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2023 Financial Year Annual Report

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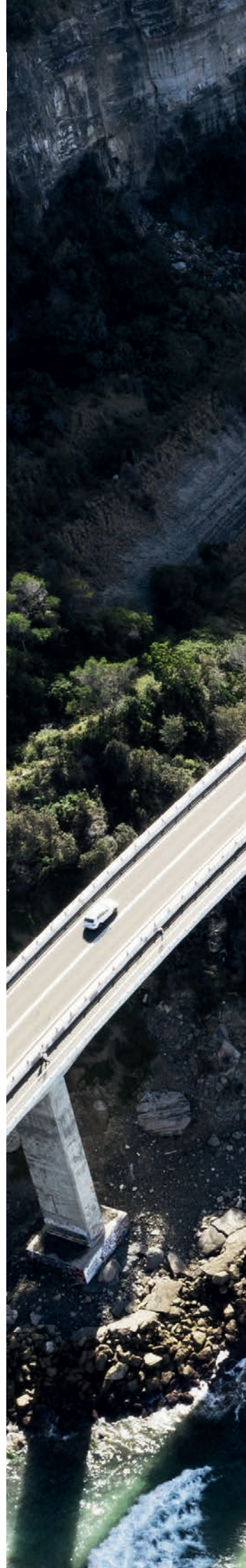
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Founded in 1991, Generation Development Group Limited is an ASX listed company that specialises in providing development capital to financial sector businesses.

Investment Opportunities

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



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Chairman's report

Mr Robert Neil Coombe LLB (Hons)

Non-Executive Chairman



What we achieved this year

Generation Development Group (GDG) has once again achieved strong results with underlying earnings increasing by 35% and Funds Under Management (FUM) increasing by 22% to end the year at \$2.6bn. Fittingly, in the last 3 years, our share price has almost doubled, while the small ordinaries index has increased by 11% in the same period. We continue to operate as a Pooled Development Fund (PDF) where shareholders are exempt from tax on income including dividends, and capital gains derived from holding and disposing of PDF shares.

Financial year 2023 was our second highest year of gross inflows with \$515m in investment bond sales in a prevailing high interest rate environment that caused volatility in quarterly sales inflows over the year. We had strong sales momentum to start the year, which weakened during the year as rising interest rates and inflationary pressures took hold. In response, our distribution managers and marketing teams generated record levels of activity engaging financial advisers through industry events, master classes and professional development days.

Consequently, we finished the year on a high with the June quarter delivering the highest June quarterly FUM inflow in the history of the organisation.

Lifeline, our investment linked, lifetime annuity product, finished the year with \$15m in sales. We continue to educate financial advisers on the strengths of this product and how it can materially enhance retirement income for retirees. We recently released five new product features and six additional investment options that better cater for a higher interest rate environment. We believe this product will continue to gain traction over the coming financial year as we grow the market in this new product category.

Our investment into Lonsec which we made in September 2020 has continued to exceed expectations. Pleasingly, we increased our interest in Lonsec from 41% to 49% in March 2023 through a selective share buyback. Driven by the rapid emergence of the Self-Managed Account (SMA) industry, the compelling use of SMA products have profoundly improved compliance and saved advisers' time. Leveraging its leading industry reputation, Lonsec has taken advantage of this opportunity.

Its FUM has increased by 143%, or \$5.2bn to \$8.8bn in the last year, and we have seen its underlying EBITDA increase by 57% from \$11m to \$17m in the last 12 months. Lonsec also made an earnings accretive acquisition in the form of Implemented Portfolios Limited, a specialist Managed Discretionary Account provider to high net wealth individuals and affluent retail clients in July 2022.

Looking ahead

While the juxtaposition of high interest rates and industry tailwinds may result in more uncertainty in the immediate term, we are very optimistic about the longer-term outlook with the government being forced to cap the amount that is going into superannuation because of the affordability of tax concessions on superannuation. The proposed legislative changes include increasing the concessional tax rate on earnings on superannuation balances over \$3m with the additional taxes to be applied to any unrealised gains. This bodes very well for investment bond sales in the next two years as investors look for alternative investment structures to superannuation.

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We continue to have high conviction around LifeIncome and believe it will be a pivotal product that will enable us to capitalise on the bigger opportunity identified with the retirement income markets set to explode over the next 10 to 20 years. This product will become more attractive as the government continues to incentivise these types of products to supplement pension income.

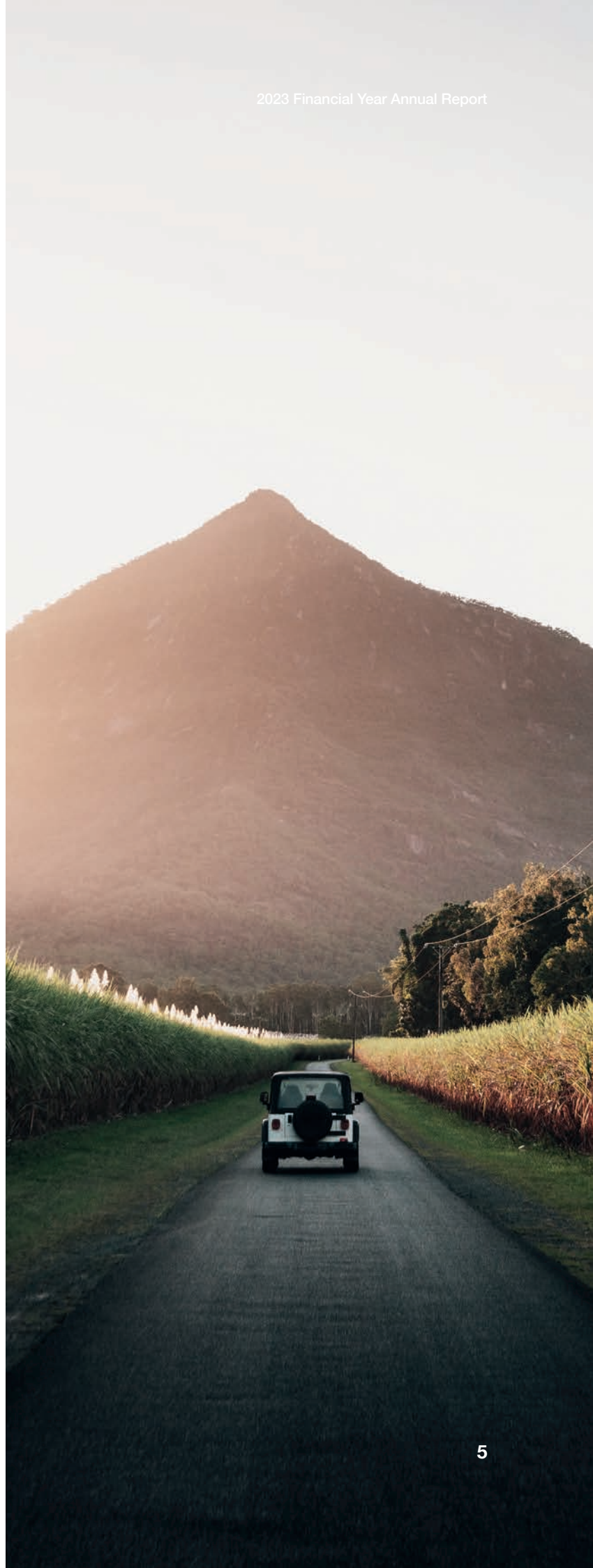
The team at Lonsec is now well advanced in surpassing the aspirational targets in the final year of their 3-year accelerated growth plan where we can expect to see continued growth in the Lonsec Investment Solutions business as well as increasing coverage opportunities in the Research business. The focus now shifts to finalising the next strategic roadmap to maintain the current rate of growth in the long term.

In summary, I'm absolutely delighted with the performance of the business and the opportunities ahead of us given the industry thematic and tailwinds. The team at GDG have executed well and should once again be congratulated for their achievements during the year. I would also like to extend my gratitude to our customers and shareholders who continue to support GDG.



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

29 August 2023



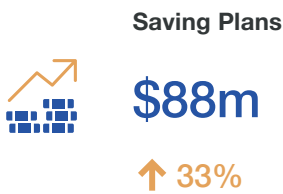
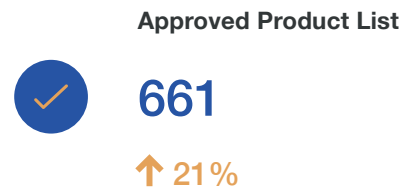
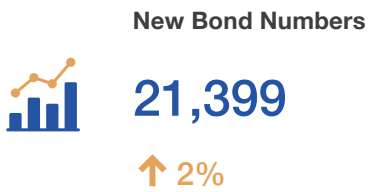
Group performance highlights

Key highlights

Investment Bond Sales

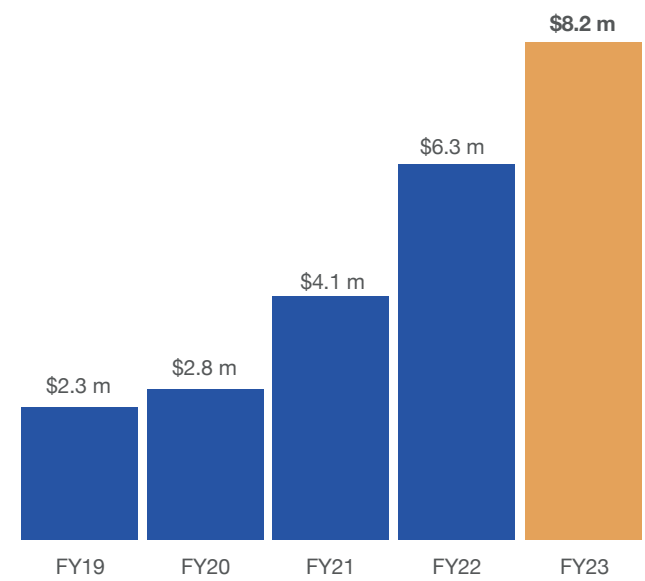
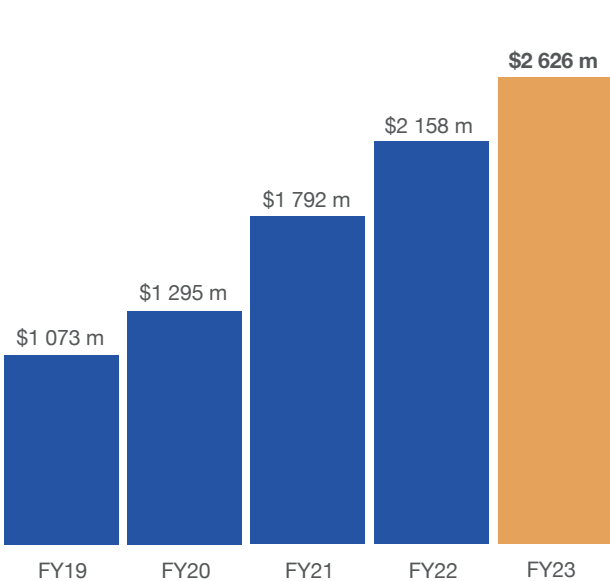


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Funds Under Management

NPAT (Life / administration business only)



Summary of results

(Unaudited)

	Notes	2023 \$'000	2022 \$'000	Change %
Life - Fees from Benefit Funds		27 224	24 149	13
Administration services		396	391	1
Other income		1 879	1 373	37
Total revenue	1	29 499	25 913	14
Personnel		(10 924)	(11 899)	8
Occupancy		(367)	(295)	(24)
Communication		(56)	(81)	30
Finance		(131)	(143)	8
Dealing and settlement		(2 668)	(2 260)	(18)
Marketing and promotional		(1 079)	(479)	(125)
Depreciation and amortisation		(1 782)	(1 315)	(36)
Expenses relating to Benefit Funds		(4 918)	(4 821)	(2)
Other expenses		(10 060)	(7 615)	(32)
Total expenses	1	(31 985)	(28 908)	(11)
Underlying loss before income tax		(2 486)	(2 995)	17
Income tax benefit - Life	2	10 702	9 341	15
Underlying profit after tax benefit - Life / Administration business		8 216	6 346	30

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Summary of results continued

(Unaudited)

	Notes	2023 \$'000	2022 \$'000	Change %
Underlying profit after tax benefit - Life / Administration business (continued)		8 216	6 346	30
Income tax expense	3	(14)	(4)	(250)
Investment in associates - share of profit normalised operations	4	3 613	2 048	76
Annuity business costs*		(4 596)	(3 023)	(52)
Underlying profit after tax		7 219	5 367	35
Other items (net of applicable tax)				
Net gain on sale of Ascalon Capital Limited (Asia)		-	50	nm
Ascalon operational costs inclusive of foreign exchange gain	5	-	56	nm
Deferred tax asset on carry forward losses (utilised) / recognised		(504)	(1 526)	67
Transaction and completion costs	6	-	(362)	nm
Investment in associates - Lonsec's impairment of software	7	-	(1 684)	nm
Investment in associates - Lonsec's IPL acquisition & integration costs		(2 218)	-	nm
Statutory profit after tax		4 497	1 901	137

Notes:

- Revenue and expenses reflected in the summary of results are attributable to the Shareholders of the Company.
- 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.
- Austock Financial Services Pty Ltd (AFS) has been earmarked for voluntary deregistration. For income taxation purposes AFS is a single taxpayer and it has a tax liability of \$14k.
- Investment in associates is based on its normalised profit after tax.
- Prior comparative period includes Ascalon Capital Limited (Asia) trading loss of \$59k and realised foreign exchange gain of \$115k.
- Prior comparative period includes non-capitalised amounts and amounts not attributed to share capital and fee paid to vendors.
- Impairment of Lonsec's Research Reimagined Program, the Board of Lonsec adopted buy over build approach due to lack of specialised technology resources to build the solution internally and the availability of ready-made technology.

* Tax effected

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Summary of results continued

(Unaudited)

	Notes	2023 \$'000	2022 \$'000
Cash, cash equivalents and investments - term deposits less than 3 months		14 212	17 504
Income tax receivable		8 390	6 225
Trade and other receivables		3 211	2 857
Right-of-use assets		3 629	4 185
Property, plant and equipment and software		2 647	3 169
Generation Life - goodwill		547	547
Deferred tax assets		696	1 220
Financial assets	2	2 767	447
Investment in associates		30 336	28 941
Other assets		2 622	2 719
Total assets	1	69 057	67 814
Trade and other payables		(1 240)	(775)
Lease liabilities		(3 807)	(4 238)
Provisions and other liabilities		(4 959)	(5 450)
Total liabilities	1	(10 006)	(10 463)
Net assets		59 051	57 351
Comprising:			
Tangible assets		56 271	54 134
Intangible assets		2 780	3 217
		59 051	57 351
Weighted average number of shares used for NTA purposes		188 323 815	182 664 051
NTA per share (cents)		29.88	29.64

Notes:

- 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.
- Term deposits greater than 3 months.

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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.

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Director's 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 2023. 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 Executive 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.

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

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.

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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 director of Cooper Energy (ASX:COE) as well as a Trustee of the Royal Botanic Gardens and Domain Trust and Chairman of Larrakia Darwin Hotel as nominee for Indigenous Business Australia. 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.

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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

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	5 980 592	2 932 200
W E Bessemer	-	13 161 899
G M Collins	-	60 000

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.

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 \$4.5 million (2022: profit \$1.9 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 3, 23 and 24 of the financial statements.

