

**OVER FIFTY GUARDIAN FRIENDLY SOCIETY LIMITED
AND CONTROLLED ENTITIES**

A.B.N. 81 087 649 063

**CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

Directors' Report

For the year ended 30 June 2024

The directors of Over Fifty Guardian Friendly Society Limited (the "Society") submit the following report in respect of the financial year ended 30 June 2024.

Information about the directors and senior management

The directors of the Society in office during or since the end of the financial year are:

- Mr Garry S. Charny
- Ms Natalie Collins
- Ms Joanne Dawson (appointed 8 December 2023)
- Mr Ian Brannan (appointed 18 December 2023)
- Mr Eron K. Plumb (appointed 18 December 2023)
- Mr Peter J. Done (resigned 8 December 2023)
- Mr Adrian E Gratwicke (resigned 18 December 2023)
- Mr Olivier Jean-Marie Chretien (resigned 18 December 2023)

The above-named directors held office during the entire financial year, unless otherwise noted.

Company Secretary

Anna Kovarik was appointed to the position of company secretary on 5 July 2018.

Principal activity

The principal activity of the Society during the year was the management of friendly society prepaid funeral policies. There was no significant change in this activity during the year.

Review of operations

The operating profit for the year was \$82,000 (2023: \$84,000) after providing for an income tax expense of \$116,000 (2023: \$18,000).

Changes in state of affairs

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

Subsequent events

There have not arisen in the interval between 30 June 2024 and the date hereof any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Society, to affect significantly the operations of the Society, the results of those operations, or the state of affairs of the Society, in future financial years.

Future developments

Disclosure of information regarding likely developments in the operations of the Society in future financial years and the expected results of these operations is likely to result in unreasonable prejudice to the Society. Accordingly, this information has not been disclosed in this report.

Directors' Report

For the year ended 30 June 2024

Environmental regulation

The Australian Accounting Standards Board (AASB) has released *Exposure Draft ED SR1 Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information*. ED SR1 includes three proposed Australian Sustainability Reporting Standards (ASRS) that are based on the International Financial Reporting Standards Sustainability Disclosure Standards.

The Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024 was introduced into parliament in March 2024 to phase in new mandatory climate-related financial disclosure obligations for entities based on the requirements outlined in ED SR1.

The Society is focussed on progressing its preparedness for mandatory climate-related disclosures in Australia.

Directors' benefits

Total salaries of \$200,138 (2023: \$192,400) were paid by the Society to the directors who also held the directorship in the related entity Centuria Life Limited for services to the Society in their capacity as directors. For further details refer to Note 16 (c).

Indemnification of officers and auditors

Centuria Capital Limited ("CCL") has agreed to indemnify all current directors and Executive Officers of the Society against liabilities (including liability for costs and expenses) for an act or omission in the capacity of director or Executive Officer of the Society. This agreement does not apply to the extent that the Corporations Act expressly prohibits or limits the indemnification of directors or Executive Officers.

Subject to any limitations imposed by the Corporations Act, CCL will continue to indemnify each director or Executive Officer for a period of seven years after the date on which the person ceases to be a director or Executive Officer of the Society.

The directors have not included details of the nature of the liabilities covered or the amount of premium paid in respect of the Directors' and Officers' Liability and Legal Expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

CCL has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified the auditor of the Society or of any related body corporate against a liability incurred as such as an auditor.

Rounding of amounts to the nearest thousand dollars

The Society is an entity of a kind referred to in the ASIC Legislative Instrument 2016/191, related to the 'rounding off' of amounts in the Directors' Report and financial statements. Amounts in the Directors' Report and financial statements have been rounded off, in accordance with the instrument to the nearest thousand dollars, unless otherwise indicated.

Lead auditors' independence declaration

The directors have obtained a declaration of independence from the auditors, KPMG, in accordance with section 307C of the Corporations Act 2001. The auditors' independence declaration is included on page 5 and forms part of the Directors' Report for the year ended 30 June 2024.

Directors' Report

For the year ended 30 June 2024

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



Mr Garry S. Charny
Director
Chairman

Sydney
18 September 2024



Ms Joanne Dawson
Director



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

To the Directors of Over Fifty Guardian Friendly Society Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Over Fifty Guardian Friendly Society for the financial year ended 30 June 2024 there have been:

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


KPMG



Leann Yuen
Partner

Sydney
18 September 2024

Consolidated statement of comprehensive income

For the financial year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Revenue	7(a)	27,093	22,015
(Loss)/Profit on investments	7(b)	(7,804)	1,377
		<u>19,289</u>	<u>23,392</u>
Administration and management fees	8(a)	(6,317)	(6,306)
Other expenses	8(b)	(1,258)	(1,111)
Net movement in policyholder liabilities - benefit funds	13 (a)	(15,559)	(16,734)
(Loss) before tax		<u>(3,845)</u>	<u>(759)</u>
Income tax (expense) relating to the management fund		(116)	(18)
Income tax benefit relating to benefit funds		4,043	861
Total income tax benefit	9(a)	<u>3,927</u>	<u>843</u>
Profit for the year		<u>82</u>	<u>84</u>
Other comprehensive income:			
Other comprehensive income		-	-
Total comprehensive income for the year		<u>82</u>	<u>84</u>

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes on pages 10 to 33.

Consolidated statement of financial position

As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
ASSETS			
Cash and cash equivalents		38,686	66,980
Trade and other receivables	10	5,829	3,007
Financial assets at fair value through profit or loss	11	471,262	441,169
Income tax receivable		3,143	2,874
Deferred tax assets	9(b)	28,576	28,803
TOTAL ASSETS		547,496	542,833
LIABILITIES			
Trade and other payables	12	2,175	765
Deferred tax liabilities	9(b)	135	18
Policyholders' funds	13(a)	542,786	539,732
TOTAL LIABILITIES		545,096	540,515
NET ASSETS		2,400	2,318
EQUITY			
Retained earnings		2,400	2,318
TOTAL EQUITY		2,400	2,318

The above consolidated statement of financial position should be read in conjunction with the accompanying notes on pages 10 to 33.

Consolidated statement of changes in equity

For the financial year ended 30 June 2024

	Retained earnings \$'000
Balance at 1 July 2022	2,234
Profit for the year	84
Balance at 30 June 2023	2,318
Balance at 1 July 2023	2,318
Profit for the year	82
Balance at 30 June 2024	2,400

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes on pages 10 to 33.

