

**MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND**  
**ABN: 17 317 520 544**

**ANNUAL FINANCIAL REPORT**

**YEAR ENDED 30 JUNE 2024**

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# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

## DIRECTORS' REPORT

The directors of Meat Industry Employees' Superannuation Fund Pty Ltd (the 'Trustee'), as Trustee for the Meat Industry Employees' Superannuation Fund (the 'Fund'), present their report on the Fund for the year ended 30 June 2024.

### Principal Activities

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

### Review and results of operations

The Fund invests in accordance with the investment policy of the Fund as set out in the Product Disclosure Statement (PDS) and in accordance with the Fund's Constitution.

During the year, the Fund was able to achieve a net investment return for members that exceeded the stated investment objectives and exceeded the expected returns from its Strategic Asset Allocation (SAA).

This result will further add to the Fund's APRA Your Future Your Super performance test score in addition to having being assessed by APRA as a performing fund for 30 June 2024 on 29 August 2024.

### Significant changes in the state of affairs

There have been no significant changes that have occurred during the financial year ended 30 June 2024.

### Events since the end of the financial year

There have been no significant events that have occurred since the end of the financial year to the date of this report which would impact the Trustee.

### Likely developments and expected results of operations

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

### Environment regulation

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

### Audit and non-audit services

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

	2024	2023
	\$	\$
<b>Auditors of the Fund – PwC and related network firms</b>		
Audit of financial reports	130,000	125,000
Other non-audit services	47,000	23,000
<b>Total services provided by PwC</b>	<b>177,000</b>	<b>148,000</b>

# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

## DIRECTORS' REPORT (Continued)

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

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor, and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

### Rounding of amounts to the nearest thousand dollars

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

### Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

### Remuneration report

The directors present the Meat Industry Employees Superannuation Fund 2024 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year.

The report is structured as follows:

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

#### (a) Key management personnel covered in this report

*Directors of Meat Industry Employees' Superannuation Fund Pty Ltd during the financial year up to the date of signing, were as follows*

<b>Name</b>	<b>Role</b>
C White	Independent Chair
P Conway	Member representative
B Ede	Employer representative
P Fernandez	Member representative
R Gilmour	Employer representative
A Blyth	Member representative
J McMahan	Employer representative

*Other key management personnel during the financial year up to the date of signing, were as follows*

<b>Name</b>	<b>Role</b>
K Kaspar	Chief Executive Officer
C Artis	Chief Investment Officer
C Salamousas	Accountant/Assistant Fund Manager (until 30 May 2024)*
T Dunstone	Administration Manager
P Tsemetsidis	Compliance & Risk Specialist
D Gamvrellis	Chief Financial Officer (from 13 November 2023)

*\* In addition to their responsibilities as Assistant Fund Manager, C Salamousas also undertook duties equivalent to those of the Chief Financial Officer. These duties ceased on 13 November 2023, after which they continued to manage property related matters for the Fund until 30 May 2024.*

# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

## DIRECTORS' REPORT (Continued)

### (b) Remuneration expenses

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

Name	Short term employment benefit		Post employment benefit	Long term employee benefit		Termination benefit	Total
	Salary	Cash Bonus	Super*	Non-monetary benefits	Annual and long service leave	Variable remuneration	
<b>Directors</b>						Other	
C White	46,226	-	5,085	-	-	-	<b>51,311</b>
P Conway	27,245	-	-	-	-	-	<b>27,245</b>
B Ede	7,602	-	836	-	-	-	<b>8,438</b>
P Fernandez	12,634	-	-	-	-	-	<b>12,634</b>
R Gilmour	9,800	-	1,078	-	-	-	<b>10,878</b>
A Blyth	9,617	-	-	-	-	-	<b>9,617</b>
J McMahon	8,133	-	895	-	-	-	<b>9,028</b>
<b>Other key management personnel</b>							
K Kaspar	314,381	-	27,500	14,656	-	-	<b>356,537</b>
C Artis	308,750	-	27,500	6,655	6,940	-	<b>349,845</b>
D Gamvrellis	109,500	-	17,763	5,683	9,591	-	<b>142,537</b>
C Salamousas	144,350	-	21,577	8,259	54,857	-	<b>229,043</b>
T Dunstone	191,806	-	27,330	6,655	4,486	-	<b>230,277</b>
P Tsemtsidis	149,722	-	16,470	-	-	-	<b>166,192</b>
<b>Total</b>	<b>1,339,766</b>	<b>-</b>	<b>146,034</b>	<b>41,908</b>	<b>75,874</b>	<b>-</b>	<b>1,603,582</b>

\* Superannuation Guarantee rate rises to 11% for FY 2024.

P Conway is a Member representative director and \$27,245 attributable to the administrative, secretarial and other services provided to the Fund during the period were made directly to the Australasian Meat Industry Employees Union Victoria Branch.

P Fernandez is a Member representative director and \$12,634 attributable to the director services of P Fernandez during the period were made directly to the Australasian Meat Industry Employees Union New South Wales Branch.

A Blyth is a Member representative director and \$9,617 attributable to the director services of A Blyth during the period were made directly to the Australasian Meat Industry Employees Union Victoria Branch.

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

### (c) Remuneration policy and link to performance

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

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

Figure 1: Remuneration framework

Element	Purpose	Performance metrics	Potential value	Changes in FY 2024
Fixed remuneration (FR)	Provide competitive market salary including superannuation and non-monetary benefits	Nil	Positioned at the median mark rate	Reviewing in line with market positioning
Variable remuneration (VR)	Reward for annual performance (Cash bonus)	Nil	Nil	Nil

# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

## DIRECTORS' REPORT (Continued)

### (d) Elements of remuneration

#### (i) Fixed annual remuneration (FR)

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

Superannuation is included in the FR for all other key management personnel.

In FY 2024, FR was increased for 5 other key management personnel, with an average increase of 4%. This was done to align the remuneration with the median level for comparative roles.

#### (ii) Variable remuneration (VR)

Variable remuneration was not provided to other key management personnel during the reporting period.

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

No performance-based remuneration was granted or forfeited during the year.

### (f) Directors' remuneration

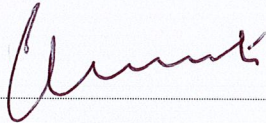
Directors receive a board role fee and fees for chairing or participating on board committees. They do not receive performance-based pay or retirement allowances. The fees are inclusive of superannuation. The chair does not receive additional fees for participating in or chairing committees.

Fees are reviewed annually by the board taking into account comparable roles and market data provided by the Chief Executive Officer or other adviser as determined by the Chairman. The current base fees were reviewed with effect from 1 November 2023.

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

Signed in accordance with a resolution of the Trustee, Meat Industry Employees Superannuation Fund Pty Ltd (AB 58 005 793 199) at Melbourne,

this 26<sup>th</sup> day of September 2024.



**Chris White**  
Director



**Paul Conway**  
Director



## Auditor's independence declaration

As lead auditor for the audit of Meat Industry Employees' Superannuation Fund for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit, and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Meat Industry Employees' Superannuation Fund.

A handwritten signature in black ink, appearing to read 'G. Sagonas', with a horizontal line extending from the end of the signature.

George Sagonas  
Partner  
PricewaterhouseCoopers

Melbourne  
26 September 2024

# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Notes	2024 \$	2023 \$
<b>ASSETS</b>			
Cash and Cash Equivalents	3(b) & 18	61,384,353	62,812,058
Other Amounts Receivable and Prepayments		16,980	32,142
Investment Income Receivable	10	5,118,076	5,260,766
Financial Investments	3(a) 8 & 9	1,014,178,183	953,770,105
Deferred Tax Assets	15(c)	167,932	179,020
Operating Assets		174,600	230,540
<b>TOTAL ASSETS</b>		<b>1,081,040,124</b>	<b>1,022,284,631</b>
<b>LIABILITIES</b>			
Benefits Payable	3(c)	1,782,500	1,795,000
Accounts Payable and Accrued Expenses	11	649,273	1,094,840
Provision for Employee Entitlements	3(f)	783,061	822,623
Income Tax Payable	3(d)	4,957,178	1,145,545
Deferred Tax Liabilities	15(c)	22,525,166	21,063,670
<b>TOTAL LIABILITIES EXCLUDING MEMBER BENEFITS</b>		<b>30,697,178</b>	<b>25,921,678</b>
<b>Net assets available for member benefits</b>	4	<b>1,050,342,946</b>	<b>996,362,953</b>
<b>Member benefits</b>	6	<b>1,045,074,731</b>	<b>992,287,044</b>
<b>TOTAL NET ASSETS</b>		<b>5,268,215</b>	<b>4,075,909</b>
<b>EQUITY</b>			
Reserves	5	5,268,215	4,075,909
<b>TOTAL EQUITY</b>		<b>5,268,215</b>	<b>4,075,909</b>

