Protect Severance Scheme

ABN 98 395 548 596

(Trustee: Protect Severance Scheme No. 2 Pty Ltd)

General Purpose Financial Report

For the year ended 30 June 2026

Protect Severance Scheme
ABN 98 395 548 596

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Trustee's Report

The Trustee presents its report together with the financial report of Protect Severance Scheme ("the Trust") for the year ended 30 June 2026 and the auditor's report thereon.

1. Trustee

The Trustee of the Trust from 1 July 2025 to 29 June 2026 was ElecNet (Aust) Pty Ltd. On 30 June 2026, the Directors of the Trustee approved the transfer of Trust to a new Trustee, Protect Severance Scheme No. 2 Pty Ltd.

2. Environmental regulation

The Trust's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

The Trust monitors compliance with environmental regulations. The Trust is not aware of any significant breaches during the period covered by this report.

3. Principal activities

The principal activities of the Trust during the financial year were to protect workers' entitlements in the electrical, manufacturing, maritime and firefighting industry.

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

Protect Severance Scheme is a closed fund which ceased receiving contributions from 1 July 2017.

4. Review of operations and results of those operations

The profit of the Trust after income tax is $5,190,025 (2025: $3,924,527). The Trustee is satisfied with the performance and operations of the Trust during the financial year.

5. Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Trust that occurred during the financial year under review.

6. Distributions

The following distributions were declared by the Trust to its beneficiaries:

Beneficiaries	Total amount $
ETU	3,869,556
VEID	1,289,852
AMWU	664,099
TOTAL	**5,823,507**

7. Events subsequent to reporting date

On 31 August 2026, the Trustee applied for an Australian Financial Services (AFS) licence.

Other than the matter above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Trustee, to affect significantly the operations of the Trust, the results of those operations, or the state of affairs of the Trust, in future financial years.

8. Likely developments

Information about likely developments in the operations of the Trust and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Trust.

Trustee'sReport

9. Indemnification and insurance of officers and auditors

Indemnifications

Since the end of the previous financial year, the Trust has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Trust.

Insurance premiums

During the financial year, the Trust has paid premiums in respect of Trustee's and officers' liability and legal expenses insurance contracts for the year ended 30 June 2026. Since the end of the previous financial year, the Trust has paid premiums in respect of such insurance contracts to insure against certain liability (subject to specific exclusions) persons who are or have been Trustees or executive officers of the Trust.

The Trustee has not included details of the nature of the liabilities covered or the amount of the premiums paid in respect of the Trustee's and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

10. Proceedings on behalf of the Trust

There are no current proceedings on behalf of the Trust.

Signed on behalf of the directors of the Trustee Company:

Mark Engeman
Director

Michael Purnell
Director

Dated at Melbourne this 27th day of October 2026.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2026

	Note	2026 $	2025 $
REVENUE AND OTHER INCOME			
Revenue	4	5,612,923	5,807,044
Realised gain on investments		885,756	1,631,131
Unrealised gain on investments		447,843	-
Other income	4	-	12,433
TOTAL REVENUE AND OTHER INCOME		**6,946,522**	**7,450,608**
Unrealised loss on investments		-	(425,112)
Administration fees		(383,077)	(971,313)
Impairment loss on investments		-	(582,830)
Professional fees		(315,308)	(329,004)
Technology expense		(596,296)	(578,435)
Amortisation expense	10	(268,149)	(219,548)
Occupancy expenses		(49,217)	(52,269)
Other expenses		(144,450)	(367,570)
PROFIT FROM OPERATIONS		**5,190,025**	**3,924,527**
PROFIT BEFORE INCOME TAX		**5,190,025**	**3,924,527**
Income tax expense	5	-	-
PROFIT FOR THE YEAR		**5,190,025**	**3,924,527**
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		**5,190,025**	**3,924,527**

