The Trust Company Share Imputation Fund

Financial Report
for the period from 1 July 2023 to 2 April 2024
ARSN 093 105 732

Perpetual Investment Management Limited
ABN 18 000 866 535 AFSL 234426

Perpetual

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Directors' report

The directors of Perpetual Investment Management Limited (a wholly owned subsidiary of Perpetual Limited), the Responsible Entity of The Trust Company Share Imputation Fund (the Scheme), present their report together with the financial statements of the Scheme for the period from 1 July 2023 to 2 April 2024 and the auditor's report thereon.

Responsible Entity

The Responsible Entity of The Trust Company Share Imputation Fund is Perpetual Investment Management Limited (ABN 18 000 866 535). The Responsible Entity's registered office and principal place of business is Level 18, 123 Pitt Street, Sydney, NSW 2000.

Directors

The following persons held office as directors of Perpetual Investment Management Limited during the period or since the end of the period and up to the date of this report:

A Apted (appointed 9 April 2020)
S Mosse (appointed 30 November 2023)
A Serhan (appointed 1 July 2024)
A Lo Proto (appointed 8 March 2022, resigned 30 November 2023)
A Rozenauers (appointed 9 November 2022, resigned 1 July 2024)

Principal activities

The Scheme was terminated on 15 March 2024 with the redemption of all units of the Scheme effective on that date and the payment of the final return of capital on 2 April 2024, completing the wind up of the Scheme.

Prior to the termination, the principal activity of the Scheme was to provide unitholders with long-term capital growth and regular income through investment in quality industrial and resource shares.

The Scheme did not have any employees during the period.

Review and results of operations

Prior to the termination, the Scheme's assets were invested in accordance with the investment objective and guidelines as set out in the governing documents of the Scheme and in accordance with the provisions of the Scheme's Constitution.

The performance of the Scheme, as represented by the results of its operations, was as follows:

	Period 1 July 2023 to 2 April 2024	Year ended 30 June 2023
Profit/(loss) ($)	**462,222**	2,845,131
Distributions paid and payable ($)	**1,979,961**	1,542,711
Distributions (cents per unit)	**30.39**	15.35

Interests in the Scheme

The movement in units on issue in the Scheme during the period is disclosed in note 5 to the financial statements.

The value of the Scheme's assets and liabilities is nil as disclosed in the statement of financial position due to the termination of the Scheme.

Directors' report (continued)

Significant changes in state of affairs

All units of the Scheme were redeemed for effective date 15 March 2024 and the final return of capital was paid on 2 April 2024. The Scheme was effectively wound up on 2 April 2024.

Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 2 April 2024.

Likely developments and expected results of operations

The Scheme was wound up on 2 April 2024.

Environmental regulation

The operations of the Scheme are not subject to any particular or significant environmental regulations under a law of the Commonwealth, or of a State or Territory.

Fees paid to the Responsible Entity or its related parties

Fees paid to the Responsible Entity and its related parties out of Scheme property during the period are disclosed in note 12 to the financial statements.

No fees were paid out of Scheme property to the directors of the Responsible Entity during the period.

Indemnity and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Scheme in regards to insurance cover provided to either the officers of Perpetual Investment Management Limited or the auditor of the Scheme. So long as the officers of Perpetual Investment Management Limited act in accordance with the Scheme's Constitution and the law, the officers remain indemnified out of the assets of the Scheme against losses incurred while acting on behalf of the Scheme. The auditor of the Scheme is in no way indemnified out of the assets of the Scheme.

Lead auditor's independence declaration

A copy of the lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of the directors.