The Group made total investment of \$700,000 in Claimfast Pty Ltd (trading as Remediator) in FY21 and FY22. Since then, Remediator has experienced headwinds to its strategy. Consequently, it has exhausted all its cash resources with no immediate prospects to break even. As a result, the Group's Board approved the disposal of its interest in Remediator for a nominal consideration of \$1 on 7 June 2023. The loss of investment of \$699,999 will be recognised as a capital loss to be offset against any future capital gains.

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.

PDF status update

On 27 June 2022, the Group announced that the Innovation Investment Committee of Industry, Innovation and Science Australia (the PDF Committee) had advised that it had made an in principle decision to revoke GDG's PDF status. This was made on the basis that the PDF Committee has formed an in principle view that various requirements of the PDF Act which were not satisfied in relation to GDG.

As a result, the PDF Committee invited GDG to provide submissions by 22 July 2022 as to why its PDF status should not be revoked. GDG disagreed with the in principle view of the PDF Committee and provided its submissions. On 19 December 2022, the PDF Committee advised that GDG's PDF status would continue and that it has concluded its investigation.

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 environment 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 is 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 28 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. We expect to participate in further merger and acquisition opportunities in the financial services sector.

Dividends

The Company paid a fully franked final 2022 dividend of \$0.01 per ordinary share on 6 October 2022 and a fully franked 2023 interim dividend of \$0.01 per ordinary share on 6 April 2023. A dividend reinvestment plan (DRP) was in operation for these dividends.

On 29 August 2023, the Company declared a fully franked final 2023 dividend of \$0.01 per ordinary share to be paid on 5 October 2023. 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

The Group is committed to ensuring that ESG forms part of our long-term strategy. 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. FY23 saw the Group undertake 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. Embedding an ESG culture across the business by implementing key programs and reporting on progress against our ESG principles will be the focus in FY24.

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 & Inclusion and Supporting Financial Prosperity, we will be able to make a tangible, practical and lasting impact on many of the Sustainable Development Goals which the country needs to achieve, to ensure a better tomorrow.

The Group 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 seven board meetings held.

Director	Eligible to attend	Attended
R N Coombe	6	6
W E Bessemer	7	7
G M Collins	7	7

Corporate Governance Statement

The Company's Corporate Governance Statement together with the Appendix 4G, can be viewed at www.gendevdevelopmentgroup.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 2023, the Group engaged its external auditors to provide professional services in relation to general consultancy for \$6,210. 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 2023.

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

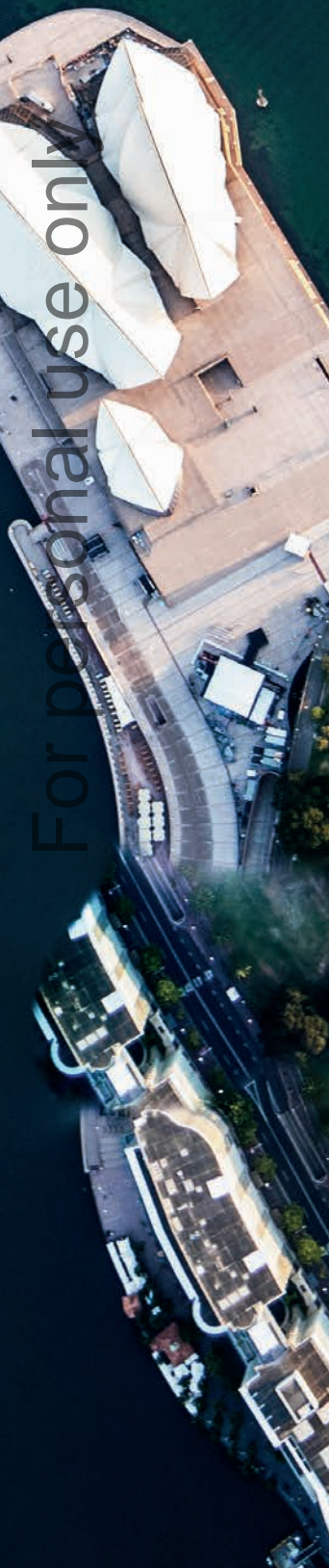
This remuneration report, which forms part of the Directors' Report, sets out information about the remuneration of Generation Development Group Limited's directors and other key management personnel for the financial year ended 30 June 2023.

At the Company's last Annual General Meeting in November 2022, 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



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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 36 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 is 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 individually 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 STI for CEO, CFO and General Manager of Distribution, Marketing, and Operations is between a range of 0% to 100% 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 an 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 2023, the Board has determined to retain the current 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 Earnings per share growth (EPS) which is a non-market internal performance condition. Prior to 1 July 2020, the two tranches awarded were measured using TSR of 25% and 75% for the rights were subject to compound annual growth in funds under management ('FUM CAGR'), 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 7 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 have recognised the expense for these rights in full for the year ended 30 June 2021. The proportion of long-term incentives to fixed remuneration are provided at the Board's discretion unless specified.

LTI Grant

The total number of rights granted to senior management in the year to 30 June 2023 was 1,132,491 (2022: 885,652), details are as follows:

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	Vesting % of Tranche	EPS Growth	Vesting % of Tranche
	Company's TSR Compared to the Small Industrials Total Return Index		EPS During the Measurement Period	
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%

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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%

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	Vesting % of Tranche	EPS Growth	Vesting % of Tranche
	Company's TSR Compared to the Small Industrials Total Return Index		EPS During the Measurement Period	
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%

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LTI Grant

2019 GDG Performance Rights

Senior Executive	Number of Rights Granted in year to 30 June 2019	Performance Measure	Grant Date	Expiry Date	Grant Date Fair Value
Robert Coombe	90 280	TSR	5 Nov 2019	30 June 2022	\$0.293
	270 842	FUM CAGR	5 Nov 2019	30 June 2022	\$0.210
Grant Hackett	282 167	TSR	28 June 2019	30 June 2022	\$0.265
	846 502	FUM CAGR	28 June 2019	30 June 2022	\$0.465
Terence Wong	112 867	TSR	28 June 2019	30 June 2022	\$0.265
	338 601	FUM CAGR	28 June 2019	30 June 2022	\$0.465
Felipe Araujo	112 867	TSR	28 June 2019	30 June 2022	\$0.265
	338 601	FUM CAGR	28 June 2019	30 June 2022	\$0.465

The performance measurement period for these rights is 1 July 2019 to 30 June 2022. The table below shows the performance measures for the two tranches of the LTI.

	TSR		FUM	
	Company's TSR Compared to the Small Industrials Total Return Index	Vesting % of Tranche	CAGR in Funds Under Management During the Measurement Period	Vesting % of Tranche
Stretch	≥200% of Index	100%	≥45%	100%
Between Target and Stretch	>150% & < 200% of Index	Pro-rata	>25% & <45%	Pro-rata
Target	150% of Index	50%	25%	50%
Between Threshold and Target	>100% & < 150% of Index	Pro-rata	>15% & <25%	Pro-rata
Threshold	=100% of Index	25%	15%	25%
Below Threshold	<100% of Index	0%	<15%	0%

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 have recognised the expense for these rights in full for the year ended 30 June 2021. The proportion of long-term incentives to fixed remuneration are 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 achieved within 3 months of the end of the first 3 years of the Measurement Period,
- 50% reduction if Target FUM achieved within 6 months of the end of the first 3 years of the Measurement Period,
- 100% reduction if Target FUM 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.

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Other Share-Based Payments

No other share-based payments were issued during the period ending 30 June 2023.

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-19	FY-20	FY-21	FY-22	FY-23
FUM (\$m)	1 073	1 295	1 792	2 158	2 626
Share price at start of year (\$ per share)	1.16	0.53	0.65	0.86	1.25
Share price at end of year (\$ per share)	0.53	0.65	0.86	1.25	1.26
Change in share price (\$ per share)	(0.63)	0.12	0.21	0.39	0.01
Dividends paid (\$'000s)	2 496	2 508	3 017	3 622	3 774
Profit attributable to owners of the Company (\$'000s)	5 286	(1 637)	2 533	1 901	4 497
Basic EPS (cents per share)	4.23	(1.30)	1.55	1.04	2.39
Diluted EPS (cents per share)	4.23	(1.30)	1.55	1.04	2.39

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C. Other Information - Performance Rights Holdings

The table below sets out details of deferred shares and rights that were granted to KMP during the 2023 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 2023, the rights vested for 2019 grant were 2,031,065 held by Grant Hackett, Felipe Araujo and Terence Wong. At 30 June 2022, the rights vested for 2018 grant were 245,623 and the rights that lapsed from the period were 115,499 all held by Rob Coombe. 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
Grant Hackett	2019 GDG Performance Rights	28 Jun 2019	\$0.265	25% TSR	282 167
	2019 GDG Performance Rights	28 Jun 2019	\$0.073	75% FUM	846 502
	2020 GDG Performance Rights	30 Jun 2020	\$0.365	50% TSR	361 664
	2020 GDG Performance Rights	30 Jun 2020	\$0.123	50% EPS	361 664
	2021 GDG Performance Rights	30 Jun 2021	\$0.475	50% TSR	246 914
	2021 GDG Performance Rights	30 Jun 2021	\$0.269	50% EPS	246 914
	2021 GDG Performance Rights (GLI)	30 Jun 2021	\$0.166	100% FUM	555 556
	2022 GDG Performance Rights	29 Jun 2022	\$0.711	50% TSR	150 000
	2022 GDG Performance Rights	29 Jun 2022	\$0.418	50% EPS	150 000
	2023 GDG Performance Rights	29 Jun 2023	\$0.688	50% TSR	253 165
	2023 GDG Performance Rights	29 Jun 2023	\$0.325	50% EPS	253 165

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	Balance at 1 July 2022	Issued during the year	Vested*	Vested %	Lapsed	Lapsed %	Balance at 30 June 2023	Financial Year of actual performance vesting
	-	-	282 167	100	-	-	-	2023
	-	-	846 502	100	-	-	-	2023
	361 664	-	-	-	-	-	361 664	2024^
	361 664	-	-	-	-	-	361 664	2024^
	246 914	-	-	-	-	-	246 914	2025
	246 914	-	-	-	-	-	246 914	2025
	555 556	-	-	-	-	-	555 556	2025
	150 000	-	-	-	-	-	150 000	2026
	150 000	-	-	-	-	-	150 000	2026
	-	253 165	-	-	-	-	253 165	2027
	-	253 165	-	-	-	-	253 165	2027
	2 072 712	506 330	1 128 669	-	-	-	2 579 042	

* All rights vested during the year are exercisable.

^Fully vested in July 2023.

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Directors/ Executives	Type of instrument	Grant date	Fair value per right at grant date	Performance measure	Number granted
Felipe Araujo	2019 GDG Performance Rights	28 Jun 2019	\$0.265	25% TSR	112 867
	2019 GDG Performance Rights	28 Jun 2019	\$0.073	75% FUM	338 601
	2020 GDG Performance Rights	30 Jun 2020	\$0.365	50% TSR	271 248
	2020 GDG Performance Rights	30 Jun 2020	\$0.123	50% EPS	271 248
	2021 GDG Performance Rights	30 Jun 2021	\$0.475	50% TSR	123 457
	2021 GDG Performance Rights	30 Jun 2021	\$0.269	50% EPS	123 457
	2021 GDG Performance Rights (GLI)	30 Jun 2021	\$0.166	100% FUM	432 099
	2022 GDG Performance Rights	29 Jun 2022	\$0.711	50% TSR	109 810
	2022 GDG Performance Rights	29 Jun 2022	\$0.418	50% EPS	109 810
	2023 GDG Performance Rights	29 Jun 2023	\$0.688	50% TSR	123 207
	2023 GDG Performance Rights	29 Jun 2023	\$0.325	50% EPS	123 207
					2 139 011
Terence Wong	2019 GDG Performance Rights	28 Jun 2019	\$0.265	25% TSR	112 867
	2019 GDG Performance Rights	28 Jun 2019	\$0.073	75% FUM	338 601
	2020 GDG Performance Rights	30 Jun 2020	\$0.365	50% TSR	180 832
	2020 GDG Performance Rights	30 Jun 2020	\$0.123	50% EPS	180 832
	2021 GDG Performance Rights	30 Jun 2021	\$0.475	50% TSR	246 914
	2021 GDG Performance Rights	30 Jun 2021	\$0.269	50% EPS	246 914
	2021 GDG Performance Rights (GLI)	30 Jun 2021	\$0.166	100% FUM	246 914
	2022 GDG Performance Rights	29 Jun 2022	\$0.711	50% TSR	183 016
	2022 GDG Performance Rights	29 Jun 2022	\$0.418	50% EPS	183 016
	2023 GDG Performance Rights	29 Jun 2023	\$0.688	50% TSR	189 874
	2023 GDG Performance Rights	29 Jun 2023	\$0.325	50% EPS	189 873
					2 299 653

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	Balance at 1 July 2022	Issued during the year	Vested*	Vested %	Lapsed	Lapsed %	Balance at 30 June 2023	Financial Year of actual performance vesting
	112 867	-	112 867	100	-	-	-	2023
	338 601	-	338 601	100	-	-	-	2023
	271 248	-	-	-	-	-	271 248	2024^
	271 248	-	-	-	-	-	271 248	2024^
	123 457	-	-	-	-	-	123 457	2025
	123 457	-	-	-	-	-	123 457	2025
	432 099	-	-	-	-	-	432 099	2025
	109 810	-	-	-	-	-	109 810	2026
	109 810	-	-	-	-	-	109 810	2026
	-	123 207	-	-	-	-	123 207	2027
	-	123 207	-	-	-	-	123 207	2027
	1 892 597	246 414	451 468	-	-	-	1 687 543	
	112 867	-	112 867	100	-	-	-	2023
	338 601	-	338 601	100	-	-	-	2023
	180 832	-	-	-	-	-	180 832	2024^
	180 832	-	-	-	-	-	180 832	2024^
	246 914	-	-	-	-	-	246 914	2025
	246 914	-	-	-	-	-	246 914	2025
	246 914	-	-	-	-	-	246 914	2025
	183 016	-	-	-	-	-	183 016	2026
	183 016	-	-	-	-	-	183 016	2026
	-	189 874	-	-	-	-	189 874	2027
	-	189 873	-	-	-	-	189 873	2027
	1 919 906	379 747	451 468	-	-	-	1 848 185	

* All rights vested during the year are exercisable.

^Fully vested in July 2023.

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.

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	-	-	-	-	13 161 899
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



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2022

Directors/ Executives	Class	Balance 1 July 2021	Received on vesting of performance rights	Shares Acquired	Shares Disposed	Others	Balance 30 June 2022
R N Coombe	Ordinary	8 667 169	245 623	-	-	-	8 912 792
W E Bessemer	Ordinary	13 046 899	-	115 000	-	-	13 161 899
G M Collins ¹	Ordinary	-	-	9 000	-	51 000	60 000
J J Tooth ²	Ordinary	9 504 031	-	176 723	-	9 680 754	-
J D Wheeler ³	Ordinary	12 500 000	-	250 000	-	12 750 000	-
G Hackett	Ordinary	821 086	-	-	600 000	-	221 086
F Araujo	Ordinary	59 631	-	-	-	-	59 631
T Wong	Ordinary	-	-	-	-	-	-

1. Appointed as Non-Executive Director of Generation Development Group Limited on 18 November 2021. Giselle held 51,000 shares at the time of appointment.
2. Resigned as Non-Executive Director of Generation Development Group Limited on 18 November 2021.
3. Resigned as Non-Executive Director of Generation Development Group Limited on 18 November 2021.

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.