Statement of Financial Position

As at 30 June 2026

	Note	2026 $	2025 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	3,083,399	3,576,434
Trade and other receivables	7	-	21,122
Investments	8	67,443,223	85,669,867
Other financial assets	6	5,000,000	-
Other assets	9	1,774,995	1,177,219
TOTAL CURRENT ASSETS		**77,301,617**	**90,444,642**
NON-CURRENT ASSETS			
Intangibles	10	459,996	605,819
TOTAL NON-CURRENT ASSETS		**459,996**	**605,819**
TOTAL ASSETS		**77,761,613**	**91,050,461**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	1,270,307	908,783
Beneficiary entitlements	12	5,823,507	9,925,953
Other liabilities	13	70,536,150	79,244,184
TOTAL CURRENT LIABILITIES		**77,629,964**	**90,078,920**
TOTAL LIABILITIES		**77,629,964**	**90,078,920**
NET ASSETS		**131,649**	**971,541**
EQUITY			
Settled sum		10	10
Forfeiture reserve		1,193,197	2,017,862
Accumulated deficit	14	(1,061,558)	(1,046,331)
TOTAL EQUITY		**131,649**	**971,541**

Statement of Changes in Equity

For the year ended 30 June 2026

	Settled sum $	Forfeiture reserve $	Accumulated deficit $	Total $
BALANCE AT 1 JULY 2024	**10**	**151**	**1,105,023**	**1,105,184**
COMPREHENSIVE INCOME				
Profit for the year	-	-	3,924,527	3,924,527
TOTAL COMPREHENSIVE INCOME	**-**	**-**	**3,924,527**	**3,924,527**
TRANSACTIONS WITH BENEFICIARIES IN THEIR CAPACITY AS BENEFICIARIES				
Forfeiture of member accounts	-	6,426,404	-	6,426,404
Distribution to trust beneficiaries	-	-	(10,484,574)	(10,484,574)
Transfer from forfeiture reserve	-	(4,408,693)	4,408,693	-
TOTAL TRANSACTIONS WITH BENEFICIARIES IN THEIR CAPACITY AS BENEFICIARIES	**-**	**2,017,711**	**(6,075,881)**	**(4,058,170)**
BALANCE AT 30 JUNE 2025	**10**	**2,017,862**	**(1,046,331)**	**971,541**
BALANCE AT 1 JULY 2025	**10**	**2,017,862**	**(1,046,331)**	**971,541**
COMPREHENSIVE INCOME				
Profit for the year	-	-	5,190,025	5,190,025
TOTAL COMPREHENSIVE INCOME	**-**	**-**	**5,190,025**	**5,190,025**
TRANSACTIONS WITH BENEFICIARIES IN THEIR CAPACITY AS BENEFICIARIES				
Reversal of forfeited member accounts	-	(206,410)	-	(206,410)
Distribution to trust beneficiaries	-	-	(5,823,507)	(5,823,507)
Transfer from forfeiture reserve		(618,255)	618,255	-
TOTAL TRANSACTIONS WITH BENEFICIARIES IN THEIR CAPACITY AS BENEFICIARIES	**-**	**(824,665)**	**(5,205,252)**	**(6,029,917)**
BALANCE AT 30 JUNE 2026	**10**	**1,193,197**	**(1,061,558)**	**131,649**

Statement of Cash Flows

For the year ended 30 June 2026

	Note	2026 $	2025 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from investments		2,362,396	3,126,784
Payments to suppliers and employees		(1,580,202)	(2,094,020)
Interest received		2,689,210	3,566,190
NET CASH FROM OPERATING ACTIVITIES		**3,471,404**	**4,598,954**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible assets	10	(122,326)	(197,785)
Proceeds from sales of investments		37,106,259	10,873,351
(Acquisition of)/proceeds from term deposit, net		(5,000,000)	16,000,000
Purchase of investments		(17,546,016)	(31,125,000)
NET CASH FROM/(USED IN) INVESTING ACTIVITIES		**14,437,917**	**(4,449,434)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loans from PSS 2		(967,654)	(2,513,511)
Inter-fund transfers and proceeds		(7,603,466)	(11,647,578)
Transfers in from other schemes		94,298	142,290
Payments to beneficiaries		(9,925,534)	(2,945,425)
NET CASH USED IN FINANCING ACTIVITIES		**(18,402,356)**	**(16,964,224)**
NET DECREASE IN CASH HELD		**(493,035)**	**(16,814,704)**
Cash at the beginning of the financial year		3,576,434	20,391,138
CASH AT THE END OF THE FINANCIAL YEAR	6	**3,083,399**	**3,576,434**

