

**Burrell Australian Equities Trust
and Controlled Entities**

ABN 13 635 491 793

**Consolidated Financial Statements
30 June 2023**

**Burrell Australian Equities Trust and Controlled Entities
Corporate Directory
30 June 2023**

Responsible entity	Burrell Securities Limited
Directors	Roger J Burrell Christopher T Burrell Gregory J Vickery Steven S Pritchard
Company secretary	Ian F Davey Saskia Jo
Registered office	Level 4, 24 Little Edward Street Spring Hill QLD 4000 Phone: 61 7 3006 7200 Fax: 61 7 3839 6964
Principal place of business	Level 4, 24 Little Edward Street Spring Hill QLD 4000
Unit register	Burrell Securities Ltd Level 4, 24 Little Edward Street Spring Hill QLD 4000 Telephone: 61 7 3006 7200 Facsimile: 61 7 3839 6964
Auditor	PKF Brisbane Audit Level 6, 10 Eagle Street Brisbane QLD 4000
Website	http://www.burrell.com.au

Burrell Australian Equities Trust and Controlled Entities

Directors' Report

30 June 2023

The directors of Burrell Securities Limited, the Responsible Entity of the Burrell Australian Equities Trust, ('BAET' or 'the Scheme') (ARSN 635 684 123), present their annual report, together with the financial statements of the Burrell Australian Equities Trust for the financial ended 30 June 2023.

The Scheme

The Scheme was registered on 3 September 2019 and a Product Disclosure Statement was issued on 30 September 2022 to raise funds from retail investors.

Scheme

Burrell Securities Limited (ABN 92 083 535 031) (the 'Scheme') is an unlisted public company incorporated under the Corporations Act 2001 and holds an Australian Financial Services License, No. 381 667.

Directors

The following persons were directors of Burrell Securities Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Roger J Burrell
Christopher T Burrell
Gregory J Vickery
Steven S Pritchard

Company Secretary

Ian F Davey
Saskia Jo

Service Providers

The service providers during or since the end of the year are:

<i>Service Type</i>	<i>Service</i>
Responsible Entity	Burrell Securities Limited
Custodian	Burrell & Co Holdings Pty Ltd
Investment Manager	Burrell Stockbroking Pty Ltd
Auditor	PKF Brisbane Audit

Principal Activities

The Scheme is a registered managed investment scheme domiciled in Australia. The principal activity of the Scheme is to invest unit holder's funds in domestic companies, Schemes, managed funds, exchange traded indexes and exchange traded funds, which have exposure to the S&P/ASX 200 Index.

There has been no significant change in the type of investing activities of the Scheme during the financial year.

The primary objective of the Scheme is to provide returns to unit holders from distributions and capital growth.

The Scheme did not have any employees during the year.

Burrell Australian Equities Trust and Controlled Entities
Directors' Report (continued)
30 June 2023

Distributions

Distributions paid or provided for during the financial year were as follows:

Final distribution

	30-Jun-23	30-Jun-22
	\$	\$
Final distribution paid or payable	<u>211,054</u>	<u>247,822</u>
Year ended	30-Jun-23	30-Jun-22
Cents per unit	3.47 ¢	4.30 ¢
Date paid or provided for	30-Oct-23	12-Oct-22

Interim distribution

	30-Jun-23	30-Jun-22
	\$	\$
Interim distribution paid	<u>176,624</u>	<u>261,206</u>
Half-year ended	31-Dec-22	31-Dec-21
Cents per unit	2.97 ¢	4.67 ¢
Date paid or provided for	28-Apr-23	06-Apr-22

Results

The results of the operations of the Scheme are disclosed in the Statement of profit or loss and other comprehensive income.

	30-Jun-23	30-Jun-22
Profit attributable to the unit holders for the financial year	<u>317,424</u>	<u>316,868</u>

Review of operations

Financial year 2022-23 saw the domestic share market perform above expectations climbing a wall of worry with ongoing persistent inflation, potential for global recession and the ongoing war in Ukraine creating numerous risks for investor sentiment. Although the financial year consisted of central banks raising interest rates at the steepest rate in recent history, investors looked through these challenges with all industry sectors generating positive returns. Technology was the standout performer up more than 30% regaining some of the losses from the year before. Resources leveraged to the green economy also fared well with lithium and other battery mineral companies also generating strong returns. On the flipside, those sectors exposed to the higher interest rate environments as well as defensive sectors such as Real Estate Investment Trusts and Healthcare respectively, lagged the broader market.

Performance Outcomes

Net Return

The net return to unitholders for the financial year ended 30 June 2023 was 9.57% (30 June 2022: -1.44%). This 'net return' is not directly comparable to publicly reported unit price or accumulation indices because it is after costs have been deducted for managing and administering the portfolio and the Scheme.

Burrell Australian Equities Trust and Controlled Entities
Directors' Report (continued)
30 June 2023

Gross Returns

For comparative purposes we benchmark the investment portfolio against the S&P/ASX 200 Accumulation Index.

