

A photograph of several kiwi fruits in a green mesh net. One kiwi is sliced in half, showing its green flesh and black seeds. The background is a soft, out-of-focus green.

# ANNUAL REPORT 2024.

Income and Wholesale Funds

**Tynda**  **am**

**Tyndall Australian Share Wholesale Fund** (ARSN 090 089 562)  
**Tyndall Australian Share Income Fund** (ARSN 133 980 819)

**Annual financial reports - 30 June 2024**



**Tyndall Australian Share Wholesale Fund** (ARSN 090 089 562)

**Tyndall Australian Share Income Fund** (ARSN 133 980 819)

## Annual financial reports - 30 June 2024

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## **Directors' report**

The directors of Yarra Funds Management Limited (ABN: 63 005 885 567; AFSL: 230251), the responsible entity ("Responsible Entity") of the managed investment schemes (the "Schemes") listed below, present their report together with the annual financial reports of the Schemes for the year ended 30 June 2024.

	<b>ARSN</b>
Tyndall Australian Share Wholesale Fund	090 089 562
Tyndall Australian Share Income Fund	133 980 819

### **Principal activities**

The Schemes primarily invest in a range of securities listed on the Australian Securities Exchange and cash. The Schemes can utilise derivative financial instruments to gain or reduce market exposure. This is in accordance with the governing documents of the Schemes.

The purpose of Tyndall Australian Share Wholesale Fund is to achieve long-term returns (capital growth and income) for investors from a portfolio of shares which have been identified by the investment manager as good value. The Scheme aims to outperform the S&P/ASX 200 Accumulation Index by more than 2.5% p.a. over rolling five-year periods, before fees, expenses and tax, per the governing documents.

The purpose of Tyndall Australian Share Income Fund is to provide investors with a tax-effective income stream and the potential for long-term capital growth from a portfolio of shares which have been identified by the investment manager as good value. The Scheme aims to exceed the dividend yield of the S&P/ASX 200 Accumulation Index (grossed up for franking credits) by 2% p.a. over rolling five-year periods, before fees, expenses and tax, plus the potential for capital growth over the long term, per the governing documents.

There were no significant changes in the nature of the Schemes' activities during the year.

The Schemes did not have any employees during the year.

### **Directors**

The following persons held office as directors of Yarra Funds Management Limited during the year or since the end of the year and up to the date of this report:

Priscilla Boreham  
Roy Keenan  
Jennifer Horrigan  
Naomi Edwards  
Edward Eason

## Directors' report (continued)

### Review and results of operations

There have been no significant changes to the operations of the Schemes since the previous financial year.

During the year, the Schemes continued to invest in accordance with target asset allocations as set out in the governing documents of the Schemes and in accordance with the provisions of the Schemes' Constitutions.

The performance of the Schemes, as represented by the results of their operations, are as follows:

#### Results

	Tyndall Australian Share Wholesale Fund		Tyndall Australian Share Income Fund	
	Year ended		Year ended	
	30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000
Operating profit/(loss)	17,519	58,129	10,151	15,748
Distributions paid and payable	48,072	41,102	7,572	7,187
Distributions - cents per unit (CPU)	26.9919	17.4564	6.6175	6.3250

### Significant changes in state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Schemes that occurred during the year ended 30 June 2024.

## **Directors' report (continued)**

### **Combining registered scheme financial reports**

The Schemes are of a kind referred to in the *ASIC Corporations (Related Scheme Reports) Instrument 2015/839* issued by the Australian Securities and Investments Commission. This ASIC Corporations Instrument enables the Responsible Entity to combine the financial reports for the Schemes in adjacent columns in a single financial report. Amounts have been combined in the financial reports and the directors' report in accordance with this ASIC Corporations Instrument.

### **Matters subsequent to the end of the year**

No matter or circumstance has arisen since 30 June 2024, that has significantly affected or may significantly affect:

- (i) the operations of the Schemes in future financial years; or
- (ii) the results of those operations in future financial years; or
- (iii) the state of affairs of the Schemes in future financial years.

### **Likely developments and expected results of operations**

The Schemes will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Schemes and in accordance with the provisions of the Schemes' Constitutions.

The results of the Schemes' operations will be affected by a number of factors, including the performance of investment markets in which the Schemes invest. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

### **Indemnification and insurance of the Responsible Entity, directors and auditors**

No insurance premiums are paid for out of the assets of the Schemes in regards to insurance cover provided to the Responsible Entity, directors or the auditors of the Schemes. As long as the Responsible Entity acts in accordance with the Schemes' Constitutions and the Law, the Responsible Entity remains fully indemnified out of the assets of the Schemes against losses incurred while acting on behalf of the Schemes. The auditors of the Schemes are in no way indemnified out of the assets of the Schemes.

## Directors' report (continued)

### Fees paid to and interests held in the Schemes by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Schemes property during the year are disclosed in note 12.

No fees were paid out of Schemes property to the directors of the Responsible Entity during the year.

The interests in the Schemes held by the Responsible Entity or its associates as at the end of the financial year are disclosed in note 12.

### Environmental regulation

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

### Rounding

The Schemes are of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission relating to the "rounding" of amounts in the directors' report and financial reports. Amounts in the directors' report and financial reports for the Schemes have been rounded to the nearest thousand dollars in accordance with that ASIC Corporations Instrument, unless otherwise stated.

### 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 pages 7 to 8.

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



Edward Eason  
Director

Melbourne  
26 September 2024

26 September 2024

The Board of Directors  
Yarra Funds Management Limited as Responsible Entity for:  
*Tyndall Australian Share Wholesale Fund; and*  
*Tyndall Australian Share Income Fund*  
Level 19, 101 Collins Street  
Melbourne VIC 3000

Dear Directors,

## **Auditor's Independence Declaration**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Yarra Funds Management Limited, the Responsible Entity, regarding the financial reports for Tyndall Australian Share Wholesale Fund and Tyndall Australian Share Income Fund.

As lead audit partner for the audit of the financial reports of Tyndall Australian Share Wholesale Fund and Tyndall Australian Share Income Fund for the financial year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audits; and
- (ii) any applicable code of professional conduct in relation to the audits.



# Deloitte.

Yours faithfully

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



Adam Kuziow  
Partner  
Chartered Accountants

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## Statements of comprehensive income

	Notes	Tyndall Australian Share Wholesale Fund		Tyndall Australian Share Income Fund	
		Year ended		Year ended	
		30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000
<b>Investment income</b>					
Interest income		340	285	181	112
Income from financial instruments		18,637	28,645	8,217	8,570
Net gains/(losses) on financial instruments		2,575	34,357	3,220	8,558
Other income		2	-	-	-
<b>Total net investment income/(loss)</b>		<b>21,554</b>	<b>63,287</b>	<b>11,618</b>	<b>17,240</b>
<b>Expenses</b>					
Responsible Entity's fees	12	3,534	4,701	1,301	1,290
Transaction costs		466	444	163	202
Withholding tax expense		31	13	2	-
Other expenses		4	-	1	-
<b>Total expenses</b>		<b>4,035</b>	<b>5,158</b>	<b>1,467</b>	<b>1,492</b>
<b>Operating profit/(loss)</b>		<b>17,519</b>	<b>58,129</b>	<b>10,151</b>	<b>15,748</b>
<b>Profit/(loss) for the year</b>		<b>17,519</b>	<b>58,129</b>	<b>10,151</b>	<b>15,748</b>
Other comprehensive income for the year		-	-	-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>17,519</b>	<b>58,129</b>	<b>10,151</b>	<b>15,748</b>

