

Retail Employees Superannuation Pty Limited

ABN 39 001 987 739

RSE L0000055

AFSL 240003

Annual Report - 30 June 2024

Retail Employees Superannuation Pty Limited

Contents

30 June 2024

Directors' report	2
Auditor's independence declaration	4
Independent auditor's report	5
Directors' declaration	8
Statement of profit or loss and other comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13

Retail Employees Superannuation Pty Limited
Directors' report
30 June 2024

The Directors present their report, together with the financial statements, on the Company for the year ended 30 June 2024. In order to comply with the provisions of the Corporations Act 2001 (Cth), the Directors report as follows:

Directors

The following persons acted in the position of Director of the Company during the financial year and up to the date of this report, unless otherwise stated:

Dr Adam Neil Walk	Mr Michael Bargholz
Ms Catherine Bolger (appointed effective 7 August 2024)	Mr Michael Tehan (resigned effective 31 March 2024)
Ms Helen Cooney	Mr Mitchell Worsley (appointed effective 1 April 2024)
Mr James Merlino	Ms Sally Evans (resigned effective 31 July 2024)
Ms Joanne Lester	Mr Vaughn Richtor
Ms Julia Fox (resigned effective 26 May 2024)	Ms Aliscia Di Mauro (acted as Alternate Director for Helen Cooney at August 2023 Board)

Principal activities

The Company acts as a trustee to Retail Employees Superannuation Trust.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the financial year.

Review of operations

The profit for the Company after providing for income tax amounted to \$2,574,307 (30 June 2023: \$2,495,454).

The Company incurred expenses related to trustee liability insurance, reimbursement of Directors' travel costs to attend Board and Committee meetings, Directors fees and Director training and development. The Company charges trustee fees on a cost recovery basis to Retail Employees Superannuation Trust (the Fund) as well as trustee fees to fund the trustee capital reserve.

Dividends

There were no Dividends paid, recommended or declared during the current or previous financial year.

Directors' benefits

During the financial year the Directors of the Company have received the benefits disclosed in the financial statements.

Matters subsequent to the end of the financial year

As disclosed under Proceedings against Rest below, judgment was delivered on 18 September 2024 in ASIC's civil penalty proceedings in the Federal Court against the Trustee, with the case dismissed.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Likely developments in operations in future financial years and the expected results of those operations

There are no likely developments and expected results of operations for disclosure.

Environmental regulation

The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Proceedings on behalf of the Company

The Australian Securities and Investments Commission (ASIC) commenced civil penalty proceedings in the Federal Court against the Trustee in March 2021. ASIC alleged that the Trustee made false or misleading representations from 2 March 2015 to 2 May 2018 about the ability of members of the Retail Employees Superannuation Trust (the Trust) to transfer their superannuation out of the Fund. A hearing on liability took place in the Federal Court of Australia in November and December 2023. Subsequent to year end, on 18 September 2024 a judgment was delivered, and the proceeding was dismissed. In the absence of disagreement about the costs order, ASIC will pay 80% of the Trustee's costs (as agreed by ASIC or determined by the Court). This amount will not exceed 80% of the Trustee's costs of \$2.4m. Should either party contend for a different costs order, the Court will then make directions.

Retail Employees Superannuation Pty Limited
Directors' report
30 June 2024

A class action was commenced against Rest in the Federal Court of Australia on 22 December 2023. The class action relates to some members of the Trust between 5 December 2008 and 30 June 2019 who had default income protection insurance and were charged insurance premiums after a period of 12 months during which they did not make or receive contributions into their Rest accounts. The Trustee denies the substantive allegations and is defending its position. It is currently not possible to determine the ultimate impact of these proceedings on the Trust. No provisions have been raised for this matter as there is no present obligation and the likelihood of any financial liability is both uncertain and cannot be reliably measured.

Rounding

The Company is not of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding off' amounts in the Directors' report. All amounts in the Directors' report and the financial statements are rounded off to the nearest dollar.

Insurance of Officers

During the reporting period, the Company paid premiums in respect of a contract to indemnify the Directors and Officers of the Company, of Retail Employees Superannuation Trust and its subsidiaries against claims for which they may be liable. The total amount of insurance premium paid was \$1,279,236 (2023: \$1,441,183).

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

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 after this Directors' report.

This report is made in accordance with a resolution of Directors for and behalf of the Board, pursuant to section 298(2)(a) of the Corporations Act 2001.