The performances of the investment portfolio for the financial year ended 30 June 2023 and the comparative prior period are as follows:

	30-Jun-23	30-Jun-22
	%	%
Burrell Australian Equities Trust (excl. AIF)	12.6	2.4
Burrell Australian Equities Trust (incl. AIF)	12.6	2.4
S&P/ASX All Ords Accumulation Index	14.8	(7.4)

The Scheme's investments by industry sector were:

	30-Jun-23	30-Jun-22
	%	%
Financials	37.8	40.4
Materials	16.0	19.8
Industrials	8.0	7.9
Health care	8.4	7.6
Information technology, Utilities & Telecomms	6.4	6.5
Energy	4.5	4.3
Consumer discretionary	3.8	3.2
Consumer staples	2.8	4.5
Managed funds and LICs	1.0	1.9
Real estate	-	2.0
Cash & cash equivalents	11.3	1.9

Securities representing 5% or more of the investments in the portfolio as at 30 June 2023 were:

	30-Jun-23	30-Jun-22
	% of portfolio	% of portfolio
Australia and New Zealand Banking Group Limited	6.2	5.9
Westpac Banking Corporation Limited	5.6	5.5
Woodside Energy Group Limited	5.4	5.1
BHP Billiton Limited	5.3	7.3
National Australia Bank	5.3	7.0

Management costs

The Scheme's Indirect Cost Ratio (ICR) is as follows:

	30-Jun-23	30-Jun-22
Ratio of indirect costs to total average net assets	<u>1.6%</u>	<u>1.6%</u>

The ICR for the Scheme is the ratio of the Scheme's management costs, that are not deducted directly from the investor's account, to the Scheme's total average net assets.

Net Asset Value per Unit

The Scheme administrator calculates the net asset value of the Scheme's units on each Friday as at the close of business on the previous day.

	30-Jun-23	30-Jun-22
Ex distribution net asset value per unit for the Scheme	<u>\$1.36</u>	<u>\$1.30</u>

The net asset value per unit is determined by the value of the assets of the Scheme, (adjusted for estimated transaction costs), less its liabilities, divided by the number of units on issue.

Burrell Australian Equities Trust and Controlled Entities
Directors' Report (continued)
30 June 2023

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Scheme during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Scheme's operations, the results of those operations, or the Scheme's state of affairs in future financial years.

Options granted

No options were:

- i. Granted over unissued units in the Scheme during the year or since the end of the financial year; or
- ii. Granted to the Responsible Entity.

No unissued units in the Scheme were under option as at the date on which this report was made.

No units were issued in the Scheme during or since the end of the financial year as a result of the exercise of an option over unissued units in the Scheme.

Likely developments and expected results of operations

There is no information on the likely developments in the operations of the Scheme and the expected results of operations that have not been included in this report.

Environmental regulation

The Scheme is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on the directors of the Scheme

Name:	Roger J Burrell
Title:	Chairman
Qualifications:	B. Com, L.L.B., F Fin, F.A.I.C.D., Dip Fin, Dip FMBM.
Experience and expertise:	Roger has been a Director since 1987. He is also Principal of his own legal firm and Legal Consultant to QM Properties Group. Roger is a former Partner at national law firm Clayton Utz (1987 – 2000) and former Partner (2000 – 2006) and Consultant (2006 – 2011) at Phillips Fox (subsequently DLA Piper/ DLA Phillips Fox).
Other current directorships:	Burrell Stockbroking Pty Ltd and related entities
Former directorships (in the last 3 years):	Multiple Sclerosis Society of Queensland
Interests in units:	173,187 beneficially held Fully Paid units.
Interests in options:	None.

**Burrell Australian Equities Trust and Controlled Entities
Directors' Report (continued)
30 June 2023**

Name: Christopher T Burrell

Title: Director

Qualifications: M.F.M, B. Com (Hons), L.L.B. (Hons), F.C.A., SF Fin, M.S.A.A.

Experience and expertise: Chris has been a Director since 1998. He was the Company's Chairman from 1983 to 2002. He has held the position of Managing Director of Burrell Stockbroking Pty Ltd since 1997. He was a Partner at Coopers and Lybrand, Chartered Accountants, for 15 years; a previous Director of Queensland electricity retailer, Ergon; a former member of the Industrial Research & Development Committee within the Commonwealth Department of Industry, Science and Resources; and a former State Councillor for the Securities Institute of Australia.

Other current directorships: Burrell Stockbroking Pty Ltd and related entities, and The Donald and Joan Wilson Foundation

Former directorships (in the last 3 years): None.

Interests in units: 1,346,357 beneficially and 660,635 non-beneficially held Fully Paid units.

Interests in options: None.

Name: Gregory J Vickery

Title: Director

Qualifications: AO, F.A.I.C.D

Experience and expertise: Greg has been a Director since 2020. He is a Senior Consultant at Norton Rose Fulbright, a global law firm, and was previously a Partner of the same firm for 40 years. He is a company and resources lawyer with a special interest and experience in corporate governance. He was for 10 years on the influential Federal Government Body CAMAC, which advised Treasury on the regulation of Companies and Markets.

Other current directorships: Burrell Stockbroking Pty Ltd and related entities; Blue Economy CRC Ltd

Former directorships (in the last 3 years): None.

Interests in units: 8,943 Fully Paid units, beneficially held.

Interests in options: None.