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

## Statements of financial position

	Notes	Tyndall Australian Share Wholesale Fund		Tyndall Australian Share Income Fund	
		As at		As at	
		30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000
<b>Assets</b>					
Cash and cash equivalents		5,663	18,224	4,661	3,826
Applications receivable		83	38	1,895	212
Receivables		2,569	2,414	1,177	1,103
Margin accounts		-	-	-	443
Financial assets at fair value through profit or loss	5	395,762	521,569	146,625	148,892
<b>Total assets</b>		<b>404,077</b>	<b>542,245</b>	<b>154,358</b>	<b>154,476</b>
<b>Liabilities</b>					
Distributions payable	4	38,247	25,995	1,698	2,269
Redemptions payable		342	236	1,572	384
Other payables		3,705	481	327	106
Financial liabilities at fair value through profit or loss	6	-	-	-	105
<b>Total liabilities</b>		<b>42,294</b>	<b>26,712</b>	<b>3,597</b>	<b>2,864</b>
<b>Net assets attributable to unitholders - equity</b>	3	<b>361,783</b>	<b>515,533</b>	<b>150,761</b>	<b>151,612</b>

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

Statements of changes in equity

	Notes	Tyndall Australian Share Wholesale Fund		Tyndall Australian Share Income Fund	
		Year ended		Year ended	
		30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000
<b>Total equity at the beginning of the year</b>		<b>515,533</b>	562,941	<b>151,612</b>	138,870
<b>Comprehensive income for the year</b>				-	
Profit/(loss) for the year		<b>17,519</b>	58,129	<b>10,151</b>	15,748
Other comprehensive income		-	-	-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>17,519</b>	58,129	<b>10,151</b>	15,748
<b>Transactions with unitholders</b>					
Applications	3	<b>23,811</b>	45,939	<b>26,464</b>	30,542
Redemptions	3	<b>(161,884)</b>	(140,516)	<b>(31,377)</b>	(28,182)
Units issued upon reinvestment of distributions	3	<b>14,876</b>	30,142	<b>1,483</b>	1,821
Distributions paid and payable	3	<b>(48,072)</b>	(41,102)	<b>(7,572)</b>	(7,187)
<b>Total transactions with unitholders</b>		<b>(171,269)</b>	(105,537)	<b>(11,002)</b>	(3,006)
<b>Total equity at the end of the year</b>		<b>361,783</b>	515,533	<b>150,761</b>	151,612

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

## Statements of cash flows

	Notes	Tyndall Australian Share Wholesale Fund		Tyndall Australian Share Income Fund	
		Year ended		Year ended	
		30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000
<b>Cash flows from operating activities</b>					
Proceeds from sale of financial instruments		244,821	234,760	65,837	73,365
Purchase of financial instruments		(114,536)	(113,684)	(60,175)	(71,706)
Income from financial instruments		18,935	29,163	8,167	8,192
Interest received		320	286	163	112
Payment of expenses		(3,146)	(5,251)	(1,089)	(1,410)
<b>Net cash inflows/(outflows) from operating activities</b>	7	<b>146,394</b>	<b>145,274</b>	<b>12,903</b>	<b>8,553</b>
<b>Cash flows from financing activities</b>					
Proceeds from applications by unitholders		23,766	46,130	24,781	30,387
Payments for redemptions by unitholders		(161,778)	(140,579)	(30,189)	(28,061)
Distributions paid		(20,943)	(41,133)	(6,660)	(7,910)
<b>Net cash inflows/(outflows) from financing activities</b>		<b>(158,955)</b>	<b>(135,582)</b>	<b>(12,068)</b>	<b>(5,584)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(12,561)</b>	<b>9,692</b>	<b>835</b>	<b>2,969</b>
Cash and cash equivalents at beginning of the year		18,224	8,532	3,826	857
<b>Cash and cash equivalents at the end of the year</b>		<b>5,663</b>	<b>18,224</b>	<b>4,661</b>	<b>3,826</b>
<b>Non-cash financing activities</b>	7	<b>14,876</b>	<b>30,142</b>	<b>1,483</b>	<b>1,821</b>

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

## 1 General information

The annual financial reports cover the following schemes ("the Schemes") as individual entities, each constituted pursuant to the following separate Constitutions and limited to a period of 80 years unless terminated earlier under the provisions of their Constitutions:

<u>Schemes</u>	<u>Date of Constitution</u>	<u>Date of Termination</u>
Tyndall Australian Share Wholesale Fund	6 March 1995	5 March 2075
Tyndall Australian Share Income Fund	11 November 2008	10 November 2088

The Responsible Entity of the Schemes is Yarra Fund Management Limited (the "Responsible Entity"). The Responsible Entity's registered office is Level 19, 101 Collins Street, Melbourne VIC 3000.

The annual financial reports were authorised for issue by the directors on 26 September 2024. The directors of the Responsible Entity have the power to amend and reissue the annual financial reports.

## 2 Summary of material accounting policy information

The principal accounting policies applied in the preparation of these annual financial reports are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

### (a) Basis of preparation

These general purpose annual reports have been prepared on a going concern basis in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001* in Australia. The Schemes are for-profit unit trust for the purpose of preparing the annual financial reports.

The annual financial reports were prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

## 2 Summary of material accounting policy information (continued)

### (a) Basis of preparation (continued)

The statements of financial position are presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for financial assets and liabilities at fair value through profit or loss and net assets attributable to unitholders. The Schemes manage financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of their portfolios will be realised within 12 months, however, an estimate of that amount cannot be determined as at balance date. In the case of net assets attributable to unitholders, the units are redeemed on demand at the unitholder's option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

#### *Compliance with International Financial Reporting Standards*

The annual financial reports of the Schemes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### (b) Investment Entity

The Schemes meet the definition of an investment entity as set out in AASB 10 *Consolidated Financial Statements*. The Schemes obtain funds from their unitholders for the purpose of providing investment management services to the unitholders and generating returns through a combination of capital appreciation and investment income. The Schemes also measure and evaluate the performance of their investments on a fair value basis, as further outlined in note 10.

The typical characteristics of an investment entity include:

- having more than one investment;
- having more than one investor;
- having investors that are, materially, not related parties of the Scheme; and
- having ownership interests in the form of equity or similar interests.

The Schemes fulfil all of the typical characteristics of an investment entity. Accordingly, the Responsible Entity considers the Schemes to satisfy the definition of an investment entity.

## 2 Summary of material accounting policy information (continued)

### (c) Income from financial instruments

The Schemes generate income from their financial assets held at fair value through profit or loss, as follows:

Dividend income is earned from the investments that the Schemes hold in listed equity securities and is recognised on the ex-dividend date. Where dividend income earned is subject to withholding tax, a separate expense is recognised, with dividend income recognised on a gross basis within the statements of comprehensive income.

Trust distribution income is earned from investments that the Schemes hold in listed unit trusts and is recognised on an entitlements basis as and when declared by the underlying investments.

### (d) Use of judgements and estimates

The preparation of the financial reports in conformity with Australian Accounting Standards requires the Responsible Entity to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the judgements and estimates made and assumptions applied.

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

In the process of preparing the financial reports of the Schemes and in the application of the Schemes' accounting policies, the Responsible Entity is of the opinion that there are no areas of significant estimation uncertainty or material judgement that have been exercised and is expected to have a significant effect on the amounts recognised within the financial reports.

### (e) Income tax

Under current legislation, the Schemes are not subject to income tax provided they attribute the entirety of their taxable income to their unitholders.

The benefit of imputation credits and foreign tax paid is passed on to unitholders.



## 2 Summary of material accounting policy information (continued)

### (f) New accounting standards and interpretations

#### (i) *New and amended standards adopted by the Schemes*

A number of new accounting standards, amendments to accounting standards and interpretations have been published that are effective for annual periods beginning after 1 July 2023. These standards, amendments or interpretations are not expected to have a material impact on the Schemes in the current or future reporting periods and on foreseeable future transactions.

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

AASB 2021-2 became effective for annual reporting periods beginning on or after 1 January 2023. It amends Australian Accounting Standards to improve accounting policy disclosures and clarify the distinction between accounting policies and accounting estimates. The adoption of this standard is not expected to have a material impact on the accounting policy disclosures in the financial reports.