*The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 11 to 35.*

# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

## INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
<b>SUPERANNUATION ACTIVITIES</b>			
Interest		5,378,988	4,157,527
Dividends		5,489,282	5,205,144
Distribution from Unit Trusts		33,565,316	20,711,153
Net change in Fair Value of Investments	12	22,427,961	53,099,311
Rental Income		4,513,792	4,340,965
Sundry Income		1,123,836	963,440
<b>TOTAL REVENUE</b>		<b>72,499,175</b>	<b>88,477,540</b>
<hr/>			
Direct Investment Expenses		(1,819,008)	(2,029,965)
Direct Property Expenses		(1,426,977)	(1,586,681)
General Administration Expenses	14(a)	(3,163,747)	(2,737,577)
<b>TOTAL EXPENSES</b>		<b>(6,409,732)</b>	<b>(6,354,223)</b>
<hr/>			
<b>PROFIT / (LOSS) FROM OPERATING ACTIVITIES BEFORE INCOME TAX EXPENSE</b>		<b>66,089,443</b>	<b>82,123,317</b>
(Income Tax Expense) / Refund		(3,175,404)	(5,749,936)
<b>PROFIT / (LOSS) AFTER INCOME TAX</b>		<b>62,914,039</b>	<b>76,373,381</b>
Less: net benefits allocated to members' account		(62,669,484)	(76,082,501)
<b>OPERATING RESULTS AFTER INCOME TAX</b>		<b>244,555</b>	<b>290,880</b>

*The income statement is to be read in conjunction with the notes to the financial statements set out on pages 11 to 35.*



## MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

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

	Note	2024 \$	2023 \$
<b>OPENING BALANCE OF MEMBER BENEFITS</b>		<b>992,287,044</b>	<b>932,403,530</b>
Contributions			
Employer		63,917,393	54,266,352
Member		2,046,444	3,170,716
Member Deductible		1,128,010	1,394,623
Transfers from other entities		8,158,111	8,032,028
Government Co-Contributions		353,269	367,569
Income tax on contributions		(9,756,821)	(8,349,146)
<b>NET AFTER TAX CONTRIBUTIONS</b>		<b>65,846,406</b>	<b>58,882,142</b>
Benefits to members		(74,406,421)	(75,676,810)
Insurance premiums charges to members accounts		(4,246,531)	(4,132,786)
Death and disability benefits credited to members accounts		3,872,500	4,877,500
Earnings on reserves (transfer to member accounts)		(947,751)	(149,033)
Net benefits allocated to members' accounts, comprising:			
Net investment income		64,490,574	77,816,468
Administration fees charged to members		(1,821,090)	(1,733,967)
<b>CLOSING BALANCE OF MEMBER BENEFITS</b>	6	<b>1,045,074,731</b>	<b>992,287,044</b>

*The statement of changes in member benefits is to be read in conjunction with the notes to the financial statements set out on pages 11 to 35.*

## MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

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

	Operational Risk	Unallocated (surplus) / deficiency	Insurance Reserve	General Property Reserve	Total Equity
<b>OPENING BALANCE as at 1 JULY 2023</b>	<b>2,990,000</b>	<b>985,909</b>	-	<b>100,000</b>	<b>4,075,909</b>
Transfers to / (from) reserves	300,600	653,151	-	(6,000)	947,751
Profit / (Loss)	179,400	59,155	-	6,000	244,555
<b>CLOSING BALANCE as at 30 JUNE 2024</b>	<b>3,470,000</b>	<b>1,698,215</b>	-	<b>100,000</b>	<b>5,268,215</b>

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

	Operational Risk	Unallocated (surplus) / deficiency	Insurance Reserve	General Property Reserve	Total Equity
<b>OPENING BALANCE as at 1 JULY 2022</b>	<b>2,825,000</b>	<b>360,996</b>	<b>200,000</b>	<b>250,000</b>	<b>3,635,996</b>
Transfers to / (from) reserves	(61,000)	596,033	(216,000)	(170,000)	149,033
Profit / (Loss)	226,000	28,880	16,000	20,000	290,880
<b>CLOSING BALANCE as at 30 JUNE 2023</b>	<b>2,990,000</b>	<b>985,909</b>	-	<b>100,000</b>	<b>4,075,909</b>

*The statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 11 to 35.*

# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

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

	Note	2024 \$	2023 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	16		
Interest received		3,912,395	3,213,163
Dividend and distributions received		13,317,297	12,688,303
Net property rentals received		3,348,639	3,140,566
Administration expenses		(3,491,347)	(2,777,467)
Direct investment expenses		(1,915,299)	(2,129,983)
Income tax expense (investment income)		283,888	1,208,464
GST paid		(233,568)	(225,735)
Death & TPD insurance premium		(4,246,531)	(4,132,786)
TAL insurance proceeds inwards (credited to members accounts)		3,872,500	4,877,500
Sale/(Purchase) of operating assets		18,698	(159,558)
Sundry income		298,362	185,272
<b>Net cash inflow (outflow) from operating activities</b>	16	<b>15,165,034</b>	<b>15,887,739</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sales of financial investments		71,492,637	127,588,939
Purchases of financial investments		(81,337,786)	(91,947,953)
<b>Net cash inflow (outflow) from investing activities</b>		<b>(9,845,149)</b>	<b>35,640,986</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Employer contributions		63,917,393	54,266,352
Member contributions		2,046,444	3,170,716
Member deductible contributions		1,128,010	1,394,623
Transfers from other funds		8,158,111	8,032,028
Government co-contributions		353,269	367,569
Benefits paid to members		(74,418,921)	(75,883,846)
Income tax paid on contributions		(7,931,896)	(7,326,510)
<b>Net cash inflow (outflow) from financing activities</b>		<b>(6,747,590)</b>	<b>(15,979,068)</b>
Net increase / (decrease) in cash and cash equivalents		(1,427,705)	35,549,657
Cash and cash equivalents at beginning of the year		62,812,058	27,262,401
<b>Cash and cash equivalents at the end of the year</b>	18	<b>61,384,353</b>	<b>62,812,058</b>

*The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 11 to 35.*

# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

## 1. DESCRIPTION OF FUND

The Meat Industry Employees Superannuation Fund is a Defined Contribution Fund domiciled in Australia. The registered office of the Trustee is at Level 2, 62 Lygon Street Carlton South, Victoria.

The Fund is constituted by a Trust Deed dated 3 April 1981 and as amended. It is an industry fund established for employers in the meat industry to provide superannuation benefits for their employees.

The Trustee has elected for the Fund to be a regulated superannuation fund under the Superannuation Industry (Supervision) Act 1993 ("the SIS legislation") and intends at all times to operate the Fund in accordance with the requirements of the SIS legislation.

## 2. BASIS OF PREPARATION

### (a) Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, the Corporations Act 2001 and Corporations Regulations 2001 and the provisions of the Trust Deed. The Meat Industry Employees' Superannuation Fund is a not-for-profit entity. The financial statements were authorized for issue by the Board of Directors of the Meat Industry Employees' Superannuation Fund Pty Ltd on 26 September 2024.

### (b) Functional and presentation currency

The financial report has been prepared on an accrual basis and is presented in Australian dollars, being the functional currency of the Fund.

### (c) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have most significant effect on the amounts recognized in the financial statements are described in the following notes:

- Note 3(a) Measurement of Investments
- Note 9 Valuation of Investment Properties
- Note 19 Financial Instruments Disclosure

### (d) Adoption of AASB 1056 Superannuation Entities

The Fund has adopted AASB 1056 Superannuation Entities ("AASB 1056") which is applicable for annual reporting periods beginning on or after 1 July 2016.

# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

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

### 3. MATERIAL ACCOUNTING POLICIES

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions and other events is reported.

The following is a summary of the material accounting policies adopted by the fund in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### (a) Measurement of Investments

Investments of the Fund are initially recorded at cost, being the fair value of consideration given. After initial recognition, investments are measured at fair value as at the reporting date and changes in the fair value of assets are recognised in the income statement in the periods in which they occur. Fair values have been determined as follows:

- (i) Real estate properties are valued at least annually based on independent valuations obtained from qualified valuers;
- (ii) Fixed interest securities listed on the Australian Stock Exchange are stated at the last sale price recorded on the Exchange at the reporting date, unlisted fixed interest securities are stated at mid-market values ruling at year end;
- (iii) Units in unlisted trusts are valued at redemption values at year end as advised by the respective investment manager;
- (iv) Shares in companies and units in unit trusts listed on the Australian Stock Exchange are stated at the last sale price recorded on the Exchange at the reporting date;
- (v) Unlisted shares in companies are valued by the Trustee using valuation information provided by the Companies;
- (vi) Mortgage and other investment loans are valued by reference to the outstanding principal of the loans adjusted for amounts considered to be unrecoverable, and
- (vii) Cash on short term deposit at call are valued at their stated monetary value.

#### (b) Cash and Cash Equivalents

Cash and cash equivalents comprise deposits with banks, cash held with the Custodian of the Fund and highly liquid financial assets with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value and are used by the Fund in the management of short-term commitments.

