

# **BT FUNDS MANAGEMENT LIMITED**

**ABN 63 002 916 458**

**Annual Report**

**For the year ended 30 September 2025**

# BT FUNDS MANAGEMENT LIMITED

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This financial report, presented in Australian dollars, covers BT Funds Management Limited (the Company) as an individual entity.

BT Funds Management Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial report was authorised for issue by the Directors of the Company on 11 December 2025. The Directors have the power to amend and reissue the financial report. The Company's registered office is:

Level 18, Westpac Place  
275 Kent Street  
Sydney NSW 2000

# **BT FUNDS MANAGEMENT LIMITED**

## **Directors' report**

**30 September 2025**

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The Directors of BT Funds Management Limited (the Company) present their report, together with the financial statements of the Company, for the financial year ended 30 September 2025.

### ***Directors***

The following persons were Directors of the Company during the period since 1 October 2024 and up to the date of this report, unless otherwise stated:

Anne Anderson  
Robin Burns  
Douglas Carmichael  
Michael Cottier  
Fiona Rowland (appointed 14 November 2024)

### ***Principal activities***

During the year, the Company acted as a Registrable Superannuation Entity Licensee and Trustee. The principal activities of the Company were the provision of Trustee and fund management services to its platforms superannuation business.

There have been no significant changes in the nature of the principal activities of the Company during the year.

### ***Operating and financial review***

The net profit attributable to owners of the Company for the year ended 30 September 2025 was \$5,477,000 (2024: \$8,076,000). The reduction in profit is due to:

- Lower management fee income;
- Higher administrator expense; partly offset by
- Reduction in litigation costs.

### ***Dividends***

No dividend was paid or declared during the year (2024: \$nil).

### ***Significant changes in state of affairs and events during and since the end of the 2025 financial year***

The following matters have had or may have a significant impact on the state of affairs of the Company:

- In March 2025, the Company received \$11,000,000 in loan capital from its sole shareholder Westpac Financial Services Group Pty Limited (WFSG) and issued 11,000,000 ordinary shares with a face value of \$1. The injection was made subsequent to an increase in its Funds Under Management (FUM) and was applied to increase the Operational Risk Financial Requirement (ORFR) held.
- In June 2025, the Company approved a reduction in the ORFR Target Amount required under Prudential Standard 114 Operational Risk Financial Requirement from 25 bps to 20 bps of FUM effective from 15 July 2025. Following this reduction, in July 2025 the Company approved and returned \$44,800,000 in loan capital to its sole shareholder WFSG by returning 44,800,000 ordinary shares with a face value of \$1.
- In July 2025, the Company returned \$41,300,000 in share capital to its sole shareholder WFSG and returned 41,300,000 ordinary shares with a face value of \$1. This return was made as share capital held was excess to the Company's required level.

There were no other significant changes in the state of affairs of the Company during the year.

The Directors are not aware of any matter or circumstance that has occurred since the end of the financial year that has significantly affected, or may significantly affect the operations of the Company, the results of these operations or the state of affairs of the Company in subsequent financial years.

### ***Business strategies, developments and expected results***

Other than the matters included elsewhere in this Directors' report, further information on business strategies, developments and prospects for the future financial years and likely developments in our operations and the expected results of operations have not been included in this report because the Directors believe it would likely result in unreasonable prejudice to the Company.

# **BT FUNDS MANAGEMENT LIMITED**

## **Directors' report**

**30 September 2025**

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### ***Shares or interests***

As at 30 September 2025, no Director has any interest in the shares or options of the Company.

### ***Indemnities and insurance***

Under the Westpac Constitution (Constitution), the ultimate parent entity, Westpac Banking Corporation (Westpac), unless prohibited by statute, indemnifies each of the Directors and Company Secretaries of Westpac and of each of its related bodies corporate (except related bodies corporate listed on a recognised stock exchange), each employee of Westpac or its subsidiaries (except subsidiaries listed on a recognised stock exchange), and each person acting as a responsible manager under an Australian Financial Services Licence (AFSL) of any of Westpac's wholly-owned subsidiaries against every liability (other than a liability for legal costs) incurred by each such person in their capacity as Director, Company Secretary, employee or responsible manager, as the case may be, as well as all legal costs incurred in defending or resisting (or otherwise in connection with) proceedings, whether civil or criminal or of an administrative or investigatory nature, in which the person becomes involved because of that capacity.

Each of the Directors named in this Directors' report and each of the Company Secretaries has the benefit of this indemnity.

Westpac also executed a deed poll in September 2009 providing indemnification equivalent to that provided under the Constitution to individuals acting as Directors and other statutory officers of wholly-owned subsidiaries of Westpac (including the Company).

Under the September 2009 deed poll, Westpac also agrees to provide Directors' and Officers' insurance to Directors of Westpac and Directors of Westpac's wholly-owned subsidiaries.

For the year ended 30 September 2025, Westpac and the entities it controls (the Group) have insurance cover which, in certain circumstances, will provide reimbursement for amounts which the Group or the Company has to pay under the indemnities set out above. That cover is subject to the terms and conditions of the relevant insurance, including but not limited to the limit of the indemnity provided by the insurance. The insurance policies prohibit disclosure of the premium payable and the nature of the liabilities covered.

### ***Proceedings on behalf of the Company***

No application has been made and no proceedings have been brought or intervened in on behalf of the Company under section 237 of the *Corporations Act 2001*.

### ***Environmental disclosure***

The operations of the Company are not subject to any significant environmental regulation under any law of the Commonwealth of Australia, or of any state or territory of Australia. The Company has not incurred any liability (including for rectification costs) under any environmental legislation.

### ***Rounding of amounts***

The Company is an entity to which *Australian Securities & Investments Commission Corporations Instrument 2016/191*, relating to the rounding of amounts in the Directors' report and financial reports, applies.

Pursuant to this Instrument, amounts in this Directors' report and the accompanying financial report have been rounded to the nearest thousand dollars, unless indicated to the contrary.

# **BT FUNDS MANAGEMENT LIMITED**

## **Directors' report**

**30 September 2025**

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### ***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 4 and forms part of this report.

Signed in accordance with a resolution of the Board of Directors.



