



Annual Report 2024

FORESTERS
FINANCIAL





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ABOUT Foresters Financial

For over 170 years, Foresters Financial has partnered with individuals, families and trusted advisers to safeguard generational wealth. As a proud member-owned friendly society, we share your ambition and commitment to grow, protect, and transfer wealth with confidence.

OUR PURPOSE

Foresters exists to provide financial peace of mind for our members and their families.

Our members can access our Sustainable Investment Option where environmental, social and governance (ESG) issues are considered by our Fund Manager when selecting underlying investment holdings.

Foresters has over \$420 million in funds under management and over 90,000 members Australia-wide.



2024 Key Highlights



95,000+
members



\$417m
funds under management



\$18.9m
inflows to market-linked funeral products



\$4.0m
distributed as bonuses to policy holders



\$200k
inflows to Investment & Education Bonds

2024 Chair & CEO Report

Caroline Banhidy



Thank you for your continued support and investment in Foresters Financial. I am honoured to present this year's annual report as both Chair and CEO. In our 175th anniversary year, I am proud of how we continue to stay true to our company's founding values in supporting families and the community whilst delivering solid results.

Over the course of the 2023-2024 financial year, the team continued its focus on driving operational improvements to enhance client service. This included reducing the new application processing time by 30% and enhancing our risk and compliance frameworks to drive performance. The team also implemented an integrated CRM and registry application process to reduce administrative double handling and improve data and reporting integrity.

We continued to deliver exceptional service to our clients and maintain our strong presence in the Funeral Bond market. We also moved forward with Education and Investment Bonds, exploring new distribution opportunities in new markets to pave the way for growth in the future.

The 2023-2024 financial year saw mixed results for investors across the board, with global equities experiencing modest growth and domestic equities facing volatility. Inflationary pressures remained elevated although easing slightly, leading to slower interest rate hikes by central banks. This included the RBA, which raised the cash rate from 0.1% in early 2022 to 4.1% by June 2023. Cash investments benefited from higher interest income, while government bonds delivered only marginal or negative returns. The much-feared "hard landing" was delayed, but concerns about a slowdown persisted heading into the new financial year.

Recognising that the year was marked with continued cost of living pressures, inflation remaining elevated and overall consumer confidence trended flat to weak, it was great to see Foresters' strong investment results. I am very pleased with our investment team's ability to navigate these headwinds and still deliver robust results with funds under management growing over 7.5% to \$417m.

The Board also took the opportunity to review Foresters' business model, operational capabilities and evolving needs of the market.

This has led to a series of planned changes to kick start the new 2024-25 financial year. I wish to acknowledge our departing leaders Emma Sakellaris, Lyndon Wilson and Greg Hanigan and thank them for their dedication and professionalism over this time.

Foresters also farewelled David Heath, Independent Director and Chair of our Audit and Compliance Committee, who joined the Board in 2017. His expertise and guidance through the last few years in this challenging economic climate has been invaluable. And, we welcome Rachel de Gruchy who brings over 30 years of financial services industry and funds management expertise to the Board as well as APRA and regulatory experience.

Looking forward to the year ahead, we remain committed to our core business offer in Funeral Bonds and will continue to explore the distribution of Education and Investment Bonds. To this end, we are committed to developing our people to deliver exceptional client support and to invest in those resources necessary to enhance the things we do best, namely to protect legacies of those we serve and grow your wealth; today and into the future.

In conclusion, I would like to express my gratitude to our wonderful and dedicated employees, our valued partners and members for their continued support. Foresters remains committed to our strategic journey and we maintain a high level of excitement about the opportunities ahead. Our collective resilience and adaptability over the last few years of COVID, and its impact on the business and our broader community, has been inspiring, setting a solid foundation for a promising year ahead.

Thank you

Caroline Banhidy
Chair/CEO

Board of Directors



Caroline Banhidy
BEC(Hons), MBA, GAIST, MAICD
Chair

Member of: Risk Committee; Audit and Compliance Committee; Investment Committee; Nominations and Remuneration Committee

Caroline has over 30 years' experience in financial services with a focus on investment management, wealth advisory and governance. She brings her experience as a consultant in strategy, performance improvement and stewardship to the Board.

Other Directorships: Bangay Capital, Institute of Financial Professionals Australia, Oxil Pty Ltd



Michael Liu
BCom, LLB(Hons)
Deputy Chair

Member of: Investment Committee (Chair); Audit and Compliance Committee

Michael brings 30 years of extensive financial services experience to the Board. He commenced his career as a lawyer at Allens Arthur Robinson and went on to hold senior executive positions at a global fintech headquartered in London, UBS Investment Bank and Macquarie Bank.

Other Directorships: BankVic, WCM Global Growth Limited, Law Institute of Victoria, Defence Health Limited



Andrew Baxter
BBus(Mktg), FAMI CPM, FAICD

Non-Executive Director Member of: Nominations and Remuneration Committee (Chair); Risk Committee

Andrew brings extensive experience in high-profile Chair and Board roles and has also successfully led two of the country's largest communications agencies, Publicis and Ogilvy, for over a decade. Andrew regularly contributes to The Australian on the future of marketing and has been the recipient of the Australian Marketing Institute's Sir Charles McGrath Award for his significant contribution to the field of marketing.

Other Directorships: Australian Pork (Chair), GrowthOps, Bird Dog, Hypetap, Nettlefold, Sydney Symphony Orchestra, OzHarvest, Queens Fund, 24HR Business Plan

Board of Directors



Andrew Smith

BCom, CA, MBA, FAICD

Non-Executive Director Member of: Risk Committee (Chair); Investment Committee (July 2023 - April 2024); Audit & Compliance (April 2024)

Andrew has over 30 years' experience in financial and professional services with a track record of growing consumer-focused businesses in Australia and the Asia Pacific regions. He is currently the Chief Financial Officer for Ramsay Health Care Australia. Andrew also has over 25 years' board member experience and is an active member of the Young President's Organisation (YPO, including YPO ANZ Regional Gold Chair).

Other Directorships: Ramsay Connect Pty Ltd (Chair - resigned April 2024)



Rachel de Gruchy

MAppFin, GAICD, Chartered Fellow CISI (UK), Dip IoD

Non-Executive Director (April 2024 - current) Member of: Audit & Compliance Committee (Chair); Investment Committee (April 2024 - current)

Rachel has over thirty years of experience in the international financial services industry, having held senior executive roles in both the UK and Australia. Her career has spanned roles in stockbroking and wealth management, investment management and asset consultancy.

Since 2018, Rachel has focused on non-executive directorships and consulting roles, including non-executive director of Fundsmith Emerging Equities plc (a company listed on the London Stock Exchange and providing consultancy services to investment and asset management companies).

Rachel is an independent member of the investment committees of The Australian & New Zealand College of Anesthetists and of Thorne Harbour Health.



David Heath

BEC(Hons), FCPA, FIAA, F Fin, GAICD

Non-Executive Director (resigned Feb 2024)

Member of: Audit and Compliance Committee (Chair); Nominations and Remuneration Committee - (until Feb 2024)

David has over 25 years experience across all areas of actuarial practice, specialising in general insurance and accident compensation. He is currently a consulting actuary with Cumpston Sarjeant and is heavily involved in the education of the next generation of actuaries as a lecturer and Honorary Senior Fellow at the University of Melbourne.

Other Directorships: Transport Accident Commission.

FORESTERS

FINANCIAL



Annual Financial Report for year ended 30 June 2024

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Directors' Report

The Directors present their report together with the financial statements of Foresters Financial for the financial year ended 30 June 2024.