#### (c) Financial Liabilities

The Fund recognizes financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Benefits payable in respect of deceased members who are known to have died prior to year-end but beneficiaries have not been paid by that date are brought to account as liabilities.

The Fund recognizes financial liabilities at fair value as at reporting date with any change in fair values of the Fund's financial liabilities since the beginning of the reporting period included in the statement of financial position for the reporting period.

# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

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

### 3. MATERIAL ACCOUNTING POLICIES (continued)

#### (d) Income Tax

Income tax on the benefits accrued as a result of operations for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at the statement of financial position date and any adjustment to tax payable in respect of previous years.

Current tax assets and liabilities are measured at the amounts expected to be paid to or recovered from the relevant taxation authority.

Deferred tax is calculated using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax is based on the expected manner of realisation of the asset or settlement of the liability, using tax rates enacted or substantively enacted at reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Fund expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. 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 realized.

The Trustee believes the Fund to be a complying superannuation fund for taxation purposes under the provisions of the SIS legislation. Accordingly, income tax has been provided for at the rate of tax of 15% which is applicable to complying superannuation funds.

#### (e) No-TFN Contributions Tax

Where a member does not provide their tax file number to the Fund, the Trustee may be required to pay additional tax (No-TFN Contributions Tax) at a rate of 32% on taxable contributions received in respect of those members. If a member subsequently advises their tax file number to the Fund, the additional tax is not payable.

Provision is made for the estimated tax payable on the taxable contributions received during the year and recognized in the financial statements where members have not provided their tax file number. The cost of the additional tax is allocated to the accounts of those members to whom it relates. The accounts of members who are not subject to the No-TFN Contributions Tax are not affected.

#### (f) Employee Entitlements

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably. Liabilities arising in respect to wages and salaries, annual leave and long service leave are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

#### (g) Goods and Services Tax (GST)

Revenue, expenses and assets are recognized net of the amount of goods and services tax (GST) recoverable from the Australian Taxation Office (ATO) as a reduced input tax credit (RITC). In circumstances where the GST is not recoverable, the GST is recognized as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis.

## MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

### 3. MATERIAL ACCOUNTING POLICIES (continued)

#### (h) Revenue Recognition

Investment income is recognised in accordance with AASB 118 Revenue and is recognised as to the extent it is earned.

##### *Interest Revenue*

Interest income is recognized in the income statement as it accrues, using the original effective interest rate of the instrument calculated at the acquisition or origination date.

##### *Dividend Revenue*

Revenue from dividends is recognized on the date the shares are quoted ex-dividend and if not received at reporting date, is reflected in the statement of financial position as a receivable at fair value.

##### *Unit Trust Distributions*

Distributions from unit trusts are recognized as at the date the unit value is quoted ex-distribution and if not received at reporting date, are reflected in the statement of financial position as a receivable at fair value.

##### *Net Rental Income*

Rental income from investment property is recognized in the income statement on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

##### *Contributions Revenue and Transfers*

Contributions revenue and transfers in are recognized when the control and the benefits from the revenue have transferred to the Fund and is recognized gross of any taxes.

##### *Movement in Fair Value of Investments*

Changes in the fair value of investments are recognized as income and are determined as the difference between the fair value at year end or consideration received (if sold during the year) and the fair value as at the prior year end or cost (if the investment was acquired during the period).

#### (i) New Standards and Interpretations

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

# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

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

	2024 \$	2023 \$
<b>4. LIABILITY FOR ACCRUED BENEFITS</b>		
<p>The liability for accrued benefits represents the fund's present obligation to pay benefits to members and beneficiaries and has been calculated as the difference between the carrying amounts of the assets and the carrying amounts of the other liabilities and income tax liabilities as at year end.</p>		
<b>Changes in Liability for Accrued Benefits</b>		
Liability for Accrued Benefits at beginning of the financial year	996,362,953	936,039,526
Benefits accrued as a result of operations	128,386,414	136,000,237
Benefits Paid and Payable	(74,406,421)	(75,676,810)
	54,022,703	60,323,427
Liability for Accrued Benefits at end of the financial year	<b>1,050,342,946</b>	<b>996,362,953</b>
<b>5. RESERVES</b>		
<b>Operational risk financial reserve</b>		
<p>In accordance with SPS 114 Operational Risk Financial Requirement, the Fund holds an operational risk financial reserve (ORFR) that may be used in certain circumstances to address operational risk events or claims against the Fund arising from operational risk.</p> <p>The Trustee has assessed an ORFR of 0.33% (2023 0.30%) of funds under management as appropriate for the Fund.</p>		
Operational Risk Reserve	<b>3,470,000</b>	<b>2,990,000</b>
<b>Insurance Reserve</b>		
<p>As part of the RSE licence process, the Australian Prudential Regulation Authority required the Fund to maintain an adequate insurance reserve to meet costs arising from adverse death benefit claims experience and volatility prior to 1 July 2013. This reserve will also be available to support the death and TPD insurance arrangements introduced from 1 July 2013. As there has been no deaths reported that occurred prior to 30 June 2013 for more than four years the Trustee resolved to reduce the reserve to zero in 2023.</p>		
Insurance Reserve	-	-
<b>General Property Reserve</b>		
<p>The Trustee resolved to maintain the property maintenance reserve at \$100,000 to meet the cost of major property maintenance and capital repairs/replacements:</p>		
General Property Reserve	<b>100,000</b>	<b>100,000</b>
<b>Unallocated Reserve</b>		
<p>It is the Trustee's policy to distribute investment earnings (or losses, if these should occur) after an allowance has been made for relevant fees, costs, taxes, other expenses and provisions (including reserving provisions), through declared crediting rates (after rounding down to one decimal place). Any unallocated funds are held by the Trustee and are available to either meet the cost of future operations or strategic initiatives or maintained for members for future years.</p>		
Unallocated Reserve	<b>1,698,215</b>	<b>985,909</b>
<b>6. MEMBER BENEFITS</b>		
<p>Obligations relating to member entitlements are recognized as member liabilities. Defined contributions member liabilities are measured as the amount of member account balances as at the reporting date. Defined contribution members bear the investment risk relating to the underlying assets of the Fund.</p>		
Member Benefits	<b>1,045,074,731</b>	<b>992,287,044</b>
<b>7. GUARANTEED BENEFITS</b>		
<p>No guarantees have been made in respect of any part of accrued benefits.</p>		



# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

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

	2024 \$	2023 \$
<b>8. INVESTMENTS</b>		
Independent investment managers have been appointed by the Trustee to manage two separate discrete investment pools. The investments in the pools are held in the name of an independent custodian, appointed by the Trustee. The same custodian also holds other listed securities, which are managed by the Trustee. All other investments, including the real estate properties are managed and held by the Trustee.		
<b>Real Estate Properties</b>		
<b>Income producing</b>		
33 Lincoln Square, Carlton, VIC	19,650,000	21,850,000
62 Lygon Street, Carlton, VIC	10,750,000	10,900,000
Rosebank Residential Units VIC	-	1,184,700
50 – 52 Diagonal Road, Pooraka, SA	10,200,000	10,250,000
28 & 50 – 52 Victoria Street, Abbotsford, VIC	27,200,000	28,000,000
	<b>67,800,000</b>	<b>72,184,700</b>
The carrying amount of real estate property is the fair value of the property that is determined by a registered independent appraiser having an appropriate recognized professional qualification and recent experience in the location and category of the property being valued. Fair values were determined using the capitalization of net rental income and the discounted cash flow methods and also having regard to recent market transactions for similar properties in the same location as the Fund's investment property.		
<b>Listed Australian Shares and Units</b>		
<i>(all held by external custodian)</i>		
Managed by Trustee	89,649,542	94,131,588
Managed by Hyperion Asset Management Limited	58,766,498	49,047,838
	<b>148,416,040</b>	<b>143,179,426</b>
<b>Unlisted Units in International Trusts</b>		
Vanguard International Shares Index Fund	73,460,772	61,168,297
Vanguard International Shares Index Fund (Hedged)	67,704,764	56,231,237
Pendal Concentrated Global Share Fund	39,717,833	38,605,006
IFM International Infrastructure Fund No. 11	61,687,633	59,789,837
Fidelity Global Emerging Markets Fund	16,768,988	17,039,173
	<b>259,339,990</b>	<b>232,833,550</b>
<b>Unlisted Units in Australian Trusts</b>		
Dexus Wholesale Property Fund 3	23,903,028	27,293,679
CIB Fund	64,080,538	68,726,780
GBS Bioscience Ventures IV Trust	3,987,614	3,900,143
OPBM Asia Pacific Fund II	2,864,000	2,938,324
Alliance Bernstein Managed Volatility Equities Fund	30,756,431	30,188,505
Alliance Bernstein Concentrated Australian Equities Fund	22,172,517	20,590,054
Legg Mason Martin Currie Select Opportunity Fund	30,680,728	28,641,817
Gardior Infrastructure Fund	86,070,081	80,184,860
Vanguard High Growth Index Fund	43,158,854	39,837,181
Metrics Diversified Senior Loan Fund	53,955,606	39,587,277
IFM Specialized Floating Feeder Fund	-	10,573,150
IFM Specialized Fixed Feeder Fund	11,387,542	-
IFM Special Situations Credit Fund	10,305,629	-
Vanguard Australian Government Bond Index Fund	61,943,215	49,906,349
AMP Shopping Centre Fund No. 1	20,231,838	20,888,074
GPT Wholesale Shopping Centre Fund	9,799,168	9,875,744
	<b>475,296,789</b>	<b>433,131,937</b>
<b>Fixed Interest Securities</b>		
Managed and held by Trustee	1,417,740	6,541,090
	<b>1,417,740</b>	<b>6,541,090</b>
<b>Cash on Short Term Deposit</b>		
Cash on Short Term Deposit held by Trustee	61,907,624	65,899,402
	<b>61,907,624</b>	<b>65,899,402</b>
	<b>1,014,178,183</b>	<b>953,770,105</b>

# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

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

	2024	2023
	\$	\$
<b>9. INVESTMENT PROPERTIES</b>		
<b>Investment Properties</b>		
<b>Investment Properties</b>		
Opening Balance	72,184,700	73,719,400
Purchases	-	-
Settlements	(1,268,243)	(1,238,880)
Movement in fair value	(3,116,457)	(295,820)
<b>Closing Balance</b>	<b>67,800,000</b>	<b>72,184,700</b>
<b>10. INVESTMENT INCOME RECEIVABLE</b>		
Interest Receivable	808,608	350,237
Dividends Receivable	248,891	251,994
Trust Distributions Receivable	3,873,651	4,600,784
Rent Receivable	186,926	57,751
	<b>5,118,076</b>	<b>5,260,766</b>
<b>11. ACCOUNTS PAYABLE AND ACCRUED EXPENSES</b>		
Accrued Costs – Real Estate Properties	7,468	178,912
Audit fees	193,988	157,028
Management Fees Listed and Unlisted Shares	150,630	439,032
Goods and Services Tax Payable (Net)	69,549	85,553
Other Accounts Payable	227,638	234,315
	<b>649,273</b>	<b>1,094,840</b>

# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

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

	2024 \$	2023 \$
<b>12. CHANGE IN FAIR VALUE OF INVESTMENTS</b>		
<b>Investments held at the end of the financial year</b>		
Real Estate Properties	(3,200,000)	(350,000)
Listed Australian Shares and Units	11,614,600	10,252,778
Unlisted Units in International Trusts	15,076,668	31,483,501
Unlisted Units in Australian Trusts	(1,988,536)	8,433,320
Fixed Interest Securities	(40,445)	(39,778)
	<b>21,462,287</b>	<b>49,779,821</b>
<b>Investments realized during the financial year</b>		
Real Estate Properties	83,543	54,179
Listed Australian Shares and Units	673,207	2,353,328
Unlisted Units in Australian Shares and Trusts	212,174	627,782
Unlisted Units in International Trusts	-	284,201
Fixed Interest Securities	(3,250)	-
	<b>965,674</b>	<b>3,319,490</b>
<b>Total</b>	<b>22,427,961</b>	<b>53,099,311</b>

### 13. FUNDING ARRANGEMENTS

Employers contributed to the Fund at rates varying from a minimum of 11.00% (2023: 10.50%) of the gross salaries of those employees who were members of the Fund.

Employees, who were members, contributed to the Fund during the years ended 2024 and 2023 at rates varying from nil upwards.

# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

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

	2024 \$	2023 \$
<b>14. (a) GENERAL ADMINISTRATION EXPENSES</b>		
Audit Fees	223,418	157,035
Bank Charges	2,286	3,052
Computer Maintenance and Software	190,994	135,315
Consulting Fees	194,274	139,878
Depreciation - Office Furniture and Fittings	23,886	29,951
Filing Fees	146,011	101,813
Fringe Benefit Expenses	10,925	11,665
Fringe Benefits Tax	22,651	22,231
Light and Power	5,766	6,128
Insurance	131,944	132,203
Legal Expenses	86,089	76,153
Member Admin Cost	159,761	150,228
Office Expenses	13,006	15,290
Payroll Tax	90,418	34,560
Postage and Freight	113,237	95,427
Printing and Stationery	54,860	59,017
Public Relations and Marketing	13,655	23,949
Repairs & Maintenance	-	291
Salaries	1,215,241	1,141,857
Secretarial Services	27,245	26,078
Staff Training	16,410	2,241
Subscriptions	28,353	35,628
Sundry	(37)	(22)
Superannuation	233,466	190,289
Telephone	15,354	15,384
Travel	1,344	575
Work Cover	8,853	6,283
Trustee Expenses	134,337	125,078
	<b>3,163,747</b>	<b>2,737,577</b>

### 14. (b) AUDITOR'S REMUNERATION

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

	2024 \$	2023 \$
<b>Auditors of the Fund – PwC and related network firms</b>		
Audit of financial reports	129,434	125,664
Other non-audit services	47,124	22,746
<b>Total services provided by PwC</b>	<b>176,558</b>	<b>148,410</b>

# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

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

### 15. INCOME TAX

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

	2023 \$	2022 \$
<b>(a) The components of tax expense comprise:</b>		
Current Tax	11,459,641	7,985,896
Deferred Tax	1,472,584	6,113,186
<b>Total income tax expense</b>	<b><u>12,932,225</u></b>	<b><u>14,099,082</u></b>
<b>(b) Numerical reconciliation between tax expense and benefits accrued as a result of operations before income tax:</b>		
Benefits accrued as a result of operations	<u>141,151,265</u>	<u>149,870,958</u>
Income tax calculated thereon at 15%	21,172,690	22,480,644
Tax effect of permanent differences		
Non-assessable Income		
Members' Contributions, Superannuation Co-contributions and Transfers from Other Funds	(1,583,663)	(1,735,547)
Net Exempt Pension Income	(458,582)	(285,513)
Distributions from Unit Trusts	-	3,489,798
Rental income	(1,304)	(2,503)
Insurance Proceeds	(580,875)	(731,625)
Other	(2,147)	(1,158)
Change in Fair Values	(3,364,194)	(7,964,897)
Net Realised/Unrealised Gains for income tax	1,072,729	2,265,230
Deduction allowed for Property Depreciation	(95,782)	(106,671)
Dividend Imputation and Foreign Tax Credits	(3,229,993)	(3,271,483)
Tax payable on Contributions with no Member TFN quoted	717	(13,458)
Other Tax Offsets	2,452	(23,735)
Non-Deductible Expenses	177	
<b>Income Tax Expense</b>	<b><u>12,932,225</u></b>	<b><u>14,099,082</u></b>
<b>(c) Deferred tax assets and liabilities</b>		
<b>Deferred tax assets</b>		
Provision for employee benefits	117,459	123,393
Dividend imputation credits	50,473	55,627
	<u>167,932</u>	<u>179,020</u>
<b>Deferred tax liabilities</b>		
Unrealized gains on investments	22,338,502	20,964,673
Income receivable	186,664	98,997
	<u>22,525,166</u>	<u>21,063,670</u>

# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

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

## 16. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2024 \$	2023 \$
Profit/loss after income tax	244,555	290,880
<b>Adjustments for:</b>		
(Increase)/decrease in assets measured at fair value	(22,427,961)	(53,099,311)
<b>(Increase)/decrease in receivable (investment income)</b>		
Interest receivable	(458,371)	(44,962)
Dividend receivable	3,103	47,910
Distribution receivable	727,133	(1,689,924)
Rent receivable	(129,175)	5,611
Other amounts receivable	-	-
(Increase)/decrease in prepayments and receivables	15,162	11,362
(Increase)/decrease in deferred tax assets	11,088	1,005
Increase/(decrease) in provisions for employee entitlements	(39,564)	65,033
Increase/(decrease) in payables and accrued expenses	(274,122)	(109,139)
Increase/(decrease) in income tax payable (investments)	1,986,708	815,557
Increase/(decrease) deferred tax liabilities	1,461,496	6,141,838
Allocation to members' accounts	62,669,484	76,082,501
Insurance premium inwards	3,872,500	4,877,500
Insurance premiums outwards	(4,246,531)	(4,132,786)
Reinvestment of trust distributions	(27,298,189)	(12,365,915)
Capitalisation of interest income	(1,008,222)	(899,402)
Depreciation on operating assets	37,134	49,387
Purchase of operating assets (net of sales and GST)	18,806	(159,406)
	<b><u>15,165,034</u></b>	<b><u>15,887,739</u></b>

## 17. CASH FLOWS FROM INVESTING ACTIVITIES

The listed Australian shares and units, in which the Fund is invested, are managed partly by the Trustee and partly by the investment manager, Hyperion Asset Management Limited.