Director

Sydney
18 September 2024

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

To the Directors of Perpetual Investment Management Limited as the Responsible Entity of The Trust Company Share Imputation Fund

I declare that, to the best of my knowledge and belief, in relation to the audit of The Trust Company Share Imputation Fund for the financial period ended 2 April 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Andrew Reeves

Partner

Sydney

18 September 2024

Statement of comprehensive income

	Notes	Period 1 July 2023 to 2 April 2024 $	Year ended 30 June 2023 $
Investment income			
Dividend income		**413,106**	767,540
Interest income		**24,894**	14,999
Net gains/(losses) on financial instruments at fair value through profit or loss		**182,339**	2,307,676
Net foreign exchange gains/(losses)		**(3,368)**	(1,716)
Other income		**-**	19,154
Total investment income/(loss)		**616,971**	3,107,653
Expenses			
Responsible Entity's fees	12	**106,750**	219,159
Other expenses	3	**47,999**	43,363
Total expenses		**154,749**	262,522
Profit/(loss)		**462,222**	2,845,131
Other comprehensive income		**-**	-
Total comprehensive income		**462,222**	2,845,131

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

Statement of financial position

	Notes	**2 April 2024 $**	30 June 2023 $
Assets			
Cash and cash equivalents	10(b)	-	176,781
Receivables	8	-	109,919
Financial assets at fair value through profit or loss	6	-	19,234,595
Total assets		-	19,521,295
Liabilities			
Distributions payable	4	-	1,180,939
Payables	9	-	105,290
Financial liabilities at fair value through profit or loss	7	-	29,817
Total liabilities		-	1,316,046
Net assets attributable to unitholders - equity	5	-	18,205,249

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

Statement of changes in equity

	Notes	**Period 1 July 2023 to 2 April 2024 $**	Year ended 30 June 2023 $
Total equity at the beginning of the period/year	5	**18,205,249**	20,258,075
Comprehensive income			
Profit/(loss)		**462,222**	2,845,131
Other comprehensive income		**-**	-
Total comprehensive income		**462,222**	2,845,131
Transactions with unitholders			
Applications	5	**400,572**	2,206,740
Redemptions	5	**(17,296,862)**	(5,914,867)
Units issued upon reinvestment of distributions	5	**208,780**	352,881
Distributions to unitholders	4, 5	**(1,979,961)**	(1,542,711)
Total transactions with unitholders		**(18,667,471)**	(4,897,957)
Total equity at the end of the period/year	5	**-**	18,205,249

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

Statement of cash flows

	Notes	**Period 1 July 2023 to 2 April 2024 $**	Year ended 30 June 2023 $
Cash flows from operating activities			
Dividends received		**485,953**	793,554
Interest received		**27,316**	12,830
Other income received		**16,788**	39,879
Responsible Entity's fees paid		**(132,169)**	(240,564)
Other expenses paid		**(51,918)**	(57,205)
Net cash inflow/(outflow) from operating activities	10(a)	**345,970**	548,494
Cash flows from investing activities			
Proceeds from sale of financial instruments at fair value through profit or loss		**26,566,602**	17,134,606
Payments for purchase of financial instruments at fair value through profit or loss		**(7,242,944)**	(10,708,177)
Amount received from/(paid to) brokers for margin		**-**	11,285
Net cash inflow/(outflow) from investing activities		**19,323,658**	6,437,714
Cash flows from financing activities			
Proceeds from applications by unitholders		**402,573**	2,204,739
Payments for redemptions by unitholders		**(17,296,862)**	(5,914,867)
Distributions paid		**(2,952,120)**	(4,235,356)
Net cash inflow/(outflow) from financing activities		**(19,846,409)**	(7,945,484)
Net increase/(decrease) in cash and cash equivalents		**(176,781)**	(959,276)
Cash and cash equivalents at the beginning of the period/year		**176,781**	1,136,057
Cash and cash equivalents at the end of the period/year	10(b)	**-**	176,781

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

1 General information

These financial statements cover The Trust Company Share Imputation Fund (the Scheme) as an individual entity. The Scheme was a registered managed investment scheme under the *Corporations Act 2001*. The Scheme was constituted on 29 September 1987. The Scheme was wound up on 2 April 2024. The Scheme was domiciled in Australia.

