

Financial Statements

For the year ended 30 June 2024

| HESTA |



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Issued by H.E.S.T. Australia Ltd ABN 66 006 818 695 AFSL 235249, the Trustee of HESTA ABN 64 971 749 321.

**H.E.S.T. AUSTRALIA LTD
A.B.N. 66 006 818 695**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

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H.E.S.T. AUSTRALIA LTD
A.B.N. 66 006 818 695
(A Company Limited by Guarantee)

DIRECTORS' REPORT

The Directors present the financial statements of H.E.S.T. Australia Ltd (the Company) for the year ended 30 June 2024 and report as follows:

Directors

The names of the Directors in office during the financial year and up to the date of this report are:

N. Roxon (Independent Chair) (appointed 01/01/2019)	
S. Dahn (Independent Director & Chair of Investment Committee) (appointed 01/07/2023)	
Employer Appointed	Employee Appointed
D. Cole* (Deputy Chair) (appointed 01/01/2015)	H. Gibbons (Deputy Chair) (appointed 04/02/2016)
G. Humphrys (appointed 18/05/2015)	E. Gaske (appointed 12/02/2020)
C. Smith* (appointed 25/09/2015)	B. Davison (appointed 15/09/2021)
A. Morrison* (appointed 01/03/2021)	K. Marshall* (appointed 01/01/2022)
J. Bennett (appointed 01/01/2023)	A. van Vorst (appointed 01/10/2023)
E. Maiden* (appointed 20/07/2023)	R. Bonner* (appointed 01/01/2024)
	L. Sharp* (ceased 08/12/2023)
	B. Holmes* (ceased 26/09/2023)

*Members of HESTA (the Fund).

Principal Activity

H.E.S.T. Australia Ltd (the Company) was established on 30 July 1987 and is a company limited by guarantee that is incorporated and domiciled in Australia. Under the terms of the Fund's declaration of trust, H.E.S.T. Australia Ltd (A.B.N. 66 006 818 695) is appointed Trustee of HESTA (the Fund). The address of H.E.S.T. Australia Ltd's registered office is Level 20, 2 Lonsdale Street, Melbourne, Victoria, Australia.

The Company also holds an Australian Financial Services Licence ("AFSL") and a Registrable Superannuation Entity (RSE) Licence. The Company incurs operating expenses in providing trustee services to the Fund. Under the terms of the Trust Deed of HESTA (the Fund), the Company is entitled to receive trustee services fees, calculated by reference to the costs incurred by the Company in running the Fund.

Results

The profit/(loss) after income tax for the year ended 30 June 2024 was \$5,454,300 (2023: \$6,201,173).

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DIRECTORS' REPORT (continued)

State of Affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Company during the financial year under review.

The Company maintains Trustee indemnity in its personal capacity due to changes to Sections 56 and 57 of the Superannuation (Industry) Supervision Act (1993)(Cth) (SIS Act). Superannuation fund trustees are prohibited from accessing superannuation fund assets to pay criminal, civil or administrative penalties incurred by the Company or its directors in relation to a contravention of any Commonwealth law.

On the 11th December 2023, a Trustee Fee of \$7,300,000 was paid from the Fund Development reserve and transferred to the Trustee Capital Reserve. The Trustee Capital Reserve (TCR) represents the balance of funds held by H.E.S.T. Australia Limited (the Company) as capital on its own account to address the risks associated with its role as trustee of the HESTA (Trust).

Any payments from the TCR must be authorised by the Board. The Company may pay from the Trustee Capital Reserve:

- any liability incurred in connection with the investment and management of the funds held in the Trustee Capital Reserve;
- any liability for taxation incurred in connection with the Trustee Fee, the Trustee Capital Reserve or otherwise;
- any amount representing all or part of an insurance premium or any deductible or out-of-pocket costs in respect of a policy of liability or indemnity insurance for the Company or directors or officers.

The investment strategy for the Trustee Capital Reserve considers the risk profile of HESTA's investment options and is currently invested in a negotiated cash rate, to reduce volatility.

The Trustee Capital Reserve will be maintained in a distinct segregated portfolio and is separately identifiable from Trust assets.

The Trustee Capital reserve is funded by a Trustee Fee payable by the Fund to the Company in its personal capacity.

Events Subsequent to Balance Date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

Likely Developments

The Company will continue to act solely as Trustee of the Fund and, at the date of this report, the Directors believe the Company will not carry out any business actively on its own behalf in the foreseeable future.

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DIRECTORS' REPORT (continued)

Environmental Regulation

The Company is not subject to significant environmental regulation.

Indemnification and Insurance of Officers

To the extent not covered by a contract of insurance, the Company indemnifies:

- (a) its officers against liabilities to persons (other than the Company or a related body corporate), unless the liability arises out of conduct involving lack of good faith, and
- (b) its officers against a liability for costs and expenses incurred in successfully defending civil or criminal proceedings.