## 18. RECONCILIATION OF CASH

For the purposes of the statement of cash flows, cash includes cash in banks including monies held as part of the investment portfolios. Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2024 \$	2023 \$
Cash at Bank	56,409,932	57,261,180
Cash on Short Term Deposit with Custodian		
Trustee	3,077,435	4,159,311
Hyperion Asset Management Limited	1,896,986	1,391,567
<b>Cash at End of the Year</b>	<b><u>61,384,353</u></b>	<b><u>62,812,058</u></b>

# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

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

### 19. FINANCIAL INSTRUMENTS

#### (a) Financial Risk Management Objectives, Policies and Processes

The Fund's principal financial instruments comprise units in unit trusts, equity securities, interest bearing securities, cash and short-term deposits. The main purpose of these financial instruments is to generate a return on investment.

The Fund also has various other financial instruments such as sundry receivables and payables, which arise directly from its operations; these are mainly current in nature.

There are inherent risks in holding financial instruments and these comprise credit risk, liquidity risk and market risk. Market risk includes interest rate risk, equity price risk and foreign currency risk. The Trustee reviews and agrees policies for managing each of these risks and they are summarised below. The Trustee also monitors the market price risk for all financial instruments.

The equity securities of the Fund (other than cash held for liquidity purposes) are managed in separate portfolios, partly by the Trustee and partly on behalf of the Trustee by a professional investment manager. Hyperion Asset Management Limited manage their portfolio in accordance with the terms of written investment mandates, as agreed with the Trustee.

The Trustee has determined that the appointment of a professional investment manager is appropriate for the Fund and is in accordance with the Fund's investment strategy. The mandate given to Hyperion Asset Management Limited does not permit the use of derivatives.

The Trustee acknowledges the need for a sound and prudent risk management. This management is documented in the Risk Management Framework determined by the Trustee. The Board of Directors of the Trustee has overall responsibility for the establishment and oversight of the Fund's Risk Management framework. The Plan and Strategy are subject to regular review by management and the Trustee and is subject to annual audit for compliance.

The Trustee Board may, but is not required to, establish an Investment Committee (Committee) consisting of selected Board members with appropriate investment experience. Currently this Committee is not operational and all investment activity noted below is undertaken by the Trustee Board.

The Trustee Board is responsible for approving and monitoring investment mandates (and for the latter, within the limits outlined in the delegations) and management of the internally managed funds. This includes oversight of the allocations of investments to fund managers, evaluating their performance and (where required) providing recommendations to the Trustee Board who has ultimate responsibility for the appointment of fund managers.

Information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment mandate limits, is monitored by the Trustee. Further the Fund undertakes extensive due diligence to ensure the Fund Managers have appropriate skills and expertise to manage the Fund's allocated investments prior to their appointment.

The Trustee has determined that the appointment of a professional investment advisor is appropriate for the Fund to support the Fund's investment strategy. Antipodean Capital has been the advisor to the Trustee since February 2022.

#### (b) Credit Risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss.

The Fund's maximum exposure to credit risk at the reporting date is as indicated by the carrying amounts of its assets. The Trustee minimises credit risk by the diversity of investments, ensuring its assets are held by a custodian, and dealing through recognised exchanges and clearing houses. The Trustee also has a credit risk policy in place. Compliance with this policy is monitored on an ongoing basis.

The Fund has no significant concentrations of credit risk.

#### *Credit quality per class of debt instruments*

The credit quality of financial assets is managed by the Fund using Standard & Poor's rating categories, in accordance with the investment mandate of the Fund. The Fund's exposure in each grade is monitored on a daily basis. This review process allows the Trustee to assess the potential loss as a result of risks and take corrective action.

# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

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

### 19. FINANCIAL INSTRUMENTS (Continued)

The following table shows the credit quality by class of asset:

#### At 30 June 2024

Credit quality	AAA to AA-	A+ to A-	BBB+ to B-	CCC+ to CC	Non-rated	Total
	\$	\$	\$	\$	\$	\$
Cash at Bank	61,384,353					61,384,353
Listed Australian Shares and Units					148,416,040	148,416,040
Unlisted Australian Shares					-	-
Unlisted Units in International Trusts					259,339,990	259,339,990
Unlisted Units in Australian Trusts					475,296,789	475,296,789
Fixed Interest Securities		1,417,740			-	1,417,740
Cash on Short Term Deposit		61,907,624				61,907,624
Investment Income Receivable					5,118,076	5,118,076
Other Amounts Receivable					16,980	16,980
	61,384,353	63,325,364	-	-	888,187,875	1,012,897,592

#### At 30 June 2023

Credit quality	AAA to AA-	A+ to A-	BBB+ to B-	CCC+ to CC	Non-rated	Total
	\$	\$	\$	\$	\$	\$
Cash at Bank	62,812,058					62,812,058
Listed Australian Shares and Units					143,179,426	143,179,426
Unlisted Australian Shares					-	-
Unlisted Units in International Trusts					232,833,550	232,833,550
Unlisted Units in Australian Trusts					433,131,937	433,131,937
Fixed Interest Securities		1,537,840			5,003,250	6,541,090
Cash on Short Term Deposit		65,899,402				65,899,402
Investment Income Receivable					5,260,766	5,260,766
Other Amounts Receivable					32,142	32,142
	62,812,058	67,437,242	-	-	819,441,071	949,690,371

Substantially, all of the cash held by the Fund, is held by the Commonwealth Bank. Bankruptcy or insolvency by the Commonwealth Bank may cause the Fund's rights with respect to the cash held by Commonwealth Bank to be delayed or limited to the extent it will not be recovered by the Federal Deposit Guarantee. The Fund monitors its credit risk by monitoring the financial position of the Bank through general information available in the media.

Credit risk arising on investments is mitigated by the extensive due diligence prior to the appointment of Fund Managers, appropriate monitoring of market conditions and benchmark analysis.

Credit risk associated with receivables is considered low as there is usually a short settlement period. The Fund monitors the ageing of the receivables outstanding on a monthly basis to ensure all receivables do not exceed thirty days.

A percentage of all the Fund's Assets are held by Citigroup as Custodian. Bankruptcy or insolvency of the Custodian may cause the Fund's rights with respect to securities held by the Custodian to be delayed or limited. The Fund monitors its risk by monitoring the financial position of the Custodian through general information available in the media.



# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

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

### 19. FINANCIAL INSTRUMENTS (Continued)

#### *Concentrations of credit risk exposure*

Concentration of credit risk is managed by counterparty, geographical region and industry sector. No individual financial instrument exceeded 5% of the net assets of the Fund at 30 June 2024 or 30 June 2023.

The Fund's financial assets can be analyzed by the following geographic regions and significant industry sectors:

Region	2024	2023	Industry Sector	2024	2023
	\$	\$		\$	\$
Australia	732,858,354	695,515,941	Banking & Finance	68,255,887	64,714,729
North America	188,887,736	160,235,336	Property	8,454,531	4,197,807
Great Britain	16,375,595	14,591,230	Mining & Materials	33,368,383	31,605,340
Other Europe	36,025,216	42,368,431	Energy	25,056,998	21,887,083
Asia	28,692,471	25,614,126	Manufacturing/Industrials	37,859,857	36,880,641
Other	10,058,220	11,365,307	Food & Drug	62,617,589	50,308,939
	<u>1,012,897,592</u>	<u>949,690,371</u>	Telecom & Technology	101,157,496	90,041,557
			Consumer Staples /	54,725,682	49,494,827
			Discretionary		
			Other	51,077,919	50,170,147

#### (c) Liquidity Risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund's approach to managing liquidity is to ensure as far as possible, that it will always have sufficient liquidity to meet its obligations when due, under both normal and stressed conditions without incurring losses or ruining the Fund's reputation.

The Fund's Trust Deed and Product Disclosure Statement provides for the daily withdrawal of benefits and it is therefore exposed to the liquidity risk of meeting members' withdrawals at any time.

A significant financial liability is death benefits payable in respect of members. These benefits are paid when all administration is complete in respect of the benefit claim.

The Fund's financial instruments include investments in unlisted investments which are not traded in an organized public market and which may be illiquid. As a result, the Fund may not be able to liquidate quickly some of its investments in these instruments at an amount close to their fair value in order to meet its liquidity requirements.

The Fund's listed securities are considered to be readily realizable as they are all listed on the Australian Stock Exchange.

Vested Benefits have been included in the less than one month column, as this is the amount that members could potentially be entitled to at year end. This is the earliest date that the Fund would be required to pay members' vested benefits. However, in practice a significant part of this entitlement would be expected to be payable beyond one month.

The Fund's liquidity risk is managed on a daily basis by management in accordance with policies and procedures. The Trustee monitors the Fund's overall liquidity risk.

# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

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

### 19. FINANCIAL INSTRUMENTS (Continued)

The following table summarises the maturity of the financial liabilities of the Fund at each reporting date.