The Responsible Entity of the Scheme is Perpetual Investment Management Limited. The Responsible Entity's registered office is Level 18, 123 Pitt Street, Sydney, NSW 2000.

The financial statements were authorised for issue by the directors of the Responsible Entity on 18 September 2024. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of material accounting policies

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

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* in Australia.

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

The financial statements are prepared on a basis other than going concern as the Scheme was wound up on 2 April 2024. There is no difference in the financial statements that are prepared on a going concern basis and the alternate basis.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for financial assets at fair value through profit or loss and net assets attributable to unitholders.

The Scheme manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within twelve months, however, an estimate of that amount cannot be determined at the reporting date.

Compliance with International Financial Reporting Standards

The financial statements also comply with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.

Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Scheme's functional currency.

Use of estimates

Management makes estimates and assumptions that affect the reported amounts in the financial statements. Estimates and associated assumptions are reviewed regularly and are based on historical experience and various other factors, including expectations of future events that are believed to be reasonable under the circumstances. Where applicable to the fair value measurement, the current changing market conditions are assessed and estimated. Actual results may differ from these estimates.

The use of estimates and critical judgements in fair value measurement that can have significant effect on the amounts recognised in the financial statements is described in note 13(d).

2 Summary of material accounting policies (continued)

(a) Basis of preparation (continued)

New standards, amendments and interpretations adopted by the Scheme

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

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

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

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

(b) Financial instruments

(i) Classification

The Scheme classifies its investments based on its business model for managing those financial instruments and their contractual cash flow characteristics. The Scheme's investment portfolio is managed and its performance is evaluated on a fair value basis in accordance with the Scheme's documented investment strategy. The Scheme's policy is to evaluate the information about its investments on a fair value basis together with other related financial information.

Equity securities are classified as financial assets at fair value through profit or loss.

Derivative contracts that have negative values are presented as financial liabilities at fair value through profit or loss.

(ii) Recognition/derecognition

The Scheme recognises its investments on the date it becomes party to the purchase contractual agreement (trade date) and recognises changes in fair value of the financial instruments from this date.

Investments are derecognised on the date the Scheme becomes party to the sale contractual agreement (trade date).

(iii) Measurement

At initial recognition, investments are measured at fair value. Transaction costs are expensed in profit or loss as incurred. Subsequently, all investments are measured at fair value without any deduction for estimated future selling costs. Gains and losses arising from changes in the fair value measurement are recognised in profit or loss in the period in which they arise.

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. Further details of fair value measurement are disclosed in note 13(d).

(iv) Offsetting financial instruments

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

2 Summary of material accounting policies (continued)

(c) Net assets attributable to unitholders

All units in the Scheme were redeemed for effective date 15 March 2024 and the final return of capital was paid on 2 April 2024. The Scheme was effectively wound up on 2 April 2024.

Prior to the termination of the Scheme, units were redeemable at unitholders' option. However, applications and redemptions could be suspended by the Responsible Entity if it was in the best interests of the unitholders. The units could be put back to the Scheme at any time for cash based on the redemption price, which is a reasonable approximation of the proportionate share of the Scheme's net asset value. The carrying amount of these units at the redemption price represents the expected cash flows on redemption of these units at the reporting date if the unitholders exercise their right to put the units back to the Scheme.

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments are classified as equity where certain strict criteria are met. The Scheme classifies the net assets attributable to unitholders as equity as it satisfies the following criteria:

- the puttable financial instruments entitle the holder to a pro-rata share of net assets in the event of the Scheme's liquidation;
- the puttable financial instruments are in the class of instruments that is subordinate to all other classes of instruments and the class features are identical;
- no contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Scheme, and it is not a contract settled in the Scheme's own equity instrument; and
- the total expected cash flows attributable to the puttable financial instruments over the life are based substantially on the profit or loss.

