

HUB24 SUPER FUND

ABN 60 910 190 523

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

HUB24 SUPER FUND
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HUB24 SUPER FUND
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 \$'000	2022 \$'000
Assets			
Cash and cash equivalents	10(a)	2,411,394	1,759,954
Distributions and dividends receivable		214,818	285,591
Other receivables		95,514	72,809
Investments held at fair value	15	22,204,325	15,066,037
Current Tax Assets	9	29,364	-
Deferred tax assets	9	-	60,036
Total Assets		24,955,415	17,244,427
Liabilities			
Accounts payable and accrued expenses		94,114	76,372
Deferred tax liabilities	9	23,856	-
Current tax liabilities	9	-	23,364
Total Liabilities (excluding member benefits)		117,970	99,736
Net assets available for member benefits		24,837,445	17,144,691
Member benefits			
Defined contribution member liabilities	6(b)	24,808,918	17,114,529
Total member liabilities		24,808,918	17,114,529
Total net assets		28,527	30,162
Equity			
Operational risk reserve	7(a)	23,053	20,808
General reserve	7(b)	6,485	2,709
Unallocated (deficit)/surplus	7(c)	(1,011)	6,645
Total equity		28,527	30,162

The Statement of Financial Position should be read in conjunction with the accompanying Notes to the Financial Statements.

HUB24 SUPER FUND
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$'000	2022 \$'000
Superannuation Activities			
Revenue			
Changes in fair value of investments	5	1,161,764	(1,838,889)
Dividends		281,496	217,203
Distributions from managed funds		350,792	376,119
Interest		51,568	5,718
Other income		1,360	8
Total revenue/(loss)		1,846,980	(1,239,841)
Expenses			
Investment expenses		(36,096)	(28,113)
General administration and operating expenses	4	(60,383)	(50,088)
Adviser fees		(172,764)	(149,875)
Total expenses		(269,243)	(228,076)
Operating results before income tax expense		1,577,737	(1,467,917)
Income tax benefit	8(a)	28,385	181,864
Operating result after income tax expense		1,606,122	(1,286,053)
Net benefits allocated to defined contribution member accounts		1,613,405	(1,289,269)
Operating result		(7,283)	3,216

The Income Statement should be read in conjunction with the accompanying Notes to the Financial Statements.

HUB24 SUPER FUND
STATEMENT OF CHANGES IN MEMBER BENEFITS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$'000	2022 \$'000
Opening balance of Member Benefits as at 1 July		17,114,529	13,269,464
Contributions:			
- Employer contributions		382,420	256,415
- Member contributions		1,753,453	1,022,625
- Government contributions		1,265	360
Transfers from other superannuation entities		5,294,222	5,145,558
Successor fund transfers	1,19	705,941	-
Income tax on contributions	8(c)	(100,008)	(65,849)
Net after tax contributions		8,037,293	6,359,109
Benefits to members		(1,229,874)	(667,777)
Transfers to other superannuation entities		(632,457)	(469,250)
Insurance premiums charged to defined contribution members' accounts		(123,688)	(107,617)
Death and disability benefits credited to defined contribution members' accounts		35,358	24,225
Transfers to general reserve		(5,648)	(4,355)
Net benefits allocated, comprising:			
- Net investment (loss)/income		1,809,960	(1,266,397)
- Net administration fees		(57,395)	(47,164)
- Net adviser fees		(190,297)	(132,343)
- Net tax credit/expense		51,137	156,634
Closing balance of Member Benefits as at 30 June	6	24,808,918	17,114,529

The Statement of Changes in Member Benefits should be read in conjunction with the accompanying Notes to the Financial Statements.

HUB24 SUPER FUND
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Operational Risk reserve \$'000	General Reserve \$'000	Unallocated (Deficit)/Surplus \$'000	Total Equity \$'000
Opening balance as at 1 July 2022	20,808	2,709	6,645	30,162
Net Transfers to/(from) reserves	-	-	-	-
Transfer from member account	-	5,648	-	5,648
Operating result	2,245	(1,872)	(7,656)	(7,283)
Closing balance as at 30 June 2023	23,053	6,485	(1,011)	28,527

	Operational Risk Reserve \$'000	General Reserve \$'000	Unallocated (Deficit)/Surplus \$'000	Total Equity \$'000
Opening balance as at 1 July 2021	19,701	2,890	-	22,591
Net Transfers to/(from) reserves	2,600	(2,600)	-	-
Transfer from member account	-	4,355	-	4,355
Operating result	(1,493)	(1,936)	6,645	3,216
Closing balance as at 30 June 2022	20,808	2,709	6,645	30,162

The Statement of Changes in Equity should be read in conjunction with the accompanying Notes to the Financial Statements.

HUB24 SUPER FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Other income received		1,361	8
Interest received		51,568	5,717
Distributions and dividend received		703,061	518,814
Death and disability proceeds received from insurer		35,357	24,225
Other general administration expenses		(262,794)	(224,462)
Income tax refund		62,019	37,457
Death and disability insurance premiums		(124,118)	(107,344)
Net cash inflows from operating activities	10(b)	466,454	254,415
Cash flows from investing activities			
Proceeds from sale of investments		8,399,482	5,928,613
Payments for purchase of investments		(14,389,046)	(10,882,599)
Net cash outflows from investing activities		(5,989,564)	(4,953,986)
Cash flows from financing activities			
Employer contributions		382,420	256,415
Member contributions		1,753,453	1,022,625
Government co-contributions		1,265	360
Contribution tax paid		(100,008)	(65,849)
Net transfers from other funds		6,000,163	5,152,451
Benefits paid to members		(1,862,743)	(1,136,972)
Net cash inflows from financing activities		6,174,550	5,229,030
Net increase in cash held		651,440	529,459
Cash at the beginning of the financial year		1,759,954	1,230,495
Cash at the end of the financial year	10(a)	2,411,394	1,759,954

The Statement of Cash Flows should be read in conjunction with the accompanying Notes to the Financial Statements.

