

FINANCIAL REPORT
AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST
FOR THE YEAR ENDED 31 JULY 2025

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

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AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2025**

	<u>Notes</u>	<u>Year ended 31 July 2025</u>	<u>Year ended 31 July 2024</u>
		\$	\$
INCOME/(LOSS)			
Interest Income		2,347,203	2,476,092
Changes in the Fair Value of Investments		18,080,499	12,275,873
Distribution Income		31,276,503	30,621,600
Other Income		776,530	829,934
		<u>52,480,735</u>	<u>46,203,499</u>
EXPENSES			
Bank Charges		24,094	22,146
Trustee Expenses		4,725,071	3,874,057
		<u>4,749,165</u>	<u>3,896,203</u>
NET PROFIT ATTRIBUTABLE TO MEMBERS BEFORE TAX		<u>47,731,570</u>	<u>42,307,296</u>
NET PROFIT ATTRIBUTABLE TO MEMBERS AFTER TAX	8	47,731,570	42,307,296
Distribution to Members	8	(29,791,616)	(27,506,588)
NET PROFIT AFTER DISTRIBUTION TO MEMBERS		<u>17,939,954</u>	<u>14,800,708</u>

The above Statement of Comprehensive Income is to be read in conjunction with the accompanying notes.

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

**STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2025**

	<u>Notes</u>	<u>2025</u> \$	<u>2024</u> \$
ASSETS			
Cash and Cash Equivalent			
Cash at Bank	12a	4,833,370	3,645,882
Trade and Other Receivables	3	1,761,460	2,393,926
Financial Assets at Fair Value through Profit or Loss			
Term Deposits		40,025,326	38,129,011
Unlisted Managed Investment Schemes			
Pendal Stable Cash Plus Fund		236,281,865	304,310,835
Ardea RO Fund		44,353,047	42,943,670
Macquarie True Index Australian Shares Fund		73,847,525	69,860,021
GMO Systematic Global Macro Trust		-	34,167,850
Colchester Global Government Bond - Class 1		50,665,016	34,971,171
MCP Secured Private Debt Fund		53,204,140	53,367,586
Lazard Global Listed Infrastructure Fund		35,743,943	32,433,110
Franklin Australian Absolute Bond Fund		65,601,101	47,233,033
Principal Global Property Securities		29,021,261	29,051,327
Dexus Wholesale Property Fund		22,673,676	22,309,322
Macquarie Arrowstreet Global Equity Fund		30,731,805	27,288,208
ISPT Core Fund		16,304,324	17,087,621
Pendal Focus Australian Share Fund		20,035,261	18,742,092
T Rowe Price Overseas Equities		22,359,802	20,229,159
JPMorgan Global Select Equity Fund		35,869,767	32,495,112
Total Investments		<u>776,717,859</u>	<u>824,619,128</u>
Property, Plant and Equipment		<u>102,370</u>	<u>116,960</u>
TOTAL ASSETS		<u>783,415,059</u>	<u>830,775,896</u>
LIABILITIES			
Trade and Other Payables			
Beneficiaries Payable		29,510,822	27,313,357
Accounts Payable	4	2,114,974	1,752,484
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>31,625,796</u>	<u>29,065,841</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS	5	<u>751,789,263</u>	<u>801,710,055</u>

The above Statement of Financial Position is to be read in conjunction with the accompanying notes.

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

**STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO MEMBERS
FOR THE YEAR ENDED 31 JULY 2025**

	<u>Notes</u>	<u>Net Assets Attributable to Members</u> \$
As at 1 July 2023		742,628,445
Net Profit Attributable to Members		42,307,296
Distribution to Members	8	(27,506,588)
Forfeited Distributions for Lost Members	9	1,127,927
Funeral Expenses Paid	9	(376,329)
Contributions Received	6	156,941,690
Benefits Paid	6	(109,539,322)
Administration fees and expenses paid	9	(3,873,064)
As at 31 July 2024		801,710,055
Net Profit Attributable to Members		47,731,570
Distribution to Members	8	(29,791,616)
Forfeited Distributions for Lost Members	9	1,865,679
Funeral Expenses Paid	9	(275,802)
Contributions Received	6	125,736,407
Benefits Paid	6	(190,461,957)
Administration fees and expenses paid	9	(4,725,073)
As at 31 July 2025		<u>751,789,263</u>

The above Statement of Changes in Net Assets Attributable to Members is to be read in conjunction with the accompanying notes.