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash at bank and other short term and highly liquid financial assets with a maturity period of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

(e) Margin accounts

Margin accounts comprise cash held or owed as collateral for derivative transactions. The cash is held by or owed to the broker and is only available to meet margin calls. It is not included as a component of cash and cash equivalents.

The carrying amount of margin accounts is a reasonable approximation of fair value.

2 Summary of material accounting policies (continued)

(f) Receivables

Receivables include accrued income, application monies receivable and receivables for securities sold.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Scheme measures the loss allowance on receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Scheme measures the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

The carrying amount of receivables is a reasonable approximation of fair value due to their short term nature.

(g) Payables

Payables include accrued expenses and payables for securities purchased which are unpaid at the end of the reporting period.

The carrying amount of payables is a reasonable approximation of fair value due to their short term nature.

(h) Investment income

Interest income from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents.

Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss when the Scheme's right to receive payment is established.

Other changes in fair value for such instruments are recorded in accordance with the accounting policies described in note 2(b).

(i) Expenses

All expenses, including Responsible Entity's fees, are recognised in profit or loss on an accruals basis.

(j) Income tax

The Scheme is not subject to income tax provided the taxable income of the Scheme is attributed to its unitholders each financial year. Unitholders are subject to income tax at their own marginal tax rates on amounts attributable to them.

The benefits of franking credits and foreign tax paid are passed on to unitholders, provided certain conditions are met.

(k) Distributions

In accordance with the Scheme's Constitution, the Scheme distributes its distributable income and any other amounts as determined by the Responsible Entity.

2 Summary of material accounting policies (continued)

(l) Goods and Services Tax

The Goods and Services Tax (GST) is incurred on the cost of various services provided to the Scheme by third parties. The Scheme qualifies for Reduced Input Tax Credit (RITC); hence expenses such as Responsible Entity's fees have been recognised in profit or loss net of the amount of GST recoverable from the Australian Taxation Office. Payables are inclusive of GST. The net amount of GST recoverable is included in receivables in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis.

(m) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in profit or loss on a net basis within net gains/(losses) on financial instruments at fair value through profit or loss.

3 Other expenses

	Period 1 July 2023 to 2 April 2024	Year ended 30 June 2023
	$	$
Transaction costs	**42,792**	32,672
Expense recovery	**5,207**	10,691
Total	**47,999**	43,363

4 Distributions to unitholders

The distributions for the period were as follows:

	Period 1 July 2023 to 2 April 2024	**Period 1 July 2023 to 2 April 2024**	Year ended 30 June 2023	Year ended 30 June 2023
	$	**CPU**	$	CPU
Distributions paid - September	**48,701**	**0.60**	58,759	0.50
Distributions paid - December	**149,753**	**1.96**	262,940	2.35
Distributions paid - March	**1,781,507**	**27.83**	40,073	0.37
Distributions payable - June	**-**	**-**	1,180,939	12.13
Total distributions	**1,979,961**		1,542,711	

5 Net assets attributable to unitholders

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

	Period 1 July 2023 to 2 April 2024 Units	Year ended 30 June 2023 Units	**Period 1 July 2023 to 2 April 2024 $**	Year ended 30 June 2023 $
Opening balance	**9,735,539**	11,389,483	**18,205,249**	20,258,075
Applications	**215,203**	1,174,164	**400,572**	2,206,740
Redemptions	**(10,071,786)**	(3,025,711)	**(17,296,862)**	(5,914,867)
Units issued upon reinvestment of distributions	**121,044**	197,603	**208,780**	352,881
Distributions to unitholders	**-**	-	**(1,979,961)**	(1,542,711)
Profit/(loss)	**-**	-	**462,222**	2,845,131
Closing balance	**-**	9,735,539	**-**	18,205,249

As stipulated within the Scheme's Constitution, each unit represents a right to an individual unit in the Scheme and does not extend to a right to the underlying assets of the Scheme. There are no separate classes of units and each unit has the same rights attached to it as all other units of the Scheme.