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	40.2%

1. Elected to forfeit director fees.

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2022

	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 ²	29 167	-	-	-	2 917	-	-	-	32 084	0%
J J Tooth ^{1,3}	-	-	-	-	-	-	-	-	-	-
J D Wheeler ^{1,4}	-	-	-	-	-	-	-	-	-	-
Sub total	29 167	-	-	-	2 917	-	-	-	32 084	0%
Other Senior Executives										
G Hackett	400 000	295 100	65 823	27 091	23 568	169 369	-	-	980 951	47.3%
T Wong	265 000	19 250	41 925	12 749	23 568	206 649	-	-	569 141	39.7%
F Araujo	275 000	275 000	48 498	18 179	23 568	123 989	-	-	764 234	52.2%
Sub total	940 000	589 350	156 246	58 019	70 704	500 007	-	-	2 314 326	47.1%
Total	969 167	589 350	156 246	58 019	73 621	500 007	-	-	2 346 410	47.1%

1. Elected to forfeit director fees.
2. Appointed as Non-Executive Director of Generation Development Group Limited on 18 November 2021.
3. Resigned as Non-Executive Director of Generation Development Group Limited on 18 November 2021.
4. Resigned as Non-Executive Director of Generation Development Group Limited on 18 November 2021.

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 2023 (2022: 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 2023 is \$1,864,726 (2022: \$1,611,096).

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

29 August 2023





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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 2023 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

Dean Waters

Partner

Melbourne

29 August 2023

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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 is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 30 June 2023
- 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
- Notes including a summary of significant 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.

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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.

Recoverability of deferred tax assets - \$352k	
Refer to Note 9(c) to the Financial Report	
The key audit matter	How the matter was addressed in our audit
<p>The recoverability of deferred tax assets is a key audit matter due to the degree of judgement required by us in assessing the Group’s forecasts of future taxable profits, particularly when this extends beyond the normal business planning cycle.</p> <p>It is the Group’s policy to recognise deferred tax assets in accordance with AASB 112 Income Taxes. These are primarily attributable to unused tax losses.</p> <p>The Group assesses whether sufficient forecast taxable profits are likely to be generated against which the tax losses can be utilised, to enable the assets to be realised.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • examining the nature and timing of the unused tax losses having regard to the relevant tax legislation as to their relevance in recognising an asset; • assessing the Group’s forecast earnings growth against historic performance; • assessing the accuracy of previous forecasts to inform our evaluation of the Group’s current forecast taxable profits; • challenging the Group’s forecast taxable profits and growth assumptions using our knowledge of the Group, their past performance, business and customers, information published by regulatory and other bodies and our industry experience. We compared growth rates to Board approved forecasts; • understanding the timing of forecast taxable profits and considering the consistency of the time frames of expected recovery to our knowledge of the business and its plans; • testing the consistency of forecasts used in making the recoverability assessments with those forecasts used by the Group for impairment testing; • recalculating the amount of previously recognised tax losses written off against the recorded amount disclosed and assessing the adequacy of the Group’s disclosures in respect of the tax assets de-recognised, in accordance with accounting standards; • assessing the disclosures in the Financial Report against the requirements of the accounting standards.

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Other Information

Other Information is financial and non-financial information in Generation Development Group Limited's annual reporting 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 that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and 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 2023, 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 2023.

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

29 August 2023

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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 131 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 2023 and of its performance for the financial year ended on that date; and
- complying with Australian Accounting Standards and the Corporations Regulations 2001; 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 2023.

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

29 August 2023



Consolidated statement of profit or loss and other comprehensive income
For the financial year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Revenue, other income and investment revaluations			
Revenue from contracts with customers	5 (a)	20 511	7 836
Interest income	5 (b)	4 536	511
Revaluation of investments	5 (c)	164 136	(278 424)
Other income	5 (d)	1 149	2 104
Distribution and dividend income		61 416	91 880
Total Revenue, other income and investment revaluations		251 748	(176 093)
Expenses			
Personnel expenses	7 (a)	(13 344)	(13 859)
Occupancy expenses		(367)	(295)
Communication expenses		(57)	(81)
Finance expenses		(131)	(143)
Dealing and settlement expenses		(7 782)	(7 214)
Marketing and promotional expenses		(1 503)	(567)
Depreciation and amortisation expenses	7 (b)	(1 773)	(1 315)
Impairment expenses	7 (c)	(8)	-
Other expenses	7 (d)	(27 461)	(12 145)
Policyholder withdrawals - insurance		(1 260)	(700)
Total Expenses		(53 686)	(36 319)
Investment in associates - share of profit / (loss)	6	1 395	364
Profit / (loss) before income tax expense		199 457	(212 048)

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 29 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 2023

	Notes	2023 \$'000	2022 \$'000
Income tax (expense) / benefit	9 (a)	(47 602)	74 019
(Profit) / loss attributable to policyholders		(147 358)	139 930
Net Profit / (loss) attributable to shareholders of the Company		4 497	1 901
Total comprehensive income attributable to shareholders of the Company		4 497	1 901
Earnings Per Share			
Basic (cents per share)	16	2.39	1.04
Diluted (cents per share)	16	2.39	1.04

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The accompanying notes 1 to 29 form part of these consolidated financial statements.

Consolidated statement of financial position
As at 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Assets:			
Cash and cash equivalents		93 660	89 443
Income tax receivable		14 644	6 229
Trade receivables		1 245	6 864
Other assets	11	30 074	61 697
Financial assets	10	2 551 673	2 003 839
Investment in associates	6	30 336	28 941
Right-of-use assets	18 (a)	3 629	4 185
Plant and equipment		414	499
Deferred tax assets	9 (c)	15 945	45 314
Intangible assets	12	2 780	3 217
Total assets		2 744 400	2 250 228
Liabilities:			
Trade and other payables		10 497	6 909
Current tax liability		14	9 208
Lease liabilities	18 (b)	3 807	4 238
Other liabilities		3 562	4 064
Financial liabilities		1 105	-
Provisions	13	1 558	1 436
Deferred tax liabilities	9 (d)	33 615	4 877
Policyholder liabilities	29	2 631 191	2 162 145
Total liabilities		2 685 349	2 192 877
Net assets		59 051	57 351

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 29 form part of these consolidated financial statements.

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Consolidated statement of financial position (continued)
As at 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Equity:			
Issued capital	14	89 045	88 517
Share-based payment reserve		2 748	2 337
Other reserve		-	-
Profits reserve	15	28 648	16 432
Retained earnings	15	(61 390)	(49 935)
Total equity		59 051	57 351

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 29 form part of these consolidated financial statements.

Consolidated statement of changes in equity
For the financial year ended 30 June 2023

	Issued Capital \$'000	Share-based payment reserve \$'000	Other reserve \$'000	Profits reserve^ \$'000	Retained Earnings \$'000	Total \$'000
Year End 30 June 2023						
Balance at 1 July 2022	88 517	2 337	-	16 432	(49 935)	57 351
Net profit for the year	-	-	-	15 990	(11 493)	4 497
Total comprehensive income for the year	-	-	-	15 990	(11 493)	4 497
Transactions with owners						
Issue of ordinary shares*	212	-	-	-	-	212
Share-based payments	316	411	-	-	38	765
Dividend paid	-	-	-	(3 774)	-	(3 774)
Other items	-	-	-	-	-	-
Balance at 30 June 2023	89 045	2 748	-	28 648	(61 390)	59 051
Year End 30 June 2022						
Balance at 1 July 2021	79 118	4 112	104	12 547	(44 427)	51 454
Net profit for the year	-	-	-	7 507	(5 606)	1 901
Total comprehensive income for the year	-	-	-	7 507	(5 606)	1 901
Transactions with owners						
Issue of ordinary shares	6 969	-	-	-	-	6 969
Share-based payments	2 430	(1 775)	-	-	98	753
Dividend paid	-	-	-	(3 622)	-	(3 622)
Other items	-	-	(104)	-	-	(104)
Balance at 30 June 2022	88 517	2 337	-	16 432	(49 935)	57 351

The accompanying notes 1 to 29 form part of these consolidated financial statements.

* Refer to note 14 for the breakdown of shares issued during the financial year.

^ 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.

Consolidated statement of cash flows
For the financial year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Cash Flows from Operating Activities:			
Receipts from customers		28 690	19 965
Distributions and dividends received		93 764	78 993
Payments to suppliers and employees		(61 606)	(43 720)
Interest received - benefit funds		3 033	341
Finance and borrowing costs		(131)	(142)
Income tax received		9 514	8 101
Income tax paid		(16 617)	(31 864)
Net cash outflow from sales and purchases of investments - benefit funds		(371 548)	(558 196)
Policyholders contributions received		534 059	642 284
Policyholders withdrawals paid		(208 625)	(110 793)
Net cash flow from / (used in) operating activities	22	10 533	4 969
Cash Flows from Investing Activities:			
Interest received		681	46
Investment in associates inclusive of acquisition costs		-	(300)
Annuity project costs		-	(4 262)
Net proceeds on sale of Ascalon Capital Limited (Asia)		-	50
Term deposit (invested) / matured		(2 320)	(447)
Purchase of property, plant and equipment		(154)	(445)
Payment of software		(275)	(1 444)
Net cash flows (used in) / from investing activities		(2 068)	(6 802)

The accompanying notes 1 to 29 form part of these consolidated financial statements.

Consolidated statement of cash flows (continued)
For the financial year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Cash Flows from Financing Activities:			
Dividends paid		(3 563)	(3 303)
Payment of lease liabilities		(773)	(654)
Interest paid on finance lease liabilities		88	101
Net cash flows (used in) / from financing activities		(4 248)	(3 856)
Net increase / (decrease) in cash held		4 217	(5 689)
Cash and cash equivalents at beginning of the year		89 443	95 132
Cash and cash equivalents at end of the year		93 660	89 443

The accompanying notes 1 to 29 form part of these consolidated financial statements.

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Corporate Information

About Generation Development Group

This consolidated financial report for the year ended 30 June 2023 was authorised for issue by the directors on 29 August 2023.

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 operates as a Pooled Development Fund. The Company’s registered office and principal place of business is Level 17, 447 Collins Street, Melbourne, Victoria, Australia, 3000.

The consolidated financial statements of the Company as at and for the year ended 30 June 2023 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 cost, except for assets recognised and measured at fair value. Cost is based on the fair values of the consideration given in exchange for assets. The Statement of Financial Position is presented in order of liquidity. 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 2 for a discussion of critical estimates and judgements in applying the Group’s accounting policies and key sources of estimation uncertainty.

1. Summary of significant 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 2022.

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.

Standards and interpretations issued but not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2023 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

AASB 17 Insurance Contracts

AASB 17 Insurance Contracts was issued in May 2017 as a replacement for AASB 4 Insurance Contracts and AASB 1038 Life Insurance Contracts, with amendments to AASB 17 issued in June 2020 and December 2021. The final standard is effective for annual periods beginning on or after 1 January 2023. AASB 17 establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts within the scope of the Standard.

The core of AASB 17 is the General Measurement Model supplemented by:

- A specific adaptation for contracts with direct participation features (Variable Fee Approach).
- A simplified approach mainly for short duration contracts (Premium Allocation Approach).
- The main features of the General Measurement Model and Variable Fee approach include:
 - A measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period, i.e. the fulfilment cash flows.
 - The risk adjustment reflects the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.
 - A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts, representing the unearned profitability of the insurance contract to be recognised in profit or loss over the service period (i.e., the coverage period).
 - Under VFA, the CSM represents the variable fee to shareholders, and it is adjusted to reflect the effect of changes in economics as well as experience variances and/or assumptions changes that relate to future services.

Transition

The Group will adopt AASB 17 from 1 July 2023 with comparative information on an AASB 17 basis and the transition date 1 July 2022. For the period ending 30 June 2024, a complete set of financial statements will be prepared including comparative amounts.

Identifying contracts in the scope of AASB 17

The Group has two distinct product groups:

1. Life investment contracts - are currently measured under the financial instruments standard and will continue to be recognised under AASB 9. These contracts do not have “insurance risk”.
2. Investment linked lifetime annuity contracts with direct participation features (DPF) - launched in March 2022, Investment linked lifetime annuity contract (LifelIncome) is essentially investment related service contracts, for which the Group promises a return on investment and a lifetime annuity. LifelIncome contracts meet the definition of insurance contracts with direct participation features and are measured using the Variable Fee Approach (VFA) under AASB 17. In addition, the acquired legacy business with discretionary participation features (DPF) are closed benefit funds (which are in their natural “run-off” mode and closed for new applications). Analysis indicates both the policy liability and the profit release pattern under AASB 17 and AASB 9 are not materially different. The Group will continue to account for these under AASB 9.

The impact of initial adoption of AASB 17 includes the following:

- Under AASB 17, the Group’s consolidated financial statements will significantly change as it recognises insurance contracts issued and reinsurance contracts held for the Investment linked lifetime annuity product.
- AASB 17 is a complex accounting standard which requires considerable judgements and interpretations in its implementation of transition requirements. This includes the approach to transition setting of actuarial assumptions and selection of valuation methodologies, and the models deployed in the measurement of fulfilment cash flows.

- While the Group has progressed in its implementation of AASB 17 as planned, due to the complexities of the requirements and evolving interpretations and views from an accounting, actuarial, tax perspective, the Group is still in the process of quantifying the financial impact.

Other significant 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.

A. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries as at 30 June 2023 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 20 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.

B. AASB 15 Revenue from Contracts with Customers

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 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.

Premium revenue for life insurance contracts

Life insurance premiums are recognised as revenue when risk is transferred. Excess of premiums received over payments to customers and expenses (the margin) is recognised over the life of the contract in a manner that reflects the pattern of risk accepted from the policyholder.

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.

C. 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 6.

D. 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.

E. 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.

F. 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.

G. 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.

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 2022. Trade receivables include unsettled investment transactions in the Benefit Funds.

H. 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.

I. 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.

i. 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 valued 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 23. 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.

ii. **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 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.

J. 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.

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.

K. 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%

L. 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.

M. 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.

N. 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.

O. 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.

P. 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.

Q. 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.

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.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company 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 Company 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 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.

R. 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.

S. Policyholder liabilities**i. Life insurance contracts**

During the year, there was 31 funds classified as life insurance contracts per AASB 1038 Life Insurance Contracts, being the Oddfellows Fund and 30 LifeIncome Benefit Funds. Consequently, contributions to the funds are disclosed as premiums and are recorded as revenue in the profit and loss and benefits paid from the funds are disclosed as claims and are recorded as expenses in the profit and loss. Reinsurance expenses are classified under other expenses in the consolidated profit or loss.

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	2023 \$'000	2022 \$'000
“Guaranteed” component of participating policies	4 962	5 055

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 24.

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 LifeIncome contract meets the definition of a life insurance contract. The policy liabilities are calculated using the accumulation approach where the expected number of units are multiplied by the 30 June unit price at the valuation date.

The expected number of units at the valuation date are calculated using a projection method based on the best estimate mortality basis and discounted. On a net of reinsurance basis, no profits emerge in the benefit fund given the 100% reinsurance of mortality risk to Hannover Life Re of Australia Limited (HLRA).

If mortality experience is lighter/heavier than allowed for in the determination of the Guaranteed Annual Income Units (GAIU) at policy inception, then any shortfall excess of policyholder units held in the benefit fund are made up / released and passed onto the reinsurer.

ii. Life investment contracts

The Group’s remaining 73 funds are classified as life investment contracts per AASB1038. 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	2023 \$'000	2022 \$'000
Funeral Bond Fund (Druids)	3 863	4 087
Flexible Insurance Fund No. 1	3 513	3 619

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.

