generation development group

Annual Report
2024

The right investment partner for you.

gendevelopmentgroup.com.au

Outthinking today.

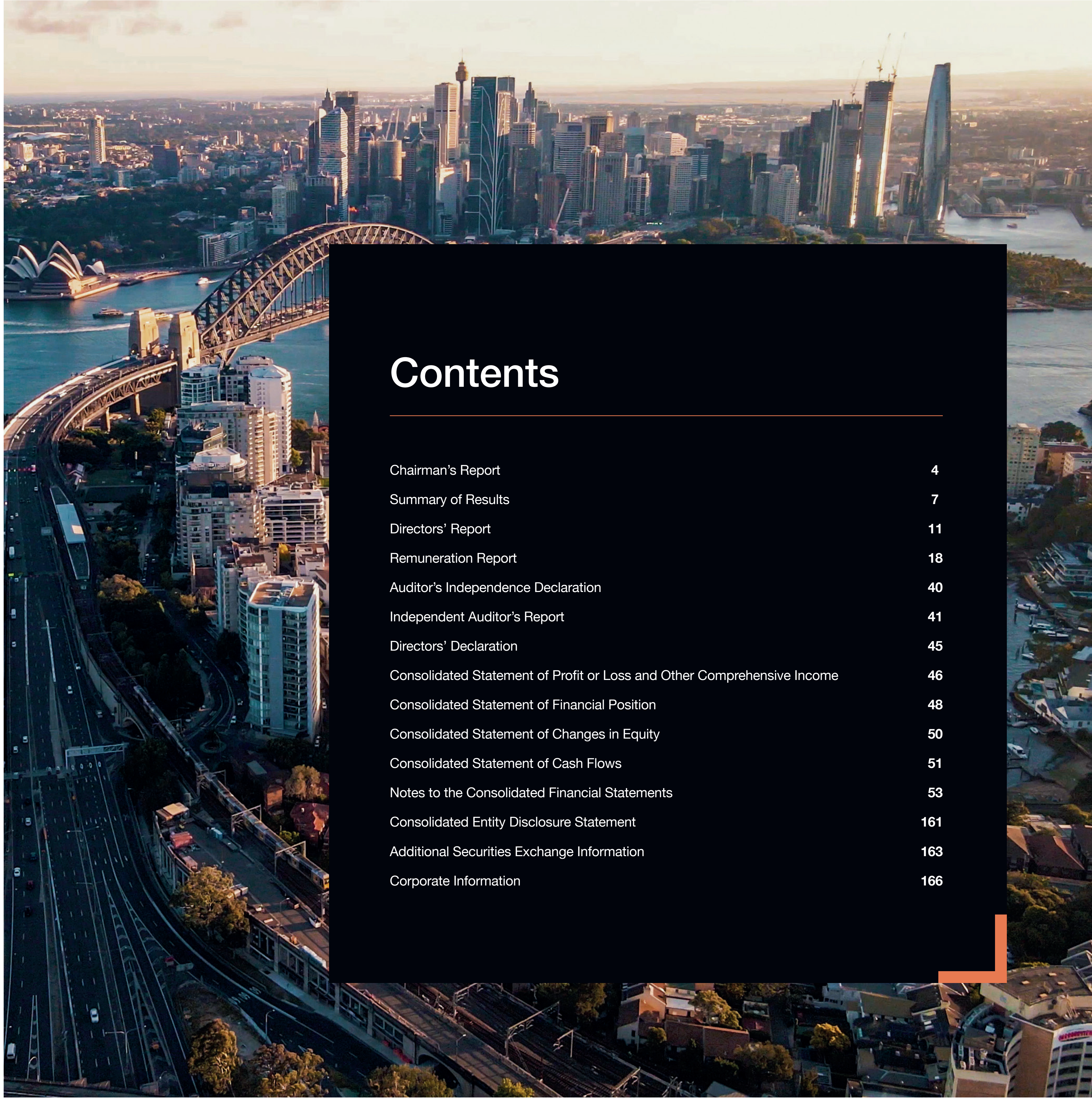
generation development group

Founded in 1991, Generation Development Group Limited is an ASX listed company that specialises in providing development capital to financial sector businesses.

Investment Opportunities
A trusted partner in providing smart and innovative tax effective investment solutions.

generation life

Lonsec



Contents

Chairman's report

Mr Robert Neil Coombe LLB (Hons)

Non-Executive Chairman

What we achieved this year

Financial Year 2024 was another year of exceptional growth across the majority of our key metrics, as our business continued to go from strength to strength.

Overall inflows for FY24, compared to FY23, were up by 28%. This is an extremely pleasing result given the material changes we have experienced in the macroeconomic environment and regulatory changes over the last 12 months. The Stage Three Tax Cuts and the proposed Division 296 Tax on earnings on superannuation balances above $3m on realised and unrealised gains have certainly created some strong tailwinds for our products.

Pleasingly, we recorded an increase in funds under management of $673m, which took us to $3.3bn, representing an uplift of 26%. We have 2,271 active advisers for a rolling 12-month period. This is an 22% increase compared to the same period last year and illustrates our growing demand for alternative tax-effective solutions to superannuation.

Throughout FY24, our product development focused on continuing to innovate our flagship products, Generation Life Investment Bonds and LifeIncome. The new LifeIncome PDS launched in February 2024, provides more features including a withdrawal benefit for policyholders. These additions to LifeIncome are driven by the feedback we have received from financial advisers since introducing the product in 2022.

The Investment Bonds product investment menu has grown to 68 investment options with 27 funds now Tax Optimised. This is an increase of 42% compared to FY23. The Tax Optimised investment series currently represent 62% of all total inflows. We have also introduced additional after-tax client reporting which highlights the importance of after-tax performance, being the consumable returns clients keep.

The Generation Life recent brand tracking survey recorded an increase from 27% to 33% unprompted brand awareness over the last 12 months. This has led to Generation Life winning several industry awards over the period including Money magazine, Best of the Best and Consumer Finance awards for our innovation in the tax aware category, eight Plan for Life awards for both our Investment Bond and Lifetime Annuity products, as well as three Marketing industry awards.

Lonsec Investment Solutions continued to achieve strong growth, with $10.6bn of funds under management as at 30 June 2024. This represented an increase of 21% in the last 12 months since 30 June 2023.

The market has certainly recognised the significant results with Generation Development Group's share price increasing by 107% in the last twelve months, which placed us in the top 5 companies in the ASX Small Industrials Index, which increased by 12% over the same period.

Looking into 2025 financial year

As we shift into a new gear in FY25, we will continue to execute on our strategic initiatives to leverage regulatory tailwind opportunities and focus on building strength in our core pillars to cater for our growing business.

The proposed changes to the superannuation Division 296 tax on earnings of superannuation account balances greater than $3m introduces a new taxation regime, marking a significant departure from how superannuation has been previously taxed, and shining a new light on investment bonds as a unique alternative solution that complements superannuation.

The recently legislated Stage 3 Tax Cuts has also further amplified the need for tax-paid structures, such as investment bonds, to help minimise the impact of bracket creep. The impact on tax is not tomorrow's problem. Australia's High-Net-Worth (HNW) investor segment continues to grow, with 635,000 individuals recorded in 2023 and hold nearly $3 trillion in investable assets. Furthermore, it's estimated that one million Australians will face the top marginal tax bracket by 2030.

Whilst only 28% of HNWs used a financial adviser in 2022-2023, the willingness to invest in advice is growing, with key areas of greatest concern being inheritance and estate planning, as well as strategies to reduce tax obligations. As a result, we are planning a number of initiatives in FY25 which will focus on utilising these tailwinds and highlighting the benefits of the investment bond for investors looking for an alternative to super and ways to minimise bracket creep.

As we continue our journey towards achieving $1bn in inflows in the coming years, we see the need to focus on building the foundations of our technology systems, to ensure that the performance of these systems will meet the demand from our advisers and clients.

Information security is also another key focus to ensure we provide effective protection of our information assets with solutions that match business and regulatory requirements. Our Information Technology initiatives will also further develop our information security structure that provides the governance, threat protection, monitoring and incident response to safeguard our shareholder, policy holder and adviser information.

In FY25, Lonsec will start to execute on its accelerated growth plan phase 2 ("AGP2"). It will be focused on building out new products for Lonsec Investment Solutions, and increasing its research capability to over 2,000 products, and is acutely focused on remaining Australia's number 1 investment product research provider. We expect that operational leverage will continue to improve as we invest in new technology to support further scalability.

With the completion of the acquisition of 100% of Lonsec in August 2024, this business will make a much more meaningful contribution to the overall profitability of the Group in FY25 as we look to grow and become a Top 300 ASX listed company.

I wish to thank my fellow board members, the executive team, and the wider management team for their continued efforts in what has proved to be an outstanding year of performance delivered to shareholders.

Mr Robert Neil Coombe LLB (Hons)
Non-Executive Chairman

28 August 2024

Group performance highlights

Key highlights

Investment Bond Sales

$657m

↑ 28%

New Bond Numbers

27,230

↑ 27%

Approved Product List

714

↑ 8%

Savings Plan

$95m

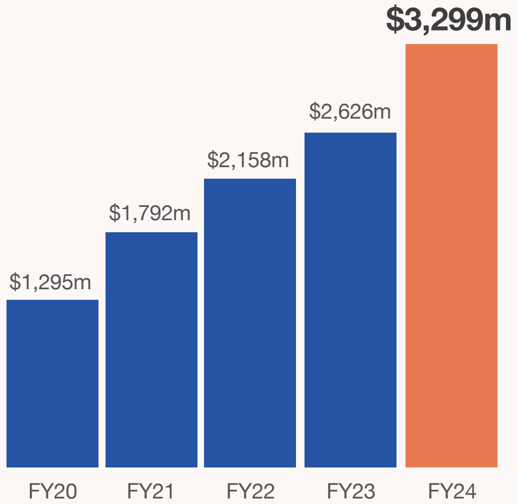
↑ 8%

Active Financial Advisers

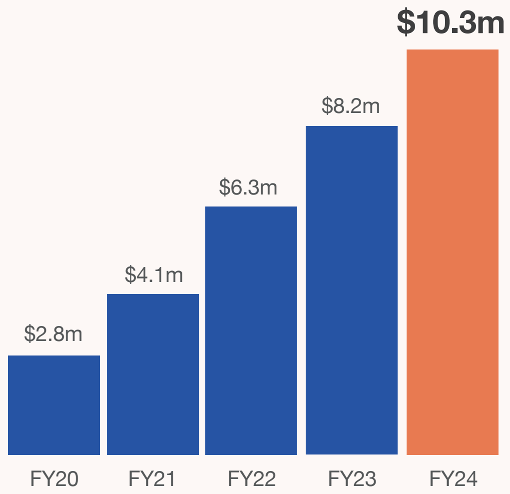
2,271

↑ 22%

Funds Under Management



Profit (Life / administration business only)



Summary of results

(Unaudited)

	Notes	2024 $'000	2023 $'000	Change %
Life - Fees from Benefit Funds		33,842	27,224	24
Administration services		423	396	7
Other income		2,593	1,879	38
Total revenue	**1**	**36,858**	**29,499**	**25**
Personnel		(14,570)	(10,924)	(33)
Occupancy		(408)	(367)	(11)
Communication		(63)	(56)	(13)
Finance		(136)	(131)	(4)
Dealing and settlement		(3,267)	(2,668)	(22)
Marketing and promotional		(1,371)	(1,079)	(27)
Depreciation and amortisation		(1,755)	(1,782)	2
Expenses relating to Benefit Funds		(6,158)	(4,918)	(25)
Other expenses		(10,471)	(10,060)	(4)
Total expenses	**1**	**(38,199)**	**(31,985)**	**(19)**
Underlying loss before income tax		**(1,341)**	**(2,486)**	**46**
Income tax benefit - Life	2	11,652	10,702	9
Underlying profit after tax benefit - Life / Administration business		**10,311**	**8,216**	**25**

Summary of results continued

(Unaudited)

	Notes	2024 $'000	2023 $'000	Change %
Underlying profit after tax benefit - Life / Administration business (continued)		**10,311**	**8,216**	**25**
Income tax expense		(1,166)	(14)	nm
Investment in associates - share of profit normalised operations	3	6,355	3,613	76
Annuity business costs*		(4,298)	(4,596)	6
Underlying profit after tax		**11,202**	**7,219**	**55**
Other items (net of applicable tax)				
Deferred tax asset on carry forward losses (utilised) / recognised		(352)	(504)	30
Transaction and completion costs	4	(1,286)	-	nm
Investment in associates - Lonsec's IPL acquisition & integration costs		(1,546)	(2,218)	30
Investment in associates - Lonsec's divestment transaction costs		(1,267)	-	nm
Profit after tax (excluding impact of AASB 17)		**6,751**	**4,497**	**50**
AASB 17 impact on implementation	5	(911)	(15)	nm
Statutory profit after tax		**5,840**	**4,482**	**30**

Notes:

1. Revenue and expenses reflected in the summary of results are attributable to the Shareholders of the Company.
2. For income taxation purposes Generation Life Limited is a single taxpayer comprising policyholder Benefit Funds and a central management or shareholder fund with all the Company's assessable income, allowable deductions and other tax offsets being pooled.
3. Investment in associates is based on its normalised profit after tax.
4. Transaction related costs associated with the acquisition of shares in Lonsec Holdings Pty Ltd.
5. The Group has adopted AASB 17 Insurance Contracts from 1 July 2023. This represents the net profit and loss impact of adopting AASB 17.

* Tax effected

Summary of results continued

(Unaudited)

	Notes	2024 $'000	2023 $'000
Cash, cash equivalents and investments - term deposits less than 3 months	1	167,929	14,212
Income tax receivable		12,397	8,390
Trade and other receivables		3,033	3,211
Right-of-use assets		3,256	3,629
Property, plant and equipment and software		1,879	2,647
Generation Life - goodwill		547	547
Deferred tax assets		1,399	696
Financial assets	2	2,023	2,767
Investment in associates		31,419	30,336
Other assets		3,519	2,622
Total assets	**3**	**227,401**	**69,057**
Trade and other payables		(2,045)	(1,240)
Lease liabilities		(3,465)	(3,807)
Provisions and other liabilities		(8,932)	(4,959)
Total liabilities	**3**	**(14,442)**	**(10,006)**
Net assets		**212,959**	**59,051**
Comprising:			
Tangible assets	4	210,876	56,271
Intangible assets		2,083	2,780
		212,959	**59,051**
Weighted average number of shares used for NTA purposes		194,231,996	188,323,815
NTA per share (cents)		108.57	29.88

Notes:

1. Includes $150m raised to fund the cash consideration portion and transaction costs associated with the acquisition of shares in Lonsec Holdings Pty Ltd that Generation Development Group did not already own.
2. Term deposits greater than 3 months.
3. Assets and Liabilities reflected in the summary of results pertain to the Shareholders of the Company and excludes the assets and liabilities attributable to the policyholders of the benefit funds.
4. Tangible assets reflected in the summary of results pertain to the shareholders of the Company and excludes the tangible assets to the policyholders of the benefit funds.

Discover Generation Development Group

At Generation Development Group, our values are the heart and purpose of everything we do. These values are the key strengths which define us at Generation Development Group - to provide forward thinking investment solutions to financial advisers and everyday Australians.

Living our values everyday defines our culture towards delivering on our corporate strategies, foster growth and help policyholders navigate through the financial complexities of tomorrow.

We are outthinking today.

Ambition

To be known as Australia's most forward-thinking financial solutions company

Purpose

We exist to help people embrace the future with excitement, rather than fear

Idea

We prepare people today to navigate the financial complexities of tomorrow

Our Corporate Environmental, Social and Governance (ESG) Principles

At Generation Development Group, we are going through a business evolution to embed our key ESG Principles as part of our long-term business strategy. We have defined the core areas (what they are, and just as importantly, what they are not) and we are now implementing key programs and will commence reporting on our progress embedding these ESG principles into our behaviours and actions.

Education

Understand the environmental, social challenges and our purpose, engaging and empowering us to make a social impact.

Innovation

Design and implement innovative solutions that focusses on our employees, policyholders, shareholders and society.

Diversity and inclusion

Foster diversity that promotes individuality and inclusion in a space that inspires collaboration in everything we do.

Supporting financial prosperity

Provide products and services that make a positive social impact, meeting the needs of our policyholders and supports their financial prosperity.

Directors' report

The directors of Generation Development Group Limited (the "Company") present the annual financial report for the Group, being the Company and its subsidiaries, for the financial year ended 30 June 2024. In order to comply with the provisions of the Corporations Act 2001, the directors' report is as follows:

The names and particulars of the directors of the Company during or since the end of the financial year are:

Mr Robert Neil Coombe LLB (Hons)

Non-Executive Chairman

Rob was appointed Executive Chairman of Generation Development Group on 18 July 2017 and assumed a Non-Executive Chairman position on 1 July 2020.

Rob is presently Chairman of Colonial First State, a leading Australian superannuation and wealth management business owned by KKR and CBA. He also chairs Tibra Capital, a privately owned global multi-strategy hedge fund business, and Expert360, Australia's leading online talent market place. He is also a member of the Advisory Board of Five V Capital, a leading Australian private equity manager focused on investing in established growth companies across a range of industries. Rob was a non-executive director of Lonsec Holdings Pty Ltd from 14 February 2024 to 1 August 2024.

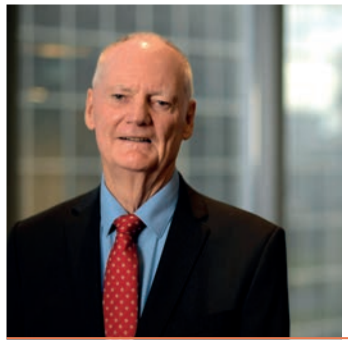
On top of Rob's commercial interests, he is a Chair of the Australian Indigenous Education Foundation (AIEF).

Between 2013 and 2019, Rob was CEO (2013-2017) then Chairman of Craveable Brands, the largest Australian owned Quick Service Restaurant business. Rob's tenure with this business was during its ownership by Archer Capital and culminated in a successful exit to PAG in August 2019.

Before joining Craveable Brands, Rob was responsible for all of Westpac's Australian Retail, Business and Agri banking operations. Prior to this role, Rob spent six years as the CEO of BT Financial Group, responsible for all of Westpac's funds management, financial planning, insurance, private banking, broking, platform and superannuation businesses.

Rob has 40 years' corporate experience in Australia and Asia, primarily in financial services. He has had extensive experience on the Boards of listed and private companies both domestically and internationally.

In 2011 Rob was awarded the prestigious UTS Alumni of the Year for Excellence and in 2021 he was appointed as a Fellow of the university. Both awards were in recognition of his achievements in the business community and social sector.



Mr William Eric Bessemer MBA, B.Ec

Non-Executive Director

Bill initially joined the Group in 1995 and became chairman in 1999 until 2010.

Following a brief retirement, Bill resumed as a director on 9 February 2012 and became Chief Executive Officer on 29 May 2012, a position he held until 18 July 2017.

Bill remains on the Board of the Company as a Non-Executive Director. He has over 40 years' experience in banking and finance, specifically in the areas of debt and equity structuring, mergers and acquisitions and business recoveries.

Giselle Collins B.Ec, CA, GDipAppFin, GAICD

Independent Non-Executive Director

Giselle was appointed a director of Generation Development Group in November 2021, having served previously on the Generation Life Board since September 2018.

She is currently a non-executive chairman of Hotel Property Investments (ASX:HPI) and Pacific Smiles (ASX:PSQ), and non-executive director of Cooper Energy (ASX:COE). Giselle is also Chairman of the Responsible Entity for AMP's registered managed investment schemes.

Giselle has a Bachelor of Economics degree from the University of Sydney and a Graduate Diploma in Applied Finance and Investments from the Securities Institute. She is a Graduate Member of the Australian Institute of Company Directors and a Member of Chartered Accountants Australia and New Zealand.

Directorship of Other Listed Companies

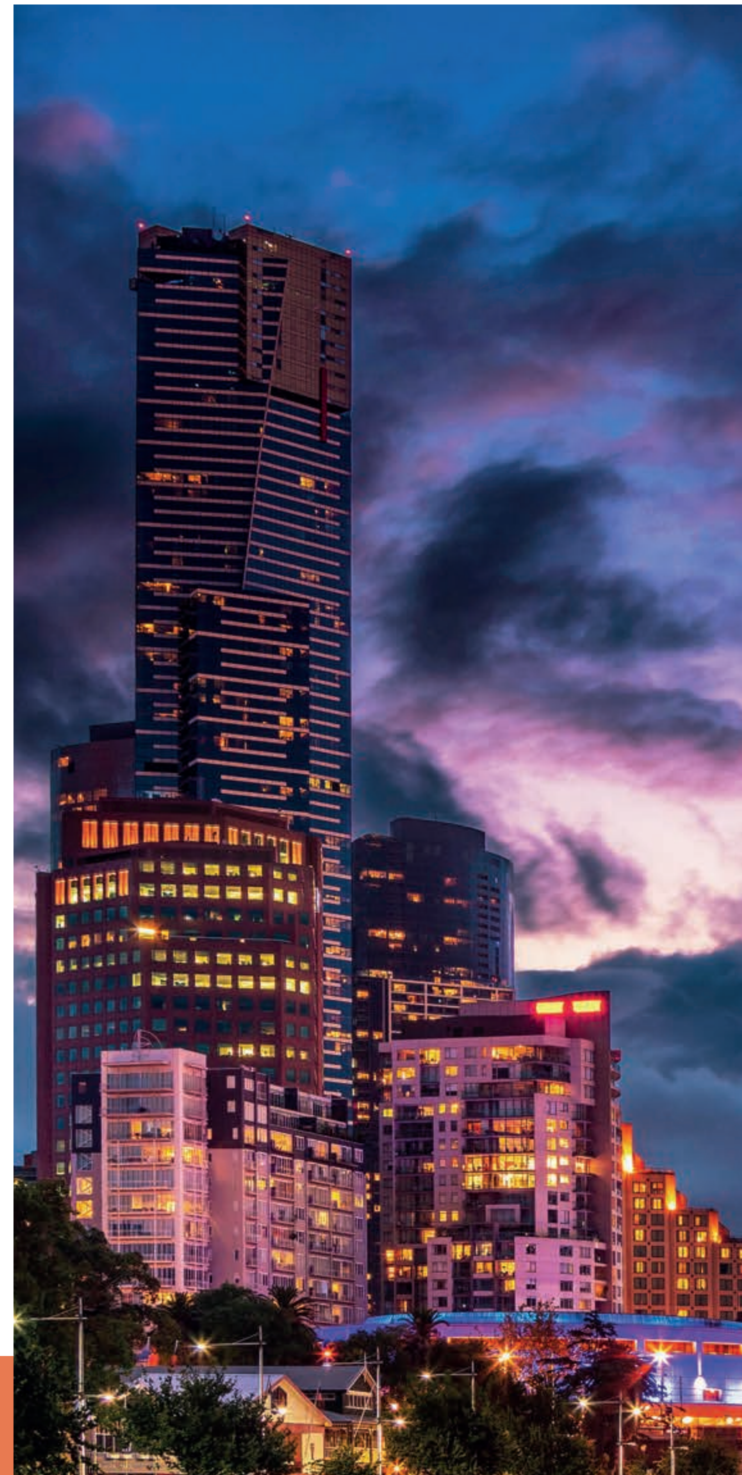
Directorships of other listed companies held by directors in the last three years immediately before the end of the financial year are as follows:

Director	Company	Period from	Period to
R N Coombe	CIMB Group Holdings Berhad (Listed on Bursa Malaysia)	2014	April 2023
G M Collins	Hotel Property Investments Limited	19 April 2017	Current
	Peak Rare Earths Limited	9 March 2021	9 November 2022
	Cooper Energy Limited	19 August 2021	Current
	Pacific Smiles Group Limited	22 November 2023	Current

Directors' Shareholdings

The following table sets out the number of each director's relevant interest in shares and options over shares or interest in contracts relating to shares of the Company or a related body corporate as at the date of this report.

Director	Fully paid ordinary shares	Indirect interest in shares
R N Coombe	6,080,592	3,174,253
W E Bessemer	-	13,169,699
G M Collins	-	75,075



Remuneration of Directors and Senior Management

Information about the remuneration of directors and key management personnel is set out in the remuneration report from page 36.

Mr Grant Hackett OAM
Chief Executive Officer, Generation Life Limited
GradDipFinPlan, EMBA (First Class Honours), GAICD

Grant was appointed Chief Executive Officer of the Group on 25 October 2018 and ceased on 1 February 2020, becoming the CEO and Managing Director of Generation Life Limited.

Ms Amanda Gawne
Company Secretary
LLB, BCom, Grad Dip CSP, FGIA, FCIS

Amanda was appointed Company Secretary on 27 February 2018. Amanda has extensive company secretarial experience gained in a range of organisations.

Mr Terence Wong
Chief Financial Officer
CA, BCom (Hons), LLB (Hons), Grad Dip FINSIA

Terence was appointed Chief Financial Officer of the Group on 19 March 2018.

Mr Felipe Araujo
General Manager of Distribution, Marketing, and Operations
BBus, Economics and Finance, MAICD

Felipe was appointed General Manager of Distribution, Marketing, and Operations on 1 February 2020.

Operating and financial review

Strategy and outlook

Life investment bonds and LifeIncome continues to be our focus. In FY25, we will continue to execute on our strategic initiatives to leverage regulatory tailwind opportunities and focus on building strength in our core pillars to cater for our growing business.

With the completion of the acquisition of 100% of Lonsec in August 2024, this business will make a much more meaningful contribution to the overall profitability of the Group in FY25 as we look to grow and become a Top 300 ASX listed company.

In FY25, Lonsec will start to execute on its second accelerated growth plan. This will include building out new products for Lonsec Investment Solutions, increasing its research capabilities, and focus on remaining Australia's number 1 investment product research provider. We expect the operational leverage will continue to increase as we invest in new technology to support further scalability.

Principal activities

The Group's principal activities in the course of the financial year were the marketing, management of life insurance and life investment products and services in Australia and the provision of administration services in the financial services industry.

Review of operations

The consolidated statutory net profit attributable to shareholders is $5.8 million (2023: profit $4.5 million). A review of operations for the Group is set out on pages 4 to 10 of this annual report, commencing with the Chairman's Report. For key risks affecting the Group, refer to notes 5 and 27 of the financial statements.

On 3 June 2024, GDG announced that it has entered into Share and Option Sale Agreement (SOSA) to acquire all the shares it did not already own, and options in Lonsec Holding Pty Ltd and its controlled entities (Lonsec). Various approvals in connection with the acquisition were received from shareholders of the Company at an Extraordinary General Meeting (EGM) held on the 23 July 2024.

The acquisition was completed on 1 August 2024.

The consideration payable consisted of $135.7m upfront cash payment paid on the 1 August 2024 and $49.0m in shares issued at an agreed price of $1.95 per share, being the same price as the capital raising, plus an earn-out consideration payable by the Company by way of cash. The earn-out amount payable will be determined based on the EBITDA achieved for the period from 1 July 2024 to 30 June 2025. The maximum earn-out amount payable by the Company is approximately $55.8m in cash if an EBITDA of $34.7m is achieved during the period.

The total transaction cost is expected to be around $2.0m excluding capital raising costs, with $1.3m recognised during the financial year 2024 in the income statement, and the remainder to be recorded in the financial year 2025.

The goodwill that will be recognised, will largely depend on the fair value ascribed to specific intangible assets, based on the nature of each of the intangible assets and the appropriate valuation methodology.

Pooled Development Fund (PDF) status update

On 31 May 2024, the Company announced that it had applied to have its PDF registration revoked as it had outgrown its status, having to comply with various PDF restrictions. In particular, as a PDF, GDG was prohibited from investing more than 30% of its committed capital in any one company, was unable to purchase pre-owned shares in a company without regulatory approval, could not invest in a company whose total assets exceed $50 million and could not borrow money. Even though GDG had achieved considerable growth over the past few years, these restrictions materially inhibit GDG's ability to achieve similar growth rates in succeeding years.

Effective 3 June 2024, the delegate of Industry Innovation and Science Australia (the Board) agreed to revoke GDG's PDF registration declaration under s46 of the Pooled Development Fund Act 1992.

On ceasing to be a PDF, GDG gave up its tax concessions effective 1 July 2023 and now is taxed as an ordinary company for the whole year.

GDG shareholders were notified on 4 June 2024.

GDG's operational activities and other regulatory licences are not impacted by the revocation.

Environmental regulation and performance

The Group's operations are not involved in any activities that have a marked influence on the environment. As such, the directors are not aware of any material issues affecting the Group or its compliance with the relevant environmental agencies or regulatory authorities.

Material Business Risks

In preparing the financial report, the Group has considered the impact of economic conditions and its implications on the Group's financial position and profitability. The Group's management fees are directly driven by Funds Under Management. In turn, this is materially influenced by net flows and market movements which are correlated to current and future economic conditions. The Group has reviewed the appropriateness of the assumptions underpinning the outlook for its Funds Under Management and believe it to be appropriate. The Group will also continue to monitor any non-financial risks emerging from rising interest rates, changes in monetary policy and geopolitical tension to ensure that it remains within risk appetite.

Subsequent events

Other than those disclosed in note 34 to the financial statements, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected the operations of the Group.

Future developments

The Group's future developments will be to continue growing its investment bond and annuity business by increasing its market share and expanding its product suite.

In addition, the Group will focus on building new products for Lonsec Investment Solutions and increasing Lonsec's research capabilities.

We also expect to participate in further merger and acquisition opportunities in the financial services sector.

Dividends

The Company paid a fully franked final 2023 dividend of $0.01 per ordinary share on 5 October 2023 and partly franked 2024 interim dividend of $0.01 per ordinary share on 4 April 2024. A dividend reinvestment plan (DRP) was in operation for these dividends.

On 28 August 2024, the Company declared a fully franked final 2024 dividend of $0.01 per ordinary share to be paid on 7 October 2024. The dividend is to be paid out of the Profits reserve. The Company's DRP will continue to operate for this dividend.

Our approach to ESG

Our ESG Framework sets out the minimum standards we seek to abide by, our targets and goals, and the governance and oversight in place to support our commitments. This plan has been split into three phases.

FY22 saw the Group undertake the first phase which included extensive design, research and internal engagement on initiatives to develop our four core ESG principles.

In FY23, the Group undertook the second phase of the program, which was to create a documented internal ESG framework, upgrade policies in different business units and establish an ESG committee which is made up of 8 members, representing all business units of the business. The Group is committed to ensuring that ESG forms part of our long-term strategy which sets out the minimum standards we seek to abide by, our targets and goals, and the governance and oversight in place to support our commitments.

The Group is now working to build a framework that will underpin and rationally operationalise these principles into the business and how we engage with our clients, and how we interact with the broader community.

The Group will engage with upcoming legislative requirements stemming from IFRS Sustainability Disclosure Standards and Climate related disclosures as per Australian treasury proposals.

The Group continued to embed its ESG culture within the organisation with a focus on investment governance, transparency, employee engagement and wellbeing.

As part of setting a base for measurement a review was conducted of the investment assets held by Generation Life with the aim of identifying ESG ratings, carbon intensity and alignment to net zero based on a defined rating system. Transparency is important to the Group and empowering more informed decisions was the goal of this initial engagement.

Key policies in the areas of diversity and inclusion and executive remuneration were executed to further strengthen the groups commitment to social and governance culture.

Over 20 individual initiatives, such as creating products that make positive social impact, charity engagements and introducing activities that fosters diversity in the workplace, were undertaken by the business in FY24 to strengthen its ESG culture. We were also pleased to be nominated for 2024 AFR Boss 'Best Places to Work' for the 2nd year running.

The Group is committed to supporting Australia's transition to a more modern, resilient, and sustainable economy. We continuously engage with a diverse range of stakeholders, consider their views, and conduct our business in a responsible way whilst never losing sight of the needs of our clients and vulnerable communities.

The Group believes that by championing these principles where we have strength and reach such as Education, Innovation, Diversity and Inclusion and Supporting Financial Prosperity, we will be able to make a tangible, practical and lasting impact on many of the Sustainable Development Goals (SDGs) which the country needs to achieve, to ensure a better tomorrow.

The Group's Board recognises the importance of ESG to the long-term sustainability of the Company growth and its investors. The Board holds the CEO and Executive leadership team accountable by fulfilling its oversight responsibilities and by making recommendations on matters pertaining to culture, the environment, social impact and governance.

Indemnification and Insurance of Officers and Auditors

During the financial year, the Company paid premiums based on normal commercial terms and conditions to insure all directors, officers and employees of the Group against the costs and expenses in defending claims brought against the individual while performing services for the Group. The premium paid has not been disclosed as it is subject to the confidentiality provisions of the insurance policy. The Company has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify directors, officers, employees or auditor of the Company or of any related body corporate against a liability incurred.

The Company has entered into a Deed of Indemnity, Insurance and Access with each of its directors Messrs. Coombe, Bessemer and Ms. Collins. The purpose of the Deed is to:

- confirm the indemnity provided by the Company in favour of directors under the Company's Constitution;
- include an obligation upon the Company to maintain adequate Directors and Officers liability insurance; and
- confirm the right of access to certain documents under the Corporations Act 2001.

Directors' meetings

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director (while they were a director). During the financial year, there were ten Board meetings and three Audit Committee meetings held.

	Board	
Director	Eligible to attend	Attended
R N Coombe	10	10
W E Bessemer	10	10
G M Collins	10	10

	Audit	
Director	Eligible to attend	Attended
R N Coombe	3	3
W E Bessemer	3	3
G M Collins	3	3

Corporate Governance Statement

The Company's Corporate Governance Statement together with the Appendix 4G, can be viewed at www.gendevelopmentgroup.com.au/corporate-governance and has been lodged with the ASX.

Audit Committee

The Audit Committee has been re-established effective 1 July 2023. Refer to the Corporate Governance Statement for further information.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee was formally abolished on 1 May 2012. Refer to the Corporate Governance Statement for further information.

Non-audit services

The Group's external auditor is KPMG who are engaged to provide audit and audit related services in relation to the Group's financial statements and regulatory reporting obligations.

It is often in the interests of the Group to engage the services of its external auditor to assist in a range of related projects. The directors are aware of the issues relating to auditor independence and have in place policies and procedures to address actual, potential and perceived conflicts of interests in relation to the provision of non-audit related services by its external auditor.

During the financial year ended 30 June 2024, the Group engaged its external auditors to provide professional services in relation to assurance and general consultancy for $119,796. The Group has considered these services and is satisfied that the provision of these services by the auditors is compatible with, and did not compromise the auditor independence requirements of the Corporations Act 2001.

Auditor's independence declaration

The auditor's independence declaration is included on page 40 of the financial report and forms part of the Directors' Report for the year ended 30 June 2024.

Rounding off of amounts

The Group is a company of the kind referred to in ASIC Corporations Instrument 2016/191, and in accordance with that Class Order amounts in the Directors' Report and the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Remuneration Report

This remuneration report, which forms part of the Directors' Report, sets out information about the remuneration of Generation Development Group Limited's directors and other key management personnel for the financial year ended 30 June 2024.

At the Company's last Annual General Meeting in November 2023, more than 75% of votes cast on the resolution to adopt the Remuneration Report were in favour of its adoption.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel comprise the directors of the Company and other executives for the Group, and include the most highly remunerated Group executives.

The prescribed details of each person covered by this report are detailed below under the following headings:

A. Key Management Personnel Details

B. Remuneration Policies

C. Other Information - Performance Rights Holdings

D. Equity Holdings of Key Management Personnel

E. Remuneration of Key Management Personnel

F. Key Terms of Employment Contracts

A. Key Management Personnel Details

The following persons acted as directors of the Company during and since the end of the financial year:

- Mr Robert Neil Coombe, Non-Executive Chairman.
- Mr William Eric Bessemer, Non-Executive Director.
- Ms Giselle Marie Collins, Independent Non-Executive Director.

The following persons represent the senior management of the Group during or since the end of the year:

- Mr Grant Hackett, Chief Executive Officer and Managing Director, Generation Life Limited.
- Mr Terence Wong, Chief Financial Officer.
- Mr Felipe Araujo, General Manager of Distribution, Marketing, and Operations.

B. Remuneration Policies

The performance of the Group is highly dependent upon the quality of its directors and executives.

The Board accepts responsibility for determining and reviewing compensation arrangements for the directors and the senior management team. The Board assesses the appropriateness of the nature and amount of remuneration of directors, CEO and senior managers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality board and executive team.

As part of assessing these remuneration arrangements, the Board has in place agreed key performance indicators (KPIs), both financial and non-financial, for each member of the executive team that is duly considered during the performance evaluation process. The KPIs may differ amongst team members based on their area of expertise and the degree to which they have direct control over the outcomes. All KPIs are strategically aligned to advance the Group's business and are tailored to individual executive team members to ensure they each remain motivated and are rewarded within a performance-based environment.

Remuneration structure

In line with good corporate governance principles, non-executive directors do not receive performance-based pay for board remuneration.

1. Non-executive director remuneration

Fees and payments to non-executive directors reflect the demands which are made on the directors in fulfilling their responsibilities. Details of the directors who have forfeited their director fees are reflected in page 37 of the Remuneration Report.