Capital risk management

The Scheme considers its net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders reduced to nil after the payment of the final return of capital to unitholders.

6 Financial assets at fair value through profit or loss

	2 April 2024 $	30 June 2023 $
Equity securities	**-**	19,234,595
Total financial assets at fair value through profit or loss	**-**	19,234,595

7 Financial liabilities at fair value through profit or loss

	2 April 2024 $	30 June 2023 $
Derivatives		
Foreign currency forward contracts	**-**	29,817
Total financial liabilities at fair value through profit or loss	**-**	29,817

8 Receivables

	2 April 2024 $	30 June 2023 $
Dividends receivable	-	63,985
Withholding tax receivable	-	8,862
Interest receivable	-	2,422
Applications receivable	-	2,001
Receivables for securities sold	-	26,749
Other receivables	-	5,900
Total receivables	-	109,919

9 Payables

	2 April 2024 $	30 June 2023 $
Responsible Entity's fees payable	-	17,608
Payables for securities purchased	-	86,840
Expense recovery payable	-	842
Total payables	-	105,290

10 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	Period 1 July 2023 to 2 April 2024 $	Year ended 30 June 2023 $
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Profit/(loss)	**462,222**	2,845,131
(Increase)/decrease in dividends receivable	**63,985**	19,213
(Increase)/decrease in withholding tax receivable	**8,862**	6,801
(Increase)/decrease in interest receivable	**2,422**	(2,169)
(Increase)/decrease in other receivables	**5,900**	1,981
Increase/(decrease) in payables	**(18,450)**	(16,503)
Net (gains)/losses on financial instruments at fair value through profit or loss	**(182,339)**	(2,307,676)
Net foreign exchange (gains)/losses	**3,368**	1,716
Net cash inflow/(outflow) from operating activities	**345,970**	548,494
(b) Components of cash and cash equivalents		
Cash at the end of the period/year as shown in the statement of cash flows is reconciled to the statement of financial position as follows:		
Cash at bank	-	176,781
Total cash and cash equivalents	-	176,781
(c) Non-cash financing activities		
Distribution payments satisfied by the issue of units under the distribution reinvestment plan	**208,780**	352,881

11 Remuneration of auditors

	Period 1 July 2023 to 2 April 2024	Year ended 30 June 2023
	$	$
Amount received or due and receivable by KPMG:		
Audit of financial statements	**12,692**	14,634
Other regulatory assurance services	**3,015**	4,252
Total	**15,707**	18,886

Audit fees were paid or payable by the Responsible Entity.

12 Related party transactions

Responsible Entity

The Responsible Entity of The Trust Company Share Imputation Fund is Perpetual Investment Management Limited (ABN 18 000 866 535), a wholly owned subsidiary of Perpetual Limited (ACN 000 431 827).

The Scheme does not employ personnel in its own right. However, it is required to have an incorporated Responsible Entity to manage the activities of the Scheme and this is considered the key management personnel.

Key management personnel

(a) Directors

The directors of Perpetual Investment Management Limited during the period or since the end of the period and up to the date of this report were as follows:

A Apted (appointed 9 April 2020)
S Mosse (appointed 30 November 2023)
A Serhan (appointed 1 July 2024)
A Lo Proto (appointed 8 March 2022, resigned 30 November 2023)
A Rozenauers (appointed 9 November 2022, resigned 1 July 2024)

(b) Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Scheme, directly or indirectly, during or since the end of the period.

Transactions with key management personnel

Key management personnel services are provided by Perpetual Investment Management Limited and included in the Responsible Entity's fees. There is no separate charge for these services. There was no compensation paid directly by the Scheme to any of the key management personnel during the period.

The Scheme did not make, guarantee or secure, directly or indirectly, any loans to the key management personnel or their related entities at any time during the reporting period.