No investment linked policy is subject to any investment guarantee. The surrender value of investment account policies is \$9,967,623 (2022: \$11,242,208).

For the remaining 67 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.

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T. 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.

U. 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 29).

The Benefit Funds and the Management Fund are presented as a single set of financial statements, with additional disclosures being presented in note 29 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 104 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 24), as required under AASB 1038 Life Insurance Contracts and other requirements of the Life Act. There are 73 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 1038 Life Insurance Contracts to be assets that are held to back life insurance policy liabilities and assets that represent owners' funds.

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 104 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).

V. 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.

V. Segment reporting (continued)**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% (2022: 41%) and Claimfast 0% (2022: 12%). Details of investment made in associates are listed in note 6.

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.

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 2023

	Operating Segments		Operating Segment Total \$'000	Non-operating Segment		Consolidated Total \$'000
	Benefit Funds Management & Funds Administration \$'000	Other Business \$'000		Benefit Funds \$'000	Elimination \$'000	
External revenue	7 623	1 395	9 018	244 125	-	253 143
Inter-segment revenue	22 056	-	22 056	-	(22 056)	-
Segment revenue	29 679	1 395	31 074	244 125	(22 056)	253 143
Expenses	(37 721)	-	(37 721)	(38 021)	22 056	(53 686)
Income tax benefit / (expense)	11 144	-	11 144	(58 746)	-	(47 602)
Loss / (profit) attributable to policyholders	-	-	-	(147 358)	-	(147 358)
Net profit / (loss) after tax	3 102	1 395	4 497	-	-	4 497
Segment assets and liabilities						
Segment total assets	69 057	-	69 057	2 675 343	-	2 744 400
Segment total liabilities	(10 006)	-	(10 006)	(2 675 343)	-	(2 685 349)
Segment net assets	59 051	-	59 051	-	-	59 051
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)

V. Segment reporting (continued)

30 June 2022

	Operating Segments			Non-operating Segment		Consolidated Total \$'000
	Benefit Funds Management & Funds Administration \$'000	Other Business \$'000	Operating Segment Total \$'000	Benefit Funds \$'000	Elimination \$'000	
	External revenue	6 906	465	7 371	(183 100)	
Inter-segment revenue	19 007	-	19 007	167	(19 174)	-
Segment revenue	25 913	465	26 378	(182 933)	(19 174)	(175 729)
Expenses	(33 472)	(59)	(33 531)	(21 962)	19 174	(36 319)
Income tax benefit / (expense)	9 054	-	9 054	64 965	-	74 019
Loss / (profit) attributable to policyholders	-	-	-	139 930	-	139 930
Net profit / (loss) after tax	1 495	406	1 901	-	-	1 901
Segment assets and liabilities						
Segment total assets	67 814	-	67 814	2 182 414	-	2 250 228
Segment total liabilities	(10 463)	-	(10 463)	(2 182 414)	-	(2 192 877)
Segment net assets	57 351	-	57 351	-	-	57 351
Other Segment Information						
Depreciation and amortisation	(1 315)	-	(1 315)	-	-	(1 315)
Goodwill	547	-	547	-	-	547
Movement in non-current assets	1 583	-	1 583	43 480	-	45 063

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2. Use of estimates and judgement

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. 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 7.

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 3 Financial Instruments for terms and conditions of insurance business, including key variables affecting timing and uncertainty of future cash flows;
- Note 24 for critical estimation assumptions for determining insurance policyholder liabilities; and
- Note 29 for disaggregated disclosures for each life insurance benefit fund.

3. Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Insurance 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 Plan, which reflects the Board's commitment to identifying, monitoring and mitigating risks as well as capturing opportunities.

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

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.

Capital management

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 its board in accordance with APRA Prudential Standards. Refer to note 26.

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 14 and 15 respectively.

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.

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.

A. Credit risk (continued)

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.

Exposure to Credit Risk

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

		Consolidated	
	Note	2023 \$'000	2022 \$'000
Financial assets designated as fair value through profit and loss	10	2 505 317	1 977 769
Financial assets designated as amortised cost	10	46 356	26 070
Accrued income	11	27 703	59 206
Trade receivables		1 245	6 864
Cash and cash equivalents		93 660	89 443
Total		2 674 281	2 159 352

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

A. Credit risk (continued)**Impairment losses**

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

	Consolidated	
	2023 \$'000	2022 \$'000
Not past due	1 245	6 864
Past due 1 to 30 days	-	-
Past due 31 to 90 days	-	-
Past due more than 91 days	-	-
Total	1 245	6 864

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 2023 (2022: 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 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)
Policyholder liabilities (insurance) - Oddfellows ^(b)	6 544	(6 455)	(276)	(276)	(505)	(1 308)	(4 090)	-
Policyholder liabilities (insurance) - LifeIncome ^(c)	16 384	(16 385)	(249)	(249)	(537)	(1 747)	(13 603)	-
Subtotal	2 631 190	(22 840)	(525)	(525)	(1 042)	(3 055)	(17 693)	(2 608 262)
Total	2 646 599	(38 463)	(12 566)	(966)	(2 511)	(4 596)	(17 824)	(2 608 262)

B. Liquidity risk (continued)

	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 2022								
Trade and other payables	6 909	(6 909)	(6 909)	-	-	-	-	-
Lease liabilities	4 238	(4 548)	(399)	(357)	(1 389)	(1 488)	(915)	-
Subtotal	11 147	(11 457)	(7 308)	(357)	(1 389)	(1 488)	(915)	-
Policyholder liabilities (investment) ^(a)	2 153 703	-	-	-	-	-	-	(2 153 703)
Policyholder liabilities (insurance) - Oddfellows ^(b)	6 417	(6 523)	(252)	(252)	(471)	(1 242)	(4 305)	-
Policyholder liabilities (insurance) - LifeIncome ^(c)	2 025	(2 025)	(39)	(39)	(90)	(288)	(1 569)	-
Subtotal	2 162 145	(8 548)	(291)	(291)	(561)	(1 530)	(5 874)	(2 153 703)
Total	2 173 292	(20 005)	(7 599)	(648)	(1 950)	(3 018)	(6 789)	(2 153 703)

- (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.

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. 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.

I. 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) and New Zealand Dollar (NZD). 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 2023.

	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	86 451	5 601	29 362	13 192	1 774	4 060	19
	USD \$'000	CHF \$'000	EUR \$'000	GBP \$'000	HKD \$'000		
30 June 2022							
Cash and cash equivalents	8 237	16	16	18	9		
Financial assets	60 250	7 452	11 817	9 169	-		
Total exposure in AUD	68 487	7 468	11 833	9 187	9		

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I. Currency risk**i. 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 2023:

Currency	Movement in variable against \$'000	2023	2022
		Change in Profit / (loss) \$'000	Change in Profit / (loss) \$'000
USD	+ 10%	8 645	6 849
	- 10%	(8 645)	(6 849)
CHF	+ 10%	560	747
	- 10%	(560)	(747)
EUR	+ 10%	2 936	1 183
	- 10%	(2 936)	(1 183)
GBP	+ 10%	1 319	919
	- 10%	(1 319)	(919)
HKD	+ 10%	177	1
	- 10%	(177)	(1)
CAD	+ 10%	406	-
	- 10%	(406)	-
NZD	+ 10%	2	-
	- 10%	(2)	-
Total	+ 10%	14 045	9 699
	- 10%	(14 045)	(9 699)

ii. 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	
	2023	2022
	\$'000	\$'000
Fixed rate instruments		
Financial assets	60 259	28 922
	60 259	28 922
Variable rate instruments		
Financial assets	134 094	141 849
	134 094	141 849

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	1% Decrease
	\$'000	\$'000
30 June 2023		
Variable rate instruments	1 321	(851)
Total	1 321	(851)
30 June 2022		
Variable rate instruments	1 366	(281)
Total	1 366	(281)

iii. 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.

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

	Consolidated	
	2023	2022
	\$'000	\$'000
Financial assets at fair value through profit or loss		
Units in managed funds and equities ¹	2 441 233	1 921 870
	2 441 233	1 921 870

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

	Consolidated	
	10% Increase	10% Decrease
	\$'000	\$'000
30 June 2023		
Units in managed funds and equities ¹	244 123	(244 123)
	244 123	(244 123)
30 June 2022		
Units in managed funds and equities ¹	192 187	(192 187)
	192 187	(192 187)

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

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. If mortality experience is lighter/heavier than allowed for in the determination of the Guaranteed Annual Income Units (GAIU) at policy inception, then any shortfall/excess of policyholder units held in the benefit fund are made up/released and passed onto the reinsurer.

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 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 Company 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.

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4. Key management personnel

The Directors and other Key Management Personnel of the Group during 2023 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	
	2023 \$'000	2022 \$'000
Short-term employee benefits	1 562	1 715
Long-term employee benefits	96	58
Share based payments	574	500
Post-employment benefits (superannuation contribution)	81	74
	2 313	2 347

5. 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.

	2023 \$'000	2022 \$'000
Major service lines and type of service		
Fee income - Funds administration	396	391
Adviser fee	5 334	5 142
Net premium revenue for life insurance contracts	14 781	2 303
	20 511	7 836
Timing of revenue recognition		
Services transferred over time	5 153	4 745
Services transferred at a point of time	15 358	3 091
	20 511	7 836
B. Interest income		
	2023 \$'000	2022 \$'000
Interest income	681	45
Interest income in Benefit Funds - investment contracts	3 506	387
Interest income in Benefit Funds - insurance contracts	349	79
	4 536	511

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5. Revenue (continued)

C. Revaluation income

	2023 \$'000	2022 \$'000
Realised (loss) / gain on sale of investments - Benefit Funds	(28 828)	(8 875)
Unrealised gain / (loss) on assets designated as FVTPL - Management Fund	6	(8)
Unrealised gain / (loss) on assets designated as FVTPL - Benefit Funds	192 958	(269 541)
	164 136	(278 424)

D. Other income

	2023 \$'000	2022 \$'000
Other income	1 058	1 315
Other income - Benefit Funds	72	63
Revaluation of policyholders liabilities	(127)	608
Lease rental income	146	118
	1 149	2 104

6. Investment in associates

Lonsec Holding Pty Ltd

On 14 October 2020, the Group acquired a 37% interest in Lonsec Holding Pty Ltd (Lonsec), Australia's largest qualitative research firm whose research ratings are used by many fund managers, superannuation funds and dealer groups. Lonsec also has an investment solutions division.

On 1 July 2021 Lonsec undertook a selective buy-back and as a result, the Company's equity interest in Lonsec has increased to 41% from 37%. No additional consideration was made.

On 3 November 2021, the Group issued 9,499,007 fully paid ordinary shares in GDG (New Shares) to the existing vendors of Lonsec Holdings Pty Ltd, representing deferred consideration in connection with its acquisition in Lonsec on 14 October 2020.

On 1 March 2023, the Group's investment in 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.

During the year, there were transactions between the Group and Lonsec Holdings Pty Ltd, totalling to \$115,550 (2022: \$63,900), 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.

6. Investment in associates (continued)

Claimfast Pty Ltd

In financial year 2022, the Group invested an additional \$300,000, bringing its total value of investment to \$700,000 and maintained its 20% interest. On 30 May 2022, its interest was diluted to 12% following additional capital subscription made by Claimfast that the Group did not participate in. The carrying amount of the Group's investment in Claimfast has been reduced to nil as at 30 June 2022, and the Group has no obligation in the subsequent losses of Claimfast.

Since then, Claimfast has experienced headwinds to its strategy. Consequently, the Group's board has decided to dispose of its shares for a consideration of \$1. The loss on investment of \$699,999 will be recognised as a capital loss, to be offset against any future capital gains.

Carrying amount of investment in associates

A reconciliation of the carrying amount of investment in Lonsec and Claimfast is provided below:

	2023 \$'000	2022 \$'000
Opening balance at the beginning of financial year	28 941	28 277
Investment in associates at cost inclusive of deferred consideration and acquisition costs	-	-
Share of profit / (loss)	1 395	364
Additional investment in Claimfast	-	300
Closing balance at end of financial year	30 336	28 941

6. Investment in associates (continued)

Summarised financial information for associates for the year ended 30 June 2023

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.

	Lonsec \$'000
Cash and cash equivalents	8 103
Other current assets	8 401
Non-current assets	53 931
Total assets	70 435
Current financial liabilities	34 141
Non-current financial liabilities	29 696
Total liabilities	63 837
Net assets (100%)	6 598
Share of net assets	3 247
Goodwill included in carrying amount	27 089
Carrying amount of investment in associates at end of financial year	30 336
Revenue	56 738
Expenses [^]	(49 083)
Profit before income tax and interest	7 655
Interest income	257
Interest expense	(1 411)
Tax expense	(3 246)
Total comprehensive income	3 255
Investment in associates - share of comprehensive income	1 395

[^] includes IPL acquisition and integration costs.

Summarised financial information for associates for the year ended 30 June 2022

	Lonsec \$'000
Cash and cash equivalents	12 446
Other current assets	5 803
Non-current assets	26 149
Total assets	44 398
Current financial liabilities	27 445
Non-current financial liabilities	3 436
Total liabilities	30 881
Net assets (100%)	13 517
Share of net assets	5 542
Goodwill included in carrying amount	23 399
Carrying amount of investment in associates at end of financial year	28 941
Revenue	40 668
Expenses [^]	(37 458)
Profit before income tax and interest	3 210
Interest income	110
Interest expense	(416)
Tax expense	(834)
Total comprehensive income	2 070
Investment in associates - share of comprehensive income	822

[^] includes write-off of Lonsec's Research Reimagined Program.

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7. Expenses

A. Personnel expenses

	2023 \$'000	2022 \$'000
Salaries and related expenses	12 578	13 106
Share-based payments	766	753
	13 344	13 859

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 2023, total number of rights granted was 1,343,463 (2022: 1,383,459) valued at \$680,494 (2022: \$753,028). 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 2023 is set out below:

Grant date	30 June 2023	30 June 2022
Performance measure	50% TSR / 50% EPS	50% TSR / 50% EPS
Fair value methodology	Monte Carlo simulation	Monte Carlo simulation
Start of performance period	1 July 2023	1 July 2022
Testing date	30 June 2026	30 June 2025
Measurement period	3 years	3 years
Value of rights granted	\$680 494	\$753 028

A. Personnel 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 2023.

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	30 June 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.

