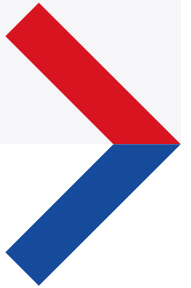


# Avanteos Superannuation Trust

ABN: 38 876 896 681

2024 Annual financial report



**AVANTEOS  
SUPERANNUATION TRUST**

**ABN 38 876 896 681**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 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

# AVANTEOS SUPERANNUATION TRUST

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# AVANTEOS SUPERANNUATION TRUST

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2024

The directors of Avanteos Investments Limited, the Trustee of Avanteos Superannuation Trust (the "Fund"), present their report together with the financial report of the Fund for the reporting period as stated below.

### Reporting period

The current reporting period for the financial report is from 1 July 2023 to 30 June 2024. The comparative reporting period is from 1 July 2022 to 30 June 2023.

### Trustee and Directors

The Trustee of the Fund is Avanteos Investments Limited (the "Trustee" or "AIL").

The directors of the Trustee in office during the period and up to the date of this 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.

The Trustee is incorporated and domiciled in Australia and has its registered office at Level 15, 400 George Street, Sydney, New South Wales, 2000.

### Principal activities

The principal activities of the Fund consisted of providing superannuation and retirement benefits to its members. The Fund is a defined contribution fund. Members have voluntarily selected the Fund.

There were no significant changes in the nature of the Fund's activities during the year.

### Rounding of amounts to the nearest thousand dollars

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

### Comparatives

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures and presentation in the current reporting period.

### Review and results of operations

During the year, the Fund's assets were invested in accordance with the investment objectives and guidelines as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Trust Deed.

The results of the operations of the Fund for the current and previous reporting periods are tabled below:

	1/07/2023 - 30/06/2024 \$'000	1/07/2022 - 30/06/2023 \$'000
Operating result before income tax	950,211	880,837
Income tax benefit/(expense)	20,606	13,722
<b>Operating result after income tax</b>	<b>970,817</b>	<b>894,559</b>

# AVANTEOS SUPERANNUATION TRUST

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2024

### Significant changes in the state of affairs

There were no other significant changes in the state of affairs of the Fund that occurred during the reporting period.

### Matters subsequent to the end of the reporting period

No matters or circumstances have arisen since the end of the current reporting period that have significantly affected, or may significantly affect:

- (i) the operations of the Fund in future financial periods, or
- (ii) the results of those operations in future financial periods, or
- (iii) the state of affairs of the Fund in future financial periods.

### Likely developments and expected results of operations

The Fund is expected to continue to be managed in accordance with the investment objectives and guidelines as set out in the Product Disclosure Statement and the provisions of the Trust Deed.

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

At the time of preparing this report the Trustee is not aware of any likely developments which would impact upon the future operations of the Fund.

### Fees paid to and received by the Trustee or its associates

The Fund has incurred administration fees of \$42,718,000 (2023: \$39,029,000) which are paid directly by the Fund to the Trustee. These fees are disclosed in the Income Statement as administration expenses.

No amounts were paid by the Fund directly to the directors of the Trustee during the reporting period.

### Interests in the Funds

There are no interests in the Fund held by the Trustee or its associates at the end of the reporting period.

### Environmental regulation

The Fund's operations are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law. There have been no known significant breaches of any other environmental requirements applicable to the Fund.

### Non-Audit Services

Amounts received by KPMG or is due to receive for the provision of non-audit services for the reporting period is \$0.

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 7.

# AVANTEOS SUPERANNUATION TRUST

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2024

### REMUNERATION REPORT (AUDITED)

#### 1. Remuneration report overview

The directors of the Trustee present the Remuneration Report for the year ended 30 June 2024. The Remuneration Report forms part of the Directors' Report and has been audited as required by section 308(3C) of the *Corporations Act 2001*. The Remuneration Report details the remuneration arrangements for the Key Management Personnel ("KMP") of the Fund which include those persons who, directly or indirectly, have authority and responsibility for planning, directing, and controlling the major activities of the Fund. For the Trustee this includes:

- directors of Avanteos Investments Limited ("AIL"), the Trustee of the Fund
- certain senior executives of Avanteos Investments Limited who meet the definition of KMP above (collectively the Executive KMP).

