



# **IFM International Private Equity Fund I**

**ABN: 27 876 336 538**

## **Financial Statements and Independent Auditor's Report**

**for the year ended 30 June 2024**

**(Prepared on a non-going concern basis)**

## Contents to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

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## Directors' report

### FOR THE YEAR ENDED 30 JUNE 2024

The directors of Industry Funds Investments Ltd (ABN 17 006 883 227) ("the Trustee"), as trustee for the IFM International Private Equity Fund I ("the Fund"), submit herewith the annual report of the Fund for the financial year ended 30 June 2024. In order to comply with the provisions of the *Corporations Act 2001*, the Directors' report as follows:

#### Principal activities

The Fund's principal activity during the year was the investment of unitholders' funds in line with the investment mandate, as performed by IFM Investors Pty Ltd ("the Manager"). There have been no material changes in the nature of this activity during the year.

The directors have elected not to extend the life of the Fund and a process was commenced to wind up the Fund. The ability to wind up the Fund will be guided by the exit progress in the underlying funds. Since the Fund is in wind-up mode, the financial statements for the year ended 30 June 2024 and 2023 have been prepared on a non-going concern basis. Assets are measured at their net realisable values and liabilities are measured at their contractual amounts. Fair value referred to in these financial statements approximates the net realisable values.

#### Review of operations

The results of the operations of the Fund are disclosed in the accompanying financial statements. The Fund does not distribute its income to the unitholders. For the year ended 30 June 2024 the Fund generated a profit after tax of \$1,324,268 (2023: loss of \$1,849,786).

#### Likely developments and expected results

In the opinion of the Trustee, the Fund is being wound up and no changes are expected to the current year's operations. Future operations will be continuously assessed.

#### Environmental regulations

The Fund has assessed whether there are any particular or material environmental regulations under state or country law which apply to it and has determined that there are none.

#### Audit and non-audit services

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

	30 June 2024 \$	30 June 2023 \$
<b>Deloitte and related network firms</b>		
Audit or review of financial statements	30,586	17,109
<b>Other services</b>		
Tax compliance and other assurance services	27,317	15,157
	57,903	32,266

The auditor of the Fund is Deloitte Touche Tohmatsu. The above amounts are GST inclusive and are included under professional fees in the statement of profit or loss and other comprehensive income.

## Directors' report

FOR THE YEAR ENDED 30 JUNE 2024

### Audit and non-audit services (continued)

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

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

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

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

### Material events after the balance date

There have been no matters or circumstances subsequent to the financial year end date not otherwise dealt with in the financial statements or in the Directors' report that have materially affected or may materially affect the Fund in future financial years.

### Auditor's independence declaration

The auditor's independence declaration is included in page 7 of these financial statements.

### Rounding of amounts to the nearest dollar

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

### Indemnification and insurance of directors and officers and auditors

During and since the financial year end, insurance arrangements have been in place insuring the directors of the Trustee against a liability incurred as a director, to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Trustee has not otherwise during or since the financial year end, except to the extent permitted by the law, indemnified or agreed to indemnify any officer or auditor of the Trustee or any related body corporate against a liability incurred as such by an officer or auditor.

### Remuneration report

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

- Key management personnel
- Remuneration of key management personnel



## Directors' report

FOR THE YEAR ENDED 30 JUNE 2024

### Remuneration report (continued)

#### (a) Key management personnel

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

##### Directors of the Trustee

Cath Bowtell  
David Issa  
Felicity Pantelidis  
Clothilde Shorten  
Leanne Turner

##### Other key management personnel

Csaba Baranyai  
Lisa Rayner (appointed 3 July 2023)  
Natalie Lister

##### Position

Chief Executive Officer  
Chief Risk Officer and General Counsel  
Financial Controller - Product & Tax

#### (b) Remuneration of key management personnel

	Short-term employee benefits	Post employment benefits	
2024	Salary & fees	Superannuation	Total
<b>Directors of the Trustee</b>	\$	\$	\$
Cath Bowtell	2,221	287	2,508
David Issa	1,506	-	1,506
Felicity Pantelidis	2,637	-	2,637
Clothilde Shorten	1,551	194	1,745
Leanne Turner	1,519	190	1,709
	<b>9,434</b>	<b>671</b>	<b>10,105</b>
<b>Other key management personnel</b>			
Csaba Baranyai	10,673	1,183	11,856
Lisa Rayner	7,483	950	8,433
Natalie Lister	11,928	1,521	13,449
	<b>30,084</b>	<b>3,654</b>	<b>33,738</b>
<b>Total</b>	<b>39,518</b>	<b>4,325</b>	<b>43,843</b>