Director

Sydney  
11 December 2025



# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of BT Funds Management Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of BT Funds Management Limited for the financial year ended 30 September 2025 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

*KPMG*  
KPMG

*K Hopkins*  
Karen Hopkins

*Partner*

Sydney

11 December 2025

**BT FUNDS MANAGEMENT LIMITED****Statement of profit or loss and other comprehensive income****For the years ended 30 September**

	<b>Note</b>	<b>2025 \$'000</b>	<b>2024 \$'000</b>
Management fees		159,016	160,011
Expense recoveries		13,182	12,684
Distributions from financial assets measured at fair value through profit or loss		7,836	7,638
Interest income		1,720	2,353
<b>Total revenue</b>		<b>181,754</b>	<b>182,686</b>
Administrator expense		(152,828)	(149,543)
Annual capital fee		(17,639)	(16,912)
Service fee expense		(2,371)	(1,986)
Investment management expense		(770)	(557)
Remediation and litigation expense		(10)	(2,148)
Other expenses		(312)	(3)
<b>Total expenses</b>		<b>(173,930)</b>	<b>(171,149)</b>
<b>Profit before income tax</b>		<b>7,824</b>	<b>11,537</b>
Income tax expense	4	(2,347)	(3,461)
<b>Net profit for the year</b>		<b>5,477</b>	<b>8,076</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year attributable to owners of BT Funds Management Limited</b>		<b>5,477</b>	<b>8,076</b>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the financial statements.

**BT FUNDS MANAGEMENT LIMITED****Balance sheet****As at 30 September**

	<b>Note</b>	<b>2025 \$'000</b>	<b>2024 \$'000</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		8,402	50,253
Trade and other receivables	5	14,679	10,582
Financial assets measured at fair value through profit or loss	6	148,200	182,000
Prepayment		568	-
<b>Total current assets</b>		<b>171,849</b>	<b>242,835</b>
<b>Non-current assets</b>			
Deferred tax assets	7	113	1,428
<b>Total non-current assets</b>		<b>113</b>	<b>1,428</b>
<b>Total assets</b>		<b>171,962</b>	<b>244,263</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	8	5,447	3,741
Provisions	9	375	4,759
<b>Total current liabilities</b>		<b>5,822</b>	<b>8,500</b>
<b>Non-current liabilities</b>			
Loan capital	10	148,200	182,000
<b>Total non-current liabilities</b>		<b>148,200</b>	<b>182,000</b>
<b>Total liabilities</b>		<b>154,022</b>	<b>190,500</b>
<b>Net assets</b>		<b>17,940</b>	<b>53,763</b>
<b>Shareholders' equity</b>			
Share capital	10	1,655	42,955
Retained profits		16,285	10,808
<b>Total shareholders' equity</b>		<b>17,940</b>	<b>53,763</b>

The above balance sheet should be read in conjunction with the notes to the financial statements.



**BT FUNDS MANAGEMENT LIMITED**  
**Statement of changes in equity**  
**For the years ended 30 September**

	Note	Share capital \$'000	Retained profits \$'000	Total \$'000
<b>Balance at 1 October 2023</b>		<b>39,855</b>	<b>2,732</b>	<b>42,587</b>
<b>Net profit for the year</b>		-	<b>8,076</b>	<b>8,076</b>
Net other comprehensive income for the year		-	-	-
<b>Total comprehensive income for the year</b>		-	<b>8,076</b>	<b>8,076</b>
Transactions in capacity as equity holders Issuance of ordinary shares	10	3,100	-	3,100
<b>Balance at 30 September 2024</b>		<b>42,955</b>	<b>10,808</b>	<b>53,763</b>
<b>Net profit for the year</b>		-	<b>5,477</b>	<b>5,477</b>
Net other comprehensive income for the year		-	-	-
<b>Total comprehensive income for the year</b>		-	<b>5,477</b>	<b>5,477</b>
Transactions in capacity as equity holders Return of ordinary shares	10	(41,300)	-	(41,300)
<b>Balance at 30 September 2025</b>		<b>1,655</b>	<b>16,285</b>	<b>17,940</b>

The above statement of changes in equity should be read in conjunction with the notes to the financial statements.

# BT FUNDS MANAGEMENT LIMITED

## Cash flow statement

For the years ended 30 September

	Note	2025 \$'000	2024 \$'000
<b>Cash flows from operating activities</b>			
Fees and other income received		11,434	29,189
Receipts from/(payments to) related party administrators in relation to remediation		-	(6,761)
Interest received		1,720	2,353
Expenses paid		(3,181)	(4,588)
Receipts from/(payments to) head entity under tax funding agreement		(901)	(993)
<b>Net cash provided by/(used in) operating activities</b>	14(a)	<b>9,072</b>	<b>19,200</b>
<b>Cash flows from investing activities</b>			
Purchase of units in Pendal Short Term Income Fund		(11,000)	(15,000)
Redemption of units in Pendal Short Term Income Fund		44,800	-
Distributions from Pendal Short Term Income Fund		8,016	7,567
<b>Net cash provided by/(used in) investing activities</b>		<b>41,816</b>	<b>(7,433)</b>
<b>Cash flows from financing activities</b>			
Repayment of loan capital	10	(44,800)	-
Payment for return of shares	10	(41,300)	-
Proceeds from loan capital	10	11,000	15,000
Proceeds from shares issuance	10	-	3,100
Payment of annual capital fee on loan capital		(17,639)	(16,912)
<b>Net cash provided by/(used in) financing activities</b>		<b>(92,739)</b>	<b>1,188</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(41,851)</b>	<b>12,955</b>
Cash and cash equivalents as at the beginning of the year		50,253	37,298
<b>Cash and cash equivalents as at the end of the year</b>		<b>8,402</b>	<b>50,253</b>

The above cash flow statement should be read in conjunction with the notes to the financial statements.

# BT FUNDS MANAGEMENT LIMITED

## Notes to the financial statements

### For the year ended 30 September 2025

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#### 1 Financial statements preparation

##### (a) Basis of accounting

###### (i) General

BT Funds Management Limited (the Company) is a for-profit entity for the purpose of preparing the financial report.

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (AAS) and Interpretations as issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

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

This financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

###### (ii) Historical cost convention

The financial report has been prepared under the historical cost convention except for certain assets and liabilities as described in the accounting policies below.

###### (iii) Comparative revisions

Comparative information has been revised where appropriate to conform to changes in presentation in the current year and to enhance comparability.

###### (iv) Standards adopted during the year ended 30 September 2025

There were no standards or interpretations adopted during the year that had a material impact on the Company.