Non-executive director fees are reviewed annually by the Board.

The Constitution of the Company provides that the non-executive directors of the Company are entitled to such remuneration, as determined by the Board, which must not exceed in aggregate the maximum amount determined by the Company in a general meeting. The maximum amount for non-executive directors is $500,000 per annum.

2. Senior management and executive director remuneration

Group Executives are subject to the Group's executive remuneration program which comprises the following components:

- Fixed remuneration component; and
- Variable remuneration component including both short-term incentives (STI) and long-term incentives (LTI).

In addition to this program, the CEO and Managing Director of Generation Life Limited, Mr Grant Hackett, the CFO of Generation Development Group Limited, Mr Terence Wong and the General Manager of Distribution, Marketing and Operations, Mr Felipe Araujo are subject to Generation Life Limited's remuneration policy which is overseen by its Remuneration Committee. This policy and its operations are consistent with that of the Group and the disclosures in this remuneration report cover both.

Fixed remuneration

The objective of fixed remuneration is to attract and retain key talent in a competitive environment. The fixed remuneration is set with reference to market competitive rates in comparison to similar positions in the industry, adjusted to account for the experience, ability and productivity of the individual employee and that of the overall Group.

Variable remuneration

Short-term incentive (STI)

A STI is available to executives who achieve both financial (measured by achievement of annual financial plan - underlying profit after tax) and non-financial targets (set on an individual basis predominately linked to the successful delivery of the Group's strategy plan). The Board of Directors is responsible for determining who is eligible to participate in STI arrangements as well as the structure of those arrangements and the proportion of financial and non-financial targets.

The quantum of available STI arrangements is determined with reference to prevailing market conditions for comparable executives. STIs are payable in cash in the next financial year. The target STI for CEO, CFO and General Manager of Distribution, Marketing, and Operations is generally between 40% to 60% of the fixed base remuneration. All financial and non-financial targets were met during the year and all STIs are vested.

Long-term incentive (LTI)

The Group initiated a LTI plan effective 13 October 2017 to reward senior executives in a manner which aligns this element of remuneration with the creation of shareholder wealth. As such, LTI entitlements are only made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Group's performance against relevant long-term performance hurdles. The proportion of long-term incentives to fixed remuneration are provided at the Board's discretion unless specified.

The key elements of the Group's LTI plan are as follows:

- Eligible participants are granted rights over the Group's ordinary shares. Each right may be exercised if the performance conditions attached to that award are satisfied;
- For 2024, the Board has determined two tranches of the performance hurdles. 50% of the rights are subject to performance hurdles measured using a market-based performance target (relative Total Shareholders Return ('TSR') against the ASX small Industrials benchmark index), and the remaining 50% of the rights are subject to the Group's underlying Net profit after tax (NPAT);
- Prior to 1 July 2023, the two tranches awarded were measured using TSR of 50% and 50% for the rights were subject to Earnings per share growth (EPS), which is a non-market internal performance condition;
- The applicable measurement period is three years. The number of rights actually vesting will only be known after the end of the measurement period;
- The Board has sole discretion to award the vested tranches of LTI as shares or cash;
- Continued service during the measurement period is not a requirement in order for Rights to vest; and
- Details of the key valuation assumptions are disclosed in note 10 of the financial statements.

Long-term incentive (LTI) – investment-linked lifetime annuity (GLI)

The Board initiated a second LTI in financial year 2021 for the new GLI product. The performance measurement period for these rights is 3.5 years from the date of the sale of the first Generation Life investment-linked lifetime annuity policy. The vesting of these performance rights will be determined by the Generation Life investment-linked lifetime annuity product achieving a target FUM of $700m (Target FUM) within the first 3 years of the measurement period. Continued service during the measurement period is not a requirement in order for these rights to vest. These rights were awarded and accepted on 30 June 2021. Accordingly, the Group has recognised the expense for these rights in full for the year ended 30 June 2021.

LTI Grant

The total number of rights granted to senior management in the year to 30 June 2024 was 623,740 (2023: 1,132,491), details are as follows:

2024 GDG Performance Rights

Senior Executive	Number of Rights Granted in year to 30 June 2024	Performance Measure	Grant Date	Expiry Date	Grant Date Fair Value
Grant Hackett	167,073	TSR	21 August 2024	30 June 2027	$1.400
	167,073	NPAT	21 August 2024	30 June 2027	$0.725
Terence Wong	66,830	TSR	21 August 2024	30 June 2027	$1.400
	66,830	NPAT	21 August 2024	30 June 2027	$0.725
Felipe Araujo	77,968	TSR	21 August 2024	30 June 2027	$1.400
	77,968	NPAT	21 August 2024	30 June 2027	$0.725

The performance measurement period for these rights is 1 July 2024 to 30 June 2027. The table below shows the performance measures for the two tranches of the LTI.

	TSR		NPAT Growth	
	Company's TSR Compared to the Small Industrials Total Return Index	Vesting % of Tranche	NPAT During the Measurement Period	Vesting % of Tranche
Stretch	≥200% of Index	100%	≥27.5%	100%
Between Target and Stretch	>150% & < 200% of Index	Pro-rata	>17.5% & <27.5%	Pro-rata
Target	150% of Index	50%	17.5%	50%
Between Threshold and Target	>100% &< 150% of Index	Pro-rata	>10% & <17.5%	Pro-rata
Threshold	=100% of Index	25%	10%	25%
Below Threshold	<100% of Index	0%	<10%	0%

The 2024 GDG Performance Rights granted on 21 August 2024 pertained to the period ended 30 June 2024. The Rights would ordinarily have been granted in the financial year ended 30 June 2024, but was postponed to 21 August 2024 as the share placement capacity for Generation Development Group had been exhausted for the period ended 30 June 2024 following the issuance of shares in June 2024 to fund the acquisition of shares in Lonsec Holdings Pty Ltd it did not already own. Shareholder approval was received on 23 July 2024 to refresh the share placement capacity. Accordingly, the 2024 GDG Performance Rights were issued post 30 June 2024, on 21 August 2024.

LTI Grant

2023 GDG Performance Rights

Senior Executive	Number of Rights Granted in year to 30 June 2023	Performance Measure	Grant Date	Expiry Date	Grant Date Fair Value
Grant Hackett	253,165	TSR	29 June 2023	30 June 2026	$0.688
	253,165	EPS	29 June 2023	30 June 2026	$0.325
Terence Wong	189,874	TSR	29 June 2023	30 June 2026	$0.688
	189,873	EPS	29 June 2023	30 June 2026	$0.325
Felipe Araujo	123,207	TSR	29 June 2023	30 June 2026	$0.688
	123,207	EPS	29 June 2023	30 June 2026	$0.325

The performance measurement period for these rights is 1 July 2023 to 30 June 2026. The table below shows the performance measures for the two tranches of the LTI.

	TSR		EPS Growth	
	Company's TSR Compared to the Small Industrials Total Return Index	Vesting % of Tranche	EPS During the Measurement Period	Vesting % of Tranche
Stretch	≥200% of Index	100%	≥30%	100%
Between Target and Stretch	>150% & < 200% of Index	Pro-rata	>20% & <30%	Pro-rata
Target	150% of Index	50%	20%	50%
Between Threshold and Target	>100% &< 150% of Index	Pro-rata	>10% & <20%	Pro-rata
Threshold	=100% of Index	25%	10%	25%
Below Threshold	<100% of Index	0%	<10%	0%

LTI Grant

2022 GDG Performance Rights

Senior Executive	Number of Rights Granted in year to 30 June 2022	Performance Measure	Grant Date	Expiry Date	Grant Date Fair Value
Grant Hackett	150,000	TSR	30 June 2022	30 June 2025	$0.711
	150,000	EPS	30 June 2022	30 June 2025	$0.418
Terence Wong	183,016	TSR	30 June 2022	30 June 2025	$0.711
	183,016	EPS	30 June 2022	30 June 2025	$0.418
Felipe Araujo	109,810	TSR	30 June 2022	30 June 2025	$0.711
	109,810	EPS	30 June 2022	30 June 2025	$0.418

The performance measurement period for these rights is 1 July 2022 to 30 June 2025. The table below shows the performance measures for the two tranches of the LTI.

	TSR		EPS Growth	
	Company's TSR Compared to the Small Industrials Total Return Index	Vesting % of Tranche	EPS During the Measurement Period	Vesting % of Tranche
Stretch	≥200% of Index	100%	≥30%	100%
Between Target and Stretch	>150% & < 200% of Index	Pro-rata	>20% & <30%	Pro-rata
Target	150% of Index	50%	20%	50%
Between Threshold and Target	>100% &< 150% of Index	Pro-rata	>10% & <20%	Pro-rata
Threshold	=100% of Index	25%	10%	25%
Below Threshold	<100% of Index	0%	<10%	0%

LTI Grant

2021 GDG Performance Rights

Senior Executive	Number of Rights Granted in year to 30 June 2022	Performance Measure	Grant Date	Expiry Date*	Grant Date Fair Value
Grant Hackett	246,914	TSR	30 June 2021	30 June 2024	$0.475
	246,914	EPS	30 June 2021	30 June 2024	$0.269
Terence Wong	246,914	TSR	30 June 2021	30 June 2024	$0.475
	246,914	EPS	30 June 2021	30 June 2024	$0.269
Felipe Araujo	123,457	TSR	30 June 2021	30 June 2024	$0.475
	123,457	EPS	30 June 2021	30 June 2024	$0.269

The performance measurement period for these rights is 1 July 2021 to 30 June 2024. The table below shows the performance measures for the two tranches of the LTI.

	TSR		EPS Growth	
	Company's TSR Compared to the Small Industrials Total Return Index	Vesting % of Tranche	EPS During the Measurement Period	Vesting % of Tranche
Stretch	≥200% of Index	100%	≥30%	100%
Between Target and Stretch	>150% & < 200% of Index	Pro-rata	>20% & <30%	Pro-rata
Target	150% of Index	50%	20%	50%
Between Threshold and Target	>100% &< 150% of Index	Pro-rata	>10% & <20%	Pro-rata
Threshold	=100% of Index	25%	10%	25%
Below Threshold	<100% of Index	0%	<10%	0%

*Fully vested.

LTI Grant

2020 GDG Performance Rights

Senior Executive	Number of Rights Granted in year to 30 June 2020	Performance Measure	Grant Date	Expiry Date*	Grant Date Fair Value
Grant Hackett	361,664	TSR	30 June 2020	30 June 2023	$0.365
	361,664	EPS	30 June 2020	30 June 2023	$0.123
Terence Wong	180,832	TSR	30 June 2020	30 June 2023	$0.365
	180,832	EPS	30 June 2020	30 June 2023	$0.123
Felipe Araujo	271,248	TSR	30 June 2020	30 June 2023	$0.365
	271,248	EPS	30 June 2020	30 June 2023	$0.123

The performance measurement period for these rights is 1 July 2020 to 30 June 2023. The table below shows the performance measures for the two tranches of the LTI.

	TSR		EPS Growth	
	Company's TSR Compared to the Small Industrials Total Return Index	Vesting % of Tranche	EPS During the Measurement Period	Vesting % of Tranche
Stretch	≥200% of Index	100%	≥30%	100%
Between Target and Stretch	>150% & < 200% of Index	Pro-rata	>20% & <30%	Pro-rata
Target	150% of Index	50%	20%	50%
Between Threshold and Target	>100% &< 150% of Index	Pro-rata	>10% & <20%	Pro-rata
Threshold	=100% of Index	25%	10%	25%
Below Threshold	<100% of Index	0%	<10%	0%

*Fully vested.

Generation Life Investment-linked lifetime annuity (GLI) LTI Grant

Senior Executive	Number of Rights Granted in year to 30 June 2021	Performance Measure	Grant Date	Expiry Date	Grant Date Fair Value
Grant Hackett	555,556	FUM	30 June 2021	31 Dec 2024	$0.166
Felipe Araujo	432,099	FUM	30 June 2021	31 Dec 2024	$0.166
Terence Wong	246,914	FUM	30 June 2021	31 Dec 2024	$0.166

The Board had initiated a second LTI in financial year 2021 for the new GLI product. The performance measurement period for these rights is 3.5 years from the date of the sale of the first Generation Life investment-linked lifetime annuity policy. The vesting of these performance rights will be determined by the Generation Life investment-linked lifetime annuity product achieving a target FUM of $700m (Target FUM) within the first 3 years of the measurement period. Continued service during the measurement period is not a requirement in order for these rights to vest. These rights were awarded and accepted on 30 June 2021. Accordingly, the Group has recognised the expense for these rights in full for the year ended 30 June 2021. The proportion of long-term incentives to fixed remuneration is provided at the Board's discretion unless specified.

Should the Target FUM not be achieved within the first 3 years of the Measurement Period, the Performance Rights will reduce as follows:

- 25% reduction if Target FUM is achieved within 3 months of the end of the first 3 years of the Measurement Period,
- 50% reduction if Target FUM is achieved within 6 months of the end of the first 3 years of the Measurement Period,
- 100% reduction if Target FUM is not achieved prior to the end of the Measurement Period unless the Board exercises its discretion to determine otherwise.

The Board retains discretion to modify vesting in the case that the circumstances that prevailed over the Measurement Period materially differed from those expected at the time the vesting scale was determined, which is intended to be used when the application of the vesting scale would lead to an outcome that may be viewed as inappropriate.

Consequences of performance on shareholder wealth

In considering Generation Development Group's performance and benefits for shareholders' wealth, the Board has regard to the following indices in respect of the five financial years.

	FY-20	FY-21	FY-22	FY-23	FY-24
FUM ($m)	1,295	1,792	2,158	2,626	3,299
Share price at start of year ($ per share)	0.53	0.65	0.86	1.25	1.26
Share price at end of year ($ per share)	0.65	0.86	1.25	1.26	2.60
Change in share price ($ per share)	0.12	0.21	0.39	0.01	1.34
Dividends paid ($'000s)	2,508	3,017	3,622	3,774	3,812
Profit attributable to owners of the Company ($'000s)	(1,637)	2,533	1,901	4,497	5,840
Basic EPS (cents per share)	(1.30)	1.55	1.04	2.39	3.01
Diluted EPS (cents per share)	(1.30)	1.55	1.04	2.39	3.01

C. Other Information - Performance Rights Holdings

The table below sets out details of deferred shares and rights that were granted to KMP during the 2024 financial year or in prior years and that then vested, were exercised/sold or which lapsed/were forfeited during this financial year. At 30 June 2024, the rights vested for 2020 grant were 1,627,488 held by Grant Hackett, Felipe Araujo and Terence Wong. There is no service criteria for the rights granted.

Directors/ Executives	Type of instrument	Grant date	Fair value per right at grant date	Performance measure	Number granted	Balance at 1 July 2023	Issued during the year	Vested*	Vested %	Lapsed	Lapsed %	Balance at 30 June 2024	Financial Year of actual performance vesting
Grant Hackett	2020 GDG Performance Rights	30 Jun 2020	$0.365	50% TSR	361,664	361,664	-	361,664	100	-	-	-	2024
	2020 GDG Performance Rights	30 Jun 2020	$0.123	50% EPS	361,664	361,664	-	361,664	100	-	-	-	2024
	2021 GDG Performance Rights	30 Jun 2021	$0.475	50% TSR	246,914	246,914	-	-	-	-	-	246,914	2025^
	2021 GDG Performance Rights	30 Jun 2021	$0.269	50% EPS	246,914	246,914	-	-	-	-	-	246,914	2025^
	2021 GDG Performance Rights (GLI)	30 Jun 2021	$0.166	100% FUM	555,556	555,556	-	-	-	-	-	555,556	2025
	2022 GDG Performance Rights	29 Jun 2022	$0.711	50% TSR	150,000	150,000	-	-	-	-	-	150,000	2026
	2022 GDG Performance Rights	29 Jun 2022	$0.418	50% EPS	150,000	150,000	-	-	-	-	-	150,000	2026
	2023 GDG Performance Rights	29 Jun 2023	$0.688	50% TSR	253,165	253,165	-	-	-	-	-	253,165	2027
	2023 GDG Performance Rights	29 Jun 2023	$0.325	50% EPS	253,165	253,165	-	-	-	-	-	253,165	2027
	2024 GDG Performance Rights	21 Aug 2024	$1.400	50% TSR	167,073	-	167,073	-	-	-	-	167,073	2028
	2024 GDG Performance Rights	21 Aug 2024	$0.725	50% NPAT	167,073	-	167,073	-	-	-	-	167,073	2028
					2,913,188	**2,579,042**	**334,146**	**723,328**	**-**	**-**	**-**	**2,189,860**	

* All rights vested during the year are exercisable.

^Fully vested in August 2024.

Directors/ Executives	Type of instrument	Grant date	Fair value per right at grant date	Performance measure	Number granted	Balance at 1 July 2023	Issued during the year	Vested*	Vested %	Lapsed	Lapsed %	Balance at 30 June 2024	Financial Year of actual performance vesting
Felipe Araujo	2020 GDG Performance Rights	30 Jun 2020	$0.365	50% TSR	271,248	271,248	-	271,248	100	-	-	-	2024
	2020 GDG Performance Rights	30 Jun 2020	$0.123	50% EPS	271,248	271,248	-	271,248	100	-	-	-	2024
	2021 GDG Performance Rights	30 Jun 2021	$0.475	50% TSR	123,457	123,457	-	-	-	-	-	123,457	2025^
	2021 GDG Performance Rights	30 Jun 2021	$0.269	50% EPS	123,457	123,457	-	-	-	-	-	123,457	2025^
	2021 GDG Performance Rights (GLI)	30 Jun 2021	$0.166	100% FUM	432,099	432,099	-	-	-	-	-	432,099	2025
	2022 GDG Performance Rights	29 Jun 2022	$0.711	50% TSR	109,810	109,810	-	-	-	-	-	109,810	2026
	2022 GDG Performance Rights	29 Jun 2022	$0.418	50% EPS	109,810	109,810	-	-	-	-	-	109,810	2026
	2023 GDG Performance Rights	29 Jun 2023	$0.688	50% TSR	123,207	123,207	-	-	-	-	-	123,207	2027
	2023 GDG Performance Rights	29 Jun 2023	$0.325	50% EPS	123,207	123,207	-	-	-	-	-	123,207	2027
	2024 GDG Performance Rights	21 Aug 2024	$1.400	50% TSR	77,968	-	77,968	-	-	-	-	77,968	2028
	2024 GDG Performance Rights	21 Aug 2024	$0.725	50% NPAT	77,968	-	77,968	-	-	-	-	77,968	2028
					1,843,479	**1,687,543**	**155,936**	**542,496**	**-**	**-**	**-**	**1,300,983**	
Terence Wong	2020 GDG Performance Rights	30 Jun 2020	$0.365	50% TSR	180,832	180,832	-	180,832	100	-	-	-	2024
	2020 GDG Performance Rights	30 Jun 2020	$0.123	50% EPS	180,832	180,832	-	180,832	100	-	-	-	2024
	2021 GDG Performance Rights	30 Jun 2021	$0.475	50% TSR	246,914	246,914	-	-	-	-	-	246,914	2025^
	2021 GDG Performance Rights	30 Jun 2021	$0.269	50% EPS	246,914	246,914	-	-	-	-	-	246,914	2025^
	2021 GDG Performance Rights (GLI)	30 Jun 2021	$0.166	100% FUM	246,914	246,914	-	-	-	-	-	246,914	2025
	2022 GDG Performance Rights	29 Jun 2022	$0.711	50% TSR	183,016	183,016	-	-	-	-	-	183,016	2026
	2022 GDG Performance Rights	29 Jun 2022	$0.418	50% EPS	183,016	183,016	-	-	-	-	-	183,016	2026
	2023 GDG Performance Rights	29 Jun 2023	$0.688	50% TSR	189,874	189,874	-	-	-	-	-	189,874	2027
	2023 GDG Performance Rights	29 Jun 2023	$0.325	50% EPS	189,873	189,873	-	-	-	-	-	189,873	2027
	2024 GDG Performance Rights	21 Aug 2024	$1.400	50% TSR	66,830	-	66,830	-	-	-	-	66,830	2028
	2024 GDG Performance Rights	21 Aug 2024	$0.725	50% NPAT	66,830	-	66,830	-	-	-	-	66,830	2028
					1,981,845	**1,848,185**	**133,660**	**361,664**	**-**	**-**	**-**	**1,620,181**	

* All rights vested during the year are exercisable.

^Fully vested in August 2024.

D. Equity Holdings of Key Management Personnel

Details of shareholdings of Directors and other Key Management Personnel (or close family members or entities controlled, jointly controlled, or significantly influenced by them, or any entity over which any of the aforementioned hold significant voting power) are set out below.

2024

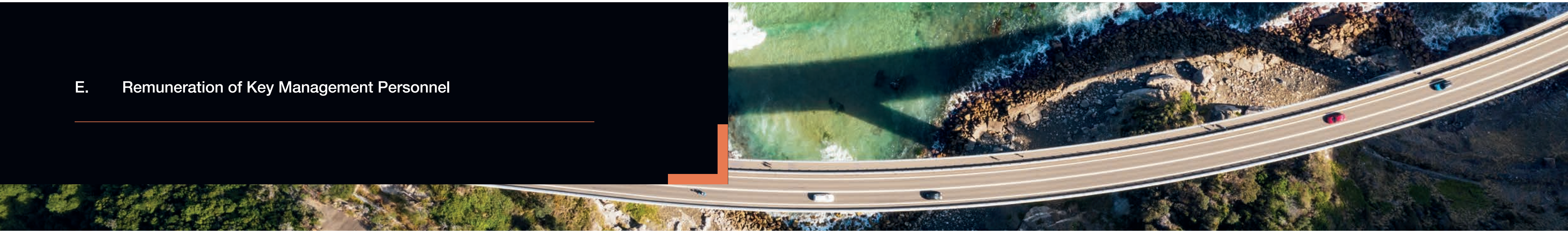
Directors/ Executives	Class	Balance 1 July 2023	Received on vesting of performance rights	Shares Acquired	Shares Disposed	Others	Balance 30 June 2024
R N Coombe	Ordinary	8,912,792	-	100,000	-	-	9,012,792
W E Bessemer	Ordinary	13,169,699	-	-	-	-	13,169,699
G M Collins	Ordinary	60,000	-	15,075	-	-	75,075
G Hackett	Ordinary	549,755	723,328	-	620,000	-	653,083
F Araujo	Ordinary	101,099	542,496	-	178,389	-	465,206
T Wong	Ordinary	451,168	361,664	-	-	-	812,832

2023

Directors/ Executives	Class	Balance 1 July 2022	Received on vesting of performance rights	Shares Acquired	Shares Disposed	Others	Balance 30 June 2023
R N Coombe	Ordinary	8,912,792	-	-	-	-	8,912,792
W E Bessemer	Ordinary	13,161,899	-	7,800	-	-	13,169,699
G M Collins	Ordinary	60,000	-	-	-	-	60,000
G Hackett	Ordinary	221,086	1,128,669	-	800,000	-	549,755
F Araujo	Ordinary	59,631	451,468	-	410,000	-	101,099
T Wong	Ordinary	-	451,168	-	-	-	451,168

As of 30 June 2024, the following Group Executives of GDG held shares in the acquired entity - Lonsec Holdings Pty Ltd that was subsequently coverted to cash/ rolled over to GDG ordinary shares on 1 August 2024:

1. R N Coombe 180,000 ordinary shares of which 135,000 converted to cash and the balance 45,000 rolled over to 243,053 GDG shares.
2. G Hackett 226,000 ordinary shares rolled over to 1,215,647 GDG shares.
3. T Wong 77,000 ordinary shares rolled over to 414,180 GDG shares.



E. Remuneration of Key Management Personnel

Remuneration shown below relates to the period in which the director or executive was a member of key management personnel.

2024

	Salary and fees	Cash bonus	Annual leave entitlement	Long service leave entitlement	Superannuation	Long-term incentives	Other share issue	Termination benefits	Total	Performance-based proportion
Directors										
R N Coombe	93,750	-	-	-	5,156	-	-	-	98,906	0%
W E Bessemer	30,000	-	-	-	3,300	-	-	-	33,300	0%
G M Collins	67,500	-	-	-	7,425	-	-	-	74,925	0%
Sub total	**191,250**	**-**	**-**	**-**	**15,881**	**-**	**-**	**-**	**207,131**	**0%**
Other Senior Executives										
G Hackett	597,602	597,000	111,060	77,950	27,399	355,064	-	-	1,766,075	53.9%
T Wong	319,602	275,000	36,039	34,386	27,399	142,026	-	-	834,452	50.0%
F Araujo	346,602	162,000	56,354	44,446	27,399	165,697	-	-	802,498	40.8%
Sub total	**1,263,806**	**1,034,000**	**203,453**	**156,782**	**82,197**	**662,787**	**-**	**-**	**3,403,025**	**49.9%**
Total	**1,455,056**	**1,034,000**	**203,453**	**156,782**	**98,078**	**662,787**	**-**	**-**	**3,610,156**	**47.0%**

2023

	Salary and fees	Cash bonus	Annual leave entitlement	Long service leave entitlement	Superannuation	Long-term incentives	Other share issue	Termination benefits	Total	Performance-based proportion
Directors										
R N Coombe[1]	-	-	-	-	-	-	-	-	-	-
W E Bessemer[1]	-	-	-	-	-	-	-	-	-	-
G M Collins	50,000	-	-	-	5,250	-	-	-	55,250	0%
Sub total	**50,000**	**-**	**-**	**-**	**5,250**	**-**	**-**	**-**	**55,250**	**0%**
Other Senior Executives										
G Hackett	480,000	220,000	54,034	47,566	25,292	256,467	-	-	1,083,359	44.0%
T Wong	275,600	14,295	43,267	20,545	25,292	192,350	-	-	571,349	36.2%
F Araujo	286,000	100,550	38,911	27,779	25,292	124,814	-	-	603,346	37.4%
Sub total	**1,041,600**	**334,845**	**136,212**	**95,890**	**75,876**	**573,631**	**-**	**-**	**2,258,054**	**40.2%**
Total	**1,091,600**	**334,845**	**136,212**	**95,890**	**81,126**	**573,631**	**-**	**-**	**2,313,304**	**39.3%**

1. Elected to forfeit director fees.

F. Key Terms of Employment Contracts

The Group has entered into service contracts with each senior executive, excluding the non-executive directors, that are capable of termination with a notice period of between 1 to 3 months. The Group retains the right to terminate a contract immediately by making payment equal to the relevant 1 to 3 month period pay in lieu of notice. The key management personnel are entitled to receive on termination of employment their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits.

The service contract outlines the components of compensation paid to the key management personnel but does not prescribe how compensation levels are modified from year to year. Compensation levels are reviewed each year to take into account cost of living changes, any change in the scope of the role performed by the senior executive and any changes required to meet the principles of the compensation policy.

Loans and other transactions with key management personnel

There were no loans made to Directors or key executives as at 30 June 2024 (2023: nil).

Directors and their family members have invested in the Benefit Funds managed by Generation Life Limited. These investments were undertaken on commercial terms. The value of these investments as at 30 June 2024 is $2,049,926 (2023: $1,864,726).

The directors' report is signed in accordance with a resolution of the directors made pursuant to s.298 (2) of the Corporations Act 2001.

On behalf of the directors

Robert Neil Coombe
Non-Executive Chairman

28 August 2024

KPMG

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

To the Directors of Generation Development Group Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Generation Development Group Limited for the financial year ended 30 June 2024 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

Dean Waters

Partner

Melbourne

28 August 2024

KPMG

Independent Auditor's Report

To the shareholders of Generation Development Group Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Generation Development Group Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the Group's financial position as at 30 June 2024 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:

- Consolidated statement of financial position as at 30 June 2024
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2024
- Notes, including material accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

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 Group 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.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

The initial adoption of AASB 17 Insurance Contracts ("AASB 17") - $650k (30 June 2022), $665k (30 June 2023)

Refer to Note 2 to the Financial Report

The key audit matter	How the matter was addressed in our audit
The initial adoption of AASB 17 Insurance Contracts ("AASB 17") is a key audit matter due to the inherent complexity of adopting this standard for the first time. We focused on: • the Group's new accounting processes in response to the AASB 17 requirements; • the Group's transition approach applied retrospectively to its insurance and reinsurance contracts as at 1 July 2022; • the determination of the measurement models (general model or variable fee approach) applied under the standard; • the determination of risk adjustment and onerous contract methodologies; • the determination of the discount rate (adjusted for an illiquidity premium to reflect the liquidity characteristics of insurance contracts); • the judgement used for relevant assumptions used in the measurement of the Group's insurance and reinsurance contracts; • changes made to the overall financial statement presentation related to the adoption of AASB 17. We involved our senior audit team members in assessing this key audit matter, along with actuarial specialists.	Working together with our actuarial specialists, our procedures included: • obtaining an understanding of the Group's new processes used to measure the insurance contract liabilities and retained earnings adjustment; • assessing the transition approach and checking the transition adjustments and restatements are accurately reflected in the financial statements; • evaluating the accounting policies, judgements and assumptions made in determining the impacts to assess compliance with the requirements of the standard. This included judgements used to determine the measurement models adopted, risk adjustment, onerous contracts and discount rates used; • testing the completeness and accuracy of the data and other information required by AASB 17; and • evaluating the disclosures, including the disclosures related to the transition impact for consistency with the understanding from our testing and compliance with the requirements of Australian Accounting Standards.

Other Information

Other Information is financial and non-financial information in Generation Development Group 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, with the exception of the Remuneration Report and our related assurance opinion.

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 Group, 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 Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and 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 Group and 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/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Generation Development Group Limited for the year ended 30 June 2024, complies with *Section 300A* of the *Corporations Act 2001*.

Directors’ responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 18 to 38 of the Directors’ report for the year ended 30 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

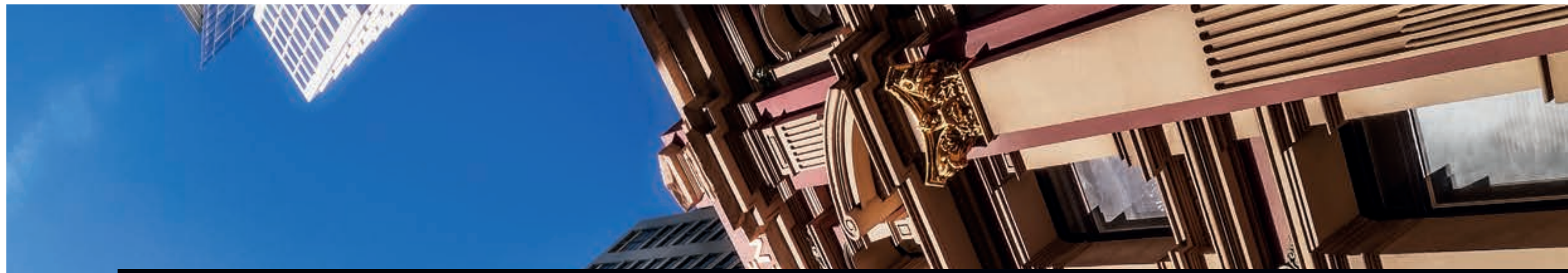
KPMG

Dean Waters

Partner

Melbourne

28 August 2024



Directors’ Declaration

In the opinion of the directors of Generation Development Group Limited (the “Company”):

The consolidated financial statements and notes that are set out on pages 46 to 160 and the Remuneration report on pages 18 to 38 in the Directors’ report, are in accordance with the Corporations Act 2001, including:

- giving a true and fair view of the Group’s financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- complying with Australian Accounting Standards and the Corporations Regulations 2001;
- the Consolidated Entity Disclosure Statement as at 30 June 2024 set out page 161 is true and correct; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2024.

The directors draw attention to note 1 on the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors.

On behalf of the directors

Robert Neil Coombe
Non-Executive Chairman

28 August 2024

Consolidated statement of profit or loss and other comprehensive income
For the financial year ended 30 June 2024

	Notes	2024 $'000	Restated* 2023 $'000
Revenue, other income and investment revaluations			
Revenue from contracts with customers	7 (a)	7,090	5,730
Interest income	7 (b)	7,189	4,521
Revaluation of investments	7 (c)	210,120	163,585
Other income	7 (d)	1,169	1,142
Distribution and dividend income		100,788	61,196
Total Revenue, other income and investment revaluations		**326,356**	**236,174**
Insurance revenue	8	3,278	1,494
Insurance service expenses	8	(6,439)	(5,913)
Insurance service result from insurance contracts issued		**(3,161)**	**(4,419)**
Income from reinsurance contracts held	8	734	1,106
Insurance service result		**(2,427)**	**(3,313)**
Net investment income/(expenses)	**8**	**2,437**	**792**
Insurance finance income/(expenses) from insurance contracts issued	8	(2,780)	64
Finance income/(expenses) from reinsurance contracts held	8	30	(254)
Net insurance finance income/(expenses)	**8**	**(2,750)**	**(190)**
Net insurance result	**8**	**(2,740)**	**(2,711)**
Expenses			
Personnel expenses	10 (a)	(15,596)	(11,732)
Occupancy expenses		(408)	(367)

* The Group adopted AASB 17 Insurance Contracts from 1 July 2023 and has restated the prior comparative period. The impacts of adoption are detailed in Note 2.

A subsidiary of the Company, Generation Life Limited, is a Friendly Society in accordance with the Life Insurance Act 1995. The funds operated by Generation Life Limited and any trusts controlled by those funds, are treated as statutory funds in accordance to the Life Insurance Act 1995. These statutory funds are required to be consolidated in accordance to Accounting Standards.

The accompanying notes 1 to 35 form part of these consolidated financial statements.

Consolidated statement of profit or loss and other comprehensive income (continued)
For the financial year ended 30 June 2024

	Notes	2024 $'000	Restated* 2023 $'000
Communication expenses		(63)	(55)
Finance expenses		(136)	(131)
Dealing and settlement expenses		(9,332)	(7,542)
Marketing and promotional expenses		(1,752)	(1,079)
Depreciation and amortisation expenses	10 (b)	(1,750)	(1,773)
Impairment expenses	10 (c)	(6)	(8)
Other expenses	10 (d)	(14,198)	(12,593)
Policyholder withdrawals		(95)	(117)
Total Expenses		**(43,336)**	**(35,397)**
Investment in associates - share of profit / (loss)	9	3,542	1,395
Profit / (loss) before income tax expense		**283,822**	**199,461**
Income tax (expense) / benefit	12 (a)	(78,453)	(47,602)
(Profit) / loss attributable to policyholders		(199,529)	(147,377)
Net Profit / (loss) attributable to shareholders of the Company		**5,840**	**4,482**
Total comprehensive income attributable to shareholders of the Company		**5,840**	**4,482**
Earnings Per Share			
Basic (cents per share)	19	3.01	2.38
Diluted (cents per share)	19	3.01	2.38

* The Group adopted AASB 17 Insurance Contracts from 1 July 2023 and has restated the prior comparative period. The impacts of adoption are detailed in Note 2.

A subsidiary of the Company, Generation Life Limited, is a Friendly Society in accordance with the Life Insurance Act 1995. The funds operated by Generation Life Limited and any trusts controlled by those funds, are treated as statutory funds in accordance to the Life Insurance Act 1995. These statutory funds are required to be consolidated in accordance to Accounting Standards.

The accompanying notes 1 to 35 form part of these consolidated financial statements.

Consolidated statement of financial position
As at 30 June 2024

	Notes	2024 $'000	Restated* 2023 $'000	Restated* 2022 $'000
Assets:				
Cash and cash equivalents		259,832	93,660	89,443
Income tax receivable		12,397	14,644	6,229
Trade receivables		952	1,245	6,862
Other assets	14	59,120	30,028	61,604
Financial assets	13	3,278,808	2,551,673	2,003,840
Investment in associates	9	31,419	30,336	28,942
Right-of-use assets	21 (a)	3,256	3,629	4,185
Plant and equipment		344	414	499
Deferred tax assets	12 (c)	4,973	15,945	45,314
Intangible assets	15	2,083	2,780	3,217
Reinsurance contract assets	29	1,405	623	-
Total assets		**3,654,589**	**2,744,977**	**2,250,135**
Liabilities:				
Trade and other payables		16,897	10,497	6,809
Current tax liabilities		22,317	14	9,208
Lease liabilities	21 (b)	3,465	3,807	4,238
Other liabilities		5,482	3,533	4,044
Financial liabilities		-	1,105	-
Provisions	16	1,903	1,558	1,436

* The Group adopted AASB 17 Insurance Contracts from 1 July 2023 and has restated the prior comparative period. The impacts of adoption are detailed in Note 2.

A subsidiary of the Company, Generation Life Limited, is a Friendly Society in accordance with the Life Insurance Act 1995. The funds operated by Generation Life Limited and any trusts controlled by those funds, are treated as statutory funds in accordance to the Life Insurance Act 1995. These statutory funds are required to be consolidated in accordance to Accounting Standards.

The accompanying notes 1 to 35 form part of these consolidated financial statements.