The table below lists the KMP and their movements during the year ended 30 June 2024:

Name	Position	Term as KMP
<b>Non-Executive Directors</b>		
Gregory Cooper	Independent Chair	Full financial year
Benjamin Heap	Independent Director	Full financial year
Jo-Anne Bloch	Independent Director	Full financial year
John Brogden	Independent Director	Full financial year
<b>Executive Director</b>		
Kelly Ghaleb	Director and Chief Executive Officer, Superannuation and Investments	Full financial year
<b>Executive KMP</b>		
Darryl Burke	Chief Risk Officer	Appointed 8 June 2024
Karin Rathbone	Chief Risk Officer	Resigned 8 June 2024

#### 2. Overview of director and executive remuneration

##### Elements of remuneration

##### Non-executive director remuneration

Avanteos Investments Limited has independently appointed directors. The independent director's fees are based on comparable financial services positions and recognise their contribution to the work of the Board and the associated Committees they serve. The fees payable to individual directors may be delivered as a combination of cash and superannuation at the director's discretion (subject to minimum Superannuation Guarantee requirements).

The directors' fees are recommended by the People, Remuneration and Nomination Committee ("PRNC") and approved by Superannuation and Investments HoldCo Pty Limited. Fees are paid by Superannuation and Investments Management Pty Limited, a related party to the Trustee and are governed by the Superannuation and Investments HoldCo Pty Limited Remuneration Policy.

Directors do not receive performance-related incentives, long service leave, retirement, or termination benefits.

##### Executive director and KMP remuneration

All remuneration disclosures have been time-based apportioned to reflect the work performed by the relevant Key Management Personnel for AIL as a Registrable Superannuation Entity ("RSE") Licensee for the reporting period. The disclosures are further apportioned to the RSE based on fund size.

The structure of remuneration arrangements for Executive Director and KMP consists of the following components:

- Fixed Remuneration
- Short-Term Variable Remuneration ("STVR")
- Participation in the Management Equity Plan ("MEP").

# AVANTEOS SUPERANNUATION TRUST

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2024

### REMUNERATION REPORT (AUDITED) (continued)

#### 2. Overview of director and executive remuneration (continued)

##### Fixed Remuneration

Fixed remuneration comprises base remuneration and superannuation. Base remuneration includes cash salary and any salary-sacrificed items. Fixed remuneration is reviewed annually with reference to external market benchmarks, taking into consideration the executives' role scope, skills and experience.

##### Short-Term Variable Remuneration

The STVR component is based on performance against key financial and non-financial measures across certain performance categories, Colonial First State ("CFS") values and risk outcomes. The eligibility to be assessed for STVR is initially CFS meeting its annual EBITDA plan, and then being assessed against an agreed scoreboard, finally modified by an assessment of the executive living the CFS Values and Risk management.

Ultimately STVR awards are at the discretion of the Board. Subject to company performance and individual performance, executives can earn up to 1.5 times their STVR Target.

Depending on the level of STVR awarded to an executive, a portion of this will be deferred in accordance with the APRA Prudential Standard CPS 511 *Remuneration*. Any deferral will be notionally invested in a CFS investment fund and will be subject to malus between award and vest, and clawback for a further two years from vest.

##### Management Equity Plan

The MEP incentivises eligible individuals by aligning their interests to the interests of Superannuation and Investments HoldCo Pty Ltd and its shareholders. Under the plan, individuals receive an interest free, limited recourse loan to purchase P class (Performance based) and T class (Time based) shares. P class shares may vest subject to the Kohlberg Kravis Roberts & Co. L.P. ("KKR") Investor Group achieving a minimum internal rate of return. To the extent that this hurdle is met, the proportion of P class shares that may vest depends on the total return on investment realised by the KKR Investor Group (as a multiple of invested capital). Again, subject to the internal rate of return hurdle, the proportion of T class shares that may vest depends on the period of time that the T class shares are held.