CORPORATE INFORMATION

The following persons were members of the Board during the whole of the financial year and up to the date of this report unless otherwise stated;

Caroline Banhidy

Chair since November 2020

Board member since August 2019

Interim Chief Executive Officer, appointed 25 July 2024

David Heath

Resigned February 2024

Michael Liu

Resigned July 2024

Andrew Baxter

Board member since July 2020

Andrew Smith

Board member since November 2020

Rachel de Gruchy

Board member since April 2024

Chief Executive Officer

Emma Sakellaris
*BEd, Dip of Fin Planning,
 Master Ind&Emp Law,
 MBA/LLM (CommLaw),
 GAICD
 (resigned 25 July 2024)*

Caroline Banhidy
 BEc(Hons), MBA GAIST,
 MAICD
*(Interim CEO appointed 25
 July 2024)*

Auditors

RSM Australia Partners
 Level 27, 120 Collins
 Street
 Melbourne VIC 3000

Appointed Actuary

Alan Merten
 Deloitte Consulting Pty Limited
 550 Bourke Street
 Melbourne VIC 3000

Investment Advisor

JBWere Limited
 Level 16, 101 Collins Street
 Melbourne VIC 3000

PRINCIPAL ACTIVITIES

Foresters Financial (Foresters) principal activities during the reporting period included the development and launch of new products; the establishment of multi-year referral partner relationships; and the provision of benefits against claims made by members and investors, with respect to the following products:

- Investment bonds
- Funeral bonds
- Education bonds
- Life Insurance products

COMPANY OBJECTIVES

Our objective is to be acknowledged as one of the most highly regarded fund managers and provider of investment bonds, funeral products, and education bonds.

To achieve this, the Board of Directors (the Board) established a clear set of objectives for Foresters including:

- We remain highly committed to our Funeral Bond and Prepaid Business and complimentary growth in our Investment and Education bond business.
- Ongoing build of our national distribution channels, including diversified referral partnerships.
- We are committed to enhancement of our Information Technology platforms; and
- Continued community focus and Responsible Investment philosophies and practices.

Our commitment to further enhancing our investment offerings with a focus on select target audiences and relationships will enable the provision of intergenerational wealth opportunities for our investors. We will maintain our sharp focus on the Funeral pre-planning market across both Funeral and Non-Funeral Service Providers.

Foresters actively manages its Investment Portfolio utilising expert internal and external capability. Investment decisions are made in accordance with our Responsible Investment Policy.

Foresters maintains its strong focus on the wellbeing of our members, investors, policyholders, and the communities in which we operate. We seek to do this by providing products that empower financial wellbeing and also by providing assistance to vulnerable community members in their time of need via community grants or direct assistance.

STRATEGY FOR ACHIEVING OBJECTIVES

Prior to the commencement of each reporting period, the Board and executive management refine and develop the strategic and annual business plans.

The Board ensures that the company and its employees have sufficient resources, financial or otherwise, to achieve the objectives as stated in the strategic and annual business plans.

MEASUREMENT OF OBJECTIVES

The Board and executive management have established a framework for the implementation, monitoring, and reporting of progress toward achievement of the company's 3-year strategic objectives.

The company's objectives provide the basis of the performance measurement framework for all staff, including executive management, and therefore align the business operations with the implementation of the strategic plan over the period.

The Board assesses progress toward the company's strategic and operating objectives regularly during the reporting period. Progress is measured against key milestones and relevant benchmarks agreed with executive management during the annual strategic and business planning phases.

DIRECTOR RESIGNATION

David Heath resigned effective 26 February 2024.

Michael Liu resigned effective 6 July 2024.

NEWLY APPOINTED DIRECTOR

Rachel de Gruchy was appointed as Director on 2 April 2024 and continues in office at the date of this report.

MEETINGS OF DIRECTORS

The number of Board and Committee meetings held and attended by each Director during the year ended 30 June 2024 is shown in the below table:

DIRECTOR	Number of meetings of Directors held	Number of meetings of Directors attended	Number of relevant committee meetings held	Number of relevant committee meetings attended
Caroline Banhidy	7	7	16	16
David Heath	5	5	6	6
Michael Liu	7	6	8	6
Andrew Baxter	7	7	7	7
Andrew Smith	7	7	7	7
Rachel de Gruchy	2	2	2	2

REVIEW OF OPERATIONS AND FINANCIALS

The success of our operations for the year ended 30 June 2024 is reflected by the following:

- Funds under management increased by \$28.9m or 7.44% driven by investment performance and product sales, particularly of Funeral Bonds.
- Profit after tax excluding distributions to policyholders of \$10.6m. The strongest profit performance since 2017.
- A 32% increase from the prior year in total distributions to policyholders to over \$4m.
- An increase in the net assets of the Management Fund to over \$17m.
- Growth in total and net assets reflecting the efficient use of capital whilst investing in sustainable improvements for existing and future members.

The key financial metrics for the year ended 30 June 2024 are as follows:

	2024 \$	2023 \$
Foresters Financial		
Total assets	436,152,016	410,589,460
Increase (decrease) in total assets	25,562,556	12,483,676
Funds under management	416,802,512	387,924,319
Profit (loss) after tax (excluding bonuses paid)	10,575,795	8,149,149
Profit (loss) after tax (including bonuses paid)	6,539,888	5,089,806
Management Fund		
Profit (loss) after tax	(651,303)	(1,299,097)
Net assets	17,411,711	16,263,259

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the reporting period APRA approved the termination of the Death and Distress Fund, effective 31 March 2024.

BONUS DECLARATION

The Directors have resolved that the following bonus rates be paid for the year ended 30 June 2024:

	2024	2023
Flexible Insurance Fund	1.75%	0.30%
Funeral Benefit Fund Exempt	0.75%	1.20%
Funeral Benefit Fund Taxable (Pre 1 February 2011)	0.35%	0.35%
Funeral Benefit Fund Taxable (Post 1 February 2011)	1.05%	0.75%
State Trustees Funeral Benefit Fund Exempt	3.00%	1.50%
State Trustees Funeral Benefit Fund Taxable	1.50%	1.00%

EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Emma Sakellaris (Chief Executive Officer) resigned effective 25 July 2024. Caroline Banhidy has been appointed as the interim CEO, effective 25 July 2024.

There are no other matters or circumstances that have arisen since 30 June 2024 that have significantly affected or may significantly affect the company's operations, the results of those operations, or state of affairs in future financial years.

ENVIRONMENTAL REGULATIONS

Foresters is not subject to any specific environmental regulation under Australian Commonwealth or State Law.

LIKELY DEVELOPMENTS

In the opinion of the Directors any comment as to likely developments would prejudice the interests of Foresters and has therefore not been included in this report.

INDEMNITY AND INSURANCE OF THE DIRECTORS AND OFFICERS

The company has indemnified the Directors and Officers of Foresters for costs incurred in their capacity as a Director or an Officer for which they may be held personally liable and where they have acted in good faith.

During the reporting period, Foresters paid a premium in respect of a contract to insure the Directors and Officers against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

INDEMNITY AND INSURANCE OF THE AUDITOR

The company has not, during the reporting period or otherwise, indemnified or agreed to indemnify the Auditor or any related entity against a liability incurred by the Auditor.

On behalf of the Directors:



Caroline Banhidy
Chair

Melbourne, 23 September 2024

DIVIDEND

No dividends have been paid or declared during the reporting period.

Surpluses derived are retained and utilised to operate the business in the interests of members and policyholders.

LIMITED BY GUARANTEE

Foresters Financial Limited is a company limited by guarantee.

The amount of capital which can be called upon in the event of, and for the purposes of, winding up the company is \$1 per member. Members have no other liability in the event Foresters is wound up.