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

	2023 \$'000	2022 \$'000
Computer equipment	167	158
Other property plant and equipment	64	42
Capitalised software	712	330
Depreciation - right of use assets (ROU)	830	785
	1 773	1 315

C. Impairment expenses

	2023 \$'000	2022 \$'000
Computer equipment	8	-
	8	-

D. Other expenses

	2023 \$'000	2022 \$'000
Other expenses	12 755	10 104
Other expenses in Benefit Funds - investment contracts	310	186
Other expenses in Benefit Funds - insurance contracts	15	1
Movement in Annuities Benefit Liabilities	14 381	1 854
	27 461	12 145

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8. Remuneration of auditors

	Consolidated	
	2023 \$'000	2022 \$'000
Audit services		
Audit and review of financial reports of the Group and Controlled Entities	476	377
Other Audit - Related Services		
Assurance services	-	-
Non-Audit Services		
Other non-audit services (tax services)	6	4
	482	381

9. Income tax

At 30 June 2023 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	
	2023 \$'000	2022 \$'000
Income tax expense / (benefit) comprises:		
Current Tax		
Current income tax (benefit) / expense	(10 502)	4 978
Deferred tax expense / (benefit)		
Derecognition / (recognition) of tax losses	504	1 103
Derecognition / (recognition) of timing difference	57 600	(80 100)
	47 602	(74 019)

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

	Consolidated	
	2023 \$'000	2022 \$'000
Profit / (loss) before income tax attributable to shareholders	199 457	(212 048)
Income tax expense / (benefit) calculated at 30% (2022: 30%)	59 837	(63 578)
Non-deductible expenses	8 880	11 849
Assessable income / (Deductible expenses)	2 141	(1 042)
Non-assessable income	(6 897)	(5 957)
Effect of 15% tax rate*	(1 785)	(1 376)
Amount paid on behalf of FuneralBond holders	3	6
Prior year adjustment to current income tax expense	(178)	(88)
Change in unrecognised temporary differences	(95)	94
Franking dividends / foreign tax credits received	(13 066)	(13 143)
Prior year tax losses utilised	(1 238)	(784)
Income tax expense / (benefit) recognised in Profit and Loss	47 602	(74 019)

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

C. Deferred Tax Assets

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

	Opening Balance \$'000	Consolidated (Credited) / charged to Income \$'000	Closing Balance \$'000
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
2022			
Provision	695	(332)	363
Unrealised losses on financial assets	614	43 481	44 095
Tax losses	1 959	(1 103)	856
	3 268	42 046	45 314

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

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D. Deferred Tax Liabilities

	Consolidated	
	2023 \$'000	2022 \$'000
Deferred tax liabilities comprise:		
Unrealised gains on financial assets	33 615	4 877
Total deferred tax liabilities - Non-current	33 615	4 877

	Opening Balance \$'000	Consolidated (Charged) / credited to Income \$'000	Closing Balance \$'000
2023			
Unrealised gains on financial assets	4 877	28 738	33 615
	4 877	28 738	33 615
2022			
Unrealised gains on financial assets	41 828	(36 951)	4 877
	41 828	(36 951)	4 877

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10. Financial assets

	Consolidated	
	2023 \$'000	2022 \$'000
Financial assets carried at amortised cost - Term deposits ^(a)	46 356	26 070
Financial assets carried at fair value through profit or loss - Investments ^(b)	2 505 317	1 977 769
Total Financial assets	2 551 673	2 003 839
Current	2 551 673	2 003 839
Non-current	-	-
	2 551 673	2 003 839

(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

11. Other assets

	Consolidated	
	2023 \$'000	2022 \$'000
Accrued income	260	234
Accrued income - dividends and distributions receivable	27 443	58 972
Goods and Services tax receivable	467	376
Prepayments	1 904	2 115
Total Other assets - Current	30 074	61 697

12. Intangible assets

	Software \$'000	Goodwill \$'000	Total \$'000
Gross Carrying Amount:			
Balance at 30 June 2021	2 158	547	2 705
Additions	1 722	-	1 722
Disposals	-	-	-
Balance at 30 June 2022	3 880	547	4 427
Additions	276	-	276
Disposals	-	-	-
Balance at 30 June 2023	4 156	547	4 703
Accumulated amortisation and impairment losses:			
Balance at 30 June 2021	(602)	-	(602)
Amortisation expense	(608)	-	(608)
Impairment	-	-	-
Balance at 30 June 2022	(1 210)	-	(1 210)
Amortisation expense	(713)	-	(713)
Impairment	-	-	-
Balance at 30 June 2023	(1 923)	-	(1 923)
Carrying Amount (non-current):			
As at 30 June 2023	2 233	547	2 780
As at 30 June 2022	2 670	547	3 217
As at 30 June 2021	1 556	547	2 103

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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 13.2% (2022: 25%)
- A pre-tax discount rate of 12.5% (2022: 10.8%) - market estimate of the weighted average cost of capital of the Group
- Terminal growth rate of 2% (2022: 3%) - 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 2023, 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 87.6%, 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 32%, 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.

13. 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 note 1(r).

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.

13. Provisions (continued)

	Consolidated			Total \$'000
	Employee Entitlements \$'000	Claims \$'000	Office Restoration \$'000	
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
2022				
Balance at 1 Jul 2021	876	10	204	1 090
Made during the year	785	-	-	785
Used / released during the year	(437)	(2)	-	(439)
Total provisions at 30 June 2022	1 224	8	204	1 436
Current	1 082	8	-	1 090
Non-current	142	-	204	346

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14. Issued capital

	Consolidated 2023		Consolidated 2022	
	Number	\$'000	Number	\$'000
Fully Paid Ordinary Shares				
Balance at beginning of financial year	186 040 198	88 517	176 051 600	79 118
Issued during the year ^{1,2,3}	2 772 534	528	9 988 598	9 399
Balance at end of the financial year	188 812 732	89 045	186 040 198	88 517

- On 3 November 2021, the Group issued 9,499,007 fully paid ordinary shares to the existing vendors of Lonsec Holdings Pty Ltd, valued at \$6,649k, representing deferred consideration in connection with its acquisition in Lonsec on 14 October 2020.
- 155,529 shares, valued at \$212K (2022: 243,968 shares, valued at \$320k), were issued during the year under Dividend Reinvestment Plan (DRP).
- 2,617,005 shares valued at \$316K (2022: 245,623 shares, valued at \$128K) were issued during the year as long term incentives.

15. Retained earnings

	2023			2022		
	Profits Reserve Total \$'000	Accumulated Losses Total \$'000	Total \$'000	Profits Reserve Total \$'000	Accumulated Losses Total \$'000	Total \$'000
Opening balance at beginning of financial year	16 432	(49 935)	(33 503)	12 547	(44 427)	(31 880)
Net profit / (loss) attributable to shareholders	15 990	(11 493)	4 497	7 507	(5 606)	1 901
Dividends paid	(3 774)	-	(3 774)	(3 622)	-	(3 622)
Other items	-	38	38	-	98	98
Closing balance at end of financial year	28 648	(61 390)	(32 742)	16 432	(49 935)	(33 503)

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.

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16. Earnings Per Share

	Consolidated	
	2023 Cents per Share	2022 Cents per Share
Earnings per Share:		
Basic	2.39	1.04
Diluted	2.39	1.04
	2023 \$'000	2022 \$'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	4 497	1 901
Weighted average number of ordinary shares for the purposes of basic EPS	188 323 815	182 664 051
Weighted average number of ordinary shares for the purposes of diluted EPS	188 328 724	182 667 841

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17. Dividends

A final fully franked dividend of \$1,886,572 (one cent per ordinary share) for 2022 was paid on 6 October 2022. An interim fully franked dividend of \$1,887,635 (one cent per ordinary share) for 2023 was paid on 6 April 2023. The dividend was paid out of the Profits Reserve. The DRP was in operation for both these dividends.

	Consolidated	
	2023 \$'000	2022 \$'000
Recognised Amounts:		
Dividends paid	3 774	3 622
	3 774	3 622

Franking credits

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

	2023 \$'000	2022 \$'000
Generation Development Group Limited	901	1 876
Austock Financial Services Pty Limited	10 274	10 837
Generation Life Limited	14	14
Bonds Custodian Pty Limited	24	24
Generation Development Services Pty Limited	-	-
	11 213	12 751

18. 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 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

	Rental Premises \$'000	Office Equipments \$'000	Total \$'000
Balance as at 1 July 2021	4 898	71	4 969
Depreciation charge for the year	(751)	(33)	(784)
Additions to right-of-use lease assets	-	-	-
Derecognition of right-of-use lease assets	-	-	-
Balance as at 30 June 2022 (non-current)	4 147	38	4 185

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B. Lease liabilities

	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
	Rental Premises \$'000	Office Equipments \$'000	Total \$'000
Balance as at 1 July 2021	4 721	70	4 791
Cash lease payments	(620)	(34)	(654)
Finance lease interest	100	1	101
Balance as at 30 June 2022	4 201	37	4 238
Current	624	31	655
Non-current	3 577	6	3 583

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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	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

	Rental Premises ¹ \$'000	Office Equipments ² \$'000	Total \$'000
Amounts due in less than one year	624	31	655
Amounts due between one and five years	2 804	6	2 810
Amounts due in greater than five years	773	-	773
Total lease liabilities as at 30 June 2022	4 201	37	4 238

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.
2. Office Equipments relate to the 5 year leases for photocopying equipment, expiring on 20 August 2023.

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19. Contingent liabilities

Banking facilities

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

- Direct debit facility of \$10,000,000 (2022: \$10,000,000) to be used for clients' accounts as part of the Generation Life business
- Electronic channel facility of \$5,000,000 (2022: \$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 (2022: \$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 \$123,564 in respect of the office at Suite 9.02, Level 9, 6 O'Connell Street, Sydney, NSW 2000.

20. Controlled entities

Name of Entity	Country of Incorporation	2023 Ownership Interest	2022 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%

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21. Related parties

A. Equity interests in related entities

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 20 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 2023 is \$1,864,726 (2022: \$1,611,096).

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 \$4,415,800 (2022: \$3,133,430).
- Provided sales force services on commercial arm's length terms for a total value of \$17,441,506 (2022: \$15,924,955).
- Acquired 149,308 shares for consideration of \$3,999,961 (2022: 559,908 shares for consideration of \$ \$14,999,916).

D. Transactions with other related parties

During the year, there were transactions between the Group and Lonsec Holdings Pty Ltd, totalling to \$115,550 (2022: \$63,900), 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.

On 1 March 2023, several members of the Group's board and management team have each acquired a small shareholding directly in Lonsec, totalling to 2.1%. Apart from that, there were no other transactions with related parties for the year ended 30 June 2023.

22. Notes to the Statement of Cash Flows

	Consolidated	
	2023 \$'000	2022 \$'000
Reconciliation of the operating profit / (loss) after tax to the net cash flows from operations		
Profit / (loss) from ordinary activities after tax	151 855	(138 029)
Depreciation and amortisation	1 782	1 315
Deferred consideration	-	6 649
Share-based payments	766	-
Interest income / term deposit	(681)	(46)
Revaluation of investment	14 505	1 413
Ongoing policyholder deduction	(4 727)	(4 354)
Net contribution by policyholders	311 909	529 888
Investment in associates	-	300
Change in assets and liabilities		
Decrease / (increase) in receivables	5 235	(7 473)
Decrease / (increase) in other assets	30 207	(14 250)
(Increase) / decrease in financial assets	(545 514)	(277 645)
(Increase) / decrease in income tax asset	(8 408)	(2 388)
Decrease / (increase) in deferred tax asset	29 369	(42 045)
Increase / (decrease) in deferred tax liability	28 738	(36 951)
Increase / (decrease) in payables	3 985	3 891
Increase / (decrease) in financial liabilities	1 105	-
Increase / (decrease) in provisions	101	345
(Decrease) / increase in other liabilities	(493)	748
(Decrease) / increase in income tax liability	(9 201)	(16 399)
Net cash flow provided / (used) in operating activities	10 533	4 969

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23. 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).

23. 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 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
Policyholder Liabilities	-	(2 631 191)	-	(2 631 191)
Derivatives	(1 105)	-	-	(1 105)
Financial liabilities at a fair value through profit or loss	(1 105)	(2 631 191)	-	(2 632 296)
30 June 2022				
Listed Securities	800 435	-	-	800 435
Units in externally managed unlisted funds	-	1 177 334	-	1 177 334
Financial assets at fair value through profit or loss	800 435	1 177 334	-	1 977 769
Policyholder Liabilities	-	(2 162 145)	-	(2 162 145)
Financial liabilities at a fair value through profit or loss	-	(2 162 145)	-	(2 162 145)

During the financial year ended 30 June 2023, there were transfers between the Levels of Investments.

Investments in the Level 2 hierarchy were transferred to Level 1. The carrying value of these investments amounted to \$108,675,273 as at 30 June 2023, whereas carrying value of these investments as at 30 June 2022 amounted to \$100,735,248.

Investments in the Level 2 hierarchy were transferred to Level 3. The value of these investments amounted to \$352,624 as at 30 June 2023, whereas carrying value of these investments as at 30 June 2022 amounted to \$119,203.

24. 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.

There has been no changes to the key assumption categories during the financial year ended 30 June 2023 (2022: nil) that may have effects on the profit and retained earnings. The key assumption categories are as follows:

- a. discount rate
- b. future bonus rate
- c. mortality rates
- d. discontinuance rates
- e. maintenance expenses

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24. Actuarial assumptions and methods - Life Insurance contracts (continued)

Reconciliation of changes in Oddfellows life insurance liabilities

	2023 \$'000	2022 \$'000
Life insurance liability at the beginning of the year	6 417	7 025
Actuarial Revaluation	77	(608)
Payment of terminal bonus	-	-
Allocation of bonus	50	-
Life insurance liability at the end of the year	6 544	6 417

Reconciliation of changes in LifelIncome life insurance liabilities

	2023 \$'000	2022 \$'000
Life insurance liability at the beginning of the year	2 025	-
Premium received	14 786	2 303
Revaluation	714	(245)
Annuity payment	(1 141)	(33)
Life insurance liability at the end of the year	16 384	2 025

Please refer to Note 29 for further details of the policy liabilities of the 31 insurance funds. LifelIncome Funds commenced on 22 March 2022.

Allocation of profits/losses

A Life Insurance contract profit of \$nil (2022: \$nil) and the allocation of bonus of \$49,618 (2022: \$nil) has been provided for in the provision of final bonus to policyholders.

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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. 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

	2023	2022
Discount rate	4.20%	3.70%
Inflation rate	n/a	n/a
Mortality	Australian Life Tables 2010-2012 less 40%	Australian Life Tables 2010-2012 less 40%
Morbidity	n/a	n/a
Future maintenance and investment management expense	2.00%	2.00%
Taxation rates	0%	0%
Rates of discontinuance	0%	0%
Surrender values	n/a	n/a
Rates of future supportable participating benefits	Terminal bonus at \$164.00 per member	Terminal bonus at \$164.00 per member
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

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

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24. Actuarial assumptions and methods - Life Insurance contracts (continued)

Lifeline Benefit Funds

	2023	2022
Discount rate	2.5% or 5.0% Lifeline Booster Rate plus 0.35% mortality provision	2.5% or 5.0% Lifeline Booster Rate plus 0.35% mortality provision
Inflation rate	n/a	n/a
Mortality	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
Future maintenance and investment management expense (as a percentage of assets)	0.92%	0.92%
Taxation rates	0%	0%
Rates of discontinuance	0%	0%
Surrender values	n/a	n/a
Rates of future supportable participating benefits	n/a	n/a
Crediting policy adopted in determining future supportable participating benefits	n/a	n/a

Note: Lifeline Funds commenced on 22 March 2022.

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25. Net policy liabilities - Life insurance contracts

	Oddfellows Fund			
	Current basis		Previous basis	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Insurance contract policy liabilities				
Best estimate liability				
Value of future policy benefits	3 912	3 905	4 106	4 107
Less value of future contributions	-	-	-	-
Value of future expenses	2 494	2 618	2 300	2 416
	6 406	6 523	6 406	6 523
Value of future profits				
Policy owner bonuses (Current year unallocated surplus is not included)	88	(106)	88	(106)
	88	(106)	88	(106)
Total value of declared bonuses	50	-	50	-
Total net policy liabilities	6 544	6 417	6 544	6 417

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25. Net policy liabilities - Life insurance contracts (continued)

	Lifeline Funds			
	Current basis		Previous basis	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Insurance contract policy liabilities				
Best estimate liability				
Value of future policy benefits	14 510	1 836	14 510	1 836
Less value of future contributions	-	-	-	-
Value of future expenses	1 874	189	1 874	189
	16 384	2 025	16 384	2 025
Value of future profits				
Shareholder profits (Current year unallocated surplus is not included)	-	-	-	-
	-	-	-	-
Total value of declared bonuses	-	-	-	-
Total net policy liabilities	16 384	2 025	16 384	2 025

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26. 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 29.