#### (ii) *New standards and interpretations not yet adopted*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2024 and have not been early adopted in preparing these annual financial reports. These new standards, amendments to standards and interpretations are not expected to have a material impact on the future annual financial reports of the Schemes.

### (g) Rounding

The Schemes are of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission relating to the "rounding" of amounts in the directors' report and financial reports. Amounts in the directors' report and financial reports for the Schemes have been rounded to the nearest thousand dollars in accordance with that ASIC Corporations Instrument, unless otherwise stated.

### 3 Net assets attributable to unitholders

The units in the Schemes represent puttable financial instruments and are redeemable at the unitholders' option. The units can be put back to the Schemes at any time for cash based on the redemption price, which is equal to a proportionate share of the Schemes' net asset value attributable to unitholders.

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

The units are carried at the redemption amount that is payable at the statements of financial position date if the unitholder exercises the right to put the unit back to the Scheme. This amount represents the expected cash flows on redemption of these units.

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

	Tyndall Australian Share Wholesale Fund				Tyndall Australian Share Income Fund			
	30 June 2024 No. of units (000)	As at 30 June 2023 No. of units (000)	30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 No. of units (000)	As at 30 June 2023 No. of units (000)	30 June 2024 \$'000	30 June 2023 \$'000
Opening balance	<b>228,592</b>	254,714	<b>515,533</b>	562,941	<b>114,120</b>	110,853	<b>151,612</b>	138,870
Applications	<b>10,575</b>	20,148	<b>23,811</b>	45,939	<b>19,550</b>	23,168	<b>26,464</b>	30,542
Redemptions	<b>(72,042)</b>	(59,815)	<b>(161,884)</b>	(140,516)	<b>(23,207)</b>	(21,325)	<b>(31,377)</b>	(28,182)
Units issued upon reinvestment of distributions	<b>6,613</b>	13,545	<b>14,876</b>	30,142	<b>1,105</b>	1,424	<b>1,483</b>	1,821
Distributions paid and payable	-	-	<b>(48,072)</b>	(41,102)	-	-	<b>(7,572)</b>	(7,187)
Profit/(loss) for the year	-	-	<b>17,519</b>	58,129	-	-	<b>10,151</b>	15,748
Closing balance	<b>173,738</b>	228,592	<b>361,783</b>	515,533	<b>111,568</b>	114,120	<b>150,761</b>	151,612

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. In accordance with AASB 132, the units in the Schemes are classified as equity as they meet all the required features and conditions therein.

Throughout the course of the current and the prior financial year the units of the Schemes satisfied all of the requirements of AASB 132 and consequently net assets attributable to unitholders are classified as equity in both periods.

#### 4 Distributions to unitholders

The distributions paid and payable for the year were as follows:

	Tyndall Australian Share Wholesale Fund				Tyndall Australian Share Income Fund			
	30 June 2024 \$'000	Year ended 30 June 2024 CPU	30 June 2023 \$'000	30 June 2023 CPU	30 June 2024 \$'000	Year ended 30 June 2024 CPU	30 June 2023 \$'000	30 June 2023 CPU
Distribution paid - September	-	-	-	-	2,677	2.2996	251	0.2197
Distribution paid - December	9,825	4.9780	15,107	6.0848	1,897	1.6382	3,674	3.2510
Distribution paid - March	-	-	-	-	1,300	1.1573	993	0.8658
Distribution payable - June	38,247	22.0139	25,995	11.3716	1,698	1.5224	2,269	1.9885
	<b>48,072</b>	<b>26.9919</b>	41,102	17.4564	<b>7,572</b>	<b>6.6175</b>	7,187	6.3250

In accordance with the Schemes' Constitutions, the Schemes distribute their distributable income, adjusted for amounts determined by the Responsible Entity in accordance with the Schemes' Constitutions, to unitholders in the form of cash or via the issuance of units upon a reinvestment of distributions. The Schemes' distributions are classified as distributions paid and payable in the statements of changes in equity. Distributions paid are included in cash flows from financing activities in the statements of cash flows.

#### 5 Financial assets at fair value through profit or loss

	Tyndall Australian Share Wholesale Fund		Tyndall Australian Share Income Fund	
	As at 30 June 2024 \$'000	30 June 2023 \$'000	As at 30 June 2024 \$'000	30 June 2023 \$'000
<b>Financial assets at fair value through profit or loss</b>				
Listed equity securities	368,946	507,750	132,995	141,318
Listed unit trusts	26,816	13,819	13,630	7,574
<b>Total financial assets at fair value through profit or loss</b>	<b>395,762</b>	521,569	<b>146,625</b>	148,892

An overview of the risk exposures and fair value measurements relating to financial assets at fair value through profit or loss is included in notes 8 and 9.

## 6 Financial liabilities at fair value through profit or loss

	Tyndall Australian Share Wholesale Fund		Tyndall Australian Share Income Fund	
	As at		As at	
	30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000
<b>Financial liabilities at fair value through profit or loss</b>				
Options	-	-	-	105
<b>Total financial liabilities at fair value through profit or loss</b>	-	-	-	105

An overview of the risk exposures and fair value measurements relating to financial liabilities at fair value through profit or loss is included in notes 8 and 9.

## 7 Notes to the statements of cash flows

	Tyndall Australian Share Wholesale Fund		Tyndall Australian Share Income Fund	
	Year ended		Year ended	
	30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000
<b>(a) Reconciliation of profit/(loss) to net cash inflows/(outflows) from operating activities</b>				
Profit/(loss) for the year	17,519	58,129	10,151	15,748
Proceeds from sale of financial instruments	244,821	234,760	65,837	73,365
Purchase of financial instruments	(114,536)	(113,684)	(60,175)	(71,706)
Net gains/(losses) on financial instruments	(2,575)	(34,357)	(3,220)	(8,558)
Transaction cost	466	444	163	202
Net change in receivables	274	512	(74)	(386)
Net change in payables	425	(530)	221	(112)
<b>Net cash inflows/(outflows) from operating activities</b>	<b>146,394</b>	<b>145,274</b>	<b>12,903</b>	<b>8,553</b>
<b>(b) Non-cash financing activities</b>				
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	14,876	30,142	1,483	1,821

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Schemes' main income generating activity.

Cash flows relating to GST are included in the statements of cash flows on a gross basis.

## 8 Derivative financial instruments

Tyndall Australian Share Income Fund is able to hold derivative financial instruments for the purpose of managing price risk on their investments. The derivative financial instruments comprise of options and are held and valued at its fair value.

The Scheme did not hold derivative financial instruments as at 30 June 2024. The Scheme's derivative financial instruments at 30 June 2023 are detailed below:

30 June 2023	Fair values		
Tyndall Australian Share Income Fund	Contract/ notional \$'000	Assets \$'000	Liabilities \$'000
Options	2,946	-	105

Tyndall Australian Share Wholesale Fund did not hold derivative financial instruments at 30 June 2024 and 30 June 2023.

## 9 Financial risk management

The Schemes' assets principally consist of listed equity securities and listed unit trusts. They hold these investments in accordance with their investment strategy.

Financial risk may include market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Schemes use different methods to measure different types of risk to which they are exposed. These methods include sensitivity analysis in the case of price, interest rate and foreign exchange risk.

The possible movements in the risk variables presented in the below sensitivity analysis have been determined based on management's best estimate, having regard for a number of factors, including historical changes in security prices. However, actual movements in these risk variables may be more or less significant and historic variations are not a definitive indicator of future variations in the risk variables.

The Board of Directors of the Responsible Entity has overall responsibility for the establishment and oversight of the Schemes' risk management framework. The Schemes' overall risk management program focused on ensuring compliance with the Schemes' Investment Guidelines and seek to maximise the returns derived for the level of risk to which the Schemes is exposed.