12 Related party transactions (continued)

Responsible Entity's fees and other transactions

Under the terms of the Scheme's Constitution, the Responsible Entity is entitled to receive management fees. The Scheme incurred management fees (inclusive of GST and net of RITC) of 1.025% per annum for the period from 1 July 2023 to 14 March 2024. The management fees were calculated by reference to the net asset value of the Scheme.

The Responsible Entity is also entitled to be reimbursed for the normal operating expenses incurred by the Scheme. There is no limit on the amount that can be recovered for expenses that are reasonably and properly incurred. However, the Responsible Entity charges the expense recovery at a fixed rate of 0.05% per annum for the period from 1 July 2023 to 14 March 2024. Any amounts incurred exceeding the amounts charged under the fixed rate will not be recovered from the Scheme.

The transactions during the period and amounts payable at the reporting date between the Scheme and the Responsible Entity were as follows:

	Period 1 July 2023 to 2 April 2024	Year ended 30 June 2023
	$	$
Responsible Entity's fees	**106,750**	219,159
Responsible Entity's fees payable	**-**	17,608
Expense Recovery	**5,207**	10,691
Expense Recovery payable	**-**	842

13 Financial risk management

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

A risk management framework has been established by the Responsible Entity of the Scheme to monitor the Scheme's compliance with its governing documents and to minimise risks in its investment activities. This framework incorporates a regular assessment process to ensure procedures and controls adequately manage the investment activities. The Scheme is permitted to use derivative products. However, the use of derivatives must be consistent with the investment strategy and restrictions specified in the Scheme's governing documents.

All investment securities present a risk of loss of capital. The maximum loss of capital on investment securities is generally limited to the fair values of those positions. The maximum loss of capital on derivatives is limited to the notional contract values of those positions.

The Scheme's asset managers aim to manage these risks through the use of consistent and carefully considered investment strategy and guidelines specifically tailored for the Scheme's investment objective. Risk management techniques are used in the selection of investments. Asset managers will only purchase securities (including derivatives) which meet the prescribed investment criteria. Risk may also be reduced by diversifying investments across several asset managers, markets, regions or different asset classes and counterparties.

The Scheme uses different methods to measure different types of risks to which it is exposed. These methods include sensitivity analysis in the case of currency risk, interest rate risk and price risk; and credit ratings analysis for credit risk.

13 Financial risk management (continued)

(a) Market risk

(i) Currency risk

Currency risk arises as the fair value or future cash flows of monetary assets and liabilities denominated in foreign currency will fluctuate due to changes in exchange rates. The currency risk relating to non-monetary assets and liabilities is a component of price risk and not currency risk. However, management monitors the exposures on all foreign currency denominated assets and liabilities.

Prior to the termination, the Scheme held foreign currency forward contracts to protect the valuation of financial assets and liabilities against variations in the exchange rates. The Scheme did not designate any derivatives as hedges, and hence these derivative financial instruments were classified at fair value through profit or loss.

The Scheme did not have any significant exposure to currency risk (net of foreign currency exposure arising from derivatives) at the reporting date.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Scheme is exposed to cash flow interest rate risk on financial instruments with floating interest rates. Financial instruments with fixed interest rates expose the Scheme to fair value interest rate risk.

Prior to the termination, the Scheme's exposure to interest rate risk was limited to its cash and cash equivalents, which earn/charge a floating rate of interest.

(iii) Price risk

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).

Prior to the termination, the Scheme was exposed to price risk predominantly through its investments for which prices in the future are uncertain.

The fair value of the Scheme's investments exposed to price risk was as follows:

	2 April 2024	30 June 2023
	$	$
Equities	**-**	19,234,595
	-	19,234,595

The table presented in note 13(a)(iv) summarises sensitivity analysis to price risk. This analysis assumes that all other variables remain constant.