Signed by:



Adam Walk
Director

Signed by:



James Merlino
Director

23 September 2024

Independent Auditor's Report to the Board of Directors and members of Retail Employees Superannuation Pty Ltd

Opinion

We have audited the financial report of Retail Employees Superannuation Pty Ltd (the "Company") which comprises the statement of financial position as at 30 June 2024, the statement of profit of 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 a summary of significant accounting policies, and the directors' declaration.

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

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

Basis for Opinion

We conducted 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 are independent of the Company 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.

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

We believe that 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 Company's 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 of the Company are responsible:

- For the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Company in accordance with the Australian Accounting Standards; and
- 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 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 Company 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 Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole 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 this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.
- Obtain 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Frances Borg
Partner
Chartered Accountants

Sydney, 23 September 2024

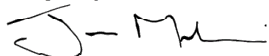
Retail Employees Superannuation Pty Limited
Directors' declaration
30 June 2024

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

Signed by:



Director James Merlino

Signed by:



Director Adam Walk

23 September 2024

Retail Employees Superannuation Pty Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue from continuing operations			
Trustee fees		7,446,291	6,853,903
Interest revenue		480,966	321,173
		<u>7,927,257</u>	<u>7,175,076</u>
Expenses			
Trustee indemnity insurance		(1,279,236)	(1,441,183)
Employee benefits expense		(1,415,381)	(1,286,335)
Professional fees		(1,533,463)	(813,724)
Travel costs		(189,816)	(194,182)
Director training and development		(25,451)	(112,438)
Other expenses		(3,059)	(6,720)
		<u>3,480,851</u>	<u>3,320,494</u>
Profit before income tax expense		3,480,851	3,320,494
Income tax expense	3	<u>(906,544)</u>	<u>(825,040)</u>
Profit after income tax expense for the year		2,574,307	2,495,454
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>2,574,307</u></u>	<u><u>2,495,454</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Retail Employees Superannuation Pty Limited
Statement of financial position
As at 30 June 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	4	13,453,548	11,806,646
Income tax refund due		74,135	-
Other assets	5	892,605	769,782
Total current assets		<u>14,420,288</u>	<u>12,576,428</u>
Total assets		<u>14,420,288</u>	<u>12,576,428</u>
Liabilities			
Current liabilities			
Trade and other payables	6	517,495	617,990
Provision for income tax		-	780,124
Total current liabilities		<u>517,495</u>	<u>1,398,114</u>
Non-current liabilities			
Deferred tax liability	7	215,652	65,480
Total non-current liabilities		<u>215,652</u>	<u>65,480</u>
Total liabilities		<u>733,147</u>	<u>1,463,594</u>
Net assets		<u>13,687,141</u>	<u>11,112,834</u>
Equity			
Issued capital	8	8	8
Retained profits	9	13,687,133	11,112,826
Total equity		<u>13,687,141</u>	<u>11,112,834</u>

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

Retail Employees Superannuation Pty Limited
Statement of changes in equity
For the year ended 30 June 2024

	Issued capital \$	Retained profits \$	Total equity \$
Balance at 1 July 2022	8	8,617,372	8,617,380
Profit after income tax expense for the year	-	2,495,454	2,495,454
Other comprehensive income for the year, net of tax	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	2,495,454	2,495,454
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2023	<u>8</u>	<u>11,112,826</u>	<u>11,112,834</u>
	<hr/>	<hr/>	<hr/>
	Issued capital \$	Retained profits \$	Total equity \$
Balance at 1 July 2023	8	11,112,826	11,112,834
Profit after income tax expense for the year	-	2,574,307	2,574,307
Other comprehensive income for the year, net of tax	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	2,574,307	2,574,307
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2024	<u>8</u>	<u>13,687,133</u>	<u>13,687,141</u>

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

Retail Employees Superannuation Pty Limited
Statement of cash flows
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers		5,153,652	4,964,786
Interest received		480,966	321,173
Payments to suppliers and employees		(2,377,084)	(1,961,307)
Income taxes paid		(1,610,632)	(2,874,487)
Net cash from operating activities	10	<u>1,646,902</u>	<u>450,165</u>
Net cash from investing activities		<u>-</u>	<u>-</u>
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		1,646,902	450,165
Cash and cash equivalents at the beginning of the financial year		<u>11,806,646</u>	<u>11,356,481</u>
Cash and cash equivalents at the end of the financial year	4	<u><u>13,453,548</u></u>	<u><u>11,806,646</u></u>

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

Retail Employees Superannuation Pty Limited
Notes to the financial statements
30 June 2024

Note 1. General information

Retail Employees Superannuation Pty limited (ABN 39 001 987 739) (the Company) is the trustee of Retail Employees Superannuation Trust (ABN 62 653 671 394) (the Fund). The Trustee holds all assets of the Fund in trust and is liable for all liabilities of the Fund. The Fund is a reporting entity for accounting and taxation purposes.