Consolidated statement of financial position (continued)
As at 30 June 2024

	Notes	2024 $'000	Restated* 2023 $'000	Restated* 2022 $'000
Deferred tax liabilities	12 (d)	88,677	33,615	4,877
Insurance contract liabilities	28 (c)	44,123	24,200	8,889
Reinsurance contract liabilities	29	-	-	229
Investment contract liabilities	35	3,260,342	2,608,262	2,153,704
Total liabilities		**3,443,206**	**2,686,591**	**2,193,434**
Net assets		**211,383**	**58,386**	**56,701**
Equity:				
Issued capital	17	239,557	89,045	88,517
Share-based payment reserve		3,205	2,748	2,337
Other reserve		-	-	-
Profits reserve	18	48,920	28,648	16,432
Accumulated losses	18	(80,299)	(62,055)	(50,585)
Total equity		**211,383**	**58,386**	**56,701**

* The Group adopted AASB 17 Insurance Contracts from 1 July 2023 and has restated the prior comparative period. The impacts of adoption are detailed in Note 2.

A subsidiary of the Company, Generation Life Limited, is a Friendly Society in accordance with the Life Insurance Act 1995. The funds operated by Generation Life Limited and any trusts controlled by those funds, are treated as statutory funds in accordance to the Life Insurance Act 1995. These statutory funds are required to be consolidated in accordance to Accounting Standards.

The accompanying notes 1 to 35 form part of these consolidated financial statements.

Consolidated statement of changes in equity
For the financial year ended 30 June 2024

	Issued Capital $'000	Share-based payment reserve $'000	Other reserve $'000	Profits reserve^ $'000	Accumulated Losses $'000	Total $'000
Year End 30 June 2024						
Restated Balance at 1 July 2023*	89,045	2,748	-	28,648	(62,055)	58,386
Net profit for the year	-	-	-	24,084	(18,244)	5,840
Total comprehensive income for the year	**-**	**-**	**-**	**24,084**	**(18,244)**	**5,840**
Transactions with owners						
Issue of ordinary shares	150,088	-	-	-	-	150,088
Share-based payments	424	457	-	-	-	881
Dividend paid	-	-	-	(3,812)	-	(3,812)
Other items	-	-	-	-	-	-
Balance at 30 June 2024	**239,557**	**3,205**	**-**	**48,920**	**(80,299)**	**211,383**
Year End 30 June 2023						
Balance at 1 July 2022	88,517	2,337	-	16,432	(49,935)	57,351
Adjustment on initial application of AASB 17, net of tax	-	-	-	-	(650)	(650)
Restated Balance at 1 July 2022*	**88,517**	**2,337**		**16,432**	**(50,585)**	**56,701**
Net profit for the year	-	-	-	15,990	(11,508)	4,482
Total comprehensive income for the year	**-**	**-**	**-**	**15,990**	**(11,508)**	**4,482**
Transactions with owners						
Issue of ordinary shares	212	-	-	-	-	212
Share-based payments	316	411	-	-	38	765
Dividend paid	-	-	-	(3,774)	-	(3,774)
Other items	-	-	-	-	-	-
Restated Balance at 30 June 2023	**89,045**	**2,748**	**-**	**28,648**	**(62,055)**	**58,386**

* The Group adopted AASB 17 Insurance Contracts from 1 July 2023 and has restated the prior comparative period. The impacts of adoption are detailed in Note 2.

^ The profits reserve represents accumulated profit of the parent entity to preserve their profit character. Such profits are available to enable payment of franked dividends in the future should the Directors declare by resolution.

The accompanying notes 1 to 35 form part of these consolidated financial statements.

Consolidated statement of cash flows
For the financial year ended 30 June 2024

	Notes	2024 $'000	Restated* 2023 $'000
Cash Flows from Operating Activities:			
Receipts from customers		34,632	25,942
Distributions and dividends received		73,490	96,521
Payments to suppliers and employees		(62,672)	(53,769)
Interest received - benefit funds		5,509	3,030
Finance and borrowing costs		(136)	(131)
Income tax received / (paid)		12,129	(7,103)
Net cash outflow from sales and purchases of investments - benefit funds		(516,547)	(374,764)
Policyholder's contributions on insurance contracts - premium received		17,399	14,785
Policyholder's withdrawals on insurance contracts - claims and other insurance service expenses paid		(3,753)	(3,695)
Acquisition cash flows		(1,880)	(2,227)
Net receipts / (payments) from/to reinsurers		17	9
Policyholders contributions received		662,286	519,268
Policyholders withdrawals paid		(204,234)	(207,365)
Net cash flow from / (used in) operating activities	**25**	**16,240**	**10,501**
Cash Flows from Investing Activities:			
Interest received		1,327	714
Dividends received from associates		2,459	-
Term deposit (invested) / matured		744	(2,320)
Purchase of property, plant and equipment		(149)	(155)
Payment of software		-	(275)
Net cash flows from / (used in) investing activities		**4,381**	**(2,036)**

* The Group adopted AASB 17 Insurance Contracts from 1 July 2023 and has restated the prior comparative period. The impacts of adoption are detailed in Note 2.

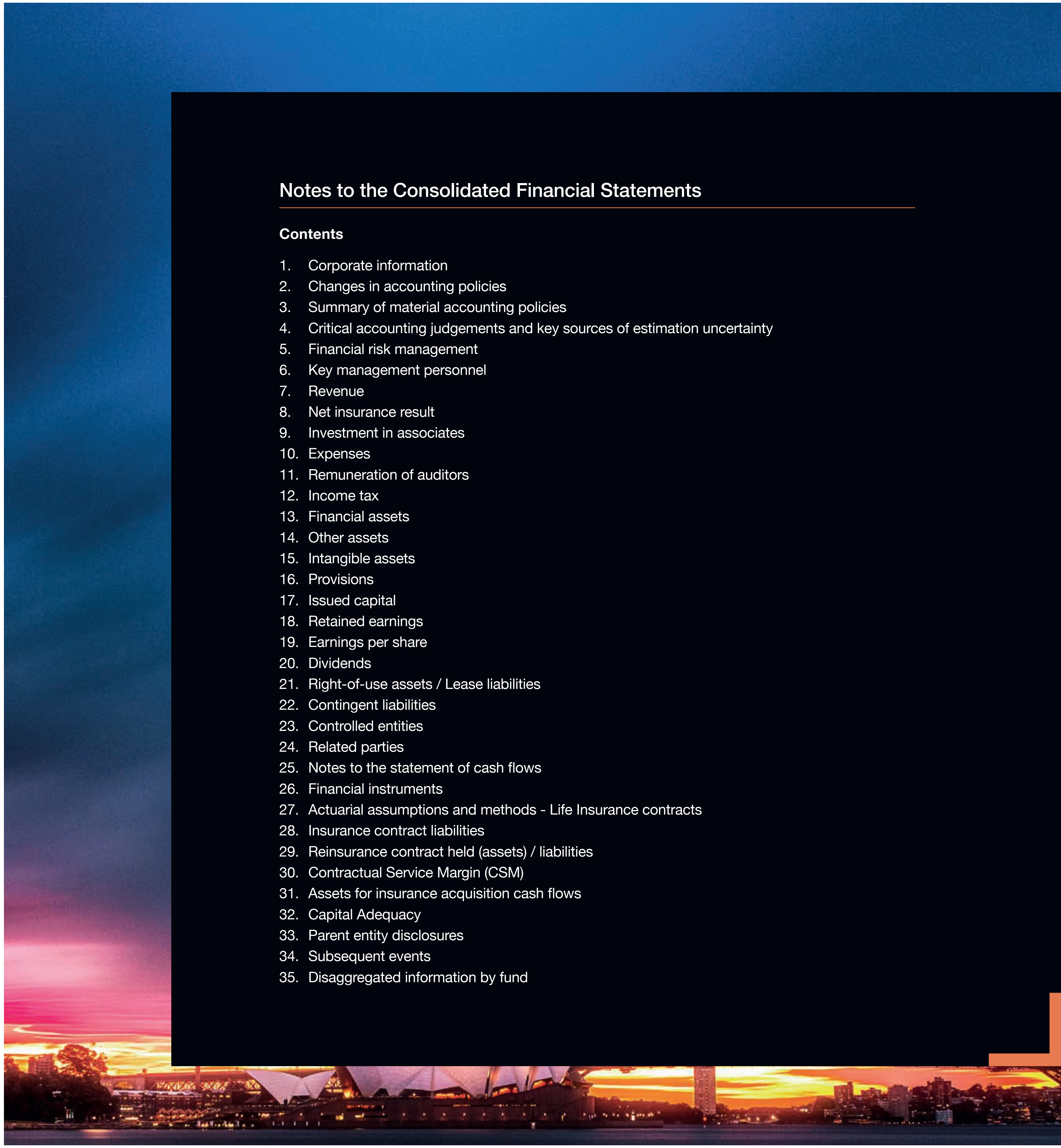
The accompanying notes 1 to 35 form part of these consolidated financial statements.

Consolidated statement of cash flows (continued)
For the financial year ended 30 June 2024

	Notes	2024 $'000	Restated* 2023 $'000
Cash Flows from Financing Activities:			
Dividends paid		(3,527)	(3,563)
Payment of lease liabilities		(888)	(773)
Interest paid on finance lease liabilities		81	88
Issue of additional shares		149,885	-
Net cash flows (used in) / from financing activities		**145,551**	**(4,248)**
Net increase / (decrease) in cash held		166,172	4,217
Cash and cash equivalents at beginning of the year		93,660	89,443
Cash and cash equivalents at end of the year		**259,832**	**93,660**

* The Group adopted AASB 17 Insurance Contracts from 1 July 2023 and has restated the prior comparative period. The impacts of adoption are detailed in Note 2.

The accompanying notes 1 to 35 form part of these consolidated financial statements.



Notes to the Consolidated Financial Statements

Contents

1. Corporate Information

About Generation Development Group

This consolidated financial report for the year ended 30 June 2024 was authorised for issue by the directors on 28 August 2024.

Generation Development Group Limited (the "Company") is a for profit public company listed on the Australian Securities Exchange (ASX: GDG) incorporated in Australia. The Company's registered office and principal place of business is Level 17, 447 Collins Street, Melbourne, Victoria, Australia, 3000.

On 31 May 2024, the Company has announced that it would revoke its Pooled Development Fund (PDF) registration as GDG has outgrown its PDF status and was difficult for GDG to continue to maintain its PDF status having regard to various PDF restrictions.

Effective 3 June 2024, the delegate of Industry Innovation and Science Australia (the Board) agreed to revoke GDG's PDF registration declaration under s46 of the Pooled Development Fund Act 1992.

On ceasing to be a PDF, GDG gave up its tax concessions effective 1 July 2023 and now is taxed as an ordinary company for the whole year.

GDG shareholders were notified on 4 June 2024.

GDG's operational activities and other regulatory licenses are not impacted by the revocation.

The consolidated financial statements of the Company as at and for the year ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Group is involved in the provision of Life investment services within the Australian Life Insurance sector.

Statement of compliance

The consolidated financial report is a general purpose financial report (Tier 1) which has been prepared in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The consolidated financial report of the Group complies with International Financial Reporting Standards (IFRSs) and interpretations issued by the International Accounting Standards Board (IASB).

Basis of preparation

The consolidated financial report has been prepared on the basis of historical basis, and modified by certain exceptions, the most significant is for the revaluation of certain financial instruments which are recognised and measured at fair value, and the policyholder liabilities related to life insurance contracts and life investment contracts with discretionary participating features are measured in line with AASB 17 Insurance Contracts. All amounts have been rounded to the nearest thousand dollars in accordance with ASIC Corporations Instrument 2016/191. Unless otherwise stated, all amounts are presented in Australian dollars, which is the functional currency of the Company and its subsidiaries.

Use of estimates and judgements

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. Refer to note 4 for a discussion of critical estimates and judgements in applying the Group's accounting policies and key sources of estimation uncertainty.

2. Changes in accounting policies

New standards, interpretations and amendments adopted

The Group has adopted all the new or revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations effective for an accounting period that begins on or after 1 July 2023.

Several other amendments and interpretations applied for the first time during the year, but these did not have an impact on the Group's financial statements and hence, have not been disclosed. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. The Group has adopted the following new accounting standards for the reporting period beginning on 1 July 2023:

AASB 17 Insurance Contracts

AASB 17 is a new accounting standard for all types of insurance contracts and replaces AASB 4 Insurance Contracts, AASB 1023 General Insurance Contracts and AASB 1038 Life Insurance Contracts. The Group has applied AASB 17 from 1 July 2023, and the 1 July 2022 and 30 June 2023 comparative figures as presented have been restated.

A further amendment was approved in March 2022 to add a transition option that permits an entity to apply a classification overlay relating to comparative information about the financial assets presented on the initial application of AASB 17 and AASB 9 at the same time.

Under AASB 17, the Group's consolidated financial statements have significantly changed as it recognises insurance contracts issued and reinsurance contracts held for the Investment linked lifetime annuity product ("LifeIncome").

The Group has applied the Full Retrospective Approach (FRA) on transition to AASB 17 for all groups of insurance contracts issued and reinsurance contracts held. At transition, any difference between the existing balances related to insurance contracts and reinsurance contracts held and the measurement of each group of insurance contracts under AASB 17 was recognised directly in equity (by adjusting retained earnings).

The Group assessed historical information available and determined that all reasonable and supportable information that would be necessary for applying the full retrospective approach was available, for groups of insurance contracts issued and reinsurance contracts held prior to the transition date.

A qualitative assessment was performed under AASB 17:B102 at the transition date, and the classification of insurance contracts issued has been determined as directly participating contracts. Under the terms of insurance contracts issued, the Group has an obligation to pay policyholders an amount equal to the value to specified underlying items, minus a variable fee for services. These contracts are measured applying the Variable Fees Approach (VFA).

Reinsurance contracts held are measured applying the General Measurement Model (GMM).

The Group has not any identified distinct and non-distinct investment components, distinct goods, or non-insurance services, in relation to insurance contracts issued and reinsurance contracts held at transition date.

2. Changes in accounting policies (continued)

Impact of adoption of AASB 17

The impacts of adoption of AASB 17 on the Group's consolidated statement of Financial position from 1 July 2022 are as follows:

	30 Jun 2022 (previously reported) $'000	AASB 17 Presentation changes $'000	AASB 17 remeasurement $'000	Restated 1 July 2022 $'000
Assets				
Other assets	61,697	(93)	-	61,604
Liabilities				
Trade and other payables	6,909	(100)	-	6,809
Other liabilities	4,064	(20)	-	4,044
Insurance contract liabilities	-	8,470	419	8,889
Reinsurance contract liabilities	-	1	228	229
Investment contract liabilities	2,162,145	(8,441)	-	2,153,704
Shareholder's equity				
Retained earnings	(49,935)	(3)	(647)	(50,585)

	30 Jun 2023 (previously reported) $'000	AASB 17 Presentation changes $'000	AASB 17 remeasurement $'000	Restated 1 July 2023 $'000
Assets				
Other assets	30,074	(46)	-	30,028
Reinsurance contract assets	-	(248)	871	623
Liabilities				
Other liabilities	3,562	(29)	-	3,533
Insurance contract liabilities	-	24,122	78	24,200
Investment contract liabilities	2,631,191	(22,929)	-	2,608,262
Shareholder's equity				
Retained earnings	(61,390)	(1,458)	793	(62,055)

3. Summary of material accounting policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. The consolidated financial report has been prepared on a going concern basis which assumes the realisation of assets and the extinguishment of liabilities in the normal course of business and at the amounts stated in the financial report.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report and have been applied consistently to all periods presented.

3.1. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries as at 30 June 2024 and the results of all controlled subsidiaries for the year then ended. This includes the benefit funds of its subsidiary, Generation Life Limited and any controlled entities.

The benefit funds are treated as statutory funds in accordance with Life Insurance Act 1995. These statutory funds, in addition to the statutory funds of the life insurance business conducted by the Group, are shown separately from shareholder funds in the notes to the financial statements.

Control is achieved where the parent entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. A list of controlled entities appears in note 23 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

i. ***Business combinations***

The Group accounts for business combinations using the acquisition method when control is transferred. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately.

The transaction costs incurred by the Group in connection with the business combination, such as finders' fees, legal fees, due diligence fees and other professional and consulting fees are expensed as incurred, except if related to the issue of debt or equity securities. Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

ii. ***Subsidiaries***

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

3. Summary of material accounting policies (continued)

3.2. Revenue recognition

The Group's accounting policy for revenue within the scope of AASB 15 is to recognise revenue as performance obligations are satisfied.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The Group's revenue consists of management fees for rendering of services, and distribution and dividend income from investments. Other sources of revenue include interest income from term deposit investments. The following specific recognition criteria must also be met before revenue is recognised:

i. Rendering of services

Revenue from the rendering of services is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income when the service is performed and there are no unfulfilled service obligations that will restrict the entitlement to receive the sales consideration.

Funds administration fee income

Funds administration fee income is calculated based on daily FUM, paid monthly in arrears. This is recognised over time.

Initial and ongoing adviser fees

Initial and ongoing adviser fees are calculated based on the policyholders' agreements with their advisers, and paid monthly in arrears. Initial fees are recognised at a point in time, and ongoing fees are recognised over time.

ii. Distribution and dividend revenue

Distribution and dividend revenue from investments is recognised when the owners' right to receive payment has been established. Distribution and dividend income receivable is recognised as accrued income.

iii. Interest income

Interest income is recognised on an accruals basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

3.3. Equity accounting in associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investment in associates is accounted for using the equity method of accounting after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost including acquisition related costs. On the date of acquisition of an equity-accounted investee, fair values are attributed to the investee's identifiable assets and liabilities. Any positive difference between the cost of the investment and the investor's share of the fair value of the identifiable net assets acquired is goodwill, which is included in the carrying amount of the investment in the equity-accounted investee and is not shown separately.

After initial recognition, the consolidated financial statements include the Group's share of profit or loss of equity accounted investees. Dividends received or receivable reduce the carrying amount of the equity accounted investment. Details of investment made in associates are listed in note 9.

3.4. Employee benefits

i. Short-term employee benefits

Provisions are made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date, discounted using Milliman Group of 100 Discount Rate attaching to Group of 100.

ii. Share-based payment

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. The equity instruments provided in these arrangements are equity instruments of the ultimate parent entity, Generation Development Group Limited.

The fair value determined at the grant date of the award is recognised over the vesting period, based on the Group's estimate of the value of the award that will eventually vest, with the corresponding increase to share-based payments reserve.

3.5. Foreign currency

The individual financial statements of each group entity are presented in its functional currency being the currency of the primary economic environment in which the entity operates. For the purposes of the consolidated financial statements, the results and financial position of each entity are expressed in Australian dollars, which is the functional currency of Generation Development Group Limited and the presentation currency of the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions.

At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences and borrowing costs are recognised in profit or loss in the period in which they arise.

3.6. Cash and cash equivalents

Cash and cash equivalents includes cash on hand and in banks (net of outstanding bank overdrafts), which meet the offsetting requirements of AASB 132, and other cash equivalents that are short-term, highly liquid investments, readily convertible to known amounts of cash subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of recognition.

3.7. Trade and other receivables

Trade receivables are recognised at amortised cost using the effective interest method, less any allowance for expected credit losses (ECL). The Group has applied a simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance.

3. Summary of material accounting policies (continued)

To measure the expected credit losses, receivables have been grouped based on days overdue. The modelling methodology applied in estimating ECL in these financial statements is consistent with that applied for the year ended 30 June 2023. Trade receivables include unsettled investment transactions in the Benefit Funds.

3.8. Trade and other payables

Trade and other payables are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services, including unsettled investment transactions in the Benefit Funds. The carrying value of payables are assumed to approximate their fair values due to their short-term nature and normally settled within 30 to 45 days.

3.9 Financial assets

i. Recognition of financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value (net of transaction costs) through profit or loss.

ii. Classification & measurement of financial assets

There are three measurement classifications for financial assets under AASB 9: amortised cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI). Financial assets are classified into these measurement classifications based on the business model within which the financial assets are managed and the contracted cash flow characteristics of the financial asset (specifically whether the contractual cash flows represent solely payments of principal and interest).

The resultant financial asset classifications are as follows:

- Amortised cost: Financial assets with contractual cash flows that comprise solely payments of principal and interest only and which are held in a business model whose objective is to collect their cash flows;
- FVOCI: Financial assets with contractual cash flows that comprise solely payments of principal and interest only and which are held in a business model whose objective is to collect their cash flows or to sell; and
- FVTPL: Any other financial assets not falling into the categories above are measured at FVTPL.

All of the Group's financial assets are managed within business models whose objective is solely to collect contractual cash flows and are classified as amortised cost, except for the financial instruments including cash and cash equivalents, and unlisted unit trusts within the Policyholder Benefit Funds, which are not held for trading and continue to be classified as fair value through profit or loss. Term deposits are measured at amortised costs.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial assets. Fair value is determined in the manner described in note 26. All benefit fund assets represent assets backing either life insurance or life investment policyholder liabilities. All financial assets belonging to the life insurance or life investment contracts are classified as financial assets at fair value through profit or loss.

iii. Impairment of financial assets

Under AASB 9, the Group uses the expected credit loss (ECL) model to recognise impairment losses against financial assets not recognised at FVTPL.

Under the ECL model, a dual measurement approach applies whereby a financial asset will attract an ECL allowance equal to either 12 months of expected credit losses (losses resulting from possible defaults within the next 12 months), or lifetime expected credit losses (losses resulting from possible defaults over the remaining life of the financial asset). The latter applies if there has been a significant deterioration in the credit quality of the asset since origination, albeit lifetime ECLs will always be recognised for assets without a significant financing component.

AASB 9 also permits the Group to adopt a set of practical expedients, including that short duration trade receivables which do not contain a significant financing component will have minimal expected credit losses, and that debt instruments that are determined to have a low credit risk at the reporting date and credit risk has not increased significantly since origination have loss allowances measured as equivalent to 12 month ECLs.

ECLs are a probability weighted estimate of credit losses, measured as the present value of all cash shortfalls. This is the difference between the cash flows due to the entity in accordance with the contract, and the cash flows that the Group expects to receive, discounted at the effective interest rate of the financial asset.

The Group's financial assets not recognised at FVTPL are represented by short term trade receivables, plus cash equivalents and investments in term deposits with investment grade domestic bank counterparties. Therefore, credit risk is considered low with minimal ECLs recognised. These financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. Where a trade receivable is uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

iv. De-recognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

3.10. Impairment of non-financial assets (excluding goodwill)

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, Group assets are also allocated to individual cash-generating units. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are 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 for which the estimates of future cash flows have not been adjusted.

3. Summary of material accounting policies (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.11. Plant and equipment

i. Recognition and measurement

Plant and equipment, leasehold improvements and equipment are measured at cost less accumulated depreciation and impairment.

Cost includes expenditure that is directly attributable to the acquisition of the item. If significant parts of an item of plant and equipment have different useful lives, then they are accounted for as separate items (major components) of plant and equipment.

Any gain or loss on disposal of an item of plant and equipment is recognised in profit or loss.

ii. Depreciation

Depreciation is provided on plant and equipment and is calculated on a straight line basis so as to write-off the net cost of each asset over its estimated useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes recognised on a prospective basis.

The rates used in the calculation of depreciation for the current and comparative period are as follows:

Category	Rate
Leasehold improvements	20%
Computer equipment	33%
Computer software	14% - 20%
Furniture and fittings	20%

3.12. Goodwill

The Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Goodwill is not amortised and subsequently measured at its cost less any accumulated impairment losses.

For the purposes of impairment testing, goodwill is allocated to the Group's cash-generating unit (CGU) Generation Life. The CGU to which goodwill has been allocated is tested for impairment annually, or more frequently, if events or changes in circumstances indicate that goodwill might be impaired.

If the recoverable amount of the CGU is less than the carrying amount of the CGU, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss for goodwill is recognised immediately in profit or loss and is not reversed in subsequent periods.

On disposal of an operation within a CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal of the operation.

3.13. Software assets

Costs incurred in acquiring software and licenses that will contribute to future period financial benefit through revenue generation and/or cost reduction are capitalised as computer software. Computer software is initially recognised at cost. Following initial recognition, computer software is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of software, licenses over the estimated useful life, which is 5 years.

3.14. Right-of-Use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability and the provision for the restoration of the site, adjusted for, as applicable, any lease payment made at or before the commencement date net of any lease incentives received, and any initial direct costs incurred.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjustment for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with term of 12 months or less and lease of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

3.15. Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price or a purchase option when exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost, using the effective interest method. The carrying amounts are measured if there is a change in the following: future lease payments arising from a change in an index, or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or profit or loss if the carrying amount of the right-of-use asset is fully written down.

3.16. Issued capital

Ordinary shares are classified as equity. Ordinary issued capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

3.17. Income tax

i. Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the tax base of an asset or liability and its carrying amount in the statement of financial position. The tax base of an asset or liability is the amount attributable to that asset or liability for taxation purposes.

3. Summary of material accounting policies (continued)

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the assets and liabilities giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

iii. Current and deferred tax for the period

Current and deferred tax is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

3.18. Goods and service tax

Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

3.19. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation, its carrying amount and the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be recovered and the amount of the receivable can be measured reliably.

3.20. Policyholder liabilities

i. Life insurance contracts

During the year, there were 31 funds classified as life insurance contracts per AASB 17 Insurance Contracts, being the Oddfellows Fund and 30 LifeIncome Benefit Funds.

Generation Life Limited has appointed an actuary to determine that the value of the policy liabilities and the solvency of the funds have been determined using methods and assumptions consistent with the actuarial standards and in accordance with the Life Insurance Act 1995.

The Oddfellows Fund contains a guaranteed component within the Fund, as follows:

Participating policies - Oddfellows Fund	2024 $'000	2023 $'000
"Guaranteed" component of participating policies	4,885	4,962

The key assumptions for the policy liability calculation have been a discount rate based on the expected future earnings on the assets and future mortality, resignations and retirements, refer to note 27.

Sensitivity Analysis

The Oddfellows Benefit Fund is classified as defined benefit. However, as these contracts are now operating as accumulation accounts, it is valued the same way as the remaining account based Benefit Funds at the fair value of the assets. There is no mortality risk and no projection is being performed for these funds. The Oddfellows Benefit Fund is classified as life insurance contracts under AASB 17, however it continued to be measured under AASB 9 on materality ground.

The LifeIncome contract meets the definition of a life insurance contract under AASB 17 and are valued in accordance with AASB 17 as explained in the accounting policies below.

ii. Life investment contracts

The Group's remaining 76 funds are classified as life investment contracts, do not meet the definition of life insurance contracts under AASB 17 and will continue to be measured under AASB 9. The following 4 benefit funds include a non-guaranteed terminal bonus which may be reduced:

- Heritage Investment Bond Fund
- Deferred Annuity Achiever
- Funeral Plan Fund
- Select Mortgage Annuity

The following 2 funds are capital guaranteed:

- Funeral Benefit Fund
- Flexible Insurance Fund

Capital guaranteed component	2024 $'000	2023 $'000
Funeral Bond Fund (Druids)	3,819	3,863
Flexible Insurance Fund No. 1	3,438	3,513

For these investment account products, the policy liability is the accumulation of amounts invested by policyholders less fees specified in the policy, plus investment earnings allocated as a bonus plus unallocated surplus. Where exit fees are payable, no reduction in the accumulation is made because exit fees are a liability to the management fund.

3. Summary of material accounting policies (continued)

For the remaining 70 investment linked benefit funds, the policy liability is the accumulation of amounts invested by policyholders less fees specified in the policy plus investment earnings allocated. Where exit fees are payable, no reduction in the accumulation is made because exit fees are a liability to the management fund.

No investment linked policy is subject to any investment guarantee. The surrender value of investment account policies is $9,121,733 (2023: $9,967,623).

3.21. Benefit Funds

Under the Life Insurance Act 1995 (Life Act), the Group's Life Insurance and Life Investment business is conducted with external policyholders within separate statutory funds ('Benefit Funds'), which are distinguished from each other and from Shareholders' Funds ('the Management Fund'). Policyholder assets and liabilities are not attributable to shareholders. The profit or loss each year is 100% fully attributable to policyholders (note 35).

The Benefit Funds and the Management Fund are presented as a single set of financial statements, with additional disclosures being presented in note 35 showing all major components of the financial statements disaggregated between the Benefit Funds and the Management Fund.

This financial report therefore comprises the Generation Life Limited Management Fund and 107 Benefit Funds. The Benefit Funds have been classified as either life investment or life insurance contracts according to the rules of the benefit funds (refer note 28), as required under AASB 17, AASB 9 and other requirements of the Life Act. There are 76 life investment contract benefit funds and 31 life insurance contract benefit funds. The assets of each benefit fund are regarded as assets backing either life investment or life insurance contract liabilities according to the classification of the fund to which they belong.

The operating expenses of the benefit funds have been apportioned between contract acquisition, contract maintenance, investment management and other expenses according to the descriptions given in the Product Disclosure Statement (PDS) and the fund rules.

i. Assets backing Policyholder Liabilities

The assets of the Group are assessed under AASB 17 Insurance Contracts to be assets that are held to back life insurance policy liabilities and assets that represent owners' funds.

The Group has determined that all financial assets held within its statutory funds are assets backing policy liabilities. The assets of one benefit fund cannot be used to support the liabilities of another. These financial assets include investment securities that are designated as fair value through profit or loss as they are managed and their performance evaluated on a fair value basis for internal and external reporting in accordance with the investment strategy.

ii. Restriction on use

Assets held in the Benefit Funds are subject to the distribution and transfer restrictions and other requirements of the Life Insurance Act 1995. Monies held in the Benefit Funds and controlled trusts are held for the benefit of the Policyholders of those funds, and are subject to the constitution and rules of those funds.

Restrictions on the use of assets invested for policyholders in statutory funds include:

- Benefit fund rules;
- Life Insurance Act 1995 requirements;
- Prudential Standards;
- Actuarial Standards; and
- Company policies and procedures.

iii. Classification of Benefit Funds

The 107 Benefit funds are classified as either Life Insurance or Life Investment contracts according to the Benefit Fund rules. Criteria considered in the classification process include the level of insurance risk accepted under the contract and the existence of discretionary participation features (such as discretion by the Board over the level of bonus).

3.22. Insurance contracts issued, and reinsurance contracts held

i. Summary of measurement methods

The Group issues the following types of insurance contracts that are accounted for in accordance with AASB 17.

Life business – direct participating insurance contracts issued

The Group issues investment-linked lifetime annuity insurance contracts which provide life insurance coverage and an investment component. Under the terms of insurance contracts issued, the Group has an obligation to pay policyholders an amount equal to the fair value of specified underlying items, minus a variable fee for service.

The Group measures these policies applying the VFA.

Reinsurance contracts held

The Group reinsures longevity and mortality risk on insurance contracts issued, using proportional quota share reinsurance treaties.

The Group measures these contracts applying the GMM.

The inputs to the models used to measure insurance contracts issued and reinsurance contracts held and the processes for estimating the inputs, have been detailed in note 3.22vii and 3.24, respectively.

ii. Definitions and classifications

Products sold by the Group are classified as insurance contracts when the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the Group considers all its substantive rights and obligations, whether they arise from contract, law, or regulation.

The Group determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Group to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance, even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

Participating contracts meet the definition of insurance contracts with direct participating features if the following three criteria are met:

1. The contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items.
2. The Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns from the underlying items.
3. A substantial proportion of the cash flows that the Group expects to pay to the policyholder vary with the cash flows from the underlying items.

The Group assesses whether the above conditions and criteria are met using its expectations at the issue date for new contracts and transition date for the contracts in-force at transition. See note 2 for assessment of VFA eligibility criteria in relation to insurance contracts issued at transition.

The Group also issues investment contracts with discretionary participation features. Defined contribution funds could fall within the scope of AASB 17 where there is transfer of significant insurance risk. However, based on an assessment, the Group has concluded that there is no transfer of significant insurance risk on defined contribution funds. These contracts are accounted for under AASB 9.

The Group has entered into quota share proportional reinsurance contracts held to mitigate risk arising from portfolios of insurance contracts issued. The relevant treaties qualify for classification under AASB 17.

3. Summary of material accounting policies (continued)

iii. Separating components from insurance and reinsurance contracts

The Group assesses its products to determine whether there are distinct investment components that need to be separated and accounted for applying AASB 9. When these non-insurance components are non-distinct, they are accounted for together with the insurance component applying AASB 17.

The Group first considers the need to separate distinct embedded derivatives and investment components, before assessing the need to separate any goods and non-insurance services components. Refer to below 1 to 3.

1. Separating embedded derivatives

When an embedded derivative is not closely related to the host insurance contract, it is separated and accounted for under AASB 9 as if it was a standalone derivative and measured at FVTPL. The Group has not identified any embedded derivatives in insurance contracts issued that are required to be separated from the host contract.

2. Separating investment components

The insurance contracts issued by the Group include an investment component, whereby the initial investment received from the policyholder is invested into a list of investment options.

In assessing whether an investment component is distinct and therefore required to be accounted for separately apply AASB 9, the Group considers if the investment and insurance components are highly interrelated or not.

A contract with equivalent terms to the investment component is sold (or could be sold) separately in the same market or in the same jurisdiction by other entities, including those issuing insurance contracts.

In determining whether investment and insurance components are highly interrelated, the Group assesses if it is unable to measure one component without considering the other and whether the policyholder is unable to benefit from one component unless the other component is present, i.e., whether lapse of one component also terminates the other. The Group has not identified any distinct investment components in relation to insurance contracts issued and reinsurance contracts held.

3. Separating promises to transfer distinct goods or non-insurance services

After the Group has determined whether to separate embedded derivatives and investment components, it considers the separation of any promise to transfer goods or non-insurance services embedded in the contract.

In determining whether an obligation to deliver a good or non-insurance service promised to a policyholder is distinct, the Group considers whether the policyholder can benefit from the good or service either on its own or together with other resources readily available to the policyholder (i.e., resources that are either sold separately or already owned by the policyholder).

A good or non-insurance service that is promised to the policyholder is not distinct if the cash flows and risks associated with the good or service are highly interrelated with the cash flows and risks associated with the insurance components.

The Group has not identified any distinct goods or non-insurance services.

4. Separating insurance components of a single insurance contract

Once any embedded derivatives, investment components and the goods and non-insurance services components are separated, the Group assesses whether the contract should be separated into several insurance components that, in substance, should be treated as separate contracts to reflect the substance of the transaction.

To determine whether insurance components should be recognised and measured separately, the Group considers whether there is an interdependency between the different risks covered, whether components can lapse independently of each other and whether the components can be priced and sold separately.

When the Group enters into one legal contract with different insurance components operating independently of each other, insurance components are recognised and measured separately applying AASB 17.

iv. Level of aggregation

The Group identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, the Group considers the similarity of risks rather than the specific labelling of product lines. The Group has determined that all contracts within a product line, as defined for management purposes, have similar risks. The Group has only issued one insurance product, the annuity business, and hence, one portfolio has been identified.

The portfolio is sub-divided into groups of contracts to which the recognition and measurement requirements of AASB 17 are applied.

At initial recognition, the Group arranges contracts based on when they were issued. A cohort contains all contracts that were issued within a 12-month period. Each portfolio is then further disaggregated into three groups of contracts:

- Contracts that are onerous on initial recognition.
- Contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently.
- Any remaining contracts in the portfolio.

The determination of whether a contract or a group of contracts is onerous is based on the expectations as at the date of initial recognition, with fulfilment cash flow expectations determined on a probability-weighted basis.

The Group determines the appropriate level at which reasonable and supportable information is available to assess whether the contracts are onerous at initial recognition and whether the contracts not onerous at initial recognition have a significant possibility of subsequently becoming onerous. The Group applies significant judgement in determining at what level of granularity the Company has sufficient information to conclude that all contracts within a set will be in the same group. In the absence of such information, the Group assesses each contract individually. The Group arranges insurance contracts issued into annual cohorts based on financial year i.e., 1 July to 30 June.

The composition of groups established at initial recognition is not subsequently reassessed. See note 2 for the accounting policy on levels of aggregation for contracts that existed as at the transition date to AASB 17.

Reinsurance contracts held are assessed separately from underlying insurance contracts issued. The general principles for defining the portfolio of insurance contracts issued, are equally applicable to reinsurance contracts held.

For reinsurance contracts held, the risks that must be similar relate to those transferred from the underlying contract to the issuer of the reinsurance contract. When deciding whether these risks are similar, reference is made to the risk profile of underlying contracts as well as the nature of the risks that are transferred to the reinsurer.

As at the reporting date, one portfolio has been identified for reinsurance contracts held.

Insurance contracts issued are accounted for separately from the underlying reinsurance contracts held. The liability/asset for insurance contracts issued is presented separately on the face of the statement of financial position from the liability/asset for reinsurance contracts held.

v. Initial recognition

The Group recognises the group of insurance contracts issued from the earliest of the following dates:

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder becomes due (in the absence of a contractual due date, this is deemed to be when the first payment is received)
- The date when a group becomes onerous.