HUB24 SUPER FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1. GENERAL INFORMATION

The HUB24 Super Fund (ABN 60 910 190 523) (the "Fund") is a retail superannuation fund domiciled in Australia. The Fund is primarily involved in providing retirement benefits to its members. The Fund was constituted by a Trust Deed dated 9 May 2012 as amended.

In accordance with amendments to the *Superannuation Industry (Supervision) Act 1993* the Fund is registered with the Australian Prudential Regulation Authority ("APRA") as a Registrable Superannuation Entity ("RSE") (R1074659).

The Fund is a defined contribution fund. Members are those who have voluntarily selected the Fund.

The Trustee of the Fund during the reporting period is HTFS Nominees Pty Ltd (the "Trustee") (ABN 78 000 880 553, AFSL 232500, RSE L0003216), domiciled in Australia and registered with APRA. The address of the Trustee's registered office is Level 1, 575 Bourke Street, Melbourne, Victoria 3000.

HUB24 Custodian Services Limited (ABN 94 073 633 664) acts as the Administrator, Custodian, Promoter and Asset Consultant for the Fund.

There were several successor funds transferred into The Hub24 Super Fund as mentioned in Note 19. Details of these successor funds are set out below:

Fund Transferred In	Date of Transfer	Amount
Aracon Superannuation – Oracle sub plan	28 October 2022	\$ 227,406,641
Aracon Superannuation – ARA Retirement Fund sub plan	5 December 2022	\$ 331,175,578
Aracon Superannuation – Cashel sub plan	28 February 2023	\$ 13,204,240
Aracon Superannuation – Xplore sub plan	3 April 2023	\$ 36,196,184
DIY Master Plan – Xplore sub plan	3 April 2023	\$ 97,958,892

2. BASIS OF PREPARATION

(a) Statement of Compliance

The Financial Statements are a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards, Interpretations, the *Superannuation Industry (Supervision) Act 1993* and provisions of the Trust Deed.

The Financial Statements were authorised and issued by the board and directors of the Trustee on 28 September 2023. For the purposes of preparing the financial statements, the Fund is a for-profit entity.

(b) Use of Estimates and Judgements

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

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

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities.

Estimates are evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

HUB24 SUPER FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. BASIS OF PREPARATION (CONTINUED)

(b) Use of Estimates and Judgements (continued)

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example unquoted securities, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel. Refer to note 15 for details.

(c) New Standards and Interpretations adopted during the year

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2022 that have a material impact on the amounts recognised in the prior or current periods or that will affect the current or future periods.

(d) Accounting Standards and Interpretations issued, but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2023 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

New or revised requirement	Title	Effective Date (annual periods beginning on or after)	30 June 2022 year end applicability
AASB 17	Insurance Contracts	1 January 2023	Not Applicable
AASB 2020-1	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	1 July 2023	Optional
AASB 2020-6	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current – Deferral of Effective Date	1 July 2023	Optional
AASB 2021-2	Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023	Optional
AASB 2021-5	Amendment to Australian Accounting Standards – Deferral Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023	Optional

Changes to financial reporting requirements

The Fund is a registrable superannuation entity that is subject to amendments made to the *Corporations Act 2001* by the *Treasury Laws Amendment (2002 Measures No.4) Act 2023*. These amendments are effective for financial years beginning on or after 1 July 2023 and bring registrable superannuation entities such as the Fund into the financial reporting provisions of the *Corporations Act 2001*.

Accordingly, for the financial year ending 30 June 2024, the Fund will be required to prepare an annual report, consisting of a financial report (including financial statements, notes and a directors' declaration), a directors' report (including a remuneration report) and an attached auditor's report and auditor's independence declaration.

HUB24 SUPER FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. BASIS OF PREPARATION (CONTINUED)

(d) Accounting Standards and Interpretations issued, but not yet effective (continued)

There will be no impacts to the recognition and measurement requirements utilised in the preparation of the financial report of the Fund as a result of these changes.

These reports must also be lodged with ASIC, who now take on an increased regulatory oversight role following the introduction of these amendments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2023 and the comparative information presented in these financial statements for the year ended 30 June 2022.

(a) Cash and Cash Equivalents

Cash comprises cash on hand and on demand deposits.

Cash equivalents are short term, highly liquid investments with maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(b) Financial Instruments

(i) Classification

The Fund's investments are classified at fair value through profit or loss. They comprise financial instruments designated at fair value through profit or loss upon initial recognition. These include financial assets that are not held for trading purposes and which may be sold. These are investments in market quoted investments, unlisted unit trusts, equity securities and commercial paper.

These investments are managed, and their performance is evaluated on a fair value basis in accordance with the Fund's investment strategy.

(ii) Recognition/derecognition

Financial assets and financial liabilities are recognised on the date the Fund becomes a party to the contract relating to the asset. Financial assets are recognised using the quoted price at the trade date. From this date, any gains and losses arising from changes in fair value are recorded.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Fund has transferred substantially all of the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Fund measures a financial asset or liability at fair value. Transaction costs are expensed in the Income Statement.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through income statement are measured at fair value. Gains and losses are presented in the Income Statement in the period in which they arise as net changes in fair value of financial instruments.

The fair values of underlying investments are net of any distributions.

For further details on how the fair values of financial instruments are determined refer to note 15.