The compensation disclosed above is the remuneration paid to each key person in respect to their responsibilities and services provided to the Fund. This is an allocated portion of the total remuneration paid to key persons for services provided to the Industry Fund Services Limited ("IFS") and its related entities, which is the immediate parent of the Trustee.

Personnel associated with management of the Trustee are compensated by IFS, which is contracted to provide trustee office services to the Trustee. The Trustee does not pay key management personnel directly.

Key management personnel of the Trustee are not directly remunerated out of the assets of the Fund.

## Directors' report

**FOR THE YEAR ENDED 30 JUNE 2024**

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

On behalf of the Directors of the Trustee

*Felicity Pantelidis*  
Felicity Pantelidis/Temp 25, 2024 12:04 GMT+10

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**Director**

**Melbourne**

**26 September 2024**

26 September 2024

To the Trustee of  
IFM International Private Equity Fund I  
Level 27  
360 Elizabeth Street  
Melbourne VIC 3000

## **Auditor's Independence Declaration to the Trustee of IFM International Private Equity Fund I**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Industry Funds Investments Ltd (ABN 17 006 883 227), being the Trustee of IFM International Private Equity Fund I (ABN 27 876 336 538).

As lead audit partner for the audit of the financial statements of IFM International Private Equity Fund I for the year ended 30 June 2024 I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



Chester Hii  
Partner  
Chartered Accountants

## Independent Auditor's Report to the unitholders of IFM International Private Equity Fund I (ABN 27 876 336 538)

### Report on the Audit of the Financial Report

#### *Opinion*

We have audited the financial report of IFM International Private Equity Fund I (the "RSE"), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of IFM International Private Equity Fund I is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of IFM International Private Equity Fund I's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

#### *Basis for Opinion*

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the RSE Licensee (the "directors"), would be in the same terms if given to the directors as at the time of this auditor's report.

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

#### *Other Information*

The directors are responsible for the other information. The other information comprises the information included in the directors' 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 we do not express any form of assurance conclusion thereon.

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

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

## *Responsibilities of the directors for the Financial Report*

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures, as it applies on a non-going concern basis, and the *Corporations Act 2001*. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the RSE to continue as a going concern. As disclosed in Note 2, the financial report has been prepared on a non-going concern basis because the directors have resolved to wind up the RSE.

## *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 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercised professional judgement and maintained professional scepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the financial report, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the RSE's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Concluded on the appropriateness of the directors' use of the non-going concern basis of accounting. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluated the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## **Report on the Remuneration Report**

### *Opinion on the Remuneration Report*

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

In our opinion, the Remuneration Report of IFM International Private Equity Fund I, for the year ended 30 June 2024, complies with section 300C of the *Corporations Act 2001*.

## *Responsibilities*

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

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



Chester Hii  
Partner  
Chartered Accountants  
Melbourne, 26 September 2024

## Directors' declaration

FOR THE YEAR ENDED 30 JUNE 2024

The directors of Industry Funds Investments Ltd ("the Trustee"), as trustee for the IFM International Private Equity Fund I ("the Fund"), declare that:

- (a) in the director's opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and
- (b) in the director's opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with Australian Accounting Standards - Simplified Disclosures and giving a true and fair view of the financial position and performance of the Fund.