### (a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Schemes' income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

#### (i) Price risk

The Schemes are exposed to price risk from listed equity securities, listed unit trusts and options. This arises from investments held by the Schemes for which prices in the future are uncertain. These investments are classified on the statements of financial position as at fair value through profit or loss.

The investment manager mitigates this price risk through diversification and a careful selection of securities and other financial instruments within specified limits in the Investment Guidelines as follows:

- A minimum of 80% of Tyndall Australian Share Wholesale Fund is invested in securities listed on the Australian Securities Exchange, up to 10% may be invested in International shares, and up to 10% may be invested in cash. The Scheme measures its performance relative to the S&P/ASX 200 Accumulation Index.
- A minimum of 70% of Tyndall Australian Share Income Fund is invested in securities listed on the Australian Securities Exchange, up to 10% may be invested in International shares, and up to 20% may be invested in cash. The Scheme measures its performance relative to the dividend yield of the S&P/ASX 200 Accumulation Index.

The Schemes' performance with reference to the respective indices is reported to the Board of Directors of the Responsible Entity on a regular basis.

## 9 Financial risk management (continued)

### (a) Market risk (continued)

#### (i) Price risk (continued)

##### Sensitivity analysis

The following table summarises the sensitivity of the Schemes' operating profit/(loss) and net assets attributable to unitholders to price risk. The possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates and foreign exchange rates, historical correlation of the Schemes' investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Schemes invest. As a result, historic variations in risk variables should not be used to predict future variations in the risk variables.

	Impact on operating profit/(loss)/Net assets attributable to unitholders	
	Price risk	
	-25%	+25%
30 June 2024	\$'000	\$'000
Tyndall Australian Share Wholesale Fund	(98,941)	98,941
Tyndall Australian Share Income Fund	(36,657)	36,657

	Impact on operating profit/(loss)/Net assets attributable to unitholders	
	Price risk	
	-25%	+25%
30 June 2023	\$'000	\$'000
Tyndall Australian Share Wholesale Fund	(130,393)	130,393
Tyndall Australian Share Income Fund	(36,487)	36,487

In determining the impact of an increase/decrease in net assets attributable to unitholders arising from market risk, the Responsible Entity has considered prior period and expected future movements of the portfolio information in order to determine a reasonably possible shift in assumptions.



## 9 Financial risk management (continued)

### (a) Market risk (continued)

#### (ii) Foreign exchange risk

The functional currency of the Schemes is Australian dollars. The Schemes may hold assets, both cash and cash equivalents and other financial assets, denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of the monetary assets denominated in other currencies fluctuates due to changes in exchange rates.

The Schemes' net exposure to foreign currency risk as at 30 June 2024 is not material.

#### (iii) Interest rate risk

The Tyndall Australian Share Wholesale Fund and Tyndall Australian Share Income Fund, per the Schemes' Investment Guidelines, are permitted to hold a maximum in cash and cash equivalents of 10% and 20%, respectively. Therefore the majority of the Schemes' financial assets and liabilities are non-interest bearing. Any excess cash and cash equivalents are invested at short-term market interest rates.

### (b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Schemes.

Credit risk is controlled by restricting investments to high quality counterparties. The creditworthiness of all counterparties to the Schemes' list of investments is regularly reviewed. Credit risk primarily arises from investments in debt securities and from trading derivative products. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers. The Schemes are not permitted to invest in debt securities, however up to 20% of the value of the Schemes can be held in cash and cash equivalents. No assets of the Schemes were impaired at 30 June 2024 or 30 June 2023, and as a result credit risk is not considered to be a significant risk to the Schemes. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

#### (i) Settlement of securities transactions

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once purchase on the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

#### (ii) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of A-1 or higher as determined by Standard & Poor's (S&P) (2023: A-1).

In accordance with the Schemes' policy, the Schemes' cash position is monitored on a daily basis.

## 9 Financial risk management (continued)

### (b) Credit risk (continued)

#### (iii) Other

The clearing and depository operations for the Schemes' security and derivatives transactions are mainly concentrated with one counterparty, Citigroup Pty. Citigroup Pty Ltd is a member of a major securities exchange, and at 30 June 2024 had a credit rating of A (S&P) (2023: A (S&P) and A3 (Moody's)). At 30 June 2024, substantially all cash and cash equivalents, balances due from broker and investments are held in custody by Citigroup Pty Ltd.

### (c) Liquidity risk

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

The Schemes are exposed to liquidity risk in the form of daily redemptions of redeemable units. The Schemes therefore primarily hold investments that are traded in an active market and can be readily disposed. The Schemes' listed securities are considered readily realisable, as they are listed on the Australian Securities Exchange.

All financial liabilities of the Schemes have contractual maturities of less than 12 months.

## 10 Fair value measurement

The Schemes measure and recognise the following assets and liabilities at fair value on a recurring basis:

- Financial assets / liabilities at fair value through profit or loss (FVTPL).

The Schemes have no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

#### (i) Fair value hierarchy

In accordance with AASB 9 *Financial Instruments*, the classification of financial assets is generally based on the business model in which a financial asset is managed and the characteristics of its contractual cash flows. The Schemes are investment entities and as such its financial assets are classified as fair value through profit or loss.

The Schemes classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

## 10 Fair value measurement (continued)

### (i) Fair value hierarchy (continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment by the Responsible Entity. The Responsible Entity considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

### (ii) Fair value measurement in an active market

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair value of financial instruments traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. Such financial instruments are classified as level 1 on the fair value hierarchy.

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include options, listed equity securities and listed unit trusts. On a daily basis, the Responsible Entity measures the fair value of the Schemes' level 1 financial assets using independent pricing information obtained from the Schemes' appointed custodian, Citigroup Pty Ltd.

### (iii) Fair value measurement in an inactive or unquoted market

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data where it is available, and rely as little as possible on entity specific estimates. Such techniques include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar instruments, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

On a daily basis, the Responsible Entity measures the fair value of the Schemes' level 2 financial assets using independent pricing information obtained from the Schemes' appointed custodian, Citigroup Pty Ltd. Where the Schemes holds investments into other unlisted unit trusts the pricing information reflects the redemption value per unit as reported by the investment managers of the unlisted unit trusts.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. For financial assets classified at level 3 on the fair value hierarchy where prices are not readily available from independent pricing sources, such as zero priced securities, the Responsible Entity considers any material information compared to previously approved valuations through recommendations of the Responsible Entity's Valuation Working Group.

## 10 Fair value measurement (continued)

(iv) Recognised fair value measurements

The table below sets out the Schemes' financial assets and liabilities measured at fair value according to the fair value hierarchy at 30 June 2024 and 30 June 2023:

As at 30 June 2024	Tyndall Australian Share Wholesale Fund				Tyndall Australian Share Income Fund			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Listed equity securities	368,946	-	-	368,946	132,995	-	-	132,995
Listed unit trusts	26,816	-	-	26,816	13,630	-	-	13,630
<b>Total financial assets at fair value through profit or loss</b>	<b>395,762</b>	<b>-</b>	<b>-</b>	<b>395,762</b>	<b>146,625</b>	<b>-</b>	<b>-</b>	<b>146,625</b>

## 10 Fair value measurement (continued)

(iv) Recognised fair value measurements (continued)

As at 30 June 2023	Tyndall Australian Share Wholesale Fund				Tyndall Australian Share Income Fund			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Listed equity securities	507,750	-	-	507,750	141,318	-	-	141,318
Listed unit trusts	13,819	-	-	13,819	7,574	-	-	7,574
Total financial assets at fair value through profit or loss	<u>521,569</u>	<u>-</u>	<u>-</u>	<u>521,569</u>	<u>148,892</u>	<u>-</u>	<u>-</u>	<u>148,892</u>
Financial liabilities at fair value through profit or loss:								
Options	-	-	-	-	105	-	-	105
Total financial liabilities at fair value through profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105</u>	<u>-</u>	<u>-</u>	<u>105</u>

The Schemes did not hold any level 2 or level 3 financial instruments as at 30 June 2024 (30 June 2023: Nil).