HUB24 SUPER FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial Instruments (continued)

(iv) Offsetting financial instruments

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

(c) Accounts Payable

Accounts payable are recognised when the Fund becomes obliged to make future payments resulting from the purchase of goods and services and are recognised at their nominal value which is equivalent to fair value. These amounts are unsecured and are usually paid within 60 days of recognition.

(d) Benefits Payable

Benefits payable are valued at the amounts due to members at reporting date. Benefits payable comprise pensions accrued at balance date and lump sum benefits of members who are due a benefit, but had not been paid at the reporting date.

(e) Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised to the extent in which it is probable that economic benefits will flow to the Fund and the amount of revenue can be reliably measured.

The following recognition criteria relates to the different items of revenue the Fund receives:

(i) Interest revenue

Interest income is recognised in the Income Statement as it accrues, using the original effective interest rate of the instrument calculated at the acquisition or origination date. Interest income includes the amortisation of any discount or premium, transaction costs, or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

(ii) Dividend income

Dividends income is recognised on the date the shares are quoted ex-dividend and if not received at reporting date, are reflected in the Statement of Financial Position as a receivable at fair value.

Dividend income is recognised gross of withholding tax in the period in which the Fund's right to receive payment is established.

(iii) Distribution income

Distributions are recognised as at the date the unit value is quoted ex-distribution and if not received at reporting date, are reflected in the Statement of Financial Position as a receivable at fair value.

(iv) Movement in fair value of investments

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

(f) Contributions received and transfers from other funds

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

HUB24 SUPER FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Income Tax

Income tax as a result of operations for the year comprises current and deferred tax. Income tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in members' funds, in which case it is recognised directly in the Statement of Changes in Member Benefits.

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. 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 periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of 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 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 period(s) when the asset and liability giving 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 liabilities and assets 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 can be 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.

Income tax has been provided in the current year at the rate of 15%, as it is the expectation of the Trustee that the Fund will be treated as a complying superannuation fund. If the Fund is subsequently deemed to be a non-complying fund for the current year, then income tax will be payable at a rate of 45% on the Fund's taxable income.

In line with the expectation to be treated as a compliant superannuation fund, financial assets held for less than 12 months are provided to be taxed at the Fund's rate of 15%. For financial assets held for more than 12 months, the Fund is entitled to a capital gains tax discount on the normal tax rate leading to an effective tax rate of 10% on any net capital gains arising from the disposal of investments.

(h) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST) recoverable from the Australian Taxation Office (ATO) as a reduced input tax credit (RITC), except:

- Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of the asset or as part of an item of expense.
- For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

HUB24 SUPER FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Goods and Services Tax (continued)

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to the ATO, are classified as operating cash flows.

(i) Receivables

Receivable amounts are generally received within 30 days of being recorded as receivables.

Collectability of trade receivables is reviewed regularly. Debts which are known to be uncollectable are written off by reducing the carrying amount.

Receivables are carried at nominal amounts which approximate fair value. Nominal amounts refer to the actual amounts reasonably expected to be received.

Collectability of receivables is reviewed regularly. Debts which are known to be uncollectable are written off by reducing the carrying amount.

(j) Amounts due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date. The amount disclosed on the financial statements is the net amount due from/to brokers. A provision for impairment is made when the fund will not be able to collect all amounts due from the relevant broker.

(k) Member Liabilities

Refer to note 6 member liabilities for the recognition and measurement of member liabilities.

(l) Functional and Presentation Currency

The financial statements are presented in Australian dollars which is the functional currency of the Fund and have been rounded to the nearest thousand unless otherwise stated.

All foreign currency transactions during the year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Exchange differences are recognised in the income statement in the period in which they arise.

(m) Comparative Amounts

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements. As a result, some line items in the notes to the financial statements have been amended. Comparative figures have been adjusted to conform to the current year's presentation.

HUB24 SUPER FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

4. GENERAL ADMINISTRATION AND OPERATING EXPENSES

	2023	2022
	\$'000	\$'000
Administration fees*	57,025	46,023
APRA levies	1,299	907
Consultant fees	325	225
Legal and professional fees	18	-
ORR levy	304	1,283
Transaction fees*	788	1,013
Audit fees	252	204
ASIC levy	280	181
Subscriptions	92	86
Other expenses	-	166
	60,383	50,088

* The Promoter/Administrator of the Fund is HUB24 Custodial Services Limited and is responsible for custodial, administration and platform services to the Fund. The compensation received or due and receivable by the Promoter from the Fund in connection with services provided to the Fund was \$57,813,000 (2022: \$47,036,000).

There were no other transactions between the Promoter and the Fund during the year.

5. CHANGES IN FAIR VALUE OF INVESTMENTS

	2023	2022
	\$'000	\$'000
Investments held at reporting date:		
Listed equities and trusts	471,939	(712,927)
Unlisted units in managed funds	453,705	(1,071,365)
Fixed interest instruments	1,954	1,677
	927,598	(1,782,615)
Investments realised during the reporting period:		
Listed equities and trusts	129,674	(31,268)
Unlisted units in managed funds	104,216	(24,325)
Fixed interest instruments	276	(681)
	234,166	(56,274)
Total changes in fair value	1,161,764	(1,838,889)

HUB24 SUPER FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

6. MEMBER LIABILITIES

(a) Recognition and Measurement of Member Liabilities

The entitlements of members to benefit payments are recognised as liabilities. They are measured at the amount of the accrued benefits as at the reporting date, being the benefits that the Fund is presently obliged to transfer to members or their beneficiaries in the future as a result of the membership up to the end of the reporting period.

(b) Defined Contribution Member Liabilities

Defined contribution member liabilities are measured as the amount of member account balances as at the reporting date. Defined contribution members bear the investment risk relating to the underlying assets of the Fund. The Fund's management of the investment market risks is disclosed within note 14.