**Burrell Australian Equities Trust and Controlled Entities
Directors' Report (continued)
30 June 2023**

Name:	Steven S Pritchard
Title:	Director
Qualifications:	Bachelor of Commerce, Certified Practising Accountant, Registered Tax Agent, Fellow Taxation Institute of Australia, Graduate Diploma Applied Finance and Investment, and Fellow of Financial Services Institute of Australasia, Previously a member of the Stock Exchange of Newcastle Limited.
Experience and expertise:	Steven has many years of experience in providing strategic and financial advice to a broad range of clients in the financial services industry.
Other current directorships:	Lansdowne Investment Company Pty Ltd (since 1 April 2022), Illuminator Investment Company Limited (since 22 December 2003) Florin Mining Investment Company Limited (since 29 September 2004), Pritchard Equity Limited (since 10 May 2002) and Winpar Holdings Limited (since 4 July 2004).
Former directorships (in the last 3 years):	None.
Interests in units:	None.
Interests in options:	None.

Company Secretary

Ian Davey (BBus, CPA) has been a Company Secretary of the Company since 2002 and is also a Director of Burrell & Co Holdings Pty Ltd and Burrell Stockbroking Pty Ltd. Prior to joining the Company, he was the Financial Controller of James Engineering Pty Ltd (1985 – 2000).

Saskia Jo (BCom, CPA, GIA) joined Burrell Stockbroking Pty Ltd in November 2021. Prior to joining the Company, she was a Company Secretary for Factor Therapeutics Limited and has over 15 years experience as a commercial accountant.

Meetings of directors

The number of meetings of the Scheme's Board of Directors held during the year ended 30 June 2023, and the number of meetings attended by each director was:

	Full Board	
	Held	Attended
Roger J Burrell	4	3
Christopher T Burrell	4	4
Gregory J Vickery	4	4
Steven S Pritchard	4	3

Held: represents the number of meetings held during the time the director held office.

**Burrell Australian Equities Trust and Controlled Entities
Directors' Report (continued)
30 June 2023**

Indemnity and insurance of officers

The Responsible Entity has indemnified the directors, secretary and executives of the Responsible Entity for costs incurred, in their capacity as a director, secretary or executive, for which they may be held personally liable, except where there is lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the Responsible Entity against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Responsible Entity has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Responsible Entity or any related entity against a liability incurred by the auditor.

During the financial year, the Responsible Entity has not paid a premium in respect of a contract to insure the auditor of the Responsible Entity or any related party.

Proceedings of behalf of the Responsible Entity

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Responsible Entity, or to intervene in any proceedings to the Responsible Entity is a party for the purpose of taking responsibility on behalf of the Responsible Entity for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the Responsible entity who are former audit partners of PKF Brisbane Audit

There are no officers of the Responsible Entity who are former audit partners of PKF Brisbane Audit.

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 8.

Auditor

PKF Brisbane Audit continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298 (2) (a) of the Corporations Act 2001.

On behalf of the directors



Gregory J Vickery
Director

6 September 2023
Brisbane

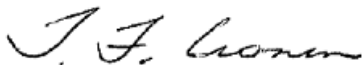
AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BURRELLS SECURITIES LIMITED AS THE RESPONSIBLE ENTITY OF
BURRELL AUSTRALIAN EQUITIES TRUST

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been no contraventions of:

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



PKF BRISBANE AUDIT



TIMOTHY CRONIN
PARTNER

Brisbane
6 September 2023

Burrell Australian Equities Trust and Controlled Entities
Financial report
30 June 2023

Contents

	Page
Financial report	
Statement of profit or loss and other comprehensive income	10
Statement of financial position	11
Statement of changes in equity	12
Statement of cash flows	13
Notes to the financial statements	14
Trustee's declaration	32
Independent auditor's report to the members of Burrell Australian Equities Trust	33

General information

The financial report covers Burrell Australian Equities Trust and controlled entities as a consolidated entity. The financial report is presented in Australian dollars, which is Burrell Australian Equities Trust's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Burrell Australian Equities Trust and controlled entities is a managed investment scheme, registered and domiciled in Australia. Its registered office and principal place of business is:

Level 4, 24 Little Edward Street
Brisbane QLD 4000

A description of the nature of the Scheme's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of the directors of the Responsible Entity, on 6 September 2023. The directors have the power to amend and reissue the financial report.

Burrell Australian Equities Trust and Controlled Entities
Statement of profit or loss and other comprehensive income
For the financial year ended 30 June 2023

		Consolidated	
	Note	2023	2022
		\$	\$
Revenue	4	437,401	440,743
Other income	5	3,828	152
Expenses			
Accounting and audit fees		(6,468)	(6,391)
Legal expenses		(8,430)	(8,280)
Managed portfolio service fees		(62,354)	(62,033)
Secretarial expenses		(46,310)	(47,323)
Other expenses		(60)	-
Total expenses		<u>(123,622)</u>	<u>(124,027)</u>
Profit before income tax expense from continuing operations		<u>317,607</u>	<u>316,868</u>
Income tax expense		<u>(183)</u>	-
Profit after income tax expense for the year attributable to the owners of the Burrell Australian Equities Trust	14	317,424	316,868
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Unrealised changes in the value of equity investments at fair value		227,605	(619,275)
Realised net fair value gain on equity investments at fair value		<u>184,239</u>	<u>226,767</u>
Other comprehensive income for the financial year, net of tax		<u>411,844</u>	<u>(392,508)</u>
Total comprehensive income for the financial year attributable to the owners of Burrell Australian Equities Trust		<u><u>729,268</u></u>	<u><u>(75,640)</u></u>
		Cents	Cents
Basic earnings per unit	22	5.37 ¢	5.66 ¢
Diluted earnings per unit	22	5.37 ¢	5.66 ¢

