WA Construction Industry Redundancy Fund

Financial Statements

For the Year Ended 30 June 2026

WA Construction Industry Redundancy Fund

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WA Construction Industry Redundancy Fund

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2026

		2026	2025
		$	$
Income			
Rental income		29,000	29,000
Interest income		94,648	101,463
Investment income		495,428	400,849
Unrealised gains on investments		246,875	189,085
Profit on sale of investments		51,366	8,444
		917,317	728,841
Expenditure			
Depreciation		28,152	28,893
Management fees	4	109,094	207,235
Loss on sale of investments		23,120	44,282
Other expenses		7,476	8,472
		167,842	288,882
Surplus (deficit) before income taxes		749,475	439,959
Income tax expense		-	-
Surplus (deficit) after income tax for the year		749,475	439,959
Other comprehensive income for the year, net of tax			
Revaluation of property / (office improvements)		-	-
Total comprehensive income for the year		749,475	439,959

The accompanying notes form part of these financial statements.

WA Construction Industry Redundancy Fund

Statement of Financial Position

As At 30 June 2026

	Note	2026 $	2025 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	12(a)	850,497	989,162
Trade and other receivables	5	4,832	719
Financial assets	6	-	1,000,000
TOTAL CURRENT ASSETS		855,329	1,989,881
NON-CURRENT ASSETS			
Financial assets	6	8,004,042	7,814,366
Property, plant and equipment	7	645,969	674,122
TOTAL NON-CURRENT ASSETS		8,650,011	8,488,488
TOTAL ASSETS		9,505,340	10,478,369
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	11,172	28,966
TOTAL CURRENT LIABILITIES		11,172	28,966
NON-CURRENT LIABILITIES			
Beneficiary accounts	11	3,325,493	4,980,243
TOTAL NON-CURRENT LIABILITIES		3,325,493	4,980,243
TOTAL LIABILITIES		3,336,665	5,009,209
NET ASSETS		6,168,675	5,469,160
EQUITY			
Revaluation reserve	9	779,633	779,633
Employee member redundancy entitlements		500,647	550,607
Accumulated surplus		4,888,395	4,138,920
TOTAL EQUITY		6,168,675	5,469,160

The accompanying notes form part of these financial statements.

WA Construction Industry Redundancy Fund

Statement of Changes in Equity

For the Year Ended 30 June 2026

2026

	Accumulated Surplus	Asset Realisation Reserve	Employee Member Redundancy Entitlements	Total
	$	$	$	$
Balance at 1 July 2025	4,138,920	779,633	550,607	5,469,160
Other comprehensive income for the year, net of tax				
Surplus after income tax expense for the year	749,475	-	-	749,475
Forfeited funds	-	-	29,750	29,750
Participating employee benefits paid	-	-	(79,710)	(79,710)
Balance at 30 June 2026	4,888,395	779,633	500,647	6,168,675

2025

	Accumulated Surplus	Asset Realisation Reserve	Employee Member Redundancy Entitlements	Total
	$	$	$	$
Balance at 1 July 2024	3,698,961	779,633	646,813	5,125,407
Other comprehensive income for the year, net of tax				
Surplus after income tax expense for the year	439,959	-	-	439,959
Revaluation of property	-	-	-	-
Forfeited funds	-	-	(5,520)	(5,520)
Participating employee benefits paid	-	-	(90,686)	(90,686)
Balance at 30 June 2025	4,138,920	779,633	550,607	5,469,160

The accompanying notes form part of these financial statements.