Notes to the Financial Statements

For the year ended 30 June 2026

Note 1 Reporting entity

Protect Severance Scheme (the 'Trust') is domiciled in Australia. The Trust's registered office is at Level 7, 380 Docklands Drive, Docklands VIC 3008. The Trustee of the Trust until 29 June 2026 was ElecNet (Aust) Pty Ltd. On 30 June 2026, the Directors of the Trustee approved the transfer of the Trust to a new Trustee, Protect Severance Scheme No. 2 Pty Ltd.

Effective 1 July 2017, Protect Severance Scheme was no longer an approved workers entitlement fund and as such, employer contributions are no longer received by it. Protect Severance Scheme continues to manage investments and still holds severance liabilities received pre 1 July 2017.

The Trust is a for-profit entity and is primarily involved in the protection of workers' entitlements in the electrical, manufacturing, maritime and firefighting industry.

Note 2 Basis of preparation

a) Statement of compliance

These financial statements are the first general purpose financial statements prepared for the distribution to members and are in accordance with Australian Accounting Standards Simplified Disclosures made by the Australian Accounting Standards Board. In the prior year, the financial statements were special purpose financial statements. There was no impact on the recognition and measurement of amounts recognised in the statement of financial position, profit and loss and other comprehensive income and cash flows of the Trust as a result of the change in the basis of preparation.

These financial statements were authorised for issue by the Trustee's board of directors on 27 October 2026.

Details of the Trust's material accounting policies are included in Note 3.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for non-derivative financial instruments at fair value through profit or loss, which are measured at fair value at each reporting date.

c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Trust's functional currency.

d) Use of judgements and estimates

In preparing these financial statements, management has made judgements and estimates that affect the application of the Trust's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Details of the specific judgement, estimates and assumptions that have the most significant effects on the amounts recognised in the financial statements are summarised in the Notes.

i. Judgement

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- investments: fair value of unlisted investments

ii. Assumptions and estimate uncertainties

Information about assumptions and estimation uncertainties at 30 June 2026 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- fair value measurement of unlisted investments.

Notes to the Financial Statements

For the year ended 30 June 2026

Note 3 Material accounting policies

The Trust has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

REVENUE RECOGNITION

a) Interest income

Interest revenue is recognised when it becomes receivable on a proportional basis taking into account the interest rate applicable to the financial assets.

b) Dividend and trust income

Dividend revenue is recognised when the right to receive a dividend has been established.

All income is stated net of the amount of goods and services tax (GST).

INCOME TAX

Under current legislation, the Trust is not liable for income tax provided its taxable income is fully distributed to its beneficiaries.

FINANCIAL INSTRUMENTS

a) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Trust becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

b) Classification and subsequent measurement

i. Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Trust changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Trust may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Notes to the Financial Statements

For the year ended 30 June 2026

Note 3 Material accounting policies (continued)

FINANCIAL INSTRUMENTS (continued)

b) Classification and subsequent measurement (continued)

ii. Financial assets – subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

c) Derecognition

i. Financial assets

The Trust derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Trust neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

ii. Financial liabilities

The Trust derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Trust also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Trust currently has a legally enforceable right to set off the amounts, and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the Financial Statements

For the year ended 30 June 2026

Note 3 Material accounting policies (continued)

IMPAIRMENT

a) Financial assets

Financial instruments

The Trust recognises loss allowances for expected credit loss (ECLs) on financial assets measured at amortised cost.

The Trust measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Trust considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Trust's historical experience and informed credit assessment, that includes forward-looking information.