The above statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Burrell Australian Equities Trust and Controlled Entities
Statement of financial position
As at 30 June 2023

		Consolidated	
	Note	2023	2022
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	6	965,177	147,932
Trade and other receivables	7	56,756	47,508
Total current assets		<u>1,021,933</u>	<u>195,440</u>
Non-current assets			
Financial assets	8	7,475,770	7,624,156
Total non-current assets		<u>7,475,770</u>	<u>7,624,156</u>
Total assets		<u>8,497,703</u>	<u>7,819,596</u>
Liabilities			
Current liabilities			
Trade and other payables	9	211,054	303,393
Derivative financial instruments	10	3,615	-
Income taxes payable	11	183	-
Total current liabilities		<u>214,852</u>	<u>303,393</u>
Total liabilities		<u>214,852</u>	<u>303,393</u>
Net assets attributable to unit holders		<u>8,282,851</u>	<u>7,516,203</u>
Represented by:			
Units on issue	12	6,590,535	6,151,328
Reserves	13	1,812,339	1,400,494
Accumulated losses	14	(120,023)	(35,619)
		<u>8,282,851</u>	<u>7,516,203</u>

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

Burrell Australian Equities Trust and Controlled Entities
Statement of changes in equity
For the financial year ended 30 June 2023

	Note	Contributed equity \$	Reserves \$	Retained profits \$	Total equity \$
Consolidated					
Balance at 1 July 2021		5,789,403	1,793,002	163,834	7,746,239
Profit for the financial year		-	-	316,868	316,868
Other comprehensive income for the financial year		-	(392,508)	-	(392,508)
Total comprehensive income for the financial year		-	(392,508)	316,868	(75,640)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of capital, net of transaction costs	12	392,192	-	-	392,192
Redemptions of units	12	(30,267)	-	-	(30,267)
Distributions paid or payable	15	-	-	(516,321)	(516,321)
Balance at 30 June 2022		<u>6,151,328</u>	<u>1,400,494</u>	<u>(35,619)</u>	<u>7,516,203</u>

	Note	Contributed equity \$	Reserves \$	Retained profits/ (accumulated losses) \$	Total equity \$
Consolidated					
Balance at 1 July 2022		6,151,328	1,400,494	(35,619)	7,516,203
Profit for the financial year		-	-	317,424	317,424
Other comprehensive income for the financial year		-	411,844	-	411,844
Total comprehensive income for the financial year		-	411,844	317,424	729,268
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of capital, net of transaction costs	12	439,207	-	-	439,207
Distributions paid or payable	15	-	-	(401,828)	(401,828)
Balance at 30 June 2023		<u>6,590,535</u>	<u>1,812,339</u>	<u>(120,023)</u>	<u>8,282,851</u>

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

Burrell Australian Equities Trust and Controlled Entities
Statement of cash flows
For the financial year ended 30 June 2023

	Note	Consolidated	
		2023 \$	2022 \$
Cash flows from operating activities			
Dividends received		343,317	318,434
Trust distributions received		57,662	32,784
Interest received		27,176	2,341
Other revenue		7,443	-
Proceeds from sale of trading investments		-	152
Payments to suppliers (inclusive of GST)		<u>(123,622)</u>	<u>(130,987)</u>
Net cash from operating activities	21	<u>311,976</u>	<u>222,724</u>
Cash flows from investing activities			
Proceeds from sale of investments and capital redemptions		1,936,777	2,298,987
Capital returns on investments		-	53,000
Payments for investments		<u>(1,432,117)</u>	<u>(2,804,100)</u>
Net cash from/(used in) investing activities		<u>504,660</u>	<u>(452,113)</u>
Cash flows from financing activities			
Proceeds from the issue of units to unit holders	12	439,207	392,191
Distributions paid to unit holders		(438,598)	(500,696)
Payments for redemption of units	12	<u>-</u>	<u>(30,267)</u>
Net cash used in financing activities		<u>609</u>	<u>(138,772)</u>
Net increase/(decrease) in cash and cash equivalents		817,245	(368,161)
Cash and cash equivalents at the beginning of the financial year		<u>147,932</u>	<u>516,093</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>965,177</u></u>	<u><u>147,932</u></u>

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

Burrell Australian Equities Trust and Controlled Entities
Notes to the financial statements
30 June 2023

Note 1. General Information

The Burrell Australian Equities Trust (the Scheme) is a registered managed investment scheme domiciled in Australia. The address of its registered office and principal place of business are disclosed in the introduction to the annual report. The principal activity of the Scheme is disclosed in the directors' report.

The Responsible Entity, Burrell Securities Limited (ABN 92 083 535 031), is an unlisted public company incorporated under the Corporations Act 2001, and holds an Australian Financial Services License.

The Scheme was registered on 3 September 2019 and issued a product Disclosure Statement on 30 September 2022 in order to raise funds from retail investors.

The Financial Statements were authorised for issue on 6 September 2023 by the Directors of the Responsible Entity.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Burrell Australian Equities Trust and Controlled Entities
Notes to the financial statements
30 June 2023

Note 2. Significant accounting policies (continued)

Principles on consolidation

The consolidated financial statements incorporate the financial statements of the Scheme and entities (including structured entities) controlled by the Trust and its subsidiaries. Control is achieved when the Scheme:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Scheme reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Scheme has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Scheme considers all relevant facts and circumstances in assessing whether or not the Scheme's voting rights in an investee are sufficient to give it power, including:

- the size of the Scheme's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Scheme, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Scheme has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Scheme obtains control over the subsidiary and ceases when the Scheme loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Scheme gains control until the date when the Scheme ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Scheme and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Scheme and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. The only entity that the Scheme had control over during the financial year was Australian Index Fund Pty Ltd.