WA Construction Industry Redundancy Fund

Statement of Cash Flows

For the Year Ended 30 June 2026

	Note	2026 $	2025 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Payments to suppliers		(157,483)	(262,968)
Investment income received		571,681	946,236
Interest received		94,648	101,463
Net cash provided by/(used in) operating activities	12(b)	508,846	784,731
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds on transfers to/from investment accounts		57,199	1,640,056
Payment for held-to-maturity investments		1,000,000	(1,000,000)
Net cash provided by/(used in) investing activities		1,057,199	640,056
CASH FLOWS FROM FINANCING ACTIVITIES:			
Reversal of forfeited funds to beneficiaries		(1,654,750)	(1,394,480)
Payments to participating employee members		(49,960)	(96,206)
Net cash provided by/(used in) financing activities		(1,704,710)	(1,490,686)
Net increase/(decrease) in cash and cash equivalents held		(138,665)	(65,899)
Cash and cash equivalents at beginning of year		989,162	1,055,061
Cash and cash equivalents at end of financial year	12(a)	850,497	989,162

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2026

The financial statements cover WA Construction Industry Redundancy Fund as an individual entity. WA Construction Industry Redundancy Fund is a not-for-profit Fund incorporated in Western Australia .

The functional and presentation currency of WA Construction Industry Redundancy Fund is Australian dollars.

1 Basis of Preparation

In the opinion of the Trustees, the Fund is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Therefore special purpose financial statements have been prepared .

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, issued by the Australian Accounting Standards Board ("AASB").

2 Material Accounting Policy Information

(a) Revenue and other income

Revenue from contracts with customers

Interest

Interest revenue is recognised on an accrual basis using the effective interest method.

Other income

Other income is recognised on an accruals basis when the Fund is entitled to it.

Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

(b) Income Tax

The Fund has received advice that it is not characterised as a public trading trust and that it does not fall within the definition of a non-complying Superannuation fund for the purposes of the Income Tax Assessment Act 1936. Accordingly, The Fund is not liable for income tax and therefore in the opinion of the trustee, no provision for income tax is necessary. However, Goods and Services Tax has been accounted for and recorded appropriately.

(c) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

2 Material Accounting Policy Information (continued)

(c) Property, plant and equipment (continued)

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the asset revaluation reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the asset revaluation reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Fund, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Asset class	Depreciation rate
Buildings	40 years
Furniture, Fixtures and Fittings	10 - 20 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(d) Financial instruments

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Fund classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Amortised cost

The Fund's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of assets and liabilities.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

2 Material Accounting Policy Information (continued)

(d) Financial instruments (continued)

Financial assets (continued)

Financial assets through profit or loss

The Fund's financial assets measured at FVTPL comprise managed investments.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

The Fund uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Fund uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Fund in full, without recourse to the Fund to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Fund has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Fund renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Financial liabilities

The financial liabilities of the Fund comprise trade payables, bank and other loans and lease liabilities.

Notes to the Financial Statements
For the Year Ended 30 June 2026

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Fund assesses impairment at the end of each reporting period by evaluating conditions specific to the Fund that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - fair value of financial instruments

The Fund has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key estimates - estimation of useful lives of assets

The Fund determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangibles assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be write off or written down.

4 Management Fees

	2026	2025
	$	$
Operating management fee	92,211	198,605
Investing management fee	16,883	8,630
Total	109,094	207,235

Notes to the Financial Statements
For the Year Ended 30 June 2026

5 Trade and Other Receivables

	2026	2025
	$	$
GST receivable	2,124	669
Outstanding employer contribution	50	50
Other debtors	2,658	-
	4,832	719

6 Financial Assets

CURRENT		
Term deposit	-	1,000,000
NON-CURRENT		
Managed investments at market value	8,004,042	7,814,366

7 Property, plant and equipment

Strata premises		
At independent valuation	730,000	730,000
Accumulated depreciation	(84,891)	(56,841)
Total buildings	645,109	673,159
Furniture, fixtures and fittings		
At cost	1,533	1,533
Accumulated depreciation	(673)	(570)
Total furniture, fixtures and fittings	860	963
Total property, plant and equipment	645,969	674,122

8 Trade and Other Payables

Trade payables	8,220	26,014
Accruals	1,344	1,344
Other payables	1,608	1,608
	11,172	28,966

9 Revaluation reserves - building

Strata premises	779,633	779,633

Notes to the Financial Statements

For the Year Ended 30 June 2026

10 Financial Risk Management

The main focus of the Fund's capital management policy is to ensure adequate working capital to pay redundancy claims and to invest surplus available sums to create income and growth to fund operations of the fund and benefit members. This is done through detailed budgeting and close monitoring of performance of investments against budgets and projections working closely with investment managers. This process is working well. There have been no changes to the objective of the capital management policy or the process to achieve it.