##### Statutory Remuneration

KMP	Year	Short-term benefits				Post-employment benefits		Long-term benefits	Share-based payments <sup>4</sup>	Termination payments	Total remuneration
		Salary & fees	Cash STVR <sup>1</sup>	Non-monetary <sup>2</sup>	Other	Superannuation	Other	Cash STVR <sup>3</sup>	MEP shares <sup>5</sup>		
		\$	\$	\$	\$		\$	\$	\$		
G. Cooper	2024	47,255	-	-	-	-	-	-	-	-	47,255
J. Brogdon	2024	17,176	-	-	-	1,889	-	-	-	-	19,065
J. Bloch	2024	20,685	-	-	-	2,275	-	-	-	-	22,960
B. Heap	2024	23,996	-	-	-	2,640	-	-	-	-	26,636
K. Ghaleb <sup>6</sup>	2024	24,051	10,096	563	-	1,225	-	15,143	6,599	-	57,677
K. Rathbone <sup>7</sup>	2024	16,760	2,236	-	-	1,225	-	-	253	-	20,474
D. Burke <sup>8</sup>	2024	1,039	-	-	-	102	-	-	-	-	1,141
Total	2024	150,962	12,332	563	-	9,356	-	15,143	6,852	-	195,208

##### Notes

1. Cash STVR announced and paid in September 2024 relates to the FY24 performance year
2. Non-monetary includes company provided parking (including associated Fringe Benefits Tax)
3. This includes the portion of the FY24 Cash STVR that is deferred per CPS 511 requirements
4. The issuing entity of the Management Equity Plan (MEP) shares is Superannuation and Investments HoldCo Pty Limited
5. This is the fair value accounting expense incurred in the year for the Management Equity Plan (MEP) shares

# AVANTEOS SUPERANNUATION TRUST

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2024

### REMUNERATION REPORT (AUDITED) (continued)

#### 2. Overview of director and executive remuneration (continued)

##### Statutory Remuneration (continued)

6. STVR target of \$23,478 with a range of \$0 (minimum) to \$35,217 (maximum). On 1 March 2024, 16 P class shares were issued with a fair value at grant date of \$460.98 and 7 T class shares were issued with a fair value at grant date of \$588.05.
7. STVR target of \$4,472 with a range of \$0 (minimum) to \$6,708 (maximum)
8. Not eligible to be considered for STVR in FY24

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

#### END OF REMUNERATION REPORT (AUDITED)



**AVANTEOS SUPERANNUATION TRUST**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

This directors' report is signed in accordance with a resolution of the Board of Directors of Avanteos Investments Limited as Trustee for Avanteos Superannuation Trust.



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Director  
Sydney  
24 September 2024



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Director  
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 Avanteos Superannuation Trust

I declare that, to the best of my knowledge and belief, in relation to the audit of Avanteos Superannuation Trust for the financial year ended 30 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

**AVANTEOS SUPERANNUATION TRUST**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2024**

	Notes	2024 \$'000	2023 \$'000
<b>Assets</b>			
Cash and cash equivalents	12	1,101,712	1,038,121
Receivables		284,291	177,313
Income tax receivable		544	6,767
Financial investments	4	11,744,312	10,678,700
<b>Total assets</b>		<b>13,130,859</b>	<b>11,900,901</b>
<b>Liabilities</b>			
Benefits payable		919	295
Other payables		19,368	20,967
Deferred tax liabilities	10	36,745	22,833
<b>Total liabilities excluding member benefits</b>		<b>57,032</b>	<b>44,095</b>
<b>Net assets available for member benefits</b>		<b>13,073,827</b>	<b>11,856,806</b>
Defined contribution member liabilities	7	13,073,660	11,856,654
<b>Total net assets</b>		<b>167</b>	<b>152</b>
<b>Equity</b>			
Reserve	9	167	152
<b>Total equity</b>		<b>167</b>	<b>152</b>

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

**AVANTEOS SUPERANNUATION TRUST**

**INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	2024 \$'000	2023 \$'000
<b>Superannuation activities</b>			
Interest income		72,568	43,690
Dividend income		79,775	76,607
Distribution income		410,870	290,168
Net changes in fair value of financial investments	5	504,346	561,063
Other income		6,578	19,374
<b>Total income</b>		<b>1,074,137</b>	<b>990,902</b>
<b>Expenses</b>			
Investment expenses		(3,532)	(2,591)
Administration expenses		(42,718)	(39,029)
Adviser service fees		(76,583)	(67,670)
Other expenses	11	(1,093)	(775)
<b>Total expenses</b>		<b>(123,926)</b>	<b>(110,065)</b>
<b>Results from superannuation activities before income tax expense</b>			
		950,211	880,837
Income tax benefit/(expense)	10	20,606	13,722
<b>Results from superannuation activities after income tax expense</b>			
		970,817	894,559
Net benefits allocated to defined contribution members		(970,802)	(894,553)
<b>Operating result after income tax</b>		<b>15</b>	<b>6</b>