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

On behalf of the directors of the Trustee

Felicity Pantelidis  
Felicity Pantelidis (Sep 26, 2024 12:04 GMT+10)

Director

Melbourne  
26 September 2024

## Statement of profit or loss and other comprehensive income

FOR THE YEAR ENDED 30 JUNE 2024

		Non-going concern basis 30 June 2024 \$	Restated * Non-going concern basis 30 June 2023 \$
	Notes		
<b>Income</b>			
Interest income		48,012	49,407
Distribution and dividend income		741,870	-
Change in fair value of investments designated at FVTPL	4(c)	(86,905)	(1,926,507)
Net foreign exchange (loss)/gain		(14,274)	63,258
Other income		263,598	17
<b>Total income/(loss)</b>		<b>952,301</b>	<b>(1,813,825)</b>
<b>Expenses</b>			
Professional fees		80,253	52,390
Other expenses		12,544	17,807
<b>Total expenses</b>		<b>92,797</b>	<b>70,197</b>
<b>Profit/(loss) before tax attributable to unitholders</b>		<b>859,504</b>	<b>(1,884,022)</b>
Income tax credit	9(a)	(464,764)	(34,236)
<b>Profit/(loss) after tax attributable to unitholders</b>		<b>1,324,268</b>	<b>(1,849,786)</b>
<b>Other comprehensive income</b>			
Other comprehensive income		-	-
<b>Total comprehensive income/(loss) attributable to unitholders</b>		<b>1,324,268</b>	<b>(1,849,786)</b>

\* Net assets attributable to unitholders have been reclassified from a financial liability to equity. In conjunction with this change, the recognition of 'Finance costs attributable to unitholders' is no longer applicable and has been removed in the restated comparative period. Refer to note 7 for further details.

Notes to the financial statements have been included in the accompanying pages.



## Statement of financial position

AS AT 30 JUNE 2024

		Non-going concern basis 30 June 2024 \$	Restated * Non-going concern basis 30 June 2023 \$
	Notes		
<b>Assets</b>			
Cash		1,702,661	1,694,628
Receivables	5	608,895	6,450
Unlisted managed investment schemes	4(a)	1,774,036	1,860,941
Deferred tax assets	9(c)	7,852	7,694
<b>Total assets</b>		<b>4,093,444</b>	<b>3,569,713</b>
<b>Liabilities</b>			
Payables	6	89,496	85,885
Current income tax payable		104,532	5,201
<b>Total liabilities</b>		<b>194,028</b>	<b>91,086</b>
<b>Total net assets</b>	7	<b>3,899,416</b>	<b>3,478,627</b>
<b>Net assets attributable to unitholders</b>			
Fund unit class		3,885,594	3,466,681
Operational risk financial requirement reserve		13,822	11,946
<b>Net assets attributable to unitholders - Equity *</b>	7	<b>3,899,416</b>	<b>3,478,627</b>

\* Net assets attributable to unitholders have been reclassified from a financial liability to equity. In conjunction with this change, the 'Net assets attributable to unitholders – liability' is no longer applicable and has been removed in the restated comparative period. Refer to note 7 for further details.

Notes to the financial statements have been included in the accompanying pages.

## Statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2024

	Fund unit class	Operational risk financial requirement reserve	Total
	\$	\$	\$
<b>2023</b>			
Opening balance as at 1 July 2022 - restated*	11,273,287	24,905	11,298,192
<b>Comprehensive loss for the year</b>			
Loss for the year	(1,836,827)	(12,959)	(1,849,786)
Other comprehensive income for the year	-	-	-
<b>Total comprehensive loss for the year</b>	<b>(1,836,827)</b>	<b>(12,959)</b>	<b>(1,849,786)</b>
<b>Transactions with unitholders</b>			
Unit redemptions	(5,969,779)	-	(5,969,779)
<b>Total transactions with unitholders</b>	<b>(5,969,779)</b>	<b>-</b>	<b>(5,969,779)</b>
<b>Closing balance as at 30 June 2023*</b>	<b>3,466,681</b>	<b>11,946</b>	<b>3,478,627</b>
<b>2024</b>			
Opening balance as at 1 July 2023	3,466,681	11,946	3,478,627
<b>Comprehensive profit for the year</b>			
Profit for the year	1,322,392	1,876	1,324,268
Other comprehensive income for the year	-	-	-
<b>Total comprehensive profit for the year</b>	<b>1,322,392</b>	<b>1,876</b>	<b>1,324,268</b>
<b>Transactions with unitholders</b>			
Unit redemptions	(903,479)	-	(903,479)
<b>Total transactions with unitholders</b>	<b>(903,479)</b>	<b>-</b>	<b>(903,479)</b>
<b>Closing balance as at 30 June 2024</b>	<b>3,885,594</b>	<b>13,822</b>	<b>3,899,416</b>

\* Net assets attributable to unitholders have been reclassified from a financial liability to equity. In conjunction with this change, the transactions attributable to the unitholders are presented in the above statement. Refer to note 7 for further details.