13 Financial risk management (continued)

(a) Market risk (continued)

(iv) Sensitivity analysis

The following table summarises the sensitivity of the profit and net assets attributable to unitholders to price risk. The reasonably possible movements in the risk variables have been determined based on management's estimates, having regard to a number of factors, including historical correlation of the Scheme's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusual large market movements resulting from changes in the performance of and/or correlation between the performance of the economies, markets and securities in which the Scheme invests. As a result, historic variations in risk variables should not be used to predict future variations in the risk variables.

		Impact on profit/net assets attributable to unitholders	
	Sensitivity rates	**2 April 2024**	30 June 2023
		$	$
Price risk	+10%	**-**	1,923,460
	-10%	**-**	(1,923,460)

(b) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts when they fall due. The Scheme was exposed to counterparty credit risk on derivative financial instruments, cash and cash equivalents and receivables for securities sold. The maximum exposure to credit risk at the reporting date was the carrying amount of the financial assets. None of these assets were impaired or past due but not impaired.

(i) Derivative financial instruments

The Scheme's exposure to credit risk for derivative financial instruments was nil at the reporting date. Prior to the termination, the risk of counterparty default for over the counter derivatives was minimised by applying minimum credit ratings to counterparties at the time of entering into a contract and ISDA agreements were put in place with counterparties.

(ii) Cash and cash equivalents

Prior to the termination, the Scheme's exposure to credit risk for cash and cash equivalents was low as all counterparties have a high grade credit rating.

(iii) Receivables for securities sold

All transactions in equity securities are settled/paid for upon delivery using approved brokers. Prior to the termination, the risk of default was considered low, as delivery of securities sold is only made once the broker has received payment from the counterparty. Payments on securities acquired are only made after the broker has received the securities. The trade will fail if either party fails to meet its obligations.

13 Financial risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Scheme will not be able to meet its financial obligations as they fall due.

2 April 2024

The Scheme did not have any outstanding financial liabilities after the payment of the final return of capital to unitholders.

30 June 2023

The following table summarises the contractual maturities of financial liabilities, including interest payments where applicable:

		Contractual cash flows		
	Carrying amount	less than 6 months	6-12 months	more than 12 months
	$	$	$	$
Non-derivative financial liabilities				
Distributions payable	1,180,939	1,180,939	-	-
Payables	105,290	105,290	-	-
Total	1,286,229	1,286,229	-	-
Derivative financial liabilities				
Foreign currency forward contracts	29,817			
Outflow	-	1,569,049	-	-
Inflow	-	(1,539,232)	-	-
Total	29,817	29,817	-	-

(d) Fair value measurement

The Scheme classifies fair value measurement of its financial assets and liabilities by level of the following fair value hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

(i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Equity securities are valued at the last traded price. For the majority of these financial instruments, information provided by the independent pricing services is relied upon for valuation.

13 Financial risk management (continued)

(d) Fair value measurement (continued)

(ii) Fair value in an inactive or unquoted market (level 2 and level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. These include the use of recent arm's length transactions, reference to current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation techniques that provide a reliable estimate of prices obtained in actual market transactions.

Valuation models use observable data to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in the assumptions for these factors could affect the reported fair value of financial instruments. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions held.

The fair value of derivatives that are not exchange traded is estimated at the amount that would be received or paid to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties.

Recognised fair value measurements

2 April 2024

The Scheme did not have any financial assets and liabilities at the reporting date.

30 June 2023

The following table presents the Scheme's financial assets and liabilities by fair value hierarchy levels:

	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets at fair value through profit or loss				
Equity securities	19,234,595	-	-	19,234,595
Total	19,234,595	-	-	19,234,595
Financial liabilities at fair value through profit or loss				
Derivatives				
Foreign currency forward contracts	-	29,817	-	29,817
Total	-	29,817	-	29,817

Transfers between levels

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

There were no transfers between levels as at 2 April 2024 and 30 June 2023.