The Trust assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Trust is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Trust expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

b) Non-financial assets

At each reporting date, the Trust reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the Financial Statements

For the year ended 30 June 2026

Note 3 Material accounting policies (continued)

INTANGIBLES

a) Recognition and measurement

Except for indefinite useful life intangible assets, which are not amortised but are tested annually for impairment, intangible assets are amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset.

Software licences

Licences are recognised at cost and are amortised using the straight-line method over their estimated useful lives, which is 2.5 years. Licences are carried at cost less accumulated amortisation and any impairment losses.

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

c) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

GOODS AND SERVICES TAX (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Notes to the Financial Statements

For the year ended 30 June 2026

Note 4 Investment income and other income

The Trust generates revenue primarily from workers' entitlements in the electrical, manufacturing, maritime and firefighting industry.

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major service lines and timing of revenue recognition.

	2026 $	2025 $
INVESTMENT INCOME		
Dividend and trust distribution income	2,359,713	1,676,854
Interest income	2,689,210	3,566,190
Licensee fees	564,000	564,000
	5,612,923	**5,807,044**
OTHER INCOME		
Other income	-	12,433
TOTAL OTHER INCOME	**-**	**12,433**
INVESTMENT INCOME AND OTHER INCOME	**5,612,923**	**5,819,477**

Note 5 Income tax expense

a) Amounts recognised in profit or loss	2026 $	2025 $
Current year	-	-
TAX EXPENSE ON CONTINUING OPERATIONS	**-**	**-**

b) Reconciliation of effective tax rate	2026 $	2025 $
Profit before tax	5,190,025	3,924,527
Tax using the Trust's domestic tax rate of 47% (2025: 47%)	2,439,312	1,844,528
Tax effect of:		
- Distribution to unit holders/beneficiaries	(2,439,312)	(1,844,528)
INCOME TAX EXPENSE ATTRIBUTABLE TO PROFIT	**-**	**-**

Income tax has been provided for at 47% (2025: 47%) being the trustee tax rate on the basis of the final High Court ruling that PSS is not a public trading trust.

Notes to the Financial Statements

For the year ended 30 June 2026

Note 6 Cash and cash equivalents and other financial assets

Cash and cash equivalents in the statement of financial position and in the statement of cash flows comprise the following amounts:

	2026	2025
	$	$
Cash at bank	3,083,399	3,576,434
TOTAL CASH AND CASH EQUIVALENTS	**3,083,399**	**3,576,434**

	2026	2025
Other financial assets	$	$
Bank deposits with more than three months to maturity when placed	5,000,000	-
TOTAL OTHER FINANCIAL ASSETS	**5,000,000**	**-**

Note 7 Trade and other receivables

	2026	2025
	$	$
Receivables	-	21,122
TOTAL TRADE AND OTHER RECEIVABLES	**-**	**21,122**

Note 8 Investments

	2026	2025
	$	$
Investments valued at fair value through profit or loss	50,165,003	59,874,867
Investments valued at amortised cost	17,278,220	25,795,000
TOTAL INVESTMENTS	**67,443,223**	**85,669,867**

The following table provides the classification of investment assets held at fair value by the fund:

2026	Level 1 $	Level 2 $	Total $
Shares/units in listed entities	344,461	-	344,461
Managed funds	-	40,198,842	40,198,842
Unlisted property trusts	-	9,621,700	9,621,700
TOTAL INVESTMENTS	**344,461**	**49,820,542**	**50,165,003**

2025	Level 1 $	Level 2 $	Total $
Shares/units in listed entities	460,880	-	460,880
Managed funds	-	50,111,287	50,111,287
Unlisted property trusts	-	9,302,700	9,302,700
TOTAL INVESTMENTS	**460,880**	**59,413,987**	**59,874,867**

Notes to the Financial Statements

For the year ended 30 June 2026

Note 9 Other assets

	2026	2025
	$	$
Accrued income	1,336,217	824,683
GST receivable	12,114	19,640
Prepayments	18,815	3,478
Other current assets	407,849	329,418
TOTAL OTHER ASSETS	**1,774,995**	**1,177,219**