Burrell Australian Equities Trust and Controlled Entities
Notes to the financial statements
30 June 2023

Note 2. Significant accounting policies (continued)

Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer.

Revenue from interest is recognised as it is received. Revenue from passive dividends and trust income is recognised when it is declared and is due and receivable.

Revenue from the sale of investments is recognised from the date of contract, and is the difference between the sale price, less selling costs, and the purchase price, or if revalued, the revalued amount.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

Under current income tax legislation, the consolidated entity is not liable to pay income tax as the net income of the consolidated entity is assessable in the hands of the beneficiaries (the unit holders) who are 'presently entitled' to the income of the consolidated entity. There is no income to which the unit holders are not presently entitled.

As a result, deferred taxes have not been recognised in the financial statements in relation to differences between the carrying amounts of assets and liabilities and their relative tax bases, including taxes on capital gains which arise in the event of a sale of investments for the amount at which they are stated in the financial statements. In the event that taxable gains are realised by the consolidated entity, these gains are added to taxable income that is assessable in the hands of the unit holders as noted above.

Realised capital losses are not distributable to unit holders but are retained within the consolidated entity to be offset against any future realised capital gains. The benefit of carried forward capital losses are also not recognised in the financial statements. If in any period realised capital gains exceed capital losses, including those carried forward from earlier periods and eligible for offset, the excess is included in taxable income that is assessable in the hands of the unit holders in that period as is distributed to unit holders in accordance with the requirements of the consolidated entity Constitution.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance.

Other receivables are recognised at amortised cost, less any provision for impairment.

Burrell Australian Equities Trust and Controlled Entities
Notes to the financial statements
30 June 2023

Note 2. Significant accounting policies (continued)

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 2. Significant accounting policies (continued)

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary units are classified as equity.

Incremental costs directly attributable to the issue of new units or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per unit

Basic earnings per unit

Basic earnings per unit is calculated by dividing the profit attributable to the owners of the Scheme, excluding any costs of servicing equity other than ordinary units, by the weighted average number of ordinary units outstanding during the financial year, adjusted for bonus elements in ordinary units issued during the financial year.

Diluted earnings per unit

Diluted earnings per unit adjusts the figures used in the determination of basic earnings per unit to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary units and the weighted average number of units assumed to have been issued for no consideration in relation to dilutive potential ordinary units.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Burrell Australian Equities Trust and Controlled Entities
Notes to the financial statements
30 June 2023

Note 2. Significant accounting policies (continued)

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Unitholders' Funds

Units issued by the Scheme are redeemable at the option of the unitholder ("puttable") at any time after two months from the issue date. As the units satisfy all of the criteria for recognition as puttable financial instruments under paras 16A and 16B of AASB 132: Financial Instruments: Presentation, unitholders' funds are classified as equity. Units are measured at their issue price.

Applications and redemptions of units

Applications received for units are recorded net of any entry fees payable prior to the issue of the units. Redemptions are recorded after the cancellation of the corresponding redeemed units. The application and redemption prices of units are determined on the basis of the value of the consolidated entity's net assets on the date of the application or redemption divided by the number of units on issue on that date. A full description of the method used to calculate application and redemption prices of units is provided in the consolidated entity's Constitution. Refer to Note 12 for further discussion of the features of the units.

New Accounting Standards for Application in Future Periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Fair value measurement hierarchy

The scheme is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Burrell Australian Equities Trust and Controlled Entities
Notes to the financial statements
30 June 2023

Note 4. Revenue

	Consolidated	
	2023	2022
	\$	\$
Dividends	337,061	409,557
Interest	27,176	2,341
Trust income	<u>73,164</u>	<u>28,845</u>
Revenue	<u><u>437,401</u></u>	<u><u>440,743</u></u>

Note 5. Other income

	Consolidated	
	2023	2022
	\$	\$
Financial assets at fair value through profit or loss:		
Net gain on disposal	-	152
Net gain on options trading	2,674	-
Sundry income	<u>1,154</u>	<u>-</u>
Other income	<u><u>3,828</u></u>	<u><u>152</u></u>

Note 6. Current assets - cash and cash equivalents

	Consolidated	
	2023	2022
	\$	\$
Cash and cash equivalents	<u>965,177</u>	<u>147,932</u>

Note 7. Current assets - trade and other receivables

	Consolidated	
	2023	2022
	\$	\$
Accrued income	<u>56,756</u>	<u>47,508</u>

Burrell Australian Equities Trust and Controlled Entities
Notes to the financial statements
30 June 2023

Note 8. Non-current assets - financial assets

	Consolidated	
	2023	2022
	\$	\$
Equity investments at fair value	<u>7,475,770</u>	<u>7,624,156</u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous period are set out below:

Opening fair value	7,624,156	7,397,146
Additions	1,376,546	2,934,934
Disposals	(1,752,537)	(2,088,649)
Revaluation increments/(decrements)	<u>227,605</u>	<u>(619,275)</u>
Closing fair value	<u>7,475,770</u>	<u>7,624,156</u>

Note 9. Current liabilities - trade and other payables

	Consolidated	
	2023	2022
	\$	\$
Trade payables	-	55,571
Distribution payable	<u>211,054</u>	<u>247,822</u>
	<u>211,054</u>	<u>303,393</u>

Burrell Australian Equities Trust and Controlled Entities
Notes to the financial statements
30 June 2023

Note 10. Current liabilities - derivative financial instruments

	Consolidated	
	2023	2022
	\$	\$
Exchange traded option liabilities	<u>3,615</u>	<u>-</u>

Premiums on sold options are initially brought to account as a liability at cost which equates to fair value. Option premium income is recognised when the options expire or are settled. At balance date, outstanding options are valued at fair value, based on quoted price. Revaluation gains or losses are presented in the Statement of Comprehensive Income.