At 30 June 2024, Foresters had 95,927 members (2023: 93,156) with a total guarantee of \$95,927 (2023: \$93,156).

Foresters' constitution was amended by way of member vote to remove the voting rights of some benefit fund members, specifically those that had assigned a benefit entitlement to a funeral director.

The change to the constitution regarding voting rights does not impact the amount of capital that may be called upon from members in the event of winding up the company.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration required under Section 307C of the *Corporations Act 2001* is attached at Page 15 and forms part of the Directors' Report.

AUDITOR

RSM Australia Partners was appointed to conduct an audit of the Annual Financial Report in accordance with the requirements of the *Corporations Act 2001*.

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is provided at page 15.

RESOLUTION

This report is signed in accordance with a resolution of the Directors pursuant to section 298(2)(a) of the *Corporations Act 2001*.



Andrew Smith
Director

Melbourne, 23 September 2024

**RSM Australia Partners**

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F +61 (0) 3 9286 8199

www.rsm.com.au**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Foresters Financial Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS**WARWICK JA SPARGO**

Partner

Dated: 23 September 2024

Melbourne, Victoria

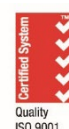
THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation



Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue			
Insurance premiums received	4	1,496,431	1,561,629
Fees and commissions	4	20,552	28,854
Net investment income	4	23,415,758	15,437,639
Other income		5,245	-
Total revenue		24,937,986	17,028,122
Expenses			
Ordinary expenses	5	10,880,396	7,946,171
Distributions to policyholders		4,035,907	3,059,343
Total expenses		14,916,303	11,005,514
Profit / (loss) before income tax		10,021,683	6,022,608
Income tax expense / (benefit)	6	3,481,795	932,802
Profit / (loss) after income tax		6,539,888	5,089,806
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		6,539,888	5,089,806

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements.

Statement of Financial Position

As at 30 June 2024

	Note	2024 \$	2023 \$
Assets			
Cash and cash equivalents	7	60,671,039	47,590,661
Trade and other receivables	8	1,200,323	468,709
Investments	9	368,932,087	352,781,001
Current tax asset		277,304	866,903
Right of use asset	10	175,644	439,110
Property, plant and equipment		98,996	119,394
Deferred tax asset	11	4,625,835	8,080,919
Intangibles	12	170,788	242,763
Total assets		436,152,016	410,589,460
Liabilities			
Trade and other payables	13	3,332,382	3,467,056
Other provisions	14	200,790	169,110
Lease liabilities	10	212,420	509,676
Members' policy liabilities	15	412,939,210	393,516,292
Total liabilities		416,684,802	397,662,134
Net assets		19,467,214	12,927,326
Equity			
Retained earnings		19,467,214	12,927,326
Total equity		19,467,214	12,927,326

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2024

	Note	2024 \$	2023 \$
Total equity at the beginning of the year		12,927,326	7,837,520
Total comprehensive income / (loss) for the year		6,539,888	5,089,806
Transfers from benefit funds		(1,799,755)	(1,570,836)
Transfers to the management fund		1,799,755	1,570,836
Total equity at the end of the year		19,467,214	12,927,326

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Premiums and contributions received		51,186,510	44,126,038
Interest on investments received		16,386,645	9,447,517
Dividends and distributions received		861,534	536,612
Payments for operating expenses		(11,791,114)	(7,483,438)
Lease payments – interest		(17,849)	(28,430)
Claims and benefits paid		(34,303,069)	(38,457,170)
Income tax refunds/(paid)		562,888	378,062
Net cash (used) / provided by operating activities		22,885,545	8,519,191
Cash flows from investing activities			
Payment for non-current assets		(98,887)	(105,911)
Net sales / (purchases) of investments		(9,409,025)	(9,529,302)
Net cash (used) / provided by investing activities		(9,507,912)	(9,635,213)
Cash flows from financing activities			
Lease payments - principal		(297,255)	(273,200)
Net cash (used) / provided by financing activities		(297,255)	(273,200)
Net increase / (decrease) in cash held		13,080,378	(1,389,222)
Cash and cash equivalents at the beginning of the year		47,590,661	48,979,883
Cash and cash equivalents at the end of the year	7	60,671,039	47,590,661
Reconciliation of net cash provided / (used) by operating activities			
Operating (loss) / profit after income tax		6,539,888	5,089,806
Depreciation and amortisation		191,259	213,484
Unrealised (gains) / loss on the fair value of assets		(6,742,061)	(5,908,690)
Changes in operating assets and liabilities			
Decrease / (increase) in receivables		(731,614)	(116,810)
Decrease / (increase) in current tax assets		589,599	269,881
Decrease / (increase) in deferred tax assets		3,455,084	1,040,983
(Decrease) / increase in creditors		(134,674)	594,384
Decrease / (increase) in lease assets		263,466	266,293
(Decrease) / increase in policy liabilities		19,422,918	7,158,786
(Decrease) / increase in provisions		31,680	(88,926)
Net cash (used) / provided by operating activities		22,885,545	8,519,191

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.

NOTE 1. COMPANY INFORMATION

The financial report is presented for Foresters Financial Limited (Foresters) as an individual entity.

The registered business name of the company is Foresters Financial.

Foresters is a registered unlisted public company under the *Corporations Act 2001* and is incorporated and domiciled in Australia.

The company is limited by guarantee. No shares have been issued.

The registered office and principal place of business is:

4/417 St Kilda Rd
Melbourne, VIC, 3004

A description of Foresters operations and principal activities are included in the Directors' Report. The Directors' Report does not form part of the financial report.

The financial report was authorised for issue in accordance with a resolution of the Board of Directors on 23 September 2024.

NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION

A. Financial Reporting Framework

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards (AASs), including interpretations issued by the Australian Accounting Standards Board (AASB), and the *Corporations Act 2001*.

The financial report consists of the financial statements, notes to the financial statements and the Directors' Declaration.

The financial statements are presented in Australian dollars being the functional currency of the company.

Amounts in the financial statements have been rounded to the nearest dollar.

The accounting policies adopted are stated in order to assist readers of the report to understand the financial statements. The policies have been consistently applied unless stated.

Foresters has risk management policies in place in respect of its operations to identify and mitigate risk.

The assets and liabilities of each individual benefit fund and the management fund are separately managed.

The Appointed Actuary provides an Actuarial Valuation Report and Financial Condition Report the results of which are considered by the Board and utilised to value the policy liabilities at the reporting date.

B. Compliance with International Financial Reporting Standards

The financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

C. Accounting Standards and Interpretations

The company has reviewed and applied all new accounting standards, amendments and interpretations that became applicable for the first time during the reporting period. Effective 1 July 2023, AASB 9 *Financial Instruments* has been adopted, replacing AASB 1038 *Insurance Contracts*. The company continues to value Financial Instruments at fair value through profit or loss, meaning there has been no change to the valuation of financial assets or financial liabilities during the adoption of AASB 9 *Financial Instruments*.

The impacts of accounting standards, amendments and interpretations not yet effective are disclosed at Note 3.

D. Significant judgements and key assumptions

The preparation of the financial statements requires the use of accounting estimates. It also requires management to exercise judgement in applying accounting policies. Other than the actuarial assumptions used in calculating the policy liabilities disclosed in Note 2(S), no significant judgements have been made in applying accounting policies that have a significant effect on the amounts recognised in the financial statements.

NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

D. Significant judgements and key assumptions (continued)

No key assumptions have been made concerning the future and there are no other sources of uncertainty at the balance date that are considered to pose a risk of causing a material misstatement of the carrying amounts of assets and liabilities.