Consolidated statement of cash flows

For the financial year ended 30 June 2024

	Note	2023 \$'000	2023 \$'000
Cash flows from operating activities			
Applications received by unit linked funds		35,504	31,010
Interest received		1,971	1,784
Dividends received		21,725	24,667
Other income received		297	199
Cash paid to suppliers and employees		(5,887)	(7,922)
Redemption paid from unit linked funds		(48,194)	(45,626)
Income tax refunded		4,187	-
Net cash provided by operating activities	17	<u>9,603</u>	<u>4,112</u>
Cash flows from investing activities			
Net (outflows)/ inflows for acquisition/disposal of financial assets		<u>(37,897)</u>	11,571
Net cash (used in) / provided by investing activities		<u>(37,897)</u>	<u>11,571</u>
Cash flows from financing activities			
Net receipt from related parties		-	9
Net cash provided by financing activities		<u>-</u>	<u>9</u>
Net increase in cash and cash equivalents		(28,294)	15,692
Cash and cash equivalents at the beginning of the financial year		<u>66,980</u>	<u>51,288</u>
Cash and cash equivalents at the end of the financial year		<u>38,686</u>	<u>66,980</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes on pages 10 to 33.

Notes to the consolidated financial statements

For the year ended 30 June 2024

1. General information

Over Fifty Guardian Friendly Society Limited (the "Society") is a for-profit public company, limited by guarantee, incorporated and operating in Australia. The Society's registered office and its principal place of business are as follows:

Level 47, 101 Collins Street

Melbourne VIC 3000

Tel: 1300 50 50 50

(a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorised for issue by the directors on 18 September 2024.

(b) Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for those financial assets and liabilities which have been measured at fair value at the end of each reporting period. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, which is the Society's functional currency, unless otherwise noted.

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Society and entities controlled by the Society (the "subsidiaries"). The Society 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.

The Society, as prescribed by AASB 10 *Consolidated Financial Statements*, is required to recognise the assets, liabilities, income, expenses and equity of the benefit funds which it manages, in its consolidated financial statements.

The accounting policies of the benefits funds have been changed where necessary to align them with the policies adopted by the Society. Intra-Society balances and transactions, and any unrealised income and expenses arising from intra-Society transactions, are eliminated in preparing the consolidated financial statements.

For the purposes of the consolidated financial statements, holders of unit linked funds are referred to as policyholders.

Monies held in the benefit funds are subject to distribution and transfer restrictions pursuant to the Life Insurance Act 1995 ("Life Act").

Information concerning the management fund on a standalone basis is included in Note 6, Segment Information.

(d) Going concern

The consolidated financial statements have been prepared on a going-concern basis, which assumes continuity of normal business activities and the realisation of liabilities in the ordinary course of business. Recent volatilities in international and Australian market have been experienced and may have impact on the ability of funds managed by the Society to meet their obligations. The Society has completed an extensive assessment on key investments and receivables and remains confident that it will be able to continue as a going concern.

(e) Rounding of amounts

The Society is an entity of a kind referred to in the ASIC Legislative Instrument 2016/191, related to the 'rounding off' of amounts in the Directors' Report and financial statements. Amounts in the Directors' Report and financial statements have been rounded off, in accordance with the instrument to the nearest thousand dollars, unless otherwise indicated.

Notes to the consolidated financial statements

For the year ended 30 June 2024

2. Changes in accounting standards

Material accounting policy information

The Society adopted *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* from 1 July 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the Society's consolidated financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Society to provide useful, entity-specific accounting policy information that users need to understand other information in the consolidated financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3. Material accounting policies (FY23: Note 2. Significant accounting policies) in certain instances in line with the amendments.

3. Material accounting policies

(a) Financial assets

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

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

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the statement of comprehensive income.

The fair value of financial instruments is based on their quoted market prices at the reporting date without any deduction for estimated future selling costs. Financial assets are priced at current redemption prices.

For financial assets carried at fair value through profit or loss where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

In accordance with AASB 9 all financial assets held to support policyholders' liabilities are designated as at fair value through profit or loss.

(ii) *Derecognition of financial assets*

The Society derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Society neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Society recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Society retains substantially all the risks and rewards of ownership of a transferred financial asset, the Society continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Notes to the consolidated financial statements
For the year ended 30 June 2024

3. Material accounting policies (continued)

(b) Taxation

Income tax expense represents the sum of the current tax and deferred tax.

The Society is part of a tax consolidated group under the Tax Consolidation Regime. Each entity in the group recognises its own deferred tax assets and liabilities, except for any deferred tax assets resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of each group entity is then subsequently assumed by the Head Company which is the ultimate parent entity, Over Fifty Guardian Friendly Society Limited.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Society's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Society expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off deferred tax assets against deferred tax liabilities and when they relate to income taxes levied by the same taxation authority and the Society 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 are recognised as an expense or income in the consolidated statement of comprehensive income, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss.

Notes to the consolidated financial statements

For the year ended 30 June 2024

3. Material accounting policies (continued)

(c) Policyholders' funds

Assets held by the benefit funds are included in total assets in the consolidated statement of financial position of the Society in accordance. A corresponding liability labelled "policyholders' funds" is shown in total liabilities in the consolidated statement of financial position. Note 13 (a) shows the movement in the funds. The policyholders' liabilities for unit linked funds are equal to the number of units-held, multiplied by the unit redemption price based on market value of the funds' investments as at the valuation date.

Applications to these funds (premiums) are not recorded as income, redemptions from these funds (claims) are not recorded separately as expenses but amounts distributable to policyholders are recorded as an expense. No guarantees are provided by the Society in respect of the unit-linked funds.

Amounts received in respect of the benefit funds represent investment deposits (applications) and are recognised as an increase in policyholder liabilities.

Benefit fund expenses which are directly attributable to an individual policy or product are allocated directly to the benefit fund within which that class of business is conducted. The apportionment basis for indirect expenses has been made in line with the principles set out in APRA LPS 1.04 Valuation of Policy Liabilities.

(d) Product classification

The accounting treatment of certain transactions varies depending on the nature of the contract underlying the transaction. The major contract classifications are insurance contracts and investment contracts.