###### (v) Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

###### (vi) Offsetting

###### Offsetting of income and expenses

Income and expenses are not offset unless required or permitted by an accounting standard. This generally arises in the following circumstances:

- Where gains and losses arise from a group of similar transactions, such as rebates on management fees and administration fee revenue;
- Where amounts are collected on behalf of third parties, where the Company is, in substance, acting as an agent only;
- Where costs are incurred on behalf of customers from whom the Company is reimbursed; or
- Where the Company is reimbursed from an insurer or related party for any remediation or settlements.

###### Offsetting of assets and liabilities

Financial assets and liabilities are presented net in the balance sheet when the Company has a legally enforceable right to offset them and there is an intention to settle the asset and liability on a net basis, or to realise the asset and settle the liability simultaneously.

###### (vii) Rounding of amounts

All amounts have been rounded in accordance with *Australian Securities & Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, to the nearest thousand dollars, unless otherwise stated.

##### (b) Revenue recognition

###### (i) Management fees

The Company acted as a Registrable Superannuation Entity Licensee (RSEL) and Trustee during the year. The fees are generated through agreements and are generally based on a percentage of Funds Under Management (FUM) and a fixed monthly fee. Fees are earned on a daily basis and generally collected monthly.

**BT FUNDS MANAGEMENT LIMITED**  
**Notes to the financial statements**  
**For the year ended 30 September 2025**

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**1 Financial statements preparation (continued)**

**(b) Revenue recognition (continued)**

**(ii) Expense recoveries**

For certain products, the Company is allowed under the fund constitutions, trust deeds and product disclosure statements to recover certain costs it incurs to provide services to customers. The provision of these services is typically a single performance obligation and the fees are earned as the Company incurs the expense and are generally collected monthly, quarterly or annually.

**(iii) Interest income**

Interest income for all interest-earning financial assets is recognised on an accrual basis using the effective interest method.

**(iv) Distribution income**

Distribution income from the Company's investments in managed investment scheme is recognised as income when the right to receive payment is established.

**(c) Expense recognition**

**(i) Investment management expense**

The Company outsourced investment management services in respect of an unregistered scheme. Investment management expense is accrued and paid monthly.

**(ii) Service fee expense**

The Company receives services from related parties on a day-to-day basis. Included in these are staff and other administrative services. The costs are accrued monthly and generally paid quarterly.

**(iii) Administrator expense**

The Company receives superannuation administration services from related parties. The costs associated with this service are accrued monthly and generally paid quarterly.

**(iv) Annual capital fee**

The annual capital fee is the fee paid on the loan capital provided by the shareholder. The fee is calculated using the effective interest method and generally paid quarterly.

**(v) Impairment charges**

Impairment charges are recognised in the statement of profit or loss and other comprehensive income as a reduction of the carrying value of the financial asset through an offsetting provision account.

**(d) Income tax**

The Company is part of a tax consolidated group, of which Westpac Banking Corporation (Westpac) is the head entity. As a consequence of tax consolidation accounting, the Company does not recognise any current tax payable balances in its own financial statements, unless the head entity is in default of its obligations, or a default is probable under the tax consolidation legislation, or the tax amounts relate to taxable income incurred prior to the implementation of the tax consolidation regime. The Company has entered into tax funding and tax sharing arrangements with Westpac. Amounts payable or receivable under the tax funding agreement with the head entity are recognised in accordance with the terms and conditions of the agreement as tax-related amounts receivable or payable. Expenses and revenues arising under this agreement are recognised as income tax (expense)/revenue.

Under the terms of the tax funding agreement, the Company reimburses Westpac for any current tax payable by Westpac in respect of the Company's activities. The Company will also be reimbursed by Westpac for any reduction in the current tax payable by Westpac in respect of the Company's activities. The reimbursements are payable at the same time as the associated income tax liability falls due and have therefore been recognised as an amount due to ultimate parent entity - current tax in the financial statements by the Company. In the opinion of management, the tax sharing agreement is a valid agreement under the tax consolidation legislation and limits the joint and several liability of the Company in the case of a default by Westpac.

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of profit or loss and other comprehensive income.

Current tax is the tax payable for the year using enacted or substantively enacted tax rates and laws for each jurisdiction. Current tax also includes adjustments to tax payable for previous years.

**BT FUNDS MANAGEMENT LIMITED**  
**Notes to the financial statements**  
**For the year ended 30 September 2025**

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**1 Financial statements preparation (continued)**

**(d) Income tax (continued)**

Deferred tax accounts for temporary differences between the carrying amounts of assets and liabilities in the financial statements and their values for taxation purposes. Deferred tax is determined using the enacted or substantively enacted tax rates and laws for each jurisdiction which are expected to apply when the assets will be realised or the liabilities settled. Deferred tax assets and liabilities have been offset where they relate to the same taxation authority, and where there is a legal right and intention to settle on a net basis. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available to utilise the assets.

Deferred tax is not recognised for temporary differences, when the initial recognition of assets or liabilities in a transaction, that is not a business combination, affects neither the accounting nor taxable profit or loss.

**(e) Assets**

**(i) Financial assets**

**Recognition**

Financial assets, other than regular way transactions, are recognised when the Company becomes a party to the terms of the contract, which is generally on settlement date (the date payment is made or cash advanced). Purchases and sales of financial assets in regular way transactions are recognised on trade date (the date on which the Company commits to purchase or sell an asset).

**Derecognition**

Financial assets are derecognised when the rights to receive cash flows from the asset have expired, or when the Company has either transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full under a 'pass through' arrangement and transferred substantially all the risks and rewards of ownership.

**Classification and measurement**

The Company has grouped its financial assets into the following classes: cash and cash equivalents, trade and other receivables and financial assets measured at fair value through profit or loss.

Except for financial assets measured at fair value through profit or loss, all financial assets are recognised initially at fair value plus directly attributable transaction costs.

**(a) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and 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.

For the current and previous financial years, cash and cash equivalents of the Company consist of cash at bank.

**(b) Trade and other receivables**

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 - 90 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

**(c) Provision for expected credit losses (ECL)**

The provision for ECL is recognised for trade and other receivables at amortised cost and other financial assets as a reduction of the carrying value of the financial asset through an offsetting provision account.

The Company assesses the expected losses associated with its trade and other receivables on a forward-looking basis. The Company applies a simplified approach to measuring ECL, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the ECL, trade and other receivables that share similar credit risk characteristics and days past due are grouped and then assessed for collectability as a whole.

The expected loss rates are based on historical credit loss experience, adjusted where applicable to reflect current and forward-looking macroeconomic factors expected to affect the ability of debtors to settle their obligations to the Company.