As at 30 June 2023, the net assets attributable to defined contribution members have been substantially allocated. Unallocated amounts are shown in the statement of financial position as part of the unallocated surplus.

Defined contribution member liabilities are fully vested as at 30 June 2023 and 30 June 2022.

7. RESERVES

The Trustee maintains an Operational Risk Reserve (ORR), General Reserve (GR) and an Unallocated Surplus.

(a) Operational Risk Reserve (ORR)

Under APRA Prudential Standard SPS114: Operational Risk Financial Requirement (ORFR), the Trustee determined it would maintain an ORR Target Amount of 0.09% of fund's net assets available for member benefits.

The ORR held in Fund will continue to be supplemented by the investment returns earned on the investments of the ORR. The Trustee will review the funding methodology of the ORR if it falls below 67% of the Target Amount. The level and appropriateness of the ORR will be reviewed as part of the annual review of the Risk Management Strategy.

The ORR is part of the financial management of the Fund and is operated in accordance with the ORFR Strategy. The ORR may be used in certain circumstances to address operational risk events or claims against the fund arising from operational risk

The Fund achieves its ORR target amount via an operational risk reserve in the Fund and an additional amount held as Trustee Capital. As at 30 June 2023, the Fund had an operational risk reserve consisting of \$23,053,000 in the Fund and \$nil held as Trustee Capital, the total of which was below the Target Amount but within the tolerance range of the Trustee's ORR target.

(b) General Reserve (GR)

The general reserve is used to cover operating expenses of the Fund or any Trustee's expenses related to the Fund in line with the Trustee's Reserve Policy.

(c) Unallocated (Deficit)/Surplus

This reserve is utilised by the Fund to maintain the difference between the amounts allocated to members as at the end of the financial period and the net assets of the Fund. It includes, among other items, income receivable to be allocated to members on receipt, and tax credits arising from the completion the tax position following the year end. This income or any tax credits will be allocated in accordance with applicable Funds' policies.

HUB24 SUPER FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

8. INCOME TAX EXPENSE

(a) Recognised in the Income Statement:

	2023	2022
	\$'000	\$'000
Current tax expense		
Current year	(90,825)	(28,695)
Adjustment for prior periods	(21,779)	(27,454)
Deferred tax expense		
Movement in temporary differences	84,219	(125,715)
Total income tax (benefit) in Income Statement	(28,385)	(181,864)

(b) Numerical reconciliation between tax expense and operating result before income tax:

	2023	2022
	\$'000	\$'000
Operating result before income tax expense	1,577,737	(1,467,917)
Tax at the complying superannuation fund tax rate of 15% (2022: 15%)	236,661	(220,188)
<i>Increase/(decrease) in income tax expense due to:</i>		
Non-taxable capital gains	(90,046)	158,630
Imputation credits	(94,012)	(47,648)
Non-deductible expenses	15,361	11,981
Other non-assessable income	(56,006)	(41,037)
Adjustment for prior periods	(21,779)	(27,454)
Tax on insurance premiums	(18,564)	(16,148)
Income tax (benefit)	(28,385)	(181,864)

(c) Recognised in the Statement of Change in Member Benefits:

	2023	2022
	\$'000	\$'000
Contributions and transfers in recognised in the Statement of Changes in Member Benefits	8,137,301	6,424,958
Tax at the complying superannuation fund tax rate of 15% (2022:15%)	1,220,595	963,744
<i>Increase/(decrease) in income tax expense due to:</i>		
Member contributions	(231,212)	(136,458)
Transfer from other superannuation entities	(889,375)	(761,437)
Income tax on contributions	100,008	65,849

HUB24 SUPER FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

9. TAX ASSETS AND LIABILITIES

Current tax assets and liabilities

The current tax receivable for the Fund of \$29,363,641 (2022: \$23,364,240 tax payable) represents the amount of income taxes receivable in respect of current and prior financial periods.

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2023	2022
	\$'000	\$'000
<i>Deferred tax assets</i>		
Net capital losses on investments	-	60,036
Total deferred tax assets	-	60,036
<i>Deferred tax liabilities</i>		
Net capital gains on investments	(23,856)	-
Total deferred tax liabilities	(23,856)	-
Net deferred tax assets (liabilities)	(23,856)	60,036

Movement in deferred tax assets and liabilities during the year:

	Balance	Recognised	Transfer	Balance
	1 July 2022	in Income	In on	30 June
	\$'000	Statement	SFT	2023
	\$'000	\$'000	\$'000	\$'000
Deferred tax assets				
Net capital losses on investments	60,036	(60,036)	-	-
Total deferred tax assets	60,036	(60,036)	-	-
Deferred tax liabilities				
Net capital gains on investments	-	(24,183)	-	(24,183)
Deferred tax SFT	-	-	327	327
Total deferred tax liabilities	-	(24,183)	327	(23,856)
Total net deferred tax assets/(liabilities)	60,036	(84,219)	327	(23,856)

HUB24 SUPER FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

9. TAX ASSETS AND LIABILITIES (CONTINUED)

	Balance 1 July 2021	Recognised in Income Statement	Transfer In on SFT	Balance 30 June 2022
	\$'000	\$'000		\$'000
Deferred tax assets				
Net capital losses on investments	-	60,036	-	60,036
Total deferred tax assets	-	60,036	-	60,036
Deferred tax liabilities				
Net capital gains on investments	(65,679)	65,679	-	-
Total deferred tax liabilities	(65,679)	65,679	-	-
Total net deferred tax (liabilities)/assets	(65,679)	125,715	-	60,036