(i) Insurance contracts

Insurance contracts are those contracts under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

The Society and its Benefit Funds do not hold any insurance contracts that transfer significant insurance risk.

(ii) Investment contracts

Contracts not considered insurance contracts are classified as investment contracts. The accounting treatment of investment contracts depends on whether the investment has a discretionary participation feature (DPF). A DPF means a contractual right to receive, as a supplement to guaranteed benefits, additional benefits.

The benefit fund operations of the Society are classified as benefit funds without DPF as they are all invested in unit-linked products, whose value is solely dependent on the market valuation of the underlying assets. As a result, the Society does not issue any products with DPF.

Applications and redemptions on investment contracts without DPF are accounted for through the statement of financial position as a movement in policyholder liabilities. Distributions on these contracts are charged to the statement of comprehensive income as a movement in the policyholder liability. Premiums and claims relating to the investment component are accounted for as a deposit or withdrawal through the statement of financial position.

(e) Unit prices

Unit prices are determined in accordance with the fund's rules and are calculated as the net assets attributable to unit holders of the fund, divided by the number of units on issue.

Notes to the consolidated financial statements

For the year ended 30 June 2024

4. Other new Accounting Standards and Interpretations

The AASB has issued new or amendments to standards that are first effective from 1 July 2024.

The following amended standards and interpretations that have been adopted do not have a significant impact on the consolidated financial statements.

Standards now effective:

- AASB 17 Insurance Contracts
- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-5 Amendments to Australian Accounting Standards - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- AASB 2021-7(b) Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2022-1 Amendments to Australian Accounting Standards - Initial application of AASB 17 and AASB 9 - Comparative Information
- AASB 2022-2 Amendments to Australian Accounting Standards - Extending Transition Relief Under AASB 1

Standards not yet effective:

A number of new standards are effective for annual periods beginning after 1 July 2024 and earlier application is permitted; however, the Society has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following new and amended standards are not expected to have a significant impact on the consolidated financial statements.

- AASB 18 - Presentation and Disclosure in Financial Statements
- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
- AASB 2021-7(c) Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Notes to the consolidated financial statements

For the year ended 30 June 2024

5. Critical accounting judgement and key sources of estimation uncertainty

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense that are not readily apparent from other sources. The judgements, estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Key judgements

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in Note 18.

(b) Summary of Significant Actuarial Methods and Assumptions

A Financial Condition Report has been prepared by the Society's Appointed Actuary, Mr Sean McGing. This report covers benefit fund liabilities and prudential reserves. The effective date of the report is 30 June 2024.

The amount of the benefit fund liabilities has been determined in accordance with the methods and assumptions disclosed in the Financial Condition Report. The Appointed Actuary is satisfied as to the accuracy of the data from which the amount of the policyholder's fund liabilities has been determined.

(i) Policy Liability Valuation

The policy liabilities for benefit funds are determined in accordance with Prudential Standard LPS 340 issued by APRA under the Life Insurance Act 1995.

Policy liabilities for the benefit funds are valued using the accumulation method and are equal to the net assets of the benefit funds, as all benefit funds are unit linked.

The Society currently deducts 1.45% (2023: 1.45%) of the fund's assets from the benefit funds for expense allowances. Changes in the net assets of the benefit funds, for example due to the payment of fees and taxes and the receipt of investment returns, are reflected in changes in the unit price applicable to the benefit fund over time.

There is no provision in the funds' rules for any surplus to be transferred to the Management Fund. The Management Fund receives specified fees from the benefit funds to cover expenses. All remaining assets are to be used to provide benefits to members. Hence there is no profit and consequently, no need for a profit carrier.

(ii) Expense margin

The expenses of the benefit funds are equal to the management allowances transferred to the Management Fund.

(iii) Solvency and Capital Adequacy

Friendly Societies are required to hold prudential reserves over and above their policy liabilities, as a buffer against adverse experience and poor investment returns. The minimum level of reserves required to be held is laid down by the Life Insurance Act 1995 and accompanying standards. These standards are Prudential Standards LPS 100 and LPS 110. These standards have been met for the benefit funds as at 30 June 2024, refer to Note 13(b) Solvency and Capital Adequacy.

(iv) Involvement with unconsolidated structured entities

The Society has concluded that unlisted open-ended unit trusts in which it invests, but does not consolidate, meet the definition of structured entities because:

- the voting rights in the unit trusts are not dominant rights in deciding who controls them because they relate to administrative tasks only;
- each unit trust's activities are restricted by its prospectus; and
- the unit trusts have narrow and well-defined objectives to provide investment opportunities to investors.

OVER FIFTY GUARDIAN FRIENDLY SOCIETY LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements

For the year ended 30 June 2024

6. Segment information

Following is an analysis of the Society's revenue, results and balances by reportable segment.

30 June 2024	Over 50s Guardian Prepaid Funeral Fund No.5	Over 50s Guardian Prepaid Funeral Fund No.6	Guardian Funeral Bond	Over 50s Guardian Benefit Funds Trust	Over 50s Guardian Benefit Funds Trust No. 2	Management Fund	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	4,374	22,517	23	26,649	-	7,773	(34,243)	27,093
Profit/(loss) on investment	(1,100)	(6,855)	1	(7,805)	-	-	7,955	(7,804)
Total revenue	3,274	15,662	24	18,844	-	7,773	(26,288)	19,289
Profit before tax	(741)	(3,299)	(3)	18,844	-	198	(18,844)	(3,845)
Income tax benefit/(expense)	741	3,299	3	-	-	(116)	-	3,927
Profit/(loss) after tax	-	-	-	18,844	-	82	(18,844)	82

OVER FIFTY GUARDIAN FRIENDLY SOCIETY LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements
For the year ended 30 June 2024

6. Segment information (continued)

30 June 2023	Over 50s Guardian Prepaid Funeral Fund No.5	Over 50s Guardian Prepaid Funeral Fund No.6	Guardian Funeral Bond	Over 50s Guardian Benefit Funds Trust	Over 50s Guardian Benefit Funds Trust No. 2	Management Fund	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	3,692	17,151	20	21,883	-	7,519	(28,250)	22,015
Profit/(loss) on investment	655	1,816	(2)	1,379	-	-	(2,471)	1,377
Total revenue	4,347	18,967	18	23,262	-	7,519	(30,721)	23,392
Profit before tax	(330)	(534)	3	23,262	-	102	(23,262)	(759)
Income tax benefit/(expense)	330	534	(3)	-	-	(18)	-	843
Profit/(loss) after tax	-	-	-	23,262	-	84	(23,262)	84