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2025**

	<u>Notes</u>	<u>Year ended 31 July 2025</u> \$	<u>Year ended 31 July 2024</u> \$
CASH FLOWS RELATED TO OPERATING ACTIVITIES			
General Administrative Expenses Paid		(4,518,399)	(4,324,775)
Interest Received		2,347,203	2,476,092
Distributions Received		31,722,340	29,971,775
Other Income Received		963,159	635,709
Contributions Received from Employers		123,071,895	155,446,875
Benefits Paid		(190,325,306)	(109,580,047)
Transfers Received		2,664,511	1,494,815
Distributions Paid		<u>(30,719,681)</u>	<u>(28,066,502)</u>
NET OPERATING CASH FLOWS	12 (b)	<u>(64,794,278)</u>	<u>48,053,942</u>
CASH FLOWS RELATING TO INVESTING ACTIVITIES			
Net Sale / (Purchase) of Investments		<u>65,981,766</u>	<u>(51,071,154)</u>
NET INVESTING CASH FLOWS		<u>65,981,766</u>	<u>(51,071,154)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,187,488	(3,017,212)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD			
		<u>3,645,882</u>	<u>6,663,094</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	12 (a)	<u><u>4,833,370</u></u>	<u><u>3,645,882</u></u>

The above Statement of Cash Flows is to be read in conjunction with the accompanying notes.

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

NOTE 1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared as a special purpose financial report to be made available to Members and Participating Employers (the Users) as required under Clause 5.7 of the Trust Deed. The financial statements are special purpose financial statements as it is unlikely there are users of these financial statements who are not in a position to require the preparation of reports tailored to their information needs.

These financial statements have been prepared under the historical cost convention, unless otherwise stated.

The special purpose financial report is presented in Australian dollars which is the functional currency of the Trust.

The directors have determined that in order for the financial report to give a true and fair view of the Trust's performance, cash flows and financial position, the requirements of Australian Accounting Standards and other professional reporting requirements relating to Australia in the measurement of assets, liabilities, revenue, expenses and equity should be complied with.

This special purpose financial report has also been prepared in accordance with the disclosure requirements of:

- * AASB 101 - Presentation of Financial Statements
- * AASB 107 - Cash Flow Statements; and
- * AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors.

The principal policies adopted in the preparation of the special purpose financial report are set out below. These policies have been consistently applied throughout the year, unless otherwise stated.

Accounting Standards and Interpretations issued but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Trust for the annual reporting period ended 31 July 2025. The impact of these standards and interpretations has been assessed and all standards and interpretations issued but not yet effective are not expected to have a material impact on the Trust.

(b) Basis of preparation

The statements of financial position are presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in Managed Investment Schemes. The amounts expected to be recovered or settled beyond twelve months after the end of each reporting period cannot be reliably determined.

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

NOTE 1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Financial instruments

Classification

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition/derecognition

The Trust recognises financial assets on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets from this date.

Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or the Trust has transferred substantially all risks and rewards of ownership.

Measurement

At initial recognition, the Trust measures financial assets and financial liabilities at fair value. Transaction costs of financial assets at fair value through profit or loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value are presented in the statement of comprehensive income.

(d) Financial assets at fair value through profit or loss

Financial assets are categorised as financial assets - fair value through profit or loss. The classification depends on the definition and the purpose for which the investments were acquired. The classification of investments is determined at initial recognition and evaluated at each reporting date.

Purchases and sales of financial assets are recognised on the date on which the Trust commits to purchase or sell the asset. A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Trust has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Trust has:

- Transferred substantially all of the risks and rewards of the asset; or
- Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(e) Investments in financial assets

All investments are initially recognised at fair value, being the fair value of the consideration paid excluding transaction costs. After initial recognition, the financial assets are revalued to fair value at each reporting date. Investments in unlisted unit trusts that have suspended daily redemptions are recorded at the redemption value per unit as reported by the fund manager.

The fair value of units in Managed Investment Schemes is determined by reference to published bid prices at the close of business on the reporting date being the redemption prices provided by the fund manager.

Gains or losses on investments held for trading are recognised in the Income Statement. Investments of the Trust are units in Managed Investment Schemes.

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

NOTE 1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(f) Revenue recognition

Income is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Trust and the income can be reliably measured. The following specific recognition criteria must also be met before income is recognised:

Dividend and distribution income

Income is recognised when the right to receive the payment is established.

Changes in the fair value of investments

Net gains or losses on investments are calculated as the difference between the fair value at sale, or at year end and the fair value at the previous valuation point. This includes both realised and unrealised gains and losses, but does not include interest or dividend income.