There were no transfers between levels for recurring fair value measurements during the year ended 30 June 2024 (30 June 2023: Nil).

## 11 Remuneration of auditors

During the year the following fees were paid or payable by the Responsible Entity for services provided by the auditor of the Schemes:

	Tyndall Australian Share Wholesale Fund		Tyndall Australian Share Income Fund	
	Year ended		Year ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$	\$	\$	\$
<i>Audit and other assurance services</i>				
Audit and review of financial statements	14,905	15,290	14,905	15,290
Other assurance services	5,005	4,675	5,005	4,675
Total remuneration for audit and other assurance services	19,910	19,965	19,910	19,965
Total remuneration*	19,910	19,965	19,910	19,965

\* The fees disclosed above are GST inclusive.

## 12 Related party transactions

### Key management personnel unitholdings

At 30 June 2024, no key management personnel held units in the Schemes (2023: Nil).

### Key management personnel compensation

The directors of the Responsible Entity have been paid by a related party of the Responsible Entity. Payments made from the Schemes to the Responsible Entity do not include any amounts directly attributable to the compensation of key management personnel.

### Responsible Entity's fees and other transactions

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at year end between the Schemes and the Responsible Entity were as follows:

	Tyndall Australian Share Wholesale Fund		Tyndall Australian Share Income Fund	
	30 June 2024 \$	30 June 2023 \$	30 June 2024 \$	30 June 2023 \$
Responsible Entity's fees* earned	<u>3,537,865</u>	4,701,081	<u>1,300,507</u>	1,289,969
Responsible Entity's fees* payable	<u>828,375</u>	402,336	<u>327,122</u>	105,981

\* Includes amounts paid to the Responsible Entity for third party expenses it has incurred, for which it is entitled to be reimbursed.

## 12 Related party transactions (continued)

### Related party unitholdings

There are no related party holdings for Tyndall Australian Share Income Fund.

Holdings in Tyndall Australian Share Wholesale Fund by the Responsible Entity or other related parties as follows:

#### Tyndall Australian Share Wholesale Fund

##### 2024

Unitholder	No. of units held opening (Units)	No. of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	No. of units acquired (Units)	No. of units disposed (Units)	Distributions paid/payable by the Scheme (\$)
Yarra Growth Fund	8,704,975	1,675,236	3,488,344	0.96	529,874	7,559,613	571,739

##### 2023

Unitholder	No. of units held opening (Units)	No. of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	No. of units acquired (Units)	No. of units disposed (Units)	Distributions paid/payable by the Scheme (\$)
Yarra Growth Fund	8,850,404	8,704,975	19,632,331	3.81	1,139,056	1,284,485	1,574,468



### **13 Events occurring after the end of the reporting period**

No significant events have occurred since the end of the reporting period that have significantly affected, or may significantly affect, the operations of the Schemes, the results of the Schemes' operations or the Schemes' state of affairs for the year ended 30 June 2024 or in future financial years.

### **14 Contingent assets and liabilities and commitments**

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

## Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the annual financial reports and notes set out on pages 9 to 32 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Schemes' financial positions as at 30 June 2024 and of their performance for the year ended on that date; and
- (b) there are reasonable grounds to believe that the Schemes will be able to pay their debts as and when they become due and payable.
- (c) Note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



Edward Eason  
Director

Melbourne  
26 September 2024

## Independent Auditor's Report to the Unitholders of Tyndall Australian Share Wholesale Fund and Tyndall Australian Share Income Fund

### *Opinion*

We have audited the financial reports of Tyndall Australian Share Wholesale Fund and Tyndall Australian Share Income Fund (the "Schemes"). The financial reports comprise the statements of financial position as at 30 June 2024, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the annual financial reports, including material accounting policy information and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial reports of the Schemes are in accordance with the Corporations Act 2001, including:

- Giving a true and fair view of the Schemes' financial positions as at 30 June 2024 and of their financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the Corporations Regulations 2001.

### *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 Reports section of our report. We are independent of the Schemes in accordance with the auditor independence requirements of the Corporations Act 2001 and 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 reports in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declarations required by the Corporations Act 2001, which have been given to the directors of Yarra Funds Management Limited (the "Responsible Entity"), would be in the same terms if given to the directors as at the time of this auditor's report.

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

## *Other Information*

The directors of the Responsible Entity (the "directors") are responsible for the other information. The other information comprises the information included in the directors' report for the year ended 30 June 2024, but does not include the financial reports and our auditor's report thereon.

Our opinion on the financial reports does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial reports, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial reports or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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 Reports*

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

In preparing the financial reports, the directors are responsible for assessing the ability of the Schemes 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 Schemes or to cease operations, or has no realistic alternative but to do so.

## *Auditor's Responsibilities for the Audit of the Financial Reports*

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

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 the risks of material misstatement of the financial reports, 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 Schemes' 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 Schemes' abilities 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 reports 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 Schemes to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial reports, including the disclosures, and whether the financial reports represent 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.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU

*Adam Kuziow*

Adam Kuziow

Partner

Chartered Accountants

Melbourne, 26 September 2024

A close-up photograph of a bee on a white flower, with a blurred background of more flowers and greenery. The image is overlaid with a dark, semi-transparent filter.

# ANNUAL REPORT 2024.

Australian Small Companies Fund

**Tynda**  **am**

# Tyndall Australian Small Companies Fund

ARSN 665 798 747

## Annual financial report - 30 June 2024



**YARRA**  
CAPITAL MANAGEMENT

# Tyndall Australian Small Companies Fund

ARSN 665 798 747

## Annual financial report - 30 June 2024

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## Directors' report

The directors of Yarra Funds Management Limited (ABN: 63 005 885 567; AFSL: 230251), the responsible entity ("Responsible Entity") of the Tyndall Australian Small Companies Fund ("the Scheme"), present their report together with the annual financial report of the Scheme for the year ended 30 June 2024.

### Principal activities

The Scheme primarily invests in a range of securities listed on the Australian Securities Exchange and cash. The Scheme can utilise derivative financial instruments, such as future contracts, to gain or reduce market exposure. This is in accordance with the governing documents of the Scheme.

The purpose of the Scheme is to achieve medium-to-long term capital growth by investing in a diversified portfolio of smaller Australian companies. In doing so, the aim is to outperform the S&P/ASX Small Ordinaries Accumulation Index over the long term before fees, expenses and tax.

There were no significant changes in the nature of the Scheme's activities during the year.

The Scheme did not have any employees during the year.

### Directors

The following persons held office as directors of Yarra Funds Management Limited during the year or since the end of the year and up to the date of this report:

Priscilla Boreham  
Roy Keenan  
Jennifer Horrigan  
Naomi Edwards  
Edward Eason

### Review and results of operations

There have been no significant changes to the operations of the Scheme since the previous financial year.

During the year, the Scheme continued to invest in accordance with target asset allocations as set out in the governing documents of the Scheme and in accordance with the provisions of the Scheme's Constitution.

#### Results

	<b>Year ended 30 June 2024</b>	For the period 20 March 2023 to 30 June 2023
Operating profit/(loss)	<u>208,879</u>	<u>50,519</u>
Distributions paid/payable	<u>191,573</u>	<u>9,750</u>
Distributions - cents per unit (CPU)	<u>10.0758</u>	<u>0.8072</u>

## **Directors' report (continued)**

### **Significant changes in state of affairs**

In the opinion of the directors, there were no significant changes in the state of affairs of the Scheme that occurred during the financial year.

### **Matters subsequent to the end of the financial year**

No matter or circumstance has arisen since 30 June 2024, that has significantly affected or may significantly affect:

- (i) the operations of the Scheme in future financial years; or
- (ii) the results of those operations in future financial years; or
- (iii) the state of affairs of the Scheme in future financial years.