OVER FIFTY GUARDIAN FRIENDLY SOCIETY LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements

For the year ended 30 June 2024

6. Segment information (continued)

30 June 2024	Over 50s Guardian Prepaid Funeral Fund No.5	Over 50s Guardian Prepaid Funeral Fund No.6	Guardian Funeral Bond	Over 50s Guardian Benefit Funds Trust	Over 50s Guardian Benefit Funds Trust No. 2	Management Fund	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash assets	29	2,807	85	29,735	-	6,030	-	38,686
Financial Assets	82,173	423,999	453	470,809	-	-	(506,172)	471,262
Other assets	910	4,463	7	5,628	-	(1,320)	(716)	8,972
Deferred Tax Assets	-	28,567	9	-	-	-	-	28,576
Total assets	83,112	459,836	554	506,172	-	4,710	(506,888)	547,496
Other liabilities	(202)	(513)	(1)	-	-	(2,175)	716	(2,175)
Deferred Tax Liabilities	-	-	-	-	-	(135)	-	(135)
Policyholders' funds	(82,910)	(459,323)	(553)	-	-	-	-	(542,786)
Assets attributable to unitholders	-	-	-	(506,172)	-	-	506,172	-
Total liabilities	(83,112)	(459,836)	(554)	(506,172)	-	(2,310)	506,888	(545,096)
Net assets	-	-	-	-	-	2,400	-	2,400
Policyholder funds liabilities								
Balance at beginning of the financial year	(89,881)	(449,286)	(565)	-	-	-	-	(539,732)
Applications received	(1)	(35,500)	(3)	-	-	-	-	(35,504)
Redemptions paid	9,726	38,430	38	-	-	-	-	48,194
Future tax benefit	-	(181)	(4)	-	-	-	-	(185)
Undistributed profit	(2,754)	(12,786)	(19)	-	-	-	-	(15,559)
Total policyholders funds at end of financial year	(82,910)	(459,323)	(553)	-	-	-	-	(542,786)

OVER FIFTY GUARDIAN FRIENDLY SOCIETY LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements

For the year ended 30 June 2024

6. Segment information (continued)

30 June 2023	Over 50s Guardian Prepaid Funeral Fund No.5	Over 50s Guardian Prepaid Funeral Fund No.6	Guardian Funeral Bond	Over 50s Guardian Benefit Funds Trust	Over 50s Guardian Benefit Funds Trust No. 2	Management Fund	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash assets	228	3,060	52	61,403	-	2,237	-	66,980
Financial Assets	89,322	415,405	502	440,667	-	-	(504,727)	441,169
Other assets	439	2,518	10	2,657	-	864	(607)	5,881
Deferred Tax Assets	-	28,802	1	-	-	-	-	28,803
Total assets	89,989	449,785	565	504,727	-	3,101	(505,334)	542,833
Other liabilities	(108)	(499)	-	-	-	(765)	607	(765)
Deferred Tax Liabilities	-	-	-	-	-	(18)	-	(18)
Policyholders' funds	(89,881)	(449,286)	(565)	-	-	-	-	(539,732)
Assets attributable to unitholders	-	-	-	(504,727)	-	-	504,727	-
Total liabilities	(89,989)	(449,785)	(565)	(504,727)	-	(783)	505,334	(540,515)
Net assets	-	-	-	-	-	2,318	-	2,318
Policyholder funds liabilities								
Balance at beginning of the financial year	(95,625)	(440,848)	(591)	-	-	-	-	(537,064)
Applications received	-	(31,008)	(2)	-	-	-	-	(31,010)
Redemptions paid	9,056	36,532	38	-	-	-	-	45,626
Future tax benefit	-	(546)	(4)	-	-	-	-	(550)
Undistributed profit	(3,312)	(13,416)	(6)	-	-	-	-	(16,734)
Total policyholders funds at end of financial year	(89,881)	(449,286)	(565)	-	-	-	-	(539,732)

Notes to the consolidated financial statements
For the year ended 30 June 2024

7. Revenue

(a) Revenue

	2024	2023
	\$'000	\$'000
Interest received	2,017	1,784
Dividends/distributions received	24,779	20,032
Other income	297	199
	<u>27,093</u>	<u>22,015</u>

(b) Profit/(Loss) on investments

	2024	2023
	\$'000	\$'000
Net unrealised (loss)/gain on financial assets	(7,954)	2,469
Net on gain/(loss) sale of financial assets	150	(1,092)
(Loss)/Profit on Investments	<u>(7,804)</u>	<u>1,377</u>

8. Expenses

(a) Administration and management fees

	2024	2023
	\$'000	\$'000
Management fees	4,655	4,642
Administration fees	1,662	1,664
	<u>6,317</u>	<u>6,306</u>

(b) Other expenses

	2024	2023
	\$'000	\$'000
Advertising and marketing expense	70	20
Consulting and professional fees	419	344
Business related membership fees	109	122
Employee benefit expenses	360	351
Other general expenses	300	274
	<u>1,258</u>	<u>1,111</u>

Notes to the consolidated financial statements
For the year ended 30 June 2024

9. Income taxes

(a) Income tax recognised in profit or loss:

	2024	2023
	\$'000	\$'000
(Loss) before tax	(3,845)	(759)
Net revenue relating to Benefit Funds included in loss before tax	4,043	861
Profit before tax attributable to the management fund	198	102
Income tax expense calculated at 30%	59	31
Tax effect of amounts which are not deductible (assessable) in:		
- Relating to exempt income and non-allowable expenses	57	(13)
- Income tax (benefit) relating to Benefit Funds	(4,043)	(861)
Income tax (benefit)	(3,927)	(843)
Current tax (benefit) in respect of the current year	(4,456)	(1,821)
Deferred tax expense relating to the origination and reversal of temporary differences	529	978
Income tax (benefit)	(3,927)	(843)