The consolidated entity uses exchange traded options to earn additional income on the trading portfolio by either: writing call option contracts over shares that are currently held with the expectation that the price of the underlying shares will remain relatively stable or increase by a small amount over the option term; or, writing put option contracts with the expectation that the price of the underlying shares will increase in the near term. These put options are written at strike prices where, if the price of the underlying shares happens to fall and the options are exercised, the manager is comfortable with the price taken for the shares delivered.

The consolidated entity also uses options to take synthetic trading or overweight positions in the shares of selected major liquid companies traded on the Australian Securities Exchange (ASX). These comprise of bought calls and sold puts at the same exercise price with the same expiry month. These positions trade a short-term positive view of the underlying shares. If the consolidated entity is exercised on the short put positions, they are at which the manager is comfortable to buy the shares.

Premiums on the sold legs of the synthetic long positions are accounted for as a liability. Option premium income is recognised when the options expire or are settled. At balance date, outstanding options are valued at fair value, based on quoted price. revaluation gains or losses are presented in the Statement of Comprehensive Income.

All of the trading position options bought or sold are exchange traded options on the Australian Securities Exchange (ASX). Options positions are calculated daily and the total exposure reviewed regularly. Collateral in the form of shares has been lodged with the Australian Clearing House to cover margin calls when they arise.

Writing (selling) a call option gives the buyer the right, but not the obligation, to buy shares at the exercise price on or before expiry of the option. Writing (selling) a put option gives the buyer the right, but not the obligation, to sell shares at the exercise price on or before expiry of the option. As at 30 June 2023, the consolidated entity had a total of gross exposure of \$732.2 thousand (2022: \$nil) and total of expected income of closing the position of \$1k (2022:\$ nil).

Note 11. Current liabilities - income taxes payable

	Consolidated	
	2023	2022
	\$	\$
Income taxes payable	<u>183</u>	<u>-</u>

Burrell Australian Equities Trust and Controlled Entities
Notes to the financial statements
30 June 2023

Note 12. Units on issue

	2023	2022	2023	2022
	Units	Units	\$	\$
Units on issue at year end	<u>6,077,407</u>	<u>5,759,623</u>	<u>6,590,535</u>	<u>6,151,328</u>

Movements in unit capital

	Date	No. of units	Price	\$
Balance	30 Jun 2021	5,511,966		5,789,403
Issue of new units	19 Aug 2021	17,123	\$1.46	24,989
Redemption of units	15 Sep 2021	(21,127)	\$1.43	(30,267)
Issue of new units under DRP	29 Oct 2021	86,887	\$1.46	126,858
Issue of new units	3 Feb 2022	36,232	\$1.38	49,989
Issue of new units	9 Mar 2022	34,965	\$1.43	49,989
Issue of new units under DRP	6 Apr 2022	<u>93,577</u>	\$1.50	<u>140,367</u>
Balance	30 Jun 2022	5,759,623		6,151,328
Issue of new units	1 Aug 2022	18,382	\$1.36	24,988
Issue of new units under DRP	31 Oct 2022	106,042	\$1.36	144,217
Issue of new units	8 Nov 2022	37,313	\$1.34	49,988
Issue of new units	18 Nov 2022	35,460	\$1.41	49,988
Issue of new units under DRP	28 Apr 2023	<u>120,587</u>	\$1.41	<u>170,026</u>
Balance	30 Jun 2023	<u>6,077,407</u>		<u>6,590,535</u>

Units

The beneficial interest in the consolidated entity is divided into units. Each unit represents an undivided part of the beneficial interest in the consolidated entity. The units are redeemable at the option of the unitholder.

Burrell Australian Equities Trust and Controlled Entities
Notes to the financial statements
30 June 2023

Note 13. Equity - Reserves

	Consolidated	
	2023	2022
	\$	\$
Fair value of equity investments revaluation reserve	1,074,159	846,554
Fair value of equity investments realised gains reserve	738,180	553,940
	<u>1,812,339</u>	<u>1,400,494</u>

Movements in reserves

	Revaluation reserve \$	Realised gains reserve \$	Total reserves \$
Balance at 01 July 2021	1,465,829	327,173	1,793,002
Revaluation - gross	(619,275)	-	(619,275)
Realised gains	-	226,767	226,767
	<u>846,554</u>	<u>553,940</u>	<u>1,400,494</u>
Balance at 30 June 2022	846,554	553,940	1,400,494
Revaluation - gross	227,605	-	227,605
Realised gains	-	184,240	184,240
	<u>1,074,159</u>	<u>738,180</u>	<u>1,812,339</u>

Fair value on equity investments revaluation reserve

The reserve is used to recognise unrealised increments and decrements in the fair value of equity investment financial assets.