Interest income

Income is recognised as the interest accrues to the net carrying amount of the financial asset.

Other income

Income is recognised when the right to receive the payment is established.

(g) Cash and cash-equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(h) Trade and other receivables

Receivables are recognised and carried at original amounts due which approximate net market value.

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

(i) Trade and other payables

Liabilities for creditors are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received prior to the end of the financial year, whether or not billed to the Trust.

Payables include outstanding settlements on the purchase of investments and distributions payable. The carrying period is dictated by market conditions and is generally less than 30 days.

(j) Income tax

Income tax is provided where taxable income is retained in the Trust and not distributed to beneficiaries.

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

NOTE 1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(k) Distributions

In accordance with the Trust's constitution, the Trust distributes income to members. Distributions are payable to the beneficiaries in November of each year based on their entitlement at the end of the previous financial year. Such distributions are determined by reference to the accounting income of the Trust. Distributable income includes capital gains arising from the disposal of investments, unrealised gains and losses on investments that are recognised as income are transferred to net assets attributable to members and are not assessable and distributable until realised. Capital losses are not distributed to members but are retained and offset against any realised capital gains.

(l) Increase/(decrease) in net assets attributable to members

Non-distributable income is transferred directly to net assets attributable to members and may consist of unrealised changes in the net fair value of investments, accrued income not yet assessable, expenses provided or accrued for which are not yet deductible, net capital losses and tax free or tax deferred income. Net capital gains on the realisation of any investments (including any adjustments for tax deferred income previously taken directly to net assets attributable to members) and accrued income not yet assessable will be included in the determination of distributable income in the same year it becomes assessable for tax.

(m) Goods and services tax (GST)

Income, expenses and assets, with the exception of receivables and payables, are recognised net of the amount of GST to the extent that the GST is recoverable from the Australian Taxation Office (ATO). Where GST is not recoverable, it is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated inclusive of GST.

Reduced input tax credits (RITC) recoverable by the Trust from the ATO are recognised as receivables in the Statement of Financial Position.

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

(n) Expense recognition

Expenses are recognised in the income statement when the Trust has a present obligation (legal or constructive) as a result of a past event that can be reliably measured. Expenses are recognised in the Income Statement if expenditure does not produce future economic benefits that qualify for recognition in the Statement of Financial Position.

Currently 50% (2024: 50%) of expenses are offset against Forfeited Member Reserve. The Trustee continually reviews this policy.

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

NOTE 1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(o) Significant accounting judgements, estimates and assumptions

The preparation of the Trust's financial statements requires management to make judgments, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

There are no key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period.

(p) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line-basis over the estimated useful life of the assets ranging from 3 to 7 year

NOTE 2. NATURE OF TRUST

The Australian Construction Industry Redundancy Trust was established on 10 October 1994. The purpose of the Trust is to provide a mechanism for employers to comply in respect of redundancy payments which they are obligated by certain Awards, Industrial Agreements and Enterprise Agreements to make to their employees. The purpose of the Trust is also to provide security of redundancy and income to employees by the distribution of all Trust surplus each year.

Pursuant to the Trust Deed, employers are required to contribute certain minimum amounts per week per employee (\$25) to fund the award redundancy entitlements to the Trust. However, the Trust does provide for contribution flexibility in that employers can make higher contributions payments based on an industrial agreement. When an employee is made redundant, as prescribed in the Trust Deed, the Trust will make payment directly to the worker.

Income tax is provided where taxable income is retained in the Trust and not distributed to beneficiaries.

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

NOTE 3. TRADE AND OTHER RECEIVABLES

	<u>2025</u>	<u>2024</u>
	\$	\$
Distributions Receivable	1,724,141	2,169,978
GST Receivable	37,319	223,948
	<u>1,761,460</u>	<u>2,393,926</u>

NOTE 4. ACCOUNTS PAYABLE

Administration Expenses - AAS Pty Limited	547,359	466,384
Audit Fees - Ernst & Young	40,700	39,600
Employee Entitlements	202,106	95,122
Group Tax - Australian Taxation Office	1,190,766	1,054,115
Trustee Fees Payable	134,043	97,263
	<u>2,114,974</u>	<u>1,752,484</u>

NOTE 5. NET ASSETS ATTRIBUTABLE TO MEMBERS

Net Assets attributable to members comprises of:

Workers' Accounts - Allocated		648,852,664	714,522,268
Workers' Accounts - Unallocated		720,475	1,270,875
	Note 6	<u>649,573,139</u>	<u>715,793,143</u>
Investment Fluctuation Reserve	Note 7	33,840,494	13,961,466
Accumulated Surplus	Note 8	43,130,932	45,070,006
Tax Free Income Reserve	Note 11	11,309,202	11,309,202
Forfeited Member Reserve	Note 9	13,935,496	15,576,238
		<u>751,789,263</u>	<u>801,710,055</u>

As at 31 July 2025 there is a surplus of \$102,936,599 (2024 \$87,187,787) between the balance of Workers' Accounts - Allocated and Net Assets Attributable to Members.