Note 10 Intangible assets

	Capitalised IT
	$
BALANCE AT 1 JULY 2025	
Gross carrying amount	1,300,825
Accumulated amortisation and impairment	(695,006)
NET CARRYING AMOUNT AT 1 JULY 2025	**605,819**
Additions	122,326
Amortisation	(268,149)
NET CARRYING AMOUNT AT 30 JUNE 2026	**459,996**
BALANCE AT 30 JUNE 2026	
Gross carrying amount	1,423,151
Accumulated amortisation and impairment	(963,155)
NET CARRYING AMOUNT AT 30 JUNE 2026	**459,996**

Note 11 Trade and other payables

	2026	2025
	$	$
Trade creditors	67,650	78,993
Accruals	40,549	35,176
Loan from Protect Severance Scheme No. 2 Pty Ltd (refer to Note 16)	1,162,108	794,614
TOTAL TRADE AND OTHER PAYABLES	**1,270,307**	**908,783**

Notes to the Financial Statements

For the year ended 30 June 2026

Note 12 Beneficiary entitlements

	2026	2025
	$	$
ETU		
Opening balance	6,284,643	1,537,985
Distribution for the year	3,869,556	6,284,643
Amounts paid	(6,284,643)	(1,537,985)
	3,869,556	**6,284,643**
VEID		
Opening balance	2,094,881	512,786
Distribution for the year	1,289,852	2,094,881
Amounts paid	(2,094,881)	(512,786)
	1,289,852	**2,094,881**
AMWU		
Opening balance	1,546,429	336,033
Distribution for the year	664,099	2,105,050
Amounts paid	(1,546,429)	(894,654)
	664,099	**1,546,429**
TOTAL BENEFICIARY ENTITLEMENTS	**5,823,507**	**9,925,953**

Note 13 Other liabilities

a) Trust holding account	2026 $	2025 $
Electrical Division	64,020,550	71,029,786
Metals (VIC) Division	6,431,533	8,070,187
Maritime Division	80,761	126,605
Manufacturing (QLD/NT) Division	3,306	17,606
	70,536,150	**79,244,184**

b) Reconciliation of the movement in trust holding account	2026 $	2025 $
Opening balance at beginning of the year	79,244,184	97,799,486
Transfers out to Protect Severance Scheme No 2	(9,009,161)	(12,271,188)
Transfer in from other schemes	94,298	142,290
Forfeiture of member accounts	419	(6,426,404)
Reversal of forfeited member accounts	206,410	-
	70,536,150	**79,244,184**

Pursuant to the Trust Deed, a worker's entitlement may be forfeited where no contributions or transfers have been received for a continuous period of two years, and the trustee has undertaken reasonable efforts to locate the worker. Upon forfeiture, the balance of the worker's account will revert to the Scheme and be applied towards reasonable administration expenses or recognised as income of the Scheme.

Notes to the Financial Statements

For the year ended 30 June 2026

Note 14 Accumulated deficit

	2026	2025
	$	$
Accumulated (deficit)/surplus at beginning of year	(1,046,331)	1,105,023
Net profit	5,190,025	3,924,527
Transfer from forfeiture reserve	618,255	4,408,693
Distribution to Trust's beneficiaries	(5,823,507)	(10,484,574)
ACCUMULATED DEFICIT AT END OF YEAR	**(1,061,558)**	**(1,046,331)**

Note 15 Financial instruments

Accounting classifications

The following table shows the carrying amounts of financial assets and financial liabilities.