The Fund's working capital as at balance date was:

	2026	2025
	$	$
Cash	850,497	989,162
Trade receivables / loans at call	4,833	1,000,719
Trade payables	(11,172)	(28,966)
	844,158	1,960,915

In the event of this fund being wound up, the sponsor members of the fund have agreed to transfer amounts standing to their credit within the WA Construction Industry Redundancy Fund beneficiary accounts to enable the payment of benefits to the employee members of the fund, if necessary.

11 Beneficiaries' Accounts

Master Builders Association		
Opening balance	2,601,261	3,248,501
Forfeited employees contributions	(14,875)	2,760
Beneficiary payments	(875,000)	(650,000)
	1,711,386	2,601,261
Building Trades Association		
Opening balance	2,378,982	3,126,222
Forfeited employees contributions	(14,875)	2,760
Beneficiary payments	(750,000)	(750,000)
	1,614,107	2,378,982
Balance at the end of the year	3,325,493	4,980,243

Members' beneficiary accounts have been subordinated pending recovery of deficits within Reddifund.

Notes to the Financial Statements
For the Year Ended 30 June 2026

12 Cash Flow Information

(a) Reconciliation of cash

	2026	2025
	$	$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of assets and liabilities as follows:		
Cash and cash equivalents	850,497	989,162

(b) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:		
Surplus / (deficit) for the year	749,475	439,959
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	28,152	28,893
- unrealised (gain)/loss	(246,875)	(189,085)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(4,113)	507,942
- increase/(decrease) in trade and other payables	(17,793)	(2,978)
Cashflows from operations	508,846	784,731

13 Events after the end of the Reporting Period

The financial report was authorised for issue on by the Committee of Management.

No matters or circumstances have arisen since the end of the financial year which 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.

14 Statutory Information

The registered office and principal place of business of the company is:

WA Construction Industry Redundancy Fund
Unit 2
Level 1, 44 Parliament Place
West Perth WA 6005

WA Construction Industry Redundancy Fund

Trustee Declaration

The Directors of the trustee company have determined that the Fund is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the Directors the financial report as set out on pages 1 to 11:

1. Presents fairly the financial position of WA Construction Industry Redundancy Fund as at 30 June 2026 and its performance for the year ended on that date.

2. At the date of this statement, there are reasonable grounds to believe that WA Construction Industry Redundancy Fund will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board of Directors of the trustee company.

Director ..... M Buchan

Director ..... M Moran

Dated this 29 day of October 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WA CONSTRUCTION INDUSTRY REDUNDANCY FUND

Opinion

We have audited the financial report of WA Construction Industry Redundancy Fund, which comprises the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income for the year then ended, statement of changes in equity, statement of cash flows for the year then ended and notes to the financial statements, including a summary of material accounting policy information, and the Trustee's declaration.

In our opinion, the accompanying financial report of WA Construction Industry Redundancy Fund is in accordance with the Trust Deed, including:

i) presenting fairly WA Construction Industry Redundancy Fund's financial position as at 30 June 2026 and its performance for the year ended on that date; and

ii) complying with Australian Accounting Standards to the extent described in notes 1.

Basis for Opinion

We have 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 Fund 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 ethical requirements 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

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Trustee's internal financial reporting requirements. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Trustee for the Financial Report

The Trustee is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the needs of the members.

The Trustee's responsibility also includes such internal controls as the Trustee determines are necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Trustee's are responsible for assessing the Fund's ability 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 cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

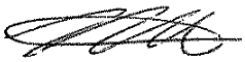
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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.

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

- Identify and assess 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 Trustee's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- Conclude 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 Fund'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 Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

DRY KIRKNESS (AUDIT) PTY LTD



ROBERT HALL CA
Principal
Registered Company Auditor

Perth
Date: 29 October 2026