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

NOTE 6. STATEMENT OF MOVEMENT IN WORKERS' ACCOUNTS

	<u>31 July 2025</u>	<u>31 July 2024</u>
	\$	\$
Opening Balance	715,793,143	668,869,215
Contributions Received	125,736,407	156,941,690
Benefits Paid	(190,461,957)	(109,539,322)
Transfers to Forfeited Members Reserve (Note 9)	(1,494,454)	(478,440)
Closing Balance	<u>649,573,139</u>	<u>715,793,143</u>

NOTE 7. INVESTMENT FLUCTUATION RESERVE

The Investment Fluctuation Reserve represents the cumulative unrealised gains and losses on all investments.

Unrealised gains and losses on investments are included in the determination of the operating surplus or deficit for the year but are subsequently transferred to the Investment Fluctuation Reserve. Gains and losses are released from the reserve when the investment is realised.

	<u>31 July 2025</u>	<u>31 July 2024</u>
	\$	\$
Opening Balance	13,961,466	9,655,486
Transfer from Accumulated Surplus	20,646,753	6,476,239
Realised Gains transferred to Accumulated Surplus	(767,725)	(2,170,259)
	<u>19,879,028</u>	<u>4,305,980</u>
Closing Balance	<u>33,840,494</u>	<u>13,961,466</u>

NOTE 8. ACCUMULATED SURPLUS

Accumulated Surplus brought forward	45,070,006	34,575,278
Net Profit after Tax for the Year	47,731,570	42,307,296
Transfer to Investment Fluctuation Reserve	(19,879,028)	(4,305,980)
Distribution to Members	(29,791,616)	(27,506,588)
Accumulated Surplus at the End of the Period	<u>43,130,932</u>	<u>45,070,006</u>

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

NOTE 9. FORFEITED MEMBER RESERVE

Transfers to and from the Forfeited Member Reserve are made in the following circumstances:

- no contributions are received for a member within a two year period;
- members are classified as lost; and
- mail addressed to a member is returned.

Payments from the Forfeited Member Reserve are made when funeral benefits are paid in respect of eligible deceased members and for 50% (2024: 50%) of expenses as described in expense recognition.

	<u>31 July 2025</u>	<u>31 July 2024</u>
	\$	\$
Opening Balance	15,576,238	18,219,264
Transfers from Workers' Accounts (Note 6)	1,494,454	478,440
Funeral Expenses Paid	(275,802)	(376,329)
Forfeited Distributions for Lost Members	1,865,679	1,127,927
Administration Fees and Expenses Paid	(4,725,073)	(3,873,064)
Closing Balance	<u>13,935,496</u>	<u>15,576,238</u>

NOTE 10. AUDITOR'S REMUNERATION

Amounts received or due and receivable by Ernst & Young for:

- an audit of the financial report of the Trust	40,700	39,600
- taxation services	15,015	15,015
	<u>55,715</u>	<u>54,615</u>

NOTE 11. TAX FREE INCOME RESERVE

Opening Balance	<u>11,309,202</u>	<u>11,309,202</u>
Closing Balance	<u>11,309,202</u>	<u>11,309,202</u>

This Reserve has been created since the year ended 30 June 2007 in order to reclassify the amount of after tax income accrued in prior years and previously included in the Accumulated Surplus. As the Trustee has paid tax on this income it becomes 'trust corpus' that can be used by the Trustee for any purpose.