During the year premiums were paid for superannuation fund trustees liability insurance, which among others, provides insurance cover for the Directors and the Secretary of the Company in respect of any breach of trust, breach of duty or any other act, wrongfully committed in executing any of the functions of the schemes of which the Company is Trustee.

During the financial year, insurance premiums to insure the Directors and Officers of the Company, were paid by the Fund, on behalf of the Company.

Indemnity of auditors

The auditors of the Company are in no way indemnified out of the assets of the Company.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 10.

Directors' Benefits

During the year ended 30 June 2024, no Director of the Company has received or become entitled to receive a benefit (other than remuneration shown at Note 9 or reimbursement of expenses for attending meetings) by reason of a contract made by the Company with the Director or with a firm of which he or she is a member, or with a company in which he or she has a substantial financial interest.

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DIRECTORS' REPORT (continued)

Meeting Attendance of the Directors

Meeting attendance of the Directors of H.E.S.T. Australia Ltd (A.B.N 66 006 818 695) as appointed Trustee of the Fund during the year were:

Director	Board of Directors	Risk Committee	Finance, Audit and Compliance Committee	Governance and Remuneration Committee	Investment Committee
N. Roxon	7/7	4/4	-	7/7	6/6
S. Dahn	7/7	-	-	-	6/6
D. Cole	6/7	4/4	5/5	-	-
H. Gibbons	7/7	-	-	7/7	6/6
G. Humphrys	7/7	-	5/5	-	5/6
C. Smith	7/7	4/4	-	6/7	-
E. Gaske	5/7	3/4	-	5/7	-
A. Morrison	7/7	-	5/5	7/7	-
B. Davison	6/7	-	4/5	-	5/5
K. Marshall	6/7	-	5/5	-	-
J. Bennett	6/7	2/2	-	-	-
E. Maiden	6/6	-	-	-	6/6
A. van Vorst	5/5	2/2	-	-	-
R. Bonner	3/3	1/1	-	-	-
L. Sharp	3/3	-	-	-	1/1
B. Holmes	2/2	2/2	-	-	-

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DIRECTORS' REPORT (continued)

Qualifications of the Directors

The qualifications of the Directors of H.E.S.T. Australia Ltd (A.B.N 66 006 818 695) as appointed Trustee of the Fund, in office at the date of this report are:

Director and other responsibilities	Other Roles	Qualifications
<p>Nicola Roxon</p> <ul style="list-style-type: none"> • Independent Board Chair • Member, Governance and Remuneration Committee • Member, Investment Committee • Member, Risk Committee 	<ul style="list-style-type: none"> • Chair, Australian Institute of Health and Welfare • Chair, Victorian Health Promotion Foundation • Director, Super Members Council of Australia Limited • Non-Executive Director, Dexus Fund Management and Chair of ESG Committee • Non-Executive Director, Dexus Holdings Limited • Non-Executive Murdoch Children's Research Institute • Member, Chief Executive Women • Patron, BreastWest Foundation • Member, Qantas Chairman's Lounge 	<ul style="list-style-type: none"> • Bachelor of Arts/Law LLB (Hons), University of Melbourne • Graduate, Australian Institute of Company Directors
<p>Susanne Dahn</p> <ul style="list-style-type: none"> • Independent Director • Chair, Investment Committee 	<ul style="list-style-type: none"> • Non-Executive Director, Victorian Traditional Owners Funds Limited • Consultant, Pitcher Partners • Council Member, RMIT 	<ul style="list-style-type: none"> • Bachelor of Com, University of Melbourne • MBA, University of Melbourne • Graduate Diploma of Applied Finance and Investment • Company Directors Diploma • Graduate Certificate in Applied Corporate Governance and Risk Management • Fellow of the Australian Institute of Company Directors (FAICD) • Fellow Finsia (former Securities Institute Australia) (F Fin) • Fellow Australian Super Funds Association (FASFA) • Fellow CPA Australia (FCPA)

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DIRECTORS' REPORT (continued)

Qualifications of the Directors (continued)