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

## AVANTEOS SUPERANNUATION TRUST

### STATEMENT OF CHANGES IN MEMBER BENEFITS FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 \$'000	2023 \$'000
<b>Opening balance of member benefits</b>		11,856,654	10,982,301
Member contributions		619,606	604,033
Employer contributions		121,937	114,142
Transfers from other superannuation funds		1,364,910	840,791
Transfers to other superannuation funds		(850,869)	(741,369)
Income tax on contributions		(28,199)	(29,836)
<b>Net after tax contributions</b>	7	1,227,385	11,770,062
Benefits to members or beneficiaries		(977,921)	(805,600)
Death and disability benefits credited to members' accounts		491	1,108
Insurance premiums charged to members' accounts		(3,751)	(3,469)
Net benefits allocated comprising:			
- Net investment income		1,094,728	1,004,618
- Net administration fees		(47,343)	(42,395)
- Adviser service fees		(76,583)	(67,670)
<b>Closing balance of members' benefits</b>	7	13,073,660	11,856,654

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

**AVANTEOS SUPERANNUATION TRUST**

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

Notes	Reserve \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2023</b>	152	152
Net transfers to/from equity	-	-
Operating result after income tax	15	15
<b>Closing balance as at 30 June 2024</b>	167	167
<b>Opening balance as at 1 July 2022</b>	146	146
Net transfers to/from equity	-	-
Operating result after income tax	6	6
<b>Closing balance as at 30 June 2023</b>	152	152

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

# AVANTEOS SUPERANNUATION TRUST

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

		2024 \$'000	2023 \$'000
	Notes		
<b>Cash flows from operating activities:</b>			
Interest income received		72,278	40,828
Dividend income received		74,909	73,720
Distribution income received		315,571	413,607
Other income received		6,608	19,374
Income tax refund/(payment)		41,103	29,513
Administration expenses paid		(121,550)	(109,869)
Death and disability proceeds received from insurer		491	1,108
Insurance premiums paid to insurer		(3,751)	(3,469)
<b>Net cash inflow / (outflow) from operating activities</b>	13 (a)	385,659	464,812
<b>Cash flows from investing activities:</b>			
Proceeds from sales of financial investments		3,377,468	2,651,105
Payments for purchase of financial investments		(3,914,713)	(3,080,529)
<b>Net cash inflow / (outflow) from investing activities</b>		(537,245)	(429,424)
<b>Cash flows from financing activities:</b>			
Contributions received		1,982,633	1,410,293
Payment of member benefits		(1,738,975)	(1,430,066)
Tax paid on contributions		(28,481)	(27,267)
<b>Net cash inflow / (outflow) from financing activities</b>		215,177	(47,040)
<b>Net increase / (decrease) in cash and cash equivalents</b>		63,591	(11,652)
Cash and cash equivalents at the beginning of the financial year		1,038,121	1,049,773
<b>Cash and cash equivalents at the end of the financial year</b>	12	1,101,712	1,038,121

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

# AVANTEOS SUPERANNUATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1. GENERAL INFORMATION

Avanteos Superannuation Trust (the 'Fund') was created by a Trust Deed dated 9 July 2002. 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).

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.

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

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

#### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, *the Corporations Act 2001*, *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 statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for financial investments and net assets available for member benefits.

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 in accordance with AASB 1056 *Superannuation Entities*.

##### (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.



# AVANTEOS SUPERANNUATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

#### (b) Financial investments (continued)

##### (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.

#### (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

Items included in Financial Statements are measured using the currency of the primary economic environment in which it operates ("the functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Fund is regulated. The Australian dollar is also the Fund's presentation currency.

The Fund mainly transacts in Australian currency.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the Balance Sheets date.

# AVANTEOS SUPERANNUATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

#### (e) Foreign currency translation (continued)

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in a previous financial report, are recognised in the profit or loss in the period in which they arise.

The Fund does not isolate that portion of gains or losses on securities and derivative financial instruments that are measured at fair value through profit and loss and which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments at fair value through profit and loss.

#### (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 year based on the applicable tax rate adjusted for instalment payments made to the Australian Taxation Office ("ATO") during the year 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) Goods and Services Tax ("GST")

Income, expenses and assets, with the exception of receivables and payables, are recognised net of the amount of GST to the extent that the GST is recoverable from the taxation authority. Where GST is not recoverable, it is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated inclusive of GST.