Notes to the financial statements have been included in the accompanying pages.

## Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2024

	Non-going concern basis 30 June 2024 \$	Non-going concern basis 30 June 2023 \$
<b>Cash flows from operating activities</b>		
Interest received	49,294	42,957
Distributions and return of capital received	741,870	-
Other income received	263,598	17
Expenses paid	(87,532)	(72,847)
Income tax (paid)/refunded	(51,806)	2,926,528
<b>Net cash from operating activities</b>	<b>915,424</b>	<b>2,896,655</b>
<b>Cash flows from financing activities</b>		
Cash paid on redemptions	(903,479)	(5,969,779)
<b>Net cash from financing activities</b>	<b>(903,479)</b>	<b>(5,969,779)</b>
Net change in cash held	11,945	(3,073,124)
<b>Cash at beginning of the year</b>	<b>1,694,628</b>	<b>4,703,872</b>
Effects of exchange rate changes on the balance of cash held in foreign currencies	(3,912)	63,880
<b>Cash at end of the year</b>	<b>1,702,661</b>	<b>1,694,628</b>

Notes to the financial statements have been included in the accompanying pages.

## Notes to the financial statements

### FOR THE YEAR ENDED 30 JUNE 2024

#### 1 General information

These financial statements cover IFM International Private Equity Fund I ("the Fund") as an individual entity. The Fund was constituted on 6 June 2000. The Trustee of the Fund is Industry Funds Investments Ltd ("the Trustee").

The Fund's principal activity during the year was the investment of unitholders' funds in line with the investment mandate, as performed by IFM Investors Pty Ltd ("the Manager").

The financial statements of the Fund for the year ended 30 June 2024 were authorised for issue by the directors of the Trustee on 26 September 2024. The directors of the Trustee have the power to amend and reissue the financial statements.

These are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures, Interpretations issued by the Australian Accounting Standards Board ("AASB"), the *Corporations Act 2001* and the provisions of the Fund's Trust Deed, and they are not intended to be used for any other purpose. The directors have determined that the financial reporting framework and accounting policies adopted are appropriate to meet the needs of the unitholders.

#### 2 Material accounting policies

The material accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

##### (a) Basis of preparation

As the Fund is in the process of being wound up, the financial statements for the year ended 30 June 2024 and 2023 have been prepared on a non-going concern basis. Assets are measured at their net realisable values and liabilities are measured at their contractual amounts. Fair value referred to in these financial statements approximates the net realisable value. The Fund is a for-profit entity for the purpose of preparing the financial statements.

The Fund's financial statements are expressed in Australian dollars, the presentation currency. The Fund's functional currency is also Australian dollars, which is the main currency in which the Fund's financing and operating activities are primarily transacted.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current.

##### (i) Financial reporting framework

The Fund does not have 'public accountability' as defined in AASB 1053 *Application of Tiers of Australian Accounting Standards* and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

##### (ii) Statement of compliance

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards and Tier 2 disclosure requirements under AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*. Accordingly, the financial statements comply with Australian Accounting Standards - Simplified Disclosures.

## Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

### 2 Material accounting policies (continued)

#### (a) Basis of preparation (continued)

##### (iii) Adoption of new and revised Accounting Standards

In the current year, the Fund has adopted all of the new and revised Accounting Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current reporting year. There are no new and revised Accounting Standards that have a material impact on the Fund.

##### (iv) New and revised Accounting Standards in issue but not yet effective

Management is currently assessing the impact, if any, of any new or revised Accounting Standards in issue that are not yet effective.

##### (v) Investment entity

The Fund's objective is to maintain its investments at fair value until the completion of its wind-up. The Fund has multiple external investors. Ownership interests in the Fund are in the form of issued units which are exposed to variable returns from changes in fair value of the Fund's net assets.

The Fund has been deemed to meet the definition of an Investment Entity per AASB 10 *Consolidated Financial Statements* ("AASB 10") as the following conditions exist:

- The Fund has obtained funds for the purpose of providing investors with investment management services;
- The Fund's business purpose, which was communicated directly to investors, is investing solely for returns from capital appreciation and investment income; and
- The performance of investments made through the Fund are measured and evaluated on a fair value basis.