Director and other responsibilities	Other Roles	Qualifications
<p>Deborah Cole</p> <ul style="list-style-type: none"> • Deputy Chair • Chair, Risk Committee • Member, Finance Audit and Compliance Committee 	<ul style="list-style-type: none"> • Director, Frontier Advisors Pty Ltd • Director, Western Health 	<ul style="list-style-type: none"> • Bachelor of Dental Surgery • Master of Business Administration • Graduate Diploma of Health Administration • Graduate Certificate in Leadership and Catholic Culture • Fellow of the Australian Institute of Company Directors (FAICD) • Graduate of the Australian Institute of Superannuation Trustees Directors' (Adv) (GAIST)
<p>Helen Gibbons</p> <ul style="list-style-type: none"> • Deputy Chair • Chair, Governance and Remuneration Committee • Member, Investment Committee 	<ul style="list-style-type: none"> • Executive Director, United Workers Union • Director, South Australia Skills Commission • Member Council, United Workers Union • Member, IFM Shareholder Advisory Board • Member, Education and Early Childhood Services Registration and Standards Board of SA 	<ul style="list-style-type: none"> • Diploma of Teaching • Graduate of the Australian Institute of Superannuation Trustees Directors' Course (GAIST)
<p>Gary Humphrys</p> <ul style="list-style-type: none"> • Chair, Finance Audit and Compliance Committee • Member, Investment Committee 	<ul style="list-style-type: none"> • Trustee Director, Mary Aikenhead Ministries 	<ul style="list-style-type: none"> • Post-graduate Diploma of Business Administration, University of Queensland • Chartered Accountant • Member and Graduate of Australian Institute of Company Directors (GAICD) • Graduate of the Australian Institute of Superannuation Trustees Directors' Course (GAIST, Adv) • Diploma of Commerce, NSW Institute of Technology (now University of Technology)
<p>Catherine Smith</p> <ul style="list-style-type: none"> • Member, Risk Committee • Member, Governance and Remuneration Committee 	<ul style="list-style-type: none"> • Director, Utilities of Australia Pty Ltd • Advisor, Australian Communities Foundation Philanthropy and Impact Committee • Life Member, Victorian Council of Social Services • Member, Country Needs People • Chair, Energy Charter End Users Consultative Group • Principal, Changesmith Consulting 	<ul style="list-style-type: none"> • Master of Strategic Foresight • Bachelor of Natural Environmental Science • Fellow of the Institute of Public Administration Australia IPAA (Vic Branch) • Graduate of the Australian Institute of Superannuation Trustees Directors' Course (GAIST) followed by advanced training in 2021 • RG 146

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DIRECTORS' REPORT (continued)

Qualifications of the Directors (continued)

Director and other responsibilities	Other Roles	Qualifications
<p>Emeline Gaske</p> <ul style="list-style-type: none"> • Member, Risk Committee • Member, Governance and Remuneration Committee 	<ul style="list-style-type: none"> • National Secretary, Australian Services Union (ASU) • Executive Member, ACTU • Member, UNI APRO Executive Committee • Member, Respect at Work Council • Member, Australian Labor Party (ALP), National Executive Finance, Risk and Audit Committee 	<ul style="list-style-type: none"> • Bachelor of Arts (Hons) • Bachelor of Laws (Hons) • Graduate of the Australian Institute of Superannuation Trustees Directors' Course (GAIST) • Graduate of the Australian Institute Company Directors Course (GAICD)
<p>Alan Morrison</p> <ul style="list-style-type: none"> • Member, Governance and Remuneration Committee • Member, Finance Audit and Compliance Committee 	<ul style="list-style-type: none"> • CEO, The Burnside War Memorial Hospital Inc • Director and Treasurer, Australian Private Hospitals Association • State President, Australian Private Hospitals Association SA Branch 	<ul style="list-style-type: none"> • Bachelor of Accounting (Hons), University of Dundee, UK • Chartered Accountant, Institute of Chartered Accountants of Scotland (ICAS) (Non Member) • Graduate of Australian Institute of Company Directors (GAICD) • Graduate of the Australian Institute of Superannuation Trustees Directors' Course (GAIST)
<p>Benjamin Davison</p> <ul style="list-style-type: none"> • Member, Finance Audit and Compliance Committee • Member, Investment Committee 	<ul style="list-style-type: none"> • Founder & CEO of Ben Davison Consulting (sole trader) • Board Member, Ballarat General Cemeteries Trust and Chair of Organisational Capacity and Remuneration Committee • Chair, Central Highlands Group Training Inc. trading as Ballarat Group Training (BGT) and Chair of Policy Committee • Board Member, ACTU Member Connect • Board Member, Western Health and member of Finance Committee and Community Advisory Committee • Member ASU Victorian Private Sector Branch • Member, The New Daily Stakeholder Forum • Life Member Deakin University Student Association (DUSA) 	<ul style="list-style-type: none"> • Bachelor of Arts, majors in Journalism, Politics & Policy, Deakin University • MBA (Professional), Melbourne University • Graduate, Australian Institute of Company Directors (AICD)

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DIRECTORS' REPORT (continued)

Qualifications of the Directors (continued)