### **Likely developments and expected results of operations**

The Scheme will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Scheme and in accordance with the provisions of the Scheme's Constitution.

The results of the Scheme's operations will be affected by a number of factors, including the performance of investment markets in which the Scheme invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

### **Indemnification and insurance of the Responsible Entity, directors and auditors**

No insurance premiums are paid for out of the assets of the Scheme in regards to insurance cover provided to the Responsible Entity, directors or the auditors of the Scheme. As long as the Responsible Entity acts in accordance with the Scheme's Constitution and the Law, the Responsible Entity remains fully indemnified out of the assets of the Scheme against losses incurred while acting on behalf of the Scheme. The auditors of the Scheme are in no way indemnified out of the assets of the Scheme.

### **Fees paid to and interests held in the Scheme by the Responsible Entity or its associates**

Fees paid to the Responsible Entity and its associates out of Scheme property during the year are disclosed in note 10.

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

## Directors' report (continued)

### Environmental regulation

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

### 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 6.

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



Edward Eason  
Director

Melbourne  
26 September 2024

26 September 2024

The Board of Directors  
Yarra Funds Management Limited as the Responsible Entity for  
Tyndall Australian Small Companies Fund  
Level 19, 101 Collins Street  
Melbourne VIC 3000

Dear Directors,

### **Auditor's Independence Declaration - Tyndall Australian Small Companies Fund**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Yarra Funds Management Limited, the Responsible Entity, regarding the financial report for the Tyndall Australian Small Companies Fund.

As lead audit partner for the audit of the financial report of the Tyndall Australian Small Companies Fund for the financial year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Adam Kuziow  
Partner  
Chartered Accountants

## Statement of comprehensive income

	Notes	Year ended 30 June 2024	For the period 20 March 2023 to 30 June 2023
<b>Investment income</b>			
Interest income		1,982	343
Income from financial instruments		43,140	4,055
Other income		-	7
Net gains/(losses) on financial instruments		196,531	55,238
<b>Total net investment income/(loss)</b>		<b>241,653</b>	<b>59,643</b>
<b>Expenses</b>			
Responsible Entity's fees	10	16,404	3,038
Transaction costs		5,981	1,776
Performance fees	10	10,389	4,310
<b>Total expenses</b>		<b>32,774</b>	<b>9,124</b>
<b>Operating profit/(loss)</b>		<b>208,879</b>	<b>50,519</b>
<b>Profit/(loss) for the year/period</b>		<b>208,879</b>	<b>50,519</b>
Other comprehensive income for the year/period		-	-
<b>Total comprehensive income/(loss) for the year/period</b>		<b>208,879</b>	<b>50,519</b>

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

**Statement of financial position**

		<b>As at</b>	
	Notes	<b>30 June 2024</b>	30 June 2023
<b>Assets</b>			
Cash and cash equivalents		29,659	54,244
Receivables		165,050	3,140
Financial assets at fair value through profit or loss	5	2,133,924	1,237,721
<b>Total assets</b>		<b>2,328,633</b>	1,295,105
<b>Liabilities</b>			
Distributions payable		187,420	9,750
Payables		131,408	34,586
<b>Total liabilities</b>		<b>318,828</b>	44,336
<b>Net assets attributable to unitholders - equity</b>	3	<b>2,009,805</b>	1,250,769

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

**Statement of changes in equity**

	Notes	Year ended 30 June 2024	For the period 20 March 2023 to 30 June 2023
<b>Total equity at the beginning of the year/period</b>		<b>1,250,769</b>	-
<b>Comprehensive income for the year/period</b>			
Profit/(loss) for the year/period		208,879	50,519
Other comprehensive income		-	-
<b>Total comprehensive income/(loss) for the year/period</b>		<b>208,879</b>	50,519
<b>Transactions with unitholders</b>			
Applications	3	727,828	1,210,000
Units issued upon reinvestment of distributions	3	13,902	-
Distributions paid and payable	3	(191,573)	(9,750)
<b>Total transactions with unitholders</b>		<b>550,157</b>	1,200,250
<b>Total equity at the end of the year/period</b>		<b>2,009,805</b>	1,250,769

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

## Statement of cash flows

	Notes	Year ended 30 June 2024	For the period 20 March 2023 to 30 June 2023
<b>Cash flows from operating activities</b>			
Proceeds from sale of financial instruments		2,485,090	326,245
Purchase of financial instruments		(3,257,012)	(1,479,904)
Interest received		1,904	343
Income from financial instruments		43,672	1,144
Other income received		-	7
Payment of expenses		(26,067)	(3,591)
<b>Net cash inflow/(outflow) from operating activities</b>	6	<u>(752,413)</u>	<u>(1,155,756)</u>
<b>Cash flows from financing activities</b>			
Proceeds from applications by unitholders		<u>727,828</u>	1,210,000
<b>Net cash inflow/(outflow) from financing activities</b>		<u>727,828</u>	1,210,000
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(24,585)</b>	54,244
Cash and cash equivalents at the beginning of the year/period		<b>54,244</b>	-
<b>Cash and cash equivalents at the end of the year/period</b>		<u><b>29,659</b></u>	<u>54,244</u>

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



## **1 General information**

The Scheme commenced on 20 March 2023. The Scheme will terminate on 19 March 2103 unless terminated earlier in accordance with the provisions of the Scheme's Constitution.

The Responsible Entity of the Scheme is Yarra Funds Management Limited. The Responsible Entity's registered office is Level 19, 101 Collins Street, Melbourne, Victoria 3000.

The annual financial report was authorised for issue by the directors on 26 September 2024. The directors of the Responsible Entity have the power to amend and reissue the annual financial report.

## **2 Summary of material accounting policies**

The principal accounting policies applied in the preparation of this annual financial report are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

### **(a) Basis of preparation**

This general purpose annual report has been prepared on a going concern basis in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001* in Australia. Tyndall Australian Small Companies Fund is a for-profit unit trust for the purpose of preparing the annual financial report.

The annual financial report was prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for financial assets and liabilities at fair value through profit or loss and net assets attributable to unitholders. The Scheme manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at balance date. In the case of net assets attributable to unitholders, the units are redeemed on demand at the unitholder's option. However, unitholders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

#### *Compliance with International Financial Reporting Standards*

The annual financial report of the Scheme also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### **(b) Investment entity**

The Scheme meets the definition of an investment entity as set out in AASB 10 *Consolidated Financial Statements*. The Scheme obtains funds from its unitholders for the purpose of providing investment management services to the unitholders and generating returns through a combination of capital appreciation and investment income. The Scheme also measures and evaluates the performance of its investments on a fair value basis, as further outlined in note 8.

The typical characteristics of an investment entity, include:

- having more than one investment;
- having more than one investor;
- having investors that are, materially, not related parties of the Scheme; and
- having ownership interests in the form of equity or similar interests.

The Scheme fulfils all of the typical characteristics of an investment entity. Accordingly, the Responsible Entity considers the Scheme to satisfy the definition of an investment entity.

## 2 Summary of significant accounting policies (continued)

### (c) Income from financial instruments

The Scheme generates income from its financial assets held at fair value through profit or loss, as follows:

Dividend income is earned from the investments that the Scheme holds in listed equity securities, and is recognised on the ex-dividend date. Where dividend income earned is subject to withholding tax, a separate expense is recognised, with dividend income recognised on a gross basis within the statement of comprehensive income.

Trust distribution income is earned from investments that the Scheme holds in listed unit trusts, and is recognised on an entitlements basis as and when declared by the underlying investments.

### (d) Use of judgements and estimates

The preparation of the financial report in conformity with Australian Accounting Standards requires the Responsible Entity to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the judgements and estimates made and assumptions applied.