For the current and previous financial years, the Company does not hold any provision for ECL.

**BT FUNDS MANAGEMENT LIMITED**  
**Notes to the financial statements**  
**For the year ended 30 September 2025**

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**1 Financial statements preparation (continued)**

**(e) Assets (continued)**

**(i) Financial assets (continued)**

**Classification and measurement (continued)**

**(d) Financial assets measured at fair value through profit or loss**

Financial assets measured at fair value through profit or loss are composed of financial assets that are not held for trading purposes but may be sold when the need arises. These are investments in unlisted unit trusts which are managed and their performance evaluated on a fair value basis in accordance with the Company's investment strategy.

Financial assets measured at fair value through profit or loss are subsequently carried at fair value. Gains and losses arising from changes in the fair value of financial assets measured at fair value through profit or loss, including interest and dividend income, are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

**(ii) Non-financial assets**

**(a) Prepayments**

Prepayments are payments made in advance for goods or services that will be received in the future. They are recorded as assets on the balance sheet and are recognised as expenses when the related services or goods are received.

**(f) Liabilities**

**(i) Financial liabilities**

**Recognition**

Financial liabilities, other than regular way transactions, are recognised when the Company becomes a party to the terms of the contract, which is generally on settlement date (the date payment is made or cash advanced).

**Derecognition**

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

**Classification and measurement**

The Company has grouped its financial liabilities into the following classes: trade and other payables and loan capital.

Financial liabilities are measured at amortised cost if they are not held for trading or designated at fair value through profit or loss, otherwise they are measured at fair value through the statement of profit or loss and other comprehensive income.

All financial liabilities are recognised initially at fair value minus directly attributable transaction costs.

**(a) Trade and other payables**

Trade and other payables (including amounts due to related entities) represent liabilities for services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within normal credit terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

**(b) Loan capital**

The Company has entered into a Trustee Capital Funding Agreement with its immediate parent entity, Westpac Financial Services Group Pty Limited (WFSG). The terms of the agreement allow the Company to drawdown the loan to help it meet its operational financial risk requirement in exchange for the issuance of shares. Due to the terms of the agreement, the arrangement meets the definition of a liability and has accordingly been disclosed in the balance sheet as loan capital. Loan capital is initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

**(ii) Non - financial liabilities**

**(a) Provisions**

Provisions are recognised for present obligations arising from past events where a payment (or other economic transfer) is likely to be necessary to settle the obligation and can be reliably estimated.

**(g) Shareholders' equity**

Shareholders' equity consists of share capital and retained profits. Ordinary shares are recognised at the amount paid up per ordinary share net of directly attributable issue costs.

**BT FUNDS MANAGEMENT LIMITED**  
**Notes to the financial statements**  
**For the year ended 30 September 2025**

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**1 Financial statements preparation (continued)**

**(h) Goods and Services Tax (GST)**

The Company is part of a GST consolidated group, of which Westpac is the head entity. Net GST payable or recoverable is presented on the balance sheet as a payable to or receivable from Westpac.

Revenue, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not deemed recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are recognised inclusive of GST.

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

Commitments are disclosed net of the amount of GST ultimately recoverable from, or payable to, the ATO.

**(i) Contingent liabilities**

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or where an obligation from a past event exists but is not recognised because the transfer of economic resources is not probable or cannot be reliably measured. Contingent liabilities are not recognised on the balance sheet but are disclosed unless the outflow of economic resources is remote.

**(j) Critical accounting assumptions and estimates**

Applying the Company's accounting policies requires the use of judgement, assumptions and estimates which impact the financial information.

Accounting estimates and assumptions has been made this year when determining:

- Provisions for remediation and litigation

It has been determined that no other critical accounting estimates and assumptions have been made this year.

**(k) Separate financial statements**

The Company has elected to produce separate financial statements in respect of the financial year ended 30 September 2025 as it has made use of the exemption from consolidation available under *AASB 10 Consolidated Financial Statements*. Consolidated financial statements have not been prepared for the Company and its controlled entities due to the fact that its ultimate parent, Westpac, an Australian resident company, produces consolidated financial statements available for public use that comply with International Financial Reporting Standards.

The consolidated financial statements are available for viewing on the Westpac website at [www.westpac.com.au](http://www.westpac.com.au).

**(l) Future developments in accounting standards**

*AASB 18 Presentation and Disclosure in Financial Statements* (AASB 18) was issued on 7 June 2024 and will be effective for the 30 September 2028 year end unless early adopted. AASB 18 will replace *AASB 101 Presentation of Financial Statements*. This standard will not change the recognition and measurement of items in the financial statements, but will impact the presentation and disclosure in the financial statements, including:

- new categories and subtotals in the income statement to enhance comparability;
- enhancing the disclosure of management defined performance measures; and
- changes to the grouping of information in the financial statements to provide more useful information.

The Company is continuing to assess the impact of adopting AASB 18.

*AASB 2024-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments* (AASB 2024-2) was issued on 29 July 2024 and is effective for the 30 September 2027 year end unless early adopted.

**BT FUNDS MANAGEMENT LIMITED**  
**Notes to the financial statements**  
**For the year ended 30 September 2025**

**1 Financial statements preparation (continued)**

**(l) Future developments in accounting standards (continued)**

The amendments include:

- changes to disclosures for investments in equity instruments designated at fair value through other comprehensive income and additional disclosures for financial instruments with contingent features that do not relate directly to basic lending risks and costs;
- guidance on derecognition of financial liabilities criteria when using an electronic payments system; and
- guidance on assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance and similar features.

The Company is continuing to assess the impact of adopting AASB 2024-2.

**2 Financial risk management**

The financial condition and operating results of the Company are affected by a number of key financial and non-financial risks. Financial risks include credit risk, liquidity risk and market risk. The non-financial risks are primarily compliance risk, operational risk, reputational risk and strategic risk.

The Company's risks are monitored by the Board Risk & Compliance Committee (BRCC).

The Company's objective is to satisfactorily manage these risks in line with the Westpac's Risk Management Framework and policies as well as the Company's Risk Management Strategy and policies. Various procedures are put in place to control and mitigate the risks faced by the Company depending on the nature of the risk. The overall risks of the Company are monitored by management with regular reporting to the Company's BRCC.

**(a) Credit risk**

Credit risk is the risk of financial loss as a result of a customer or counterparty failing to meet its obligations to the Company. The Company is subject to the Westpac's Credit Risk Management Framework. This framework defines what constitutes credit risk for the Company and provides the basis for managing credit risk.