#### At 30 June 2024

	Carrying amount	Total	Less than 1 month	1 month to 3 months	3 months to 1 year	Greater than 1 year
<b>Financial Liabilities</b>						
Benefits Payable	1,782,500	1,782,500	320,000	92,500	670,000	700,000
Accounts Payable	601,976	601,976	601,976			
Other Amount Payable	-	-				
Member Liabilities	1,045,074,731	1,045,074,731	1,045,074,731			
	<u>1,047,459,207</u>	<u>1,047,459,207</u>	<u>1,045,996,707</u>	<u>92,500</u>	<u>670,000</u>	<u>700,000</u>

#### At 30 June 2023

	Carrying amount	Total	Less than 1 month	1 month to 3 months	3 months to 1 year	Greater than 1 year
<b>Financial Liabilities</b>						
Benefits Payable	1,795,000	1,795,000	127,500	300,000	567,500	800,000
Accounts Payable	1,094,840	1,094,840	1,094,840			
Other Amount Payable	-	-				
Member Liabilities	992,287,044	992,287,044	992,287,044			
	<u>995,176,884</u>	<u>995,176,884</u>	<u>993,509,384</u>	<u>300,000</u>	<u>567,500</u>	<u>800,000</u>

#### (d) Market Risk

Market risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments in the market.

Market risk comprises three types of risk: market interest rates (interest rate risk), foreign exchange (currency risk), and market prices (price risk). The objective of market risk management is to manage and control market risk exposures with acceptable parameters, while optimizing the return on risk. Market risk is minimized through ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies.

# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

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

### 19. FINANCIAL INSTRUMENTS (Continued)

#### Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The majority of the Fund's financial instruments are non-interest bearing with only cash, cash equivalents and fixed interest securities being directly subject to interest rate risk. While movements in market interest rates can indirectly impact on the valuation of non-interest bearing investments, the Trustee has set investment allocation ranges to meet its objectives of holding a balanced portfolio, including limits on investments in interest bearing assets, which are monitored regularly.

The Fund's exposures to interest rate movements on its financial instruments by maturity at the reporting dates are as follows:

#### At 30 June 2024

	Weighted Average Interest Rate	Floating Interest Rate \$	Fixed Interest Rate			Non-interest Bearing \$	Total \$
			1 Year or less \$	1 – 5 years \$	Over 5 years \$		
<b>Financial Assets</b>							
Cash at Bank	4.26%	61,382,353				2,000	61,384,353
Fixed Interest Securities	6.83%	1,417,740					1,417,740
Cash on Short Term Deposit	4.90%		61,907,624				61,907,624
<b>Total</b>		<b>62,800,093</b>	<b>61,907,624</b>	<b>-</b>	<b>-</b>	<b>2,000</b>	<b>124,709,717</b>

#### Financial Liabilities

The Fund had no interest-bearing financial liabilities at 30 June 2024.

The Fund's exposures to interest rate movements on its financial instruments by maturity at the reporting dates are as follows:

#### At 30 June 2023

	Weighted Average Interest Rate	Floating Interest Rate \$	Fixed Interest Rate			Non-interest Bearing \$	Total \$
			1 Year or less \$	1 – 5 years \$	Over 5 years \$		
<b>Financial Assets</b>							
Cash at Bank	4.01%	62,810,058				2,000	62,812,058
Fixed Interest Securities	8.34%	6,541,090					6,541,090
Cash on Short Term Deposit	4.69%		65,899,402				65,899,402
<b>Total</b>		<b>69,351,148</b>	<b>65,899,402</b>	<b>-</b>	<b>-</b>	<b>2,000</b>	<b>135,252,550</b>

#### Financial Liabilities

The Fund had no interest-bearing financial liabilities at 30 June 2023.

Interest rates on financial instruments classified as floating interest rate change at intervals of less than one year. Interest rates on financial instruments classified as fixed rate are fixed until the maturity of the investment. Although non-interest bearing financial instruments do not pay an interest rate, their value can be subject to movement in market interest rates.

# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

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

### 19. FINANCIAL INSTRUMENTS (Continued)

#### Interest Rate Sensitivity analysis

Following analysis of historical data over the past 5 years and expected interest rate movement during the 2024 financial year, management anticipates 200 basis point movement in interest rates is considered reasonably possible for the 2023/24 reporting period. This analysis assumes that all other variables, in particular foreign currency rates, remain consistent. The analysis is performed on the same basis for 2023 and is not guaranteed.

An increase/decrease of 200 basis points in interest rates at the reporting date would have increased/(decreased) the Change for the year in Benefits as a result of operations and Net assets available to pay benefits by the amounts shown below:

#### At 30 June 2024

<i>Effect in thousands of dollars</i>	Carrying Amount	Benefits accrued as a result of operations		Net assets available to pay benefits	
		+ 2%	- 2%	+ 2%	- 2%
<b>Financial Assets</b>	\$	\$	\$	\$	\$
Cash and Cash Equivalents	61,384	1,228	(1,228)	1,228	(1,228)
Fixed Interest Securities	1,418	-	-	-	-
Cash on Short Term Deposit	61,908	1,238	(1,238)	1,238	(1,238)
<b>Total</b>	<b>124,710</b>	<b>2,466</b>	<b>(2,466)</b>	<b>2,466</b>	<b>(2,466)</b>

#### At 30 June 2023

<i>Effect in thousands of dollars</i>	Carrying Amount	Benefits accrued as a result of operations		Net assets available to pay benefits	
		+ 2%	- 2%	+ 2%	- 2%
<b>Financial Assets</b>	\$	\$	\$	\$	\$
Cash and Cash Equivalents	62,812	1,256	(1,256)	1,256	(1,256)
Fixed Interest Securities	6,541	100	(100)	100	(100)
Cash on Short Term Deposit	65,899	1,318	(1,318)	1,318	(1,318)
<b>Total</b>	<b>135,252</b>	<b>2,674</b>	<b>(2,674)</b>	<b>2,674</b>	<b>(2,674)</b>

# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

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

### 19. FINANCIAL INSTRUMENTS (Continued)

#### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund's major exposure to movements in overseas currency is through its investment in unlisted international trusts. Movements in overseas currencies could affect the value of the underlying assets of those Trusts.

Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Fund's investments denominated in currencies other than the Australian Dollar.

The Fund may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency within the conditions of the investment strategy. The Fund's strategy on the management of currency risk is driven by the Fund's investment objective and strategy. The Fund's currency risk is managed on a daily basis, by Management in accordance with the asset allocations as outlined in the Fund's product disclosure statement and investment strategy. This includes monitoring the investment's performance against identified benchmarks.

#### Sensitivity Analysis

Following analysis of historical data over the past 5 years and expected currency rate movement during the 2024 financial year, Management expects a 10% movement in the Australian Dollar is considered reasonably possible for the 2023/24 reporting period. This analysis assumes that all other variables in particular interest rates remain constant. The analysis is performed on the same basis for 2023 and is not guaranteed.

A 10% strengthening/weakening of the AUD against the USD, GBP & EURO at 30 June would have increased/(decreased) the Change for the year in Benefits accrued as a result of operations and Net assets available to pay benefits by the amounts shown below:

<i>Effect in thousands of dollars</i>	Carrying Amount	Benefits accrued as a result of operations		Net assets available to pay benefits	
		+ 10%	- 10%	+ 10%	- 10%
<b>30 June 2024</b>					
USD	188,888	(17,171)	20,988	(17,171)	20,988
GBP	16,376	(1,489)	1,819	(1,489)	1,819
EURO	36,025	(3,275)	4,003	(3,275)	4,003
	<b>241,289</b>	<b>(21,935)</b>	<b>26,810</b>	<b>(21,935)</b>	<b>26,810</b>
<b>30 June 2023</b>					
USD	160,235	(14,567)	17,804	(14,567)	17,804
GBP*	14,591	(1,326)	1,621	(1,326)	1,621
EURO*	42,368	(3,852)	4,708	(3,852)	4,708
	<b>217,194</b>	<b>(19,745)</b>	<b>24,133</b>	<b>(19,745)</b>	<b>24,133</b>

\* During the current reporting period, an error was identified in the calculation of the expected movement in the Australian dollar for the 30 June 2023 comparative year. The error related to the exchange rates applied and has been restated.

#### Other Market price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument, or factors affecting all similar instruments traded in the market.

As all of the Fund's financial instruments are carried at fair value with changes recognized in the Statement of Financial Position, therefore all changes in market conditions affecting fair value will be recognized in the Statement of Financial Position. Investments of the Fund (other than cash held for liquidity purposes and investment properties) comprise fixed interest securities, listed Australian Shares in Listed Companies and other unlisted investments. The Fund's exposure to other market price risk is therefore limited to the market price movement of these investments. The Trustee has determined that these investments are appropriate for the Fund and are in accordance with the Fund's published investment strategy in respect of asset class allocation. The Fund's exposure at year end to other market price risk is detailed below. The investment managers for these investments detailed, maintain a balanced portfolio and have invested in a variety of financial instruments, including derivatives which could expose the Fund's investments to a variety of other market price risk. For investments in listed Australian Shares, credit risk arising on these investments is mitigated by the extensive due diligence and research undertaken by Management on behalf of the Trustee prior to purchasing or selling of Shares in Listed Companies. Further, Management tracks the shares in Listed Companies investment value on a regular basis through appropriate monitoring of the market conditions and analysis against benchmark returns.

# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

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

### 19. FINANCIAL INSTRUMENTS (Continued)

Other market price risk is mitigated by constructing a diversified portfolio of instruments which are traded on various markets. All investment managers are subject to extensive due diligence prior to being appointed with the recommendation for their appointment and removal made by the Investment Committee to the Board for final approval. Management receive monthly reports from all investment managers which are reviewed in detail and assessed against relevant benchmarks and expected returns. Investment manager performance is reported at each meeting of the Trustee Board.

Further, Management tracks the Fund's investment value on a daily basis through appropriate monitoring of the market conditions.

#### Sensitivity Analysis – other market price risk

Following analysis of historical data over the past 5 to 10 years and expected investment rate movements during the 2024 financial year, Management considers the following movements in other market price risk are reasonably possible for the 2023/24 reporting period:

	At 30 June 2024	At 30 June 2023
Listed Australian Shares and Units	8.10%	8.60%
Unlisted Units in International Trusts	13.10%	13.20%
Private Equity	11.50%	11.70%
Property Trusts	5.80%	7.90%
Infrastructure	10.24%	10.50%
Fixed Interest	2.20%	2.40%

The increase/(decrease) in the market price against the investments of the Fund at 30 June would have increased/(decreased) the Benefits accrued as a result of operations and Net assets available to pay benefits by the amounts shown below. This analysis assumes that all other variables, in particular, interest rates and foreign exchange rates, remain constant. The analysis is performed on the same basis for 2023 and is not guaranteed.

Effect in thousands of dollars	%	Carrying Value	Benefits accrued as a result of operations		Net assets available to pay benefits	
			Increase	Decrease	Increase	Decrease
<b>30 June 2024</b>						
Listed Australian Shares and Units	8.10	148,416	12,022	(12,022)	12,022	(12,022)
Unlisted Units in International Trusts	13.10	259,340	33,974	(33,974)	33,974	(33,974)
Unlisted Units in Australian Trusts-:						
-Private Equity	11.50	6,852	788	(788)	788	(788)
-Property Trusts	5.80	118,014	6,845	(6,845)	6,845	(6,845)
-Infrastructure	10.24	86,070	8,813	(8,813)	8,813	(8,813)
-Vanguard High Growth, Alliance Bernstein & Legg Mason	8.10	126,769	10,268	(10,268)	10,268	(10,268)
-Metricon Loans	2.20	53,956	1,187	(1,187)	1,187	(1,187)
-IFM Credit & Vanguard Gov Bonds	2.20	83,636	1,840	(1,840)	1,840	(1,840)
		<b>883,053</b>	<b>75,737</b>	<b>(75,737)</b>	<b>75,737</b>	<b>(75,737)</b>

# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

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

### 19. FINANCIAL INSTRUMENTS (Continued)

<i>Effect in thousands of dollars</i>	%	Carrying Value	Benefits accrued as a result of operations		Net assets available to pay benefits	
			Increase	Decrease	Increase	Decrease
<b>30 June 2023</b>						
Listed Australian Shares and Units	8.60	143,179	12,313	(12,313)	12,313	(12,313)
Unlisted Units in International Trusts	13.20	232,834	30,734	(30,734)	30,734	(30,734)
Unlisted Units in Australian Trusts-:						
-Private Equity	11.70	6,838	800	(800)	800	(800)
-Property Trusts	7.90	126,784	10,016	(10,016)	10,016	(10,016)
-Infrastructure	10.50	80,185	8,419	(8,419)	8,419	(8,419)
-Vanguard High Growth, Alliance Bernstein & Legg Mason	8.60	119,258	10,256	(10,256)	10,256	(10,256)
-Metricon Loans	2.40	39,587	950	(950)	950	(950)
-IFM Credit & Vanguard Gov Bonds	2.40	60,479	1,452	(1,452)	1,452	(1,452)
		<b>809,144</b>	<b>74,940</b>	<b>(74,940)</b>	<b>74,940</b>	<b>(74,940)</b>

#### (e) Unlisted Units

Investments of the Fund, (other than cash held for liquidity purposes), include units in collective investment vehicles such as unit trusts. The Trustee has determined that this type of investment is appropriate for the Fund and is in accordance with the Fund's published investment strategy. The investments include investments in unlisted international trusts.

The investment managers of the collective investment vehicles have invested in a variety of financial instruments, including derivatives, which expose the Fund's investments to a variety of investment risk, credit risk, interest risk and currency risk. Refer also to Note 19 (d) above re currency risk in respect of the Fund's investments in international trusts.

The investment managers provide regular reports to the Trustee on the Fund's investments including risk management statements.

# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

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

### 19. FINANCIAL INSTRUMENTS (Continued)

#### (f) Fair value measurements recognised in the statement of financial position

The table below analyses financial instruments carried at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The different levels have been defined as follows:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes all instruments for which the valuation technique includes inputs not based on observable data and whose unobservable inputs have a significant effect on the instrument's valuation.

<i>In thousands of dollars</i>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>30 June 2024</b>				
Cash On Short Term Deposits	-	61,908	-	61,908
Listed Australian Shares and Units	148,416	-	-	148,416
Unlisted Units in International Trust	-	259,340	-	259,340
Unlisted Units in Australian Trusts	-	382,375	92,921	475,296
Fixed Interest Securities	-	1,418	-	1,418
Real Estate Properties	-	-	67,800	67,800
<b>Total</b>	<b>148,416</b>	<b>705,041</b>	<b>160,721</b>	<b>1,014,178</b>

<i>In thousands of dollars</i>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>30 June 2023</b>				
Cash On Short Term Deposits	-	65,899	-	65,899
Listed Australian Shares and Units	143,179	-	-	143,179
Unlisted Units in International Trust	-	232,834	-	232,834
Unlisted Units in Australian Trusts	-	346,109	87,023	433,132
Fixed Interest Securities	-	6,541	-	6,541
Real Estate Properties	-	-	72,185	72,185
<b>Total</b>	<b>143,179</b>	<b>651,383</b>	<b>159,208</b>	<b>953,770</b>

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

<b>Fund</b>	<b>2024</b>	<b>2023</b>
<i>In thousands of dollars</i>		
<b>Opening Balance</b>		
Total gains or losses in profit/loss	159,208	156,410
Purchases	524	3,383
Settlements	2,257	653
Transfers into level 3	(1,268)	(1,238)
Transfers out of level 3	-	-
<b>Closing Balance</b>	<b>160,721</b>	<b>159,208</b>
Total gains or losses for the period in the income statement attributable to changes in unrealised gains and losses relating to financial assets and liabilities held at reporting date	<b>524</b>	<b>3,383</b>



# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

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

### 19. FINANCIAL INSTRUMENTS (Continued)

#### Measurement of fair value

##### (a) Fair value hierarchy

The carrying amount of investment property is the fair value of the property, mostly the investment property values are determined by a registered independent appraiser having an appropriate recognized professional qualification and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Fund's investment property portfolio every twelve months.

The fair value measurement for investment property of \$67.8 million has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

##### (b) Level 3 fair value

The following table shows a reconciliation from opening balances to the closing balances for Level 3 fair values.

	2024
<b>Investment Properties</b>	
Opening Balance	72,184,700
Purchases	-
Settlements	(1,268,243)
Movement in fair value	(3,116,457)
<b>Closing Balance</b>	<b>67,800,000</b>

#### Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation Technique	Significant unobservable inputs	Inter-relationship between key unobservable Inputs and fair value measurement
<p><i>Discounted cash flows:</i> The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, void periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.</p>	<ul style="list-style-type: none"> <li>Expected market rental growth (2-3%, weighted average 2.6%).</li> <li>Void periods (average 6 months after the end of each lease).</li> <li>Occupancy rate (90-95%, weighted average 92.5%).</li> <li>Rent-free periods (1-year period on new leases).</li> <li>Risk-adjusted discount rates (5-6.3%, weighted average 5.8%). (These numbers are identical to 2022/23)</li> </ul>	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> <li>expected market rental growth were higher (lower);</li> <li>void periods were shorter (longer);</li> <li>the occupancy rate were higher (lower);</li> <li>rent-free periods were shorter (longer); or</li> <li>the risk-adjusted discount rate were lower (higher).</li> </ul>

Investment property comprises a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period of one year, with annual rents indexed to consumer prices. Subsequent renewals are negotiated with the lessee and on average renewal periods are 3 years. No contingent rents are charged. The range of yields applied to the net annual rentals to determine fair value of property for which current prices in an active market are unavailable is as follows:

	Yields	
	2024	2023
Victoria	5.25% to 6.00%	5.00% to 5.75%
South Australia	6.00%	5.75%

# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

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

### 19. FINANCIAL INSTRUMENTS (Continued)

Investment properties expected to be realized	2024	2023
- within 12 months (in thousands)	-	1,185
- after 12 months (in thousands)	67,800	71,000
	67,800	72,185

All other assets and liabilities included in the statement of financial position are expected to be recovered or settled no more than 12 months after reporting date.