10. CASH FLOWS RECONCILIATION

(a) Reconciliation of Cash and Cash Equivalents

	2023 \$'000	2022 \$'000
Cash at bank	2,411,394	1,759,954
Total Cash and Cash Equivalents	2,411,394	1,759,954

(b) Reconciliation of cash flows from operating activities

	2023 \$'000	2022 \$'000
Profit after income tax	(7,283)	3,216
Adjustments for:		
Net changes in fair value of financial instruments	(1,161,764)	1,838,889
Decrease/(Increase) in receivables	70,885	(74,506)
Increase in payables	5,908	3,884
Increase/(Decrease) in income tax payable	33,634	(144,407)
Insurance cashflows	(88,331)	(83,392)
Net benefits allocated to defined contribution members	1,613,405	(1,289,269)
Net cash inflows from operating activities	466,454	254,415

11. COMMITMENTS

There are no commitments the Trustee is aware of as at the date of this report (June 2022: NIL).

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no outstanding contingent assets or liabilities as at 30 June 2023 (June 2022: NIL).

HUB24 SUPER FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

13. RELATED PARTY DISCLOSURES

(a) Trustee

The Trustee of the HUB24 Super Fund is HTFS Nominees Pty Ltd (ABN 78 000 880 553, AFSL 232500, RSE L0003216).

(b) Directors

Key management personnel include persons who were directors of HTFS Nominees Pty Ltd with at any time during the reporting period or since the end of the reporting period, as follows:

Name	Title	Appointed/Resigned
Mr Michael O'Brien	Managing Director and Executive Director	
Ms Susan Granville Everingham	Non-Executive Director	
Ms Catherine Anne Robson	Non-Executive Director	Appointed on 16/08/2022
	Interim Chair	Appointed on 01/09/2022
Mr Steven Thomas Carew	Non-Executive Director	Appointed on 01/03/2023
Mr David Nicholas Coogan	Non-Executive Director	Appointed on 15/06/2023
Mr Jezy (George) Zielinski	Non-Executive Director	Resigned on 20/07/2022
Mr Anthony Jude Lally	Non-Executive Director and Chairman	Resigned on 31/08/2022
Mr Mark Blair	Executive Director	Resigned on 10/02/2023
Mr Ellis Varejes	Non-Executive Director	Resigned on 30/06/2023

None of the above directors of the Trustee are members of the Fund.

(c) Other key management personnel

Philip Gentry, Chief Financial Officer of Equity Trustees Limited and Andrew Godfrey, Executive General Manager of Equity Trustees Superannuation Limited are also key management personnel with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly during the reporting period.

(d) Remuneration of the Trustee

The compensation received or due and receivable by the Trustee from the Promoter in connection with the trusteeship of the Fund was \$2,270,785 (2022: \$1,858,017).

There have been no transactions between HTFS Nominees Pty Ltd (or its related parties) and the Fund other than the reimbursements for expenses disclosed in the Income Statement and the notes below.

(e) Expenses paid by and to be reimbursed to the Trustee

The following expenses were paid by, and are to be reimbursed to, the Trustee by the Fund during the year.

	2023	2022
	\$	\$
Internal audit fees	76,070	53,359
Regulatory fees – ASIC & AFCA	371,848	258,712
Regulatory project costs	-	75,000
Other expense reimbursements	347,485	1,186,625
	795,403	1,573,696

HUB24 SUPER FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

14. FINANCIAL RISK MANAGEMENT

(a) Financial Instruments Management

The investments of the Fund (other than cash held for meeting daily administrative and benefit expenses), are managed on behalf of the Trustee by specialist fund managers in accordance with the investment strategy to achieve the Fund's investment objectives.

The Fund's financial assets and liabilities adopted in the Statement of Financial Position are carried at their fair value.

(b) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 3 to the Financial Statements.

(c) Capital Risk Management

The Trustee has established an Operational Risk Reserve ("ORR") to provide funding for incidents where material losses may arise from an operational risk event (as opposed to investment risk) relating to the Fund. The level of reserve is determined by the Trustee based on an assessment of the risks faced by the Fund. The Trustee has an operational risk financial requirement strategy to manage assets held in the ORR. According to Superannuation Prudential Standard 114: Operational Risk Financial Requirement, (SPS 114) which became effective 1 July 2013, the financial resources held to meet the ORFR must be held either as:

- An operational risk reserve held within an RSE;
- Operational risk trustee capital held by the RSE licensee; or
- A combination of both an operational risk reserve held within an RSE and operational risk trustee capital held by the RSE Licensee.

The Fund achieves its ORR target amount via an operational risk reserve held within the Fund plus the amount held with the Trustee as noted above in note 7(a). As at 30 June 2023, the Fund had an operational risk reserve consisting of \$23,053,000 in the Fund and \$nil held as Trustee Capital, the total of which was within the tolerance range of the Trustee's ORR target.

(d) Financial Risk Management Objectives

The Fund is exposed to a variety of financial risks as a result of its activities. These risks include market risk (including currency risk, cash flow interest rate risk, fair value interest rate risk and price risk), credit risk and liquidity risk. The Fund's risk management and investment policies, approved by the Trustee, seek to minimise the potential adverse effects of these risks on the Fund's financial performance. These policies may include the use of certain financial derivative instruments.

It is ultimately the responsibility of the Trustee to ensure that there is an effective risk management control framework in place. Consistent with regulatory requirements the Trustee has the function of overseeing the establishment and maintenance of risk-based systems and controls for the Fund. The Trustee has developed, implemented and maintains a Risk Management Framework ("RMF").