14 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the statement of financial position are disclosed in the first three columns of the table below:

2 April 2024

The Scheme did not hold any financial assets or liabilities that were subject to offsetting arrangements at the reporting date.

30 June 2023	Effects of offsetting on the statement of financial position			Related amounts not offset	
	Gross amounts	Gross amounts set off	Net amounts presented	Amounts subject to master netting arrangements	Net amounts
	$	$	$	$	$
Financial liabilities					
Derivatives	(29,817)	-	(29,817)	-	(29,817)
Total	(29,817)	-	(29,817)	-	(29,817)

Master netting arrangement - not currently enforceable

Agreements with derivative counterparties are based on the ISDA Master Agreements. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Scheme does not presently have a legally enforceable right of set-off, these amounts have not been offset in the statement of financial position, but have been presented separately in this note.

15 Derivative financial instruments

A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign currency exchange rates, index of prices or rates, credit rating or credit index or other variables.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include many different instruments, such as foreign currency forward contracts, futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Scheme's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Scheme against a fluctuation in market values or to reduce volatility;
- a substitution for trading of physical securities; and
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Scheme.

15 Derivative financial instruments (continued)

The Scheme held the following derivative financial instruments during the period:

Foreign currency forward contracts

Foreign currency forward contracts are agreements to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Foreign currency forward contracts are primarily used to hedge against currency risks of non-Australian dollar denominated securities.

Risk exposures and fair value measurements

Information about the Scheme's exposure to financial risks and the methods and assumptions used in determining fair values is provided in note 13. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of the derivative financial instruments.

16 Events occurring after the reporting period

No significant events have occurred since the reporting date which would have an impact on the financial position of the Scheme as at 2 April 2024 or on the results and cash flows of the Scheme for the period ended on that date.

17 Contingent assets, liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 2 April 2024 and 30 June 2023.

18 Wind up

All units of the Scheme were redeemed for effective date 15 March 2024 and the final return of capital was paid on 2 April 2024. The Scheme was effectively wound up on 2 April 2024.

Directors' declaration

In the opinion of the directors of Perpetual Investment Management Limited, the Responsible Entity of The Trust Company Share Imputation Fund:

(a) the financial statements and notes, set out on page 5 to 23, are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

  (ii) giving a true and fair view of the Scheme's financial position as at 2 April 2024 and of its performance for the period ended on that date;

(b) note 2(a) confirms that the financial statements comply with International Financial Reporting Standards and Interpretations as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.

Director

Sydney
18 September 2024

Independent Auditor's Report

To the unitholders of The Trust Company Share Imputation Fund

Opinion

We have audited the ***Financial Report*** of The Trust Company Share Imputation Fund (the Scheme).

In our opinion, the accompanying Financial Report of the Scheme gives a true and fair view, including of the Scheme's financial position as at 2 April 2024 and of its financial performance for the period then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises the:

- Statement of financial position as at 2 April 2024;
- Statement comprehensive income, Statement of changes in equity, and Statement of cash flows for the period then ended
- Notes, including material accounting policies; and
- Directors' Declaration.

Basis for opinion

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

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

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

Emphasis of matter – basis of preparation other than going concern

We draw attention to note 2(a) of the Financial Report, which indicates that the Financial Report has been prepared on a basis other than going concern. The Financial Report is prepared on a basis other than going concern following the resolution to wind up the Scheme made by the Board of Directors of the Responsible Entity. The Scheme was wound up on the 2 April 2024. Our opinion is not modified in respect of this matter.

Other Information

Other Information is financial and non-financial information in The Trust Company Share Imputation Fund's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors of Perpetual Investment Management Limited (the Responsible Entity) are responsible for the Other Information.

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

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

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

Responsibilities of Directors for the Financial Report

The Directors of Perpetual Investment Management Limited (the Responsible Entity) are responsible for:

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

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

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

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

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

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

Andrew Reeves

Partner

Sydney

18 September 2024

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