(b) Deferred tax balances

	Opening balance	Charged to income	Income tax recoverable	Closing Balance
	\$'000	\$'000	\$'000	\$'000
Deferred tax assets/(liabilities) arise from the following:				
Financial year ended 30 June 2024				
Deferred tax assets	28,803	(412)	185	28,576
Deferred tax liabilities	(18)	(117)	-	(135)
	28,785	(529)	185	28,441
Presented in the statement of financial position as follows:				
Deferred tax assets ⁽ⁱ⁾				28,576
Deferred tax liabilities				(135)
				28,441
	Opening balance	Charged to income	Income tax recoverable	Closing Balance
	\$'000	\$'000	\$'000	\$'000
Financial year ended 30 June 2023				
Deferred tax assets	29,213	(960)	550	28,803
Deferred tax liabilities	-	(18)	-	(18)
	29,213	(978)	550	28,785
Presented in the statement of financial position as follows:				
Deferred tax assets				28,803
Deferred tax liabilities				(18)
				28,785

⁽ⁱ⁾ The deferred tax asset is due to unrealised gains/(losses) on financial assets and an early payment of income tax which will be recovered over time as each policyholder's policy is redeemed.

Notes to the consolidated financial statements
For the year ended 30 June 2024

10. Trade and other receivables

	2024	2023
	\$'000	\$'000
Interest and dividends receivable (current assets) ⁽ⁱ⁾	5,681	2,581
Sundry debtors (current assets)	148	426
	<u>5,829</u>	<u>3,007</u>

⁽ⁱ⁾ Interest and dividends are usually receivable within 60 days under normal commercial terms and conditions.

11. Financial assets carried at fair value through profit or loss

	2024	2023
	\$'000	\$'000
Fixed interest securities (non-current assets)	125,201	94,535
Investments in unit trusts and shares (current assets)	249,211	230,304
Investments in unlisted property trusts (non-current assets)	86,495	106,356
Other equity investment (non-current assets)	10,355	9,974
	<u>471,262</u>	<u>441,169</u>

(a) Recognition and measurement

The Society has determined that all financial assets held are assets backing the policy liabilities of the life insurance business. As these assets are managed on a fair value basis under AASB 9 and are reported to the Board on this basis, they have been valued at fair value through profit or loss wherever the applicable standard allows.

(i) Financial assets at FVTPL

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

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

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

Notes to the consolidated financial statements
For the year ended 30 June 2024

11. Financial assets carried at fair value through profit or loss (continued)

(b) Investments in unit trusts

The following unconsolidated structured entities are included within the 'Investments in unit trusts' as set out above.

	Fair value	Exposure	Maximum exposure to loss
	\$'000	%	\$'000
Financial year ended 30 June 2024			
Type of structured entities			
Unlisted property trusts	86,495	18%	86,495
Listed property trusts	16,422	3%	16,422
Fixed interest trusts	50,828	11%	50,828
Equity trusts	127,562	27%	127,562
Other unlisted trusts	54,399	12%	54,399
Investments in unit trusts and shares	335,706		335,706
Financial year ended 30 June 2023			
Type of structured entities			
Unlisted property trusts	106,356	24%	106,356
Listed property trusts	20,361	5%	20,361
Fixed interest trusts	30,805	7%	30,805
Equity trusts	142,370	32%	142,370
Other unlisted trusts	36,768	8%	36,768
Investments in unit trusts and shares	336,660		336,660

The fair value of the exposure changes daily throughout the period and in subsequent periods and will cease once the investments are disposed.

The unconsolidated structured entities are managed in accordance with the investment strategy of the respective fund managers. The return of the unconsolidated structured entities is exposed to the variability of performance of the investment strategies. The fund managers receive a fee for undertaking the management services.

The Society holds investments which are listed on the ASX and are therefore exposed to volatility in the equity capital markets. This volatility has resulted in fair value losses being recognised in the financial year in respect of these investments. In addition, the Society also holds stakes in other unlisted funds. As these funds are unlisted, they are not exposed to volatility in equity capital markets to the same extent as listed securities, however they are exposed to changes in underlying property values and potential impacts on future cashflows.

Notes to the consolidated financial statements
For the year ended 30 June 2024

12. Trade and other payables

	2024	2023
	\$'000	\$'000
Related entities (current liabilities)	405	405
Sundry creditors ⁽ⁱ⁾	1,770	360
	<u>2,175</u>	<u>765</u>

⁽ⁱ⁾ Sundry creditors are non-interest bearing and payable on commercial terms.

13. Policyholders' funds

(a) Movement in policyholders' funds

	2024	2023
	\$'000	\$'000
Unitised Benefit Funds		
Opening balance	539,732	537,064
Applications received	35,504	31,010
Redemptions paid	(48,194)	(45,626)
Deferred tax asset	185	550
Current period income	15,559	16,734
Closing balance	<u>542,786</u>	<u>539,732</u>

(b) Solvency and Capital Adequacy

Friendly Societies are required to hold prudential reserves over and above their policy liabilities, as a buffer against adverse experience and poor investment returns. The minimum level of reserves required to be held is laid down by the Life Insurance Act 1995 and accompanying standards.

Set out below is information in respect of the capital adequacy position of the Society.

	2024	2023
	\$'000	\$'000
Capital Base	2,400	2,318
Prescribed Capital Amount	1,369	1,373
Capital in excess of Prescribed Capital Amount	1,031	945
Capital Adequacy (%)	175%	169%
Capital Base comprises:		
Net Assets	2,400	2,318
Regulatory Adjustments applied in calculation of Additional Tier 1 Capital	-	-
Common Equity Tier 1 Capital	<u>2,400</u>	<u>2,318</u>
Total Capital Base	<u>2,400</u>	<u>2,318</u>

14. Contingent liabilities and commitments

The Society has no material contractual capital commitments, nor any material contingent liabilities at 30 June 2024.

Notes to the consolidated financial statements
For the year ended 30 June 2024

15. Remuneration of auditors

	2024	2023
	\$	\$
Audit of the financial report	33,154	31,575
Other services including AFSL, APRA annual return and regulatory compliance audit	22,016	20,968
	55,170	52,543

The auditor of the Society is KPMG Australia.

16. Related party transactions

The Society is the sole beneficiary of the Over 50s Guardian Benefit Funds Trust and Over 50s Guardian Benefit Funds Trust No.2.