HUB24 SUPER FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Financial Risk Management Objectives (continued)

The RMF identifies the Trustee's policies and procedures, processes and controls that comprise its risk management and control systems. These systems address all material risks, financial and non-financial, likely to be faced by the Fund. Annually, the Trustee is required to certify to APRA whether adequate strategies have been put in place to monitor those risks, that the Trustee has systems in place to ensure compliance with legislative and prudential requirements and that the Trustee has satisfied itself as to the compliance with the RMF.

(e) Investment Risk

The Fund's assets principally consist of financial instruments which comprise of cash, listed securities, listed and unlisted unit trusts, and collective investment vehicles such as pooled superannuation trusts. The Trustee has determined that this type of investment is appropriate for the Fund and is in accordance with the Fund's investment strategy.

The Fund's investment activities expose it to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

To mitigate market risk, the Fund undertakes due diligence prior to the approval of fund managers to ensure that they have appropriate expertise and skill for monitoring of the market conditions and benchmark analysis. Further the Fund's asset consultant provides additional expert advice as required.

HUB24 SUPER FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Investment Risk (continued)

Market Risk (continued)

(i) Currency risk

Currency risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates.

The table below summarises the Fund's financial assets and liabilities which are denominated in foreign currencies.

	30 June 2023		30 June 2022	
	US \$'000	Other \$'000	US \$'000	Other \$'000
Financial assets	1,413,863	91,305	1,098,594	53,573
Net exposure foreign exchange risk	1,413,863	91,305	1,098,594	53,573

	US \$'000	US \$'000	Other \$'000	Other \$'000
	-10%	+10%	-10%	+10%
2023				
Currency risk	(141,386)	141,386	(9,131)	9,131
	(141,386)	141,386	(9,131)	9,131
	-10%	+10%	-10%	+10%
2022				
Currency risk	(109,859)	109,859	(5,357)	5,357
	(109,859)	109,859	(5,357)	5,357

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The majority of the Fund's financial instruments are non-interest bearing with only cash and fixed interest instruments being subjected to interest rate risk. The Fund's investment balances that have a significant direct or indirect exposure to interest rate risk is set out below

	2023 \$'000	2022 \$'000
Cash and cash equivalents	2,411,394	1,759,954
Variable interest rate financial instruments	1,208	3,410
Total variable rate instruments	2,412,602	1,763,364

The floating interest rate varies in the range 3.35% to 4.85%. The fixed interest rates relate to term deposits and vary in the range from 2.65% to 5.62%.

The following table demonstrates the sensitivity of the Fund's net assets available to pay benefits, where interest rates vary by 100bps (2022: 100bps). This table has been provided to illustrate the sensitivity of the Fund's directly and indirectly held investment portfolio to interest rate fluctuations. This analysis assumes that all other variables remain constant.

HUB24 SUPER FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Investment Risk (continued)

Market Risk (continued)

(ii) Interest rate risk (continued)

Cashflow sensitivity analysis - variable rate instruments

	Change in fair value of assets \$'000		Effect on net assets available to pay benefits \$'000	
	-100bps Decrease	+100bps Increase	-100bps Decrease	+100bps Increase
2023				
Interest rate risk	(24,126)	24,126	(24,126)	24,126
	(24,126)	24,126	(24,126)	24,126
	-100bps Decrease	+100bps Increase	-100bps Decrease	+100bps Increase
2022				
Interest rate risk	(17,634)	17,634	(17,634)	17,634
	(17,634)	17,634	(17,634)	17,634

(iii) Other market price risk

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

As all of the Fund's financial instruments are carried at fair value with changes recognised in the Income Statement, all changes in market conditions will directly affect changes in fair value.

The Fund's assets are invested in cash, equity securities and units in unitised investments. The Fund's exposure to other market price risk is therefore limited to the market price movement of these investments.

The Trustee has determined that these investments are appropriate for the Fund and are in accordance with the Fund's investment strategy.

The table below illustrates the impact of other market price risk to the Fund should each type of financial asset fluctuate between -10% to +10% (2022: -10% to +10%), increase or decrease from the investment objective. This analysis assumes that all other variables remain constant.

HUB24 SUPER FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Investment Risk (continued)

Market Risk (continued)

(iii) Other market price risk (continued)

	Carrying amount \$'000	Change in fair value of assets \$'000		Effect on net assets available to pay benefits \$'000	
		10% Decrease	10% Increase	10% Decrease	10% Increase
2023					
Australian equity securities	3,196,745	(319,675)	319,675	(319,675)	319,675
International equity securities	477,445	(47,745)	47,745	(47,745)	47,745
Listed unit trusts	6,487,813	(648,781)	648,781	(648,781)	648,781
Unlisted unit trusts	11,565,447	(1,156,545)	1,156,545	(1,156,545)	1,156,545
Life company guaranteed	1,027	(103)	103	(103)	103
	21,728,477	(2,172,849)	2,172,849	(2,172,849)	2,172,849
	Carrying amount \$'000	10% Decrease	10% Increase	10% Decrease	10% Increase
2022					
Australian equity securities	2,313,068	(231,307)	231,307	(231,307)	231,307
International equity securities	323,052	(32,305)	32,305	(32,305)	32,305
Listed unit trusts	4,281,629	(428,163)	428,163	(428,163)	428,163
Unlisted unit trusts	8,045,973	(804,597)	804,597	(804,597)	804,597
Life company guaranteed	765	(77)	77	(77)	77
	14,964,487	(1,496,449)	1,496,449	(1,496,449)	1,496,449

Credit Risk

Credit risk refers to the risk that the counterparty to the financial instrument will default on its contractual obligations resulting in a financial loss to the Fund.