	2023 \$'000	2022 \$'000
Assets Available for Prudential Capital Requirement		
(a) Capital Base	12 234	11 653
(b) Prescribed capital amount	8 500	8 723
Capital in excess of prescribed capital amount = (a) - (b)	3 734	2 930
Capital adequacy multiple (%) (a) / (b)	144%	134%
Capital Base comprises:		
Net Assets (less Tier 2 Capital)	34 943	43 969
Regulatory adjustment applied in calculation of Tier 1 capital	(24 688)	(32 316)
(A) Common Equity Tier 1 Capital	10 255	11 653
Additional Tier 1 Capital	-	-
Regulatory adjustment applied in calculation of Additional Tier 1 capital	-	-
(B) Total Additional Tier 1 Capital	-	-
Tier 2 Capital	1 979	-
Regulatory adjustment applied in calculation of Tier 2 capital	-	-
(C) Total Tier 2 Capital	1 979	-
Total capital base	12 234	11 653

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27. Parent Entity Disclosures

As at and throughout the financial year ended 30 June 2023 the parent company of the Group was Generation Development Group Limited.

	2023 \$'000	2022 \$'000
Results of the Parent Entity		
Profit / (Loss) for the period	11 530	7 507
Total comprehensive income for the period	11 530	7 507
Financial Position of the Parent Entity at Year End		
Current assets	11 421	8 858
Total assets	120 434	113 884
Current liabilities	(5 810)	(7 731)
Total liabilities	(6 126)	(7 990)
Net assets	114 308	105 894
Total equity of the parent entity comprising of:		
Share capital	89 045	88 517
Financial asset reserve	34 925	34 925
Share-based payment	1 336	1 244
Accumulated losses	(10 998)	(18 792)
Total equity	114 308	105 894

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Parent entity contingencies

Other than the contingent liabilities disclosed in note 19 to the financial statements, the parent entity does not have any contingencies at 30 June 2023 (2022: 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 2023 (2022: 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.

28. Subsequent Events

The Company declared a final fully franked 2023 dividend of \$0.01 per ordinary share on 29 August 2023 to be paid on 5 October 2023. The dividend is to be paid out of the Profits Reserve. The Company's Dividend Reinvestment Plan (DRP) has been activated for this dividend.

Since the end of the year, the Directors are not aware of any matter or circumstance not otherwise dealt with in their Directors' Report or the Consolidated Financial Statements that has significantly or may significantly affect the operations of the Group, the result of those operations, or state of the Group's affairs in the future financial periods.

29. 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.

	Heritage		Druids		Druids Flexi	
	Funeral Fund	Investment Bond Fund	Deferred Annuity 39	Deferred Annuity 46	Funeral Fund	Druids Flexi Fund
	\$	\$	\$	\$	\$	\$
<i>Non-Investment Linked ("N-IL")</i>						
2023						
Financial assets	515,859	2,067,073	341,879	44,014	4,299,903	3,895,176
Other assets	3,920	23,738	3,364	906	26,506	39,247
Policy 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	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-
Premium revenue	-	-	-	-	-	-
Investment income	27,007	105,082	16,656	1,960	201,154	179,590
Claims expense	-	-	-	-	-	-
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	-	-	-	-	-	-
2022						
Financial assets	591,200	2,811,860	393,602	49,455	4,402,568	3,907,142
Other assets	2,371	27,587	4,258	1,217	15,540	33,114
Policy liabilities	540,363	2,657,577	354,976	48,174	4,266,341	3,772,646
Other liabilities	53,208	181,870	42,884	2,498	151,767	167,610
Retained earnings	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-
Premium revenue	-	-	-	-	-	-
Investment income	7,519	37,997	7,499	1,427	48,520	44,951
Claims expense	-	-	-	-	-	-
Other expenses	11,887	20,862	11,186	2,304	44,984	40,579
Realised gain/(loss)	(285)	(1,628)	(3,382)	(1,133)	(1,221)	(1,600)
Unrealised gain/(loss)	(10,573)	(53,039)	(6,323)	(621)	(68,572)	(63,024)
Actuarial gain/(loss)	-	-	-	-	-	-
Operating profit/(loss) before tax	(15,226)	(37,532)	(10,979)	(1,931)	(66,257)	(60,252)
Operating profit/(loss) after tax	(14,448)	(29,765)	(8,666)	(1,508)	(61,265)	(51,111)
Solvency requirement (\$'000)	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-

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	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 \$	No. 6 Aust Shares \$
<i>Investment Linked ("IL")</i>								
2023								
Financial assets	52,388,834	28,542,146	6,812,455	38,413,240	15,271,114	12,451,376	52,603,024	56,891,221
Other assets	1,299,762	2,000,255	201,400	1,552,389	1,130,646	96,698	1,434,426	458,225
Policy liabilities	51,014,627	30,589,460	7,123,999	39,964,254	16,288,043	12,368,840	53,353,109	56,426,892
Other liabilities	2,673,969	(47,059)	(110,144)	1,375	113,717	179,234	684,341	922,554
Retained earnings	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-
Premium revenue	-	-	-	-	-	-	-	-
Investment income	1,809,928	435,505	15,729	471,554	1,081,913	52,598	1,657,757	1,271,087
Claims expense	-	-	-	-	-	-	-	-
Other expenses	144,106	268,774	65,815	357,086	147,127	109,828	954,380	937,833
Realised gain/(loss)	93,083	(912,761)	(409,464)	(916,824)	(621,795)	(441,795)	893,074	(1,435,877)
Unrealised gain/(loss)	(316,639)	1,084,189	630,372	123,115	250,463	(358,265)	(3,026,791)	6,236,649
Actuarial gain/(loss)	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	1,442,266	338,159	170,822	(679,241)	563,454	(857,290)	(1,430,339)	5,134,026
Operating profit/(loss) after tax	966,354	156,079	99,831	(582,594)	393,805	(633,051)	(1,157,106)	3,540,708
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-
2022								
Financial assets	62,925,971	29,449,672	7,949,567	40,056,134	13,628,821	12,766,350	50,833,998	47,217,501
Other assets	111,880	1,419,037	607,519	1,656,581	1,715,161	93,049	1,037,975	5,780,422
Policy liabilities	57,317,735	30,917,703	8,430,748	41,613,596	14,949,720	12,817,555	51,074,547	52,018,026
Other liabilities	5,720,116	(48,994)	126,338	99,119	394,262	41,844	797,426	979,897
Retained earnings	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-
Premium revenue	-	-	-	-	-	-	-	-
Investment income	62,497	201,064	334,061	223,696	1,535,296	170,593	1,973,797	5,502,652
Claims expense	-	-	-	-	-	-	-	-
Other expenses	94,184	299,266	82,445	387,100	131,497	125,502	454,024	486,496
Realised gain/(loss)	(5,434)	(498,397)	(103,974)	(239,667)	(45,381)	(29,789)	(205,782)	(124,277)
Unrealised gain/(loss)	(21,467)	(3,709,477)	(1,049,683)	(4,609,004)	(1,321,027)	(1,853,033)	1,124,367	(4,343,343)
Actuarial gain/(loss)	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	(58,588)	(4,306,076)	(902,040)	(5,012,075)	37,390	(1,837,731)	2,438,358	548,535
Operating profit/(loss) after tax	(69,267)	(3,104,033)	(656,162)	(3,624,583)	10,170	(1,302,527)	1,572,276	749,310
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-

	No. 6A		No. 7	No. 8	No. 8A	No. 9	No. 10	No. 10A	No. 10B
	Shares	Aust Shares	Aust Shares	Int'l Shares	Int'l Shares	Int'l Shares	Diversified	Absolute	Diversified
	Long	Short	Small Cap.	Shares	Growth	Small Cap.	Growth	Return	Balanced
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>IL</i>									
2023									
Financial assets	3,599,883		22,853,592	92,788,112	27,217,946	20,725,271	29,819,021	11,292,230	12,961,348
Other assets	86,456		1,206,170	241,795	1,781,890	679,187	995,070	235,551	460,145
Policy liabilities	3,854,418		24,132,167	87,753,733	27,970,879	20,040,175	30,816,522	11,516,964	13,367,853
Other liabilities	(168,079)		(72,405)	5,276,174	1,028,957	1,364,283	(2,431)	10,817	53,640
Retained earnings	-		-	-	-	-	-	-	-
Issued capital	-		-	-	-	-	-	-	-
Premium revenue	-		-	-	-	-	-	-	-
Investment income	3,741		939,646	1,245,758	1,766,567	734,747	822,976	363,633	555,008
Claims expense	-		-	-	-	-	-	-	-
Other expenses	29,526		205,069	2,084,004	213,951	173,954	277,413	114,232	105,971
Realised gain/(loss)	(511,512)		(819,315)	1,115,828	(211,585)	(97,889)	(564,440)	(314,364)	(165,377)
Unrealised gain/(loss)	333,568		910,317	14,052,513	2,612,561	2,566,104	2,724,194	271,074	199,363
Actuarial gain/(loss)	-		-	-	-	-	-	-	-
Operating profit/(loss) before tax	(203,729)		825,578	14,330,179	3,953,592	3,029,008	2,705,316	206,111	483,023
Operating profit/(loss) after tax	(107,928)		803,715	9,547,412	2,747,810	2,103,459	1,915,476	110,008	306,365
Solvency requirement (\$'000)	-		-	-	-	-	-	-	-
Solvency reserve ratio	-		-	-	-	-	-	-	-
2022									
Financial assets	4,372,827		20,840,171	95,123,513	16,801,331	15,954,874	27,575,736	13,788,201	9,969,533
Other assets	273,085		2,998,721	432,762	868,571	728,228	3,698,095	402,172	442,265
Policy liabilities	4,666,046		23,325,427	95,179,695	17,510,634	16,112,103	30,652,259	14,095,136	10,394,775
Other liabilities	(20,134)		513,465	376,580	159,268	570,999	621,572	95,237	17,023
Retained earnings	-		-	-	-	-	-	-	-
Issued capital	-		-	-	-	-	-	-	-
Premium revenue	-		-	-	-	-	-	-	-
Investment income	71,780		2,624,691	1,329,366	602,922	635,304	2,649,274	286,523	284,950
Claims expense	-		-	-	-	-	-	-	-
Other expenses	27,240		236,275	2,487,393	154,829	157,981	280,030	116,303	67,485
Realised gain/(loss)	(38,735)		(50,718)	(3,114,080)	(93,018)	(34,693)	(102,381)	(36,928)	(78,609)
Unrealised gain/(loss)	(417,701)		(4,813,876)	(9,713,203)	(2,205,989)	(2,458,044)	(5,168,544)	(402,372)	(811,105)
Actuarial gain/(loss)	-		-	-	-	-	-	-	-
Operating profit/(loss) before tax	(411,896)		(2,476,177)	(13,462,669)	(1,850,914)	(2,015,414)	(2,901,681)	(269,080)	(672,248)
Operating profit/(loss) after tax	(263,959)		(1,637,152)	(10,025,487)	(1,318,347)	(1,533,562)	(1,984,945)	(223,247)	(466,789)
Solvency requirement (\$'000)	-		-	-	-	-	-	-	-
Solvency reserve ratio	-		-	-	-	-	-	-	-

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	No. 11 Aust Shares Index \$	No. 11A Int'l Shares (Unhedged) \$	No. 12 Int'l Shares Index (Hedged) \$	No. 12A Aust Fixed Interest Index \$	No. 12B Prop. Sec Index \$	No. 12C Diversified Conservative Index \$	No. 12D Diversified Growth Index \$	No. 13 Credit Securities \$	No. 14 Aust Large Companies Shares \$
<i>IL</i>									
2023									
Financial assets	154,326,373	80,300,595	66,657,656	34,433,247	38,209,072	119,195,132	318,262,255	17,275,618	7,504,260
Other assets	3,325,292	4,247,188	119,713	1,122,143	540,504	3,485,492	2,574,983	289,083	60,497
Policy liabilities	154,170,735	78,798,308	63,393,030	35,527,658	38,335,766	120,396,132	318,465,294	17,437,558	7,607,983
Other liabilities	3,480,930	5,749,475	3,384,339	27,732	413,810	2,284,492	2,371,944	127,143	(43,226)
Retained earnings	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
Premium revenue	-	-	-	-	-	-	-	-	-
Investment income	6,476,056	3,870,016	2,604	492,271	1,199,069	2,289,914	6,815,802	622,207	252,622
Claims expense	-	-	-	-	-	-	-	-	-
Other expenses	1,480,731	705,055	520,500	326,181	376,560	808,508	2,026,235	147,351	48,445
Realised gain/(loss)	(826,237)	(533,218)	(453,401)	(643,850)	(710,903)	(1,690,967)	(1,618,487)	(273,995)	(22,877)
Unrealised gain/(loss)	13,296,441	11,480,182	9,576,716	573,512	2,109,672	4,407,408	24,076,794	112,593	272,916
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	17,465,530	14,111,925	8,659,745	95,751	2,221,277	4,197,847	27,247,875	313,454	454,216
Operating profit/(loss) after tax	13,412,095	9,830,931	5,905,671	(26,171)	1,493,889	2,888,461	19,578,435	177,236	433,553
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-
2022									
Financial assets	119,764,631	57,181,236	50,258,472	32,098,733	34,443,100	108,959,172	238,114,699	15,255,556	3,664,126
Other assets	8,756,201	2,852,340	1,187,966	1,421,633	1,019,491	5,298,057	9,818,262	612,747	209,196
Policy liabilities	127,339,023	58,698,905	50,746,781	33,388,442	35,227,489	113,412,754	246,556,602	15,841,249	3,778,176
Other liabilities	1,181,809	1,334,671	699,657	131,924	235,102	844,475	1,376,359	27,054	95,146
Retained earnings	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
Premium revenue	-	-	-	-	-	-	-	-	-
Investment income	11,063,644	2,573,438	965,716	585,169	953,888	2,244,530	7,210,059	366,978	210,887
Claims expense	-	-	-	-	-	-	-	-	-
Other expenses	1,327,266	585,056	521,495	333,794	373,612	814,440	1,632,653	133,176	26,098
Realised gain/(loss)	(239,166)	(171,731)	(284,596)	(351,349)	(212,990)	(602,928)	(209,607)	(81,340)	(11,067)
Unrealised gain/(loss)	(20,392,079)	(6,905,075)	(7,697,851)	(3,974,984)	(5,628,969)	(12,907,026)	(31,352,912)	(672,546)	(433,578)
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	(10,894,866)	(5,088,424)	(7,538,226)	(4,074,958)	(5,261,683)	(12,079,864)	(25,985,113)	(520,083)	(259,857)
Operating profit/(loss) after tax	(6,221,986)	(3,627,187)	(5,433,207)	(2,945,608)	(3,773,138)	(8,491,018)	(17,665,404)	(402,444)	(189,432)
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-