	Note	2026 $	2025 $
FINANCIAL ASSETS MEASURED AT AMORTISED COST			
Cash and cash equivalents	6	3,083,399	3,576,434
Other financial assets	6	5,000,000	-
Trade and other receivables	7	-	21,122
Investments	8	17,278,220	25,795,000
		25,361,619	**29,392,556**
FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS			
Investments	8	50,165,003	59,874,867
		50,165,003	**59,874,867**
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST			
Trade and other payables	11	1,270,307	908,783
Beneficiary entitlements	12	5,823,507	9,925,953
		7,093,814	**10,834,736**

Note 16 Related parties

a) The entity's main related parties are as follows:

i. Directors of the Trustee Company (Protect Severance Scheme No. 2 Pty Ltd):

Susan Carter
Daniel Filazzola
Ivan Balta
Mark Engeman
Michael Purnell
Stewart Joyce (resigned on 16 March 2026)
Troy Knight (resigned on 24 June 2026)
Allister Davey (appointed on 24 June 2026)

Notes to the Financial Statements

For the year ended 30 June 2026

Note 16 Related parties (continued)

i. Directors of the Trustee Company Protect Severance Scheme No. 2 Pty Ltd: (continued)

Daniel Filazzola, Troy Knight, Ivan Balta and Allister Davey are employees of the related party, Electrical Trades Union (Victorian Branch).

Michael Purnell is a representative for the related party, National Electrical Contractors Association (Victorian Branch).

Stewart Joyce is a representative of the related party, National Electrical Contractors Association (Victorian Branch).

Susan Carter is a director of the related party, Langridge Consulting Pty Ltd.

Mark Engeman and Susan Carter are independent directors.

All directors are also directors of the related parties, Protect Services Pty Ltd and Protect Severance Scheme No.2 Pty Ltd.

ii. Company secretary

Selene Sharp is the company secretary.

Michael Connolly is the CEO of Protect Services Pty Ltd.

iii. Protect Services Pty Ltd (atf Protect Services Trust)

Protect Services Pty Ltd was established in January 2012. The entity performs the administrative role previously undertaken by ElecNet (Aust) Pty Ltd. Protect Services Pty Ltd charges ElecNet (Aust) Pty Ltd an administration fee ($3.20 (excluding GST) per member per week for these services).

iv. Protect Severance Scheme No 2 Pty Ltd (atf Protect Severance Scheme No.2)

Protect Severance Scheme No 2 commenced operating on 1 July 2017. The board resolved to undertake a restructure of the business in order to better facilitate growth of the fund for its members. Protect Severance Scheme No 2 is an Approved Workers Entitlement Fund and as of 1 July 2017 received all employer contributions.

b) Transactions with related parties

	2026 $	2025 $
Payment of administration fees to Protect Services Pty Ltd	383,077	971,313
Payment of director fees to the Electrical Trades Union (ETU)	50,634	49,399
Payment of director fees to the National Electrical Contractors Association (NECA)	33,756	32,933
Payment of director fees to Langridge Consulting Pty Ltd	19,409	18,936
Payment of director fees to Mark Engeman	26,717	26,065
Payment of interest to Protect Severance Scheme No. 2 Pty Ltd	70,541	152,409
Distribution payments to the Australian Manufacturing Workers' Union (AMWU Vic)	1,546,429	894,654
Distribution payments to the Electrical Trades Union (ETU Vic)	6,284,643	1,537,985
Distribution payments to Victorian Electrotechnology Industry Development Fund (VEID)	2,094,881	512,786
	10,510,087	**4,196,480**
Payment received from Protect Services Trust for sublicense fees	(444,000)	(444,000)
Payment received from Protect Services Trust for hire purchase	(181,906)	(161,909)
Payment received from Protect Severance Scheme No. 2 Pty Ltd for trademark fees	(120,000)	(120,000)
	(745,906)	**(564,000)**

Notes to the Financial Statements

For the year ended 30 June 2026

Note 16 Related parties (continued)

c) Amounts receivable from/(payable) to related parties

i. Trade and other receivables	2026 $	2025 $
Protect Services Trust - receivable	-	21,122
	-	**21,122**

ii. Trade and other payables	2026 $	2025 $
Protect Services Trust - payable	(36,641)	(39,361)
Protect Severance Scheme No 2 - Inter fund clearing account	(1,162,108)	(794,614)
	(1,198,749)	**(833,975)**

Note 17 Contingencies

As at 30 June 2026, there existed no contingencies for the Trust.