The registered office of the Company is Level 5, 321 Kent Street, Sydney NSW 2000. The Australian Financial Services License (AFSL) Number is 240003. The Trustee has a Registrable Superannuation Entity License Number L0000055 and the Fund (Retail Employees Superannuation Trust) has a registration number R1000016.

Retail Employees Superannuation Pty Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 18 September 2024. The Directors have the power to amend and reissue the financial statements.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. For the purpose of preparing the financial statements, the Company is a 'for-profit' entity.

All amounts are presented in Australian dollars.

Historical cost convention

The financial statements have been prepared under the historical cost convention. Historical cost is based on the fair values of the consideration given in exchange for assets.

Going concern

The financial statements have been prepared on the basis of going concern. At the time of approving the financial statements, the directors have a reasonable expectation the Company has adequate resources to continue to meet its obligations as they fall due for at least the next twelve months from the date of signing of the financial statements.

Statement of Compliance

The financial statements are prepared on the basis of the Australian Accounting Standards. Compliance with the Australian Accounting Standard ensures compliance with International Financial Reporting Standards.

Note 2. Material accounting policy information

The accounting policies that are material to the Company are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Set out below are the new and revised Standard and amendments thereof and Interpretations effective for the current year that are relevant to the Company:

- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*: the standard requires the disclosure of material accounting policy information and clarifies how entities should distinguish changes in accounting policies and changes in accounting estimates. The application of the amendments did not have a material impact on the Company's financial statements but has changed the disclosure of accounting policy information in the financial statements.

The below mandatorily effective standards for the current year have no material impacts:

- *AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- *AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*
- *AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules*

Retail Employees Superannuation Pty Limited
Notes to the financial statements
30 June 2024

Note 2. Material accounting policy information (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2024. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations for the current reporting period.

Revenue from contracts with the Fund

The Company's revenue consists of Trustee Fees in relation to services rendered by the Company in its capacity as the Trustee to the Fund. The Trust Deed permits the Trustee to be reimbursed for costs incurred by the Fund on behalf of the Trustee in its capacity as Trustee such as expenses related to trustee liability insurance, reimbursement of Directors' travel costs to attend Board and Committee meetings and Directors fees and Director training and development. These fees are charged to the Fund on a cost-recovery basis. The Trustee also charges, pursuant to the Trust Deed, a \$3m per annum fee for acting as Trustee, which funds the Trustee Capital Reserve.

Revenue is recognised in the accounting period in which the services are rendered, as the relevant performance obligations are satisfied over time as those services are rendered.

Trustee fee received in advance

Trustee fee received in advance represents the Company's obligation to transfer goods or services to the Fund and are recognised when the Fund pays consideration before the Company has transferred goods or services to the Fund.

Note 3. Income tax expense

	2024 \$	2023 \$
<i>Income tax expense</i>		
Current tax	868,679	780,124
Deferred tax - origination and reversal of temporary differences	150,172	50,000
Adjustment recognised for prior periods	(112,307)	(5,084)
Aggregate income tax expense	<u>906,544</u>	<u>825,040</u>
Deferred tax included in income tax expense comprises:		
Increase in deferred tax liabilities (note 7)	<u>150,172</u>	<u>50,000</u>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit before income tax expense	<u>3,480,851</u>	<u>3,320,494</u>
Tax at the statutory tax rate of 25%	870,213	830,124
Tax effect amounts which are not deductible in calculating taxable income:		
Non-deductible expense	<u>29,172</u>	<u>-</u>
	899,385	830,124
Adjustment recognised for prior periods	(112,307)	(5,084)
Tax adjustment for prepaid insurance of prior year	<u>119,466</u>	<u>-</u>
Income tax expense	<u>906,544</u>	<u>825,040</u>