Reduced input tax credits ("RITC") recoverable by the Funds from the ATO are recognised as a receivable in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows, which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### (h) Expense recognition

All expenses, including administration fees are recognised in profit or loss on an accruals basis.

# AVANTEOS SUPERANNUATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

#### (i) Due from/to brokers

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

#### (j) 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.

#### (k) 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.

#### (l) Benefits paid/payable and transfers to other funds

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 and transfers to other funds.

#### (m) 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.

#### (n) 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.

#### (o) New and Amended Standards 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.

# AVANTEOS SUPERANNUATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

#### **(p) New accounting standards, amendments and interpretations effective after 1 July 2024 and have not been early adopted**

A number of new accounting standards, amendments and interpretations have been published that are not mandatory for the 30 June 2024 reporting period and have not been early adopted in preparing these financial statements. Most of these are not expected to have a material impact on the financial statements of the Fund. However, management is still in the process of assessing the impact of the new standard AASB 18 *Presentation and Disclosure in Financial Statements* which was issued in June 2024 and replaces AASB 101 *Presentation of Financial Statements*.

#### **(q) 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 thousands, as indicated.

#### **(r) Investment entity**

The Trustee has determined that the Fund is an investment entity under the definition in AASB 10 *Consolidated Financial Statements* 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.

#### **(s) Operational Risk Financial Requirement**

An operational risk financial requirement ("ORFR") is required under Australian Prudential Regulation Authority Standards to maintain adequate financial resources to address potential losses arising from operational risks.

The Trustee has chosen to hold the ORFR as Trustee capital, which is reflected in its Annual Financial Report. As a minimum, the Trustee aims to have a target amount equal to 25 basis points (2023: 25 basis points) of funds under management subject to a predetermined tolerance limit of 80 percent of the ORFR. The tolerance limit is set by the Trustee to reduce the need for small transfers to or from the ORFR and to ensure a sufficient amount of financial resources are maintained to address the operational risks whilst also allowing the Trustee to effectively manage the capital to support the ORFR. When the amount falls below the tolerance limit additional funds are transferred into the ORFR.

# AVANTEOS SUPERANNUATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 3. FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk (including price risk, foreign exchange 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 risk and credit ratings analysis for credit risk.

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

	2024 \$'000	2023 \$'000	Note
Listed shares and securities	2,475,701	2,056,764	
Managed investment schemes	8,740,454	8,148,269	6
Units in unlisted investments	1	1	
Net exposure to price risk	<u>11,216,156</u>	<u>10,205,034</u>	

##### (ii) Foreign exchange risk

The Fund may hold both monetary and non-monetary assets denominated in currencies other than the Australian dollar. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk not foreign exchange risk.

Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuates due to changes in exchange rates. The risk is measured using sensitivity analysis.

The assets and liabilities that are denominated in a currency other than the Australian dollar is \$2,518,000 as at 30 June 2024 (Nil as at 30 June 2023).

##### (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.

# AVANTEOS SUPERANNUATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 3. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market risk (continued)

	30 June 2024			
	Floating	Fixed	Non-interest	Total
	interest rate	interest rate	bearing	
\$'000	\$'000	\$'000	\$'000	
<b>Financial assets</b>				
Cash and cash equivalents	1,101,712	-	-	1,101,712
Receivables			284,291	284,291
Financial investments	-	528,156	11,216,156	11,744,312
<b>Financial liabilities</b>				
Payables			(20,287)	(20,287)
Net exposure interest rate risk	1,101,712	528,156	11,480,160	13,110,028

	30 June 2023			
	Floating	Fixed	Non-interest	Total
	interest rate	interest rate	bearing	
\$'000	\$'000	\$'000	\$'000	
<b>Financial assets</b>				
Cash and cash equivalents	1,038,121	-	-	1,038,121
Receivables			177,313	177,313
Financial investments	-	473,666	10,205,034	10,678,700
<b>Financial liabilities</b>				
Payables			(21,262)	(21,262)
Net exposure interest rate risk	1,038,121	473,666	10,361,085	11,872,872

#### (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.

	Price risk		Interest rate risk	
	Impact on operating profit/ Net assets available for member benefits			
	\$'000	\$'000	\$'000	\$'000
<b>2024</b>	-20%	20%	-100 bps	+50 bps
	(2,243,231)	2,243,231	(131,100)	65,550
<b>2023</b>	-20%	20%	-100 bps	+50 bps
	(2,041,007)	2,041,007	(118,729)	59,364

#### (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 holdings of cash and cash equivalents and interest-bearing securities held with CBA and other financial institutions which has a minimum Standard & Poor's credit rating of A- (2023: BBB+). The exposure to credit risk for cash and cash equivalents is low as all counterparties have a high credit rating. The Fund is also exposed to credit risk on other receivables. The Trustee monitors the Fund's credit risk exposure on a regular basis.