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

In the process of preparing the financial report of the Scheme and in the application of the Scheme's accounting policies, the Responsible Entity is of the opinion that there are no areas of significant estimation uncertainty or material judgement that have been exercised and is expected to have a significant effect on the amounts recognised within the financial report.

### (e) Income tax

Under current legislation, the Scheme is not subject to income tax provided it attributes the entirety of its taxable income to its unitholders.

The benefit of imputation credits and foreign tax paid is passed on to unitholders.

### (f) New accounting standards and interpretations

#### (i) *New and amended standards adopted by the Scheme*

A number of new accounting standards, amendments to accounting standards and interpretations have been published that are effective for annual periods beginning after 1 July 2023. These standards, amendments or interpretations are not expected to have a material impact on the Scheme in the current or future reporting periods and on foreseeable future transactions.

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

AASB 2021-2 became effective for annual reporting periods beginning on or after 1 January 2023. It amends Australian Accounting Standards to improve accounting policy disclosures and clarify the distinction between accounting policies and accounting estimates. The adoption of this standard is not expected to have a material impact on the accounting policy disclosures in the financial report.

#### (ii) *New standards and interpretations not yet adopted*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2024 and have not been early adopted in preparing this annual financial report. These new standards, amendments to standards and interpretations are not expected to have a material impact on the future annual financial report of the Scheme.

### 3 Net assets attributable to unitholders

The units in the Scheme represent puttable financial instruments and are redeemable at the unitholders' option. The units can be put back to the Scheme at any time for cash based on the redemption price, which is equal to a proportionate share of the Scheme's net asset value attributable to unitholders.

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

The units are carried at the redemption amount that is payable at the statement of financial position date if the unitholder exercises the right to put the unit back to the Scheme. This amount represents the expected cash flows on redemption of these units.

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

	As at			
	30 June 2024 No. of units	30 June 2023 No. of units	30 June 2024	30 June 2023
Opening balance	1,207,830	-	1,250,769	-
Applications	684,004	1,207,830	727,828	1,210,000
Units issued upon reinvestment of distributions	13,266	-	13,902	-
Distributions paid and payable	-	-	(191,573)	(9,750)
Profit/(loss) for the year	-	-	208,879	50,519
Closing balance	<u>1,905,100</u>	<u>1,207,830</u>	<u>2,009,805</u>	<u>1,250,769</u>

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. In accordance with AASB 132, the units in the Scheme are classified as equity as they meet all the required features and conditions therein.

Throughout the course of the current financial year and prior financial period the units of the Scheme satisfied all of the requirements of AASB 132 and consequently net assets attributable to unitholders are classified as equity in both periods.

### 4 Distributions to unitholders

The distributions paid and payable for the year were as follows:

	Year ended		For the period 20 March 2023 to 30 June 2023	For the period 20 March 2023 to 30 June 2023 CPU
	30 June 2024	30 June 2024 CPU		
Distribution paid - December	4,153	0.2380	-	-
Distribution payable - June	187,420	9.8378	9,750	0.8072
	<u>191,573</u>	<u>10.0758</u>	<u>9,750</u>	<u>0.8072</u>

In accordance with the Scheme's Constitution, the Scheme distributes its distributable income, adjusted for amounts determined by the Responsible Entity in accordance with the Scheme's Constitution, to unitholders in the form of cash or via the issuance of units upon a reinvestment of distributions. The Scheme's distributions are classified as distributions paid and payable in the statement of changes in equity. Distributions paid are included in cash flows from financing activities in the statement of cash flows.

## 5 Financial assets at fair value through profit or loss

	30 June 2024	As at 30 June 2023
<b>Financial assets at fair value through profit or loss</b>		
Listed equity securities	2,018,085	1,149,373
Listed unit trusts	115,839	88,348
<b>Total financial assets at fair value through profit or loss</b>	<u>2,133,924</u>	<u>1,237,721</u>

An overview of the risk exposures and fair value measurements relating to financial assets at fair value through profit or loss is included in notes 7 and 8.

## 6 Notes to the statement of cash flows

	Year ended 30 June 2024	For the period 20 March 2023 to 30 June 2023
<b>(a) Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities</b>		
Profit/(loss) for the year	208,879	50,519
Proceeds from sale of financial instruments	2,485,090	326,245
Purchase of financial instruments	(3,257,012)	(1,479,904)
Transaction costs	5,981	1,776
Net (gains)/losses on financial instruments	(196,531)	(55,238)
Net change in receivables	254	(3,140)
Net change in payables	926	3,986
<b>Net cash inflow/(outflow) from operating activities</b>	<u>(752,413)</u>	<u>(1,155,756)</u>

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Scheme's main income generating activity.

Cash flows relating to GST are included in the statement of cash flows on a gross basis.

## 7 Financial risk management

The Scheme's assets principally consist of listed equity securities and listed unit trusts. It holds these investments in accordance with its investment strategy.

Financial risk may include market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Scheme uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of price, interest rate and foreign exchange risk.

The possible movements in the risk variables presented in the below sensitivity analysis have been determined based on management's best estimate, having regard for a number of factors, including historical changes in security prices. However, actual movements in these risk variables may be more or less significant and historic variations are not a definitive indicator of future variations in the risk variables.

The Board of Directors of the Responsible Entity has overall responsibility for the establishment and oversight of the Scheme's risk management framework. The Scheme's overall risk management program focuses on ensuring compliance with the Scheme's Investment Guidelines and seeks to maximise the returns derived for the level of risk to which the Scheme is exposed.

### (a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Scheme's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

#### (i) Price risk

The Scheme is exposed to price risk from listed equity securities and listed unit trusts in managed investment schemes. This arises from investments held by the Scheme for which prices in the future are uncertain. These investments are classified on the statement of financial position as at fair value through profit or loss.

The Investment Manager mitigates this price risk through diversification and careful selection of securities and other financial instruments within specified limits in the Investment Guidelines. A minimum of 80% of the Scheme was invested in securities listed on the Australian Securities Exchange and up to 20% of the Scheme may be invested in cash. The Scheme aims to outperform the S&P/ASX Small Ordinaries Accumulation Index over the long term before fees, expenses and tax.

#### Sensitivity analysis

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

	<b>Impact on operating profit/(loss)/Net assets attributable to unitholders</b>	
	<b>Price risk</b>	
	<b>-15%</b>	<b>+15%</b>
<b>30 June 2024</b>	<b>(320,089)</b>	<b>320,089</b>
30 June 2023	(185,658)	185,658

## 7 Financial risk management (continued)

### (a) Market risk (continued)

#### (i) Price risk (continued)

In determining the impact of an increase/decrease in net assets attributable to unitholders arising from market risk, the Responsible Entity has considered prior period and expected future movements of the portfolio information in order to determine a reasonably possible shift in assumptions.

#### (ii) Foreign exchange risk

In accordance with the Scheme's Investment Guidelines, the Scheme may not enter into transactions denominated in currencies other than Australian dollars. The Scheme therefore does not have any exposure to currency risk on financial instruments, receivables and liabilities. The functional currency of the Scheme is Australian dollars.

#### (iii) Interest rate risk

The Scheme's Investment Guidelines permit it to hold a 20% maximum in cash and cash equivalents, therefore the majority of the Scheme's financial assets and liabilities are non-interest bearing. Any excess cash and cash equivalents are invested at short-term market interest rates.

### (b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Scheme.

Credit risk is controlled by restricting investments to high quality counterparties. The creditworthiness of all counterparties to the Scheme's list of investments is regularly reviewed. Credit risk primarily arises from investments in debt securities and from trading derivative products. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers. The Scheme is not permitted to invest in debt securities, however up to 20% of the value of the Scheme can be held in cash and cash equivalents. No assets of the Scheme were impaired on 30 June 2024 or 30 June 2023, and as a result credit risk is not considered to be a significant risk to the Scheme. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

#### (i) Settlement of securities transactions

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once purchase on the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

#### (ii) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of A-1 or higher as determined by Standard & Poor's (S&P) (2023: A-1).