3. Summary of material accounting policies (continued)

The Group recognises only contracts issued within a one-year period meeting the recognition criteria by the reporting date. Subject to this limit, a group of insurance contracts can remain open after the end of the current reporting period. New contracts are included in the group when they meet the recognition criteria in subsequent reporting periods until such time that all contracts expected to be included within the group have been recognised.

The Group's recognition date for the reinsurance contracts held is the later of:

- The beginning of the coverage period, or
- The initial recognition of underlying insurance contracts issued.

The Group delays the recognition of reinsurance contracts held until the date that underlying insurance contracts are initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.

vi. Contract boundaries

The Group includes in the measurement of a group of insurance contracts all the future cash flows expected to arise within the boundary of each of the contracts in the group.

In determining which cash flows fall within a contract boundary, the Group considers its substantive rights and obligations arising from the terms of the contract, and also from applicable laws, regulations, and customary business practices. The Group determines that cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums or the Group has a substantive obligation to provide the policyholder with services.

A substantive obligation to provide services ends when:

- The Group has the practical ability to reassess the risks of a particular policyholder and as a result change the price charged or the level of benefits provided for the price to fully reflect the new level of risk; or
- If the boundary assessment is performed at a portfolio rather than individual contract level, there are two criteria that both need to be satisfied: the Group must have the practical ability to reprice the portfolio to fully reflect risk from all policyholders and the Group's pricing must not take into account any risks beyond the next reassessment date.

In determining whether all the risks have been reflected either in the premium or in the level of benefits, the Group considers all risks that policyholders would transfer had it issued the contracts (or portfolio of contracts) at the reassessment date. Similarly, the Group concludes on its practical ability to set a price that fully reflects the risks in the contract or portfolio at a renewal date by considering all the risks that it would assess when underwriting equivalent contracts on the renewal date for the remaining service.

The assessment of the Group's practical ability to reprice existing contracts takes into account all contractual, legal, and regulatory restrictions. In doing so, the Group disregards restrictions that have no commercial substance.

The Group also considers the impact of market competitiveness and commercial considerations on its practical ability to price new contracts and repricing existing contracts. Judgement is required to decide whether such commercial considerations are relevant in concluding as to whether the practical ability exists at the reporting date.

The Group assesses the contract boundary at initial recognition and at each subsequent reporting date to include the effect of changes in circumstances on the Group's substantive rights and obligations.

vii. Measurement of insurance contracts issued

A. Measurement on initial recognition

The Group measures the portfolio of insurance contracts issued on initial recognition as the sum of expected Fulfilment cash flows (FCF) within the contract boundary and the CSM representing the unearned profit in the contracts relating to services that will be provided under the contracts.

Fulfilment cash flows (FCF) within the contract boundary

The Fulfilment cash flows (FCF) are the current unbiased and probability-weighed estimates of the present value of the future cash flows, including a risk adjustment for non-financial risk. In arriving at a probability-weighted mean, the Group considers a range of scenarios to establish a full range of possible outcomes incorporating all the reasonable and supportable information available without undue cost or effort about the amount, timing, and uncertainty of expected future cash flows. The estimates of future cash flows reflect conditions existing at the measurement date including assumptions at that date about the future.

The Group estimates expected future cash flows for a group of contracts at a portfolio level and allocates them to the groups in that portfolio in a systematic and rational way.

When estimating future cash flows, the Group includes all cash flows within the contract boundary including:

- Premiums and any additional cash flows resulting from those premiums, including admin charges on investment balances to cover costs incurred in providing investment-related service that forms part of the insurance contract services.
- Reported claims that have not yet been paid, claims incurred but not yet reported, future claims expected to arise from the policy and potential cash inflows from recoveries on future claims covered by existing insurance contracts.
- Expected LifeIncome protection cost.
- Payments that vary based on the returns on underlying items.
- An allocation of insurance acquisition cash flows attributable to the portfolio of insurance contracts issued (see *Insurance acquisition cash flows* section for further details).
- Claims handling costs.
- Policy administration and maintenance costs.
- Transaction-based taxes and levies, such as stamp duty and goods and services tax (GST).
- An allocation of fixed and variable overheads directly attributable to the fulfilment of insurance contracts including overhead costs such as accounting, human resources, information technology and support, building depreciation, occupancy, and utilities.
- Costs incurred for providing investment-related service and investment-return service that form part of the insurance contract services.
- Costs incurred for performing investment activities that enhance insurance coverage benefits for the policyholder.
- Other incurred insurance service costs.

See note 3.24i, page 76 for FCFs of reinsurance contracts held.

The insurance contracts issued result in policyholders sharing the returns on a specified pool of underlying items. The cash flows are determined at a policy level and then aggregated into groups of insurance contracts issued.

The cash flow estimates include both market variables, which are consistent with observable market prices, and non-market variables, which are not contradictory with market information and based on internally and externally derived data.

The Group updates its estimates at the end of each reporting period using all newly available information, as well as historic evidence about trends. The Group determines its current expectations of probabilities of future events occurring at the end of the reporting period. In developing new estimates, the Group considers the most recent experience and earlier experience, as well as other information.

Discount rates

The time value of money and financial risk is measured separately from expected future cash flows with changes in financial risks recognised in Insurance Finance income and expense (IFIE). The Group has elected to include all IFIE for the period in profit or loss, as per the presentation choice available.

The Group measures the time value of money using discount rates that reflect the liquidity characteristics of the insurance contracts and the characteristics of the cash flows, consistent with observable current market prices. They exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts.

Expected future cash flows that vary based on the returns on any financial underlying items are discounted at rates that reflect this variability.

The Group uses the top down approach to determine the discount rate to use for insurance contracts issued. The discount rate is aligned with the single rate of expected investment return on the underlying assets and varies across investment options.

3. Summary of material accounting policies (continued)

The Group estimates the discount rate applicable to each group of contracts on initial recognition. In the following reporting period, as new contracts are included in the group, the discount rate applicable is the rate of expected investment return at that time.

For accounting policy in relation to discounting on reinsurance contracts held, refer note 3.24i.

For details on key sources of uncertainty involved in estimating discount rates, refer note 4b.

Risk adjustment for non-financial risk

The Group measures the compensation it would require for bearing the uncertainty about the amount and timing of cash flows arising from insurance contracts, other than financial risk separately as an adjustment for non-financial risk. The risk adjustment is based on the Board's risk appetite and the Board's Risk Management Statement. The Group uses the cost of capital method in estimating the risk adjustment. The level of capital and the cost of capital rate used in this estimation technique are calibrated from Generation Life Ltd's regulatory capital and target capital and related return on equity and average earning rate on capital assets.

The Group is exposed to longevity risk and expense risk. No diversification is allowed between longevity risk and expense risk under AASB 17.

For details on key sources of uncertainty involved in estimating risk adjustment, refer note 4b.

The Group has elected not to disaggregate and presents the entire change in the risk adjustment for non-financial risk as part of the insurance service result.

Contractual Service Margin (CSM)

The Contractual Service Margin (CSM) is a component of the overall carrying amount of a group of insurance contracts representing unearned profit that the Group recognises as it provides insurance contract services over the coverage period.

At initial recognition, the Group measures the CSM at an amount that, unless a group of insurance contracts is onerous, results in no gains recognised in profit or loss arising from:

- The expected fulfilment cash flows of the group.
- The amount of any derecognised asset for insurance acquisition cash flows allocated to the group.
- Any other asset or liability previously recognised for cash flows related to the group.
- Any cash flows that have already arisen on the contracts as of that date.

If a group of contracts is onerous, the Group recognises a loss on initial recognition, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows, and the CSM of the group being nil. A Loss Component (LC) is recognised for any loss on initial recognition of the group of insurance contracts. Refer note 3.23 for further details on onerous contracts accounting.

The Group determines, at initial recognition, the coverage units and allocates the CSM balance based on the coverage units provided in the period.

Insurance acquisition cash flows

The Group includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, the group itself or the portfolio of insurance contracts to which the group belongs.

The Group estimates at a portfolio level, insurance acquisition cash flows not directly attributable to the group but directly attributable to the portfolio. The Group then allocates them to the group of newly written and renewed contracts on a systematic and rational basis.

The Group recognises an asset in respect of costs to secure a portfolio or group of insurance contracts, such as costs of selling and underwriting, when these costs are incurred before the recognition of the group of insurance contracts to which these costs relate. The Group recognises such an asset for each existing or future group of insurance contracts to which insurance acquisition cash flows are allocated. The related portion of the asset for insurance acquisition cash flows is derecognised and included in the measurement of the fulfilment cash flows of the associated group of contracts when the group is initially recognised.

B. Subsequent measurement

In estimating the total future fulfilment cash flows, the Company distinguishes between those relating to already incurred claims and those relating to future service.

At the end of each reporting period, the carrying amount of the group of insurance contracts will reflect a current estimate of the Liability for Remaining Coverage (LRC) as at that date and a current estimate of the Liability for Incurred Claims (LIC).

The LRC represents the Group's obligation to investigate and pay valid claims under existing contracts for insured events that have not yet occurred, amounts that relate to other insurance contract services not yet provided (i.e., provision of investment-return and investment-related services) and investment components and other amounts not related to insurance contract services that have not yet been transferred to the LIC. The LRC is comprised of (a) the FCF relating to future service, (b) the CSM yet to be earned.

The LIC includes the Group's liability to pay valid claims for insured events that have already been incurred, other incurred insurance expenses arising from past coverage service and includes the liability for claims incurred but not yet reported. It also includes the Group's liability to pay amounts the Group is obliged to pay the policyholder under the contract. This includes repayment of investment components when a contract is derecognised. The current estimate of LIC comprises the FCF related to current and past service allocated to the group at the reporting date.

Changes in FCF

At the end of each reporting period, the Group updates the FCF for both LIC and LRC to reflect the current estimates of the amounts, timing, and uncertainty of future cash flows, as well as discount rates and other financial variables.

Experience adjustments are the difference between:

- The expected cash flow estimate at the beginning of the period and the actual cash flows for premiums received in the period (and any related cash flows paid such as insurance acquisition cash flows, GST and stamp duties).
- The expected cash flow estimate at the beginning of the period and the actual incurred amounts of insurance service expenses in the period (excluding insurance acquisition expenses).

Experience adjustments relating to current or past service are recognised in profit or loss, with premium experience variances included in insurance revenue. For incurred claims (including incurred but not reported) and other incurred insurance service expenses, experience adjustments always relate to current or past service. They are included in profit or loss as part of insurance service expenses.

Experience adjustments relating to future service are included in the LRC by adjusting the CSM.

At the end of each reporting period, the Group re-estimates the LRC fulfilment cash flows, updating for changes in assumptions relating to financial and non-financial risks.

Adjustments to the CSM

The Group issues insurance contracts with substantial investment-related services. When assessing whether a contract meets the definition of a direct participating contract, the Group applies the definition of AASB 17.

In applying the definition of a direct participating contract, the Group considers the legal enforceability of the contractual link with the participating policyholder to a share of returns from a clearly defined pool of underlying items.

The Group's obligation to the policyholders consists of the obligation to pay policyholders the fair value of the underlying items less a variable fee for future service provided under the insurance contract.

In determining the policyholder's share of returns from the underlying items and how substantial the degree of variability in total payments to the policyholder is due to returns from underlying items, the Company makes the assessment:

- Over the duration of the insurance contracts issued.
- On a present value probability-weighted average basis.

The carrying amount of the CSM for insurance contracts issued, at the end of the reporting period is the carrying amount at the beginning of reporting period adjusted for:

- The effect of any new contracts added to the group

3. Summary of material accounting policies (continued)

- The change in the amount of the entity's share of the fair value of the underlying items except for:
  - The decrease in the amount of the Group's share of the fair value of the underlying items that exceeds the carrying amount of the CSM giving rise to a loss that makes the associated group of contracts onerous, or that results in a loss for an existing onerous group becoming more onerous
  - The increase in the amount of Group's share of the fair value of the underlying items that reverses a previously recognised loss on an onerous group of contracts
- The changes in FCFs relating to future service, i.e., actual FCF less expected FCF measured at current valuation date, except for:
  - Such increases in the fulfilment cash flows that exceed the carrying amount of CSM and the group of contracts becomes onerous or more onerous
  - Such decreases in the fulfilment cash flows that reverse a previously recognised loss on an onerous group of contracts
- The amount recognised as insurance revenue because of the transfer of services in the period. This amount is determined by the allocation of the CSM remaining at the end of the reporting period (after all other adjustments but before any allocation) over the current and remaining coverage period based on the amount of coverage units provided in the period. This process is explained in the note 'recognition of the CSM in profit or loss'. When determining the number of coverage units for contracts accounted for under VFA, the Group applies the following methods:
  - The Group weights the benefits from investment-related services and insurance coverage services to calculate the total coverage units of the group based on the relative weight that the FCFs associated with these two services have in the determination of the CSM balance. This calculation is updated at each reporting date, taking into account the experience to date and the current estimate of future cash flows at the reporting date. The total quantity of coverage units is then allocated based on the expected duration of the contracts.

All CSM adjustments are calculated using the current discount rates with full allowance of its dependency on the financial variables affecting the fair value returns of the underlying items. Under the VFA, economic movements are brought into the CSM each period.

Applying the VFA, the changes in fulfilment cash flows that adjust the CSM are changes in the amount of the Group's share of the fair value of the underlying items and changes in fulfilment cash flows that do not vary based on the returns of the underlying items. The changes in fulfilment cash flows that do not vary based on the returns of the underlying items are:

- Changes in the effect of the time value of money and financial risks not arising from the underlying items
- Experience adjustments arising from premiums received in the period related to future service
- Changes in the estimate of future expected cash flows of the liability for remaining coverage
- Differences arising from timing of payment of investment components
- Changes in the risk adjustment for non-financial risk related to future service

Insurance acquisition cash flows

When only some of the insurance contracts expected to be included within the group are recognised as at the end of the reporting period, the Group determines the related portion of the asset that is derecognised and included in the group's fulfilment cash flows. The related portion is determined on a systematic and rational allocation method that considers the timing of recognition of the contracts in the group.

At each reporting date, the Group reviews the carrying amounts of the asset for insurance acquisition cash flows to determine whether there is an indication that the asset has suffered an impairment. If any such indication exists, the Group adjusts the carrying amount of the asset so that the carrying amount of the asset does not exceed the expected net cash inflow for the associated future groups of contracts. An impairment loss is recognised in profit or loss for the difference.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the extent the impairment conditions no longer exist or have improved and the cumulative amount of impairment loss reversal does not exceed the impairment loss recognised for the asset in prior years.

Insurance acquisition cash flows included among the other FCF for an annual cohort of insurance contracts, in measuring the LRC, are amortised (expensed) on a straight-line basis over the coverage period, together with the same amount recognised in insurance revenue. See further details on insurance revenue and insurance service expense recognition in note 3.25.

3.23. Onerous contracts

The Group considers an insurance contract to be onerous if the expected fulfilment cash flows allocated to the contract, any previously recognised acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total result in a net cash outflow. GDG's group of insurance contracts are onerous on initial recognition.

On initial recognition, the onerous contract assessment is done on an individual contract level assessing the present value of future expected cash flows on a probability-weighted basis including a risk adjustment for non-financial risk. Contracts expected on initial recognition to be loss-making are grouped together and such groups are measured and presented separately. Once contracts are allocated to a group, they are not re-allocated to another group, unless they are substantively modified.

On initial recognition, the CSM of the group of onerous contracts is nil and the group's measurement consists entirely of fulfilment cash flows. A net outflow expected from a group of contracts determined to be onerous is considered to be the group's 'loss component'. It is initially calculated when the group is first considered to be onerous and is recognised at that date in profit or loss.

The amount of the group's LC is tracked for the purposes of presentation and subsequent measurement.

After the LC is recognised, the Group allocates any subsequent changes in fulfilment cash flows relating to future service to the LC. Any changes not related to future service are allocated on a systematic basis between the LC and the LRC excluding LC.

The subsequent changes in the fulfilment cash flows of the LRC to be allocated are:

- IFIE
- Changes in risk adjustment for non-financial risk recognised in profit or loss representing release from risk in the period
- Estimates of the present value of future cash flows for claims and expenses released from the LRC because of incurred insurance service expenses in the period

The Group determines the systematic allocation of insurance service expenses incurred based on the percentage of LC to the total fulfilment cash outflows included in the LRC, including the risk adjustment for non-financial risk, excluding any investment component amount.

Any subsequent decreases in fulfilment cash flows relating to future service allocated to the group (arising from changes in estimates of future cash flows and the risk adjustments for non-financial risk) are allocated first to the LC only. Once it is exhausted, any further decreases in fulfilment cash flows relating to future service results in the establishment of the group's CSM.

For onerous groups of contracts, revenue is calculated as the amount of insurance service expenses expected at the beginning of the period that form part of revenue and reflects only:

- The change in the risk adjustment for non-financial risk due to expected release from risk in the period (excluding the amount systematically allocated to the LC)
- The estimates of the present value of future cash flows related to claims expected to incur in the period (excluding the systematic allocation to the LC) and excluding any non-distinct investment component
- The allocation, based on the coverage units, of the portion of premiums that relates to the recovery of the insurance acquisition cash flows

All these amounts are accounted for as a reduction of the LRC excluding the LC.

3. Summary of material accounting policies (continued)

The Group recognises amounts in insurance service expenses related to the LC arising from:

- Changes in fulfilment cash flows arising from changes in estimates related to future service that establish or further increase the LC
- Subsequent decreases in fulfilment cash flows that relate to future service and reduce the LC until it is exhausted
- Subsequent decreases in the entity's share of the fair value of the underlying items, that result in or further increase the LC
- Subsequent increases in the entity's share of the fair value of the underlying items that reduce the LC until it is exhausted
- Systematic allocation to the LC arising both from changes in the risk adjustment for non-financial risk and from incurred insurance services expenses

3.24. Reinsurance contracts held

i. Measurement on initial recognition of reinsurance contracts held

FCF within the contract boundary

Reinsurance contracts held are accounted under AASB 17 when they meet the definition of an insurance contract, which includes the condition that the contract must transfer significant insurance risk. The Group uses quota share proportional cover to mitigate its risk exposures.

The Group's reinsurance contracts held are accounted for applying the measurement requirements of GMM for estimates of cash flows and discount rates.

The FCF are the current unbiased and probability-weighed estimates of the present value of the future cash flows, including a risk adjustment for non-financial risk, and the effect of any reinsurer non-performance risk. In arriving at a probability-weighted mean, the Group considers a range of scenarios to establish a full range of possible outcomes incorporating all the reasonable and supportable information available without undue cost or effort about the amount, timing, and uncertainty of expected future cash flows.

The Group measures the time value of money using discount rates that reflect the liquidity characteristics of the reinsurance contracts held and the characteristics of the cash flows, consistent with observable current market prices. They exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the reinsurance contracts held.

The Group uses the bottom-up approach to determine the discount rate to use for reinsurance contracts held. Discount rates are determined at initial recognition.

Discount rates

Financial risk related changes (e.g. impact of locked-in rates vs. current rates) are presented in the line item 'finance income/(expenses) from reinsurance contracts held', in profit or loss.

For details on key sources of uncertainty involved in estimating discount rates, refer note 4b.

Risk adjustment for non-financial risk

The Group is exposed to non-financial risks being longevity risk and expense risk. The longevity risk is ceded under the reinsurance contracts held. For reinsurance contracts held, the risk adjustment is determined using the cost of capital (CoC) method at a total level and allocated down to groups of insurance contracts using present value claims in the scalar approach.

For details on key sources of uncertainty involved in estimating risk adjustment, refer note 4b.

CSM and loss recovery component

The CSM on reinsurance contracts held can be either positive or negative, representing the net cost or gain of purchasing the reinsurance contract held.

On initial recognition, the Group recognises any net cost or net gain on purchasing the group of reinsurance contracts held as a reinsurance CSM, unless the net cost of purchasing reinsurance coverage relates to events that occurred before the purchase of the group of reinsurance contracts held, where the Group recognises such a cost immediately in profit or loss as an expense as part of insurance service result.

For a group of reinsurance contracts held on initial recognition of an underlying onerous group of insurance contracts or on addition of onerous underlying insurance contracts to a group, the Group establishes a loss recovery component and, as a result, recognises a gain in profit or loss. The amount of the loss recovery component adjusts the CSM of a group of reinsurance contracts held. It is calculated at an amount equal to the loss recognised on the underlying insurance contracts multiplied by the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held.

Non-performance risk

The Group has considered whether it is exposed to the risk of non-performance by the issuer of reinsurance contracts held and has concluded that there is limited exposure to risk, given reinsurer credit ratings.

Where reinsurer non-performance risk becomes material, changes in the FCF that result from changes in the risk of non-performance by the issuer of a reinsurance contract held do not relate to future service and do not adjust the CSM. Changes in FCF arising from changes in unexpired reinsurer risk are reported under the Asset Risk Charge (ARC). Changes in FCF arising from changes in expired reinsurer risk are reported under the Asset for Incurred Claims (AIC).

The effect of non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in IFIE in profit or loss.

ii. Subsequent measurement of reinsurance contracts held

FCF within the contract boundary

The estimates of future cash flows reflect conditions existing at the measurement date including assumptions at that date about the future.

Discount rates

For subsequent measurement of FCF, the discount rate is set using the bottom-up approach, with current risk-free rates and an illiquidity premium.

CSM and loss recovery component

After initial recognition, the carrying amount of the loss-recovery component shall not exceed the portion of the carrying amount of the LC of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held. Reversal of the loss recovery component adjusts the CSM and the risk adjustment of the group of reinsurance contracts held. After establishing a reinsurance loss recovery component, except for further additions of onerous contracts to the underlying groups, its amount is adjusted for:

- Changes in fulfilment cash flows of underlying insurance contracts related to future service and do not adjust the CSM of their respective groups
- Loss recovery component reversals to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held

These adjustments are calculated and presented in profit or loss.

The Group adjusts the carrying amount of the CSM of a group of reinsurance contracts held at the end of a reporting period to reflect changes in the fulfilment cash flows applying the same approach as for insurance contracts issued, except when the underlying contract is onerous and the change in the fulfilment cash flows for underlying insurance contracts is recognised in profit or loss by adjusting the LC. The respective changes in reinsurance contracts held is also recognised in profit and loss by adjusting the loss recovery component.

3.25 Presentation of insurance contracts issued and reinsurance contracts held

The Group has presented separately in the consolidated statement of financial position the carrying amount of portfolio of insurance contracts that are assets and those that are liabilities, and portfolio of reinsurance contracts held that are assets and those that are liabilities.

The Group includes any assets for insurance acquisition cash flows recognised before the corresponding groups of insurance contracts are recognised in the carrying amount of the portfolio of insurance contracts issued.

3. Summary of material accounting policies (continued)

The Group disaggregates the amounts recognised in the consolidated statement of profit or loss into an insurance service result sub-total that comprises insurance revenue and insurance service expenses and, separately from the insurance service result, the IFIE. The Group has included the IFIE line in another sub-total: net insurance finance income or expenses, which also includes the policyholder's share of the investment income from all the underlying assets of insurance contracts measured under the VFA.

The Group does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

i. Insurance revenue

The Group reduces its LRC, CSM and risk adjustment and recognises insurance revenue as it provides insurance services under a group of insurance contracts issued. The insurance revenue is measured at the amount of consideration the Group expects to be entitled to in exchange for those services, as well as the amount of insurance revenue to recover the amortised acquisition costs.

Insurance revenue consists of the sum of the changes in the LRC due to:

a. the insurance service expense incurred in the period measured at the amounts expected at the beginning of the period, excluding:
    - amounts allocated to the LC of the LRC
b. the change in the risk adjustment for non-financial risk, excluding:
    - changes that relate to future service that adjust the CSM
    - amounts allocated to the LC
c. the amount of CSM for the services provided in the period
d. Other amounts, such as experience adjustments in relation to the difference between the expected cash flow estimates at the beginning of the period and the actual amounts of premiums in relation to current service

ii. Insurance service expense

Insurance service expense arising from groups of contracts issued comprises of:

- changes in the LIC related to claims and expenses incurred in the period excluding repayment of investment components
- changes in the LIC related to claims and expenses incurred in prior periods (related to past service)
- other directly attributable expenses incurred in the period
- amortisation of insurance acquisition cash flows, which is recognised at the same amount in both insurance service expense and insurance contract revenue
- loss component of onerous groups of contracts initially recognised in the period
- changes in the LRC related to future service that do not adjust the CSM, because they are changes in the LCs of onerous groups of contracts
- impairment and reversal of impairment of insurance acquisition cost assets, being acquisition costs incurred prior to recognition of groups of insurance contracts (as applicable)

iii. Income or expenses from reinsurance contracts held

The Group has adopted a net presentation in the profit or loss for income or expenses from a group of reinsurance contracts held. Income or expenses from reinsurance contracts held consists of the following amounts:

- reinsurance premiums paid to the reinsurers
- annuity mortality reinsurance adjustments receivable/payable based on expected versus actual mortality experience

iv. Insurance finance income or expenses (IFIE)

IFIE presents the effect of the time value of money and the change in the time value of money, together with the effect of financial risk and changes in financial risk of a group of insurance contracts issued and a group of reinsurance contracts held.

The Group recognises all IFIE in profit or loss only, with no disaggregation between profit or loss and OCI.

Changes in the obligation to pay the policyholders their share of the fair value of underlying items are presented in IFIE.

For reinsurance contracts held, the Group adjusts the FCF for the time value of money using current discount rates, the changes to CSM and interest accretion on CSM are adjusted at discount rates determined at initial recognition. The Group has elected not to disaggregate and presents the 'finance income/(expenses) from reinsurance contracts held' in profit or loss.

3.26. Taxes

Taxes specifically chargeable to policyholders

Revenues and expenses are recognised net of the amount of taxes collected in a fiduciary capacity. Taxes recoverable from policyholders in a fiduciary capacity and payable to the ATO are included in the LRC fulfillment cash flows. The net amount of taxes recoverable from, or payable to, the taxation authority are included as part of LRC. Cash flows are included in the statement of cash flows on a gross basis.

When income taxes are specifically chargeable to the policyholder under the terms of the contract, these are measured applying AASB 112, and the Company includes those amounts in the FCF applying AASB 17. The Group accounts for them as a reduction in the LRC and recognises insurance revenue when incurred.

3.27. Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.28. Segment reporting

The Group has the following two strategic divisions, which are its reportable segments. All segments' operating results are regularly reviewed by the Group's Chief Financial Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

i. Operating segments

Benefit Funds Management and Fund Administration

The provision of administration and management services to the Benefit Funds of Generation Life Limited and administration services to institutional clients.

Other Businesses

This segment pertains to investment in associates - Lonsec 49.2% (2023: 49.2%). Details of investment made in associates are listed in note 9.

ii. Non-operating segment

Benefit Funds represents the operating result and financial position of the Benefit Funds which are required to be consolidated in the Group's financial statements in accordance with the accounting standards.

3.28. Segment reporting (continued)

The reportable segments are divisions engaged in providing either different products or services. The statutory benefit funds are classified as a non-operating segment. Details of the operating and non-operating segments are detailed below:

30 June 2024

	Operating Segments			Non-operating Segment		
	Benefit Funds Management & Funds Administration $'000	Other Business $'000	Operating Segment Total $'000	Benefit Funds $'000	Elimination $'000	Consolidated Total $'000
External revenue	9,683	3,542	13,225	316,671	-	329,896
Inter-segment revenue	27,483	-	27,483	-	(27,483)	-
Segment revenue	**37,166**	**3,542**	**40,708**	**316,671**	**(27,483)**	**329,896**
Insurance revenue - external	296	-	296	2,982	-	3,278
Insurance service expenses	(3,821)	-	(3,821)	(2,618)	-	(6,439)
Income/(expenses) from reinsurance contracts held	754	-	754	(20)	-	734
Insurance service result	**(2,771)**	**-**	**(2,771)**	**344**	**-**	**(2,427)**
Net investment income/ (expenses)	**11**	**-**	**11**	**2,426**	**-**	**2,437**
Insurance finance income/ (expenses) from insurance contracts issued	53	-	53	(2,833)	-	(2,780)
Finance income/(expenses) from reinsurance contracts held	30	-	30	-	-	30
Net insurance finance income or expenses	**83**	**-**	**83**	**(2,833)**	**-**	**(2,750)**
Net insurance result	**(2,677)**	**-**	**(2,677)**	**(63)**	**-**	**(2,740)**
Expenses	(43,080)	-	(43,080)	(27,737)	27,483	(43,334)
Income tax benefit / (expense)	10,889	-	10,889	(89,342)	-	(78,453)
Loss / (profit) attributable to policyholders	-	-	-	(199,529)	-	(199,529)
Net profit / (loss) after tax	**2,298**	**3,542**	**5,840**	**-**	**-**	**5,840**
Segment assets and liabilities						
Segment total assets	228,689	-	228,689	3,425,901	-	3,654,590
Segment total liabilities	(17,306)	-	(17,306)	(3,425,901)	-	(3,443,207)
Segment net assets	**211,383**	**-**	**211,383**	**-**	**-**	**211,383**
Other Segment Information						
Depreciation and amortisation	(1,749)	-	(1,749)	-	-	(1,749)
Goodwill	547	-	547	-	-	547
Movement in non-current assets	1,134	-	1,134	701,354	-	702,488

3.28. Segment reporting (continued)

Restated* 30 June 2023

	Operating Segments			Non-operating Segment		
	Benefit Funds Management & Funds Administration $'000	Other Business $'000	Operating Segment Total $'000	Benefit Funds $'000	Elimination $'000	Consolidated Total $'000
External revenue	7,609	1,395	9,004	228,567	-	237,571
Inter-segment revenue	22,056	-	22,056	-	(22,056)	-
Segment revenue	**29,665**	**1,395**	**31,060**	**228,567**	**(22,056)**	**237,571**
Insurance revenue - external	1,481	-	1,481	13	-	1,494
Insurance service expenses	(4,998)	-	(4,998)	(915)	-	(5,913)
Income/(expenses) from reinsurance contracts held	1,106	-	1,106	-	-	1,106
Insurance service result	**(2,411)**	**-**	**(2,411)**	**(902)**	**-**	**(3,313)**
Net investment income/ (expenses)	**13**	**-**	**13**	**779**	**-**	**792**
Insurance finance income/ (expenses) from insurance contracts issued	(28)	-	(28)	92	-	64
Finance income/(expenses) from reinsurance contracts held	(254)	-	(254)	-	-	(254)
Net insurance finance income or expenses	**(282)**	**-**	**(282)**	**92**	**-**	**(190)**
Net insurance result	**(2,680)**	**-**	**(2,680)**	**(31)**	**-**	**(2,711)**
Expenses	(35,040)	-	(35,040)	(22,413)	22,056	(35,397)
Income tax benefit / (expense)	11,144	-	11,144	(58,746)	-	(47,602)
Loss / (profit) attributable to policyholders	-	-	-	(147,377)	-	(147,377)
Net profit / (loss) after tax	**3,089**	**1,395**	**4,484**	**-**	**-**	**4,484**
Segment assets and liabilities						
Segment total assets	69,634	-	69,634	2,675,343	-	2,744,977
Segment total liabilities	(11,248)	-	(11,248)	(2,675,343)	-	(2,686,591)
Segment net assets	**58,386**	**-**	**58,386**	**-**	**-**	**58,386**
Other Segment Information						
Depreciation and amortisation	(1,773)	-	(1,773)	-	-	(1,773)
Goodwill	547	-	547	-	-	547
Movement in non-current assets	165	-	165	(28,845)	-	(28,680)

* The Group adopted AASB 17 Insurance Contracts from 1 July 2023 and has restated the prior comparative period. The impacts of adoption are detailed in Note 2.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, described in note 2 and 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the significant areas of estimation uncertainty and critical judgements that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Intangible assets (goodwill & capitalised software)

Management judgement is used to assess the recoverable value of goodwill and other intangible assets. The carrying amount of goodwill is based on assumptions including forecasts used for determining cashflows, available headroom, and the sensitivities of the recoverable amount to reasonably possible changes in assumptions. The Group undertakes an annual assessment to evaluate whether the carrying value of goodwill on the balance sheet is impaired.

Judgement is needed in determining the useful life of capitalised software. Capitalised software and other intangible assets are assessed for indicators of impairment annually, including those assets not ready for use. In the event that an asset's carrying amount is determined to be greater than its recoverable amount, the carrying value of the asset is written down immediately.

Valuation of financial assets

The fair value of assets that are actively traded in organised financial markets are determined by reference to quoted market prices at the close of business on the balance sheet date.

For investments with no active market, fair value for units in managed unlisted funds are calculated using disclosed offer prices provided from the responsible entity through third party data or directly from the responsible entity. Fair value from fixed interest assets where the principle prices are derived from the most liquid over the counter markets are provided via a reputable third party data vendor.

Management uses their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market.

Share-based payments

When determining the grant date fair value of share-based payments, the Group utilises standard market techniques for valuation, including a Monte-Carlo Simulation pricing model, which take into account performance hurdles. Further details of the significant assumptions employed are disclosed in note 10.

Deferred tax assets

Management uses their judgement in determining the value of carry forward tax losses. Reference is made to forecasts and budgets to ensure the recoverability of tax losses remains probable over the foreseeable future. Tax losses are only recognised as deferred tax assets to the extent that management considers it is probable that there will be future taxable profit available against which the tax losses can be utilised.

Policyholder liabilities

The appointed actuary of Generation Life Limited uses their judgement in determining the fair value of policyholder liabilities related to life insurance contracts and life investment contracts with discretionary participating features. Refer to note 4d for terms and conditions of insurance business, including key variables affecting timing and uncertainty of future cash flows, note 27 for critical estimation assumptions for determining insurance policyholder liabilities and note 35 for disaggregated disclosures for each life insurance benefit fund.

a. Critical judgements in applying the Group's accounting policies

i. Assessment of significance of insurance risk

The Group applies its judgement in assessing whether a contract transfers significant insurance risk to the issuer. A contract transfers significant insurance risk only if an insured event could cause the Group to pay additional amounts that are significant in any single scenario, and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely. This assessment is performed at initial recognition on a contract-by-contract basis. The type of contracts where this judgment is required are those that transfer both financial and insurance risk and result in the insurance risk comprising 5% to 10% of the benefit provided. The application of judgement in this area is aided by the Group's processes to filter contracts where the insurance risk amounts referred to above are more than 5% but less than 10% of the amounts paid if the insured event does not occur. Amounts that are less than 5% are considered by the Group as not transferring significant insurance risk. This assessment is performed after separation of distinct investment components and promises to transfer distinct goods and non-insurance services. See note 3.22ii for more details.

ii. Assessment of the eligibility for meeting the criteria for direct participating contracts

Direct participating contracts are considered to be sufficiently different from other participating contracts due to the enforceable link to the underlying items, the significance of policyholders' share in the pool and the significance of those returns to the overall policyholder payments. The Group assesses whether a contract meets the definition of a direct participating contract using the Group's expectations existing at inception of the contract or at transition date (as applicable). This assessment is performed, on a contract-by-contract basis, for all insurance contracts with direct participating features. In assessing the significance of the policyholder's share of returns from the underlying items and the degree of variability in total payments to the policyholder, the Group applies significant judgement. The Group considers that variable annual charges applied to the policyholder amount reduce the policyholder share of fair value returns. The Group considers it significant if, over the duration of the contract, on a present value probability-weighted average basis, the Group expects to pay to the policyholder more than 5% of the fair value returns from underlying items. At inception (or transition), in considering the expected degree of variability in total payments to the policyholder with the changes in fair value of underlying items, the Group considers the range of possible scenarios and estimates their probabilities.

The Group considers a change in payments to the policyholder is a substantial proportion of the change in fair value of the underlying items, if on a present value probability-weighted average of all scenarios such proportion exceeds 5%.

iii. Consideration whether there are investment components

The Group considers all the terms of the contracts it issues (and reinsurance contracts it holds) to determine whether there are amounts payable to the policyholder (receivable from the reinsurer) in all circumstances, regardless of contract cancellation, maturity, and the occurrence or non-occurrence of an insured event.

The Group uses the value of amounts payable to the policyholder depending on whether the insured event occurs and, if so, the timing of the insured event (i.e., longevity of policyholders). This is notwithstanding that the amount might vary over the term of the contract. Refer to note 3.22ii for more details.

iv. Separation of non-insurance components from insurance contracts

The Group issues some insurance contracts that could have several elements in addition to the provision of the insurance coverage service, such as an investment management service, an embedded derivative and other goods or services. Some of these elements may need to be separated and accounted for by applying other Standards, while other elements remain within the insurance measurement model. In assessing whether components meet the separation criteria and should be separated, the Group applies significant judgement. Refer to notes 3.22ii for more details.

v. Separation of insurance components of an insurance contracts

The Group issues insurance contracts that combine protection for the policyholder against different types of insurance risks in a single contract. AASB 17 does not require or permit separating insurance components of an insurance contract unless the legal form of a single contract does not reflect the substance of its contractual rights and obligations. In such cases, separate insurance elements must be recognised. Overriding the 'single contract' unit of account presumption involves significant judgement and is not an accounting policy choice. When determining whether a legal contract reflects its substance or not, the Group considers the interdependency between different risks covered, the ability of all components to lapse independently, and the ability to separately price and sell the components.

vi. Determination of the contract boundary

The measurement of a group of insurance contracts includes all the future cash flows arising within the contract boundary. In determining which cash flows fall within a contract boundary, the Group considers its substantive rights and obligations arising from the terms of the contract, and also from applicable law, regulation, and customary business practices.