# AVANTEOS SUPERANNUATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 3. FINANCIAL RISK MANAGEMENT (continued)

#### (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.

### 4. FAIR VALUE MEASUREMENT

#### (a) Fair value hierarchy

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level for the fair value measurement hierarchy:

- 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.

#### *Recognised fair value measurements*

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

30/06/2024	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial assets</b>				
Cash and cash equivalents	1,101,712	1,101,712	-	-
Receivables	284,291	284,291	-	-
Listed shares and securities	2,475,701	2,474,563	-	1,136
Fixed interest securities	528,156	528,156	-	-
Managed investment schemes	8,740,454	-	8,712,970	27,484
Units in unlisted investments	1	-	-	1
<b>Financial liabilities</b>				
Payables	(20,287)	(20,287)	-	-
<b>Total Investments</b>	<b>13,110,028</b>	<b>4,368,435</b>	<b>8,712,970</b>	<b>28,621</b>

**AVANTEOS SUPERANNUATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

**4. FAIR VALUE MEASUREMENT (continued)**

**(a) Fair value hierarchy (continued)**

<b>30/06/2023</b>	<b>Total \$'000</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>
<b>Financial assets</b>				
Cash and cash equivalents	1,038,121	1,038,121	-	-
Receivables	177,313	177,313	-	-
Listed shares and securities	2,056,764	2,056,764	-	-
Fixed interest securities	473,666	473,666	-	-
Managed investment schemes	8,148,269	-	8,113,668	34,601
Units in unlisted investments	1	-	-	1
<b>Financial liabilities</b>				
Payables	(21,262)	(21,262)	-	-
<b>Total Investments</b>	<b>11,872,872</b>	<b>3,724,602</b>	<b>8,113,668</b>	<b>34,602</b>

*Movement in Level 3 Instruments*

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

<b>30/06/2024</b>	<b>Listed Shares and Securities \$'000</b>	<b>Managed Investment Schemes \$'000</b>	<b>Units in Unlisted Investments \$'000</b>	<b>Total \$'000</b>
Balance at 1st July 2023	-	34,601	1	34,602
Purchase during the year	16	1,711	-	1,727
Sales during the year	-	(5,015)	-	(5,015)
Transfers from other funds	-	230	-	230
Transfers to other funds	-	-	-	-
Transfers into level 3	1,120	-	-	1,120
Transfers out of level 3	-	-	-	-
Total realised and unrealised gains/(losses)	-	(4,043)	-	(4,043)
<b>Closing balance</b>	<b>1,136</b>	<b>27,484</b>	<b>1</b>	<b>28,621</b>

<b>30/06/2023</b>	<b>Listed Shares and Securities \$'000</b>	<b>Managed Investment Schemes \$'000</b>	<b>Units in Unlisted Investments \$'000</b>	<b>Total \$'000</b>
Balance at 1st July 2022	28	50,076	108	50,212
Purchase during the year	-	5,378	-	5,378
Sales during the year	-	(20,542)	(106)	(20,648)
Transfers from other funds	-	1,796	-	1,796
Transfers to other funds	-	(95)	-	(95)
Transfers into level 3	-	-	-	-
Transfers out of level 3	-	-	-	-
Total realised and unrealised gains/(losses)	(28)	(2,012)	(1)	(2,041)
<b>Closing balance</b>	<b>-</b>	<b>34,601</b>	<b>1</b>	<b>34,602</b>



# AVANTEOS SUPERANNUATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 5. NET CHANGES IN FAIR VALUE OF FINANCIAL INVESTMENTS

Net changes in financial assets measured at fair value:

	2024 \$'000	2023 \$'000
<b>Fair value through profit or loss</b>		
Listed shares and securities	180,489	162,759
Managed investment schemes	323,857	398,490
Units in unlisted investments	-	(186)
<b>Total</b>	<b>504,346</b>	<b>561,063</b>

### 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 managed investment scheme'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 of \$8,740,454,000 (2023: \$8,148,269,000) is included in financial investments at 30 June 2024 in the Statement of Financial Position.