Since the Fund meets the definition of an Investment Entity per AASB 10, it is required to account for the investments at fair value through profit and loss.

#### (b) Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with the Fund's accounting policies, described in note 2, requires the Manager to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. These accounting policies have been consistently applied by the Fund.

The estimates and underlying assumptions are reviewed on an ongoing basis. Refer to note 2(e)(i) for information on the valuation methodology, including those requiring critical judgements or having key sources of estimation uncertainty. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revisions affect only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The Fund's portfolio of financial assets is managed and performance evaluated on a fair value basis, in accordance with the Fund's documented investment strategy.

## Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

### 2 Material accounting policies (continued)

#### (c) Income

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is recognised as follows:

##### Interest income

Interest income on cash and cash equivalents is recognised in the statement of profit or loss and other comprehensive income on an accrual basis.

##### Distribution income

Distribution income is recognised as income on the date the unit is quoted ex-distribution.

#### (d) Income tax

As a Pooled Superannuation Trust ("PST"), the Fund incurs income tax at the rate of 15%. The income tax expense represents the sum of the tax currently payable and movements in deferred tax assets and liabilities.

##### Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of taxable profit or tax loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior years is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

##### Deferred tax

Deferred tax represents the temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax assets and liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year(s) when the asset and liability gave rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Fund expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

# Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

## 2 Material accounting policies (continued)

### (e) Financial instruments

#### (i) Classification and measurement

##### Financial assets

Under AASB 9 *Financial Instruments*, there are three principal ways to classify and measure financial assets, as follows:

- Amortised cost;
- Fair value through other comprehensive income ("FVTOCI"); and
- Fair value through profit and loss ("FVTPL").

The appropriate method to use is driven by:

- The Fund's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset.

The Fund's portfolio of financial assets is managed and performance evaluated on a fair value basis, in accordance with the Fund's documented investment strategy. As the Fund's business model does not meet the criteria for assets to be measured at amortised cost or FVTOCI, all financial assets are irrevocably designated at FVTPL, except for receivables and cash which are classified at amortised cost using the effective interest rate method.

Gains and losses arising from changes in the fair value of the financial assets at FVTPL are presented in the statement of profit or loss and other comprehensive income within 'Change in fair value of investments designated at FVTPL' in the period in which they arise on a weekly basis.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Fund takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for the purpose of fair value measurement, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

## Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

### 2 Material accounting policies (continued)

#### (e) Financial instruments (continued)

##### (i) Classification and measurement (continued)

##### Financial assets (continued)

The Fund's objective is to have a diversified, structured portfolio with interests based predominantly in North America, Europe and Asia that provides exposure to all major private equity markets, all major business stages (ranging from early stage venture capital through to mega buyouts), a wide range of industry sectors and a spread of vintage years. The Fund's investments are made by way of unlisted managed investment schemes. Fair value for the Fund's financial assets is determined as follows:

##### Unlisted managed investment schemes

The fair value of unlisted managed investment schemes is based on the latest available valuations reported by external managers, adjusted for cash flows to the balance date, in accordance with International Private Equity and Venture Capital ("IPEV") Valuation Guidelines for valuing fund interests. External managers determine the fair value of their portfolio company investments in accordance with IPEV and/or the relevant accounting standards, and typically give consideration to earnings/financial performance, forecasts/budgeted financial performance, capital structure and the performance of public market comparable companies in assessing fair value.

##### Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are measured at amortised cost using the effective interest rate method, less provision for impairment.

##### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

##### Payables and other liabilities

Payables and other liabilities are recognised when the Fund becomes obliged to make future payments resulting from the purchase of goods or services. Payables and other liabilities are recognised initially at fair value and subsequently recognised at amortised cost.

##### Custodian

When required, assets are custodially held by JPMorgan Chase Bank, N.A. (Sydney Branch) acting through its nominee J.P. Morgan Nominees Australia Limited.

##### (ii) Recoverability of assets classified at amortised cost

For financial assets classified at amortised cost, the Fund recognises a loss allowance for expected credit losses ("ECLs"). This amount is updated at each reporting date to reflect changes in credit risk since initial recognition of the financial asset and is deducted from the gross carrying amount.



## Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

### 2 Material accounting policies (continued)

#### (e) Financial instruments (continued)

##### (ii) Recoverability of assets classified at amortised cost (continued)

The Fund always recognises lifetime ECLs for receivables and cash. The ECLs are estimated using a provision matrix based on the Fund's historical credit loss experience, adjusted for factors that are specific to the applicable financial assets, general economic conditions, and an assessment of both the current and forecasted direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial asset. In contrast, 12-month ECLs represent the portion of lifetime ECLs that are expected to result from default events on a financial asset that is possible within 12 months after the reporting date.

##### (iii) Derecognition of financial assets

The Fund derecognises financial assets only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another scheme. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### (f) Cash

Cash comprises cash on hand and demand deposits. As at 30 June 2024, the cash balance disclosed in the statement of financial position includes restricted cash of \$13,822 (2023: \$11,946).

The interest rate on the cash account ranged from 3.82% to 4.08% for the year ended 30 June 2024 (2023: 0.00% to 3.82%).

#### (g) Foreign currency

Transactions in foreign currencies are converted to Australian dollars at the rate of exchange applicable at the date of the transaction. Amounts payable and receivable that are outstanding at the balance date and are denominated in foreign currencies have been converted to Australian dollars using the rates of exchange applicable at the end of the financial year.

#### (h) Goods and services tax ("GST")

When applicable, GST incurred that is not recoverable has been recognised as part of the expense to which it applies. Receivables and payables are stated inclusive of any applicable GST. Income is recognised net of GST to the extent recoverable. Cash flows are included in the statement of cash flows on a gross basis, where applicable.

#### (i) Professional fees

Professional fees are costs incurred on a regular basis for fees paid to agents for carrying out the duties on behalf of the Fund, primarily for audit assurance services, tax and other consultancy services. These costs are immediately recognised in the statement of profit or loss and other comprehensive income as expenses on an accrual basis.

## Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

### 3 Auditor's remuneration

	30 June 2024	30 June 2023
<b>Deloitte and related network firms</b>	\$	\$
Audit or review of financial statements	30,586	17,109
<b>Other services</b>		
Tax compliance and other assurance services	27,317	15,157
	57,903	32,266

The auditor of the Fund is Deloitte Touche Tohmatsu. The above amounts are GST inclusive and are included under professional fees in the statement of profit or loss and other comprehensive income.

### 4 Financial assets carried at FVTPL

#### (a) Recognised fair value measurements

The following table presents the Fund's assets and liabilities measured and recognised at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable.

2024	Level 1	Level 2	Level 3	Total
Investments	\$	\$	\$	\$
Unlisted managed investment schemes	-	-	1,774,036	1,774,036
<b>Total</b>	-	-	1,774,036	1,774,036

2023	Level 1	Level 2	Level 3	Total
Investments	\$	\$	\$	\$
Unlisted managed investment schemes	-	-	1,860,941	1,860,941
<b>Total</b>	-	-	1,860,941	1,860,941

#### (b) Fair value measurements using material unobservable inputs (level 3)

	30 June 2024	30 June 2023
<b>Investments</b>	\$	\$
Opening balance	1,860,941	3,787,448
Unrealised loss on financial assets held at fair value	(86,905)	(1,926,507)
Closing balance	1,774,036	1,860,941

#### (c) Change in fair value of investments designated at FVTPL

Unrealised loss on investments held at FVTPL	(86,905)	(1,926,507)
	(86,905)	(1,926,507)

### 5 Receivables

Interest receivable	5,168	6,450
Tax related receivables	603,727	-
	608,895	6,450

### 6 Payables

Auditor's remuneration	52,347	48,370
Tax compliance	37,149	37,515
	89,496	85,885

## Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

### 7 Net assets attributable to unitholders

Movements in the number of units and net assets attributable to unitholders during the year were as follows:

2024	Units	\$
<b>Fund unit class</b>		
Opening balance	2,332,181	3,466,681
Unit redemptions	(426,853)	(903,479)
Comprehensive income attributable to unitholders		1,322,392
Closing balance	1,905,328	3,885,594
<b>Operational risk financial requirement reserve</b>		
Opening balance		11,946
Comprehensive income attributable to unitholders		1,876
Closing balance		13,822
Net assets attributable to unitholders		3,899,416