(a) Related party balances

Details of the Society's interests in other related parties are as follows:

	2024			2023		
	Fair value	Units held	Ownership	Fair value	Units held	Ownership
Over 50s Guardian Benefit Fund Trust						
Centuria Office REIT	16,422,488	14,861,980	2.49%	20,360,913	14,861,980	2.49%
Centuria 8 Central Avenue Fund No.2	46,341,122	32,239,545	54.09%	55,809,876	32,239,545	52.84%
Centuria Sydney Olympic Park Fund	15,980,008	20,000,010	65.67%	21,362,011	20,000,010	65.67%
Centuria Sandgate Road Fund	11,076,000	15,000,000	21.78%	12,963,000	15,000,000	21.78%
Centuria Diversified Property Fund	13,097,383	15,976,315	10.19%	16,220,753	15,976,315	9.78%
Bass Property Credit Fund	20,049,717	19,886,646	8.08%	-	-	-

(b) Benefit Funds

The Society, as prescribed by AASB 10, is required to recognise the assets, liabilities, income, expenses and equity of the benefit funds which it manages, in its consolidated financial statements.

Details of the benefit funds managed by the Society are as follows:

Name of subsidiary	Country of incorporation	Ownership interest	
		2024	2023
Over 50s Mutual Benefits Fund Trust	Australia	100%	100%
Over 50s Mutual Benefits Fund Trust No. 2	Australia	100%	100%

Name of benefit fund
Over 50s Guardian Prepaid Funeral Fund No. 5
Over 50s Guardian Prepaid Funeral Fund No. 6
Guardian Funeral Bond

Notes to the consolidated financial statements
For the year ended 30 June 2024

16. Related party transactions (continued)

(c) Directors and director-related entities

The directors named in the Directors' Report each held office as a director of the Society for the entire year unless otherwise stated.

During the year below directors and key management personnel of the Society, were remunerated by the Society as follows:

- Mr Garry Charny – Director \$135,200 (FY23: \$130,000)
- Ms Joanne Dawson – Director \$18,221 (FY23: Nil), appointed 8 December 2023
- Ms Natalie Collins – Director \$32,448 (FY23 \$31,200)
- Mr Peter Done – Director \$14,269 (FY23: \$31,200), resigned 8 December 2023

During the year, Mr. John Slater, a Non-Executive Director of Centuria Capital Limited, a related party of the Society, was paid \$162,240 (FY23: \$156,000) in relation to services provided to the Society's Investment Committee.

(d) Other transactions with directors of the Society and their director-related entities

As a matter of Board policy, all transactions with director-related entities are conducted on normal commercial or employee terms.

(i) Investments in benefit funds

Certain directors have investments in the benefit funds of the Society.

	2024	2023
	\$	\$
Aggregate investments in funds	-	209

(ii) Administration fees

As at 30 June 2024, Mr Brannan was director of Memorial Guardian Plan Pty Limited which has an agreement with the Society to assist in the administration of the prepaid funeral plans.

	2024	2023
	\$	\$
Total fees paid/payable by the Society under the agreement:	1,661,714	1,663,855

(iii) Management fees

As at 30 June 2024, Mr Charny, Ms Joanne and Ms Collins were directors of Centuria Life Limited and Centuria Funds Management Limited which has agreement with the Society to assist in the management of the Society.

	2024	2023
	\$	\$
Total fees paid/payable by the Society to Centuria Life Limited:	3,470,371	3,457,182
Total fees paid/payable by the Society to Centuria Funds Management Limited:	1,185,124	1,184,766
	<u>4,655,495</u>	<u>4,641,948</u>

Notes to the consolidated financial statements

For the year ended 30 June 2024

16. Related party transactions (continued)

(d) Other transactions with directors of the Society and their director-related entities (continued)

(iv) Distributions

The following cash distributions were received from related parties during the current financial year:

Distributions:	2024		2023	
	Total distributions	GBFT ownership %	Total distributions	GBFT ownership %
Centuria Office REIT	1,783,438	2.49%	2,095,539	2.49%
Centuria 8 Central Avenue Fund No.2	1,773,088	54.09%	2,498,430	52.84%
Centuria Sydney Olympic Park Fund	1,075,061	65.67%	1,300,074	65.67%
Centuria Sandgate Road Fund	937,465	21.78%	1,087,557	21.78%
Centuria Diversified Property Fund	814,792	10.19%	886,375	9.78%
Bass Property Credit Fund	1,521,679	8.08%	-	-

(e) Amounts payable to other entities

	2024	2023
	\$	\$
Aggregate amount payable to:		
- Centuria Life Limited	306,971	308,917
- Centuria Fund Management Limited	97,676	96,240
- Memorial Guardian Plan Pty Limited	136,480	135,413
	<u>541,127</u>	<u>540,570</u>

17. Notes to the statement of cash flows

Reconciliation of profit for the period to net cash flows from operating activities

	2024	2023
	\$'000	\$'000
Profit for the year	82	84
Net unrealised loss/(gain) on financial assets	7,954	(2,469)
Net (gain)/loss on sale of financial assets	(150)	1,092
Changes in net assets and liabilities:		
<i>(Increase)/decrease in assets:</i>		
Trade and other receivables	(2,822)	4,399
Deferred tax assets	227	410
Income tax receivable	(269)	(1,732)
<i>Increase/(decrease) in liabilities:</i>		
Trade and other payables	1,410	(358)
Deferred tax liabilities	117	18
Policyholders' funds	3,054	2,668
Net cash flows provided by/(used in) operating activities	<u>9,603</u>	<u>4,112</u>

Notes to the consolidated financial statements

For the year ended 30 June 2024

18. Financial instruments

(a) Management of financial instruments

The Board is ultimately responsible for the Risk Management Framework of the Society.

The Society employs a cascading approach to managing risk, facilitated through delegation to specialist committees and individuals within the Society.

The Society has also established an Investment Committee. The Investment Committee's function is to manage and oversee the Society's investments in accordance with the investment objectives and framework as set down by the Board. Specifically, it has responsibility for setting and reviewing strategic asset allocations, reviewing investment performance, reviewing investment policy, monitoring and reporting on the performance of the investment risk management policy and performing risk management procedures in respect of the investments.