In accordance with the Scheme's policy, the Scheme's cash position is monitored on a daily basis.

#### (iii) Other

The clearing and depository operations for the Scheme's security and derivatives transactions are mainly concentrated with one counterparty, Citigroup Pty Ltd. Citigroup Pty Ltd is a member of a major securities exchange, and at 30 June 2024 had a credit rating of A (S&P) (2023: A (S&P) and A3 (Moody's)). At 30 June 2024, substantially all cash and cash equivalents, balances due from broker and investments are held in custody by Citigroup Pty Ltd.

### (c) Liquidity risk

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

The Scheme is exposed to liquidity risk in the form of daily redemptions of redeemable units. It therefore primarily holds investments that are traded in an active market and can be readily disposed. The Scheme's listed securities are considered readily realisable, as they are listed on the Australian Securities Exchange.

## 7 Financial risk management (continued)

### (c) Liquidity risk (continued)

All financial liabilities of the Scheme have contractual maturities of less than 12 months.

## 8 Fair value measurements

The Scheme measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets / liabilities at fair value through profit or loss (FVTPL).

The Scheme has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

### (i) Fair value hierarchy

In accordance with AASB 9 *Financial Instruments*, the classification of financial assets is generally based on the business model in which a financial asset is managed and the characteristics of its contractual cash flows. The Scheme is an investment entity and as such its financial assets are classified as fair value through profit or loss.

The Scheme classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment by the Responsible Entity. The Responsible Entity considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

### (ii) Fair value measurement in an active market

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair value of financial instruments traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. Such financial instruments are classified as level 1 on the fair value hierarchy.

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include listed equity securities and listed unit trusts. On a daily basis, the Responsible Entity measures the fair value of the Scheme's level 1 financial assets using independent pricing information obtained from the Scheme's appointed custodian, Citigroup Pty Ltd.

### (iii) Fair value measurement in an inactive or unquoted market

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data where it is available, and rely as little as possible on entity specific estimates. Such techniques include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar instruments, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

## 8 Fair value measurements (continued)

### (a) Fair value hierarchy (continued)

#### (iii) Fair value measurement in an inactive or unquoted market (continued)

If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

On a daily basis, the Responsible Entity measures the fair value of the Scheme's level 2 financial assets using independent pricing information obtained from the Schemes' appointed custodian, Citigroup Pty Ltd. Where the Scheme holds investments into other unlisted unit trusts the pricing information reflects the redemption value per unit as reported by the investment managers of the unlisted unit trusts.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. For financial assets classified at level 3 on the fair value hierarchy where prices are not readily available from independent pricing sources, such as zero priced securities, the Responsible Entity considers any material information compared to previously approved valuations through recommendations of the Responsible Entity's Valuation Working Group.

#### (iv) Recognised fair value measurements

The table below sets out the Scheme's financial assets and liabilities measured at fair value according to the fair value hierarchy at 30 June 2024 and 30 June 2023:

#### As at 30 June 2024

	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>				
Listed equity securities	2,018,085	-	-	2,018,085
Listed unit trusts	115,839	-	-	115,839
<b>Total financial assets at fair value through profit or loss</b>	<b>2,133,924</b>	<b>-</b>	<b>-</b>	<b>2,133,924</b>

#### As at 30 June 2023

	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>				
Listed equity securities	1,149,373	-	-	1,149,373
Listed unit trusts	88,348	-	-	88,348
<b>Total financial assets at fair value through profit or loss</b>	<b>1,237,721</b>	<b>-</b>	<b>-</b>	<b>1,237,721</b>

The Scheme did not hold any level 2 or level 3 financial instruments as at 30 June 2024 (30 June 2023: Nil).

There were no transfers between levels for recurring fair value measurements during the year ended 30 June 2024 (30 June 2023: Nil).



## 9 Remuneration of auditors

During the year the following fees were paid or payable by the Responsible Entity for services provided by the auditor of the Scheme:

	Year ended 30 June 2024 \$	For the period 20 March 2023 to 30 June 2023 \$
<i>Audit and other assurance services</i>		
Audit and review of financial statements	15,920	12,980
Other assurance services	5,005	-
Total remuneration for audit and other assurance services	<u>20,925</u>	<u>12,980</u>
Total remuneration*	<u>20,925</u>	<u>12,980</u>

\* The fees disclosed above are GST inclusive.

## 10 Related party transactions

### Key management personnel unitholdings

At 30 June 2024 no key management personnel held units in the Scheme (2023: Nil).

### Key management personnel compensation

The directors of the Responsible Entity have been paid by a related party of the Responsible Entity. Payments made from the Scheme to the Responsible Entity do not include any amounts directly attributable to the compensation of key management personnel.

### Responsible Entity's fees and other transactions

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at year end between the Scheme and the Responsible Entity were as follows:

	Year ended 30 June 2024 \$	For the period 20 March 2023 to 30 June 2023 \$
Responsible Entity's fees* earned	16,404	3,038
Responsible Entity's fees* payable	<u>4,912</u>	<u>895</u>
	Year ended 30 June 2024 \$	For the period 20 March 2023 to 30 June 2023 \$
Performance fees** earned	10,389	4,310
Performance fees** payable	<u>-</u>	<u>3,091</u>

\* Includes amounts paid to the Responsible Entity for third party expenses it has incurred, for which it is entitled to be reimbursed.

\*\*The Responsible Entity is entitled to a 20% performance fee, inclusive of GST less RITC, of the amount by which the fund outperforms its benchmark. The fee is payable on a quarterly basis when the Scheme achieves outperformance for the quarter under assessment.

## **11 Events occurring after the reporting period**

No significant events have occurred since the end of the reporting period that have significantly affected, or may significantly affect, the operations of the Scheme, the results of the Scheme's operations or the Scheme's state of affairs for the year ended 30 June 2024 or in future financial years.

## **12 Contingent assets and liabilities and commitments**

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

## Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the annual financial report and notes set out on pages 7 to 20 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Scheme'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 Scheme will be able to pay its debts as and when they become due and payable.
- (c) Note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



Edward Eason  
Director

Melbourne  
26 September 2024

## Independent Auditor's Report to the Unitholders of Tyndall Australian Small Companies Fund

### *Opinion*

We have audited the financial report of Tyndall Australian Small Companies Fund (the "Scheme") which comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the annual financial report, including material accounting policy information and other explanatory information, and the Directors' declaration.

In our opinion, the accompanying financial report of the Scheme is in accordance with the Corporations Act 2001, including:

- Giving a true and fair view of the Scheme's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the Corporations Regulations 2001.

### *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 Scheme in accordance with the auditor independence requirements of the Corporations Act 2001 and 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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the Directors of Yarra Funds Management Limited (the "Responsible Entity"), would be in the same terms if given to the Directors as at the time of this auditor's report.

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

### *Other Information*

The Directors of the Responsible Entity (the "Directors") are responsible for the other information. The other information comprises the information included in the Directors' 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 we do not express any form of assurance conclusion thereon.

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, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

We have nothing to report in this regard.

## *Responsibilities of the Directors for the Financial Report*

- The Directors are responsible for the preparation of the financial report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Scheme in accordance with Australian Accounting Standards;
- and for such internal control as the Directors determine is necessary to enable the preparation of the financial report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Scheme, and 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 Scheme 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 Scheme or to cease operations, or have no realistic alternative but to do so.

## *Auditor's Responsibilities for the Audit of the Financial Report*

Our 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 judgement 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 Scheme'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 Scheme'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 Scheme 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.

A stylized, handwritten signature of "Deloitte Touche Tohmatsu" in black ink, enclosed within a light grey rectangular box.

DELOITTE TOUCHE TOHMATSU

A handwritten signature of "Adam Kuziow" in black ink, written in a cursive style.

Adam Kuziow  
Partner  
Chartered Accountants  
Melbourne, 26 September 2024