E. Historical cost convention

The financial statements have been prepared on a historical cost basis except for assets recognised and measured at fair value. Cost is based on the consideration given in exchange for assets.

F. Fair value hierarchy

In order to disclose how fair value is determined, the entity is required to classify all assets and liabilities measured at fair value using a three level hierarchy.

Those levels are;

Level 1: Quoted prices in active markets for assets and liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly and;

Level 3: Unobservable inputs for the asset or liability where considerable judgement is required to determine fair value and the categorisation of the asset or liability can be subjective.

There have not been any transfers between the levels of the fair value hierarchy during the year.

Foresters does not carry any non-financial assets or liabilities at fair value and therefore no additional disclosure is required.

G. Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with financial institutions with terms to maturity of three months or less that are subject to insignificant risk of changes in value.

H. Trade and other receivables

Receivables are recognised for amounts to be received in the future relating to goods and services provided up to the balance date. Receivables which are known to be uncollectable are written back through the Statement of Profit or Loss and Other Comprehensive Income.

I. Investments and other financial assets

Investments and other financial assets are measured at fair value. Transaction costs are included as part of the initial measurement except for financial assets at fair value through profit or loss. Such assets may be subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the right to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering all or part of a financial asset its carrying value is written back.

i. Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either:

- held for trading where they are acquired for the purpose of selling in the short term with an intention of making a profit, a derivative or;
- designated as such upon initial recognition where permitted.

ii. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include investments held in a business model where the objective is to both collect contractual cash flows and sell financial assets.

NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

J. Income tax

Income taxes are accounted for using the comprehensive balance sheet method whereby:

- The tax consequences of recovering all assets or settling liabilities are reflected in the financial statements;
- Current and deferred tax is recognised as income or expense except to the extent that the tax relates to equity items or to a business combination;
- A deferred tax asset is recognised to the extent that it is probable that the future tax asset will be realised and;
- Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the deferred asset or liability is settled.
- Income tax expense is the tax payable on the current periods' taxable income, adjusted for movements in deferred tax assets and deferred tax liabilities and any under or over provision in prior years. Deferred tax movements are attributable to differences between the tax base of assets and liabilities and their carrying amounts in the financial statements as well as to movements in carried forward tax losses.

K. Taxation of financial arrangements

Comprehensive rules for the taxation of financial arrangements have been enacted, the aim of which are to tax gains and losses from financial arrangements in a way that aligns the measurement of tax with accounting gains and losses from these arrangements.

In accordance with taxation of financial arrangements legislation, Foresters has previously made an irrevocable election to apply the 'Elective Fair Value' method to all financial arrangements.

The effect of the election is that gains and losses from financial arrangements that are marked to market through profit and loss in accordance with applicable accounting standards, are considered for income tax purposes in accordance with changes in their

fair value.

L. Property, plant and equipment

Property, plant and equipment are measured on a historical cost basis less accumulated depreciation and impairment losses. Historical cost includes all expenditure attributable to bring the asset to the location and condition necessary for it to operate in the manner intended.

Subsequent costs are included in the asset's carrying value or recognised as a separate asset only when it is probable that future economic benefits associated with the item will be realised and when the cost of the item can be reliably measured. All other repairs and maintenance are charged to profit and loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method net of residual value over the estimated useful life of an asset. Residual asset values and useful lives are reviewed and adjusted as necessary at each balance date.

Leases entered into giving rise to a right of use asset are measured in accordance with AASB 16 Leases and disclosed at Note 10.

M. Intangible assets

Intangible assets acquired as part of a business combination other than goodwill are initially measured at fair value at the date of acquisition. Intangible assets, including software assets, acquired separately are initially recognised at cost and subsequently measured at cost less amortisation or any impairment.

The gains or losses recognised in profit or loss arising from the de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset.

The amortisation method and useful lives of intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or expected useful life.

NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

M. Intangible assets (continued)

Amortisation of intangible assets is calculated using the straight-line method net of residual value over the estimated useful life of each class of intangible assets. Asset residual values are reviewed at each balance date.

If applicable, management rights are estimated to have a useful life of 10 years and software assets a useful life of 4 years or are aligned with contractual terms of use.

N. Impairment of assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income unless an asset has been previously revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation, with any excess recognised through profit and loss.

O. Leasehold improvements

The cost of leasehold improvements to leased properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement whichever is shorter.

P. Trade and other payables

Liabilities are recognised for amounts to be paid in the future relating to goods and services received up to the balance date. Trade accounts payable are settled on normal terms and conditions.

Q. Provisions

Provisions are recognised when a present obligation (legal or constructive) arises as a result of a past event for which it is probable that an outflow of economic benefits will be required to settle the obligation and when 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. Where the provision is measured using cash flows estimated to calculate the present obligation, the carrying amount is the present value of those cash flows.

R. Employee entitlements

Provisions are made for employee benefits arising from services rendered by employees up to the balance date. Provisions are recognised for benefits accruing to employees with respect to salaries and wages, retirement allowances and annual and long service leave when it is probable that settlement will be required and the liability can be reliably measured.

Provisions for employee benefits are calculated as short or long-term benefits.

Short term benefits are those that are expected to be wholly settled within the twelve months. They are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Long term benefits are those that are not expected to be wholly settled within twelve months. They are measured at the present value of the estimated future cash flows. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future cash flows are discounted using market yields at the reporting date to estimate the future cash flows on a pre-tax basis.

Regardless of the expected timing of settlement, provisions for employee benefits are recognised as a current liability unless there is an unconditional right to defer the settlement of the liability for a minimum of twelve months after the reporting date, in which case the provision would be classified as a non-current liability. Provisions for annual leave and unconditional long service leave are classified as current liabilities. Provisions for conditional long service leave are classified as non-current liabilities.

NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

S. Policy liabilities

The accounting treatment for certain transactions varies depending on the nature of the contract underlying the transaction. The major contract classifications are defined benefit contracts and investment contracts in accordance with AASB 9 *Financial Instruments*.

i. Defined benefit contracts (refer Note 15)

A defined benefit contract is a contract where the amount of any benefit is specified in, or determined in accordance with, a formula set out in approved benefit fund rules. The amount of the benefit is not directly related to the assets of the approved benefit fund or the investment performance of those assets.

Premiums and claims under the defined benefit contract are recognised in the Statement of Profit or Loss and Other Comprehensive Income as income and expense and, the member policy liabilities are recognised on the balance sheet. Any changes in policy liabilities are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

The policy liability valuation for defined benefit contract funds and the Funeral Bond Funds, is equal to the present value of future benefits, expenses and profits less the present value of future contributions, determined by applying the following assumptions:

- Mortality rates (Australian Life Tables) of 80% (2023: 80%) for the Sick and Funeral Fund, 110% (2023: 110%) for State Trustees Funds Taxable, 110% (2023: 110%) for the State Trustees Fund Exempt, 130% (2023: 130%) for Funeral Benefit Fund Taxable, 80% (2023: 120%) for Funeral Transfer Fund, 35% (2023: 90%) for Funeral Benefit Fund Exempt, 40% (2023: 40%) for the Police Association (Victoria) Benefit Fund and 70% (2023: 70%) for the Police Association (Victoria) Benefit Fund spouses;
- Sickness benefits of 20% (2023: 20%) of contributions for the Police Association (Victoria) Benefit Fund;
- Future profits for the Funeral Transfer Fund of 11% (2023: 11%);
- Resignation rates based on the experience for the the Police Association (Victoria) Benefit Fund; and
- Other assumptions as detailed in the table below:

Fund	Gross Interest		Expenses		Tax		Future Bonus Rates	
	2024	2023	2024	2023	2024	2023	2024	2023
Sick and Funeral	4.57%	4.33%	1.50%	1.50%	0.00%	0.00%	1.75%	1.75%
Death and Distress	N/A	5.00%	N/A	2.00%	N/A	0.90%	N/A	0.00%
Police Association (Victoria)	4.93%	4.51%	0.00%	0.00%	1.48%	1.35%	0.00%	0.00%
Funeral Benefit Exempt	4.51%	4.52%	1.50%	1.50%	0.00%	0.00%	1.88%	2.69%
Funeral Benefit Taxable	4.41%	4.52%	1.50%	1.20%	0.87%	1.00%	1.42%	1.99%
Funeral Transfer Fund	4.58%	4.35%	2.00%	1.80%	0.77%	0.77%	0.00%	0.00%
State Trustees Funeral Exempt	4.32%	4.50%	1.50%	1.50%	0.00%	0.00%	2.66%	3.27%
State Trustees Funeral Taxable	4.39%	4.52%	1.50%	1.50%	0.87%	0.91%	1.55%	1.92%

NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

s. Policy liabilities (continued)

i. Defined benefit contracts (continued)

The Death and Distress and Police Association (Victoria) Funds have charges levied on contributions.

The member policy liabilities of the Sick and Funeral Fund have been revalued as a result of an increase in the risk-free interest rate.

The policy liabilities of the Police Association (Victoria) Benefit Fund have been revalued to \$16,858 (2023: \$158,494). The assumed cost of sickness benefits is 20% (2023: 20%).

Movement in member policy liabilities is recorded in the Statement of Profit or Loss and Other Comprehensive Income.

ii. Management fees

Fees for expenses earned by the management fund for all life insurance contract policies are based on a percentage of the respective fund net assets or premiums paid. For insurance contract benefit funds, the Appointed Actuary may recommend the release of surpluses to the management fund in addition to management fees.

iii. Investment contracts (refer Note 15)

A contract governed by the *Life Insurance Act 1995*, that does not meet the definition of a life insurance contract is a life investment contract. The accounting treatment of an investment contract depends on whether the investment had a discretionary participation feature.

A discretionary participation feature represents a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that are:

- Likely to be significant portion of the total benefits;
- Distributed at the discretion of the insurer, and;
- Based on performance of a specified pool of assets.

Deposits collected and benefits paid under investment contracts with a discretionary participation feature are accounted for through profit or loss.

The gross change in the valuation of these policies, which may include any participation benefits vested and any undistributed surplus, is recognised in the Statement of Profit or Loss and Other Comprehensive Income in the period in which it occurs.

Deposits collected and withdrawals processed for investment contracts without a discretionary participation feature are accounted for directly through the balance sheet as movements in the investment contract liability. Distributions on these contracts are charged through profit or loss as an expense.

The policy liability valuation for investment contract funds is in accordance with the *Life Insurance Act 1995* and represents the movement in the sum of the members' account balances and is recognised through profit and loss.

iv. Solvency and capital adequacy requirements

In accordance with prudential standards, the benefit funds are required to hold reserves over and above their policy liabilities to protect against adverse experience and poor investment returns. The level of reserves required has been calculated in accordance with the methodologies and Institute of Actuaries of Australia Professional Standard 202 Actuarial Valuations for Life Insurance Companies.

Deloitte Consulting Pty Ltd provide expertise in actuarial services with experience in general insurance, friendly societies and general consulting and prepared the valuation of member policy liabilities and related balances of Foresters.

NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

T. Asset Backed Defined Benefit Liabilities and Life Investment Contract Liabilities

Assets backing defined benefit liabilities and life investment contract liabilities are measured on a basis that is consistent with the measurement of the defined benefit liabilities or life investment contract liabilities.

All assets held within benefit funds are assets backing policy liabilities are measured at fair value through profit and loss.

U. Distribution of surpluses of the benefit funds

The distributable surpluses, being interim and final bonuses credited to the policyholders of the benefit funds, are treated as an expense through profit and loss with the result that the profit before tax is reduced by that amount, whilst the income tax expense is calculated on profit excluding the distributed surpluses of the benefit funds.

V. Policyholders entitlement to monies held in benefit funds

Monies held in the life insurance 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 are held for the benefit of the members of those funds, and are subject to Foresters' Constitution and rules of those benefit funds.

W. Revenue

Revenue is recognised at the fair value of the consideration received or receivable. Management fees earned from the benefit funds are calculated as an agreed percentage of the respective benefit funds' net assets or premiums paid and are recognised on an accrual basis.

Interest income, dividend income and distribution income are brought to account on an accrual basis. Interest income is recognised using the effective interest method. Dividends are recognised when the right to receive payment is established.

X. Changes in accounting policies

There have been no changes in accounting policies during the reporting period.

Y. Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of the acquisition of the asset or as part of the related expense. The GST portion relating to financial supplies and non-deductible expenditure, for which an input tax credit cannot be claimed is expensed.

Z. Right of use assets and lease liabilities

i. 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 adjusted for any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred and except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset and restoring the site or asset.

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

The company has not recognised any short term lease liabilities or right of use assets as no such arrangements exist.

ii. 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 company's incremental borrowing rate.

**NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION
(CONTINUED)****Z. Right of use assets and lease liabilities
(continued)****ii. Lease liabilities (continued)**

Lease payments comprise;

- 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 of a purchase option when the 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 expressed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured 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 or;
- 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 to profit or loss if the carrying amount of the right of use asset is fully written down.

NOTE 3. NEW ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE

The following standards, amendments to standards and interpretations have been identified as those which may impact Foresters upon initial application. The standards are not mandatory For the Year Ended 30 June 2024 and early adoption has not been undertaken by Foresters. An assessment of the impact of these standards upon application is included in the table below.

AASB Standard	Title & Summary	Standard applicable for Annual reporting beginning on	Applicable date for Foresters	Impact on the financial statements
AASB 2020-1 Amendments to Australian Accounting Standards – Classifications of Liabilities as Current or Non-Current	<p>This narrow-scope amendment to AASB 101 Presentation of Financial Statements clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period; and also clarifies the definition of settlement of a liability.</p> <p>For example, a liability must be classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.</p>	1 January 2024	1 July 2024	The impact on the financial statements is expected to be immaterial. Foresters does not typically have a right to defer settlement of it's liabilities.
AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date	AASB 2020-6 defers the mandatory effective date of amendments that were originally made in AASB 2020-1 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022.	1 January 2023* <i>*The mandatory effective date has now been deferred to 1 January 2024</i>	1 July 2024	As noted above this is not expected to impact Forester's reporting.
AASB 18 Presentation and Disclosure in Financial Statements	AASB 18 replaces AASB 101 as the standard describing the primary financial statements and sets out requirements for the presentation and disclosure of information in AASB-compliant financial statements. Amongst other changes, it introduces the concept of the "management-defined performance measure" to financial statements and requires the classification of transactions presented within the statement of profit or loss within one of five categories – operating, investing, financing, income taxes, and discontinued operations. It also provides enhanced requirements for the aggregation and disaggregation of information.	1 January 2028	1 July 2028	Foresters has not undertaken an assessment as to the impact of these changes at this stage. However, it is expected the presentation of the statement of comprehensive income will need to be amended such that transactions are classified as one of five categories.