The Society is exposed to a variety of financial risks as a result of its activities. These risks include market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Society's risk management and investment policies, approved by the Board, seek to minimise the potential adverse effects of these risks on the Society's financial performance. These policies may include the use of certain derivative financial instruments.

(b) Capital risk management

The Society manages its capital to ensure that entities in the Society will be able to continue as a going concern while adhering to applicable prudential requirements and Internal Capital Adequacy Assessment Processes (ICAAP's). This overall strategy remains unchanged from the prior year.

The capital structure of the Society consists of cash and cash equivalents and policyholder funds. The benefit funds also hold a range of financial assets for investment purposes including investments in unit trusts. The Investment Committee aims to ensure that there is sufficient capital for possible redemptions by unit holders of the benefit funds. The benefit funds have no restrictions or specific capital requirements on the application and redemption of units. The benefit funds' overall investment strategy remains unchanged from the prior year.

The Society is regulated by APRA and has a minimum Prescribed Capital Amount ("PCA") that must be maintained at all times. APRA has provided permanent relief to the management fund from the requirement that the Prescribed Capital Amount not be less than \$10m as per paragraph 25 of LPS 110. The PCA is calculated monthly and these results are reported to the Board each quarter. The Directors believe that for the foreseeable future, the PCA will continue to be met.

Operating cash flows are used to maintain and, where appropriate, expand the Society's funds under management as well as to make the routine outflows of tax, dividends and repayment of maturing debt. The Society reviews regularly its anticipated funding requirements.

The Society outsources the investment management of the benefit funds to specialist investment managers, who provide services to the Society, co-ordinate access to domestic and international financial markets, and manage the financial risks relating to the operations of the Society in accordance with an investment mandate set out in the Society's constitution and the Benefit Funds' product disclosure statements. The Benefit Funds' investment mandates are to invest in equities and fixed interest securities via unit trusts, discount securities and may also invest in derivative instruments such as futures and options.

Notes to the consolidated financial statements

For the year ended 30 June 2024

18. Financial instruments (continued)

(c) Fair value of financial instruments

(i) Valuation techniques and assumptions applied in determining fair value

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes).
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments. Discount rates are determined based on market rates applicable to the financial asset or liability.
- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.
- The fair value of units in trusts is determined by reference to published bid prices at the close of business on the reporting date being the redemption price as established by the underlying fund's responsible entity.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. 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.

The table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, Societyed into fair value hierarchy levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between level 1, 2 and 3 in the period.

	2024			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
Fixed interest securities (non-current assets)	125,201	-	-	125,201
Investments in unit trusts and shares (current assets)	16,422	232,789	-	249,211
Investments in unlisted property trusts (non-current assets)	-	86,495	-	86,495
Other investment (non-current assets)	-	-	10,355	10,355
Total	141,623	319,284	10,355	471,262

Notes to the consolidated financial statements

For the year ended 30 June 2024

18. Financial instruments (continued)

(c) Fair value of financial instruments (continued)

(i) Valuation techniques and assumptions applied in determining fair value (continued)

	2023			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
Fixed interest securities (non-current assets)	94,535	-	-	94,535
Investments in unit trusts and shares (current assets)	38,517	191,787	-	230,304
Investments in unlisted property trusts (non-current assets)	-	106,356	-	106,356
Other investment (non-current assets)	-	-	9,974	9,974
Total	133,052	298,143	9,974	441,169

(ii) Reconciliation of Level 3 fair value measurements of financial assets

	2024	2023
	\$'000	\$'000
Investment in Commencer Capital Emerging Companies Fund		
Balance at the beginning of the period	9,974	8,800
Increase of Investment	350	350
Fair value movement	31	824
Balance at the end of the period	10,355	9,974

(d) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Society. The Society has adopted a policy of primarily dealing with creditworthy counterparties and obtaining sufficient collateral or other security, where appropriate, as a means of mitigating risk of financial loss from default. The credit risk on financial assets of the Society and the parent recognised in the statement of financial position is generally the carrying amount, net of allowance for impairment loss.

Concentration of risk may exist when the volume of transactions limits the number of counterparties.

(i) Credit risk on financial assets

Credit risk on other financial assets such as investments in floating rate notes, standard discount securities and unit trusts is managed through strategic asset allocations with creditworthy counterparties and the on-going monitoring of the credit quality of investments, including the use of credit ratings issued by well-known rating agencies. The exposure of credit risk in respect of financial assets is minimal. The credit risk on financial assets of the Society recognised on the statement of financial position is generally the carrying amount. Concentration of risk may exist when the volume of transactions limits the number of counterparties.

The exposure of credit risk in respect of financial assets is minimal, the majority of funds have been invested into the active liquid market. The performances of investments have been closely monitored and they are readily realisable.

Credit risk associated with receivables is considered minimal. The main receivables balance is in relation to receivables for investments sold, which are settled on a 'T+2' basis and for which the counterparties are large financial institutions. Other receivables balances are largely immaterial.

The Society does not have any significant credit risk exposure to any single entity or any Society of counterparties having similar characteristics. It is the opinion of the Society that the carrying amounts of these financial assets represent the maximum credit risk exposure at the reporting date. There were no significant concentrations of credit risk to counterparties. The benefit funds and trusts do not have any financial assets which are past due or impaired.

Notes to the consolidated financial statements
For the year ended 30 June 2024

18. Financial instruments (continued)

(e) Liquidity risk

The Society's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities. The members' balances in the benefit funds are able to be withdrawn only upon death and after the funeral has been provided, which can happen at any time, and the benefit funds are therefore exposed to the liquidity risk of meeting these withdrawals at any time.

Units in unlisted property trusts are investments in closed ended trusts with limited liquidity. The Society's liquidity risks are managed in accordance with the Society's investment strategies. The Society also manages liquidity risk by maintaining adequate cash and through continuous monitoring of forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Society's overall strategy to liquidity risk management remains unchanged from the prior year.