Cash flows are considered to be outside of the contract boundary if the Group has practical ability to reprice existing contracts to reflect their reassessed risks and if the contract's pricing for coverage up to the date of reassessment considers only the risks until that next reassessment date. The Group has reviewed its ability to reprice the insurance contracts issued and cancellation clauses to assess the contract boundary. Refer to note 3.22vi for contract boundary details.

vii. Identification of portfolios

The Group defines a portfolio as insurance contracts subject to similar risks and managed together. Contracts within the same product line are expected to be in the same portfolio as they have similar risks and are managed together. The assessment of which risks are similar and how contracts are managed requires the exercise of judgement. The Group's insurance contracts issued participate in the same pool of underlying items and are considered to be in one portfolio.

viii. Level of aggregation

The Group applies judgement when distinguishing between contracts that have no significant possibility of becoming onerous, onerous contracts and other profitable contracts. Refer to note 3.22iv for more details.

ix. Assessment of directly attributable cash flows

The Group uses judgement in assessing whether cash flows are directly attributable to the portfolio of insurance contracts issued or reinsurance contracts held. Acquisition cash flows are included in the measurement only if they are directly attributable to either the individual contracts in a group, or to the group itself, or the portfolio of insurance contracts issued or reinsurance contracts held to which the group belongs. When estimating FCF, the Group also allocates to the FCF fixed and variable overheads directly attributable to the fulfilment of the contracts. Refer to notes 3.22vii and 3.24 for more details.

x. Assessment of significance of modification

The Group derecognises the original contracts and recognises the modified contract as a new contract, if the derecognition criteria are met. The Group applies judgement to assess whether the modified terms of the contract would result in the original contract meeting the criteria for derecognition.

xi. Level of aggregation for determining the risk adjustment for non-financial risk

AASB 17 does not define the level at which the risk adjustment for non-financial risk should be determined. The level of aggregation for determining the risk adjustment for non-financial risk is not an accounting policy choice and involves judgement. The Group determined that no diversification will be allowed for under AASB 17 due to no correlation between risks. This is subject to consideration of future product changes, which could expose the Group to additional risk types. The risk adjustment is determined using the Cost of Capital (CoC) method.

This is calculated at a total entity level and allocated down to groups of insurance contracts using present value of claims as the driver. The reinsurance risk adjustment is set equal to the underlying contracts' risk adjustment for longevity risk only. See notes 3.22vii and 3.24 for more details.

xii. Selecting a method of allocation of coverage units

AASB 17 establishes a principle for determining coverage units, not a set of detailed requirements or methods. The selection of the appropriate method for determining the amount of coverage units is not an accounting policy choice. It involves the exercise of significant judgement and development of estimates considering individual facts and circumstances.

In determining the appropriate method, the Group considers the likelihood of insured events occurring to the extent that they affect expected period of coverage in the group, different levels of service across the period and the quantity of benefits expected to be received by the policyholder. The insurance product is a lifetime annuity. This has a long contract boundary, ending when insurance coverage ends. Insurance and investment-related services are provided (income paid and underlying investments managed) for the lifetime of the policyholder. As such, coverage units are required to be set using a measure that will demonstrate the relative quantity of benefits arising from both the insurance and investment-related services which are expected to be provided over the life of the contract (the policyholder's lifetime).

The expected benefit payments provide a reflection of the quantity of benefits expected to be provided over the life of the contract. The Group uses benefit payments as the coverage units for insurance contracts issued. Coverage units in relation to reinsurance contract held are based on quantity of benefits from the underlying insurance contracts issued. See notes 3.22vii and 3.24 for more details.

b. Key sources of estimation uncertainty

i. Technique for estimation of future cash flows

The estimate of expected future cash flows shall be an estimate of the probability-weighted mean of the full range of outcomes within the boundary of the contract. The Group estimates the expected cash flows for insurance contracts issued and reinsurance contracts held separately. The cash flows are determined at a policy level and then aggregated into groups of insurance contracts issued and reinsurance contracts held.

Methods of estimating discount rates

For underlying cash flows of insurance contracts issued, measured under the VFA, the Group adopts a top-down approach and discounts those cash flows using a rate that reflects the variability of the cash flows. The cash flows are projected based on the expected real returns of the financial underlying items, and the discount rate (or curve) to be used reflects that variability. The Group uses a single discount rate aligned with the expected investment return on the underlying assets, net of investment management fees and gross of administration fees. The discount rate varies for each investment option.

The Group uses the bottom-up approach to determine discount rates in relation to reinsurance contracts held. The bottom-up approach involves using risk-free rates and an illiquidity premium.

Any new addendum added to the reinsurance contract held triggers creation of a new group of insurance contracts and the discount rate is set and locked in as at the effective date of that addendum.

The Group uses the following yield curves to discount cash flows in relation to reinsurance contracts held for the year ended:

	1 year	2 years	3 years	4 years	5+ years
2024	4.5%	4.2%	4.2%	4.5%	4.6 - 6%
2023	4.7%	4.0%	4.1%	4.2%	4.3 - 5.8%

ii. Risk adjustment for non-financial risk

The risk adjustment is held to reflect the compensation the Group requires to bear the uncertainty about the amount and timing of the cash flows that arise from non-financial risks. The Group is exposed to longevity risk on insurance contracts issued due to the guarantee that payments of a set number of units will be made until death of the policyholder. It is also exposed to expense risk, being the risk that expenses associated with the costs of servicing the underlying insurance contracts will be larger than expected.

The Group determines the risk adjustment at a total entity level and allocates it down to groups of insurance contracts using PV Claims in the scalar approach. The risk adjustment for groups of insurance contracts is calculated based on the ratio of total risk adjustment relative to total PV claims. This ratio is pro-rated for the PV claims amount in relation to groups of insurance contracts issued.

In estimating the risk adjustment, the Group uses the cost of capital (CoC) method. The method involves estimating the additional amount of capital required for the amount of uncertainty, and then estimating the expected cost of that capital over the period of the risk.

Capital held for longevity risk constitutes the material portion of total capital. The capital held for expense risk is short term in nature and hence, the CoC on expense risk is immaterial. The expected CoC is calculated as the difference between the Generation Life Ltd's target return on equity and the average earning rate of the capital assets. No diversification is allowed for due to no correlation between longevity and expense risks. The Group determines the implied confidence level using the risk adjustment and statistical techniques, assuming losses are normally distributed, referencing a mean of 0 at 50% confidence level and the required capital which assumes that losses over the next year will be covered at an 80% confidence level (2023: 80%). The implied confidence level is recalculated annually.

Confidence levels are applied to LRC and LIC and are expected to be consistent unless facts and circumstances clearly indicate otherwise.

Reinsurance contract held risk adjustment is set equal to the underlying contracts' risk adjustment for longevity risk only.

iii. Coverage unit methodology and CSM release

Coverage units are required to be set using a measure that will demonstrate the relative quantity of benefits expected to be provided over the life of the contract (the policyholder's lifetime).

The benefit payments (which include both annuity outgo and death benefit payment) provide a reflection of the quantity of benefits expected to be provided over the life of the contract and are, thus, used as coverage units. The initial expected benefit payments are determined by considering the probability-weighted average duration of contracts at inception.

CSM release for the period is based on the ratio of actual benefits paid during the period relative to (actual benefits paid during the period and PV of expected benefit amounts from the end of the period). For reinsurance contracts held, CSM release for the period is determined using the same method, however, benefit amounts used relate to the underlying insurance contracts issued.

iii. Allocation of asset for insurance acquisition cash flows to current and future groups of contracts

The Group allocates the asset for insurance acquisition cash flows to an associated group of contracts and to any future groups that include the contracts that are expected to arise from the renewals of the contracts in that group using a systematic and rational method. In doing so, the Group estimates the expected contracts to be included within a future group or the number of renewals that may arise from an original group when allocating the asset.

c. Actuarial methods and assumptions

Sensitivity analysis of carrying amounts to changes in assumptions

	2024		2023	
Changes in assumptions	Insurance contract liabilities $'000	Reinsurance contract liabilities $'000	Insurance contract liabilities $'000	Reinsurance contract liabilities $'000
Mortality				
-10% change	603	(421)	303	(125)
+10% change	(540)	380	(269)	111
Expenses				
-10% change	(461)	-	(291)	-
+10% change	466	-	310	-
Investment returns				
-10% change	127	(25)	91	(27)
+10% change	(111)	31	(77)	33
Discount rates				
-10% change	-	(108)	-	(155)
+10% change	-	92	-	132

A sensitivity analysis of exposure to insurance risk and its impact on profit or loss and equity is included in note 5e.

5. Risk management

The Group has exposure to the following risks from its use of financial instruments, insurance contracts issued and reinsurance contract held:

- Credit risk
- Liquidity risk
- Market risk
- Insurance risk
- Underlying risk
- Capital risk
- Operational risk including Cyber security
- Climate change risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further qualitative disclosures are included throughout this financial report.

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has adopted an approved Risk Management Policy. This policy consists of a documented Risk Management Strategy (RMS), sound risk management policies and procedures, clearly defined managerial responsibilities and controls and a documented business plan. The RMS includes appropriate guidelines for the investment of each of the 107 benefit funds' assets.

The Board recognises the broad range of risks that the Group faces as a participant in the financial services industry.

Day-to-day responsibility for risk management has been delegated to executive management, with review occurring at Audit and Risk Committees, and Board level. The Chief Executive Officer of Generation Life Limited and Chief Financial Officer of the Group are required to provide to the Board an annual certification that the Group's risk management system is operating efficiently and effectively in all material respects.

A. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables and financial assets. The Group does not have any specific concentration of credit risk with a single counterparty.

Trade and other receivables

The credit risk for trade receivables for the Group is the risk that financial assets recognised on the statement of financial position exceed their carrying amount, net of any provisions for doubtful debts.

Financial assets

Given the strong credit ratings of external bank counterparties and investments backing policyholder liabilities being invested with reputable counterparties in the managed funds sector, the Group is of the view that all counterparties are expected to meet their obligations.

i. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties including the Group's bank counterparties.

The Group manages credit risk in financial assets through a stringent set of counterparty limits contained in investment policy statements containing direct debt securities. The management of portfolios holding these securities are outsourced to licenced fixed interest fund managers who have designated credit teams and a defined and annually reviewed credit rating process.

ii. Credit quality analysis

The credit quality of reinsurance held assets based on the Counterparty's internal ratings is as follows:

	Consolidated 2024 $'000	2023 $'000
Risk Grade 1	-	-
Risk Grade 2	1,405	623

iii. Exposure to credit risk

The carrying amount of the Group's financial assets represents the Group's maximum exposure to credit risk:

	Note	Consolidated 2024 $'000	Restated* 2023 $'000
Financial assets designated as fair value through profit and loss	13	3,217,241	2,505,317
Financial assets carried at amortised cost	13	61,567	46,356
Insurance contracts issued		-	-
Reinsurance contracts held		1,405	623
Accrued income	14	56,479	27,703
Trade receivables		952	1,245
Cash and cash equivalents		259,832	93,660
Total		**3,597,476**	**2,674,904**

All receivables are denominated in Australian dollars and relate to Australian customers.

* The Group adopted AASB 17 Insurance Contracts from 1 July 2023 and has restated the prior comparative period. The impacts of adoption are detailed in Note 2.

A. Credit risk (continued)

iv. Impairment losses

The aging of the Group's trade and other receivables at balance sheet date was:

	Consolidated 2024 $'000	2023 $'000
Not past due	952	1,245
Past due 1 to 30 days	-	-
Past due 31 to 90 days	-	-
Past due more than 91 days	-	-
Total	**952**	**1,245**

In determining the recoverability of receivables, the Group considers any change in the credit quality of the receivable from the date recognised to balance sheet date. There are no past due of impaired receivables as at 30 June 2024 (2023: nil).

B. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining reserves, banking facilities and reserve borrowing facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group prepares rolling cash projections which assists in monitoring cash flow requirements and optimising its cash return on investments.

The following are the contractual maturities of financial liabilities, including estimated interest payments, at reporting date:

	Carrying amount $'000	Contractual cash flows $'000	6 months or less $'000	6 to 12 months $'000	1 to 2 years $'000	2 to 5 years $'000	More than 5 years $'000	Investment Linked $'000
As at 30 June 2024								
Trade and other payables	16,897	(16,897)	(16,897)	-	-	-	-	-
Lease liabilities	3,465	(3,699)	(453)	(447)	(915)	(1,884)	-	-
Subtotal	**20,362**	**(20,596)**	**(17,350)**	**(447)**	**(915)**	**(1,884)**	**-**	**-**
Policyholder liabilities (investment) [a]	3,260,342	-	-	-	-	-	-	(3,260,342)
Insurance contract liabilities (insurance) - Oddfellows [b]	6,820	(6,658)	(310)	(310)	(563)	(1,421)	(4,054)	-
Insurance contract liabilities (insurance) - LifeIncome [c]	37,303	(37,303)	(2,866)	50	(1,830)	(4,340)	(28,317)	-
Reinsurance contracts held assets (insurance) - LifeIncome [c]	(1,405)	1,405	57	(27)	61	179	1,135	-
Subtotal	**3,303,060**	**(42,556)**	**(3,119)**	**(287)**	**(2,332)**	**(5,582)**	**(31,236)**	**(3,260,342)**
Total	**3,323,422**	**(63,152)**	**(20,469)**	**(734)**	**(3,247)**	**(7,466)**	**(31,236)**	**(3,260,342)**
Restated* as at 30 June 2023								
Trade and other payables	10,497	(10,497)	(10,497)	-	-	-	-	-
Financial liabilities	1,105	(1,105)	(1,105)	-	-	-	-	-
Lease liabilities	3,807	(4,021)	(439)	(441)	(1,469)	(1,541)	(131)	-
Subtotal	**15,409**	**(15,623)**	**(12,041)**	**(441)**	**(1,469)**	**(1,541)**	**(131)**	**-**
Policyholder liabilities (investment) [a]	2,608,262	-	-	-	-	-	-	(2,608,262)
Insurance contract liabilities (insurance) - Oddfellows [b]	6,544	(6,455)	(276)	(276)	(505)	(1,308)	(4,090)	-
Insurance contract liabilities (insurance) - LifeIncome [c]	17,656	(17,656)	(766)	(2)	(926)	(2,340)	(13,622)	-
Reinsurance contracts held assets (insurance) - LifeIncome [c]	(623)	623	(17)	(23)	(24)	(30)	717	-
Subtotal	**2,631,839**	**(23,488)**	**(1,059)**	**(301)**	**(1,455)**	**(3,678)**	**(16,995)**	**(2,608,262)**
Total	**2,647,248**	**(39,111)**	**(13,100)**	**(742)**	**(2,924)**	**(5,219)**	**(17,126)**	**(2,608,262)**

(a) For investment linked business the liability to policyholders is linked to the performance and value of the assets that back those liabilities. The shareholders of the Company has no direct exposure to any risk in those assets. Therefore, the tables in this section show the policyholder liability without any maturity profile analysis. There is low liquidity risk for these Policyholder liabilities as these are considered long term investments by the policyholders and any redemptions by the policyholders are fully supported by the sale of the underlying investments of the benefit funds.

(b) Policyholder liabilities – Oddfellows, relating to insurance products are mostly due upon death of the policyholder and therefore an estimate of maturity has been made.

(c) Policyholder liabilities – LifeIncome, relating to insurance products are calculated using a projection method based on the best estimate mortality basis and discounted. These funds commenced on 22 March 2022.

* The Group adopted AASB 17 Insurance Contracts from 1 July 2023 and has restated the prior comparative period. The impacts of adoption are detailed in Note 2.

B. Liquidity risk (continued)

The following table sets out the carrying amounts of the insurance contract liabilities and reinsurance contract liabilities that are payable on demand.

	2024		2023	
	Amount payable on demand $'000	Carrying amount $'000	Amount payable on demand $'000	Carrying amount $'000
Insurance contracts issued	23,554	35,878	-	16,995
Reinsurance contracts held	-	663	-	914
Total	**23,554**	**36,541**	**-**	**17,909**

C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the income or the value of the Group's holdings of financial instruments.

Market risk management

The objective of market risk management at the group level is to manage and control market risk exposures within acceptable fund parameters, while optimising the return for policyholders.

Concentration risk in any asset class, counterparty or sector is low with financial instruments held in a diversified manner across the asset class universe. The makeup of the financial asset book has a diversified profile which mostly reflects the duration profile of policyholders in the Group's products. The Group's subsidiary - Generation Life Ltd is required to submit information to APRA of the large exposure for assets for all non-investment linked benefit funds and management fund and measures single counterparty exposures to minimise the capital risk charge of its underlying holdings.

Currency risk

It is the Group's policy to minimise the exposure of all statement of financial position items to movements in foreign exchange rates. The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales and purchases or investments are denominated and the respective functional currencies of the Group. The functional currency of the Company is primarily the AUD with certain investments denominated in US Dollar (USD), Swiss Francs (CHF), Euro (EUR), Great Britain Pound (GBP), Hong Kong Dollar (HKD), Canadian Dollar (CAD), New Zealand Dollar (NZD) and Japanese Yen (JPY). It is the Group's policy to minimise the exposure of management account expenses to movements in foreign exchange rates by either pricing contracts in AUD or where not available hedging material exposures back to AUD. For investment linked products, the Group is agnostic to currency exposure as this risk is passed through to investors. Funds with guarantees have no exposure to foreign currency as at 30 June 2024.

At the reporting date, the Group had the following exposures in foreign currency assets:

	USD $'000	CHF $'000	EUR $'000	GBP $'000	HKD $'000	CAD $'000	NZD $'000	JPY $'000
30 June 2024								
Cash and cash equivalents	5,705	58	129	59	10	65	18	-
Financial assets	134,642	6,168	33,342	9,514	-	4,573	-	1,094
Total exposure in AUD $'000	**140,347**	**6,226**	**33,471**	**9,573**	**10**	**4,638**	**18**	**1,094**

	USD $'000	CHF $'000	EUR $'000	GBP $'000	HKD $'000	CAD $'000	NZD $'000
30 June 2023							
Cash and cash equivalents	5,605	26	33	60	10	35	19
Financial assets	80,846	5,575	29,329	13,132	1,764	4,025	-
Total exposure in AUD $'000	**86,451**	**5,601**	**29,362**	**13,192**	**1,774**	**4,060**	**19**

Sensitivity analysis

A 10% change in the exchange rates will have the following effect on the financial statements for the financial year ended 30 June 2024:

		2024	2023
Currency	Movement in variable against	Change in Profit / (loss) $'000	Change in Profit / (loss) $'000
USD	+ 10%	14,035	8,645
	- 10%	(14,035)	(8,645)
CHF	+ 10%	623	560
	- 10%	(623)	(560)
EUR	+ 10%	3,347	2,936
	- 10%	(3,347)	(2,936)
GBP	+ 10%	957	1,319
	- 10%	(957)	(1,319)
HKD	+ 10%	1	177
	- 10%	(1)	(177)
CAD	+ 10%	464	406
	- 10%	(464)	(406)
NZD	+ 10%	2	2
	- 10%	(2)	(2)
JPY	+ 10%	109	-
	- 10%	(109)	-
Total	**+ 10%**	**19,538**	**14,045**
	- 10%	**(19,538)**	**(14,045)**

C. Market risk (continued)

Interest rate risk

Interest rate risk arises from the potential for changes in interest rates to have an adverse effect on the net earnings of the Group. The Group's earnings are affected by movements in market interest rates due to funds borrowed and/or held in high interest deposit accounts.

At the reporting date the interest rate profile of the Group interest bearing financial instruments was:

	Consolidated 2024 $'000	Consolidated 2023 $'000
Fixed rate instruments		
Financial assets	74,955	60,259
	74,955	**60,259**
Variable rate instruments		
Financial assets	306,720	134,094
	306,720	**134,094**

Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates would have the following effect on the statement of comprehensive income:

	Consolidated 1% Increase $'000	Consolidated 1% Decrease $'000
30 June 2024		
Variable rate instruments	2,101	(1,720)
Total	**2,101**	**(1,720)**
30 June 2023		
Variable rate instruments	1,321	(851)
Total	**1,321**	**(851)**

Interest rate sensitivity analysis - LifeIncome

The following table details the Group's sensitivity to a 1 per cent increase and decrease in interest rates. A 1 per cent increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

	Profit or loss 1% increase $'000	Profit or loss 1% decrease $'000	Equity 1% increase $'000	Equity 1% decrease $'000
30 June 2024				
Insurance contracts issued	(111)	111	(111)	111
Reinsurance contracts held	-	-	-	-
Financial assets	101	(101)	101	(101)
	(10)	**10**	**(10)**	**10**

	Profit or loss 1% increase $'000	Profit or loss 1% decrease $'000	Equity 1% increase $'000	Equity 1% decrease $'000
30 June 2023				
Insurance contracts issued	(46)	46	(46)	46
Reinsurance contracts held	-	-	-	-
Financial assets	42	(42)	42	(42)
	4	**(4)**	**4**	**(4)**

Equity price risk

The Group is exposed to equity price risk. Any overall downturn in the equities market may impact on the future results of the Group as a whole, however the explicit form of this risk is borne by policyholders.

The Group is exposed to equity price risk from its insurance contracts issued. The benefits under these contracts are linked to the fair value of underlying items, including equity instruments. The Group has no significant concentration of equity price risk.

At the reporting date the carrying amount of the Group's assets exposed to equity price risk was:

	Consolidated 2024 $'000	Consolidated 2023 $'000
Financial assets at fair value through profit or loss		
Units in managed funds and equities[1]	3,205,968	2,441,233
	3,205,968	**2,441,233**

1. All risk relating to equity prices is borne by policyholders.

C. Market risk (continued)

A change of 10% in equity prices would have the following effect on the statement of comprehensive income:

	Consolidated	
	10% Increase $'000	10% Decrease $'000
30 June 2024		
Units in managed funds and equities[1]	320,597	(320,597)
	320,597	**(320,597)**
30 June 2023		
Units in managed funds and equities[1]	244,123	(244,123)
	244,123	**(244,123)**

1. All risk relating to equity prices is borne by policyholders.

D. Insurance risk

Insurance risk is the likelihood and financial impact of events which may occur that will expose the Group to financial loss and consequently the inability to meet its liabilities. Life insurance contract liabilities are calculated in accordance with actuarial standards.

The Group's objective is to satisfactorily manage these risks in line with the Risk Management Statement approved by the board. In addition, the Group's wholly owned subsidiary - Generation Life Limited receives advice from the Appointed Actuary, in accordance with APRA Prudential Standard LPS 310. The longevity risk is 100% reinsured to Hannover Life Re of Australia Limited (HLRA) and the Group carries no longevity risk.

Solvency

Solvency margin requirements established by actuarial professional standards and by regulators are in place to reinforce safeguards for policyholders' interests, being primarily the ability to meet future payments to Policyholders. The solvency requirement establishes the required excess of the value of the insurers' assets (at a Benefit Fund level) over the value of its liabilities, each element being determined in accordance with the applicable valuation rules. This margin must be maintained throughout the period, not just at period end. These solvency requirements take into account specific risks faced by the Group.

Terms and conditions of investment and insurance business

The table below provides an overview of the key variables upon which the timing and uncertainty of the future cash flows of the various life insurance and investment contracts on issue are determined.

Type of contract	Details of contract workings	Nature of compensation for claims	Key variables affecting timing and uncertainty of future cash flows
Discretionary participating life insurance contracts	The sum insured is specified at inception and guaranteed. Bonuses are added annually, and can either be guaranteed or non-guaranteed (based on actuarial advice). A further terminal bonus may be added on surrender, death or maturity.	Annual bonuses are declared (by Actuary) from the surplus (carryforward surplus plus current year operating profit) and added to the sum insured.	Mortality, surrenders, and market earnings on the assets backing the liabilities.
Discretionary participating investment contracts	Gross value of premiums received is invested and investment management fees are deducted monthly. Bonuses are added annually and a further terminal bonus may be added on surrender, death or maturity.	Annual bonuses are declared (by Actuary) from the surplus (carryforward surplus plus current year operating profit) and added to the account balance.	Surrenders, expenses and market earnings on the assets backing the liabilities.
Unit linked investment contracts	Gross value of premiums received is invested in units and investment management fees are deducted monthly.	Investment return is the earnings on the assets less any management fees.	Market risk, expenses, withdrawals.
Investment linked insurance contracts	Guaranteed annuity income units when policyholder is insured against longevity risk but bears all the investment risk. The longevity risk is 100% reinsured to Hannover Life Re of Australia Limited (HLRA) and the Group carries no longevity risk overall.	Income is determined by the unit price of the chosen investment option on the guaranteed units and the survival of the policyholder.	Market risk, Reinsurer credit risk, expenses, withdrawals.

E. Underwriting risk

Underwriting risk management

Underwriting risk consists of insurance risk, lapse risk and expense risks. Insurance risk is the risk of the loss event occurrence, or the timing and amount of the loss being different from expectation.

The Group is exposed to different elements of insurance risks on insurance contracts issued:

a. Longevity risk – the guarantee that payments of a set number of units will be made until the death of the policyholder.

b. Mortality risk – the risk of losses arising from death of policyholders being earlier than expected.

The Group mitigates these risks by having reinsurance arrangements in place.

	Insurance contract assets $'000	Insurance contract liabilities $'000	Reinsurance contract assets $'000	Reinsurance contract liabilities $'000
30 June 2024				
Direct participating contracts	-	44,123	-	-
Reinsurance contracts held	-	-	1,405	-

	Insurance contract assets $'000	Insurance contract liabilities $'000	Reinsurance contract assets $'000	Reinsurance contract liabilities $'000
30 June 2023				
Direct participating contracts	-	24,200	-	-
Reinsurance contracts held	-	-	623	-

The Group is also exposed to expense risk which is not insurance risk but related to insurance contracts. Expense risk is the risk that expenses associated with the costs of servicing the insurance contracts issued will be larger than expected.

The risk arises from all insurance contracts issued. A sensitivity analysis to changes in expense rates is presented in the following page. The Group frequently monitors the expense level of each business unit to address expense risk. In addition, expense risk is being managed by the Group's ability to increase management fees or the ability to change benefit fund rules that govern the management fees.

The internal audit function performs regular audits ensuring that the established controls and procedures are adequately designed and implemented.

There were no significant changes in the Group's objectives, policies, and processes for managing the risks and the methods used to measure the risks from the previous period.

Concentration of risk

The Group issues one class of insurance contracts in one currency and operates in one geography.

The Group monitors reinsurance risk by individual reinsurers. For the period ended 30 June 2024, the gross carrying amount of reinsurance contract asset/liability is $1,405k (2023: $623k) held with one reinsurer.

The Directors do not believe that there are significant concentrations of insurance or reinsurance risks.

Sensitivities

The following table details the impact of changes in key assumptions on the Group's profit and loss, equity and CSM before and after risk mitigation from reinsurance contracts held. This analysis is based on a change in one risk variable with all other variables held constant. Sensitivity analysis assumes that changes to variables can be made independently, which is very unlikely to occur in practice. There were no changes made from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

		CSM		Profit or loss		Equity	
		Gross $'000	Net $'000	Gross $'000	Net $'000	Gross $'000	Net $'000
	Changes in assumptions	Insurance contracts issued	Reinsurance contracts	Insurance contracts issued	Net of reinsurance	Insurance contracts issued	Net of reinsurance
30 June 2024							
Mortality	+ 10%	N/a	362	378	113	378	113
	- 10%	N/a	(414)	(422)	(127)	(422)	(127)
Expenses	+ 10%	N/a	-	(327)	(327)	(327)	(327)
	- 10%	N/a	-	323	323	323	323
Investment return	+ 1%	N/a	136	77	56	77	56
	- 1%	N/a	(117)	(89)	(71)	(89)	(71)
Discount rate	+ 1%	N/a	-	-	(64)	-	(64)
	- 1%	N/a	-	-	76	-	76

E. Underwriting risk (continued)

		CSM		Profit or loss		Equity	
		Gross $'000	Net $'000	Gross $'000	Net $'000	Gross $'000	Net $'000
	Changes in assumptions	Insurance contracts issued	Reinsurance contracts	Insurance contracts issued	Net of reinsurance	Insurance contracts issued	Net of reinsurance
30 June 2023							
Mortality	+ 10%	N/a	194	188	111	188	111
	- 10%	N/a	(230)	(212)	(125)	(212)	(125)
Expenses	+ 10%	N/a	-	(217)	(217)	(217)	(217)
	- 10%	N/a	-	204	204	204	204
Investment return	+ 1%	N/a	178	54	31	54	31
	- 1%	N/a	(154)	(63)	(44)	(63)	(44)
Discount rate	+ 1%	N/a	-	-	(92)	-	(92)
	- 1%	N/a	-	-	108	-	108

Claims development

Given the nature of the product, claims are generally not expected to develop over a period of time. Also, there would be no uncertainty regarding the amount of claim. There is no claims development over a period of time.

F. Capital risk

Capital risk is the risk that the Group has insufficient capital resources to meet the minimum regulatory requirements, to support its credit rating and to support its growth and strategic options.

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders.

The Group's wholly owned subsidiary - Generation Life Limited (Generation Life) is also prudentially supervised by APRA, which sets the capital requirement. It also has an Internal Capital Adequacy Assessment Plan (ICAAP) which includes its capital management plans that has been approved by its board in accordance with APRA Prudential Standards. Refer to note 32.

The Group's capital structure consists of cash, cash equivalents, investments and equity attributable to equity holders of the parent, comprising issued capital and retained earnings as disclosed in notes 17 and 18 respectively.

During the current and prior year, Generation Life complied with all externally imposed capital requirements as mandated by APRA.

Generation Life's capital plans are developed with the objective of maintaining capital that is adequate in quantity and quality to support its risk profile, regulatory and business needs. As a result, Generation Life holds a diversified capital base that provides strong loss absorbing capacity and optimised returns. Capital forecasts are continually monitored against relevant internal target capital ratios to ensure they remain appropriate and consider risks to the plan including possible future regulatory changes.

Generation Life has complied with all externally imposed capital requirements and internal assessment of capital.

G. Operational risk including cyber security

Operational risk is the risk of loss resulting from inadequate or failed internal or external processes, systems or people or from external events including cyber security.

The Group has Business Continuity Management framework (BCM) against critical business functions with timely restoration in the event of material disruptions arising from internal or external events. The BCM policy which is approved by the Board outlines the objectives and approach. It assists to ensure critical business processes and/or critical services to stakeholders can be maintained or restored in the event of material disruption. The BCM policy and plan provides the basis for ensuring that financial, legal, regulatory, reputational and other material consequences are minimised.

H. Climate change risk

Increasingly, the risk of climate change is being considered within the investment process. The Group considers the risk of climate change within its risk management framework and work to ensure that these risks are mitigated where possible. The Group is not currently materially exposed to climate risk.

6. Key management personnel

The Directors and other Key Management Personnel of the Group during 2024 were as follows:

Directors

Mr Robert Neil Coombe
Non-Executive Chairman

Mr William Eric Bessemer
Non-Executive Director

Ms Giselle Marie Collins
Independent Non-Executive Director

Key Management Personnel

Mr Grant Hackett OAM
Chief Executive Officer Generation Life Limited

Mr Terence Wong
Chief Financial Officer

Mr Felipe Araujo
General Manager of Distribution, Marketing, and Operations

The aggregate compensation made to Directors and other Key Management Personnel of the Group is set out below:

	Consolidated	
	2024 $'000	2023 $'000
Short-term employee benefits	2,693	1,562
Long-term employee benefits	157	96
Share based payments	663	574
Post-employment benefits (superannuation contribution)	98	81
	3,611	**2,313**

7. Revenue

The Group's main revenue streams are fee revenues earned from contracts with customers for life investment management and investment administration services.

A. Revenue from contracts with customers

In the following table, revenue is disaggregated by type of service, major service lines and timing of revenue recognition.

	2024 $'000	Restated* 2023 $'000
Major service lines and type of service		
Fee income - Funds administration	423	396
Adviser fee	6,667	5,334
	7,090	**5,730**
Timing of revenue recognition		
Services transferred over time	6,522	5,153
Services transferred at a point of time	568	577
	7,090	**5,730**

B. Interest income

	2024 $'000	Restated* 2023 $'000
Interest income	1,328	680
Interest income in Benefit Funds - investment contracts	5,453	3,506
Interest income in Benefit Funds - insurance contracts	408	335
	7,189	**4,521**

* The Group adopted AASB 17 Insurance Contracts from 1 July 2023 and has restated the prior comparative period. The impacts of adoption are detailed in Note 2.

7. Revenue (continued)

C. Revaluation income

	2024 $'000	Restated* 2023 $'000
Realised (loss) / gain on sale of investments - Benefit Funds	(12,311)	(28,804)
Unrealised gain / (loss) on assets designated as FVTPL - Benefit Funds	222,431	192,389
	210,120	**163,585**

D. Other income

	2024 $'000	Restated* 2023 $'000
Other income	1,112	1,053
Other income - Benefit Funds	178	70
Revaluation of policyholders liabilities	(276)	(127)
Lease rental income	155	146
	1,169	**1,142**

* The Group adopted AASB 17 Insurance Contracts from 1 July 2023 and has restated the prior comparative period. The impacts of adoption are detailed in Note 2.

8. Net insurance result

	2024 $'000	2023 $'000
Insurance revenue		
Expected incurred claims and other insurance service expenses	3,132	1,389
Change in risk adjustment for non-financial risk	60	56
Experience adjustments - insurance revenue	17	3
Recovery of insurance acquisition cash flows	69	46
Total insurance revenue	**3,278**	**1,494**
Insurance service expenses		
Incurred claims and other incurred insurance service expenses	(3,258)	(3,097)
Changes that relate to future service – losses on onerous groups of contracts and reversal of such losses	(3,112)	(2,770)
Amortisation of insurance acquisition cash flows	(69)	(46)
Total insurance service expense	**(6,439)**	**(5,913)**
Income or expenses from reinsurance contracts held	734	1,106
Insurance service result	**(2,427)**	**(3,313)**
Net investment income/(expenses) on underlying assets		
Interest revenue from financial instruments not measured at FVTPL	46	15
Net income from financial instruments measured at FVTPL	806	220
Unrealised gains/(losses) from financial instruments measured at FVTPL	1,562	574
Realised gains/(losses) from financial instruments measured at FVTPL	19	(24)
Other income/(expenses)	4	7
Total investment income/(expenses) on underlying assets recognised in P&L	**2,437**	**792**

8. Net insurance result (continued)

	2024 $'000	2023 $'000
Insurance finance income/(expenses) from insurance contracts issued recognised in P&L		
Interest accreted	(719)	(3)
Changes in FCFs and CSM of contracts measured applying VFA due to changes in fair value of underlying items	(2,061)	67
Total insurance finance income/ (expenses) from insurance contracts issued recognised in P&L	**(2,780)**	**64**
Finance income/(expenses) from reinsurance contracts held		
Interest accreted	(43)	(340)
Effect of changes in interest rates and other financial assumptions	73	86
Total reinsurance finance income/ (expenses) from reinsurance contracts held recognised in P&L	**30**	**(254)**
Net insurance result	**(2,740)**	**(2,711)**

9. Investment in associates

Lonsec Holding Pty Ltd

On 1 March 2023, the Group's investment in Lonsec Holdings Pty Ltd (Lonsec) increased from 41% to 49% following completion of a selective share buyback and cancellation of shares by Lonsec. The buyback was self-funded by Lonsec and there was no consideration paid by the Group. Several members of the Group's board and management team have each acquired a small shareholding directly in Lonsec.

On 3 June 2024, GDG announced that it had entered into Share and Option Sale Agreement (SOSA) to acquire all the shares and options in Lonsec Holdings Pty Ltd and its controlled entities (Lonsec). Various approvals in connection with the acquisition were received from shareholders of the Company at an Extraordinary General Meeting (EGM) held on the 23 July 2024. The acquisition date on completion was 1 August 2024.

The consideration payable consists of $135.7m upfront cash payment paid on the 1 August 2024 and $49.0m in shares issued at an agreed price of $1.95 per share, being the same price as the Capital Raising, plus an earn-out consideration payable by the Company by way of cash. The earn-out amount payable will be determined based on the EBITDA achieved for the period from 1 July 2024 to 30 June 2025. The maximum earn-out amount payable by the Company is approximately $55.8m in cash if an EBITDA of $34.7m is achieved during the period.

The total transaction cost is expected to be around $2.0m excluding capital raising costs, with $1.3m recognised during the financial year 2024 in the income statement, and the remainder to be recorded in the financial year 2025.

The goodwill that will be recognised, will largely depend on the fair value ascribed to specific intangible assets, based on the nature of each of the intangible assets and the appropriate valuation methodology.

During the year, there were transactions between the Group and Lonsec Holdings Pty Ltd, totalling to $192,650 (2023: $115,550), relating to the Audit and Risk Committee membership and advisory fees provided to Lonsec and the cost of Lonsec independently reviewing investment strategies developed by Generation Life. The amount has been partially eliminated on consolidation.