Director and other responsibilities	Other Roles	Qualifications
<p>Kate Marshall</p> <ul style="list-style-type: none"> Member, Finance Audit and Compliance Committee 	<ul style="list-style-type: none"> Senior National Assistant Secretary, HSU Member, HSU National Executive, National Council and National Finance 	<ul style="list-style-type: none"> Bachelor of Arts (Journalism) Bachelor of Laws Graduate of the Australian Institute of Superannuation Trustees Directors' Course (GAIST)
<p>Jacqueline Bennett</p> <ul style="list-style-type: none"> Member, Risk Committee 	<ul style="list-style-type: none"> Director, Koobara Kindergarten and Pre-Prep Aboriginal and Torres Strait Islander Corporation Board 	<ul style="list-style-type: none"> Certificate IV – Community Services
<p>Emma Maiden</p> <ul style="list-style-type: none"> Member, Investment Committee 	<ul style="list-style-type: none"> Director, Sydney Community Forum Executive member, Uniting NSW.ACT Director, EGM trust (testamentary trust) Member, Uniting Financial Services Ethical Investment Monitoring Committee Member, Australian Services Union, NSW Branch Director, NSW Council of Social Service 	<ul style="list-style-type: none"> Bachelor of Economics (Hons) Diploma of Law, Legal Practitioners Admission Board Admitted to Practice as a Solicitor by NSW Supreme Court Graduate Australian Institute of Company Directors
<p>Angela van Vorst</p> <ul style="list-style-type: none"> Member, Risk Committee 	<ul style="list-style-type: none"> Member, NSW Nurses and Midwives Association Professional Officer, Superannuation, NSWNMA 	<ul style="list-style-type: none"> Registered Nurse Bachelor of Nursing, QUT Bachelor of Arts (Govt and Industrial Relations), Universtiy of Sydney
<p>Robert Bonner</p> <ul style="list-style-type: none"> Member, Risk Committee 	<ul style="list-style-type: none"> Principal, Bonner Consulting Chair, HumanAbility Ltd Deputy Chair, Steering Committee, Rosemary Bryant AO Research Centre of the University of South Australia Director, Rosemary Bryant Foundation Member, Australian Nursing and Midwifery Federation Member, National Careers Institute Advisory Board Member, Australian Institute of Company Directors 	<ul style="list-style-type: none"> MAICD

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DIRECTORS' REPORT (continued)

This report has been made in accordance with a resolution of Directors.



.....
Director



.....
Director

Dated this 25th day of September 2024.

Melbourne, Victoria



Auditor's independence declaration

As lead auditor for the audit of H.E.S.T. Australia Ltd for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit, and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of H.E.S.T. Australia Ltd.

A handwritten signature in blue ink, appearing to read 'G. Sagonas', with a stylized flourish at the end.

George Sagonas
Partner
PricewaterhouseCoopers

Melbourne
25 September 2024

H.E.S.T. AUSTRALIA LTD
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Notes	Jun-24 \$	Jun-23 \$
Assets			
Cash at bank	3 (a)	17,759,722	14,282,619
Receivables	4	9,219	24,822
Total Assets		17,768,941	14,307,441
Current Liabilities			
Payables	5	313,330	1,101,936
Current tax liabilities		404,271	1,608,465
Total Liabilities		717,601	2,710,401
Net Assets		17,051,340	11,597,040
Equity			
Contributed Equity		-	-
Trustee Capital Reserve	7	17,051,340	11,597,040
Retained Earnings		-	-
Total Equity		17,051,340	11,597,040

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

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Jun-24 \$	Jun-23 \$
Revenue			
Trustee management fee		1,457,659	2,777,752
Other Income			
Trustee Fee		6,636,364	8,000,000
Interest		705,982	268,429
Total revenue and other income		8,800,005	11,046,181
Expenses			
Director fees		1,445,939	1,350,525
Trustee liability insurance		-	950,178
Travel and Education		-	318,464
Other expenses		63,753	157,856
Total expenses		1,509,692	2,777,023
Profit/(loss) before income tax for the period		7,290,313	8,269,158
Income tax (expense)/benefit	6 (a)	<u>(1,836,013)</u>	<u>(2,067,985)</u>
Profit/(loss) after income tax for the period		5,454,300	6,201,173
Total comprehensive income /(loss) for the period		<u>5,454,300</u>	<u>6,201,173</u>

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

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Trustee Capital Reserve \$	Retained Earnings \$	Total Equity \$
Total equity at the beginning of the reporting period - 1 July 2023		11,597,040	-	11,597,040
Total comprehensive income/(loss) for the period		5,454,300	-	5,454,300
Total equity at the end of the reporting period - 30 June 2024	7	17,051,340	-	17,051,340

		Trustee Capital Reserve \$	Retained Earnings \$	Total Equity \$
Total equity at the beginning of the reporting period - 1 July 2022		5,395,867	-	5,395,867
Total comprehensive income/(loss) for the period		6,201,173	-	6,201,173
Total equity at the end of the reporting period - 30 June 2023	7	11,597,040	-	11,597,040

The Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Jun-24 \$	Jun-23 \$
Cash flows from operating activities			
Trustee Fee		5,836,364	8,800,000
Interest received		705,982	268,429
Trustee management fee received		1,448,281	277,208
Director fees paid		(1,421,494)	-
Other expenses paid		(51,823)	-
Bank charges paid		-	(60)
Income tax paid		(3,040,207)	(2,257,447)
Net cash inflow/(outflow) from operating activities	3 (b)	3,477,103	7,088,130
Cash flow from investing activities			
		-	-
Cash flow from financing activities			
		-	-
Net increase/(decrease) in cash and cash equivalents		3,477,103	7,088,130
Cash and cash equivalents at the beginning of the period		14,282,619	7,194,489
Cash and cash equivalents at the end of the period	3 (a)	17,759,722	14,282,619

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following explains the material accounting policies which have been adopted in the preparation of these financial statements. These policies have been consistently applied unless otherwise indicated.

(a) Basis of Preparation

(i) General purpose financial statements

These general purpose financial statements have been prepared in accordance with the recognition and measurement principles of all applicable Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. They contain disclosures that are mandatory under the Accounting Standards and those considered necessary by the Directors to meet the needs of members.

The financial statements comply with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention.

(iii) New accounting standards and interpretations

There are no new standards or amendments to standards that are mandatory for the first time in the financial year beginning 1 July 2023 that affect the Company's financial statements and are not likely to affect future periods. The Company has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2023.

(b) Cash and cash equivalents

Cash at bank in the statement of financial position represents the transfer from the Fund Development Reserve to the Trustee Capital reserve and is used to address the risks associated with its role as trustee of the HESTA (Trust) under Sections 56 and 57 of the Superannuation (Industry) Supervision Act (1993(Cth)) (SIS Act).

(c) Income recognition

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(d) Receivables and payables

All receivables, unless otherwise stated, are non-interest bearing, unsecured and generally received within 30 days of recognition.

Payables include liabilities and accrued expenses owing by the Company which are unpaid as at the end of the reporting period.

All payables, unless otherwise stated, are non-interest bearing, unsecured and generally paid within 30 days of recognition.

(e) Income Tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the national income tax rate . There were no changes in deferred liabilities and deferred assets attributable to temporary differences for the reporting period.

2. TRUSTEE LIABILITIES AND RIGHT OF INDEMNITY

The Company acts solely as Trustee of the Fund. These financial statements have been prepared for the Trustee Company (H.E.S.T. Australia Ltd) and as such do not record assets and liabilities of the Fund as the Trustee will only be liable for obligations of the Fund if it has committed a breach of its fiduciary duties or to the extent that the Fund has insufficient assets to settle its obligations. At balance date, the assets of the Fund are sufficient to meet its liabilities, and there has been no breach of fiduciary duties of the Company in its capacity as Trustee.

The Net Asset position of HESTA (the Fund) at the end of the financial year was \$310,885,000 (2023: \$404,395,000).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

3. CASH AND CASH EQUIVALENTS

(a) Components of cash and cash equivalents

	Jun-24	Jun-23
	\$	\$
Cash at bank	17,759,722	14,282,619
Total cash and cash equivalents	17,759,722	14,282,619

(b) Reconciliation of profit/(loss) after income tax for the year to net cash inflow/(outflow) from operating activities

	Jun-24	Jun-23
	\$	\$
Profit/(loss) after income tax for the year	5,454,300	6,201,173
Change in operating assets and liabilities:		
(Increase)/decrease in receivables	(809,378)	-
Increase/(decrease) in payables	36,375	1,077,114
Increase/(decrease) in current tax liabilities	(1,204,194)	(190,157)
Net cash inflow/ (outflow) from operating activities	3,477,103	7,088,130

4. RECEIVABLES

	Jun-24	Jun-23
	\$	\$
GST receivable	151	12,081
Trustee service fee receivable	9,068	12,741
Total receivables	9,219	24,822

5. PAYABLES

	Jun-24	Jun-23
	\$	\$
GST payable	36,877	849,928
Accrued expenses	266,846	252,008
Sundry creditors	9,607	-
Total payables	313,330	1,101,936

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

6. INCOME TAX

	Jun-24	Jun-23
	\$	\$
(a) Major components of Income tax expense/ (benefit) are:		
Income statement		
<i>Current income tax expenses/(benefit)</i>	1,834,728	2,067,290
Current tax on profits for the period ended		
Adjustments in respect of current income tax of previous periods	1,285	695
<i>Deferred income tax expense/(benefit)</i>		
Relating to origination and reversal of temporary differences	-	-
Total income tax expense/ (benefit) as reported in the comprehensive income statement	1,836,013	2,067,985

(b) Reconciliation between income tax expenses/ (benefit) and the accounting profit before income tax

	Jun-24	Jun-23
	\$	\$
Profit/(loss) before income tax for the period	7,290,313	8,269,158
Income tax at 25%	1,822,578	2,067,290
Non-deductible expenses	12,150	-
Under/(over) provision in the previous period	1,285	695
	1,836,013	2,067,985