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	No. 14A Term Deposits	No. 14B Short Term Fixed Interest	No. 15 Aust Shares	No. 16 Geared Aust Shares	No. 17 Int'l Shares	No. 18 Mortgage *	No. 19 Diversified Growth	No. 20 Industrial Shares	No. 21 Aust Shares ESG
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>IL</i>									
2023									
Financial assets	86,804,376	8,746,589	37,113,824	27,752,151	22,044,709	-	48,597,924	12,486,377	27,221,178
Other assets	978,278	43,254	260,000	2,450	734,331	-	1,476,289	5,379	614,030
Policy liabilities	87,156,984	8,772,252	35,422,389	27,160,029	20,701,317	-	49,997,809	12,842,540	26,539,981
Other liabilities	625,670	17,591	1,951,435	594,572	2,077,723	-	76,404	(350,784)	1,295,227
Retained earnings	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
Premium revenue	-	-	-	-	-	-	-	-	-
Investment income	2,614,354	318,256	1,220,352	894,064	732,607	-	204,433	284,880	2,285,680
Claims expense	-	-	-	-	-	-	-	-	-
Other expenses	439,530	48,584	657,691	234,784	172,599	-	396,041	282,385	241,594
Realised gain/(loss)	-	(79,704)	(288,290)	(875,458)	1,213,761	-	(923,682)	(2,138,372)	(175,386)
Unrealised gain/(loss)	-	231,128	3,405,428	6,214,108	1,171,161	-	3,840,184	3,128,348	1,631,173
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	2,174,824	421,096	3,687,087	5,997,930	2,944,930	-	2,724,894	992,471	3,499,873
Operating profit/(loss) after tax	1,368,630	280,192	2,666,357	4,597,453	2,040,811	-	1,907,126	667,430	2,694,392
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-
2022									
Financial assets	69,992,377	9,976,582	29,093,027	15,861,580	15,725,411	-	32,275,350	12,581,746	23,365,097
Other assets	142,693	82,363	115,570	6,987,027	109,422	-	10,611,369	924,728	372,222
Policy liabilities	70,057,917	10,016,155	28,114,624	21,608,285	14,298,999	-	40,555,625	13,509,376	23,095,089
Other liabilities	77,153	42,790	1,093,973	1,240,322	1,535,834	-	2,331,094	(2,902)	642,230
Retained earnings	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
Premium revenue	-	-	-	-	-	-	-	-	-
Investment income	218,216	130,125	1,425,795	7,395,693	177,554	-	8,418,677	310,307	2,761,161
Claims expense	-	-	-	-	-	-	-	-	-
Other expenses	353,154	52,939	602,162	234,417	137,794	-	378,463	271,745	237,579
Realised gain/(loss)	-	(29,810)	2,465,520	(22,640)	(26,131)	-	(8,310)	498,522	(178,172)
Unrealised gain/(loss)	-	(231,621)	(4,503,724)	(10,027,015)	(347,277)	-	(8,353,862)	(6,650,775)	(4,236,060)
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	(134,937)	(184,246)	(1,199,496)	(2,888,378)	(333,647)	-	(321,958)	(6,113,691)	(1,890,650)
Operating profit/(loss) after tax	(200,402)	(144,854)	(649,858)	(1,321,233)	(253,248)	-	(122,559)	(4,298,800)	(1,149,517)
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-

*This is a dormant fund.

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	No 22. Diversified Growth \$	No 23. Aust Income \$	No 24. Diversified Growth \$	No 25. Mortgages \$	No 26. Diversified Conservative \$	No 27. Growth ESG Model \$	No 28 World Equity Trust \$	No 29 Worldwide Sustainability \$	No 30. Diversified High Growth Index \$
<i>IL</i>									
2023									
Financial assets	84,033,436	10,929,571	154,314,687	3,478,156	13,057,228	8,546,686	34,246,744	5,810,964	236,333,376
Other assets	1,315,098	150,178	764,861	30,453	184,237	83,807	377,978	48,442	3,922,556
Policy liabilities	83,553,143	10,769,490	154,627,222	3,491,471	13,318,504	8,632,983	34,385,478	5,874,212	236,978,631
Other liabilities	1,795,391	310,259	452,326	17,138	(77,039)	(2,490)	239,244	(14,806)	3,277,301
Retained earnings	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
Premium revenue	-	-	-	-	-	-	-	-	-
Investment income	1,806,306	555,149	2,236,043	118,125	75,691	126,965	518,319	41,636	5,256,508
Claims expense	-	-	-	-	-	-	-	-	-
Other expenses	727,781	188,612	1,010,914	30,015	108,442	60,971	152,940	34,390	1,403,693
Realised gain/(loss)	(632,409)	81,786	(586,184)	-	(300,772)	(152,217)	(58,203)	(208,239)	(1,218,205)
Unrealised gain/(loss)	5,593,499	658,187	11,654,165	-	611,795	628,463	2,330,197	1,190,443	22,300,100
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	6,039,615	1,107,781	12,293,110	88,110	278,273	544,388	2,637,374	992,616	24,934,711
Operating profit/(loss) after tax	4,316,107	933,067	8,807,367	52,672	179,317	385,968	1,912,464	790,406	18,023,473
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-
2022									
Financial assets	73,256,189	10,580,319	131,673,109	3,152,830	10,463,669	4,261,863	11,082,985	3,635,507	155,997,258
Other assets	4,290,832	62,906	7,288,114	29,978	1,346,281	808,283	1,662,223	580,294	7,121,536
Policy liabilities	76,410,815	10,393,109	137,836,655	3,170,978	11,515,083	5,108,209	12,628,480	4,140,079	161,887,931
Other liabilities	1,136,206	250,116	1,124,568	11,830	294,868	(38,064)	116,728	75,722	1,230,863
Retained earnings	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
Premium revenue	-	-	-	-	-	-	-	-	-
Investment income	5,090,577	725,457	2,622,537	99,225	1,075,166	147,820	237,050	287,822	5,075,318
Claims expense	-	-	-	-	-	-	-	-	-
Other expenses	746,183	174,815	993,025	28,513	86,162	28,640	43,901	18,711	948,278
Realised gain/(loss)	(103,010)	505,804	(529,178)	-	(1,702)	(236,978)	(40,433)	(115,280)	(143,367)
Unrealised gain/(loss)	(10,612,351)	(1,058,675)	(14,647,916)	(2)	(1,344,679)	(565,392)	(1,424,709)	(1,217,142)	(20,438,759)
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	(6,370,967)	(2,229)	(13,547,582)	70,711	(357,377)	(683,190)	(1,271,993)	(1,063,311)	(16,455,087)
Operating profit/(loss) after tax	(4,444,010)	126,037	(9,144,201)	40,944	(250,086)	(476,084)	(859,645)	(844,660)	(11,013,291)
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-

	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 \$	No. 37 Diversified Fixed Income \$	No. 38 Aust Shares Concentrated \$	No. 39 Aust Shares Sustainability \$
<i>IL</i>									
2023									
Financial assets	167,906,635	4,486,228	13,185,929	8,326,577	53,283,856	9,663,089	13,884,009	43,332,118	5,568,203
Other assets	3,325,930	58,971	85,490	521,129	411,843	223,872	92,291	2,530,693	213,288
Policy liabilities	170,410,457	4,556,980	13,287,266	8,780,400	52,660,127	9,993,269	13,233,179	46,372,153	5,833,209
Other liabilities	822,108	(11,781)	(15,847)	67,306	1,035,572	(106,308)	743,121	(509,342)	(51,718)
Retained earnings	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
Premium revenue	-	-	-	-	-	-	-	-	-
Investment income	3,280,453	52,795	140,670	449,778	2,208,155	31,385	141,243	770,653	236,361
Claims expense	-	-	-	-	-	-	-	-	-
Other expenses	1,089,986	41,081	107,150	68,700	530,417	81,739	80,461	392,316	53,599
Realised gain/(loss)	(1,866,339)	(107,027)	(181,336)	(78,359)	(3,109,785)	(471,407)	(178,691)	(2,131,485)	(246,554)
Unrealised gain/(loss)	9,573,883	284,643	824,425	562,601	5,751,589	1,117,135	357,870	2,261,325	741,760
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	9,898,012	189,329	676,609	865,320	4,319,541	595,374	239,960	508,177	677,968
Operating profit/(loss) after tax	7,032,187	126,459	478,234	638,416	3,407,109	400,938	143,834	512,771	501,166
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-
2022									
Financial assets	135,487,333	4,574,380	8,229,777	5,710,438	30,489,674	7,689,705	9,021,311	36,854,076	5,079,681
Other assets	6,460,665	219,552	530,907	779,787	837,053	766,370	915,131	4,932,040	346,959
Policy liabilities	141,355,260	4,775,241	8,674,257	6,360,207	31,486,752	8,450,423	9,753,178	41,460,011	5,395,366
Other liabilities	592,738	18,691	86,427	130,018	(160,025)	5,652	183,264	326,105	31,274
Retained earnings	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
Premium revenue	-	-	-	-	-	-	-	-	-
Investment income	3,414,128	142,941	382,971	536,884	1,757,220	200,401	691,436	2,062,254	403,273
Claims expense	-	-	-	-	-	-	-	-	-
Other expenses	905,310	29,696	66,360	50,238	320,106	64,591	43,721	375,129	46,849
Realised gain/(loss)	(633,714)	(53,270)	(17,592)	(16,452)	(1,594,992)	(178,164)	(6,834)	(73,722)	(31,846)
Unrealised gain/(loss)	(17,682,212)	(301,516)	(857,988)	(1,064,837)	(2,722,672)	(2,193,829)	(648,625)	(14,232,857)	(1,057,845)
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	(15,807,108)	(241,540)	(558,969)	(594,644)	(2,880,550)	(2,236,182)	(7,744)	(12,619,454)	(733,267)
Operating profit/(loss) after tax	(10,930,729)	(171,134)	(396,643)	(400,520)	(1,666,430)	(1,576,409)	(18,531)	(8,614,122)	(487,645)
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-

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	No. 40 Diversified Balanced \$	No. 41 Diversified ESG Balanced \$	No. 42 Equity Income Fund \$	UF47 Alternatives \$	UF49 ESG Fixed Interest \$	UF50 Diversified ESG Balanced \$	UF52 International Shares (Hdged) \$	UF53 International Shares \$
<i>IL</i>								
2023								
Financial assets	32,445,151	11,436,991	7,503,172	1,865,134	457,227	23,056,008	9,600,001	21,341,371
Other assets	375,446	242,140	79,442	25,470	14,247	153,433	719,664	33,703
Policy liabilities	32,862,945	11,679,799	7,478,411	1,845,350	473,872	23,215,174	10,153,285	20,234,606
Other liabilities	(42,348)	(668)	104,203	45,254	(2,398)	(5,733)	166,380	1,140,468
Retained earnings	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-
Premium revenue	-	-	-	-	-	-	-	-
Investment income	462,194	148,002	381,328	20,514	13	237,542	709,042	794
Claims expense	-	-	-	-	-	-	-	-
Other expenses	191,011	83,030	87,080	11,142	3,171	157,652	64,373	106,909
Realised gain/(loss)	(378,681)	(69,920)	(289,414)	(1,610)	(10,155)	(31,848)	(196,625)	(996,009)
Unrealised gain/(loss)	1,794,086	560,462	452,403	145,293	(2,914)	1,590,501	1,028,902	6,295,565
Actuarial gain/(loss)	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	1,686,588	555,514	458,111	153,054	(16,226)	1,638,544	1,476,947	5,193,441
Operating profit/(loss) after tax	1,190,303	394,179	417,327	103,795	(12,309)	1,151,124	1,025,558	3,603,336
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-
2022								
Financial assets	24,732,911	5,778,659	7,099,090	1,180,387	397,604	13,232,849	5,042,940	10,481,237
Other assets	1,298,670	545,978	67,240	6,492	13,028	815,912	458,437	1,437,988
Policy liabilities	26,000,464	6,232,919	7,303,485	1,186,261	411,930	14,036,119	5,494,403	12,164,565
Other liabilities	31,116	91,718	(137,155)	618	(1,298)	12,642	6,974	(245,340)
Retained earnings	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-
Premium revenue	-	-	-	-	-	-	-	-
Investment income	348,818	614,573	489,265	3	2,934	88,783	100,684	89
Claims expense	-	-	-	-	-	-	-	-
Other expenses	154,620	46,265	87,263	4,599	2,247	53,323	35,113	68,887
Realised gain/(loss)	(182,202)	(34,115)	(364,206)	(212)	(8,018)	(4,790)	(157,407)	(885,812)
Unrealised gain/(loss)	(2,625,415)	(995,239)	(714,026)	(16,313)	(43,421)	(1,649,030)	(931,794)	(3,934,648)
Actuarial gain/(loss)	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	(2,613,419)	(461,046)	(676,230)	(21,121)	(50,751)	(1,618,360)	(1,023,631)	(4,889,257)
Operating profit/(loss) after tax	(1,807,623)	(320,225)	(358,726)	(16,164)	(36,198)	(1,130,803)	(720,386)	(3,440,600)
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-

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	UF55 Morningstar Balanced Model \$	UF56 Morningstar Growth Model \$	UF57 Morningstar High Growth Model \$	UF62 Dimensional World 30/70 Portfolio \$	UF64 AB Managed Volatility Equities Fund \$	UF66 Generation Global Share Fund \$	UF69 Dimensional Global Bond Sustainability Trust \$	Total Life Investment \$
<i>IL</i>								
2023								
Financial assets	3,016,269	6,527,498	3,278,635	2,627,178	2,813,808	1,232,513	3,556,434	2,603,870,935
Other assets	176,173	473,277	76,847	32,158	82,113	1,686	11,813	50,675,381
Policy liabilities	3,059,009	6,901,432	3,253,864	2,646,706	2,880,758	1,200,707	3,566,778	2,608,262,163
Other liabilities	133,433	99,343	101,618	12,630	15,163	33,492	1,469	46,284,153
Retained earnings	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-
Premium revenue	-	-	-	-	-	-	-	-
Investment income	49,464	140,987	91,893	31,469	45,442	1,730	439	64,701,871
Claims expense	-	-	-	-	-	-	-	-
Other expenses	4,008	17,169	14,796	7,338	8,576	5,996	7,867	22,152,532
Realised gain/(loss)	(857)	38	7,439	(4,418)	(4,347)	(4,867)	(49)	(28,801,287)
Unrealised gain/(loss)	(39,763)	(32,307)	43,900	22,117	50,984	180,349	(28,322)	192,367,620
Actuarial gain/(loss)	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	4,867	91,862	128,749	41,829	83,503	171,216	(35,799)	206,186,016
Operating profit/(loss) after tax	3,951	65,636	91,834	29,081	69,881	118,052	(27,406)	147,376,598
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-
2022								
Financial assets	-	-	-	17,660	36,875	443,404	556,898	2,066,261,540
Other assets	-	-	-	529	715	60,340	4,314	116,559,451
Policy liabilities	-	-	-	18,232	37,524	493,474	560,857	2,153,703,540
Other liabilities	-	-	-	(43)	66	10,270	355	29,117,450
Retained earnings	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-
Premium revenue	-	-	-	-	-	-	-	-
Investment income	-	-	-	77	629	39,936	5	92,286,492
Claims expense	-	-	-	-	-	-	-	-
Other expenses	-	-	-	35	11	517	1,341	19,160,144
Realised gain/(loss)	-	-	-	(112)	-	(5,478)	(147)	(9,190,136)
Unrealised gain/(loss)	-	-	-	(635)	(288)	(68,023)	(11,048)	(269,352,893)
Actuarial gain/(loss)	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	-	-	-	(705)	329	(34,082)	(12,532)	(204,875,848)
Operating profit/(loss) after tax	-	-	-	(493)	361	(23,642)	(9,175)	(139,925,795)
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-

