/(Increase) in deferred tax assets	-	3,372,000
Income tax expense/(benefit)	9,197,074	(17,407,000)

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	2024 \$	2023 \$
Results from superannuation activities before income tax expense	7,052,253	215,681,000
Tax at the Australian rate of 15% (2023 – 15%)	1,057,838	32,352,000
Difference between accounting gains and taxable gains	(825,154)	(14,457,000)
Non-deductible expenses	57,570	4,242,000
Other non-assessable income	(553,234)	(14,410,000)
Imputation credits and foreign tax credits	(429,481)	(21,618,000)
Adjustments for current tax of prior periods	9,889,535	(3,516,000)
Income tax expense/(benefit)	9,197,074	(17,407,000)

In addition to the above, \$396,730 (2023: \$4,398,000) is recognised in the statement of changes in member benefits relating to tax on contributions deducted from member accounts.

ENCIRCLE SUPERANNUATION FUND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 JUNE 2024**

10. INCOME TAX (continued)

(c) Deferred tax balances

The balance comprises temporary differences attributable to:

	2024	2023
	\$	\$
Deferred tax assets		
Unrealised gains/(losses) of financial assets at fair value	-	-
Net deferred tax assets	-	-

The movements in temporary differences during the period/year are:

	Beginning of year	Recognised in income	End of period/year
	\$	\$	\$
At 28 June 2024			
<i>Deferred tax assets</i>			
Unrealised losses of fair value of financial investments	-	-	-
Net deferred tax assets	-	-	-
At 30 June 2023			
<i>Deferred tax assets</i>			
Unrealised losses of fair value of financial investments	3,372,000	(3,372,000)	-
Net deferred tax assets	3,372,000	(3,372,000)	-

The balance comprises temporary differences attributable to:

	2024	2023
	\$	\$
Deferred tax liabilities		
Unrealised gains of financial assets at fair value through profit or loss	-	1,021,000
Net deferred tax liabilities	-	1,021,000

The movements in temporary differences during the period/year are:

	Beginning of year	Recognised in income	End of period/year
	\$	\$	\$
At 28 June 2024			
<i>Deferred tax liabilities</i>			
Unrealised gains of fair value of financial investments	1,021,000	(1,021,000)	-
Net deferred tax liabilities	1,021,000	(1,021,000)	-
At 30 June 2023			
<i>Deferred tax liabilities</i>			
Unrealised gains of fair value of financial investments	-	1,021,000	1,021,000
Net deferred tax liabilities	-	1,021,000	1,021,000

ENCIRCLE SUPERANNUATION FUND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 JUNE 2024**

11. OTHER EXPENSES

	2024 \$	2023 \$
APRA levy	-	(196,000)
	-	(196,000)

12. CASH AND CASH EQUIVALENTS

	2024 \$	2023 \$
Cash and cash equivalents	-	247,374,000
	-	247,374,000

13. RECONCILIATION OF PROFIT/(LOSS) AFTER INCOME TAX TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

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

	2024 \$	2023 \$
Operating result after tax	-	-
Adjustments for:		
Net changes in fair value of financial investments	(2,525,241)	(136,815,000)
Net benefits allocated to defined contribution members	(3,560,959)	233,088,000
Change in operating assets and liabilities		
(Increase)/Decrease in receivables	68,045,075	(12,374,000)
Increase/(Decrease) in payables	(8,856,005)	5,488,000
Increase/(Decrease) in provision for deferred tax liability	(661,934)	1,021,000
Decrease/(Increase) in deferred tax asset	-	3,372,000
Reinvestment of dividend income	-	-
Insurance premiums paid	-	(77,000)
Net cash inflow (outflow) from operating activities	52,440,936	93,703,000

(b) Non-cash financing and investing activities

There were \$2,586,732,956 (2023: \$8,560,000) net inspecie transactions during the period/year.

14. AUDITOR'S REMUNERATION

During the period/year the following fees were paid or payable, by the Trustee, for services provided by KPMG Australia (KPMG) for the period 1 July 2023 to 28 June 2024 as the auditors of the Fund, and PricewaterhouseCoopers Australia (PwC) and by PwC's related network firms as the auditor of the Fund for the previous period.

	2024 \$	2023 \$
Audit of financial reports	11,000	35,676
Other assurance services	10,389	29,639
Other services	-	10,200
Total auditors' remuneration	21,389	75,515

ENCIRCLE SUPERANNUATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 JUNE 2024

15. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no outstanding contingent assets or liabilities as at the current or prior reporting periods.

16. EVENTS OCCURRING AFTER THE REPORTING PERIOD

The directors are not aware of any event or circumstance since the end of the period not otherwise addressed within this report which would impact on the financial position of the Fund disclosed in the balance sheet as at 28 June 2024 or on the results and cash flows of the Fund for the period ended on that date.

17. RELATED PARTY TRANSACTIONS

(a) Trustee

The Trustee of the Fund is Avanteos Investments Limited.

Commonwealth Bank of Australia (CBA) through intermediate holding companies, owns a 45% interest in Avanteos Investments Limited. The remaining 55% is held by the Asian private equity fund structure of Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, KKR).