Policies and procedures established through the Westpac's Credit Risk Management Framework are used to mitigate the Company's exposure to credit risk.

Exposures to counterparties are monitored and controlled to ensure:

- Significant deterioration in credit quality is identified;
- Credit risk management information is accurate and complete; and
- Excessive concentrations of credit risk are identified and controlled.

Credit risk limits for investment assets of the Company are defined within the Westpac's Credit Risk Management Framework and implemented for the Company by the appointed investment portfolio managers. The framework also sets out acceptable credit quality ratings for investments that may be held. Compliance with these limits is monitored.

**(i) Maximum credit risk exposure**

The Company's maximum credit risk exposure is the carrying amount of the financial assets as set out below:

	2025 \$'000	2024 \$'000
Cash and cash equivalents	8,402	50,253
Trade and other receivables	14,679	10,582
<b>Total credit risk exposure</b>	<b>23,081</b>	<b>60,835</b>

**(ii) Credit concentration risk**

There was significant credit concentration risk as at 30 September 2025 and 30 September 2024 relating to cash and cash equivalents, which are all placed with the ultimate parent entity, Westpac, and trade and other receivables with related parties.

**Credit ratings - Westpac**

	Rating agency	Short term	Long term	Outlook
30 September 2025	S&P Global Ratings	A-1+	AA-	Stable
30 September 2024	S&P Global Ratings	A-1+	AA-	Stable



**BT FUNDS MANAGEMENT LIMITED**  
**Notes to the financial statements**  
**For the year ended 30 September 2025**

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**2 Financial risk management (continued)**

**(a) Credit risk (continued)**

**(ii) Credit concentration risk (continued)**

**Credit ratings - Investment**

The Company has indirect credit risk exposure through its investment in the Pandal Short Term Income Fund, which invests in short term bank deposits and notes. In December 2024, the investment mandate for this Fund was updated to constrain investments to a maximum of 25% per issuer while removing the ability to invest in securities and deposits issued by Westpac.

**(iii) Credit quality of financial assets**

None of the financial assets as at 30 September 2025 and 30 September 2024 were impaired or past due.

**(b) Liquidity risk**

Liquidity risk is the risk of being unable to meet obligations as they fall due.

The Company is subject to the Westpac's Liquidity Risk Management Framework and related business level policies. This framework defines what constitutes liquidity risk and provides the basis for managing this risk.

The liquidity position is monitored regularly to ensure the Company has sufficient funds to cover all obligations.

During the year, the Company purchased a Professional Indemnity insurance policy from Hyde Potts Insurance Services Pte Ltd, Westpac's captive insurer and wholly-owned subsidiary. This arrangement was undertaken to satisfy the requirements of the Company's Australian Financial Services Licence. The policy replaces the previous Deed of Guarantee issued by Westpac. The premium incurred and premium prepaid during the year were \$192,000 and \$568,000 respectively.

**(i) Contractual maturity of financial liabilities**

The Company's liabilities are short term in nature and normally settle within 30-90 days with the exceptions of the loan capital which does not have a fixed maturity and remediation provisions disclosed in Note 9 which are expected to be settled within the financial year ending 30 September 2025.

**(c) Market risk**

Market risk is the risk of an adverse impact on earnings resulting from changes in market factors such as foreign exchange rates (currency risk), interest rates (interest rate risk) and price risk.

The Company is subject to the Westpac's Market Risk Management Framework which provides the basis for managing this risk.

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

Interest rate risk primarily arises from cash and cash equivalents.

**Interest rate risk sensitivity analysis**

The table below demonstrates the impact on the Company's profit after tax and on equity based on a 100 basis points (bps) (2024: 100 bps) increase or decrease in interest rate with all other variables held constant.

	2025 \$'000	2024 \$'000
<b>Interest rate movement:</b>		
Impact on profit after tax and equity	59	352

The method used in deriving sensitivity information and significant variables did not change from the previous year.

**(ii) Foreign exchange risk**

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company has no direct exposure to foreign exchange risk.

**BT FUNDS MANAGEMENT LIMITED**  
**Notes to the financial statements**  
**For the year ended 30 September 2025**

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**2 Financial risk management (continued)**

**(c) Market risk (continued)**

**(iii) Price risk**

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Price risk primarily arises from the Company's financial assets measured at fair value through profit or loss.

**Price risk sensitivity analysis**

The table below demonstrates the impact on the Company's profit after tax and on equity based on a 100 bps (2024: 100 bps) increase or decrease in fair values with all other variables held constant.

Change in variable	2025 \$'000	2024 \$'000
Impact on profit after tax and equity	1,037	1,274

**Indirect price risk**

Indirect price risk arises from movements in the investment markets that affect business performance. The key source of indirect price risk is the Company's exposure to fee income earned from the management and administration of investments on behalf of other parties where the fee income is directly related to the value of FUM. Accordingly, fluctuations in the financial markets have an effect on operating results. The value of FUM may outperform or underperform the financial markets. As such, quantifying the impact of correlation between FUM and the Company's operating results may be misleading.

**3 Fair value of financial assets and financial liabilities**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

*AASB 13 Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Unadjusted quoted prices in liquid, active markets where prices for financial instruments are readily observable (level 1);
- Inputs are observable market prices and the use of valuation techniques for not actively traded financial instruments (level 2); and
- Inputs are derived and extrapolated from other relevant market data and calibrated against market trends and historical transactions, as the financial instruments are not based on observable market data due to illiquidity or complexity (level 3).

Fair value is determined as follows:

- Investments in unlisted unit trusts by reference to the prevailing redemption prices at the reporting date, which inherently includes transaction costs.

The Company has an investment in Pendal Short Term Income Fund which aims to maintain a stable unit price and is considered level 2 in the fair value hierarchy.

For all other financial assets and liabilities, the carrying value is a reasonable approximation of fair value.

**BT FUNDS MANAGEMENT LIMITED**  
**Notes to the financial statements**  
**For the year ended 30 September 2025**

**4 Income tax**

The income tax expense for the year reconciles to the profit before income tax as follows:

	2025 \$'000	2024 \$'000
<b>Profit before income tax</b>	<b>7,824</b>	<b>11,537</b>
Tax at the Australian company tax rate of 30%	2,347	3,461
<b>Total income tax expense</b>	<b>2,347</b>	<b>3,461</b>
	2025 \$'000	2024 \$'000
<b>Income tax analysis</b>		
Income tax expense comprises:		
Current income tax	1,032	1,079
Movement in deferred tax	1,315	2,382
<b>Total income tax expense</b>	<b>2,347</b>	<b>3,461</b>

(a) Deferred income tax expense included in income tax expense comprises:

	2025 \$'000	2024 \$'000
<b>Note</b>		
Decrease in deferred tax assets	1,315	2,382
<b>Total deferred income tax expense</b>	<b>1,315</b>	<b>2,382</b>

The effective tax rate was 30% in 2025 (2024: 30%).