Fair value of equity investments realised gains/(losses) reserve

The reserve is used to recognise realised gains and losses on the disposal of fair value equity investment financial assets.

Burrell Australian Equities Trust and Controlled Entities
Notes to the financial statements
30 June 2023

Note 14. Equity - retained profits/(accumulated losses)

Note	Consolidated	
	2023	2022
	\$	\$
(Accumulated losses)/retained profits at the beginning of the financial year	(35,619)	163,834
Profit for the year	317,424	316,868
Distributions paid	<u>(401,828)</u>	<u>(516,321)</u>
Accumulated losses at the end of the financial year	<u>(120,023)</u>	<u>(35,619)</u>

Note 15. Equity - distributions

	Consolidated	
	2023	2022
	\$	\$
<i>Distributions</i>		
Final distribution		
Final distribution paid or payable	<u>211,054</u>	<u>247,822</u>
Year ended	30/06/2023	30/06/2022
Cents per unit	3.47 ¢	4.3 ¢
Date paid or declared	30/10/2023	12/10/2022
Interim distribution		
Interim distribution paid	<u>176,624</u>	<u>261,206</u>
Half-year ended	31/12/2022	31/12/2021
Cents per unit	2.97 ¢	4.67 ¢
Date paid	28/04/2023	06/04/2022
Under/(over) provision for previous financial year	<u>14,150</u>	<u>7,292</u>
Total distributions paid or payable	<u><u>401,828</u></u>	<u><u>516,320</u></u>

Burrell Australian Equities Trust and Controlled Entities
Notes to the financial statements
30 June 2023

Note 16. Financial instruments

Financial risk management objectives

The Scheme's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk. The Scheme's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Scheme.

Market risk

Changes in Value

Market risk is the risk that the fair value or future cash flows of financial instruments will change due to changes in the market value for those instruments. Therefore, the portfolio of investments that make up most of the assets of the Scheme are subject to market risk as their values change as the market changes.

The overall increase in the value of the investments held at 30th June 2023 over their cost, after allowing for selling costs was \$1.427 million (2022: \$1.196 million - increase). A fall in the market values across the portfolio of 5% and 10% would reduce equity in the Scheme by approximately \$396.2 thousand (2022: \$403.5 thousand) and \$792.3 thousand (2022: \$807.0 thousand) respectively.

Market risk cannot be diversified away, but it can be reduced by investing across a broad range of industry sectors and countries. The proportions of the portfolios invested across these two categories are shown in the Directors' Report.

Price risk

The Scheme is not exposed to any significant price risk.

Interest rate risk

The Scheme is exposed to interest rate risk on its cash holdings, which are generally subject to floating interest rates. The effective weighted average interest rate that applied to cash balances over the financial year was 4.88% (2022: 0.71%).

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Scheme. The Scheme minimises credit risk by undertaking transactions with recognised financial intermediaries with acceptable credit ratings determined by a recognised ratings agency.

Liquidity risk

Vigilant liquidity risk management requires the Scheme to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Scheme manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Burrell Australian Equities Trust and Controlled Entities
Notes to the financial statements
30 June 2023

Note 17. Fair value measurements

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

- financial assets at fair value through other comprehensive income.

The Scheme does not subsequently measure any liabilities at fair value on a non-recurring basis.

a. **Fair Value Hierarchy**

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The scheme selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

The scheme's financial assets that are measured using a Level 2 valuation comprise unlisted unit trusts. The unit prices used in determining the fair value of the scheme's investment in those trusts is determined based on the fair value of the underlying assets in the trusts that are entirely held in listed securities. The scheme does not have any financial assets at fair value measured at Level 3.

The following tables provide the fair values of the scheme's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

Burrell Australian Equities Trust and Controlled Entities
Notes to the financial statements
30 June 2023

Note 17. Fair value measurements (continued)

		30 June 2023			
	Note	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$
Recurring fair value measurements					
<i>Financial assets</i>					
at fair value through other comprehensive income					
shares in listed companies	8	7,195,117	-	-	7,195,117
units in unlisted entities	8	-	280,653	-	280,653
Total financial assets recognised at fair value on a recurring basis					
		<u>7,195,117</u>	<u>280,653</u>	<u>-</u>	<u>7,475,770</u>
		30 June 2022			
	Note	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$
Recurring fair value measurements					
<i>Financial assets</i>					
at fair value through other comprehensive income					
shares in listed companies	8	7,406,054	-	-	7,406,054
units in unlisted entities	8	-	218,102	-	218,102
Total financial assets recognised at fair value on a recurring basis					
		<u>7,406,054</u>	<u>218,102</u>	<u>-</u>	<u>7,624,156</u>

b. Valuation Techniques and Inputs Used to Measure Level 2 Fair Values

Description	Valuation Technique(s)	Inputs Used	Fair Value at 30 June 2023
			\$
<i>Financial assets</i>			
Shares in unlisted entities	Market approach using unit prices determined by underlying fair value of listed assets	Fair value of trust's listed investments	<u>280,653</u>

Burrell Australian Equities Trust and Controlled Entities
Notes to the financial statements
30 June 2023

Note 18. Determination of distributions to entity unit holders

Under the Scheme Trust Deed, 'income' is defined as the net income of the Trust determined by the Trustee in accordance with generally accepted accounting principles or, if no determination is made, it means 'net income' of the Trust under section 95(1) of the Tax Act.