The carrying amounts of financial assets best represent the maximum credit risk exposure at reporting date. No collateral is held as security or other credit enhancement exists for all financial assets held. No financial assets are considered past due as all payments are considered recoverable when contractually due. The Fund's financial assets exposed to credit risk amounted to the following:

	2023	2022
	\$'000	\$'000
Cash	2,411,394	1,759,954
Investments	22,204,325	15,066,037
Due from brokers	95,244	72,578
Distribution and dividend receivable	214,818	285,591
Other receivables	270	231
Total	24,926,051	17,184,391

HUB24 SUPER FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Investment Risk (continued)

Liquidity Risk

Liquidity risk is the risk that the Fund will not be able to meet its obligations when they fall due. The risk is controlled through the Fund's investment in financial instruments which under normal market conditions are readily convertible to cash. In addition, the Fund maintains sufficient cash and cash equivalents to meet normal operating conditions. The Fund's overall liquidity risks are monitored by the Trustee at least annually and in accordance with policies and procedures in place.

The following table summarises the maturity profile of the Fund's financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Fund can be required to pay.

Maturities of financial liabilities

The tables below show the Fund's financial liabilities based on their contractual maturities using undiscounted cash flows. Liabilities to defined contribution members are payable upon request. The Fund considers it unlikely that all liabilities to members would fall due at the same time.

	Carrying amount \$'000	Less than 1 month \$'000	1-3 Months \$'000	Over 3 Months \$'000
30 June 2023				
Due to brokers	55,739	55,739	-	-
Other Payables	38,375	38,375	-	-
Deferred tax liability	23,856	-	-	23,856
Member liabilities	24,808,918	24,808,918	-	-
	24,926,888	24,903,032	-	23,856
30 June 2022				
Due to brokers	46,114	46,114	-	-
Other Payables	30,258	30,258	-	-
Current tax liability	23,364	-	-	23,364
Member liabilities	17,114,529	17,114,529	-	-
	17,214,265	17,190,901	-	23,364

Member benefits have been included, if applicable, in the "less than 1 month" column, as this is the amount that members could call upon at year-end. This is the earliest date on which the Fund can be required to pay.

HUB24 SUPER FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

15. FAIR VALUE MEASUREMENTS

Fair Value Hierarchy

The Fund classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. Table below analyses financial instruments carried at fair value.

The different levels have been defined as follows:

- Level 1 fair value measurements are those instruments valued based on quoted prices (unadjusted) in active markets for identical assets and liabilities. These inputs are readily available in the market and are normally obtainable from multiple sources.
- Level 2 fair value measurements are those instruments valued based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly. The Trustee values fixed interest instruments held by the Fund using broker quotes, units in unit trusts using the unit price provided by the underlying fund manager.
- Level 3 fair value measurements are those instruments valued based on inputs where one or more of the significant inputs are not based on observable market data, examples include discount rates and other material unobservable inputs. The Trustee values units in unit trusts classified as level 3 using the unit price provided by the underlying fund manager. These unit trusts hold illiquid investments such as unlisted property and private equity. The Fund classifies suspended and delisted securities that have not been actively traded at least in the last 3 months as Level 3 investments, and these securities are priced in the accounting system based on the last available price.

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

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
30 June 2023				
<i>Financial Assets</i>				
Cash and cash equivalents	2,411,394	-	-	2,411,394
Other receivables	214,818	-	-	214,818
Due from brokers - receivables for securities sold	95,514	-	-	95,514
Equity securities				
- Australian	3,192,108	-	4,637	3,196,745
- International	476,616	-	829	477,445
Fixed interest instruments - Australian	475,848	-	-	475,848
Units in Listed Unit Trusts	6,487,742	-	71	6,487,813
Units in Unlisted Unit Trust	-	11,565,447	-	11,565,447
Life company guaranteed	-	1,027	-	1,027
	13,354,040	11,566,474	5,537	24,926,051
<i>Financial Liabilities</i>				
Due to brokers - payable for securities purchased	55,739	-	-	55,739
Other payables	38,375	-	-	38,375
	94,114	-	-	94,114

HUB24 SUPER FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

15. FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy (continued)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
30 June 2022				
<i>Financial Assets</i>				
Cash and cash equivalents	1,759,954	-	-	1,759,954
Other receivables	285,823	-	-	285,823
Due from brokers - receivables for securities sold	72,577	-	-	72,577
Equity securities				
- Australian	2,306,070	-	6,998	2,313,068
- International	322,921	-	131	323,052
Fixed interest instruments - Australian	101,550	-	-	101,550
Units in Listed Unit Trusts	4,281,495	-	134	4,281,629
Units in Unlisted Unit Trust	-	8,045,973	-	8,045,973
Life company guaranteed	-	765	-	765
	9,130,390	8,046,738	7,263	17,184,391
<i>Financial Liabilities</i>				
Due to brokers - payable for securities purchased	46,114	-	-	46,114
Other payables	30,258	-	-	30,258
	76,372	-	-	76,372

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

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

	2023 \$'000	2022 \$'000
Opening balance at the beginning of the reporting period	7,263	43
Transfers into Level 3	4,739	7,263
Transfers from Level 3	(6,465)	(43)
Closing balance at the end of the reporting period	5,537	7,263

There were transfers of \$797,657 between levels in the fair value hierarchy for the year ended 30 June 2023 and 30 June 2022.

HUB24 SUPER FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

16. STRUCTURED ENTITIES

A structured entity (unlisted unit trusts) is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, and the relevant activities are directed by means of contractual arrangements.

The Fund considers all investments in managed investment schemes ('MIS') to be structured entities. The Fund invests in underlying managed funds for the purpose of capital appreciation and or earning investment income.