Carrying amount of investment in associates

A reconciliation of the carrying amount of investment in associate is provided below:

	2024 $'000	2023 $'000
Opening balance at the beginning of financial year	30,336	28,941
Share of profit / (loss)	3,542	1,395
Dividend received from Lonsec	(2,459)	-
Closing balance at end of financial year	**31,419**	**30,336**

9. Investment in associates (continued)

Summarised financial information for associates

The following table summarises the financial information of Lonsec as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Lonsec.

	2024 $'000	2023 $'000
Cash and cash equivalents	8,155	8,103
Other current assets	7,741	8,401
Non-current assets	54,361	53,931
Total assets	**70,257**	**70,435**
Current financial liabilities	36,786	34,141
Non-current financial liabilities	23,951	29,696
Total liabilities	**60,737**	**63,837**
Net assets (100%)	**9,520**	**6,598**
Share of net assets	**4,684**	**3,247**
Goodwill included in carrying amount	26,735	27,089
Carrying amount of investment in associates at end of financial year	**31,419**	**30,336**
Revenue	65,369	56,738
Expenses^	(52,375)	(49,083)
Profit before income tax and interest	**12,994**	**7,655**
Interest income	341	257
Interest expense	(1,988)	(1,411)
Tax expense	(4,124)	(3,246)
Total comprehensive income	**7,223**	**3,255**
Investment in associates - share of comprehensive income	**3,542**	**1,395**

^ includes IPL acquisiton and integration costs and Lonsec's divestment costs.

10. Expenses

A. Personnel expenses

	2024 $'000	Restated* 2023 $'000
Salaries and related expenses	13,834	10,246
Share-based payments	799	766
Post-employment benefits (superannuation contribution)	963	720
	15,596	**11,732**

i. GDG Performance Rights LTI arrangements

Under the executive LTI plan awards were made to executives and other key talent who are able to influence the generation of shareholders wealth and thus have a direct impact on the Group's performance against long-term performance hurdles. The eligible participants are granted rights to shares based on a percentage of their base salary. On 30 June 2024, total number of rights granted was 828,686 (2023: 1,343,463) valued at $880,564 (2023: $680,494). The number of rights actually vesting will only be known at the end of the measurement period once the performance hurdles reflected below are met. The Group has sole discretion to award the vested tranches of LTI as shares or cash. The share-based payment arrangements granted to employees is recognised as an expense, with a corresponding increase in share-based payment reserve.

The summary of key valuation assumptions for grants granted in the year ending 30 June 2024 is set out below:

Grant date	30 June 2024	30 June 2023
Performance measure	50% TSR / 50% NPAT	50% TSR / 50% EPS
Fair value methodology	Monte Carlo simulation	Monte Carlo simulation
Start of performance period	1 July 2024	1 July 2023
Testing date	30 June 2027	30 June 2026
Measurement period	3 years	3 years
Value of rights granted	$880,564	$680,494

* The Group adopted AASB 17 Insurance Contracts from 1 July 2023 and has restated the prior comparative period. The impacts of adoption are detailed in Note 2.

10. Expenses (continued)

ii. GDG Performance Rights (GLI) Investment-linked lifetime annuity - LTI arrangement

The GLI-LTI plan operates in the same manner as the Group's LTI plan, for certain executive employees, dependent on their position in the Group's remuneration framework. The performance measures approved by the Board for these employees are determined by the Generation Life investment-linked lifetime annuity product achieving a target FUM of $700m (Target FUM) during the first 3 years of the measurement period. On 30 June 2021, the total number of rights granted was 1,234,569 valued at $204,630. The number of rights actually vesting will be known at the end of the measurement period once the performance hurdle is met. The Board retains discretion to modify vesting in the case that the circumstances that prevailed over the measurement period materially differed from those expected at the time the vesting scale was determined, which is intended to be used when the application of the vesting scale would lead to an outcome that may be viewed as inappropriate. The share-based payment granted to employees is recognised as an expense, with a corresponding increase in share-based payment reserve. No further performance rights were granted under this plan in the year ending 30 June 2024.

Valuation assumption for grant in the year ending 30 June 2021 is set out below:

Grant date	30 June 2021
Performance measure	FUM
Start of performance period	1 July 2021
Testing date	31 December 2024
Measurement period	3.5 years
Value of rights granted	$204,630

iii. GDG Performance Rights LTI IT arrangement

The GDG LTI IT performance rights operates in the same manner as the Group's LTI plan, for certain executive employees, dependent on their position in the Group's remuneration framework. The performance measures approved by the Board for these employees are determined by the completion of IT migration project and cyber security compliance during the measurement period. On 30 June 2023, the total number of rights granted were 168,777 valued at $85,083 the number of rights actually vesting will be known at the end of the measurement period once the performance hurdle is met. The share-based payment arrangements granted to employees is recognised as an expense, with a corresponding increase in share-based payment reserve. No further performance rights were granted under this plan in the year ending 30 June 2024.

Valuation assumption for grant in the year ending 30 June 2023 is set out below:

Grant date	30 June 2023
Performance measure	50% IT migration project / 50% Cyber security compliance
Start of performance period	1 July 2023
Testing date	30 June 2026
Measurement period	3 years
Value of rights granted	$85,083

B. Depreciation and amortisation expenses

	2024 $'000	2023 $'000
Computer equipment	153	167
Other property plant and equipment	61	64
Capitalised software	698	712
Depreciation - right of use assets (ROU)	838	830
	1,750	**1,773**

C. Impairment expenses

	2024 $'000	2023 $'000
Computer equipment	6	8
	6	**8**

D. Other expenses

	2024 $'000	Restated* 2023 $'000
Other expenses	13,843	12,280
Other expenses in Benefit Funds - investment contracts	338	310
Other expenses in Benefit Funds - insurance contracts	17	3
	14,198	**12,593**

* The Group adopted AASB 17 Insurance Contracts from 1 July 2023 and has restated the prior comparative period. The impacts of adoption are detailed in Note 2.

11. Remuneration of auditors

	Consolidated 2024 $'000	2023 $'000
Audit services		
Audit and review of financial reports of the Group and Controlled Entities	631	476
Other Audit - Related Services		
Assurance services	112	-
Non-Audit Services		
Other non-audit services (tax services)	8	6
	751	**482**

12. Income tax

At 30 June 2024 neither Generation Development Group Limited nor any of its controlled entities were members of a tax consolidated group.

A. Income tax recognised in profit and loss

	Consolidated 2024 $'000	2023 $'000
Income tax expense / (benefit) comprises:		
Current Tax		
Current income tax (benefit) / expense	12,420	(10,502)
Deferred tax expense / (benefit)		
Derecognition / (recognition) of tax losses	352	504
Derecognition / (recognition) of timing difference	65,681	57,600
	78,453	**47,602**

B. Reconciliation of the prima facie income tax expense as pre-tax profit with the income tax expense charged to the income statement

	Consolidated 2024 $'000	Restated* 2023 $'000
Profit / (loss) before income tax attributable to shareholders	283,822	199,461
Income tax expense / (benefit) calculated at 30% (2023: 30%)	85,147	59,838
Non-deductible expenses	9,755	8,879
Assessable income / (Deductible expenses)	116	2,141
Non-assessable income	(8,947)	(6,897)
Effect of 15% tax rate^	(5)	(1,785)
Amount paid on behalf of FuneralBond holders	20	3
Prior year adjustment to current income tax expense	63	(178)
Change in unrecognised temporary differences	4	(95)
Franking dividends / foreign tax credits received	(7,670)	(13,066)
Prior year tax losses utilised	(30)	(1,238)
Income tax expense / (benefit) recognised in Profit and Loss	**78,453**	**47,602**

^ There are 2 complying funds that have a 15% tax rate.

* The Group adopted AASB 17 Insurance Contracts from 1 July 2023 and has restated the prior comparative period. The impacts of adoption are detailed in Note 2.

12. Income tax (continued)

C. Deferred Tax Assets

Balance of deferred tax assets and movements during the year comprise of:

	Consolidated		
	Opening Balance $'000	(Credited) / charged to Income $'000	Closing Balance $'000
2024			
Provision	344	1,057	1,401
Unrealised losses on financial assets	15,249	(11,677)	3,572
Tax losses	352	(352)	-
	15,945	**(10,972)**	**4,973**
2023			
Provision	363	(19)	344
Unrealised losses on financial assets	44,095	(28,846)	15,249
Tax losses	856	(504)	352
	45,314	**(29,369)**	**15,945**

Unrealised losses on financial assets will be reversed as markets recover and are borne by policyholders.

D. Deferred Tax Liabilities

	Consolidated		
	Opening Balance $'000	(Charged) / credited to Income $'000	Closing Balance $'000
2024			
Unrealised gains on financial assets	33,615	55,062	88,677
	33,615	**55,062**	**88,677**
2023			
Unrealised gains on financial assets	4,877	28,738	33,615
	4,877	**28,738**	**33,615**

13. Financial assets

	Consolidated	
	2024 $'000	2023 $'000
Financial assets carried at amortised cost - Term deposits [a]	61,567	46,356
Financial assets carried at fair value through profit or loss - Investments [b]	3,217,241	2,505,317
Total Financial assets	**3,278,808**	**2,551,673**
Current	3,278,808	2,551,673
Non-current	-	-
	3,278,808	**2,551,673**

(a) The term deposits have maturities ranging from three to twelve months

(b) Investments are amounts invested by the benefit funds in unlisted externally managed funds, listed securities and fixed interest assets

14. Other assets

	Consolidated	
	2024 $'000	Restated* 2023 $'000
Accrued income	754	261
Accrued income - dividends and distributions receivable	55,725	27,443
Goods and Services tax receivable	748	466
Prepayments	1,893	1,858
Total Other assets - Current	**59,120**	**30,028**

* The Group adopted AASB 17 Insurance Contracts from 1 July 2023 and has restated the prior comparative period. The impacts of adoption are detailed in Note 2.

15. Intangible assets

	Software $'000	Goodwill $'000	Total $'000
Gross Carrying Amount:			
Balance at 30 June 2022	3,603	547	4,150
Additions	276	-	276
Disposals	(17)	-	(17)
Balance at 30 June 2023	**3,862**	**547**	**4,409**
Additions	-	-	-
Disposals	-	-	-
Balance at 30 June 2024	**3,862**	**547**	**4,409**
Accumulated amortisation and impairment losses:			
Balance at 30 June 2022	**(933)**	**-**	**(933)**
Amortisation expense	(696)	-	(696)
Impairment	-	-	-
Balance at 30 June 2023	**(1,629)**	**-**	**(1,629)**
Amortisation expense	(697)	-	(697)
Impairment	-	-	-
Balance at 30 June 2024	**(2,326)**	**-**	**(2,326)**
Carrying Amount (non-current):			
As at 30 June 2024	1,536	547	2,083
As at 30 June 2023	2,233	547	2,780
As at 30 June 2022	2,670	547	3,217

Impairment testing for cash - generating units containing goodwill

For the purpose of impairment testing, all goodwill is allocated to the Generation Life business, which is designated as the Cash-Generating Unit for the purposes of evaluating any potential impairment (the "CGU"). The recoverable amounts for the CGU have been determined based on its value in use, determined by discounting the forecasted future cash flows to be generated from the continuing use of the CGU, covering a period of five years. Cash flows were projected assuming the continuation of the present cost structure. The recoverable amount of the CGU was estimated to be higher than its carrying amount and no impairment was required.

The key assumptions used in the calculation of the value in use were the average revenue growth rate, discount rate and the terminal value growth rate. The assumptions employed represent the Group's assessment of future trends and have been based on data from both internal and external sources:

- Average 5-year revenue growth rate of 12.5% (2023: 13.2%)
- A pre-tax discount rate of 12.5% (2023: 12.5%) - market estimate of the weighted average cost of capital of the Group
- Terminal growth rate of 2% (2023: 2%) - long-term average growth rate for the industry

Management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. As at 30 June 2024, the recoverable amount of the CGU was most sensitive to changes in the average revenue growth rate and discount rate. Based on the sensitivity analysis performed, if the average growth rate fell below 63.6%, it would result in the carrying amount of the CGU to exceed the recoverable amount. Management notes that at a pre-tax discount rate at 28.8%, the recoverable amount still exceeds the carrying value. Management continues to monitor the estimates to assess whether there is any impact to the carrying value of the CGU.

16. Provisions

Employee entitlements

The provision for employee entitlements represents the total benefits accrued to employees for annual leave and long service leave. The calculation of this provision has been performed in accordance with accounting policy in note 3.

Claims

The provisions for claims relates to the acquisition by Generation Life Limited of Manchester Unity Limited in the 2006 financial year. When Generation Life acquired Manchester Unity, Manchester Unity Policyholders were entitled to a $330 once off demutualisation benefit. The provision represents the estimated amounts owing to Policyholders who have not claimed their demutualisation benefit at balance date, as calculated by the independent appointed actuary.

Office leasehold restoration

The provision for office restoration represents the estimated cost to vacate and return the leased office premises to the property landlord in satisfaction of its lease agreement. It is expected that the provision will be utilised at lease expiry.

	Consolidated			
	Employee Entitlements $'000	Claims $'000	Office Restoration $'000	Total $'000
2024				
Balance at 1 Jul 2023	1,326	8	224	1,558
Made during the year	1,142	-	-	1,142
Used / released during the year	(796)	(1)	-	(797)
Total provisions at 30 June 2024	**1,672**	**7**	**224**	**1,903**
Current	1,410	7	-	1,417
Non-current	262	-	224	486
2023				
Balance at 1 Jul 2022	1,224	8	204	1,436
Made during the year	833	-	20	853
Used / released during the year	(731)	-	-	(731)
Total provisions at 30 June 2023	**1,326**	**8**	**224**	**1,558**
Current	1,086	8	-	1,094
Non-current	240	-	224	464

17. Issued capital

	Consolidated			
	2024		2023	
	Number	$'000	Number	$'000
Fully Paid Ordinary Shares				
Balance at beginning of financial year	188,812,732	89,045	186,040,198	88,517
Issued during the year[1,2,3]	81,588,749	150,512	2,772,534	528
Balance at end of the financial year	**270,401,481**	**239,557**	**188,812,732**	**89,045**

1. 79,698,807 shares valued at $155m less associated costs of $5.6m was issued as part of the capital raise for the acquisition of Lonsec in accordance with Appendix 3B announcement made on the ASX on 3 June 2024.
2. 153,954 shares, valued at $271k (2023: 155,529 shares, valued at $212k) were issued during the year under Dividend Reinvestment Plan (DRP).
3. 1,735,988 shares, valued at 424k (2023: 2,617,005 shares valued at $316k) was issued during the year as long term incentives.

18. Retained earnings

	2024			Restated* 2023		
	Profits Reserve Total $'000	Accumulated Losses Total $'000	Total $'000	Profits Reserve Total $'000	Accumulated Losses Total $'000	Total $'000
Opening retained earnings	-	-	-	16,432	(49,935)	(33,503)
Adjustment on initial application of AASB 17, net of tax as at 1 July 2022	-	-	-	-	(650)	(650)
Restated opening retained earnings	28,648	(62,055)	(33,407)	16,432	(50,585)	(34,153)
Net profit / (loss) attributable to shareholders	24,084	(18,244)	5,840	15,990	(11,508)	4,482
Dividends paid	(3,812)	-	(3,812)	(3,774)	-	(3,774)
Other items	-	-	-	-	38	38
Closing balance at end of financial year	**48,920**	**(80,299)**	**(31,379)**	**28,648**	**(62,055)**	**(33,407)**

The profits reserve represents accumulated profit of the parent entity to preserve their profit character. Such profits are available to enable payment of franked dividends in the future should the Directors declare by resolution.

* The Group adopted AASB 17 Insurance Contracts from 1 July 2023 and has restated the prior comparative period. The impacts of adoption are detailed in Note 2.

19. Earnings Per Share

	Consolidated 2024 Cents per Share	Restated* 2023 Cents per Share
Earnings per Share:		
Basic	3.01	2.38
Diluted	3.01	2.38

	2024 $'000	Restated* 2023 $'000
The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:		
Earnings used for basic and diluted earnings per share calculations	5,840	4,482
Weighted average number of ordinary shares for the purposes of basic EPS	194,231,996	188,323,815
Weighted average number of ordinary shares for the purposes of diluted EPS	194,231,996	188,328,724

* The Group adopted AASB 17 Insurance Contracts from 1 July 2023 and has restated the prior comparative period. The impacts of adoption are detailed in Note 2.

20. Dividends

A final fully franked dividend of $1,905,487 (one cent per ordinary share) for 2023 was paid on 5 October 2023. An interim partly franked dividend of $1,906,103 (one cent per ordinary share) for 2024 was paid on 4 April 2024. The dividend was paid out of the Profits Reserve. The DRP was in operation for both these dividends.

	Consolidated 2024 $'000	2023 $'000
Recognised Amounts:		
Dividends paid	3,812	3,774
	3,812	**3,774**

Franking credits

Franking credits available to the Group and subsidiaries based on the tax rate of 30% are as follows:

	2024 $'000	2023 $'000
Generation Development Group Limited	1,187	901
Austock Financial Services Pty Limited	10,274	10,274
Generation Life Limited	14	14
Bonds Custodian Pty Limited	24	24
Generation Development Services Pty Limited	-	-
	11,499	**11,213**

21. Right-of-use assets / Lease liabilities

Information about leases for which the Group is a lessee is presented below:

A. Right-of-use assets

	Rental Premises $'000	Office Equipments $'000	Total $'000
Balance as at 1 July 2023	3,624	5	3,629
Depreciation charge for the year	(821)	(17)	(838)
Additions to right-of-use lease assets	410	55	465
Derecognition of right-of-use lease assets	-	-	-
Balance as at 30 June 2024 (non-current)	**3,213**	**43**	**3,256**

	Rental Premises $'000	Office Equipments $'000	Total $'000
Balance as at 1 July 2022	4,147	38	4,185
Depreciation charge for the year	(797)	(33)	(830)
Additions to right-of-use lease assets	274	-	274
Derecognition of right-of-use lease assets	-	-	-
Balance as at 30 June 2023 (non-current)	**3,624**	**5**	**3,629**

B. Lease liabilities

	Rental Premises $'000	Office Equipments $'000	Total $'000
Balance as at 1 July 2023	3,805	3	3,808
Cash lease payments	(878)	(17)	(895)
Finance lease interest	84	3	87
Additions to lease liabilities	410	55	465
Balance as at 30 June 2024	**3,421**	**44**	**3,465**
Current	779	14	793
Non-current	2,642	30	2,672

	Rental Premises $'000	Office Equipments $'000	Total $'000
Balance as at 1 July 2022	4,201	37	4,238
Cash lease payments	(739)	(34)	(773)
Finance lease interest	88	-	88
Additions to lease liabilities	254	-	254
Balance as at 30 June 2023	**3,804**	**3**	**3,807**
Current	803	3	806
Non-current	3,001	-	3,001

21. Right-of-use assets / Lease liabilities (continued)

C. Lease liabilities - Maturity analysis of contractual discounted cash flows

	Rental Premises[1] $'000	Office Equipments[2] $'000	Total $'000
Amounts due in less than one year	779	14	793
Amounts due between one and five years	2,642	30	2,672
Amounts due in greater than five years	-	-	-
Total lease liabilities as at 30 June 2024	**3,421**	**44**	**3,465**

	Rental Premises[1] $'000	Office Equipments[2] $'000	Total $'000
Amounts due in less than one year	803	3	806
Amounts due between one and five years	2,870	-	2,870
Amounts due in greater than five years	131	-	131
Total lease liabilities as at 30 June 2023	**3,804**	**3**	**3,807**

1. The Group entered into a 7 year lease agreement with CBUS for part level 17/447 Collins Street with occupancy commencing on 18 June 2021, and a 2 year lease agreement with 6 O'Connell Real Estate for an office suite in Sydney with occupancy commencing on 8 January 2023. The Group has renewed its lease agreement in Sydney for a further 3 years.

2. Office Equipments relate to the 4 year leases for photocopying equipments, expiring in August 2027.

22. Contingent liabilities

Banking facilities

The Group has the following finance facilities with National Australia Bank Limited:

- Direct debit facility of $10,000,000 (2023: $10,000,000) to be used for clients' accounts as part of the Generation Life business
- Electronic channel facility of $5,000,000 (2023: $5,000,000) to allow for transactions to be debited in the clearing account when funds are in the process of being cleared; and
- NAB credit card facilities of $150,000 (2023: $150,000) used by senior staff for business travel and client entertainment.

The above direct debit facility and the NAB credit card facility are backed by term deposits of $120,000 and $150,000 respectively.

The Company has issued letters of support in respect of certain of its subsidiaries in the normal course of business. Under these letters, the Company undertakes to ensure that those subsidiaries continue to meet their regulatory capital obligations subject to caps and certain conditions including that the entity remains a controlled entity of the Company.

Bank guarantee

The Group has the following bank guarantees in respect of its office tenancies:

- Bank guarantee of $492,383 in respect of the office at Level 17, 447 Collins Street, Melbourne, VIC 3000.
- Bank guarantee of $147,046 in respect of the office at Suite 9.02, Level 9, 6 O'Connell Street, Sydney, NSW 2000.

23. Controlled entities

Name of Entity	Country of Incorporation	2024 Ownership Interest	2023 Ownership Interest
Parent entity			
Generation Development Group Limited	Australia	-	-
Controlled entities			
Generation Life Limited	Australia	100%	100%
Austock Nominees Pty Limited	Australia	100%	100%
Austock Financial Services Pty Limited	Australia	100%	100%
Bonds Custodian Pty Limited	Australia	100%	100%
Austock Capital Management Pty Limited	Australia	100%	100%
Generation Development Services Pty Limited	Australia	100%	100%

24. Related parties

A. Equity interests in related entities

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 23 to the financial statements.

B. Transactions with key management personnel

In addition, the following transactions occurred between the ultimate parent entity and the controlled entities of the Group and key management personnel:

- Directors and their family members have invested in the Benefit Funds managed by Generation Life Limited. These investments were undertaken on commercial terms. The value of these investments as at 30 June 2024 is $2,049,926 (2023: $1,864,726).

24. Related parties (continued)

C. Transactions within the wholly owned group

The wholly owned group includes:

- The ultimate parent entity in the wholly owned group; and
- Wholly owned controlled entities.

The ultimate parent entity in the wholly owned group is Generation Development Group Limited.

During the year the parent entity has provided services and operating infrastructure as part of general management assistance to its controlled entities on normal commercial terms and conditions no more favourable than those available to other parties dealing on an arm's length basis. Services include: board and company secretarial, information systems support, accounting and financial services, and human resources services. Operating infrastructure comprises premises, fittings and furniture, computer hardware and software, and communication facilities. The following transactions occurred with its wholly owned controlled entities and are eliminated on consolidation:

- Provided management assistance services for a cost of $4,525,862 (2023: $4,415,800).
- Provided sales force services on commercial arm's length terms for a total value of $16,375,608 (2023: $17,441,506).
- Acquired 111,982 shares for consideration of $2,999,998 (2023: 149,308 shares for consideration of $3,999,961).

D. Transactions with other related parties

During the year, there were transactions between the Group and Lonsec Holdings Pty Ltd, totalling to $192,650 (2023: $115,550), relating to the Audit and Risk Committee membership and advisory fees provided to Lonsec and the cost of Lonsec independently reviewing investment strategies developed by Generation Life. The amount has been eliminated on consolidation.

As of 30 June 2024, the following Group Executives of GDG held shares in Lonsec Holdings Pty Ltd that were subsequently converted to cash/rolled over to GDG ordinary shares on 1 August 2024, following various approvals in connection with the acquisition were received from the shareholders of the Group at an Extraordinary General Meeting (EGM) held on 23 July 2024.

1. R N Coombe 180,000 ordinary shares of which 135,000 converted to cash and the balance 45,000 rolled over to 243,053 GDG shares.
2. G Hackett 226,000 ordinary shares rolled over to 1,215,647 GDG shares.
3. T Wong 77,000 ordinary shares rolled over to 414,180 GDG shares.

25. Notes to the Statement of Cash Flows

	Consolidated 2024 $'000	Restated* 2023 $'000
Reconciliation of the operating profit / (loss) after tax to the net cash flows from operations		
Profit / (loss) from ordinary activities after tax	205,369	151,860
Depreciation and amortisation	1,755	1,782
Deferred consideration	-	-
Share-based payments	799	766
Investment in associates - share of profit	(3,542)	(1,394)
Interest income / term deposit	(1,327)	(714)
Revaluation of investment	276	127
Ongoing policyholder deduction	(5,502)	(4,722)
Net contribution by policyholders	458,052	311,904
Change in assets and liabilities		
Decrease / (increase) in receivables	(185)	5,268
Decrease / (increase) in other assets	(29,093)	31,575
(Increase) / decrease in financial assets	(727,880)	(545,513)
(Increase) / decrease in income tax asset	2,247	(8,415)
Decrease / (increase) in reinsurance contract assets	(782)	(852)
Decrease / (increase) in deferred tax asset	10,972	29,369
Increase / (decrease) in deferred tax liability	55,062	28,738
Increase / (decrease) in payables	6,877	4,037
Increase / (decrease) in financial liabilities	(1,105)	1,105
Increase / (decrease) in provisions	346	102
(Decrease) / increase in other liabilities	1,950	(512)
(Decrease) / increase in income tax liability	22,303	(9,194)
(Decrease) / increase in insurance contract liabilities	19,648	15,184
Net cash flow provided / (used) in operating activities	**16,240**	**10,501**

*The Group adopted AASB 17 Insurance Contracts from 1 July 2023 and has restated the prior comparative period. The impacts of adoption are detailed in Note 2.

26. Financial instruments

Excluding policyholder assets and liabilities, there are no financial instruments recognised and measured at fair value. The Group has determined that the carrying values of financial instruments carried at amortised cost approximate fair value. These financial instruments are represented by cash and cash equivalents, trade receivables, interest in term deposits and trade payables, which are short term in nature or are floating rate instruments that are re-priced on or near the end of the reporting period.

Classification and measurement

The Group classifies its financial assets into the following measurement categories:

(a) financial assets held at fair value through profit or loss, and
(b) amortised cost.

Financial liabilities are classified as either held at fair value through profit or loss, or held at amortised cost.

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has legally enforceable right to set off the amounts and it intends to settle them on a net basis or to realise the asset and settle the liability simultaneously. There are no financial assets and financial liabilities that are offset in the Group's statement of financial position, or are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the statement of financial position.

Fair value hierarchy - financial instruments at fair value

The table below shows the valuation methods for different levels of financial instruments by fair value hierarchy.

Level 1: Fair value is calculated using quoted prices (unadjusted) in active markets for identical assets or liabilities. This comprises listed securities.
Level 2: Fair value for units in managed unlisted funds are calculated using disclosed offer prices provided from the responsible entity through third party data or directly from the responsible entity. Fair value from fixed interest assets where the principle prices are derived from the most liquid over the counter markets are provided via a reputable third party data vendor.
Level 3: Fair value is estimated using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

26. Financial instruments (continued)

The following table shows the fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Trade and other receivables and trade and other payables are not included in the table below. Their carrying amount is a reasonable approximation of fair value.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
30 June 2024				
Listed Securities	1,778,900	-	-	1,778,900
Units in externally managed unlisted funds and fixed interest assets	-	1,437,354	530	1,437,884
Derivatives	457	-	-	457
Financial assets at fair value through profit or loss	**1,779,357**	**1,437,354**	**530**	**3,217,241**
Investment contract liabilities	-	(3,260,342)	-	(3,260,342)
Financial liabilities at a fair value through profit or loss	**-**	**(3,260,342)**	**-**	**(3,260,342)**

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Restated* 30 June 2023				
Listed Securities	1,164,547	-	-	1,164,547
Units in externally managed unlisted funds and fixed interest assets	-	1,340,417	-	1,340,417
Derivatives	-	-	353	353
Financial assets at fair value through profit or loss	**1,164,547**	**1,340,417**	**353**	**2,505,317**
Investment contract liabilites	-	(2,608,262)	-	(2,608,262)
Derivatives	(1,105)	-	-	(1,105)
Financial liabilities at a fair value through profit or loss	**(1,105)**	**(2,608,262)**	**-**	**(2,609,367)**

* The Group adopted AASB 17 Insurance Contracts from 1 July 2023 and has restated the prior comparative period. The impacts of adoption are detailed in Note 2.

27. Actuarial assumptions and methods - Life Insurance contracts

Ms Caroline Bennet FIAA, the Appointed Actuary, has reviewed and satisfied herself as to the accuracy of the data from which the amounts of the policyholder liabilities have been determined and that the amount of such liabilities is consistent with the relevant actuarial standards and legislation in Australia. Further, she has considered the requirements of LPS700 Paragraph 11 in relation to the proposed distribution of surplus and provided advice to the Board that the proposed bonus declaration has considered the relevant requirements.

Effects of changes in assuptions

	2024 $'000	2023 $'000
Assumption category:		
(a) Discount rate	33	(19)
(b) Future bonus rate	-	-
(c) Mortality rates	-	-
(d) Discontinuance rates	-	-
(e) Maintenance expenses	(1,075)	(516)
Total effect on profit and retained earnings	**(1,042)**	**(535)**

Reconciliation of changes in Oddfellows life insurance liabilities

	2024 $'000	2023 $'000
Life insurance liability at the beginning of the year	6,544	6,417
Actuarial Revaluation	(22)	77
Payment of terminal bonus	-	-
Allocation of bonus	298	50
Life insurance liability at the end of the year	**6,820**	**6,544**

Allocation of profits/losses

A Life Insurance contract profit of $nil (2023: $nil) and the allocation of bonus of $298,003 (2023: $49,618) has been provided for in the provision of final bonus to policyholders.

Insurance risks

Whilst the Oddfellows Fund is classified as an insurance fund, this fund no longer carries any mortality insurance risk. The appointed actuary has calculated the best estimate liability arising from these contracts. The Group maintains sufficient assets to meet these liabilities.

Key assumptions

The key assumptions for the policy liability calculation have been a discount rate based on the expected future earnings on the assets and future mortality, resignations and retirements. As at year end, these assumptions were:

Oddfellows Fund

	Oddfellows Fund		LifeIncome Funds	
	2024	2023	2024	2023
Discount rate	4.48%	4.20%	Gross Discount Rate: 3.50% to 9.00% Reinsurance Current Discount Rate: 4.10% to 6.00% Reinsurance Locked-In Discount Rate: 3.00% to 4.16%	Gross Discount Rate: 1.50% to 8.00% Reinsurance Current Discount Rate: 4.04% to 5.77% Reinsurance Locked-In Discount Rate: 2.84% to 4.16%
Inflation rate	n/a	n/a	2.5% to 5%	5.0%
Profit carriers used for each major product group	n/a	n/a	n/a	n/a
Future maintenance and investment management expense	2.00%	2.00%	0.92%	0.92%
Taxation rates	0%	0%	0%	0%
Mortality	Australian Life Tables 2010-2012 less 40%	Australian Life Tables 2010-2012 less 40%	HR_AUS 2017 Life Tables with annual mortality improvement factors less 0-55% for males and 0-65% for female	HR_AUS 2017 Life Tables with annual mortality improvement factors less 0-55% for males and 0-65% for female
Morbidity	n/a	n/a	n/a	n/a
Rates of discontinuance	0%	0%	0%	0%
Surrender values	n/a	n/a	Lower of the withdrawal Capital Assess Schedule ('CAS') or 90% of the death benefit	n/a
Rates of growth of unit prices in respect of unit linked benefits	n/a	n/a	3.50% to 9.00%, less fees	1.50% to 8.00%, less fees
Rates of future supportable participating benefits	Terminal bonus at $164 per member	Terminal bonus at $164 per member	n/a	n/a
Crediting policy adopted in determining future supportable participating benefits	Allocation of surplus above statutory requirements as non-guaranteed terminal bonus	Allocation of surplus above statutory requirements as non-guaranteed terminal bonus	n/a	n/a

Note: Oddfellows Fund is now effectively a contribution accumulation fund.

28. Insurance contract liabilities

A. Oddfellows Fund

	Oddfellows Fund			
	Current basis		Previous basis	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Insurance contract policy liabilities				
Best estimate liability				
Value of future policy benefits	3,858	3,807	3,960	3,912
Less value of future contributions	-	-	-	-
Value of future expenses	2,503	2,598	2,401	2,493
	6,361	**6,405**	**6,361**	**6,405**
Value of future profits				
Policy owner bonuses (Current year unallocated surplus is not included)	161	89	161	89
	161	**89**	**161**	**89**
Total value of declared bonuses	298	50	298	50
Total net policy liabilities	**6,820**	**6,544**	**6,820**	**6,544**

B. Insurance contract assets and liabilities (LifeIncome)

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for insurance contract issued.

	2024				2023			
	Liability for remaining coverage				Liability for remaining coverage			
	Excluding loss component $'000	Loss component $'000	Liability for incurred claims $'000	Total $'000	Excluding loss component $'000	Loss component $'000	Liability for incurred claims $'000	Total $'000
Opening assets	-	-	-	-	-	-	-	-
Opening liabilities	14,800	2,889	(33)	17,656	1,804	412	168	2,384
Net opening balance	**14,800**	**2,889**	**(33)**	**17,656**	**1,804**	**412**	**168**	**2,384**
Insurance revenue - other contracts	(2,771)	(507)	-	(3,278)	(1,196)	(298)	-	(1,494)
Insurance revenue	**(2,771)**	**(507)**	**-**	**(3,278)**	**(1,196)**	**(298)**	**-**	**(1,494)**
Incurred claims and other insurance service expenses	1,344	-	1,914	3,258	1,657	-	1,439	3,096
Changes that relate to future service: Losses and reversals of losses on onerous contracts	-	3,112	-	3,112	-	2,770	-	2,770
Amortisation of insurance acquisition cash flows	69	-	-	69	46	-	-	46
Insurance service expenses	**1,413**	**3,112**	**1,914**	**6,439**	**1,703**	**2,770**	**1,439**	**5,912**
Insurance service result	**(1,358)**	**2,605**	**1,914**	**3,161**	**507**	**2,472**	**1,439**	**4,418**
Insurance finance expenses from insurance contracts recognised in profit or loss	2,666	114	-	2,780	(69)	5	-	(64)
Total changes in the statement of profit or loss	**1,308**	**2,719**	**1,914**	**5,941**	**438**	**2,477**	**1,439**	**4,354**
Cash flows								
Premium received	17,399	-	-	17,399	14,785	-	-	14,785
Insurance acquisition cash flows	(1,880)	-	-	(1,880)	(2,227)	-	-	(2,227)
Claims and other insurance service expenses paid	-	-	(1,756)	(1,756)	-	-	(1,640)	(1,640)
Total cash flows	**15,519**	**-**	**(1,756)**	**13,763**	**12,558**	**-**	**(1,640)**	**10,918**
Other movements	-	-	(57)	(57)	-	-	-	-
Net closing balance	**31,627**	**5,608**	**68**	**37,303**	**14,800**	**2,889**	**(33)**	**17,656**
Closing assets	-	-	-	-	-	-	-	-
Closing liabilities	31,627	5,608	68	37,303	14,800	2,889	(33)	17,656
Net closing balance	**31,627**	**5,608**	**68**	**37,303**	**14,800**	**2,889**	**(33)**	**17,656**

28. Insurance contract liabilities (continued)

C. Life insurance contract liabilities

	2024 $'000	2023 $'000
Oddfellows Benefit Funds	6,820	6,544
Insurance contract liabilities - LifeIncome	37,303	17,656
Life insurance contracts liabilities at the end of the year	**44,123**	**24,200**

The following table details the composition and the fair value of underlying items of the portfolio of insurance contracts issued.

	2024 $'000	2023 $'000
Financial assets measured at FVTPL		
Listed securities	24,673	11,620
Unlits in externally managed unlisted funds and fixed interest assets	12,969	9,152
Derivatives	7	-
	37,649	**20,772**

The following table provides an analysis of insurance contracts initially recognised in the period.

	2024 Contracts issued			2023 Contracts issued		
	Profitable contracts $'000	Onerous contracts $'000	Total $'000	Profitable contracts $'000	Onerous contracts $'000	Total $'000
Estimates of present value of future cash outflows						
Insurance acquisition cash flows	-	622	622	-	570	570
Claims and other insurance service expenses payable	-	17,892	17,892	-	15,729	15,729
Estimates of present value of cash inflows	-	(17,084)	(17,084)	-	(14,784)	(14,784)
Risk adjustment for non-financial risk	-	684	684	-	968	968
CSM	-	-	-	-	-	-
	-	**2,114**	**2,114**	**-**	**2,483**	**2,483**

The following table shows the reconciliation from the opening to the closing balances of the net insurance contract liability analysed by measurement components.