Note 4. Cash and cash equivalents

	2024 \$	2023 \$
Cash at bank	<u>13,453,548</u>	<u>11,806,646</u>

Retail Employees Superannuation Pty Limited
Notes to the financial statements
30 June 2024

Note 5. Other assets

	2024	2023
	\$	\$
Prepaid insurance	400,686	477,863
Prepaid facility and establishment fees	491,919	291,919
	<u>892,605</u>	<u>769,782</u>

The terms of the guarantee agreement with Rest Holdings No 1 Pty Limited provide for an ongoing facility fee (2% per annum on the daily amount of the undrawn portion of the facility) and one-off establishment fee (0.3% of the facility amount). These fees are considered origination fees which are an integral part of generating an involvement with the resulting financial instruments. Amounts will be recognised as other assets until the facility is drawn.

Note 6. Trade and other payables

	2024	2023
	\$	\$
Trustee fee received in advance	270,668	391,786
GST payables	152,206	156,086
Other payables	94,621	70,118
	<u>517,495</u>	<u>617,990</u>

Note 7. Deferred tax liability

	2024	2023
	\$	\$
<i>Deferred tax liability comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Prepaid facility and establishment fee	115,480	65,480
Prepaid insurance	100,172	-
Deferred tax liability	<u>215,652</u>	<u>65,480</u>
Amount expected to be settled within 12 months	100,172	-
Amount expected to be settled after more than 12 months	115,480	65,480
	<u>215,652</u>	<u>65,480</u>
<i>Movements:</i>		
Opening balance	65,480	15,480
Charged to profit or loss (note 3)	150,172	50,000
Closing balance	<u>215,652</u>	<u>65,480</u>

Note 8. Issued capital

	2024	2023	2024	2023
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>

Retail Employees Superannuation Pty Limited
Notes to the financial statements
30 June 2024

Note 8. Issued capital (continued)

Fully paid ordinary shares

There were no movements in the ordinary share capital during the current or previous financial year. At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Note 9. Retained profits

	2024	2023
	\$	\$
Retained profits at the beginning of the financial year	11,112,826	8,617,372
Profit after income tax expense for the year	<u>2,574,307</u>	<u>2,495,454</u>
Retained profits at the end of the financial year	<u><u>13,687,133</u></u>	<u><u>11,112,826</u></u>

The Company Constitution provides that no profit, surplus, or capital may be transferred to the Shareholders of the Company as a dividend or capital distribution, including on winding-up.

If the Board determines that the Trustee Capital Reserve is excess to requirements, the Board may consider rebating management fees back to the Fund. The Board may also determine to apply the Reserve to meet liabilities, costs and expenses that could otherwise be met from the Fund under the Trustee indemnity.

Note 10. Reconciliation of profit after income tax to net cash from operating activities

	2024	2023
	\$	\$
Profit after income tax expense for the year	2,574,307	2,495,454
Change in operating assets and liabilities:		
Increase in prepayments	(122,823)	(171,083)
Increase/(decrease) in trade and other payables	(100,495)	175,241
Decrease in provision for income tax	(854,259)	(2,099,447)
Increase in deferred tax liabilities	<u>150,172</u>	<u>50,000</u>
Net cash from operating activities	<u><u>1,646,902</u></u>	<u><u>450,165</u></u>

Note 11. Remuneration of auditors

The auditor received no remuneration from the Company. Fees of \$22,000 (2023: \$41,318) for the audit of the Financial Report and the Australian Financial Service License obligations of the Company are paid by a related entity of the Company being Retail Employees Superannuation Trust. The auditor did not provide any other services to the Company.

Retail Employees Superannuation Pty Limited
Notes to the financial statements
30 June 2024

Note 12. Related party transactions

Key management personnel

The names of the Directors who acted during the year are:

Dr Adam Walk

Ms Catherine Bolger (appointed effective 7 August 2024)

Ms Helen Cooney

Mr James Merlino

Ms Joanne Lester

Ms Julia Fox (resigned effective 26 May 2024)

Mr Michael Bargholz

Mr Michael Tehan (resigned effective 31 March 2024)

Mr Mitchell Worsley (appointed effective 1 April 2024)

Ms Sally Evans (resigned effective 31 July 2024)

Mr Vaughn Richtor

Ms Alicia Di Mauro (acted as Alternate Director for Helen Cooney at the August 2023 Board)

The Directors have received compensation in relation to their duties as Directors of the Company as follows:

	2024	2023
	\$	\$
Short term - salaries	1,093,039	1,122,095
Post employment	<u>125,744</u>	<u>134,154</u>
	<u><u>1,218,783</u></u>	<u><u>1,256,249</u></u>

Transactions with related parties

The following transactions occurred with related parties:

(i) The Company received Trustee fees from the Fund of 7,446,291 (2023: 6,853,903)

(ii) The Company paid \$200,000 (2023: \$200,000) to Rest Holdings No 1 Pty Limited during the year for ongoing facility fees in connection with the capital support guarantee agreement. As at 30 June 2024, \$nil was payable.