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

7. TRUSTEE CAPITAL RESERVE

	Jun-24	Jun-23
	\$	\$
Opening balance	11,597,040	5,395,867
Net transfers to/(from) reserves	7,300,000	8,800,000
Interest	700,837	268,301
Bank charges	-	(70)
Penalties and Fines	(48,600)	-
GST paid	(663,637)	(800,000)
Income Tax Expense	(1,834,300)	(2,067,058)
Closing balance as at 30 June 2024	17,051,340	11,597,040

The Trustee Capital Reserve (TCR) represents the balance of funds held by H.E.S.T. Australia Limited (the Company) as capital on its own account to address the risks associated with its role as trustee of the HESTA (Trust).

On the 11th December 2023, \$7,300,000 was paid from the Fund Development Reserve to the Trustee Capital Reserve.

The TCR will be funded by a Trustee Fee payable by the Fund to the Company in its personal capacity.

8. MEMBERS' GUARANTEE

H.E.S.T. Australia Ltd was incorporated as a company limited by guarantee. In accordance with the Company's Memorandum of Association each member of the Company undertakes to contribute to the property of the Company in the event of it being wound up while that member is a member or within one year after that member ceases to be a member for payment of the debts and liabilities of the Company contracted before that member ceases to be a member and the costs, charges and expenses of winding up and for adjustment of the rights of the contributories among themselves such amount as may be required not exceeding one dollar.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

9. KEY MANAGEMENT PERSONNEL

(a) Key Management Personnel

Directors

The names of the Directors in office during the financial year and up to the date of this report are:

N. Roxon (Independent Chair) (appointed 01/01/2019)	
S. Dahn (Independent Director & Chair of Investment Committee) (appointed 01/07/2023)	
Employer Appointed	Employee Appointed
D. Cole* (Deputy Chair) (appointed 01/01/2015)	H. Gibbons (Deputy Chair) (appointed 04/02/2016)
G. Humphrys (appointed 18/05/2015)	E. Gaske (appointed 12/02/2020)
C. Smith* (appointed 25/09/2015)	B. Davison (appointed 15/09/2021)
A. Morrison* (appointed 01/03/2021)	K. Marshall* (appointed 01/01/2022)
J. Bennett (appointed 01/01/2023)	A. van Vorst (appointed 01/10/2023)
E. Maiden* (appointed 20/07/2023)	R. Bonner* (appointed 01/01/2024)
	L. Sharp* (ceased 08/12/2023)
	B. Holmes* (ceased 26/09/2023)

*Members of HESTA the Fund

In addition to the above named Directors of the Fund Trustee, the following individuals were also Key Management Personnel of the Fund during the year:

Executive Team	Position Held
D. Blakey *	Chief Executive Officer
L. Samuels*	Chief Experience Officer
S. Sawtell-Rickson*	Chief Investment Officer
S. Reilly*	Chief Operating Officer
A. Major*	Chief Risk Officer
J. Parisotto*	Chief Engagement and Growth Officer (formerly Chief Member Engagement Officer)
S. Harris*	Chief Strategy Officer (formerly Chief Growth Officer)
N. Kelly	Chief Financial Officer (appointed 06/05/2024) (formerly Acting Chief Financial Officer from 06/03/2024 to 05/05/2024)
S. Collins	Chief Financial Officer (ceased 16/02/2024)

*Certain Directors and Executives are members of the Fund. Their membership terms and conditions are the same as those available to other members of the Fund.

(b) Key Management Personnel Compensation

During the year the Board of Directors agreed to pay fees or remuneration to:

- (a) Individual Directors; or
- (b) Where requested by the Director, the organisation employing the relevant Director (such payments recognise that the organisation has allowed their employee paid time to contribute to the operation of the Fund); and
- (c) Executive Personnel

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

9. KEY MANAGEMENT PERSONNEL (continued)

(b) Key Management Personnel Compensation (continued)

Total remuneration received by Directors and Executives as at the reporting date was:

	Jun-24	Jun-23
	\$	\$
Short-term benefits	7,300,781	6,977,315
Post-employment benefits	352,364	329,543
Other long term benefits	51,334	-
Termination Benefits	80,031	-
	7,784,510	7,306,858

Total remuneration receivable by Directors and Executives as at the reporting date was:

Short-term benefits	372,282	375,170
Post-employment benefits	-	-
Other long term benefits	1,797,602	1,524,307
	2,169,884	1,899,477
Total	9,954,394	9,206,335

Total remuneration received by Directors and/or relevant organisations during the year was:

Key Management Personnel	Position Held	Position Commenced	Position Ceased	Financial Year	Total Remuneration	
N. Roxon	Independent Board Chair and Director	01/01/2019	-	2024	211,554	Self
				2023	203,873	Self
S. Dahn	Independent Investment Committee Chair and Director	01/07/2023	-	2024	172,860	Self
				2023	-	Self
D. Cole	Director	01/01/2015	-	2024	108,961	Self
				2023	101,568	Self
H. Gibbons	Director	04/02/2016	-	2024	117,851	United Workers Union
				2023	108,673	United Workers Union
G. Humphrys	Director	18/05/2015	-	2024	95,936	Self
				2023	89,235	Self
C. Smith	Director	25/09/2015	-	2024	80,935	Self
				2023	76,220	Self
E. Gaske	Director	12/02/2020	-	2024	80,935	Australian Services Union
				2023	76,220	Australian Services Union
A. Morrison	Director	01/03/2021	-	2024	80,935	Self
				2023	76,220	Self
B. Davison	Director	15/09/2021	-	2024	84,516	Self
				2023	63,644	Self

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

9. KEY MANAGEMENT PERSONNEL (continued)

(b) Key Management Personnel Compensation (continued)

Key Management Personnel	Position Held	Position Commenced	Position Ceased	Financial Year	Total Remuneration	
K. Marshall	Director	01/01/2022	-	2024	67,600	Health and Community Services Union
				2023	63,644	Health and Community Services Union
J. Bennett	Director	01/01/2023	-	2024	64,414	Self
				2023	26,177	Self
E. Maiden	Director	20/07/2023	-	2024	72,545	Self
				2023	-	Self
A. van Vorst	Director	01/10/2023	-	2024	50,719	Australian Nursing and Midwifery Federation
				2023	-	Australian Nursing and Midwifery Federation
R. Bonner	Director	01/01/2024	-	2024	34,333	Self
				2023	-	Self
L. Sharp	Director	01/07/2018	08/12/2023	2024	29,023	Australian Nursing and Midwifery Federation
				2023	70,748	Australian Nursing and Midwifery Federation
B. Holmes	Director	15/09/2021	26/09/2023	2024	16,147	Self
				2023	48,794	Self
B. Holmes	Director	15/09/2021	26/09/2023	2024	-	NSW Nurses and Midwives' Association
				2023	14,850	NSW Nurses and Midwives' Association

The above remuneration received/receivable by Directors and/or relevant organisations during the year includes superannuation. The remuneration paid to an organisation is after relevant superannuation is deducted and paid/payable to the relevant superannuation fund.

For the year ended 30 June 2024, Director's remuneration was paid by the Trustee and re-charged to the Fund.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

10. RELATED PARTIES

Related Party Investments and Transactions

The Company, as Trustee of the Fund, has disclosed below the related parties of the Fund.

Frontier Advisors Pty Ltd

A 31% (2023: 31%) shareholding of ordinary shares valued at \$2,399,400 (2023: \$1,599,600) in Frontier Advisors Pty Ltd.

Frontier Advisors Pty Ltd receives fees from the Fund for investment consulting services. These fees were \$1,986,281 (2023: \$1,362,577).

Ms D. Cole is a director of Frontier Advisors Pty Ltd and received fees of \$17,164 for the year ended 30 June 2024 (2023: \$16,434). This is inclusive of superannuation.

Industry Super Holdings Pty Ltd

A 18.90% (2023: 18.90%) shareholding in Industry Super Holdings Pty Ltd (ISH) valued at \$412,314,293 (2023: \$307,053,719).

IFM Investors Pty Ltd is a subsidiary of ISH and manages investments totalling \$14,227,017,565 (2023: \$14,468,729,889) on behalf of the Fund. IFM Investors Pty Ltd received direct fees for the management of these portfolios of \$2,970,926 (2023: \$2,509,158) and advisory fees of \$40,000 (2023: \$ nil). This does not include fees deducted from investments.

Industry Super Australia Pty Ltd (ISA) is a subsidiary of ISH. The Fund paid ISA \$2,181,991 (2023: \$4,626,738) for marketing and research services.

Industry Fund Services Pty Ltd (IFS) is a subsidiary of ISH. The Fund paid IFS \$145,486 (2023: \$113,287) for financial planning services.

ISPT Pty Ltd

A 8.0% (2023: 8.0%) shareholding in ISPT Pty Ltd valued at \$2 (2023: \$2) and a 14.6% (2023: 14.6%) unitholding in the ISPT Operations Trust valued at \$740,544 (2023: \$1,324,471).

ISPT Pty Ltd in its capacity as trustee and ISPT Operations Pty Ltd in its capacity as service entity, managed investments totalling \$2,188,927,481 (2023: \$2,444,383,574) on behalf of the Fund.

ISPT Pty Ltd received nil direct fees during 2024 (2023: \$240,000) for the management of these portfolios. This does not include fees deducted from investments.

HESTA has a Director appointment on the ISPT Board.