**5 Current assets - Trade and other receivables**

	2025 \$'000	2024 \$'000
Trade receivables arising from contracts with customers	8,986	8,415
Distribution from financial assets measured at fair value through profit or loss	491	671
Other receivables from:		
Ultimate parent entity - other	-	1,231
Related entities	5,202	265
<b>Total current assets - trade and other receivables</b>	<b>14,679</b>	<b>10,582</b>

**6 Current assets - Financial assets measured at fair value through profit or loss**

	2025 \$'000	2024 \$'000
Investment in Pendal Short Term Income Fund	148,200	182,000
<b>Total current assets - financial assets measured at fair value through profit or loss</b>	<b>148,200</b>	<b>182,000</b>

**BT FUNDS MANAGEMENT LIMITED**  
**Notes to the financial statements**  
**For the year ended 30 September 2025**

**7 Non-current assets - Deferred tax assets**

The balance comprises temporary differences attributable to:

	2025 \$'000	2024 \$'000
<b>Amounts recognised in the statement of profit or loss and other comprehensive income</b>		
Provision for remediation and litigation	113	1,428
<b>Total deferred tax assets</b>	<b>113</b>	<b>1,428</b>

	Remediation and litigation \$'000	Total \$'000
<b>Movements</b>		
<b>Balance at 1 October 2023</b>	<b>3,810</b>	<b>3,810</b>
Recognised in the statement of profit or loss and other comprehensive income	(2,382)	(2,382)
<b>Balance at 30 September 2024</b>	<b>1,428</b>	<b>1,428</b>
Recognised in the statement of profit or loss and other comprehensive income	(1,315)	(1,315)
<b>Balance at 30 September 2025</b>	<b>113</b>	<b>113</b>

**8 Current liabilities - Trade and other payables**

	2025 \$'000	2024 \$'000
Trade payables	144	62
Other payables:		
Ultimate parent entity - GST	949	736
Ultimate parent entity - current tax	166	35
Ultimate parent entity - other	2,934	-
Immediate parent entity	1,221	1,558
Related entities	33	1,350
<b>Total current liabilities - trade and other payables</b>	<b>5,447</b>	<b>3,741</b>

**9 Current liabilities - Provisions**

	2025 \$'000	2024 \$'000
<b>(a) Provisions for:</b>		
Remediation and litigation	375	4,759
<b>Total current liabilities - provisions</b>	<b>375</b>	<b>4,759</b>

**BT FUNDS MANAGEMENT LIMITED**  
**Notes to the financial statements**  
**For the year ended 30 September 2025**

**9 Current liabilities - Provisions (continued)**

**(b) Movement in provisions**

Movement in each class of provision during the financial year are set out below:

	<b>Remediation and litigation \$'000</b>	<b>Total \$'000</b>
<b>Balance at 1 October 2023</b>	<b>12,698</b>	<b>12,698</b>
Additions recognised in the Statement of profit or loss and other comprehensive income	3,932	3,932
Additions reimbursed by a related party	1,328	1,328
Utilisations	(5,035)	(5,035)
Reversals repaid to related party	(751)	(751)
Utilisation reimbursed from a related party	(7,338)	(7,338)
Unused amounts reversed	(75)	(75)
<b>Balance at 30 September 2024</b>	<b>4,759</b>	<b>4,759</b>
 Additions recognised in the Statement of profit or loss and other comprehensive income	 675	 675
Utilisations	(4,917)	(4,917)
Unused amounts reversed	(142)	(142)
<b>Balance at 30 September 2025</b>	<b>375</b>	<b>375</b>

During the year, settlement of the class action undertaken in the Federal Court of Australia against the Company, Westpac Securities Administration Pty Limited, and TAL Life Insurance Services Limited (formerly Westpac Life Insurance Services Limited, a former Group subsidiary) occurred. No further amount is payable to the applicants under this class action.

**10 Share capital and loan capital**

	<b>2025 \$'000</b>	<b>2024 \$'000</b>
<b>Share capital</b>		
Ordinary share capital, fully paid	149,855	224,955
<b>Total share capital and loan capital</b>	<b>149,855</b>	<b>224,955</b>
 <b>Disclosed in balance sheet as follows:</b>		
Share capital	1,655	42,955
Loan capital	148,200	182,000
 <b>Movements in share capital</b>	 <b>2025 \$'000</b>	 <b>2024 \$'000</b>
Opening balance	42,955	39,855
Issuance of ordinary shares	-	3,100
Return of ordinary shares	(41,300)	-
<b>Closing balance</b>	<b>1,655</b>	<b>42,955</b>

**BT FUNDS MANAGEMENT LIMITED**  
**Notes to the financial statements**  
**For the year ended 30 September 2025**

**10 Share capital and loan capital (continued)**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Movements in loan capital</b>		
Opening balance	182,000	167,000
Issuance of ordinary shares and drawdown of loan capital	11,000	15,000
Return of ordinary shares and repayment of loan capital	(44,800)	-
<b>Closing balance</b>	<b>148,200</b>	<b>182,000</b>

  

	<b>2025</b>	<b>2024</b>
	<b>No.</b>	<b>No.</b>
Ordinary shares at beginning of the year	205,160,050	187,060,050
Issuance of ordinary shares	11,000,000	18,100,000
Return of ordinary shares	(86,100,000)	-
<b>Ordinary shares at end of the year</b>	<b>130,060,050</b>	<b>205,160,050</b>

- (a) The Company does not have authorised capital and the ordinary shares have no par value. Ordinary shares are classified as share capital or loan capital. The share capital class of ordinary shares entitles the holder to participate in dividends and, in event of the Company winding up, to a share of the proceeds in proportion to the number of and amounts paid on the shares held.

Each ordinary share entitles the holder to one vote, either in person or by proxy, at a shareholder meeting.