Payment to sponsoring organisations

Three Directors (2023: Two) are full time paid employees of the Shop, Distributive and Allied Employees' Association (SDA). The compensation for these Directors is reimbursed to the SDA given these employment arrangements. The total amount is set out below:

	2024	2023
	\$	\$
Director fees	<u><u>224,823</u></u>	<u><u>208,299</u></u>

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 13. Liabilities as a trustee and right of indemnity

The Company (Retail Employees Superannuation Pty Limited) acts solely as Trustee of Retail Employees Superannuation Trust (the Fund). These financial statements have been prepared for the Company, and as such do not record the assets and liabilities of the Fund as the Trustee will be indemnified from the Fund against all claims losses or liabilities incurred by it in the execution, attempted execution or in respect of the non-execution of the trusts, authorities, powers and discretions contained in the Trust Deed unless it has failed to act honestly or intentionally or recklessly fails to exercise the degree of care and diligence that the Trustee was required to exercise or the liability is for the amount of a criminal, civil or administrative penalty incurred by the Trustee in relation to a contravention of a law of the Commonwealth or the indemnity is otherwise precluded as a matter of law. The indemnity also covers liabilities which have not been recognised in the financial statements for the period ended 30 June 2024 and which may be called upon at a future date. The indemnity is limited to the assets of the Fund. At balance date, the assets of the Fund are sufficient to meet its liabilities.

Retail Employees Superannuation Pty Limited
Notes to the financial statements
30 June 2024

Note 13. Liabilities as a trustee and right of indemnity (continued)

	30 June 2024	30 June 2023
	\$m	\$m
Assets		
Financial investments	86,856	76,470
Other assets	1,033	748
Total assets	<u>87,889</u>	<u>77,218</u>
Liabilities		
Unsettled investment purchases	(395)	(227)
Payables	(153)	(138)
Income tax payable	(161)	-
Financial liabilities	(58)	(740)
Deferred tax liabilities	(1,125)	(815)
Member liabilities	(85,471)	(74,841)
Total liabilities	<u>(87,363)</u>	<u>(76,761)</u>
Net assets	<u>526</u>	<u>457</u>

Note 14. Contingent liability

A class action was commenced against Rest in the Federal Court of Australia on 22 December 2023. The class action relates to some members of the Trust between 5 December 2008 and 30 June 2019 who had default income protection insurance and were charged insurance premiums after a period of 12 months during which they did not make or receive contributions into their Rest accounts. The Trustee denies the substantive allegations and is defending its position. It is currently not possible to determine the ultimate impact of these proceedings on the Trust. No provisions have been raised for this matter as there is no present obligation and the likelihood of any financial liability is uncertain and cannot be reliably measured.

Apart from the contingent liability referred to above, there are no other material contingent liabilities as at 30 June 2024. No further contingent liabilities of a material amount have since come to the knowledge of the Directors.

Note 15. Contingent asset

The Australian Securities and Investments Commission (ASIC) commenced civil penalty proceedings in the Federal Court against the Trustee in March 2021. ASIC alleged that the Trustee made false or misleading representations from 2 March 2015 to 2 May 2018 about the ability of members of the Retail Employees Superannuation Trust (the Trust) to transfer their superannuation out of the Fund. A hearing on liability took place in the Federal Court of Australia in November and December 2023.

Subsequent to year end, on 18 September 2024 a judgment was delivered, and the proceeding was dismissed. In the absence of disagreement about the costs order, ASIC will pay 80% of the Trustee's costs (as agreed by ASIC or determined by the Court). This amount will not exceed 80% of the Trustee's costs of \$2.4m. Should either party contend for a different costs order, the Court will then make directions.

Note 16. Subsequent events

On 18 September 2024 the judgment was delivered in ASIC's civil penalty proceedings in the Federal Court against the Trustee, and the proceeding was dismissed.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.