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

During the year ended 30 June 2024, net gains on investments in the underlying funds were \$323,857,000 (net gains 2023: \$398,490,000).

During the year the Fund experienced fair value gains or losses and earned 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.

# AVANTEOS SUPERANNUATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 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.

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 \$'000	2023 \$'000
<i>Current tax</i>		
Current tax on profits for the year	(28,741)	(29,037)
Adjustments for current tax of prior periods	(5,777)	(20,964)
<b>Total current tax expense/(benefit)</b>	<b>(34,518)</b>	<b>(50,001)</b>
<i>Deferred income tax</i>		
Increase/(Decrease) in deferred tax liabilities	13,912	22,833
(Increase)/Decrease in deferred tax assets	-	13,446
<b>Income tax expense/(benefit)</b>	<b>( 20,606)</b>	<b>( 13,722)</b>

**AVANTEOS SUPERANNUATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

**10. INCOME TAX (continued)**

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

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Results from superannuation activities before income tax expense	950,211	880,837
Tax at the Australian rate of 15% (2023 – 15%)	142,532	132,125
Difference between accounting gains and taxable gains	(50,507)	(45,277)
Non-deductible expenses	9,848	9,145
Other non-assessable income	(58,575)	(47,924)
Imputation credits and foreign tax credits	(58,127)	(40,827)
Adjustments for current tax of prior periods	(5,777)	(20,964)
<b>Income tax expense/(benefit)</b>	<b>(20,606)</b>	<b>(13,722)</b>

In addition to the above \$28,199,000 (2023: \$29,836,000) is recognised in the statement of changes in member benefits relating to tax on contributions deducted from member accounts.

**(c) Deferred tax balances**

The balance comprises temporary differences attributable to:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Deferred tax assets</i>		
Unrealised losses of financial assets at fair value through profit or loss	-	-
<i>Deferred tax liabilities</i>		
Unrealised gains of financial assets at fair value through profit or loss	(36,745)	(22,833)
<b>Net deferred tax assets(liabilities)</b>	<b>(36,745)</b>	<b>(22,833)</b>

The movements in temporary differences during the year are:

	<b>Beginning of year</b>	<b>Recognised in income</b>	<b>End of year</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>At 30 June 2024</b>			
<i>Deferred tax liabilities</i>			
Unrealised gains of fair value of financial investments	22,833	13,912	36,745
<b>Net deferred tax liabilities</b>	<b>22,833</b>	<b>13,912</b>	<b>36,745</b>

**At 30 June 2023**

<i>Deferred tax liabilities</i>			
Unrealised gains of fair value of financial investments	-	22,833	22,833
<b>Net deferred tax liabilities</b>	<b>-</b>	<b>22,833</b>	<b>22,833</b>

	<b>Beginning of year</b>	<b>Recognised in income</b>	<b>End of year</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>At 30 June 2024</b>			
<i>Deferred tax assets</i>			
Unrealised losses of fair value of financial investments	-	-	-
<b>Net deferred tax assets</b>	<b>-</b>	<b>-</b>	<b>-</b>

**At 30 June 2023**

<i>Deferred tax assets</i>			
Unrealised losses of fair value of financial investments	13,446	(13,446)	-
<b>Net deferred tax assets</b>	<b>13,446</b>	<b>(13,446)</b>	<b>-</b>

**AVANTEOS SUPERANNUATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

**11. OTHER EXPENSES**

	2024 \$'000	2023 \$'000
APRA levy	(1,093)	(775)
	(1,093)	(775)

**12. CASH AND CASH EQUIVALENTS**

	2024 \$'000	2023 \$'000
Cash at bank	1,101,712	1,038,121
	1,101,712	1,038,121

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

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

	2024 \$'000	2023 \$'000
Operating result after tax	15	6
Adjustments for:		
Net changes in fair value of financial investments	(504,346)	(561,063)
Net benefits allocated to defined contribution members	970,802	894,553
Change in operating assets and liabilities		
(Increase)/Decrease in receivables	(95,944)	117,497
Increase/(Decrease) in payables	8,616	(17,212)
(Decrease)/Increase in provision for deferred tax liability	13,912	36,279
Reinvestment of dividend income	(4,136)	(2,887)
Death and disability proceeds received from insurer	491	1,108
Insurance premiums paid	(3,751)	(3,469)
Net cash inflow (outflow) from operating activities	385,659	464,812

**(b) Non-cash operating, financing and investing activities**

There were \$34,575,000 (2023: \$31,685,000) net inspecie transactions during the year.