- (b) The Company's capital management objectives are to:
- Ensure sufficient capital resource to support the Company's business and operational requirements;
  - Safeguard the Company's ability to continue as a going concern; and
  - Maintain sufficient capital to exceed regulatory capital requirements.
- (c) The *SIS Act 1993* requires the Company to maintain and manage, in accordance with Australian Prudential Regulation Authority (APRA) Prudential Standards, financial resources to cover the operational risk that relates to each registrable superannuation entity for which the Company serves as Trustee. *Prudential Standard 114 Operational Risk Financial Requirements (ORFR)* establishes requirements relating to these financial resources including considering operational risk on its business operations to determine an ORFR Target Amount. The ORFR Target Amount for the Company is set as an amount equivalent to 20 basis points of FUM (2024: 25 basis points).

The Company has entered into a Trustee Capital Funding Agreement (Funding Agreement) with its immediate parent entity, WFSG, whereby to satisfy the Company's ORFR Target Amount, WFSG provides capital by subscribing for ordinary shares in the Company, unless otherwise agreed. In return, WFSG charges the Company a fee based on WFSG's cost of capital. The fee is accrued monthly and paid quarterly. The Company is only obliged to pay an amount under the Funding Agreement to the extent that it is entitled to be indemnified for that amount from the assets of the relevant fund.

The Funding Agreement continues in force until terminated by mutual agreement or where WFSG gives notice to the Company of termination. In the instance of notice by WFSG, the Funding Agreement will terminate at the earliest of the Company receiving relief from APRA to comply with its ORFR Target Amount or has agreed suitable alternative arrangement to meet its ORFR Target Amount.

In accordance with the terms and conditions of certain products issued by the Company, the costs associated with the loan funding agreement (less any distribution income from financial assets measured at fair value through profit or loss) may be recovered from customers.

At 30 September 2025, the amount drawn under the Funding Agreement was \$148,200,000 (2024: \$182,000,000) which was held to meet its ORFR Target Amount of 20 bps of FUM. Management monitors the level of FUM against the Target Amount to ensure the capital held is within Tolerance Limits.

**BT FUNDS MANAGEMENT LIMITED**  
**Notes to the financial statements**  
**For the year ended 30 September 2025**

**11 Auditor's remuneration**

KPMG was appointed the Company's auditor for the year 1 October 2024 to 30 September 2025.

	2025 \$'000	2024 \$'000
Audit of the Company's financial statements paid by ultimate parent entity to KPMG	248	-
Audit of the Company's financial statements paid by ultimate parent entity to PwC	-	303
Other audit services of unconsolidated entities for 30 June financial year - PwC	31	28
<b>Total audit and non-audit fees</b>	<b>279</b>	<b>331</b>

**12 Related party disclosures**

**(a) Parent entities**

WFSG is the immediate parent entity. Westpac is the ultimate parent entity.

**(b) Key management personnel (KMP)**

Key management personnel are those who, directly or indirectly, have authority and responsibility for planning, directing and controlling the activities of the Company. This includes any Executive and Non-Executive Directors.

The Company receives management services from the ultimate parent entity, Westpac, which includes the provision of key management personnel services. No compensation is paid to key management personnel directly by the Company.

Key management personnel costs paid by the ultimate parent entity, Westpac, are recharged to the Company as part of related party service fees in Note 12(d). Since any executive key management personnel appointments are incidental to their role as an employee of Westpac, it is not possible to separately identify the amount of executive remuneration in the service fee charged to the Company. Hence the executive key management personnel remuneration is not included in the table below.

	2025 \$	2024 \$
<b>Remuneration of Non-Executive Directors</b>		
Total remuneration of Non-Executive Directors	815,635	737,509

**(c) Interests in unconsolidated structured entities**

**Structured Entities**

The Company has interests in various structured entities that are not consolidated. A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding who controls the entity, such as when voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. Structured entities are generally created to achieve a narrow and well-defined objective with restrictions around their ongoing activities.

Structured entities are consolidated when control exists in accordance with *AASB 10 Consolidated Financial Statements*. In other cases, the Company may have an interest or may sponsor a structured entity but not consolidate it.

At 30 September 2025, the Company owns 100% of the units in Pandal Short Term Income Fund, however the Company does not prepare consolidated financial statements, see Note 1(k).

**Sponsored unconsolidated structured entities**

For this disclosure, the Company considers itself the sponsor of a structured entity where:

- It is the primary party involved in the design and establishment of the structured entity;
- The Company is the majority user of the structured entity;
- The Company's name appears in the name of that structured entity or the marketing of the structured entity; or
- The Company provides implicit and explicit guarantees of that entity's performance.

During the year, the Company was the sponsor for the Asgard Independence Plan - Division 2 as it served as the RSEL, and for the Super Transaction Cash Pool Investment Fund, as it acted as Trustee. Neither of these structured entities are consolidated by the Company as the Company has no interest in either as at or during the year ended 30 September 2025 (2024: \$nil), other than from the fee income it received or that is receivable for acting as RSEL or Trustee.

**BT FUNDS MANAGEMENT LIMITED**  
**Notes to the financial statements**  
**For the year ended 30 September 2025**

**12 Related party disclosures (continued)**

**(c) Interests in unconsolidated structured entities (continued)**

During the year, the Company recognised the following revenue from these sponsored unconsolidated structured entities:

	2025 \$	2024 \$
Management fees	159,015,958	160,010,549
Expense recoveries	13,182,036	12,684,109
<b>Total revenue</b>	<b>172,197,994</b>	<b>172,694,658</b>

**(d) Transactions with related parties**

The following transactions occurred with related parties:

Type of transaction	Class of related party	Note	2025 \$	2024 \$
Interest income	Ultimate parent entity		1,720,266	2,352,962
Distributions from financial assets measured at fair value through profit or loss	Controlled entities		7,836,058	7,638,245
Service fee expense	Ultimate parent entity		2,370,832	1,985,782
Administrator expense	Other related entities		152,828,010	149,542,603
Other expense	Other related entities		191,659	-
Annual capital fee	Immediate parent entity		17,638,745	16,911,749
Issuance of ordinary shares	Immediate parent entity	10	-	3,100,000
Proceeds from loan capital	Immediate parent entity	10	11,000,000	15,000,000
Return of ordinary shares	Immediate parent entity	10	41,300,000	-
Repayment of loan capital	Immediate parent entity	10	44,800,000	-

**(e) Outstanding balances**

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Balance type	Class of related party	Note	2025 \$	2024 \$
Cash at bank	Ultimate parent entity		8,401,815	50,252,977
Trade and other receivables	Ultimate parent entity	5	-	1,230,747
Trade and other receivables	Other related entities	5	5,202,485	265,373
Trade and other receivables	Controlled entities	5	490,716	671,471
Trade and other payables	Ultimate parent entity	8	4,048,503	770,502
Trade and other payables	Immediate parent entity	8	1,221,429	1,557,935
Trade and other payables	Other related entities	8	32,894	1,350,199
Loan capital	Immediate parent entity	10	148,200,000	182,000,000
Prepayment	Other related entities		568,498	-
Financial assets measured at fair value through profit or loss	Controlled entities		148,200,000	182,000,000

**(f) Terms and conditions**

All transactions have been made on normal commercial terms and conditions.