	2024				2023			
	Estimates of present value of future cash flows $'000	Risk adjustment for non-financial risk $'000	CSM Full retrospective approach $'000	Total $'000	Estimates of present value of future cash flows $'000	Risk adjustment for non-financial risk $'000	CSM Full retrospective approach $'000	Total $'000
Opening assets	-	-	-	-	-	-	-	-
Opening liabilities	17,028	661	(33)	17,656	2,249	134	-	2,383
Net opening balance	**17,028**	**661**	**(33)**	**17,656**	**2,249**	**134**	**-**	**2,383**
Changes that relate to current service								
CSM recognised for services provided	-	-	-	-	-	-	-	-
Change in risk adjustment for non-financial risk for risk expired	-	(60)	-	(60)	-	(54)	-	(54)
Experience adjustments	2,106	-	-	2,106	3,759	-	-	3,759
	2,106	**(60)**	**-**	**2,046**	**3,759**	**(54)**	**-**	**3,705**
Changes that relate to future service								
Contracts initially recognised in the year	1,431	684	-	2,115	1,515	968	-	2,483
Changes in estimates that adjust the CSM	-	-	-	-	-	-	-	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	857	140	-	997	673	(387)	-	286
	2,288	**824**	**-**	**3,112**	**2,188**	**581**	**-**	**2,769**
Changes relate to past service								
Adjustments to liabilities for incurred claims (LIC)	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Insurance service result	**4,394**	**764**	**-**	**5,158**	**5,947**	**527**	**-**	**6,474**
Insurance finance expenses from insurance contracts recognised in profit and loss	2,780	-	-	2,780	(64)	-	-	(64)
Total changes in statement of profit or loss and OCI	**7,174**	**764**	**-**	**7,938**	**5,883**	**527**	**-**	**6,410**
Allocation of insurance acquisition cash flows to related group of contracts								
Cash flows								
Premiums received	11,608	-	125	11,733	8,896	-	(33)	8,863
Other movements	-	-	(24)	(24)	-	-	-	-
Net closing balance	**35,810**	**1,425**	**68**	**37,303**	**17,028**	**661**	**(33)**	**17,656**
Closing assets	-	-	-	-	-	-	-	-
Closing liabilities	35,810	1,425	68	37,303	17,028	661	(33)	17,656
Net closing balance	**35,810**	**1,425**	**68**	**37,303**	**17,028**	**661**	**(33)**	**17,656**

29. Reinsurance contract held (assets) / liabilities

The following table shows the reconciliation from the opening to the closing balances of the net asset for the remaining coverage and the assets for incurred claims recoverable from reinsurance.

	2024				2023			
	Remaining coverage component				Remaining coverage component			
	Excluding loss recovery component $'000	Loss recovery component $'000	Incurred claims component $'000	Total $'000	Excluding loss recovery component $'000	Loss recovery component $'000	Incurred claims component $'000	Total $'000
Opening (assets)/liabilities	(101)	(522)	-	(623)	229	-	-	229
Net opening balance	**(101)**	**(522)**	**-**	**(623)**	**229**	**-**	**-**	**229**
Changes in the statement of profit or loss								
Allocation of reinsurance expenses paid	80	-	-	80	(580)	-	-	(580)
Amounts recoverable from reinsurer	-	-	-	-	-	-	-	-
Recoveries of incurred claims and other insurance service expenses	-	-	(20)	(20)	-	-	4	4
Changes in the loss recovery components	-	(794)	-	(794)	-	(522)	-	(522)
Changes in expected recoveries on past claims	-	-	-	-	-	-	-	-
	80	**(794)**	**(20)**	**(734)**	**(580)**	**(522)**	**4**	**(1,098)**
Investment components and premium refunds								
Effects of changes in non-performance risk of reinsurers	-	-	-	-	-	-	-	-
Net (income) / expenses from reinsurance contracts held	**80**	**(794)**	**(20)**	**(734)**	**(580)**	**(522)**	**4**	**(1,098)**
Finance income / (expenses) from reinsurance contracts held	(30)	-	-	(30)	254	-	-	254
Effect of movements in exchange rates	-	-	-	-	-	-	-	-
Total changes in the statement of profit or loss	**50**	**(794)**	**(20)**	**(764)**	**(326)**	**(522)**	**4**	**(844)**
Cash flows								
Premiums received	(38)	-	-	(38)	(4)	-	-	(4)
Amounts received from reinsurers relating to incurred claims	-	-	20	20	-	-	(4)	(4)
Total cash flows	**(38)**	**-**	**20**	**(18)**	**(4)**	**-**	**(4)**	**(8)**
Net closing balance	**(89)**	**(1,316)**	**-**	**(1,405)**	**(101)**	**(522)**	**-**	**(623)**
Closing (assets) / liabilities	(89)	(1,316)	-	(1,405)	(101)	(522)	-	(623)
Net closing balance	**(89)**	**(1,316)**	**-**	**(1,405)**	**(101)**	**(522)**	**-**	**(623)**

The following table shows the reconciliation from the opening to the closing balances of the net (asset) / liability for reinsurance contracts held analysed by components.

	2024				2023			
	Estimates of present value of future cash flows $'000	Risk adjustment for non-financial risk $'000	CSM Full retrospective approach $'000	Total $'000	Estimates of present value of future cash flows $'000	Risk adjustment for non-financial risk $'000	CSM Full retrospective approach $'000	Total $'000
Opening (assets)/liabilities	906	(2,445)	916	(623)	2,097	(5,448)	3,580	229
Net opening balance	**906**	**(2,445)**	**916**	**(623)**	**2,097**	**(5,448)**	**3,580**	**229**
Changes that relate to current service								
CSM recognised for services provided	-	-	11	11	-	-	(58)	(58)
Change in risk adjustment for non-financial risk for risk expired	-	89	-	89	-	(425)	-	(425)
Experience adjustments	(30)	-	-	(30)	(46)	-	-	(46)
	(30)	**89**	**11**	**70**	**(46)**	**(425)**	**(58)**	**(529)**
Changes that relate to future service								
Contracts initially recognised in the year	-	-	-	-	-	-	(9)	(9)
Changes in estimates that adjust the CSM	(235)	625	(390)	-	(1,420)	3,428	(2,008)	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	-	-	(804)	(804)	-	-	(568)	(568)
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	-	-	-	-	-	-
	(235)	**625**	**(1,194)**	**(804)**	**(1,420)**	**3,428**	**(2,585)**	**(577)**
Changes relate to past service								
Changes to incurred claims component	-	-	-	-	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	-	-	-
Net income/(expenses) from reinsurance contracts held	**(265)**	**714**	**(1,183)**	**(734)**	**(1,466)**	**3,003**	**(2,643)**	**(1,106)**
Finance income / (expenses) from reinsurance contracts held recognised in profit or loss	40	-	(70)	(30)	284	-	(30)	254
Effects of movements in exchange rates	-	-	-	-	-	-	-	-
Total changes in statement of profit or loss	**(225)**	**714**	**(1,253)**	**(764)**	**(1,182)**	**3,003**	**(2,673)**	**(852)**
Cash flows	(17)	(1)	-	(18)	(9)	-	9	-
Net closing balance	**664**	**(1,732)**	**(337)**	**(1,405)**	**906**	**(2,445)**	**916**	**(623)**
Closing (assets) / liabilities	664	(1,732)	(337)	(1,405)	906	(2,445)	916	(623)
Net closing balance	664	(1,732)	(337)	(1,405)	**906**	**(2,445)**	**916**	**(623)**

29. Reinsurance contract held (assets) / liabilities (continued)

The following table provides an analysis of reinsurance contracts held initially recognised in the period.

	2024			2023		
	Contracts purchased with a net gain $'000	All other contracts $'000	Total $'000	Contracts purchased with a net gain $'000	All other contracts $'000	Total $'000
Estimates of present value of cash outflows	-	-	-	-	-	-
Estimates of present value of cash inflows	-	-	-	-	-	-
Risk adjustment from non-financial risk	-	-	-	-	-	-
CSM	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**

There is no new reinsurance contract in the year ending 30 June 2024.

30. Contractual Service Margin (CSM)

The following table shows an analysis of the expected recognition of the CSM remaining at the end of reporting period in profit or loss.

	Less than 1 year $'000	In 1 to 3 years $'000	In 4 to 5 years $'000	> 5 years $'000	Total $'000
30 June 2024					
Insurance contracts issued	-	-	-	-	-
Reinsurance contracts held	(30)	(55)	(47)	(204)	(336)
	(30)	**(55)**	**(47)**	**(204)**	**(336)**

	Less than 1 year $'000	In 1 to 3 years $'000	In 4 to 5 years $'000	> 5 years $'000	Total $'000
30 June 2023					
Insurance contracts issued	-	-	-	-	-
Reinsurance contracts held	87	144	125	559	915
	87	**144**	**125**	**559**	**915**

31. Assets for insurance acquisition cash flows

The following table shows the reconciliation from the opening to the closing balance for assets for insurance acquisition cash flows.

	2024 $'000	2023 $'000
Opening balance	625	101
Additions	622	570
Amount derecognised during the period due to allocation to the related group of contracts	(68)	(46)
Impairment losses	-	-
Reversal of impairment losses	-	-
Closing balance	**1,179**	**625**

The following table shows the expected timing of derecognition of assets for insurance acquisition cash flows and included in the measurement of the portfolio of insurance contracts issued that they will be allocated to.

	2024 $'000	2023 $'000
Within one year	106	55
In 1 - 3 years	191	99
In 4 - 5 years	165	86
Beyond 5 years	717	385
	1,179	**625**

32. Capital Adequacy

The Group manages its capital to ensure that its wholly owned subsidiary - Generation Life Limited will be able to continue as a going concern while maximising the return to stakeholders. Generation Life Limited has an Internal Capital Adequacy Assessment Plan (ICAAP) which includes its capital management plans that has been approved by the board in accordance with APRA Prudential Standards. The table below represents the number of times coverage of the aggregated of all benefit funds in Generation Life Limited over the prescribed capital amount. The financial position of each individual fund is disclosed in note 35.

	2024 $'000	2023 $'000
Assets Available for Prudential Capital Requirement		
(a) Capital Base	13,323	12,234
(b) Prescribed capital amount	9,250	8,500
Capital in excess of prescribed capital amount = (a) - (b)	4,073	3,734
Capital adequacy multiple (%) (a) / (b)	**144%**	**144%**
Capital Base comprises:		
Net Assets (less Tier 2 Capital)	32,070	36,922
Regulatory adjustment applied in calculation of Tier 1 capital	(18,747)	(24,688)
(A) Common Equity Tier 1 Capital	**13,323**	**12,234**
Additional Tier 1 Capital	-	-
Regulatory adjustment applied in calculation of Additional Tier 1 capital	-	-
(B) Total Additional Tier 1 Capital	**-**	**-**
Tier 2 Capital	-	-
Regulatory adjustment applied in calculation of Tier 2 capital	-	-
(C) Total Tier 2 Capital	**-**	**-**
Total capital base	**13,323**	**12,234**

33. Parent Entity Disclosures

As at and throughout the financial year ended 30 June 2024 the parent company of the Group was Generation Development Group Limited.

	2024 $'000	2023 $'000
Results of the Parent Entity		
Profit / (Loss) for the period	8,141	11,530
Total comprehensive income for the period	**8,141**	**11,530**
Financial Position of the Parent Entity at Year End		
Current assets	165,224	11,421
Total assets	**278,047**	**120,434**
Current liabilities	(8,477)	(5,810)
Total liabilities	**(8,794)**	**(6,126)**
Net assets	**269,253**	**114,308**
Total equity of the parent entity comprising of:		
Share capital	239,558	89,045
Financial asset reserve	34,925	34,925
Share-based payment reserve	1,439	1,336
Accumulated losses	(6,669)	(10,998)
Total equity	**269,253**	**114,308**

33. Parent Entity Disclosures (continued)

Parent entity contingencies

Other than the contingent liabilities disclosed in note 22 to the financial statements, the parent entity does not have any contingencies at 30 June 2024 (2023: nil).

Parent entity capital commitments for acquisition of property, plant and equipment

The parent entity does not have any capital commitments to acquire property, plant and equipment at 30 June 2024 (2023: nil).

Parent entity guarantee in respect of its subsidiaries

The Company has issued letters of support in respect of certain subsidiaries in the normal course of business. Under these letters, the Company undertakes to ensure that those subsidiaries continue to meet their regulatory capital obligations subject to caps and certain conditions including that the entity remains a controlled entity of the Company.

34. Subsequent Events

The Company declared a final fully franked 2024 dividend of $0.01 per ordinary share on 28 August 2024 to be paid on 7 October 2024. The dividend is to be paid out of the Profits Reserve. The Company's Dividend Reinvestment Plan (DRP) has been activated for this dividend.

On 3 June 2024, GDG announced that it has entered into Share and Option Sale Agreement (SOSA) to acquire all the shares and options in Lonsec Holding Pty Ltd and its controlled entities (Lonsec). Various approvals in connection with the acquisition were received from shareholders of the Company at an Extraordinary General Meeting (EGM) held on the 23 July 2024. The acquisition was completed on 1 August 2024.

The consideration payable consists of $135.7m upfront cash payment paid on the 1 August 2024 and $49.0m in shares issued at an agreed price of $1.95 per share, being the same price as the Capital Raising, plus an earn-out consideration payable by the Company by way of cash. The earn-out amount payable will be determined based on the EBITDA achieved for the period from 1 July 2024 to 30 June 2025. The maximum earn-out amount payable by the Company is approximately $55.8m in cash if an EBITDA of $34.7m is achieved during the period.

Due to the proximity to the completion date the provisional acquisition accounting will be completed during the financial year 2025.

With the completion of the acquisition of 100% of Lonsec, this business will make a much more meaningful contribution to the overall profitability of the Group in FY25 as we look to grow and become a Top 300 ASX listed company.

The goodwill that will be recognised, will largely depend on the fair value ascribed to specific intangible assets, based on the nature of each of the intangible assets and the appropriate valuation methodology.

The total transaction cost is expected to be around $2.0m excluding capital raising costs, with $1.3m recognised during the financial year 2024 in the income statement, and the remainder to be recorded in the financial year 2025.

35. Disaggregated information by fund

The financial information by individual benefit funds are set out below. The solvency requirements are all nil as a result of the APRA Prudential Capital Requirements and Prudential Standard LPS 110 Paragraph 46.

	Funeral Fund $	Heritage Investment Bond Fund $	Deferred Annuity 39 $	Deferred Annuity 46 $	Druids Funeral Fund $	Druids Flexi Fund $
	Non-Investment Linked ("N-IL")					
As at 30 June 2024						
Financial assets	476,517	1,278,867	331,891	46,313	4,275,463	3,834,960
Reinsurance contract assets	-	-	-	-	-	-
Other assets	3,007	5,537	1,324	871	25,683	15,322
Insurance contract liabilities	-	-	-	-	-	-
Reinsurance contract liabilities	-	-	-	-	-	-
Investment contract liabilities	464,058	1,252,148	325,923	46,990	4,297,488	3,784,475
Other liabilities	15,466	32,256	7,292	194	3,658	65,807
Retained earnings	-	-	-	-	-	-
Reserves	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-
Insurance service result	-	-	-	-	-	-
Investment income	30,285	83,277	19,441	2,423	245,398	221,876
Net insurance finance income / (expenses)	-	-	-	-	-	-
Other expenses	10,911	15,546	5,905	820	43,177	38,924
Realised gain/(loss)	(1,467)	(17,134)	(1,012)	(101)	(17,268)	(18,566)
Unrealised gain/(loss)	10,966	43,568	6,665	550	80,493	74,538
Actuarial gain/(loss)	-	-	-	-	-	-
Operating profit/(loss) before tax	28,874	94,166	19,235	2,052	265,446	238,924
Operating profit/(loss) after tax	30,031	65,170	16,767	1,797	274,129	161,201
Solvency requirement ($'000)	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-
As at 30 June 2023						
Financial assets	515,859	2,067,073	341,879	44,014	4,299,903	3,895,176
Reinsurance contract assets	-	-	-	-	-	-
Other assets	3,920	23,738	3,364	906	26,506	39,247
Insurance contract liabilities	-	-	-	-	-	-
Reinsurance contract liabilities	-	-	-	-	-	-
Investment contract liabilities	479,214	1,910,499	313,797	45,193	4,227,762	3,767,128
Other liabilities	40,565	180,312	31,446	(273)	98,647	167,295
Retained earnings	-	-	-	-	-	-
Reserves	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-
Insurance service result	-	-	-	-	-	-
Investment income	27,007	105,082	16,656	1,960	201,154	179,590
Net insurance finance income / (expenses)	-	-	-	-	-	-
Other expenses	10,445	17,206	5,878	702	43,831	39,302
Realised gain/(loss)	(294)	(8,156)	-	-	(2,220)	(1,789)
Unrealised gain/(loss)	1,971	15,070	867	85	13,752	11,988
Actuarial gain/(loss)	-	-	-	-	-	-
Operating profit/(loss) before tax	18,239	94,790	12,173	1,343	168,856	150,487
Operating profit/(loss) after tax	20,737	64,166	11,626	1,268	185,659	100,011
Solvency requirement ($'000)	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-

35. Disaggregated information by fund (continued)

	No. 1 Cash & Deposits $	No. 2 Aust Fixed Interest $	No. 3 Aust Credit $	No. 4 Int'l Fixed Interest $	No. 5 Prop. Securities $	No. 5A Int'l Prop. Securities $	No. 5B Global Infrastructure $
	Investment Linked ("IL")						
As at 30 June 2024							
Financial assets	60,714,436	32,242,413	5,949,670	41,310,587	14,805,146	12,621,949	51,951,693
Reinsurance contract assets	-	-	-	-	-	-	-
Other assets	1,482,706	897,863	117,138	1,068,336	933,267	936,198	1,241,870
Insurance contract liabilities	-	-	-	-	-	-	-
Reinsurance contract liabilities	-	-	-	-	-	-	-
Investment contract liabilities	61,156,052	32,991,532	6,053,160	42,134,509	15,626,068	13,412,773	52,992,370
Other liabilities	1,041,090	148,744	13,648	244,414	112,345	145,374	201,193
Retained earnings	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-
Insurance service result	-	-	-	-	-	-	-
Investment income	2,426,823	560,651	51,127	365,261	909,247	797,851	2,084,448
Net insurance finance income / (expenses)	-	-	-	-	-	-	-
Other expenses	161,913	276,012	53,282	350,086	138,164	110,362	1,004,067
Realised gain/(loss)	(20,415)	(699,339)	(305,808)	(3,506,240)	(537,248)	(256,262)	(966,655)
Unrealised gain/(loss)	(13,006)	1,484,934	594,478	5,020,376	(252,402)	(194,420)	(631,139)
Actuarial gain/(loss)	-	-	-	-	-	-	-
Operating profit/(loss) before tax	2,231,488	1,070,233	286,515	1,529,310	(18,566)	236,807	(392,451)
Operating profit/(loss) after tax	1,513,468	666,359	185,471	965,491	(10,263)	161,183	(410,557)
Solvency requirement ($'000)	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-
As at 30 June 2023							
Financial assets	52,388,834	28,542,146	6,812,455	38,413,240	15,271,114	12,451,376	52,603,024
Reinsurance contract assets	-	-	-	-	-	-	-
Other assets	1,299,762	2,000,255	201,400	1,552,389	1,130,646	96,698	1,434,426
Insurance contract liabilities	-	-	-	-	-	-	-
Reinsurance contract liabilities	-	-	-	-	-	-	-
Investment contract liabilities	51,014,627	30,589,460	7,123,999	39,964,254	16,288,043	12,368,840	53,353,109
Other liabilities	2,673,969	(47,059)	(110,144)	1,375	113,717	179,234	684,341
Retained earnings	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-
Insurance service result	-	-	-	-	-	-	-
Investment income	1,809,928	435,505	15,729	471,554	1,081,913	52,598	1,657,757
Net insurance finance income / (expenses)	-	-	-	-	-	-	-
Other expenses	144,106	268,774	65,815	357,086	147,127	109,828	954,380
Realised gain/(loss)	93,083	(912,761)	(409,464)	(916,824)	(621,795)	(441,795)	893,074
Unrealised gain/(loss)	(316,639)	1,084,189	630,372	123,115	250,463	(358,265)	(3,026,791)
Actuarial gain/(loss)	-	-	-	-	-	-	-
Operating profit/(loss) before tax	1,442,266	338,159	170,822	(679,241)	563,454	(857,290)	(1,430,339)
Operating profit/(loss) after tax	966,354	156,079	99,831	(582,594)	393,805	(633,051)	(1,157,106)
Solvency requirement ($'000)	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-

	No. 6 Aust Shares $	No. 6A Aust Shares Long Short $	No. 7 Aust Shares Small Cap. $	No. 8 Int'l Shares $	No. 8A Int'l Shares Growth $	No. 9 Int'l Shares Small Cap. $	No. 10 Diversified Growth $
				IL			
As at 30 June 2024							
Financial assets	58,960,812	5,238,999	26,589,602	98,561,236	33,462,257	26,046,916	37,934,244
Reinsurance contract assets	-	-	-	-	-	-	-
Other assets	112,669	95,693	647,947	238,964	1,953,767	1,722,357	487,970
Insurance contract liabilities	-	-	-	-	-	-	-
Reinsurance contract liabilities	-	-	-	-	-	-	-
Investment contract liabilities	57,851,559	5,244,762	26,822,514	87,686,636	34,361,380	25,912,991	37,580,814
Other liabilities	1,221,922	89,930	415,035	11,113,564	1,054,644	1,856,283	841,400
Retained earnings	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-
Insurance service result	-	-	-	-	-	-	-
Investment income	2,255,645	5,617	908,983	856,376	1,860,508	1,820,254	695,025
Net insurance finance income / (expenses)	-	-	-	-	-	-	-
Other expenses	1,035,809	31,795	223,272	2,289,009	323,747	219,539	390,063
Realised gain/(loss)	(291,274)	(134,811)	(327,242)	5,548,504	1,361,702	(23,140)	(1,166,042)
Unrealised gain/(loss)	1,126,714	363,209	3,643,549	12,775,480	(2,150,014)	477,120	3,908,668
Actuarial gain/(loss)	-	-	-	-	-	-	-
Operating profit/(loss) before tax	1,947,294	202,222	4,002,019	16,747,626	746,287	2,054,695	3,380,683
Operating profit/(loss) after tax	1,517,402	132,017	3,025,895	11,131,944	454,580	1,418,518	2,250,534
Solvency requirement ($'000)	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-
As at 30 June 2023							
Financial assets	56,891,221	3,599,883	22,853,592	92,788,112	27,217,946	20,725,271	29,819,021
Reinsurance contract assets	-	-	-	-	-	-	-
Other assets	458,225	86,456	1,206,170	241,795	1,781,890	679,187	995,070
Insurance contract liabilities	-	-	-	-	-	-	-
Reinsurance contract liabilities	-	-	-	-	-	-	-
Investment contract liabilities	56,426,892	3,854,418	24,132,167	87,753,733	27,970,879	20,040,175	30,816,522
Other liabilities	922,554	(168,079)	(72,405)	5,276,174	1,028,957	1,364,283	(2,431)
Retained earnings	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-
Insurance service result	-	-	-	-	-	-	-
Investment income	1,271,087	3,741	939,646	1,245,758	1,766,567	734,747	822,976
Net insurance finance income / (expenses)	-	-	-	-	-	-	-
Other expenses	937,833	29,526	205,069	2,084,004	213,951	173,954	277,413
Realised gain/(loss)	(1,435,877)	(511,512)	(819,315)	1,115,828	(211,585)	(97,889)	(564,440)
Unrealised gain/(loss)	6,236,649	333,568	910,317	14,052,513	2,612,561	2,566,104	2,724,194
Actuarial gain/(loss)	-	-	-	-	-	-	-
Operating profit/(loss) before tax	5,134,026	(203,729)	825,578	14,330,179	3,953,592	3,029,008	2,705,316
Operating profit/(loss) after tax	3,540,708	(107,928)	803,715	9,547,412	2,747,810	2,103,459	1,915,476
Solvency requirement ($'000)	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-

35. Disaggregated information by fund (continued)

	No. 10A Absolute Return Income $	No. 10B Diversified Balanced $	No. 11 Aust Shares Index $	No. 11A Int'l Shares Index (Unhedged) $	No. 12 Int'l Shares Index (Hedged) $	No. 12A Aust Fixed Interest Index $	No. 12B Prop. Sec Index $
	IL						
As at 30 June 2024							
Financial assets	12,829,857	14,839,268	194,158,423	109,435,726	84,652,212	38,036,960	43,291,750
Reinsurance contract assets	-	-	-	-	-	-	-
Other assets	228,697	392,567	2,925,872	3,590,797	2,819,989	962,430	757,512
Insurance contract liabilities	-	-	-	-	-	-	-
Reinsurance contract liabilities	-	-	-	-	-	-	-
Investment contract liabilities	12,921,074	14,991,485	188,223,694	103,361,076	79,647,572	38,725,596	41,065,067
Other liabilities	137,480	240,350	8,860,601	9,665,447	7,824,629	273,794	2,984,195
Retained earnings	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-
Insurance service result	-	-	-	-	-	-	-
Investment income	509,525	652,321	6,809,068	3,479,474	2,828,883	952,266	1,309,677
Net insurance finance income / (expenses)	-	-	-	-	-	-	-
Other expenses	106,016	126,568	1,751,595	969,462	680,195	370,947	409,764
Realised gain/(loss)	(115,490)	(234,582)	(405,084)	(25,307)	(31,620)	(611,742)	(48,501)
Unrealised gain/(loss)	325,055	929,363	13,443,531	14,491,039	11,545,132	943,148	7,472,812
Actuarial gain/(loss)	-	-	-	-	-	-	-
Operating profit/(loss) before tax	613,074	1,220,535	18,095,920	16,975,745	13,662,200	912,725	8,324,224
Operating profit/(loss) after tax	397,347	831,914	13,695,983	11,616,256	9,359,481	540,475	5,766,817
Solvency requirement ($'000)	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-
As at 30 June 2023							
Financial assets	11,292,230	12,961,348	154,326,373	80,300,595	66,657,656	34,433,247	38,209,072
Reinsurance contract assets	-	-	-	-	-	-	-
Other assets	235,551	460,145	3,325,292	4,247,188	119,713	1,122,143	540,504
Insurance contract liabilities	-	-	-	-	-	-	-
Reinsurance contract liabilities	-	-	-	-	-	-	-
Investment contract liabilities	11,516,964	13,367,853	154,170,735	78,798,308	63,393,030	35,527,658	38,335,766
Other liabilities	10,817	53,640	3,480,930	5,749,475	3,384,339	27,732	413,810
Retained earnings	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-
Insurance service result	-	-	-	-	-	-	-
Investment income	363,633	555,008	6,476,056	3,870,016	2,604	492,271	1,199,069
Net insurance finance income / (expenses)	-	-	-	-	-	-	-
Other expenses	114,232	105,971	1,480,731	705,055	520,500	326,181	376,560
Realised gain/(loss)	(314,364)	(165,377)	(826,237)	(533,218)	(453,401)	(643,850)	(710,903)
Unrealised gain/(loss)	271,074	199,363	13,296,441	11,480,182	9,576,716	573,512	2,109,672
Actuarial gain/(loss)	-	-	-	-	-	-	-
Operating profit/(loss) before tax	206,111	483,023	17,465,530	14,111,925	8,659,745	95,751	2,221,277
Operating profit/(loss) after tax	110,008	306,365	13,412,095	9,830,931	5,905,671	(26,171)	1,493,889
Solvency requirement ($'000)	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-

	No. 12C Diversified Conservative Index $	No. 12D Diversified Growth Index $	No. 13 Credit Securities $	No. 14 Aust Large Companies Shares $	No. 14A Term Deposits $	No. 14B Short Term Fixed Interest $	No. 15 Aust Shares $
	IL						
As at 30 June 2024							
Financial assets	125,361,276	438,792,525	18,784,506	11,129,636	99,188,477	13,952,869	43,660,302
Reinsurance contract assets	-	-	-	-	-	-	-
Other assets	1,689,951	6,491,170	107,055	126,036	1,379,959	282,632	153,652
Insurance contract liabilities	-	-	-	-	-	-	-
Reinsurance contract liabilities	-	-	-	-	-	-	-
Investment contract liabilities	126,408,324	429,393,042	18,657,874	10,875,720	99,252,893	13,941,279	41,208,269
Other liabilities	642,903	15,890,653	233,687	379,952	1,315,543	294,222	2,605,685
Retained earnings	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-
Insurance service result	-	-	-	-	-	-	-
Investment income	3,563,280	13,193,088	877,423	486,783	4,222,290	647,249	1,417,768
Net insurance finance income / (expenses)	-	-	-	-	-	-	-
Other expenses	896,111	2,705,608	164,604	87,145	480,952	58,528	730,570
Realised gain/(loss)	(2,073,265)	(256,623)	(323,739)	(21,569)	-	(4,273)	176,300
Unrealised gain/(loss)	6,972,918	31,997,545	588,755	926,109	-	147,530	1,342,784
Actuarial gain/(loss)	-	-	-	-	-	-	-
Operating profit/(loss) before tax	7,566,822	42,228,402	977,834	1,304,177	3,741,337	731,978	2,245,608
Operating profit/(loss) after tax	5,027,576	28,734,127	635,102	891,475	2,474,650	494,827	1,648,753
Solvency requirement ($'000)	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-
As at 30 June 2023							
Financial assets	119,195,132	318,262,255	17,275,618	7,504,260	86,804,376	8,746,589	37,113,824
Reinsurance contract assets	-	-	-	-	-	-	-
Other assets	3,485,492	2,574,983	289,083	60,497	978,278	43,254	260,000
Insurance contract liabilities	-	-	-	-	-	-	-
Reinsurance contract liabilities	-	-	-	-	-	-	-
Investment contract liabilities	120,396,132	318,465,294	17,437,558	7,607,983	87,156,984	8,772,252	35,422,389
Other liabilities	2,284,492	2,371,944	127,143	(43,226)	625,670	17,591	1,951,435
Retained earnings	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-
Insurance service result	-	-	-	-	-	-	-
Investment income	2,289,914	6,815,802	622,207	252,622	2,614,354	318,256	1,220,352
Net insurance finance income / (expenses)	-	-	-	-	-	-	-
Other expenses	808,508	2,026,235	147,351	48,445	439,530	48,584	657,691
Realised gain/(loss)	(1,690,967)	(1,618,487)	(273,995)	(22,877)	-	(79,704)	(288,290)
Unrealised gain/(loss)	4,407,408	24,076,794	112,593	272,916	-	231,128	3,405,428
Actuarial gain/(loss)	-	-	-	-	-	-	-
Operating profit/(loss) before tax	4,197,847	27,247,875	313,454	454,216	2,174,824	421,096	3,687,087
Operating profit/(loss) after tax	2,888,461	19,578,435	177,236	433,553	1,368,630	280,192	2,666,357
Solvency requirement ($'000)	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-

35. Disaggregated information by fund (continued)

	No. 16 Geared Aust Shares $	No. 17 Int'l Shares $	No. 18 Mortgage * $	No. 19 Diversified Growth $ IL	No. 20 Industrial Shares $	No. 21 Aust Shares ESG $	No 22. Diversified Growth $
As at 30 June 2024							
Financial assets	34,409,165	28,102,884	-	52,377,836	16,249,429	29,785,776	89,989,067
Reinsurance contract assets	-	-	-	-	-	-	-
Other assets	1,281,886	1,775,466	-	1,221,557	269,513	1,716,352	5,977,460
Insurance contract liabilities	-	-	-	-	-	-	-
Reinsurance contract liabilities	-	-	-	-	-	-	-
Investment contract liabilities	34,048,337	27,448,353	-	52,939,503	15,656,738	29,957,664	91,276,760
Other liabilities	1,642,714	2,429,997	-	659,890	862,204	1,544,464	4,689,767
Retained earnings	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-
Insurance service result	-	-	-	-	-	-	-
Investment income	1,525,758	1,979,278	-	1,170,165	300,616	2,572,042	6,424,327
Net insurance finance income / (expenses)	-	-	-	-	-	-	-
Other expenses	269,976	241,473	-	455,306	375,951	259,875	808,902
Realised gain/(loss)	(427,914)	1,562,645	-	(827,072)	(108,042)	(202,408)	2,323,633
Unrealised gain/(loss)	1,339,048	(1,695,449)	-	2,914,182	1,616,691	1,015,650	726,492
Actuarial gain/(loss)	-	-	-	-	-	-	-
Operating profit/(loss) before tax	2,166,917	1,605,001	-	2,801,968	1,433,314	3,125,408	8,665,550
Operating profit/(loss) after tax	1,986,550	1,112,866	-	2,008,495	962,967	2,365,199	5,825,604
Solvency requirement ($'000)	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-
As at 30 June 2023							
Financial assets	27,752,151	22,044,709	-	48,597,924	12,486,377	27,221,178	84,033,436
Reinsurance contract assets	-	-	-	-	-	-	-
Other assets	2,450	734,331	-	1,476,289	5,379	614,030	1,315,098
Insurance contract liabilities	-	-	-	-	-	-	-
Reinsurance contract liabilities	-	-	-	-	-	-	-
Investment contract liabilities	27,160,029	20,701,317	-	49,997,809	12,842,540	26,539,981	83,553,143
Other liabilities	594,572	2,077,723	-	76,404	(350,784)	1,295,227	1,795,391
Retained earnings	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-
Insurance service result	-	-	-	-	-	-	-
Investment income	894,064	732,607	-	204,433	284,880	2,285,680	1,806,306
Net insurance finance income / (expenses)	-	-	-	-	-	-	-
Other expenses	234,784	172,599	-	396,041	282,385	241,594	727,781
Realised gain/(loss)	(875,458)	1,213,761	-	(923,682)	(2,138,372)	(175,386)	(632,409)
Unrealised gain/(loss)	6,214,108	1,171,161	-	3,840,184	3,128,348	1,631,173	5,593,499
Actuarial gain/(loss)	-	-	-	-	-	-	-
Operating profit/(loss) before tax	5,997,930	2,944,930	-	2,724,894	992,471	3,499,873	6,039,615
Operating profit/(loss) after tax	4,597,453	2,040,811	-	1,907,126	667,430	2,694,392	4,316,107
Solvency requirement ($'000)	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-

*This is a dormant fund.