The table below sets out information about significant unobservable inputs used in measuring financial instruments categorized as Level 3 in the fair value hierarchy.

#### 30 June 2024

Type	Fair Value \$'000	Valuation approach	Key unobservable input	Inter-relationship between key unobservable inputs and fair value measurement
Units in unlisted trusts and unlisted equities	92,921	Net Asset Value of the Unit Trust	Valuation of the underlying investment of the unlisted unit trust	An increase in the value of the investments of the unlisted unit trust and unlisted equity will result in higher fair values. Reductions would result in lower fair values. Significant redemptions from the underlying unit trust or unlisted equity may result in the trust or equity having negative cash flow. Over an extended period of time this may result in redemptions of the unit trust or unlisted equity being gated and suspended until further notice.
Investment Properties	67,800	Valuation by a registered property valuer	Valuation of the underlying investment property	An increase in the value of the investment property will result in higher fair values. Reductions would result in lower fair values.

#### 30 June 2023

Type	Fair Value \$'000	Valuation approach	Key unobservable input	Inter-relationship between key unobservable inputs and fair value measurement
Units in unlisted trusts and unlisted equities	87,023	Net Asset Value of the Unit Trust	Valuation of the underlying investment of the unlisted unit trust	An increase in the value of the investments of the unlisted unit trust and unlisted equity will result in higher fair values. Reductions would result in lower fair values. Significant redemptions from the underlying unit trust or unlisted equity may result in the trust or equity having negative cash flow. Over an extended period of time this may result in redemptions of the unit trust or unlisted equity being gated and suspended until further notice.
Investment Properties	72,185	Valuation by a registered property valuer	Valuation of the underlying investment property	An increase in the value of the investment property will result in higher fair values. Reductions would result in lower fair values.

# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

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

### 20. RELATED PARTY DISCLOSURES

Related party transactions arise from the Fund's normal dealings as a Superannuation Fund with the Australasian Meat Industry Employees Union ("the Union") and the directors of the Trustee Company acting as Trustee for the Fund. The following are the transactions requiring disclosure:

#### (a) Trustee

Meat Industry Employees Superannuation Fund Pty Ltd ABN 58 005 793 199 is the Trustee of the Fund. The following persons held office as a director of the Trustee Company during the financial year:

<u>Union appointees</u>	<u>Employer appointees</u>	<u>Independent appointees</u>
* Paul Conway	* Bruce Ede	Chris White (Chair)
* Patricia Fernandez	Robin Gilmour	
* Adam Blyth	Joanne McMahon	
* denotes a member of the Fund		

The directors of the Trustee Company receive remuneration from the Fund for carrying out their duties as directors of the Trustee Company. During the year, Messrs. White, Ede, Gilmour, & Mme. McMahon were remunerated amounts totalling \$71,761 (2023 - \$67,172).

#### (b) Contributions and Benefits Payable

Contributions made for and benefits payable in relation to any directors of the trustee company and/or members of the Committee of Management of the Union are determined in accordance with the Trust Deed and are determined in the same manner as those available to other members of the Fund belonging to the same category of membership in accordance with the funding arrangements specified in Note 13.

#### (c) Transactions with the Australasian Meat Industry Employees Union

The Fund received rental income from the Union for the use of four car parks at 62 Lygon Street amounting to \$17,920 (2023 - \$17,500) and reimbursement for building insurance of \$1,772 (2023 - \$1,595). The Fund has also reimbursed the Union \$27,245 (2023- \$26,078) for administrative, secretarial and other services provided to the Fund. In addition, the Fund paid the Union an amount of \$22,251 for services to the Trustee provided by Fernandez and Blyth (2023 - the Fund paid the Union for services to the Trustee provided by Journeaux, Fernandez and Blyth \$15,624).

#### (d) Other Key Management Personnel

The key management personnel of the Fund include the directors of the Trustee Company named in Note 20(a) above and the following employees:

<b>Name</b>	<b>Role</b>
K Kaspar	Chief Executive Officer
C Artis	Chief Investment Officer
C Salamousas	Accountant/Assistant Fund Manager (until 30 May 2024)*
T Dunstone	Administration Manager
P Tsemtsidis	Compliance & Risk Specialist
D Gamvrellis	Chief Financial Officer (from 13 November 2023)

*\* In addition to their responsibilities as Assistant Fund Manager, C Salamousas also undertook duties equivalent to those of the Chief Financial Officer. These duties ceased on 13 November 2023, after which they continued to manage property related matters for the Fund until 30 May 2024.*

The aggregate remuneration of the key management personnel of the Fund is set out below:

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	1,332,178	1,164,036
Post-employment benefits	146,034	119,079
Other long-term employee benefits	75,874	16,082
Termination benefits	-	11,637
	<b>1,554,086</b>	<b>1,310,834</b>

# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

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

### 21. OPERATING LEASE RECEIVABLES

Operating Lease Receivables	2024 \$	2023 \$
Not later than one year	2,653,233	3,772,150
Later than one year but not later than five years	3,115,288	5,419,195
Later than five years	-	-
	<b>5,768,521</b>	<b>9,191,345</b>

The Fund has non-cancellable operating leases over commercial properties owned. All rents are payable monthly in advance. Contingent rentals are based on CPI increases, fixed increases or market rates determined at intervals as set out in each agreement. Options for extensions to leases vary between each agreement.

### 22. SEGMENT INFORMATION

The Fund's sole objective is to provide benefits to members and/or their beneficiaries upon retirement, death or disability. The Fund operates solely in Australia. The Fund does invest in Australian domiciled managed investment schemes that have substantial investments in other countries.

### 23. CAPITAL COMMITMENTS

The Trustee has entered into arrangements to invest additional monies as follows:

	2024 \$	2023 \$
GBS Bioscience Ventures IV Trust	167,933	225,100
OPBM Asia Pacific Healthcare Fund II	-	36,202
	<b>167,933</b>	<b>261,302</b>

### 24. SUBSEQUENT EVENTS

There have been no significant events that have occurred since the end of the financial year to the date of this report which would impact on the operations the financial position of the Fund disclosed in the statement of financial position at 30 June 2024 or on the results of the operations and the cash flows for the year ended 30 June 2024.

# MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND

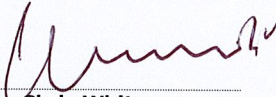
## TRUSTEE'S DECLARATION

In the opinion of the directors of Meat Industry Employees Superannuation Fund Pty Ltd being the Trustee of the Meat Industry Employees Superannuation Fund:

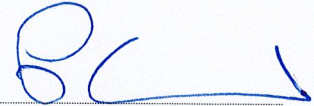
- (a) The financial statements and notes set out on pages 5 to 35 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the Fund's financial position as at 30 June 2024 and its performance for the financial year ended on that date, and
- (b) There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable, and

Signed in accordance with a resolution of the Trustee, Meat Industry Employees Superannuation Fund Pty Ltd (AB 58 005 793 199) at Melbourne,

this 26<sup>th</sup> day of September 2024.



**Chris White**  
Director



**Paul Conway**  
Director



## Independent auditor's report

Report by the RSE Auditor to Meat Industry Employees' Superannuation Fund Pty Ltd, the Trustee of Meat Industry Employees' Superannuation Fund (ABN: 17 317 520 544)

Report on the audit of the financial report

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### Our opinion

In our opinion:

The accompanying financial report of Meat Industry Employees' Superannuation Fund (the RSE) are in accordance with the *Corporations Act 2001*, including:

1. giving a true and fair view of the RSE's financial position as at 30 June 2024 and of its financial performance for the year then ended
2. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### What we have audited

The financial report comprise:

- the statement of financial position as at 30 June 2024
  - the income statement for the year then ended
  - the statement of changes in members' benefits for the year then ended
  - the statement of cash flows for the year then ended
  - the notes to the financial statements, including material accounting policy information and other explanatory information
- (a) the Trustee's declaration.

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### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

### Independence

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

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### Other information

The directors of the Trustee are responsible for the other information. The other information comprises

PricewaterhouseCoopers, ABN 52 780 433 757  
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T: +61 3 8603 1000, F: +61 3 8603 1999, [www.pwc.com.au](http://www.pwc.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.



the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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: [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

## **Report on the remuneration report**

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### **Our opinion on the remuneration report**

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.



In our opinion, the remuneration report of Meat Industry Employees' Superannuation Fund for the year ended complies with section 300C of the *Corporations Act 2001*.

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### **Responsibilities**

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

A stylized, handwritten signature of the PricewaterhouseCoopers firm, written in black ink.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'George Sagonas'.

George Sagonas  
Partner

Melbourne  
26 September 2024