	2024 \$	2023 \$
NOTE 4. REVENUE		
Premiums Received		
The Police Association (Victoria) Benefit Fund	1,412,317	1,415,816
Sickness and Accident Fund	-	33,897
Accident Fund	-	18,027
Death and Distress Fund	11,250	12,455
Funeral Transfer Fund	54,960	59,160
Sick and Funeral Fund	17,904	22,274
Total premiums received	1,496,431	1,561,629
Fees and Commissions		
Fees received	20,552	28,854
Total fees and commissions	20,552	28,854
Investment Income		
Interest on investments	16,093,708	11,198,944
Dividends and distribution income	818,451	505,197
Changes in the fair value of securities	7,009,201	4,128,409
Less: direct investment expense	(505,602)	(394,911)
Total investment income	23,415,758	15,437,639
NOTE 5. ORDINARY EXPENSES		
Employee benefits	3,878,447	3,597,840
Operating expenses	2,681,461	2,723,844
Sales and marketing	894,176	1,018,404
Occupancy	37,122	27,396
Depreciation and amortisation	191,260	213,484
Lease deprecation charge	263,466	266,293
Lease interest charge	17,849	28,430
VPA members counselling	390,500	390,500
Claims paid to policyholders	1,668,898	1,926,717
Changes in policy liabilities	857,217	(2,246,737)
Total ordinary expenses	10,880,396	7,946,171

	2024 \$	2023 \$
NOTE 6. INCOME TAX EXPENSE		
Income tax recognised in profit or loss:		
Current tax provision	(36,191)	(102,395)
Deferred Tax	4,163,418	1,422,488
(Over) / under provision prior year	(645,432)	(387,291)
Total income tax expense/ (benefit)	3,481,795	932,802

The amount provided in respect of income tax differs from the amount prima facie payable on operating profit / (loss). The difference is reconciled as follows:

Profit / (loss) before income tax	10,021,683	6,022,608
Prima facie tax on profit (loss) for the period at 30% (2023: 30%)	3,006,505	1,806,782
Add (deduct) tax effect of:		
Non-deductible distributions	1,210,773	917,803
Net non-assessable income	(2,477,194)	(2,189,345)
Non-deductible expenses	848,751	67,091
Other income and allowable deductions	1,563,726	820,157
(Over)/ under provision of tax	(645,432)	(387,291)
Franking credit rebate	(25,334)	(102,395)
Income tax expense	3,481,795	932,802

NOTE 7. CASH AND CASH EQUIVALENTS

Cash management accounts	4,277,628	2,116,491
Deposit at call accounts	56,393,411	45,474,170
Total cash and cash equivalents	60,671,039	47,590,661

NOTE 8. TRADE AND OTHER RECEIVABLES

Prepaid expenses	201,445	168,117
Sundry receivables	998,878	300,592
Total trade and other receivables	1,200,323	468,709

NOTE 9. INVESTMENTS

Investment in interest bearing securities	320,809,623	340,185,912
Investment in ASX listed securities	28,076,172	3,422,554
Investment in managed funds	20,046,292	9,172,535
Total investments	368,932,087	352,781,001

NOTE 9. INVESTMENTS (CONTINUED)

The fair value of the financial assets as well as the method used to estimate the fair value is summarised in the table below. An explanation of the fair value hierarchy is detailed at Note 2F.

	2024 \$			2023 \$		
	Quoted Market Price Level 1	Market Observable Level 2	Non-Market Observable Level 3	Quoted Market Price Level 1	Market Observable Level 2	Non-Market Observable Level 3
Investment in interest bearing securities	320,809,623	-	-	340,185,912	-	-
Investments in ASX listed securities	28,076,172	-	-	3,422,554	-	-
Investment in managed funds	-	20,046,292	-	-	9,172,535	-
Total investments	348,885,795	20,046,292	-	343,608,466	9,172,535	-

NOTE 10. RIGHT OF USE ASSET

The only lease giving rise to a right of use asset is the commercial premises lease of 4/417 St Kilda Rd, Melbourne, VIC, 3004. The term of the lease is for a period of five years and commenced in March 2020.

There are no guarantees, restrictions or commitments that require disclosure in the financial statements other than those presented below.

The right of use asset and lease liability is disclosed in the financial statements as follows:

Balance Sheet

Category	Disclosure	2024 \$	2023 \$
Right of use asset	Leased asset	1,317,331	1,317,331
Accumulated depreciation	Leased asset	(1,141,687)	(878,221)
	Leased asset	175,644	439,110
Lease liability	Lease liabilities	212,420	509,676

Statement of Profit or Loss and Other Comprehensive Income

Category	Disclosure	2024 \$	2023 \$
Depreciation charge	Ordinary expenses	263,466	266,293
Interest expense	Ordinary expenses	17,849	28,430

Statement of Cash Flows

Category	Disclosure	2024 \$	2023 \$
Lease payments	Lease payments - principal	297,256	273,200
Lease interest	Lease payments - interest	17,849	28,430

The company has the following lease commitments with respect to the right of use asset:

Lease payments	2024 \$	2023 \$
No later than one year	216,216	315,105
Later than one year but no later than five years	-	216,216
Total – Lease Payments	216,216	531,321
Less future interest expense	(3,796)	(21,645)
Reconciliation to lease liabilities	212,420	509,676

	2024 \$	2023 \$
NOTE 11. DEFERRED TAX ASSET		
The balance comprises temporary differences attributable to:		
Tax losses carried forward	4,116,914	7,709,740
Employee entitlements	60,237	50,733
Accrued expenses	400,815	349,341
Property, plant and equipment	(15,857)	(28,895)
Lease liability	63,726	-
Total deferred tax asset	4,625,835	8,080,919
NOTE 12. INTANGIBLE ASSETS		
Work in progress	40,858	83,770
Intangible assets	997,870	928,394
Less: Accumulated Amortisation	(867,940)	(769,401)
Total intangible assets	170,788	242,763
Movements in carrying amounts		
Balance at the beginning of the year	242,763	326,819
Additions	26,564	65,153
Amortisation expense	(98,539)	(149,209)
Total intangible assets	170,788	242,763
NOTE 13. TRADE AND OTHER PAYABLES		
Suppliers and creditors	1,197,426	1,202,794
Accrued general expenses	1,173,511	1,253,661
Funeral Trusts (refer Note 32)	961,445	1,010,601
Total trade and other payables	3,332,382	3,467,056

	2024 \$	2023 \$
NOTE 14. OTHER PROVISIONS		
Annual leave	136,407	118,730
Long service leave	58,083	44,080
Allowances	6,300	6,300
Total other provisions	200,790	169,110
NOTE 15. MEMBERS' POLICY LIABILITIES		
Investment contracts:		
Education Fund	486,142	-
Flexible Insurance Fund	26,887,491	30,198,838
Funeral Benefit Fund	349,002,289	324,881,584
State Trustees Funeral Fund (Exempt and Taxable)	16,160,906	17,367,674
Total investment contracts	392,536,828	372,448,096
Defined benefit contracts:		
Sickness and Accident Fund**	-	15,000
Sick and Funeral Fund	20,844,700	21,908,267
The Police Association (Victoria) Benefit Fund	16,858	158,494
Death and Distress Fund*	5,000	11,896
Funeral Transfer Fund	217,428	167,706
Accident Fund**	-	5,000
Total defined benefit contracts	21,083,986	22,266,363
Interfund investment elimination	(681,604)	(1,198,167)
Total members' policy liabilities	412,939,210	393,516,292

*Terminated effective 31 March 2024. Provision for late claims.

**Terminated effective 31 January 2023. Provision for late claims.

NOTE 15. MEMBERS' POLICY LIABILITIES (CONTINUED)

The fair value of the financial liabilities as well as the method used to estimate the fair value is summarised in the table below. An explanation of the fair value hierarchy is detailed at Note 2F.