In accordance with the Trust Deed, the Trustee has, in some prior years, elected to pay distributions to unit holders based on taxable income rather than accounting profit. That is, in some years the distribution payable to unit holders for a financial year may be greater than or less than the accounting net profit for the year. Where a payout is based on taxable income, and it is greater than accounting income, this can result in accumulated losses being carried forward in equity.

Note 19. Commitments and contingent liabilities

There are no outstanding commitments for expenditure that the Directors of the Responsible Entity are not aware of any contingent liabilities that are likely to have a material effect on the results of the consolidated entity as disclosed in these financial statements.

Note 20. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 21. Reconciliation of profit after income tax to cash from operating activities

	Consolidated	
	2023	2022
	\$	\$
Profit after income tax expense for the year	317,424	316,868
Adjustments for:		
Change in operating assets and liabilities:		
Decrease/(increase) in inventories	-	(75,263)
Decrease/(increase) in accrued income	(5,631)	(11,921)
Increase/(decrease) in income tax liability	183	-
Increase/(decrease) in trade and other payables	-	(6,960)
	<u>311,976</u>	<u>222,724</u>

Burrell Australian Equities Trust and Controlled Entities
Notes to the financial statements
30 June 2023

Note 22. Earnings per unit

	Consolidated	
	2023	2022
	\$	\$
Profit after income tax expense for the year attributable to the owners of the Burrell Australian Equities Trust	<u>317,424</u>	<u>316,868</u>
	Number	Number
Weighted average number of ordinary units used in calculating basic earnings per unit	<u>5,913,197</u>	<u>5,596,055</u>
Weighted average number of ordinary units used in calculating diluted earnings per unit	<u>5,913,197</u>	<u>5,596,055</u>
	Cents	Cents
Basic earnings per unit	5.37 ¢	5.66 ¢
Diluted earnings per unit	5.37 ¢	5.66 ¢

Note 23. Related Parties - Directors' unit holdings

Directors

The names of each person holding the position of director of during the financial year and their unit holdings were:

	Consolidated	
	2023	2022
Units held by Directors of the Responsible Entity		
Mr C T Burrell	1,346,357	1,275,961
Mr C T Burrell (non-beneficial owner)	660,635	591,786
Mr R J Burrell	173,187	164,130
Mr G J Vickery	8,943	8,943
Mr S S Pritchard	<u>-</u>	<u>-</u>
Total Directors' holdings of units	<u>2,189,122</u>	<u>2,040,820</u>

Burrell Australian Equities Trust and Controlled Entities
Notes to the financial statements
30 June 2023

Note 24. Related Parties - Directors' transactions

Transactions of Directors and Director-related entities concerning units and options

The aggregate number of units of acquired or disposed of by the Directors of the Responsible Entity or their Director-related entities during the year:

	Consolidated	
	2023	2022
Acquisitions of units, including units issued under a Distribution Reinvestment Plan, rights issue or unit top-up plan	<u>148,302</u>	<u>173,757</u>
Total Directors' transactions in units	<u><u>148,302</u></u>	<u><u>173,757</u></u>

Transactions relating to distributions, rights issues and subscriptions for new units were on the same terms and conditions that applied to other unit holders.

Other transactions with Directors and Director-related entities

Mr C T Burrell, Mr G J Vickery and Mr R J Burrell are Directors of Burrell Stockbroking Pty Ltd. This company provides stockbroking and secretarial, portfolio administration and management services to the Scheme. There was \$33,976 (2022: \$49,772) brokerage paid by the Scheme to Burrell Stockbroking Pty Ltd during the year, and the amount of \$115,132 (2022: \$115,747) was paid in respect of the other services. Mr C T Burrell, Mr G J Vickery and Mr R J Burrell are Directors of Burrell & Co Holdings Pty Ltd. This company provides clearing and settlement services to the Scheme. There were no fees or charges paid by the Scheme to Burrell & Co Holdings Pty Ltd during the year.

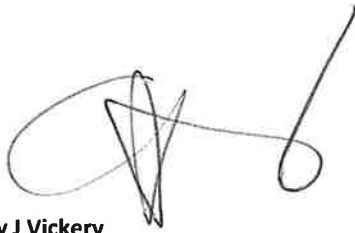
Burrell Australian Equities Trust and Controlled Entities
Trustee's declaration
30 June 2023

In the opinion of the Directors of the Trustee Company:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards as described in note 2 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the Scheme's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors of the Responsible Entity, Burrell Securities Ltd



Gregory J Vickery
Director

Brisbane
6 September 2023

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF BURRELL AUSTRALIAN EQUITIES TRUST

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Burrell Australian Equities Trust ("the Trust"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Trustee's declaration of the consolidated entity comprising the Trust and the entities it controlled at year end or from time to time during the financial year.

In our opinion the financial report of Burrell Australian Equities Trust, is in accordance with the *Corporations Act 2001*, including:

- a) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
- b) 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the consolidated entity 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.

Trustee' Responsibilities for the Financial Report

The Trustee is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Trustee determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the Trustee also states, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

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

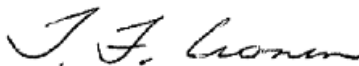
Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.



PKF BRISBANE AUDIT



TIMOTHY CRONIN
PARTNER

BRISBANE
6 SEPTEMBER 2023