The Fund paid ISPT \$7,578,676 (2023 : \$6,351,627, includes \$258,000 in investment fees) in rent and outgoings in relation to ISPT office space leased by HESTA.

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NOTES TO THE FINANCIAL STATEMENTS
Directors' Report

10. RELATED PARTIES (continued)

Related Party Investments and Transactions

The Fund also has the following investments:

Investment

	Equity holding	
	2024	2023
	%	%
Assemble HoldCo 1 Pty Ltd	40.4	-
Castle Living SCSp (Castleforbes)	39.0	39.0
EQT Angle Unit Trust	100.0	-
Land Services WA Holdings Trust (LSWA)	10.0	15.0
Land Services WA Holdings Pty Limited (LSWA)	10.0	15.0
Land Services SA Holding Trust (LSSA)	10.0	-
Land Services SA Holding Pty Limited (LSSA)	10.0	-
SHP Housing Fund 1	99.8	97.5
Utilities Trust Australia Pty Ltd (UTA)	7.1	7.1

These investments are included in the relevant investment categories in the Fund Statement of Financial Position.

For Land Services WA and SA, HESTA had representation on the board of directors as at 30 June 2024.

For Utilities Trust Australia Pty Ltd (UTA), HESTA had a representative on the board of directors of the trustee of UTA, being Utilities of Australia Pty Ltd, as at 30 June 2024.

During the year, Super Housing Partnerships (HoldCo) Pty Ltd merged with Assemble HoldCo 1 Pty Ltd. HESTA has appointed two directors on the board as at 30 June 2024.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

10. RELATED PARTIES (continued)

Related Party Investments and Transactions

During the financial year ended 30 June 2024, the following Directors and Executives also held other roles relevant to Related Parties:

Director / Executives (Positions held)	Other Shareholdings and transaction
D. Blakey (Chief Executive Officer)	<ul style="list-style-type: none"> • Member of the ISA Advisory Council • Alternative member of the IFM Investors Shareholder Advisory Board
N. Roxon (Board Chair)	<ul style="list-style-type: none"> • Director of Super Members Council of Australia
D. Cole (Deputy Chair)	<ul style="list-style-type: none"> • Director of Frontier Advisors Pty Ltd
H. Gibbons (Deputy Chair)	<ul style="list-style-type: none"> • Member of the IFM Investors Shareholder Advisory Board
C. Smith (Director)	<ul style="list-style-type: none"> • Director of Utilities of Australia Pty Ltd
S. Sawtell-Rickson (Chief Investment Officer)	<ul style="list-style-type: none"> • Member of the IFM Investors Shareholder Advisory Board
L. Samuels (Chief Experience Officer)	<ul style="list-style-type: none"> • Director of Industry Super Australia Pty Ltd (ISA)
A. Major (Chief Risk Officer)	<ul style="list-style-type: none"> • Director of ISPT Pty Ltd and ISPT Operations Pty Ltd

All transactions noted in 10 were made on normal commercial terms, under normal conditions and at market rates. Transactions relating to dividends, investment income and subscription for new ordinary shares were on the same terms and conditions that applied to other shareholders.

11. AUDITORS' REMUNERATION

The Company's auditor is PricewaterhouseCoopers.

The following remuneration was paid or is payable to the auditor firm in relation to the Company:

	Jun-24	Jun-23
	\$	\$
Audit of Financial Statements	28,600	27,500
Regulatory related assurance services	7,370	7,057
	35,970	34,557

For the reporting period ended 30 June 2024, Auditors' remuneration was paid by the Fund, on behalf of the Company.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

12. SIGNIFICANT EVENTS AFTER BALANCE DATE

IFM and ISPT have entered into a Transaction Implementation Deed pursuant to which IFM intends to acquire ISPT by way of scheme of arrangement. The acquisition is subject to a number of conditions (including the approval of securityholders and the court) and is scheduled to be complete by the end of calendar year 2024.

Other than what has been disclosed above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

13. CONSOLIDATED ENTITY DISCLOSURE STATEMENT

H.E.S.T. Australia Ltd does not have any controlled entities and is therefore not required by the Australian Accounting Standards to prepare consolidated financial statements. Therefore, section 295(3A) (a) of the Corporations Act 2001 does not apply to the entity.

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DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 11 to 26 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards and other mandatory professional reporting requirements and the Corporations Regulations 2001; and
 - (ii) giving a true and fair view of the entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) the consolidated entity disclosure statement on page 26 is true and correct.

The declaration is made in accordance with a resolution of the Directors.



.....
Director



.....
Director

Dated this 25th day of September 2024.



Independent auditor's report

To the members of H.E.S.T. Australia Ltd

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of H.E.S.T. Australia Ltd (the Company) are in accordance with the *Corporations Act 2001*, including:

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

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2024
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement
- the directors' declaration.

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

Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.



Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

George Sagonas
Partner

Melbourne
25 September 2024