	No 23. Aust Income $	No 24. Diversified Growth $	No 25. Mortgages $	No 26. Diversified Conservative $ IL	No 27. Growth ESG Model $	No 28 World Equity Trust $	No 29 Worldwide Sustainability $
As at 30 June 2024							
Financial assets	11,527,477	175,643,691	3,133,121	12,397,689	13,112,033	53,593,946	8,126,808
Reinsurance contract assets	-	-	-	-	-	-	-
Other assets	55,875	958,055	40,372	226,714	362,972	417,396	100,870
Insurance contract liabilities	-	-	-	-	-	-	-
Reinsurance contract liabilities	-	-	-	-	-	-	-
Investment contract liabilities	11,130,740	171,224,446	3,128,989	12,189,114	13,098,035	51,866,902	8,129,949
Other liabilities	452,612	5,377,300	44,504	435,289	376,970	2,144,440	97,729
Retained earnings	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-
Insurance service result	-	-	-	-	-	-	-
Investment income	534,196	2,659,310	146,761	316,847	523,003	1,059,094	30,643
Net insurance finance income / (expenses)	-	-	-	-	-	-	-
Other expenses	185,742	1,161,018	30,742	116,279	111,234	310,848	50,744
Realised gain/(loss)	(81,598)	126,789	-	(200,439)	29,918	(109,999)	(162,937)
Unrealised gain/(loss)	497,091	15,551,879	-	546,863	605,623	5,162,296	263,111
Actuarial gain/(loss)	-	-	-	-	-	-	-
Operating profit/(loss) before tax	763,947	17,176,959	116,020	546,992	1,047,310	5,800,544	80,074
Operating profit/(loss) after tax	478,604	11,678,104	71,991	370,868	699,340	3,962,419	40,828
Solvency requirement ($'000)	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-
As at 30 June 2023							
Financial assets	10,929,571	154,314,687	3,478,156	13,057,228	8,546,686	34,246,744	5,810,964
Reinsurance contract assets	-	-	-	-	-	-	-
Other assets	150,178	764,861	30,453	184,237	83,807	377,978	48,442
Insurance contract liabilities	-	-	-	-	-	-	-
Reinsurance contract liabilities	-	-	-	-	-	-	-
Investment contract liabilities	10,769,490	154,627,222	3,491,471	13,318,504	8,632,983	34,385,478	5,874,212
Other liabilities	310,259	452,326	17,138	(77,039)	(2,490)	239,244	(14,806)
Retained earnings	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-
Insurance service result	-	-	-	-	-	-	-
Investment income	555,149	2,236,043	118,125	75,691	126,965	518,319	41,636
Net insurance finance income / (expenses)	-	-	-	-	-	-	-
Other expenses	188,612	1,010,914	30,015	108,442	60,971	152,940	34,390
Realised gain/(loss)	81,786	(586,184)	-	(300,772)	(152,217)	(58,203)	(208,239)
Unrealised gain/(loss)	658,187	11,654,165	-	611,795	628,463	2,330,197	1,190,443
Actuarial gain/(loss)	-	-	-	-	-	-	-
Operating profit/(loss) before tax	1,107,781	12,293,110	88,110	278,273	544,388	2,637,374	992,616
Operating profit/(loss) after tax	933,067	8,807,367	52,672	179,317	385,968	1,912,464	790,406
Solvency requirement ($'000)	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-

35. Disaggregated information by fund (continued)

	No 30. Diversified High Growth Index $	No.31 Diversified Balanced Index $	No. 32 Diversified Conservative $	No. 33 Diversified Balanced $	No. 34 Diversified High Growth $	No. 35 Tax Effective Equity $	No. 36 Int. Shares Emerging Mkts $
				IL			
As at 30 June 2024							
Financial assets	364,771,401	218,732,350	5,143,241	13,885,608	10,088,808	98,777,293	11,755,494
Reinsurance contract assets	-	-	-	-	-	-	-
Other assets	6,269,607	3,100,417	93,883	689,342	820,008	1,038,856	198,499
Insurance contract liabilities	-	-	-	-	-	-	-
Reinsurance contract liabilities	-	-	-	-	-	-	-
Investment contract liabilities	353,092,374	215,136,143	5,148,998	14,179,257	10,593,206	89,534,906	11,944,284
Other liabilities	17,948,634	6,696,624	88,126	395,693	315,610	10,281,243	9,709
Retained earnings	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-
Insurance service result	-	-	-	-	-	-	-
Investment income	11,663,426	5,864,984	159,227	846,573	819,730	2,899,906	91,680
Net insurance finance income / (expenses)	-	-	-	-	-	-	-
Other expenses	2,124,361	1,350,185	42,696	121,456	87,727	784,069	96,158
Realised gain/(loss)	(92,476)	(1,142,181)	15,704	81,948	(4,958)	(2,106,128)	(371,435)
Unrealised gain/(loss)	31,071,586	12,690,289	153,976	232,178	448,691	7,823,718	617,334
Actuarial gain/(loss)	-	-	-	-	-	-	-
Operating profit/(loss) before tax	40,518,175	16,062,907	286,210	1,039,243	1,175,737	7,849,351	241,421
Operating profit/(loss) after tax	27,710,278	10,835,096	187,702	691,394	796,991	5,919,701	161,804
Solvency requirement ($'000)	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-
As at 30 June 2023							
Financial assets	236,333,376	167,906,635	4,486,228	13,185,929	8,326,577	53,283,856	9,663,089
Reinsurance contract assets	-	-	-	-	-	-	-
Other assets	3,922,556	3,325,930	58,971	85,490	521,129	411,843	223,872
Insurance contract liabilities	-	-	-	-	-	-	-
Reinsurance contract liabilities	-	-	-	-	-	-	-
Investment contract liabilities	236,978,631	170,410,457	4,556,980	13,287,266	8,780,400	52,660,127	9,993,269
Other liabilities	3,277,301	822,108	(11,781)	(15,847)	67,306	1,035,572	(106,308)
Retained earnings	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-
Insurance service result	-	-	-	-	-	-	-
Investment income	5,256,508	3,280,453	52,795	140,670	449,778	2,208,155	31,385
Net insurance finance income / (expenses)	-	-	-	-	-	-	-
Other expenses	1,403,693	1,089,986	41,081	107,150	68,700	530,417	81,739
Realised gain/(loss)	(1,218,205)	(1,866,339)	(107,027)	(181,336)	(78,359)	(3,109,785)	(471,407)
Unrealised gain/(loss)	22,300,100	9,573,883	284,643	824,425	562,601	5,751,589	1,117,135
Actuarial gain/(loss)	-	-	-	-	-	-	-
Operating profit/(loss) before tax	24,934,711	9,898,012	189,329	676,609	865,320	4,319,541	595,374
Operating profit/(loss) after tax	18,023,473	7,032,187	126,459	478,234	638,416	3,407,109	400,938
Solvency requirement ($'000)	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-

	No. 37 Diversified Fixed Income $	No. 38 Aust Shares Concentrated $	No. 39 Aust Shares Sustainability $	No. 40 Diversified Balanced $	No. 41 Diversified ESG Balanced $	No. 42 Equity Income Fund $	UF47 Alternatives $
				IL			
As at 30 June 2024							
Financial assets	18,450,987	47,708,374	6,672,075	45,800,064	13,181,614	8,368,912	3,458,523
Reinsurance contract assets	-	-	-	-	-	-	-
Other assets	433,582	1,295,784	124,880	294,813	562,850	40,831	38,980
Insurance contract liabilities	-	-	-	-	-	-	-
Reinsurance contract liabilities	-	-	-	-	-	-	-
Investment contract liabilities	18,586,544	48,701,786	6,690,382	45,267,029	13,565,648	8,129,618	3,494,956
Other liabilities	298,025	302,372	106,573	827,848	178,816	280,125	2,547
Retained earnings	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-
Insurance service result	-	-	-	-	-	-	-
Investment income	505,335	609,955	423,082	841,471	810,796	390,114	3,161
Net insurance finance income / (expenses)	-	-	-	-	-	-	-
Other expenses	125,955	421,553	54,524	263,977	110,278	87,887	20,822
Realised gain/(loss)	(241,713)	(3,095,432)	(78,361)	(239,424)	(126,435)	(214,471)	(1,605)
Unrealised gain/(loss)	(288,082)	7,791,135	327,770	2,749,712	220,821	363,247	(148,504)
Actuarial gain/(loss)	-	-	-	-	-	-	-
Operating profit/(loss) before tax	(150,415)	4,884,106	617,966	3,087,781	794,904	451,003	(167,770)
Operating profit/(loss) after tax	(143,077)	3,506,938	461,802	2,082,805	559,049	288,892	(123,686)
Solvency requirement ($'000)	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-
As at 30 June 2023							
Financial assets	13,884,009	43,332,118	5,568,203	32,445,151	11,436,991	7,503,172	1,865,134
Reinsurance contract assets	-	-	-	-	-	-	-
Other assets	92,291	2,530,693	213,288	375,446	242,140	79,442	25,470
Insurance contract liabilities	-	-	-	-	-	-	-
Reinsurance contract liabilities	-	-	-	-	-	-	-
Investment contract liabilities	13,233,179	46,372,153	5,833,209	32,862,945	11,679,799	7,478,411	1,845,350
Other liabilities	743,121	(509,342)	(51,718)	(42,348)	(668)	104,203	45,254
Retained earnings	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-
Insurance service result	-	-	-	-	-	-	-
Investment income	141,243	770,653	236,361	462,194	148,002	381,328	20,514
Net insurance finance income / (expenses)	-	-	-	-	-	-	-
Other expenses	80,461	392,316	53,599	191,011	83,030	87,080	11,142
Realised gain/(loss)	(178,691)	(2,131,485)	(246,554)	(378,681)	(69,920)	(289,414)	(1,610)
Unrealised gain/(loss)	357,870	2,261,325	741,760	1,794,086	560,462	452,403	145,293
Actuarial gain/(loss)	-	-	-	-	-	-	-
Operating profit/(loss) before tax	239,960	508,177	677,968	1,686,588	555,514	458,111	153,054
Operating profit/(loss) after tax	143,834	512,771	501,166	1,190,303	394,179	417,327	103,795
Solvency requirement ($'000)	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-

35. Disaggregated information by fund (continued)

	UF49 ESG Fixed Interest $	UF50 Diversified ESG Balanced $	UF52 International Shares (Hedged) $	UF53 International Shares $	UF54 Macquarie Dynamic Bond Fund $	UF55 Morningstar Balanced Model $	UF56 Growth Model Portfolio No. 1 $	UF57 High Growth Model Portfolio No. 1 $
					IL			
As at 30 June 2024								
Financial assets	715,195	34,246,250	16,378,117	37,070,268	8,467	13,420,973	21,977,269	10,069,819
Reinsurance contract assets	-	-	-	-	-	-	-	-
Other assets	8,773	299,538	1,234,776	92,362	39	490,602	481,689	224,757
Insurance contract liabilities	-	-	-	-	-	-	-	-
Reinsurance contract liabilities	-	-	-	-	-	-	-	-
Investment contract liabilities	723,149	33,604,823	17,138,594	34,058,115	8,495	13,610,952	22,033,117	9,171,930
Other liabilities	819	940,965	474,299	3,104,515	11	300,623	425,841	1,122,646
Retained earnings	-	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-
Insurance service result	-	-	-	-	-	-	-	-
Investment income	18	334,265	1,111,271	2,345	25	430,518	726,177	311,272
Net insurance finance income / (expenses)	-	-	-	-	-	-	-	-
Other expenses	4,497	241,638	150,360	208,302	6	141,543	169,767	64,717
Realised gain/(loss)	(5,853)	(63,079)	(76,483)	(103,794)	-	48,206	96,446	77,591
Unrealised gain/(loss)	22,931	3,048,211	566,453	6,223,841	(48)	250,091	370,359	112,307
Actuarial gain/(loss)	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	12,599	3,077,759	1,450,880	5,914,090	(30)	587,272	1,023,216	436,453
Operating profit/(loss) after tax	7,470	2,154,143	987,849	4,077,372	(23)	368,368	665,700	286,284
Solvency requirement ($'000)	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-
As at 30 June 2023								
Financial assets	457,227	23,056,008	9,600,001	21,341,371	-	3,016,269	6,527,498	3,278,635
Reinsurance contract assets	-	-	-	-	-	-	-	-
Other assets	14,247	153,433	719,664	33,703	-	176,173	473,277	76,847
Insurance contract liabilities	-	-	-	-	-	-	-	-
Reinsurance contract liabilities	-	-	-	-	-	-	-	-
Investment contract liabilities	473,872	23,215,174	10,153,285	20,234,606	-	3,059,009	6,901,432	3,253,864
Other liabilities	(2,398)	(5,733)	166,380	1,140,468	-	133,433	99,343	101,618
Retained earnings	-	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-
Insurance service result	-	-	-	-	-	-	-	-
Investment income	13	237,542	709,042	794	-	49,464	140,987	91,893
Net insurance finance income / (expenses)	-	-	-	-	-	-	-	-
Other expenses	3,171	157,652	64,373	106,909	-	4,008	17,169	14,796
Realised gain/(loss)	(10,155)	(31,848)	(196,625)	(996,009)	-	(857)	38	7,439
Unrealised gain/(loss)	(2,914)	1,590,501	1,028,902	6,295,565	-	(39,763)	(32,307)	43,900
Actuarial gain/(loss)	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	(16,226)	1,638,544	1,476,947	5,193,441	-	4,867	91,862	128,749
Operating profit/(loss) after tax	(12,309)	1,151,124	1,025,558	3,603,336	-	3,951	65,636	91,834
Solvency requirement ($'000)	-	-	-	-		-	-	-
Solvency reserve ratio	-	-	-	-		-	-	-

	UF60 Mercer Future Wealth Balanced Portfolio $	UF61 Fiducian Growth Fund $	UF62 Diversified Conservative Portfolio No. 2 $	UF64 Managed Volatility Shares Portfolio $	UF66 International Responsible Investing Portfolio $	UF68 GQC Global Equity Partners $	UF69 Fixed Interest Portfolio $	Total Life Investment $
					IL			
As at 30 June 2024								
Financial assets	5,548,995	4,105,757	8,982,450	7,026,425	3,876,863	588,574	4,204,091	**3,328,210,937**
Reinsurance contract assets	-	-	-	-	-	-	-	
Other assets	79,246	129,681	71,719	577,428	176,418	356,651	1,232	**67,528,539**
Insurance contract liabilities	-	-	-	-	-	-	-	**-**
Reinsurance contract liabilities	-	-	-	-	-	-	-	**-**
Investment contract liabilities	5,566,053	4,196,604	8,875,122	7,501,113	3,930,374	932,733	4,158,576	**3,260,341,578**
Other liabilities	62,188	38,834	179,047	102,740	122,907	12,492	46,747	**135,397,899**
Retained earnings	-	-	-	-	-	-	-	**-**
Reserves	-	-	-	-	-	-	-	**-**
Issued capital	-	-	-	-	-	-	-	**-**
Insurance service result	-	-	-	-	-	-	-	**-**
Investment income	123,205	120,871	196,503	539,624	160,341	41,809	151	**106,419,486**
Net insurance finance income / (expenses)	-	-	-	-	-	-	-	**-**
Other expenses	26,355	8,840	42,042	46,191	19,091	470	29,774	**27,483,799**
Realised gain/(loss)	(5,172)	(40)	(3,895)	(23,972)	(4)	-	(4,240)	**(11,113,993)**
Unrealised gain/(loss)	78,067	(68,382)	257,593	(381,899)	141,929	(32,663)	185,220	**220,867,406**
Actuarial gain/(loss)	-	-	-	-	-	-	-	**-**
Operating profit/(loss) before tax	169,745	43,610	408,159	87,562	283,175	8,676	151,357	**288,948,586**
Operating profit/(loss) after tax	110,966	27,875	273,179	104,456	196,346	6,311	97,073	**199,528,813**
Solvency requirement ($'000)	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-
As at 30 June 2023								
Financial assets	-	-	2,627,178	2,813,808	1,232,513	-	3,556,434	**2,603,870,935**
Reinsurance contract assets	-	-	-	-	-	-	-	**-**
Other assets	-	-	32,158	82,113	1,686	-	11,813	**50,675,381**
Insurance contract liabilities	-	-	-	-	-	-	-	**-**
Reinsurance contract liabilities	-	-	-	-	-	-	-	**-**
Investment contract liabilities	-	-	2,646,706	2,880,758	1,200,707	-	3,566,778	**2,608,262,163**
Other liabilities	-	-	12,630	15,163	33,492	-	1,469	**46,284,153**
Retained earnings	-	-	-	-	-	-	-	**-**
Reserves	-	-	-	-	-	-	-	**-**
Issued capital	-	-	-	-	-	-	-	**-**
Insurance service result	-	-	-	-	-	-	-	**-**
Investment income	-	-	31,469	45,442	1,730	-	439	**64,701,871**
Net insurance finance income / (expenses)	-	-	-	-	-	-	-	**-**
Other expenses	-	-	7,338	8,576	5,996	-	7,867	**22,152,532**
Realised gain/(loss)	-	-	(4,418)	(4,347)	(4,867)	-	(49)	**(28,801,287)**
Unrealised gain/(loss)	-	-	22,117	50,984	180,349	-	(28,322)	**192,367,620**
Actuarial gain/(loss)	-	-	-	-	-	-	-	**-**
Operating profit/(loss) before tax	-	-	41,829	83,503	171,216	-	(35,799)	**206,186,016**
Operating profit/(loss) after tax	-	-	29,081	69,881	118,052	-	(27,406)	**147,376,598**
Solvency requirement ($'000)	-	-	-	-	-		-	-
Solvency reserve ratio	-	-	-	-	-		-	-

35. Disaggregated information by fund (continued)

	CF01 Cash Benefit Fund $	LI01 International Fixed Interest Portfolio $	LI02 Australian Shares Index Portfolio $	LI03 International Shares (Unhedged) Index Portfolio $	LI04 International Shares (Hedged) Index Portfolio $	LI05 Property Securities Index Portfolio $	LI06 Australian Fixed Interest Index Portfolio $
				IL			
As at 30 June 2024							
Financial assets	45,427	314,537	373,372	327,570	324,720	178,037	201,079
Reinsurance contract assets	-	-	-	-	-	-	-
Other assets	-	-	9,215	10,477	10,571	3,158	1,420
Insurance contract liabilities	45,427	309,126	377,463	332,724	330,432	176,806	197,251
Reinsurance contract liabilities	-	128	140	121	120	57	82
Investment contract liabilities	-	-	-	-	-	-	-
Other liabilities	-	5,283	4,984	5,202	4,739	4,332	5,166
Retained earnings	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-
Insurance service result	4,564	11,611	(6,713)	2,819	(41,727)	(12,259)	16,115
Investment income	33,459	15,614	32,199	45,344	53,461	22,427	3,831
Net insurance finance income / (expenses)	(38,023)	(27,225)	(29,350)	(48,163)	(11,735)	(10,414)	(19,946)
Other expenses	-	-	-	-	-	-	-
Realised gain/(loss)	-	-	-	-	-	-	-
Unrealised gain/(loss)	-	-	-	-	-	-	-
Actuarial gain/(loss)	-	-	-	-	-	-	-
Operating profit/(loss) before tax	-	-	(3,863)	-	-	(247)	-
Operating profit/(loss) after tax	-	-	-	-	-	-	-
Solvency requirement ($'000)	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-
As at 30 June 2023							
Financial assets	7,404	186,417	192,446	162,892	281,204	64,501	64,305
Reinsurance contract assets	-	-	-	-	-	-	-
Other assets	-	543	5,178	7,299	21	891	212
Insurance contract liabilities	7,404	182,068	192,935	165,234	276,526	61,196	59,625
Reinsurance contract liabilities	-	-	-	-	-	-	-
Investment contract liabilities	-	-	-	-	-	-	-
Other liabilities	-	4,893	4,689	4,957	4,699	4,196	4,892
Retained earnings	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-
Insurance service result	(570,270)	831	1,579	1,388	1,873	251	279
Investment income	7,111	(457)	6,597	18,799	36,289	1,345	(405)
Net insurance finance income / (expenses)	563,159	(373)	(10,299)	(20,187)	(38,162)	(1,669)	127
Other expenses	-	-	-	-	-	-	-
Realised gain/(loss)	-	-	-	-	-	-	-
Unrealised gain/(loss)	-	-	-	-	-	-	-
Actuarial gain/(loss)	-	-	-	-	-	-	-
Operating profit/(loss) before tax	-	-	(2,124)	-	-	(73)	-
Operating profit/(loss) after tax	-	-	-	-	-	-	-
Solvency requirement ($'000)	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-

	LI07 Diversified Conservative Index Portfolio $	LI08 Diversified Balanced Index Portfolio $	LI09 Diversified Growth Index Portfolio $	LI10 Diversified Balanced Portfolio $	LI11 Diversified Growth Portfolio $	LI12 Diversified Real Return Portfolio $	LI13 Diversified High Growth Index Portfolio $
				IL			
As at 30 June 2024							
Financial assets	2,792,462	13,708,350	4,769,353	1,321,602	1,538,279	238,139	1,473,688
Reinsurance contract assets	-	-	-	-	-	-	-
Other assets	47,368	279,765	107,509	20,310	20,286	5,792	38,720
Insurance contract liabilities	2,834,173	13,955,461	4,866,648	1,337,546	1,553,614	238,597	1,505,429
Reinsurance contract liabilities	952	5,505	1,724	497	518	104	670
Investment contract liabilities	-	-	-	-	-	-	-
Other liabilities	4,705	27,149	8,490	3,869	4,433	5,230	6,309
Retained earnings	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-
Insurance service result	34,087	(101,720)	822,864	14,104	26,974	(33,730)	(78,516)
Investment income	126,109	978,160	328,369	81,934	102,796	25,463	215,094
Net insurance finance income / (expenses)	(163,025)	(902,519)	(1,161,073)	(98,194)	(132,922)	7,955	(142,867)
Other expenses	-	-	-	-	-	-	-
Realised gain/(loss)	-	-	-	-	-	-	-
Unrealised gain/(loss)	-	-	-	-	-	-	-
Actuarial gain/(loss)	-	-	-	-	-	-	-
Operating profit/(loss) before tax	(2,829)	(26,080)	(9,841)	(2,156)	(3,152)	(312)	(6,289)
Operating profit/(loss) after tax	-	-	-	-	-	-	-
Solvency requirement ($'000)	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-
As at 30 June 2023							
Financial assets	1,227,646	6,650,135	1,789,580	746,875	560,625	271,221	1,118,314
Reinsurance contract assets	-	-	-	-	-	-	-
Other assets	8,490	55,305	17,155	4,496	3,499	5,809	13,734
Insurance contract liabilities	1,233,544	6,693,473	1,803,181	748,372	561,171	271,853	1,126,730
Reinsurance contract liabilities	-	-	-	-	-	-	-
Investment contract liabilities	-	-	-	-	-	-	-
Other liabilities	2,592	11,967	3,555	2,999	2,953	5,178	5,318
Retained earnings	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-
Insurance service result	(278,570)	31,056	18,450	3,243	2,478	(102,688)	4,326
Investment income	31,614	208,044	90,581	32,264	19,836	6,157	88,978
Net insurance finance income / (expenses)	246,499	(250,093)	(112,444)	(36,644)	(23,888)	96,530	(98,461)
Other expenses	(964)	(1,022)	(996)	-	-	-	-
Realised gain/(loss)	-	-	-	-	-	-	-
Unrealised gain/(loss)	-	-	-	-	-	-	-
Actuarial gain/(loss)	-	-	-	-	-	-	-
Operating profit/(loss) before tax	(1,421)	(12,015)	(4,409)	(1,136)	(1,574)	(1)	(5,157)
Operating profit/(loss) after tax	-	-	-	-	-	-	-
Solvency requirement ($'000)	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-

35. Disaggregated information by fund (continued)

	LI14 Diversified Conservative Portfolio $	LI15 Diversified High Growth Portfolio $	LI16 Low Volatility Shares Portfolio $	LI17 Concentrated Australian Shares Portfolio $ IL	LI18 Concentrated International Shares Portfolio $	LI19 Barrow Hanley Global Share Fund $	LI20 Global Infrastructure Portfolio $
As at 30 June 2024							
Financial assets	198,465	12,304	172,539	528,298	678,245	2,736	185,829
Reinsurance contract assets	-	-	-	-	-	-	-
Other assets	1,740	127	13,547	6,207	-	219	4,006
Insurance contract liabilities	199,829	9,901	180,899	534,061	673,104	2,948	184,652
Reinsurance contract liabilities	65	5	78	225	257	1	81
Investment contract liabilities	-	-	-	-	-	-	-
Other liabilities	311	2,525	5,109	219	4,883	6	5,102
Retained earnings	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-
Insurance service result	1,552	2	(24,111)	(45,987)	(173,968)	965	(12,982)
Investment income	6,676	1,347	2,319	55,208	128,421	122	1,069
Net insurance finance income / (expenses)	(8,368)	(1,379)	20,000	(12,607)	45,546	(1,087)	11,913
Other expenses	-	-	-	-	-	-	-
Realised gain/(loss)	-	-	-	-	-	-	-
Unrealised gain/(loss)	-	-	-	-	-	-	-
Actuarial gain/(loss)	-	-	-	-	-	-	-
Operating profit/(loss) before tax	(141)	(30)	(1,793)	(3,386)	-	-	-
Operating profit/(loss) after tax	-	-	-	-	-	-	-
Solvency requirement ($'000)	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-
As at 30 June 2023							
Financial assets	75,116	-	163,399	497,680	739,685	-	158,561
Reinsurance contract assets	-	-	-	-	-	-	-
Other assets	499	-	3,440	7,397	-	-	3,308
Insurance contract liabilities	75,474	-	161,783	500,067	734,709	-	156,831
Reinsurance contract liabilities	-	-	-	-	-	-	-
Investment contract liabilities	-	-	-	-	-	-	-
Other liabilities	142	-	5,056	5,010	4,976	-	5,038
Retained earnings	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-
Insurance service result	320	-	(14,543)	8,072	12,527	-	(13,710)
Investment income	2,738	-	5,430	2,988	200,575	-	(1,739)
Net insurance finance income / (expenses)	(3,122)	-	8,041	(15,059)	(213,102)	-	15,449
Other expenses	-	-	-	-	-	-	-
Realised gain/(loss)	-	-	-	-	-	-	-
Unrealised gain/(loss)	-	-	-	-	-	-	-
Actuarial gain/(loss)	-	-	-	-	-	-	-
Operating profit/(loss) before tax	(64)	-	(1,072)	(3,998)	-	-	-
Operating profit/(loss) after tax	-	-	-	-	-	-	-
Solvency requirement ($'000)	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-

	LI21 International Fixed Interest Portfolio $	LI22 Diversified ESG Growth Portfolio $	LI23 Diversified Fixed Interest Portfolio $	LI24 ESG International Shares Portfolio $ IL	LI25 Investors Mutual Australian Share Fund $	LI26 Generation Life Cash & Deposits Portfolio $	LI27 Generation Life Lifestyle Portfolio $
As at 30 June 2024							
Financial assets	256,684	532,787	22,828	17,821	76,967	836,294	1,060,090
Reinsurance contract assets	-	-	-	-	-	-	-
Other assets	-	21,301	23	57	7,302	15,662	12,734
Insurance contract liabilities	251,043	548,377	18,115	13,523	84,080	850,457	1,069,156
Reinsurance contract liabilities	108	211	10	8	35	335	397
Investment contract liabilities	-	-	-	-	-	-	-
Other liabilities	5,533	5,500	4,727	4,347	154	1,164	3,271
Retained earnings	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-
Insurance service result	(24,714)	4,664	56	(41,336)	1,264	(267,696)	10,394
Investment income	561	27,355	1,091	2,180	4,054	21,741	58,173
Net insurance finance income / (expenses)	24,153	(33,789)	(1,147)	39,156	(6,252)	245,955	(72,245)
Other expenses	-	-	-	-	-	-	-
Realised gain/(loss)	-	-	-	-	-	-	-
Unrealised gain/(loss)	-	-	-	-	-	-	-
Actuarial gain/(loss)	-	-	-	-	-	-	-
Operating profit/(loss) before tax	-	(1,770)	-	-	(933)	-	(32)
Operating profit/(loss) after tax	-	-	-	-	-	-	-
Solvency requirement ($'000)	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-
As at 30 June 2023							
Financial assets	226,406	308,430	9,324	61,784	-	-	597,546
Reinsurance contract assets	-	-	-	-	-	-	-
Other assets	-	3,701	-	335	-	-	1,029
Insurance contract liabilities	220,959	306,984	4,623	57,732	-	-	598,575
Reinsurance contract liabilities	-	-	-	-	-	-	-
Investment contract liabilities	-	-	-	-	-	-	-
Other liabilities	5,447	5,147	4,702	4,387	-	-	-
Retained earnings	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-
Insurance service result	(13,484)	1,447	23	248	-	-	2,591
Investment income	6,345	9,977	(121)	3,320	-	-	1,806
Net insurance finance income / (expenses)	7,139	(12,347)	98	(3,571)	-	-	(4,397)
Other expenses	-	-	-	-	-	-	-
Realised gain/(loss)	-	-	-	-	-	-	-
Unrealised gain/(loss)	-	-	-	-	-	-	-
Actuarial gain/(loss)	-	-	-	-	-	-	-
Operating profit/(loss) before tax	-	(923)	-	(2)	-	-	-
Operating profit/(loss) after tax	-	-	-	-	-	-	-
Solvency requirement ($'000)	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-

35. Disaggregated information by fund (continued)

	LI28 Generation Life Protect Portfolio $	LI30 Metrics Direct Income Fund $	Total LifeIncome $	Oddfellows Fund $	Total Life Insurance $	Total Benefit Funds $	M'gmt Fund $
		IL		*N-IL*	*IL and N-IL*	*IL and N-IL*	
As at 30 June 2024							
Financial assets	704,926	528,139	**33,421,567**	7,055,322	**40,476,889**	**3,368,687,826**	5,490,018
Reinsurance contract assets	-	-	**-**	-	**-**	**-**	1,417,976
Other assets	9,038	3,763	**650,317**	43,831	**694,148**	**68,222,687**	34,637,009
Insurance contract liabilities	711,834	530,704	**33,923,380**	6,819,973	**40,743,353**	**40,743,353**	3,379,954
Reinsurance contract liabilities	231	221	**12,886**	-	**12,886**	**12,886**	-
Investment contract liabilities	-	-	**-**	-	**-**	**3,260,341,578**	-
Other liabilities	1,899	977	**135,618**	279,180	**414,798**	**135,812,695**	6,094,851
Retained earnings	-	-	**-**	-	**-**	**-**	(2,846,443)
Reserves	-	-	**-**	-	**-**	**-**	1,766,774
Issued capital	-	-	**-**	-	**-**	**-**	33,149,867
-							
Insurance service result/Premium revenue	252,633	4,800	**344,009**	-	**344,009**	**344,009**	(4,768,453)
Investment income	21,046	23,540	**2,419,163**	408,062	**2,827,225**	**109,246,711**	11,216
Net insurance finance income / (expenses) / claims expense	(276,788)	(28,340)	**(2,832,780)**	-	**(2,832,780)**	**(2,832,780)**	82,865
Other expenses	-	-	**-**	159,212	**159,212**	**27,643,011**	(15,141,936)
Realised gain/(loss)	-	-	**-**	(40,111)	**(40,111)**	**(11,154,104)**	-
Unrealised gain/(loss)	-	-	**-**	146,920	**146,920**	**221,014,326**	-
Actuarial gain/(loss)	-	-	**-**	(275,719)	**(275,719)**	**(275,719)**	-
Operating profit/(loss) before tax	(15)	-	**(62,869)**	(14,849)	**(77,718)**	**288,870,868**	(19,816,308)
Operating profit/(loss) after tax	-	-	**-**	-	**-**	**199,528,813**	(7,410,032)
Solvency requirement ($'000)	**-**	**-**	**-**	**-**	**-**	**-**	9,250
Solvency reserve ratio	-	-	**-**	-	**-**	**-**	144%
As at 30 June 2023							
Financial assets	199,495	-	**16,360,991**	7,016,341	**23,377,332**	**2,627,248,267**	7,895,657
Reinsurance contract assets	-	-	**-**	-	**-**	**-**	623,466
Other assets	469	-	**142,810**	48,003	**190,813**	**50,866,194**	34,380,992
Insurance contract liabilities	199,965	-	**16,401,014**	6,544,254	**22,945,268**	**22,945,268**	1,254,744
Reinsurance contract liabilities	-	-	**-**	-	**-**	**-**	-
Investment contract liabilities	-	-	**-**	-	**-**	**2,608,262,163**	-
Other liabilities	-	-	**102,793**	520,090	**622,883**	**46,907,036**	5,518,726
Retained earnings	-	-	**-**	-	**-**	**-**	4,563,590
Reserves	-	-	**-**	-	**-**	**-**	1,413,186
Issued capital	-	-	**-**	-	**-**	**-**	30,149,869
Insurance service result/Premium revenue	872	-	**(901,411)**	-	**(901,411)**	**(901,411)**	(4,466,409)
Investment income	762	-	**778,834**	335,607	**1,114,441**	**65,816,312**	429,804
Net insurance finance income / (expenses) / claims expense	(1,634)	-	**91,590**	116,933	**208,523**	**208,523**	(280,984)
Other expenses	-	-	**(2,982)**	140,300	**137,318**	**22,289,850**	(42,255,613)
Realised gain/(loss)	-	-	**-**	(2,544)	**(2,544)**	**(28,803,831)**	-
Unrealised gain/(loss)	-	-	**-**	22,096	**22,096**	**192,389,716**	-
Actuarial gain/(loss)	-	-	**-**	(127,277)	**(127,277)**	**(127,277)**	-
Operating profit/(loss) before tax	-	-	**(33,969)**	(29,351)	**(63,320)**	**206,122,696**	(23,232,169)
Operating profit/(loss) after tax	-	-	**-**	-	**-**	**147,376,598**	(11,569,240)
Solvency requirement ($'000)	-	-	**-**	-	**-**	**-**	8,500
Solvency reserve ratio	-	-	**-**	-	**-**	**-**	144%

Consolidated Entity Disclosure Statement

Name of Entity	Body corporate, partnership or trust	Place Incorporated/ formed	% of share capital held directly or indirectly by the Company in the body corporate	Australian or Foreign tax resident	Jurisdiction for Foreign tax resident
Parent entity					
Generation Development Group Limited	Body corporate	Australia		Australian	N/A
Generation Life Limited	Body corporate	Australia	100%	Australian	N/A
Austock Nominees Pty Limited	Body corporate	Australia	100%	Australian	N/A
Austock Financial Services Pty Limited	Body corporate	Australia	100%	Australian	N/A
Bonds Custodian Pty Limited	Body corporate	Australia	100%	Australian	N/A
Austock Capital Management Pty Limited	Body corporate	Australia	100%	Australian	N/A
Generation Development Services Pty Limited	Body corporate	Australia	100%	Australian	N/A
Lonsec Holdings Pty Limited	Body corporate	Australia	49.2%	Australian	N/A

Key assumptions and judgements

The following key assumptions and judgements were applied:

Determination of tax residency

Section 295 (3A) of the Corporations Act 2001 (Cth) requires that the tax residency of each entity that is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity that is an Australian resident, 'Australian resident' has the meaning provided in the Income Tax Assessment Act 1997 (Cth).

In determining tax residency, the Group applied the following interpretations:

Australian tax residency

The Group applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.

Additional Securities Exchange Information

As at 2 August 2024 (unaudited)

Number of Holders of Equity Securities

Fully paid ordinary share capital

295,679,063 fully paid ordinary shares are held by 1,377 shareholders.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Performance Rights (unquoted)

5,747,555 performance rights (issued under the Company's FY21, FY22 and FY23 Performance Rights Plan) are held by 9 eligible participants.

Performance rights do not carry the right to vote or to receive dividends.

Distribution of Holders of Equity Securities

Number of shares held	Holders of fully paid ordinary shares	Holders of performance rights
1 - 1,000	210 (0.03%)	0
1,001 - 5,000	429 (0.39%)	0
5,001 - 10,000	167 (0.43%)	0
10,001 - 100,000	417 (4.35%)	2 (1.78%)
100,001 and over	154 (94.80%)	7 (98.22%)
Total	**1,377**	**9**
Holdings less than a marketable parcel	54	n/a

Securities subject to voluntary escrow

25,277,582 fully paid ordinary shares issued on 1 August 2024 pursuant to the Share and Option Sale Agreement relating to securities in Lonsec Holdings Pty LTd between the Company and other parties dated 3 June 2024 (SOSA).

Shares are escrowed until the earlier of:

(a) 31 October 2025; and

(b) if:

(i) no Earn-Out Amount is payable by the Company, the date on which the Earn-Out Accounts become final and binding; or

(ii) an Earn-Out Amount is payable by the Company, the date on which the Earn-Out Amount is paid,

in each case in accordance with the terms of the SOSA.

On Market Buy Back

There is no current on-market buy-back.

Substantial Shareholders

	Fully paid ordinary shares
River Capital Pty Ltd	25,729,525
M.H. Carnegie Nominees Pty Ltd	15,187,116
Wilson Asset Management Group	14,440,370

Twenty largest holders of quoted equity securities

Ordinary shareholders	Number	Fully paid percentage
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	54,355,663	18.38%
CITICORP NOMINEES PTY LIMITED	51,247,589	17.33%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	32,541,397	11.01%
M H CARNEGIE NOMINEES PTY LTD <NOMINATED INVESTORS A/C>	15,187,116	5.14%
BNP PARIBAS NOMS PTY LTD	9,433,143	3.19%
ONEVER PTY LTD <THE BESSEMER PROPERTY A/C>	6,639,100	2.25%
MR JOHN DAVID WHEELER AND MR GLEN ROBERT WHEELER <WHEELSUP S/F A/C>	6,500,000	2.20%
MRS PATRICIA MARY TOOTH	6,095,294	2.06%
MR ROBERT COOMBE	6,080,592	2.06%
CANDOORA NO 31 PTY LTD <BESSEMER SUPER FUND A/C>	6,022,860	2.04%
HARBRE NOMINEES PTY LTD <TALL TREES A/C>	5,549,348	1.88%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	5,300,814	1.80%
MR DON LAZZARO AND MRS ANN LAZZARO <SUPER FUND A/C>	4,914,624	1.66%
HARBRE NOMINEES PTY LTD <TALL TREES DISCRETIONARY A/C>	4,464,547	1.51%
MR FRANK GERARD ZULLO	4,000,001	1.35%
NATIONAL NOMINEES LIMITED	2,831,941	0.96%
GUERILLA NOMINEES PTY LTD <TOOTH RETIREMENT PLAN A/C>	2,206,250	0.75%
MVH PTY LTD <HANMAN SUPERANNUATION A/C>	2,181,906	0.74%
TDA SECURITIES PTY LTD <TDA SECURITIES A/C>	2,143,377	0.73%
BERNE NO 132 NOMINEES PTY LTD <W 1253672 A/C>	1,989,120	0.67%
	229,684,382	**77.68%**

Corporate information

Company Directors

Mr Robert Neil Coombe
Non-Executive Chairman

Mr William Eric Bessemer
Non-Executive Director

Ms Giselle Marie Collins
Independent Non-Executive Director

Appointed Actuary for Generation Life Limited

Deloitte Consulting Pty Ltd
477 Collins Street
Melbourne VIC 3000

Company Secretary

Amanda Gawne

Registered Office

Level 17, 447 Collins Street
Melbourne VIC 3000

Telephone: +61 3 8601 2000
Facsimile: +61 3 9200 2270

Share Register Boardroom Pty Limited

Level 12, 225 George Street
Sydney NSW 2000

Banker

National Australia Bank
330 Collins Street
Melbourne VIC 3000

Auditor

KPMG
Tower Two, Collins Square
727 Collins Street
Melbourne VIC 3008

generation development group

We are outthinking today.

We are proud of being a trusted partner in providing smart and innovative tax effective investment solutions.

generation development group

2024 Annual Report

gendevelopmentgroup.com.au

Outthinking today.