  

2023	Units	\$
<b>Fund unit class</b>		
Opening balance	6,226,936	11,273,287
Unit redemptions	(3,894,755)	(5,969,779)
Comprehensive loss attributable to unitholders		(1,836,827)
Closing balance	2,332,181	3,466,681
<b>Operational risk financial requirement reserve</b>		
Opening balance		24,905
Comprehensive loss attributable to unitholders		(12,959)
Closing balance		11,946
Net assets attributable to unitholders		3,478,627

The Fund established a separately identifiable bank account to maintain a cash reserve in response to the operational risk financial requirement ("ORFR") introduced into the *Superannuation Industry (Supervision) Act 1993* from 1 July 2013. This ORFR is operated in accordance with the Trustee's Capital Management Policy with the purpose of providing funding for losses caused by an operational risk event relating to the Fund. The ORFR forms part of the net assets attributable to unit holders. The ORFR is funded through the retention of Fund earnings and is managed by the Manager in accordance with the Capital Management Policy. The ORFR reserve balance was 0.35% of net assets as at 30 June 2024 (2023: 0.34%).

For the presentation of these financial statements, the "Net assets attributable to unitholders" are classified as equity. This classification is based on the fact that the units issued to unitholders are not considered puttable instruments. Additionally, the net assets attributable to unitholders are subordinated to all other instruments and have an identical contractual obligation to deliver a pro rata share of the net asset value of the Fund to the unitholders upon liquidation. These arrangements meet the definition of an equity instrument under AASB 132 *Financial Instruments: Presentation*. Accordingly, the net assets attributable to unitholders are classified as equity.

## Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

### 7 Net assets attributable to unitholders (continued)

#### Net assets attributable to unitholders – restatement of comparative figures

During the year, the Trustee reassessed the terms of the Fund for the presentation of the net assets attributable to unitholders in accordance with the requirements of AASB 132 *Financial Instruments: Presentation*. Accordingly, the Trustee concluded that the units issued to unitholders should be reclassified from a financial liability and instead be presented as equity. This reclassification had no impact on the recognition and measurement of assets held by the Fund, nor did it impact the net asset value of the Fund. This reclassification solely impacted the presentation of the financial statements of the Fund. Accordingly, the statement of profit or loss and other comprehensive income, the statement of financial position and the statement of changes in equity for the year ended 30 June 2023 have been restated to reflect this reclassification.

		30 June 2023	
		Restated \$	Pre-restated \$
<b>(a) Statement of profit or loss and other comprehensive income</b>			
<b>Loss after tax attributable to unitholders</b>		(1,849,786)	(1,849,786)
<b>Finance costs attributable to unitholders *</b>			
Change in net assets attributable to unitholders		-	1,849,786
Loss for the year		(1,849,786)	-
<b>Other comprehensive income</b>			
Other comprehensive income		-	-
Total comprehensive loss attributable to unitholders		(1,849,786)	-

\* Since the net assets attributable to unitholders are classified as equity rather than as a liability, the change in net assets attributable to unitholders is not considered a finance cost. Consequently, "Finance costs attributable to unitholders" in the statement of profit or loss and other comprehensive income are no longer applicable.

		30 June 2023	
		Restated \$	Pre-restated \$
<b>(b) Statement of financial position</b>			
Net assets attributable to unitholders - Liability **		-	3,478,627
<b>Net assets attributable to unitholders</b>			
Fund unit class		3,466,681	-
Operational risk financial requirement reserve		11,946	-
<b>Net assets attributable to unitholders - Equity</b>		3,478,627	-

\*\* Following the reclassification, the net assets attributable to unitholders are presented as equity.

## Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

### 7 Net assets attributable to unitholders (continued)

Net assets attributable to unitholders – restatement of comparative figures (continued)

(c) Statement of changes in equity	30 June 2023			Pre-restated
	Fund unit class	Restated Operational risk financial requirement reserve	Total	
	\$	\$	\$	\$
Opening balance as at 1 July 2022	11,273,287	24,905	11,298,192	-
<b>Comprehensive loss for the year</b>				
Loss for the year	(1,836,827)	(12,959)	(1,849,786)	-
Other comprehensive income for the year	-	-	-	-
<b>Total comprehensive loss for the year</b>	<b>(1,836,827)</b>	<b>(12,959)</b>	<b>(1,849,786)</b>	<b>-</b>
<b>Transactions with unitholders</b>				
Unit redemptions	(5,969,779)	-	(5,969,779)	-
<b>Total transaction with unitholders</b>	<b>(5,969,779)</b>	<b>-</b>	<b>(5,969,779)</b>	<b>-</b>
<b>Closing balance as at 30 June 2023 ***</b>	<b>3,466,681</b>	<b>11,946</b>	<b>3,478,627</b>	<b>-</b>

\*\*\* Since the net assets attributable to unitholders are classified as equity, the transactions attributable to the unitholders are presented in the statement of changes in equity. The "Closing balance as at 30 June 2023" in the restated column equals the amount shown under "Net assets attributable to unitholders - Liability" in the statement of financial position under the pre-restated column. Therefore, there is no impact on the net assets attributable to unitholders as at 30 June 2023.

### 8 Investment commitments

The Fund has the following estimated commitments of investment expenditure which have not been provided for in the financial statements. These are covered by funding commitments by existing unitholders within the Fund:

	30 June 2024 \$	30 June 2023 \$
Investment commitments	-	-

Investors will be drawn and issued units at the prevailing issue price to cover the investment commitment. As at 30 June 2024, undrawn investor commitments in the Fund were \$2,126,346 (2023: \$2,133,375).

### 9 Income tax

#### (a) Income tax expense comprises:

	30 June 2024 \$	30 June 2023 \$
<b>Current tax expense</b>		
Current year	152,617	5,201
Adjustments in respect of prior years	(617,223)	(45,519)
	<b>(464,606)</b>	<b>(40,318)</b>

## Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

### 9 Income tax (continued)

	30 June 2024	30 June 2023
	\$	\$
(a) <b>Income tax expense comprises: (continued)</b>		
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(158)	6,082
	(158)	6,082
	(464,764)	(34,236)
(b) <b>Reconciliation of prima-facie income tax to tax expense</b>		
<b>Profit/(loss) before tax</b>	859,504	(1,884,022)
Tax at the rate of 15% (2023: 15%)	128,926	(282,603)
Prior year tax income recognised in current year	8,942	-
Tax recognised on prior year restatement of GST	-	4,817
Change in temporary differences	14,749	282,987
	152,617	5,201
(c) <b>Deferred tax</b>		
<b>Deferred tax assets comprise:</b>		
Temporary differences - accruals	7,852	7,694
	7,852	7,694

#### Analysis of deferred tax assets:

The following are the major deferred tax assets recognised by the Fund and movements thereon during the current and prior reporting year.

2024	Accruals	Deferred tax provisions
	\$	\$
Opening balance	51,287	7,694
Amounts recognised in profit or loss	1,060	158
Closing balance	52,347	7,852
2023	Accruals	Deferred tax provisions
	\$	\$
Opening balance	91,841	13,776
Amounts recognised in profit or loss	(40,553)	(6,082)
Closing balance	51,287	7,694

### 10 Related parties

The Trustee is a wholly owned subsidiary of the ultimate controlling party, Industry Super Holdings Pty Ltd, while the beneficial interest of the Fund is retained by the unitholders.

#### Trustee fees

During the year, there were no transactions with the Trustee. No remuneration was received by the Trustee from the Fund in the current or prior year. The Trustee charges the Manager for trustee services provided and these fees are not directly recovered from the Fund.

## Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

### 10 Related parties (continued)

#### Director fees

Key management personnel include persons who are directors of the Trustee, and other executives at any time during the reporting period. Key management personnel are not directly remunerated out of the assets of the Fund.

### 11 Contingent assets, liabilities and commitments

Other than those disclosed under note 8 (investment commitments), there are no outstanding contingent assets, liabilities or commitments as at 30 June 2024 (2023: nil).

### 12 Subsequent events

Subsequent to the year end, the Trustee has evaluated events and transactions for the potential recognition or disclosure through to the date the Directors' declaration was signed and has determined that there have been no matters or circumstances not otherwise dealt with in the financial statements, or Directors' report that have materially affected or may affect the Fund.