The Fund participated in distribution reinvestment plans which were a non-cash operating activity. The amounts are disclosed in Note 13(a) as "Reinvestment of dividend income".

# AVANTEOS SUPERANNUATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 14. AUDITOR'S REMUNERATION

During the year the following fees were paid or payable, by the Trustee, for services provided by KPMG Australia ("KPMG") and by KPMG's related network firms for the period 1 July 2023 to 30 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	121,281	169,508
Other regulatory assurance services	85,868	111,837
Other services	-	10,200
<b>Total services provided by KPMG (2023: PwC)</b>	<b>207,149</b>	<b>291,545</b>

### 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

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund disclosed in the statement of financial position as at 30 June 2024 or on the results and cash flows of the Fund for the year ended on that date.

### 17. RELATED PARTY TRANSACTIONS

#### (a) Trustee

The Trustee of the Fund is Avanteos Investments Limited (the "Trustee" or "AIL"). The Trustee is incorporated and domiciled in Australia and has its registered office at Level 15, 400 George Street, Sydney, NSW 2000.

#### (b) Details of Key Management Personnel

##### (i) Directors

The directors of Avanteos Investments Limited are considered to be Key Management Personnel. The directors of the Trustee during the reporting 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 Director	Position	Date of Appointment or Resignation
Darryl Burke	Chief Risk Officer	Appointed 8 June 2024
Karin Rathbone	Chief Risk Officer	Resigned 8 June 2024
Kelly Ghaleb	Director and Chief Executive Officer, Superannuation and Investments	Full financial year

# AVANTEOS SUPERANNUATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 17. RELATED PARTY TRANSACTIONS (continued)

#### (b) Details of Key Management Personnel (continued)

##### (iii) Compensation of Key Management Personnel

The Fund receives management services from a related entity of CFS Group, Superannuation and Investments Services Pty Limited (“ServiceCo”), which includes the provision of Key Management Personnel compensation of \$195,208. No amounts are paid by the Fund directly to the Key Management Personnel, rather an overall service fee is paid to ServiceCo. 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.

#### (c) Transactions with Trustee

The Fund has directly incurred administration fees of \$42,718,000 (2023: \$39,029,000) and discloses 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 \$4,071,000 (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) 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 Year End	Value of Investment At Year End	Asset % of the Fund At Year End	Units Purchased During Year	Units Sold During Year	Distribution Received/ Reinvested
#	No.	\$'000	%	No.	No.	\$'000

#### Colonial First State Investments Limited Products

-	2024	624,347,052	716,598	5.46%	338,758,121	221,638,478	37,076
-	2023	507,227,410	546,190	4.59%	118,263,460	165,170,339	17,272

# AVANTEOS SUPERANNUATION TRUST

## TRUSTEES' DECLARATION FOR THE YEAR ENDED 30 JUNE 2024

In the opinion of the directors of the Trustee of Avanteos Superannuation Trust ("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 30 June 2024 and of performance for the financial year ended on that date.
- (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 Avanteos Investments Limited as Trustee for Avanteos Superannuation Trust.



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Director  
Sydney  
24 September 2024



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Director  
Sydney  
24 September 2024



# Independent Auditor's Report

To the Trustee and Members of Avanteos Superannuation Trust (ABN 38 876 896 681)

## Report on the audit of the Financial Report

### Opinion

We have audited the **Financial Report** of Avanteos Superannuation Trust (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 30 June 2024 and of its financial performance for the year 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 30 June 2024;
- Income statement, Statement of changes in members benefits, Statement of changes in equity, and Statement of cash flows for the year 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.





## Other Information

Other Information is financial and non-financial information in the Fund's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors of Avanteos Investments Limited (the Trustee), are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

## Responsibilities of the Directors for the Financial Report

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

## Report on the Remuneration Report

### Opinion

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

### Directors' responsibilities

The Directors of the Trustee are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300C* of the *Corporations Act 2001*.

### Our responsibilities

We have audited the Remuneration Report included in pages 3 to 5 of the Directors' Report for the year ended 30 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

David Kells  
Partner  
Sydney  
24 September 2024