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

NOTE 12. STATEMENT OF CASH FLOWS

(a) RECONCILIATION OF CASH AND CASH EQUIVALENTS

Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows :

	<u>2025</u>	<u>2024</u>
	\$	\$
CASH AT BANK		
Cash and cash equivalents	<u>4,833,370</u>	<u>3,645,882</u>

**(b) RECONCILIATION OF CHANGE IN NET ASSETS
ATTRIBUTABLE TO MEMBERS TO NET CASH
FLOWS FROM OPERATING ACTIVITIES**

Net Profit Attributable to Members after Tax and Distribution	17,939,954	14,800,708
Changes in net market values of investments	(18,080,499)	(12,275,873)
Depreciation	4,926	5,485
Transfer to Tax Free Income Reserve	-	-
Transfer to Forfeited Member Balances	(1,494,454)	(478,440)
Changes in Workers' Accounts		
Contributions	125,736,406	156,941,690
Workers' Claims Paid	(190,461,957)	(109,539,322)
Changes in operating assets and liabilities		
(Decrease) in Receivables	632,466	(844,326)
Increase/(Decrease) in Creditors	928,879	(555,980)
NET OPERATING CASH FLOWS	<u>(64,794,279)</u>	<u>48,053,942</u>

(c) CREDIT AND FINANCING FACILITIES

As at 31 July 2025 the Trust had no credit or loan facilities or other financing arrangements (2024: Nil).

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

NOTE 13. MATERIAL INVESTMENTS

Investments which constitute 10% or more by value of the total value of investments of the Trust are disclosed below:

2025

Security Description	Principle Activities - Investing in	Total Market Value	% of Total Trust Investments	% of Total Issued Units
Pendal Stable Cash Plus Fund	Cash and bonds	236,281,865	30.42%	13.38%

2024

Security Description	Principle Activities - Investing in	Total Market Value	% of Total Trust Investments	% of Total Issued Units
Pendal Stable Cash Plus Fund	Cash and bonds	304,310,835	36.90%	20.65%

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

NOTE 14. INCOME TAX (BENEFIT)/ EXPENSE

	<u>31 July 2025</u>	<u>31 July 2024</u>
	\$	\$
Operating profit from ordinary activities before income tax	47,731,570	42,307,296
Timing and permanent differences	(26,389,811)	(17,219,871)
Taxable income for the year	<u>21,341,759</u>	<u>25,087,425</u>
Distributions to presently entitled members (including franking credits and FITOs)	(21,341,759)	(25,087,425)
Trustee tax liability	-	-
Trustee tax liability at 47%	-	-

* The Trustee expects all taxable income in future reporting periods to be distributed to presently entitled members. Accordingly a deferred tax asset / liability has not been recognised in respect of timing differences.

NOTE 15. SUBSEQUENT EVENTS

Since 31 July 2025, there have been no matters or circumstances which have arisen that have significantly affected or may significantly affect the financial position or operating results of the Trust.

AUSTRALIAN CONSTRUCTION INDUSTRY REDUNDANCY TRUST

Directors Declaration

In accordance with a resolution of the directors of ACIRT Pty Limited (the Trust), I state that:

In the opinion of the directors:

- (a) the financial statements are special purpose financial statements as it is unlikely there are users of these financial statements who are not in a position to require the preparation of reports tailored to their information needs.
- (b) the financial statements and notes of the Trust:
 - (i) present fairly the Trust's financial position as at 31 July 2025 and its performance and cash flows for the year ended on that date; and
 - (ii) comply with Australian Accounting Standards to the extent described in Note 1 to the financial statements;
- (c) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.



Director
Level 22
Building 6
Parramatta Square
Address 10 Darcy Street
PARRAMATTA NSW 2150
Date 17 December 2025

Michael Hiscox. Chair.

Director

Address

Date



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Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent auditor's report to the members of Australian Construction Industry Redundancy Trust

Opinion

We have audited the financial report, being a special purpose financial report, of Australian Construction Industry Redundancy Trust (the Trust), which comprises the statement of financial position as at 31 July 2025, the statement of comprehensive income, statement of changes in net assets attributable to members and statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Trust as at 31 July 2025, and its financial performance and its cash flows for the year then ended in accordance with the accounting policies as described in Note 1(a) to the financial report.

Basis for opinion

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

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

Emphasis of matter - basis of accounting and restriction on distribution

We draw attention to Note 1(a) to the financial statements which describes the basis of accounting. The financial report is prepared to assist the Trust to meet the requirements of the Trust Deed. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Members and Participating Employers (collectively the Recipients) and should not be distributed to parties other than the Recipients. A party other than the Recipients accessing this report does so at their own risk and Ernst & Young expressly disclaims all liability to a party other than the Recipients for any costs, loss, damage, injury or other consequence which may arise directly or indirectly from their use of, or reliance on the report. Our opinion is not modified in respect of this matter.

Responsibilities of the directors for the financial report

The directors of the Trust are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1(a) to the financial statements is appropriate to meet the requirements of the Trust Deed and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.



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

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



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

Ernst & Young

Ernst & Young
Sydney
17 December 2025