Note 18 Commitments

As at 30 June 2026, there existed no commitments for the Trust.

Note 19 Auditor's remuneration

	2026 $	2025 $
AUDIT SERVICES		
Auditors of the Trust - KPMG Australia		
- Audit of financial statements	44,197	27,733
- Group reporting	28,000	29,000
	72,197	**56,733**
OTHER SERVICES		
Auditors of the Trust - KPMG Australia		
- Compilation of financial statements	4,963	3,743
	4,963	**3,743**
	77,160	**60,476**

Notes to the Financial Statements

For the year ended 30 June 2026

Note 20 Facility

The Trustee Company acting on behalf of the trust has a performance facility in order to fund shortfalls from the following:

- ETU Victorian Branch on and from the period 30 April 2026 to 30 April 2029, for an amount of up to $12,000,000.
- Electrotechnology Guard Pty Ltd atf Victorian Electrotechnology Industry Development Fund on and from the period 30 April 2026 to 30 April 2029, for an amount of up to $4,000,000.

As at 30 June 2026, none of these facilities had been drawn upon.

Note 21 Subsequent events

On 31 August 2026, the Trustee applied for an Australian Financial Services (AFS) licence.

Other than the matter above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Trustee, to affect significantly the operations of the Trust, the results of those operations, or the state of affairs of the Trust, in future financial years.

Directors' Declaration of the Trustee Company

In the opinion of the directors of the Trustee Company ('Protect Severance Scheme No. 2 Pty Ltd'):

a) the Trust ('Protect Severance Scheme') is not publicly accountable;

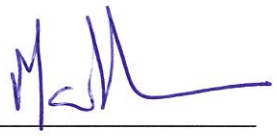
b) the financial statements and notes that as set out on pages 5 to 21 including:

   i) present fairly the Trust's financial position as at 30 June 2026 and of its performance, for the financial year ended on that date in accordance with the basis of preparation described in Note 2; and

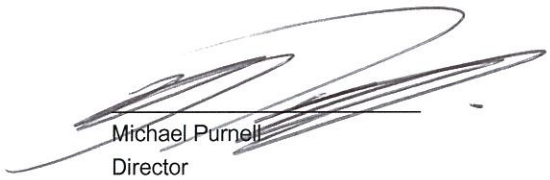
   ii) complying with Australian Accounting Standards - Simplified Disclosure Requirements to the extent described in Note 2; and

c) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This report is made out in accordance with a resolution of the board of directors of the Trustee of the Trust.



Mark Engeman
Director



Michael Purnell
Director

Dated at Melbourne this 27th day of October 2026.

Independent Auditor's Report

To the Trustee of Protect Severance Scheme

Opinion

We have audited the ***Financial Statements*** of Protect Severance Scheme (the Trust).

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of Protect Severance Scheme as at 30 June 2026, and of its financial performance and its cash flows for the year then ended, in accordance with *Australian Accounting Standards - Simplified Disclosures*.

The ***Financial Statements*** comprise:

- Statement of financial position as at 30 June 2026;
- Statement of profit or loss and other comprehensive income, Statement of changes in trust funds, and Statement of cash flows for the year then ended;
- Notes, including material accounting policies; and
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Statements* section of our report.

We are independent of the Trust in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Other Information

Other Information is financial and non-financial information in Protect Severance Scheme's annual report which is provided in addition to the Financial Statements and the Auditor's Report. The Trustees are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of Trustee for the Financial Statements

The Trustee is responsible for:

- the preparation and fair presentation of the Financial Statements in accordance with the financial reporting requirements of the Trust Deed and has determined that the financial reporting framework is appropriate to meet the needs of the Trustees;
- implementing necessary internal control to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error; and
- assessing the Trust's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they 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 Statements

Our objective is:

- to obtain reasonable assurance about whether the Financial Statements 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. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Statements Report.

A further description of our responsibilities for the audit of the Financial Statements is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

KPMG

Melbourne

27 October 2026