The objective of the investee MIS are to achieve medium to long term capital growth. The investee MIS invest in a number of different financial instruments, including equities and debt instruments. The investee MIS finance their operations by issuing redeemable shares which are puttable at the holder's option and entitle the holder to a proportional stake in the respective trust's net assets.

The exposure to investments in investee fund at fair value, by investment strategy, is disclosed below:

	Fair Value as at 30 June 2023 \$'000	Fair Value as at 30 June 2022 \$'000
Cash funds	721,253	513,524
Fixed interest funds	3,173,033	2,379,987
Australian property funds	418,853	275,109
Australian equity funds	2,311,590	1,582,800
International property funds	188,826	135,538
International equity funds	4,084,648	2,879,374
Other	667,244	279,641
	11,565,447	8,045,973

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

During the year the Fund earned fair value gains and distribution income as a result of its interests in other trusts.

17. EXTERNAL AUDITOR'S REMUNERATION

	2023 \$'000	2022 \$'000
Deloitte:		
Audit and review of financial statements and regulatory audit services	178	145
Other non-audit services - preparation of income tax return	44	44
Audit and review of the risk management framework	11	10
Total Auditor's Remuneration	233	199

HUB24 SUPER FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

18. INSURANCE ARRANGEMENTS

The Fund provides death and disability benefits to its members. The Trustee has a group and retail policies in place with third party insurance companies to insure these death and disability benefits for the members of the Fund.

The Fund collects premiums from members on behalf of the relevant insurance company. Insurance claim amounts are recognised where the insurer has agreed to pay the claim. Therefore, insurance premiums are not revenues or expenses of the superannuation entity and do not give rise to insurance contract liabilities or reinsurance assets. Insurance premiums charged to members' accounts and insurance benefits paid to members via the superannuation entity are recognised in the statement of changes in member benefits.

The Trustee determined that the Fund is not exposed to material insurance risk because:

- members (or their beneficiaries) will only receive insurance benefits if the external insurer pays the claim,
- insurance premiums are only paid through the Fund for administrative reasons, and
- insurance premiums are effectively set directly by reference to premiums set by an external insurer.

19. SUCCESSOR FUNDS TRANSFERS

In the financial year ended 30 June 2023, there were five successor fund transfers as mentioned in Note 1. The assets and liabilities which were transferred from the transferring funds have been valued in accordance with the Trustee's accounting policies.

The net amounts transferred in of \$ 705,941,535 is included in the Transfer from other superannuation entities in the statement of changes in member benefits. The asset and liabilities transferred were:

	2023
	<u>\$'000</u>
Assets	
Investment	\$705,941
Total assets	<u>\$705,941</u>
Net assets available for member benefits	<u>\$705,941</u>
Member benefits	
Defined contribution member liabilities	\$705,941
Total member liabilities	<u>\$705,941</u>
Total net assets	<u>\$705,941</u>

20. FUND'S RESPONSE TO MACRO-ECONOMIC EVENTS

In preparing these financial statements the Trustee considers the impact that macro-economic events can have on the Fund's performance. The Trustee's risk management framework is applied across the Fund's operations and the Trustee continues to monitor the impact of events on the Fund's risk profile.

21. EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the financial year and the date of this financial report any item, transaction or event of an unusual nature likely to affect significantly the operations of the Fund, the result of the operations, or the state of affairs of the Fund.

HUB24 SUPER FUND
TRUSTEE'S DECLARATION TO THE MEMBERS

In the opinion of the directors of the Trustee of the HUB24 Super Fund:

1. The accompanying Financial Statements and notes set out on pages 1 to 27 are in accordance with:
 - Australian Accounting Standards and other mandatory professional reporting requirements, and
 - present fairly the Fund's financial position as at 30 June 2023 and of its performance for the financial year ended on that date;
2. The Fund has been conducted in accordance with its constituent Trust Deed and the requirements of the *Superannuation Industry (Supervision) Act 1993* and its accompanying Regulations; the relevant requirements of the *Corporations Act 2001 and Regulations* and the requirements under section 13 of the *Financial Sector (Collection of Data) Act 2001*, during the year ended 30 June 2023
3. There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors of HTFS Nominees Pty Ltd (ABN 78 000 880 553) as Trustee for HUB24 Super Fund.



.....
Director

Melbourne
28 September 2023

HUB24 Super Fund (ABN 60 910 190 523) Report by the RSE Auditor to the trustee and members

Opinion

We have audited the financial statements of HUB24 Super Fund for the year ended 30 June 2023 as set out on pages 1 to 27 attached.

In our opinion, the financial statements present fairly, in all material respects, in accordance with Australian Accounting Standards the financial position of HUB24 Super Fund as at 30 June 2023 and the results of its operations, cash flows, changes in equity and changes in members' benefits for the year ended 30 June 2023.

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 Statements* section of our report. We are independent of the entity in accordance with the auditor independence 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 statements in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the trustee for the Financial Statements

The RSE's trustee is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the requirements of the *Superannuation Industry (Supervision) Act 1993* (SIS Act) and the *Superannuation Industry (Supervision) Regulations 1994* (SIS Regulations). The trustee is also responsible for such internal control as the trustee determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the ability of the RSE to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to liquidate the RSE or cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 these financial statements.

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 statements, 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 controls 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 trustee.
- Concluded on the appropriateness of the trustee's 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 RSE'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 statements, or if such disclosures are inadequate, to modify our audit 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 RSE to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicated with the trustee 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 identified during our audit.

The logo for Deloitte Touche Tohmatsu, featuring the company name in a cursive script.

DELOITTE TOUCHE TOHMATSU

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

Adam Kuziow
Partner
Chartered Accountants

Melbourne, 29 September 2023