	2024 \$	2023 \$
	Market Observable Level 2	Market Observable Level 2
Investment contract policy liabilities	392,536,828	372,448,096
Defined benefit contract policy liabilities	21,083,986	22,266,363
Interfund investment elimination	(681,604)	(1,198,167)
	412,939,210	393,516,292

NOTE 16. SUPERANNUATION GUARANTEE CONTRIBUTIONS

During the year Foresters made contributions in respect of employee's superannuation to a complying superannuation fund in accordance with the Legislative requirements. Defined contributions of 11.00% (2023: 10.50%) for the year totalled \$284,121 (2023: \$234,320).

	2024 \$	2023 \$
NOTE 17. AUDITOR'S REMUNERATION		
Total of all remuneration received or due and receivable by the auditor in connection with:		
Audit of financial statements	157,000	151,380
Other professional review services	42,000	20,090
Total auditor's remuneration	199,000	171,470

NOTE 18. ACTUARY'S REMUNERATION

Total of all remuneration received or due and receivable by the actuary in connection with:

Actuary's statutory functions	134,107	130,500
Other services	196,020	163,350
Total actuary's remuneration	330,127	293,850

NOTE 19. DIRECTORS AND KEY MANAGEMENT PERSONNEL**Directors during the reporting period**

Caroline Banhidy – Chair (interim Chief Executive Officer, effective 25 July 2024)

David Heath – Director, resigned 26 February 2024

Michael Liu – Director, resigned 6 July 2024

Andrew Baxter – Director

Andrew Smith – Director

Rachel de Gruchy – Director, appointed 2 April 2024

Key Management Personnel

Emma Sakellaris – Chief Executive Officer, resigned 25 July 2024

NOTE 19. DIRECTORS AND KEY MANAGEMENT PERSONNEL (continued)

	2024 \$	2023 \$
Compensation		
Short term employee benefits	976,208	948,649
Total compensation	976,208	948,649

NOTE 20. RELATED PARTIES

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless stated.

The Directors hold policies in various benefit funds on terms and conditions no more favourable than those available to all members.

Loans to or from related parties

There are/were no loans to or from related parties at the current and previous reporting date.

Transactions with related parties

There were no related party transactions during the reporting period.

NOTE 21. SUBSEQUENT EVENTS

Emma Sakellaris (Chief Executive Officer) resigned effective 25 July 2024. Caroline Banhidly has been appointed as the interim CEO, effective 25 July 2024.

There are no other matters or circumstances that have arisen since 30 June 2024 that have significantly affected or may significantly affect the company's operations, the results of those operations, or state of affairs in future financial years.

NOTE 22. COMMITMENTS FOR EXPENDITURE

The company has no commitments for expenditure as at 30 June 2024 other than the lease of 4/417 St Kilda Rd, Melbourne, VIC, 3004 as disclosed at Note 10.

NOTE 23. FUND TERMINATION

During the reporting period APRA approved the termination of the Death and Distress Fund effective 31 March 2024.

NOTE 24. FINANCIAL RISK MANAGEMENT

Foresters' financial instruments comprise cash and cash equivalents, short and long-term fixed interest investments, government and semi-government securities, shares in listed companies and unit trusts. Foresters does not invest or trade in derivatives.

Foresters manages its exposure to key financial risks, particularly interest rate movements, in accordance with its Risk Management Framework and more specifically, the Investment Policy. The policy is overseen by the Investment Committee. Funds under management are invested in securities in accordance with the respective benefit fund's investment parameters. The investment parameters are approved by the Board.

The parameters take into account applicable legislation and are derived after consultation with Investment Advisors and the Appointed Actuary.

Foresters' investments are externally managed by investment advisors.

Foresters' Board retains responsibility for the investments and delegates responsibility for monitoring investment activity to the Investment Committee.

The Investment Committee aims to ensure that financial risks are appropriately managed in accordance with the guidelines for each benefit fund by making decisions on asset allocations either under delegation or for endorsement of the Board as is considered appropriate.

NOTE 24. FINANCIAL RISK MANAGEMENT (CONTINUED)

A. Significant Accounting Policies

Measurement, and the basis on which revenues and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 2 to the financial statements.

B. Financial risks

The entity is exposed to a number of financial risks including market risk, credit risk and liquidity risk.

Foresters' Risk Management Framework Strategy seeks to minimise these risks and their potential adverse effect on the financial performance of the company.

i. Market Risk – Fair value interest rate risk

As Foresters has significant interest-bearing investments, income and operating cash flows are exposed to changes in market interest rates. The Board has approved a set of investment parameters for the investment of each benefit fund's assets. These parameters take into consideration the requirements of applicable legislation and benefit fund rules as recommended by the Appointed Actuary.

ii. Market Risk – Price risk

Foresters is exposed to price risk relating to its equity exposures. To manage the risk arising from investments in equity securities, Foresters diversifies its portfolio in accordance with the investment parameters determined by the Investment Committee. There is no exposure to commodity price risk.

iii. Market Risk – Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. Foresters has no direct foreign exchange risk exposure.

iv. Credit Risk

Foresters is exposed to the risk of financial loss arising from credit risk should a counterparty default on its contractual obligations.

Foresters invests in accordance with its investment policy as a means of mitigating the risk of financial losses from defaults.

As an APRA regulated institution, Foresters monitors its exposure to risk, including credit risk, in compliance with prudential standards. Compliance with the prudential standards is monitored by the Board on an ongoing basis by ensuring policies and procedures are implemented in accordance with the Risk Management Framework.

The carrying amount of financial assets recorded in the financial statements represents the maximum exposure to credit risk.

v. Liquidity Risk

Liquidity risk is the risk that assets cannot be realised to allow the company to meet its obligations as they fall due.

Foresters manages liquidity risk by maintaining adequate cash reserves, by continuously monitoring actual and forecast cash flows and by matching the maturity profiles of financial assets and liabilities. Foresters aims to maintain a relatively flexible range of short and long- term investments to enable access to funding at short notice if necessary.

C. Net Fair Value

The carrying amounts of financial assets and financial liabilities recorded in the financial statements represent their respective net fair values.

NOTE 25. SENSITIVITY ANALYSIS**A. Interest Rate Risk**

Foresters investments are subject to risks associated with financial assets (Refer Note 24).

For the purpose of the analysing interest rate risk, the effect of a 1.50% interest rate increase or decrease (2023: 1.50%) on profit / (loss) before income tax and net assets is shown in the table below.

Fluctuations in interest rates will not have a material impact on cash flows as most investments are on fixed rates.

The fair value of assets may be impacted by movements in interest rates.

The impact of a 1.50% movement in interest rates is as follows:

	2024 \$		2023 \$	
	Net Profit / (Loss)	Net Assets	Net Profit / (Loss)	Net Assets
Adjusted by +1.5% increase	5,209,539	14,655,070	919,819	7,824,537
Net Profit / (Loss) before income tax	10,021,683	-	6,022,608	-
Net Assets	-	19,467,214	-	12,927,326
Adjusted by -1.5% decrease	14,833,827	24,279,358	11,125,397	18,030,115

B. Price Risk

For the purposes of the analysing price risk, the effect of a 10.00% increase or decrease (2023: 10.00%) in equity prices on profit / (loss) before income tax and net assets is shown in the table below.