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	CF01 Cash Benefit Fund	LI01 PIMCO Wholesale Global Bond Fund	LI02 iShares Wholesale Australian Equity Index Fund	LI03 iShares Wholesale International Equity Index Fund	LI04 iShares Hedged International Equity Index Fund	LI05 iShares Wholesale Australian Listed Property Index Fund	LI06 iShares Wholesale Australian Bond Index Fund	LI07 Vanguard Conservative Portfolio
	\$	\$	\$	\$	\$	\$	\$	\$
<i>IL</i>								
2023								
Financial assets	7,702	186,417	192,446	162,891	281,205	64,500	64,305	1,227,646
Other assets	-	543	3,056	7,300	21	818	213	7,099
Policy liabilities	7,702	182,090	192,034	164,034	275,602	60,862	59,566	1,232,605
Other liabilities	-	4,870	3,468	6,157	5,624	4,456	4,952	2,140
Retained earnings	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-
Premium revenue	972,432	182,846	179,273	141,969	194,798	59,326	58,849	1,259,571
Investment income	7,111	814	6,084	7,304	8	1,511	539	17,670
Claims expense	1,140,146	-	-	-	-	-	-	287,903
Other expenses	(168,090)	182,511	186,105	159,885	230,627	60,484	58,461	1,007,459
Realised gain/(loss)	-	(425)	(924)	580	1,005	(965)	(191)	(4,380)
Unrealised gain/(loss)	-	(846)	1,436	10,916	35,094	799	(754)	18,323
Actuarial gain/(loss)	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	7,488	(139)	(288)	887	423	163	(31)	(4,929)
Operating profit/(loss) after tax	7,488	(139)	1,835	887	423	237	(31)	(3,507)
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-
2022								
Financial assets	804	4,696	9,755	9,586	54,635	4,865	6,262	253,503
Other assets	167,500	14	659	429	959	76	33	1,504
Policy liabilities	168,304	-	5,787	4,996	46,981	817	1,416	235,965
Other liabilities	-	4,710	4,627	5,019	8,613	4,124	4,879	19,042
Retained earnings	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-
Premium revenue	34,028	-	6,532	5,537	53,615	1,036	1,554	261,881
Investment income	-	14	665	429	959	81	40	2,009
Claims expense	33,224	-	399	347	4,353	39	67	18,030
Other expenses	167,172	12	5,654	5,016	47,099	829	1,432	237,340
Realised gain/(loss)	-	-	-	-	-	-	-	-
Unrealised gain/(loss)	-	(304)	(1,784)	(950)	(3,981)	(1,176)	(300)	(9,884)
Actuarial gain/(loss)	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	1,132	(302)	(640)	(347)	(858)	(926)	(204)	(1,363)
Operating profit/(loss) after tax	1,132	(302)	(488)	(347)	(858)	(925)	(204)	(1,159)
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-

~ This fund has not yet commenced as at 30 June 2023

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	LI08 Vanguard Balanced Portfolio \$	LI09 Vanguard Growth Portfolio \$	LI10 Dimensional World 50/50 Portfolio \$	LI11 Dimensional World 70/30 Portfolio \$	LI12 Schroder Real Return Fund \$	LI13 Vanguard High Growth Portfolio \$	LI14 Dimensional World 30/70 Portfolio \$	LI15 Dimensional World Equity Portfolio ~ \$
<i>IL</i>								
2023								
Financial assets	6,650,135	1,789,580	746,875	560,625	271,222	1,118,313	75,117	-
Other assets	43,439	12,780	3,366	1,929	5,808	8,602	436	-
Policy liabilities	6,689,308	1,801,870	747,667	560,649	271,472	1,125,535	75,422	-
Other liabilities	4,266	490	2,574	1,905	5,558	1,380	131	-
Retained earnings	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-
Premium revenue	5,956,607	1,537,142	718,952	517,767	371,163	1,040,614	73,019	-
Investment income	92,720	27,394	8,716	6,263	9,914	24,384	970	-
Claims expense	4,557	-	-	-	104,415	-	-	-
Other expenses	6,188,704	1,637,508	752,361	539,415	273,436	1,138,363	75,942	-
Realised gain/(loss)	(290)	-	29	(180)	686	448	47	-
Unrealised gain/(loss)	115,614	63,188	23,520	13,753	(4,444)	64,145	1,721	-
Actuarial gain/(loss)	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	(29,951)	(10,251)	(1,503)	(1,671)	(602)	(9,261)	(162)	-
Operating profit/(loss) after tax	(17,936)	(5,842)	(367)	(96)	(601)	(4,104)	(98)	-
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-
2022								
Financial assets	599,428	192,325	-	26,913	4,712	-	-	-
Other assets	5,179	2,068	-	649	72	-	-	-
Policy liabilities	553,136	179,789	-	24,882	8	-	-	-
Other liabilities	51,471	14,604	-	2,680	4,776	-	-	-
Retained earnings	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-
Premium revenue	616,102	195,969	-	29,497	-	-	-	-
Investment income	5,158	2,305	-	333	72	-	-	-
Claims expense	50,757	13,871	-	1,717	-	-	-	-
Other expenses	554,630	180,102	-	24,918	12	-	-	-
Realised gain/(loss)	-	-	-	(43)	-	-	-	-
Unrealised gain/(loss)	(17,653)	(4,882)	-	(3,224)	(288)	-	-	-
Actuarial gain/(loss)	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	(1,780)	(580)	-	(72)	(228)	-	-	-
Operating profit/(loss) after tax	(933)	(159)	-	3	(220)	-	-	-
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-

~ This fund has not yet commenced as at 30 June 2023

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	LI16 AB Managed Volatility Equities Fund \$	LI17 Bennelong Concentrated Australian Equities Fund \$	LI18 Hyperion Global Growth Companies Fund \$	LI19 Barrow Hanley Global Share Fund ~ \$	LI20 Magellan Infrastructure Fund \$	LI21 Ardea Real Outcome Fund \$	LI22 Pandal Sustainable Balanced Fund \$	LI23 Dimensional Global Bond Sustainability Trust \$
<i>IL</i>								
2023								
Financial assets	163,399	497,680	739,685	-	158,561	226,406	308,430	9,324
Other assets	2,368	3,399	-	-	3,308	-	2,778	-
Policy liabilities	161,349	499,563	732,825	-	156,809	220,717	306,435	4,727
Other liabilities	4,418	1,516	6,860	-	5,060	5,689	4,773	4,597
Retained earnings	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-
Premium revenue	171,231	202,215	60,904	-	144,741	230,162	297,761	4,802
Investment income	2,429	7,863	11	-	5,588	1,288	3,716	-
Claims expense	15,376	-	-	-	14,879	14,590	-	-
Other expenses	161,590	205,444	260,719	-	128,394	221,917	307,630	4,795
Realised gain/(loss)	136	(11,235)	(7,409)	-	(1,212)	(133)	(165)	(29)
Unrealised gain/(loss)	2,865	6,360	207,973	-	(6,115)	5,190	6,426	(92)
Actuarial gain/(loss)	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	(301)	(484)	256	-	(258)	(44)	(69)	(114)
Operating profit/(loss) after tax	771	3,514	256	-	(258)	(44)	854	(114)
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-
2022								
Financial assets	4,678	307,145	527,101	-	46,371	4,761	4,400	4,695
Other assets	80	16,452	3,968	-	684	308	180	-
Policy liabilities	21	294,592	478,401	-	29,655	-	14	-
Other liabilities	4,737	29,005	52,668	-	17,400	5,069	4,566	4,695
Retained earnings	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-
Premium revenue	-	382,114	683,001	-	32,603	-	-	-
Investment income	80	16,452	-	-	684	308	449	-
Claims expense	-	27,870	47,438	-	2,612	-	-	-
Other expenses	12	292,520	478,316	-	29,728	13	12	12
Realised gain/(loss)	-	-	(1,230)	-	-	-	-	-
Unrealised gain/(loss)	(322)	(79,969)	(155,702)	-	(1,232)	(239)	(869)	(305)
Actuarial gain/(loss)	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	(254)	(1,794)	315	-	(285)	56	(432)	(316)
Operating profit/(loss) after tax	(233)	1,982	315	-	(285)	56	(418)	(316)
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-

~ This fund has not yet commenced as at 30 June 2023

	LI24 Stewart Investors Worldwide Sustainability Fund \$	LI25 Investors Mutual Australian Share Fund ~ \$	LI26 Generation Life Cash & Deposits Portfolio ~ \$	LI27 Generation Life Lifestyle Portfolio \$	LI28 Generation Life Protect Portfolio \$	LI30 Metrics Direct Income Fund ~ \$	Total LifeIncome \$
<i>IL</i>							
2023							
Financial assets	61,784	-	-	597,545	199,495	-	16,361,288
Other assets	333	-	-	-	-	-	107,596
Policy liabilities	56,742	-	-	598,552	199,950	-	16,384,087
Other liabilities	5,375	-	-	(1,007)	(455)	-	84,797
Retained earnings	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-
Premium revenue	54,582	-	-	596,867	199,269	-	15,226,862
Investment income	358	-	-	679	227	-	233,561
Claims expense	-	-	-	-	-	-	1,581,866
Other expenses	56,960	-	-	600,415	200,663	-	14,471,698
Realised gain/(loss)	(19)	-	-	-	-	-	(24,626)
Unrealised gain/(loss)	2,969	-	-	-	-	-	568,041
Actuarial gain/(loss)	-	-	-	-	-	-	-
Operating profit/(loss) before tax	933	-	-	(1,743)	(633)	-	(52,284)
Operating profit/(loss) after tax	935	-	-	(1,743)	(633)	-	(18,313)
Solvency requirement (\$'000)	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-
2022							
Financial assets	4,012	-	-	-	-	-	2,070,647
Other assets	313	-	-	-	-	-	201,127
Policy liabilities	-	-	-	-	-	-	2,024,764
Other liabilities	4,325	-	-	-	-	-	247,010
Retained earnings	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-
Premium revenue	-	-	-	-	-	-	2,303,469
Investment income	313	-	-	-	-	-	30,351
Claims expense	-	-	-	-	-	-	200,724
Other expenses	11	-	-	-	-	-	2,024,840
Realised gain/(loss)	-	-	-	-	-	-	(1,273)
Unrealised gain/(loss)	(988)	-	-	-	-	-	(284,052)
Actuarial gain/(loss)	-	-	-	-	-	-	-
Operating profit/(loss) before tax	(686)	-	-	-	-	-	(9,564)
Operating profit/(loss) after tax	(686)	-	-	-	-	-	(4,045)
Solvency requirement (\$'000)	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-

~ This fund has not yet commenced as at 30 June 2023

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	Oddfellows Fund \$	Total Life Insurance \$	Total Benefit Funds \$	M'gmt Fund \$
	<i>N-IL</i>	<i>IL and N-IL</i>		
2023				
Financial assets	7,016,341	23,377,629	2,627,248,564	7,895,657
Other assets	48,003	155,599	50,830,980	34,535,193
Policy liabilities	6,544,254	22,928,341	2,631,190,504	-
Other liabilities	520,090	604,887	46,889,040	5,508,484
Retained earnings	-	-	-	5,359,311
Issued capital	-	-	-	30,149,869
Premium revenue	-	15,226,862	15,226,862	-
Investment income	335,607	569,168	65,271,039	418,004
Claims expense	116,933	1,698,799	1,698,799	-
Other expenses	140,300	14,611,998	36,764,530	46,870,161
Realised gain/(loss)	(2,544)	(27,170)	(28,828,457)	-
Unrealised gain/(loss)	22,096	590,137	192,957,757	-
Actuarial gain/(loss)	(127,277)	(127,277)	(127,277)	-
Operating profit/(loss) before tax	(29,351)	(81,635)	206,104,381	(23,027,004)
Operating profit/(loss) after tax	-	(18,313)	147,358,285	(11,364,075)
Solvency requirement (\$'000)	-	-	-	8,500
Solvency reserve ratio	-	-	-	144%
2022				
Financial assets	6,998,895	9,069,542	2,075,331,082	8,864,005
Other assets	26,829	227,956	116,787,407	39,457,346
Policy liabilities	6,416,977	8,441,741	2,162,145,281	-
Other liabilities	608,747	855,757	29,973,207	4,352,729
Retained earnings	-	-	-	16,723,386
Issued capital	-	-	-	26,149,908
Premium revenue	-	2,303,469	2,303,469	-
Investment income	87,623	117,974	92,404,466	-
Claims expense	499,097	699,821	699,821	-
Other expenses	80,474	2,105,314	21,265,458	29,153,417
Realised gain/(loss)	(3,723)	(4,996)	(9,195,132)	-
Unrealised gain/(loss)	(121,857)	(405,909)	(269,758,802)	-
Actuarial gain/(loss)	608,451	608,451	608,451	-
Operating profit/(loss) before tax	(9,076)	(18,640)	(204,894,488)	(8,612,521)
Operating profit/(loss) after tax	-	(4,045)	(139,929,840)	1,970,963
Solvency requirement (\$'000)	-	-	-	8,723
Solvency reserve ratio	-	-	-	134%

Additional Securities Exchange Information

As at 24 July 2023 (unaudited)

Number of Holders of Equity Securities

Fully paid ordinary share capital

190,548,720 fully paid ordinary shares are held by 914 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	104 (0.02%)	0
1 001 - 5 000	267 (0.36%)	0
5 001 - 10 000	111 (0.46%)	0
10 001 - 100 000	304 (5.21%)	2 (1.78%)
100 001 and over	128 (93.95%)	7 (98.22%)
Total	914	9
Holdings less than a marketable parcel	46	n/a

Securities subject to voluntary escrow

Nil.

On Market Buy Back

There is no current on-market buy-back.

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Substantial Shareholders

Fully paid ordinary shares

Mr John David Wheeler	14 730 488
River Capital Pty Ltd	13 834 000
Onever Pty Ltd	13 161 899
Ellerston Capital Limited	11 270 953
Wilson Asset Management Group	9 677 548
Mrs Patricia Mary Tooth	9 583 897
Robert Coombe	8 912 792

Twenty largest

Ordinary shareholders

	Number	Fully paid percentage
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	30 574 532	16.05%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	19 885 609	10.44%
CITICORP NOMINEES PTY LIMITED	15 680 305	8.23%
NATIONAL NOMINEES LIMITED	10 188 814	5.35%
MR JOHN DAVID WHEELER AND MR GLEN ROBERT WHEELER <WHEELSUP S/F A/C>	7 500 000	3.94%
MRS PATRICIA MARY TOOTH	7 266 105	3.81%
HARBRE NOMINEES PTY LTD <TALL TREES A/C>	6 914 994	3.63%
ONEVER PTY LTD <THE BESSMER PROPERTY A/C>	6 639 100	3.49%
CANDOORA NO 31 PTY LTD <BESSEMER SUPER FUND A/C>	6 022 860	3.16%
MR ROBERT COOMBE	5 980 592	3.14%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	4 848 428	2.54%
MR FRANK GERARD ZULLO	4 000 001	2.10%
MR DON LAZZARO AND MRS ANN LAZZARO <SUPER FUND A/C>	3 807 874	2.00%
MRS SUSAN HADDEN & MRS ABBY FALLA <HADDUP SUPER FUND A/C>	2 500 000	1.31%
GUERILLA NOMINEES PTY LTD <TOOTH RETIREMENT PLAN A/C>	2 195 219	1.15%
TDA SECURITIES PTY LTD <TDA SECURITIES A/C>	1 880 000	0.99%
MVH PTY LTD <HANMAN SUPERANNUATION A/C>	1 743 773	0.92%
BERNE NO 132 NOMINEES PTY LTD <W 1253672 A/C>	1 660 000	0.87%
MR JOHN DAVID WHEELER	1 500 000	0.79%
MS ADRIANE EDITH BOAG	1 399 910	0.74%
	142 188 116	74.62%

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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



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