(b) Details of Key Management Personnel

(i) Key Management Personnel

The directors of Avanteos Investments Limited are considered to be Key Management Personnel. The directors of the Trustee during the period and up to the date of the report are:

Name of Director	Date of Appointment or Resignation
Gregory Cooper	Appointed 12 November 2019.
Benjamin Heap	Appointed 1 January 2019.
David Lane	Appointed 2 September 2024.
Jo-Anne Bloch	Appointed 1 October 2021.
John Brogden	Resigned 21 August 2024
Kelly Ghaleb	Appointed 17 September 2021.

(ii) Other Key Management Personnel

Other key management personnel during the reporting period were:

Name of Direct	Position	Date of Appointment or Resignation
Darryl Burke	Chief Risk Officer	Appointed 8 June 2024
Karin Rathbone	Chief Risk Officer	Ceased 8 June 2024
Kelly Ghaleb	Director and Chief Executive Officer, Superannuation and Investments	Full financial year

(iii) Compensation of Key Management Personnel

No amounts are paid by the Fund directly to the Key Management Personnel. The Fund has also not made, guaranteed or secured, directly or indirectly, any loans to the Key Management Personnel or their related entities at any time during the reporting period.

ENCIRCLE SUPERANNUATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 JUNE 2024

17. RELATED PARTY TRANSACTIONS (continued)

(c) Transactions with Trustee

The Fund has directly incurred administration fees of \$619,989 (2023: \$8,338,000) and disclosed these fees in the income statement as administration expenses. The amount of administration fees payable to the Trustee as at the end of the reporting period was \$nil (2023: \$3,227,000). The administration fees are calculated in accordance with the Product Disclosure Statements of the Fund.

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their related entities at any time during the reporting period.

The Trustee is responsible for paying certain expenses (such as APRA levies, audit fees and regulatory reform costs) for the Fund. The Trustee recovered some of these expenses from the Fund.

(d) Bank and deposit accounts

The Fund's bank accounts are held with the Commonwealth Bank of Australia. Interest, fees and expenses relating to the operations of the Fund's bank accounts are credited or charged on normal commercial terms and conditions.

(e) Other related party transactions

The Fund may hold securities in related parties. These are bought and sold under regular business terms.

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

During the period the Fund has invested in products of related parties. These transactions have been at arm's length, under normal terms and conditions and in accordance with the Trust Deed.

Investment Name	Units Held At Period/Year End No.	Value of Investment At Period/Year End \$	Asset % of the Fund at Period /Year End %	Units Purchased During Period/Year No.	Units Sold During Period/Year No.	Distribution Received/ Reinvested \$
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Colonial First State Investments Limited Products

- 2024	-	-	-	24,108	440,429	19
- 2023	416,321	562,000	0.02%	249,373	90,713	32,000

Commonwealth Bank of Australia

- 2024	-	-	-	-	-	-
- 2023	8,002	802,000	0.03%	1,656	3,931	42,000

Commonwealth Bank of Australia - Cash at Bank

- 2024	-	-	-	-	-	-
- 2023	-	247,374,000	8.33%	-	-	8,558,000

On 28 June 2024, the Fund has wound up following the completion of all wind-up activities and the residual net assets have been transferred to Centric Super in accordance with the Transfer Deed

ENCIRCLE SUPERANNUATION FUND

TRUSTEES' DECLARATION FOR THE PERIOD ENDED 28 JUNE 2024

In the opinion of the directors of the Trustee of encircle Superannuation Fund ("the Fund"):

- (a) the accompanying financial statements and notes are in accordance with the *Corporations Act 2001*, including
 - (i) complying with Australian Accounting Standards and Interpretations and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Fund's financial position as at 28 June 2024 and of its performance for the financial period ended on that date, and
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors of Avanteos Investments Limited as Trustee for encircle Superannuation Fund.



Director
Sydney
24 September 2024



Director
Sydney
24 September 2024



Independent Auditor's Report

To the Trustee and Members of encircle Superannuation Fund (ABN 68 486 630 403)

Opinion

We have audited the **Financial Report** of encircle Superannuation Fund (the Fund).

In our opinion, the accompanying Financial Report of the Fund gives a true and fair view, including of the Fund's financial position as at 28 June 2024 and of its financial performance for the period then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of financial position as at 28 June 2024;
- Income statement, Statement of changes in members benefits, Statement of changes in equity, and Statement of cash flows for the period then ended;
- Notes, including material accounting policies; and
- Trustee's Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Fund in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – Basis of preparation

We draw attention to Note 2(a) in the Financial Report, which describes the basis of preparation. The Financial Report has been prepared on a non-going concern basis because subsequent to successor fund transfer on 26 August 2023, the Fund was wound up on 28 June 2024. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The Directors of the Trustee are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Fund, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Fund, and that is free from material misstatement, whether due to fraud or error; and
- assessing the Fund's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf This description forms part of our Auditor's Report.



KPMG



David Kells
Partner
Sydney
24 September 2024



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

To the Directors of Avanteos Investments Limited as the Trustee for encircle
Superannuation Fund

I declare that, to the best of my knowledge and belief, in relation to the audit of encircle
Superannuation Fund for the financial period ended 28 June 2024 there have been:

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

KPMG

David Kells

Partner

Sydney

24 September 2024