The following tables summarise the maturity profile of the Society's financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the fund can be required:

	On Demand	Less than 3 months	3 months to 1 year	1 - 5 years	5+ years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2024						
Policyholder funds	542,786	-	-	-	-	542,786
Payables	-	2,175	-	-	-	2,175
Total financial liabilities	542,786	2,175	-	-	-	544,961
2023						
Policyholder funds	539,732	-	-	-	-	539,732
Payables	-	765	-	-	-	765
Total financial liabilities	539,732	765	-	-	-	540,497

(f) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange (currency risk), market interest rates (interest rate risk) and market prices (price risk). The Society manages this risk via outsourcing its investment management; the Investment Manager manages the financial risks relating to the operations of the benefit funds in accordance with an investment mandate set out in accordance with the benefit funds constitution and product disclosure statement. There has been no change to the benefit funds' exposure to market risks or the manner in which they manage and measure the risk.

(i) Interest rate risk management

The Society's activities expose them to the financial risk of changes in interest rates. Floating rate instruments expose the funds to cash flow risk, whereas fixed interest rate instruments expose the funds to fair value interest rate risk. The Society monitors the exposure to interest rate risk.

The tables below detail the Society's exposure to interest rate risk at the reporting date by the earlier of contractual maturities or repricing interest bearing financial assets and financial liabilities.

2024	Variable rate	Fixed rate	Total
	\$'000	\$'000	\$'000
Financial assets			
Cash and cash equivalents	38,686	-	38,686
Fixed interest securities and Trusts	-	176,029	176,029
	38,686	176,029	214,715

Notes to the consolidated financial statements

For the year ended 30 June 2024

18. Financial instruments (continued)

(f) Market risk (continued)

(i) Interest rate risk management (continued)

2023	Variable rate	Fixed rate	Total
	\$'000	\$'000	\$'000
Financial assets			
Cash and cash equivalents	66,980	-	66,980
Fixed interest securities and Trusts	-	125,340	125,340
	66,980	125,340	192,320

(ii) Interest rate sensitivity

The sensitivity analysis below has been determined based on the Society's exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period, in the case of instruments that have floating interest rates. A 100-basis point (1%) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

At reporting date, the Society is not exposed to any material interest rate sensitivity.

As at 30 June 2024, if interest rates had been 100 basis points higher or lower and all other variables were held constant, the consolidated net profit after tax would increase by \$42,206 (2023: \$15,658) or decrease by \$42,206 (2023: \$15,658).

(iii) Foreign currency risk management

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

At balance date the Society is not exposed to any material foreign exchange risk.

(iv) Price risk management

Price risk is the risk that the total value of investments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. The Society has investments in unlisted trusts, which expose them to price risk. Sensitivity of these amounts to other price risk impacts policyholder liabilities rather than profit and other equity reserve attributable to shareholders.

Notes to the consolidated financial statements

For the year ended 30 June 2024

19. Parent Entity Disclosures

As at and throughout the current and previous financial year, the parent entity of the Society was Over Fifty Guardian Friendly Society Limited.

	2024	2023
	\$'000	\$'000
Result of parent entity		
Profit for the period	82	84
Total comprehensive income for the period	82	84
Financial position of parent entity at year end		
Total current assets	296,869	303,165
Total non-current assets	250,627	239,668
Total assets	547,496	542,833
Total current liabilities	544,961	540,497
Total non-current liabilities	135	18
Total liabilities	545,096	540,515
Net assets	2,400	2,318
Total equity of the parent entity comprising of:		
Retained earnings	2,400	2,318
Total equity	2,400	2,318

20. Subsequent events

There have not arisen in the interval between 30 June 2024 and the date hereof any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Society, to affect significantly the operations of the Society, the results of those operations, or the state of affairs of the Society, in future financial years.

Consolidated entity disclosure statement
For the year ended 30 June 2024

(a) Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with section 295(3A) of the Corporations Act 2001 and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

The entities that are consolidated in this consolidated financial statements at 30 June 2024 are set out below. The parent entity is Over Fifty Guardian Friendly Society Limited.

(b) Determination of tax residency

Section 295 (3A)(vi) of the Corporation Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency: The Society has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5;
- Foreign tax residency: The Society has applied current legislation and where available judicial precedent in the determination of foreign tax residency.

Consolidated entity disclosure statement	Type	Place formed	Tax Residency	Ownership interest
Over Fifty Guardian Friendly Society Limited	Body Corporate	Australia	Australia	
Over 50s Mutual Benefits Fund Trust	Trust	Australia	Australia	100%
Over 50s Mutual Benefits Fund Trust No. 2	Trust	Australia	Australia	100%
Over 50s Guardian Prepaid Funeral Fund No. 5	Benefit fund*	Australia	Australia	N/A**
Over 50s Guardian Prepaid Funeral Fund No. 6	Benefit fund*	Australia	Australia	N/A**
Guardian Funeral Bond	Benefit fund*	Australia	Australia	N/A**

*Benefit fund is formed under the Life Insurance Act 1995, and managed by Over Fifty Guardian Friendly Society Limited as the parent company.

**Over Fifty Guardian Friendly Society Limited has Nil ownership in the benefit funds it managed, as benefit funds are established to provide benefits to its members in accordance with approved benefit fund rules.

Directors' Declaration
For the year ended 30 June 2024

1. In the opinion of the directors of Over Fifty Guardian Friendly Society Limited:
 - (a) the attached financial statements and notes set out on pages 6 to 33 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Australian Accounting Standards and the *Corporations Regulations* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the financial year ended on that date, and
 - (b) the consolidated entity disclosure statement as at 30 June 2024 set out on page 34 is true and correct, and
 - (c) there are reasonable grounds to believe that the Society will be able to pay its debts as and when they become due and payable.
2. The directors have been given the declarations required by Section 295 A of the Corporations Act 2001 from the chief executive officer and chief financial officer of Centuria Life Limited for the financial year ended on 30 June 2024.
3. The directors draw attention to Note 1 (a) of the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors.

For and on behalf of the Board.



Mr Garry S. Charny
Director
Chairman



Ms Joanne Dawson
Director

Sydney
18 September 2024



Independent Auditor's Report

To the shareholders of Over Fifty Guardian Friendly Society Limited

Opinion

We have audited the **Financial Report** of Over Fifty Guardian Friendly Society Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the **Group's** financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

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

Other Information

Other Information is financial and non-financial information in Over Fifty Guardian Friendly Society Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

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

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with



the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our Auditor's Report.

KPMG

Leann Yuen
Partner

Sydney
18 September 2024