**BT FUNDS MANAGEMENT LIMITED**  
**Notes to the financial statements**  
**For the year ended 30 September 2025**

**13 Offsetting financial assets and financial liabilities**

Financial assets and liabilities are presented net in the balance sheet when the Company has a legally enforceable right to offset them in all circumstances and there is an intention to settle the asset and liability on a net basis, or to realise the asset and settle the liability simultaneously. The gross assets and liabilities behind the net amounts reported in the balance sheet are disclosed in the table below:

			<b>Effects of offsetting on balance sheet</b>	<b>Net amounts reported</b>
		<b>Gross amounts</b>	<b>Amounts offset</b>	<b>on the balance sheet</b>
<b>30 September 2025</b>	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets:</b>				
Trade and other receivables	5	15,307	(628)	14,679
<b>Financial liabilities:</b>				
Trade and other payables	8	6,075	(628)	5,447

			<b>Effects of offsetting on balance sheet</b>	<b>Net amounts reported</b>
		<b>Gross amounts</b>	<b>Amounts offset</b>	<b>on the balance sheet</b>
<b>30 September 2024</b>	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets:</b>				
Trade and other receivables	5	12,623	(2,041)	10,582
<b>Financial liabilities:</b>				
Trade and other payables	8	5,782	(2,041)	3,741

**14 Notes to the cash flow statement**

(a) Reconciliation of net cash provided by/(used in) operating activities to net profit for the year:

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Net profit for the year	5,477	8,076
Adjustments:		
Distributions from financial assets measured at fair value through profit or loss	(7,836)	(7,638)
Annual capital fee on loan capital	17,639	16,912
Changes in operating assets and liabilities:		
Decrease/(increase) in assets		
Trade and other receivables	(4,277)	9,414
Deferred tax assets	1,315	2,382
Prepayment	(568)	-
Increase/(decrease) in liabilities		
Trade and other payables	1,706	(2,007)
Provisions	(4,384)	(7,939)
<b>Net cash provided by/(used in) operating activities</b>	<b>9,072</b>	<b>19,200</b>

**BT FUNDS MANAGEMENT LIMITED**  
**Notes to the financial statements**  
**For the year ended 30 September 2025**

**14 Notes to the cash flow statement (continued)**

**(b) Reconciliation of liabilities arising from financing activities**

Movement in liabilities arising from financing activities:

	Note	Loan capital \$'000	Total \$'000
<b>Balance as at 1 October 2023</b>		<b>167,000</b>	<b>167,000</b>
Additions	10	15,000	15,000
<b>Total cash movements</b>		<b>15,000</b>	<b>15,000</b>
	<b>Note</b>		
<b>Balance as at 30 September 2024</b>		<b>182,000</b>	<b>182,000</b>
Additions	10	11,000	11,000
Repayments	10	(44,800)	(44,800)
<b>Total cash movements</b>		<b>(33,800)</b>	<b>(33,800)</b>
<b>Balance as at 30 September 2025</b>		<b>148,200</b>	<b>148,200</b>

**15 Contingent liabilities and commitments**

The Company has exposure to the following contingent liabilities:

- As part of operations of the Company, operational events may occur that require remediation of customers. Where an amount of the remediation can be reliably estimated, a provision is raised (refer to Note 9). At the date of this report, there may be various operational events where a provision has not been recognised for potential losses that may arise because the liability is not probable or cannot be reliably estimated.
- As part of the operations of the Company and reviews by regulators, the Company may be subject to various legal actions, regulatory enforcements (including fines and penalties) and claims. At the date of this report, there may be various legal matters or regulatory enforcements where a provision has not been recognised for potential losses that may arise because the liability is not probable or cannot be reliably estimated.
- The Company may from time to time be exposed to contingent liabilities and potential claims in respect of the activities of the underlying funds for which it acts or acted as RSEL or Trustee. As at the date of this report, there are no contingent liabilities where the underlying funds are not expected to have sufficient assets to indemnify the Company, as appropriate and allowed under the appropriate legislation.

There were no capital or lease expenditure commitments as at 30 September 2025 (2024: \$nil).

**16 Subsequent events**

No matters have arisen since the year ended 30 September 2025 which are not otherwise dealt with in this report, that have significantly affected or may significantly affect the operations of the Company, the results of its operations or the state of affairs of the Company in subsequent periods.

**BT FUNDS MANAGEMENT LIMITED**  
**Consolidated entity disclosure statement**  
**For the year ended 30 September 2025**

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Entity name	Body corporate, partnership or trust	Place incorporated/ formed	% of unit capital held directly by the Company	Australian or foreign tax resident	Jurisdiction(s) of foreign tax residency
Pendal Short Term Income Fund	Trust	Australia	100%	Australian	N/A

**BT FUNDS MANAGEMENT LIMITED**  
**Directors' declaration**  
**For the year ended 30 September 2025**

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In the Directors' opinion:

- (a) the financial statements and notes for the year ended 30 September 2025 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Company's financial position as at 30 September 2025 and its performance for the financial year ended on that date;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) the consolidated entity disclosure statement on page 25 is true and correct.

Note 1(a) includes a statement that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



Director

Sydney  
11 December 2025



# Independent Auditor's Report

To the members of BT Funds Management Limited

## Opinion

We have audited the **Financial Report** of BT Funds Management Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the Company's financial position as at 30 September 2025 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Balance sheet as at 30 September 2025;
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Cash flow statement for the year then ended;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 September 2025;
- 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 Report* section of our report.

We are independent of the Company in accordance with 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 fulfilled our other ethical responsibilities in accordance with these requirements.

## Other Information

Other Information is financial and non-financial information in BT Funds Management Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors 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 Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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 the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Company, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Company, and that is free from material misstatement, whether due to fraud or error; and
- assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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. 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 Report.



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

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Karen Hopkins

*Partner*

Sydney

11 December 2025