	2024 \$		2023 \$	
	Net Profit / (Loss)	Net Assets	Net Profit / (Loss)	Net Assets
Adjusted by +10% increase	14,833,929	24,279,460	7,282,117	14,186,835
Net Profit / (Loss) before income tax	10,021,683	-	6,022,608	-
Net Assets	-	19,467,214	-	12,927,326
Adjusted by -10% decrease	5,209,437	14,654,968	4,763,099	11,667,817

NOTE 26. EXPOSURE TO INTEREST RATE RISK

The following tables detail Foresters' exposure to interest rate risk for assets and liabilities as at the reporting date:

	As at 30 June 2024 \$				Weighted average interest rates
	1 year or less	Over 1 year to 5 years	Over 5 years	Total	
<i>Financial Assets:</i>					
Cash and cash equivalents	60,671,039	-	-	60,671,039	3.99%
Trade and other receivables	998,878	-	-	998,878	Nil
Other financial assets	112,279,579	117,561,567	139,090,941	368,932,087	5.09%
Total Financial Assets	173,949,496	117,561,567	139,090,941	430,602,004	
<i>Financial Liabilities:</i>					
Trade and other payables	3,332,382	-	-	3,332,382	Nil
Total Financial Liabilities	3,332,382	-	-	3,332,382	

	As at 30 June 2023 \$				Weighted average interest rates
	1 year or less	Over 1 year to 5 years	Over 5 years	Total	
<i>Financial Assets:</i>					
Cash and cash equivalents	47,590,661	-	-	47,590,661	3.65%
Trade and other receivables	300,592	-	-	300,592	Nil
Other financial assets	76,731,088	212,123,173	63,926,740	352,781,001	3.57%
Total Financial Assets	124,622,341	212,123,173	63,926,740	400,672,254	
<i>Financial Liabilities:</i>					
Trade and other payables	3,467,056	-	-	3,467,056	Nil
Total Financial Liabilities	3,467,056	-	-	3,467,056	

NOTE 27. STATUTORY BENEFIT FUND INCOME AND EXPENSES

Benefit Fund	For the Period Ended 30 June 2024 \$															
	Net investment income	Insurance premiums and commissions	Other Income	Fees to management	Claims expenses	Changes in policy liabilities	Other expenses	Distributions paid to policy holders		Profit (loss) before tax	Income tax expense	Profit (loss) after tax	Surplus opening balance	Transfers to (from)	Current surplus/ (deficit)	
								Interim	Final							
Investment Contracts:																
Education Bond	40,835	-	-	(1,868)	-	(27,296)	(70)	-	-	11,601	(11,669)	(68)	-	-	(68)	
Insurance Bond	1,188,928	-	-	(427,341)	(26,875)	(41,722)	(1,943)	(284)	(454,477)	236,286	(156,038)	80,248	226,366	-	306,614	
Funeral Benefit	20,092,656	-	-	(4,885,702)	-	(2,341,490)	(584,881)	135,686	(3,038,654)	9,377,615	(3,603,922)	5,773,693	(9,141,319)	-	(3,367,626)	
State Trustees (Exempt and Taxable)	952,337	-	-	(251,898)	-	-	(60,911)	61	(307,325)	332,264	62,150	394,414	(62,696)	-	331,718	
Total investment contracts	22,274,756	-	-	(5,566,809)	(26,875)	(2,410,508)	(647,805)	135,463	(3,800,456)	9,957,766	(3,709,479)	6,248,287	(8,977,649)	-	(2,729,362)	
Insurance Contracts:																
Sickness and Accident	-	-	-	-	-	15,000	-	-	-	15,000	-	15,000	35,497	(50,497)	-	
Accident	-	-	-	-	-	5,000	-	-	-	5,000	-	5,000	45,000	(50,000)	-	
Funeral Transfer	9,720	54,960	-	(5,555)	(3,660)	(49,722)	(14)	-	-	5,729	(5,729)	-	-	-	-	
Sick and Funeral	290,988	18,246	-	(361,881)	(556,824)	1,434,481	(4,333)	-	(370,914)	449,763	-	449,763	2,483,155	(1,000,000)	1,932,918	
Police Association	127,365	1,412,317	-	(353,079)	(462,301)	141,635	(190)	-	-	865,747	(402,597)	463,150	2,717,371	(400,000)	2,780,521	
Death and Distress	11,490	11,250	-	(9,035)	(10,373)	6,896	(18)	-	-	10,210	(214)	9,996	360,691	(299,258)	71,429	
Total insurance contracts	439,563	1,496,773	-	(729,550)	(1,033,158)	1,553,290	(4,555)	-	(370,914)	1,351,449	(408,540)	942,909	5,641,714	(1,799,755)	4,784,868	
Total all contracts	22,714,319	1,496,773	-	(6,296,359)	(1,060,033)	(857,218)	(652,360)	135,463	(4,171,370)	11,309,215	(4,118,019)	7,191,196	(3,335,935)	(1,799,755)	2,055,506	

NOTE 27. STATUTORY BENEFIT FUND INCOME AND EXPENSES (CONTINUED)

For the Period Ended 30 June 2023 \$

Benefit Fund	Net Investment income	Insurance premiums and commissions	Other Income	Fees to management	Claims expenses	Changes in policy liabilities	Other expenses	Distributions paid to policy holders		Profit (loss) before tax	Income tax expense	Profit (loss) after tax	Surplus opening balance	Transfers to (from)	Current surplus/ (deficit)
								Interim	Final						
Investment Contracts:															
Bonus Bond	17,268	4,528	-	(4,528)	-	-	-	-	(22,430)	(5,162)	-	(5,162)	5,162	-	-
Flexible Insurance	672,850	-	-	(317,019)	(10,875)	(16,994)	(243)	(2)	(91,143)	236,574	(144,184)	92,390	51,198	82,778	226,366
Education and Savings	6,019	1,980	-	(6,858)	-	-	-	-	-	1,141	(1,217)	(76)	2,323	(2,247)	-
Funeral Benefit	13,856,439	-	-	(4,490,771)	-	(136,364)	(547,857)	(347)	(2,363,304)	6,317,796	(1,460,276)	4,857,520	(13,998,839)	-	(9,141,319)
State Trustees (Exempt and Taxable)	615,606	-	-	(269,002)	-	-	(88,297)	-	(197,459)	60,848	32,367	93,215	(155,911)	-	(62,696)
Blue Chip Endowment	213,112	-	-	(142,525)	(7,350)	-	(50)	-	-	63,187	(57,406)	5,781	74,210	(79,991)	-
Total investment contracts	15,381,294	6,508	-	(5,230,703)	(18,225)	(153,358)	(636,447)	(349)	(2,674,336)	6,674,384	(1,630,716)	5,043,668	(14,021,857)	540	(8,977,649)
Insurance Contracts:															
Sickness and Accident	2,206	33,897	-	(9,655)	(26,481)	14,000	-	-	-	13,967	118	14,085	254,396	(232,984)	35,497
Accident	7,377	18,027	-	(8,112)	(31,123)	32,000	(2,606)	-	-	15,563	(626)	14,937	507,375	(477,312)	45,000
Funeral Transfer	3,659	59,160	-	(3,532)	-	(49,288)	(4)	-	-	9,995	(9,995)	-	-	-	-
Sick and Funeral	(477,453)	22,714	-	(391,763)	(698,074)	2,296,017	(2,509)	-	(384,658)	364,274	-	364,274	2,318,881	(200,000)	2,483,155
Police Association	169,424	1,415,817	-	(353,954)	(524,708)	107,715	(91)	-	-	814,203	147,292	961,495	2,415,876	(660,000)	2,717,371
Death and Distress	9,791	12,455	-	(11,611)	(20,000)	(349)	(7)	-	-	(9,721)	166	(9,555)	370,246	-	360,691
Total insurance contracts	(284,996)	1,562,070	-	(778,627)	(1,300,386)	2,400,095	(5,217)	-	(384,658)	1,208,281	136,955	1,345,236	5,866,774	(1,570,296)	5,641,714
Total all contracts	15,096,298	1,568,578	-	(6,009,330)	(1,318,611)	2,246,737	(641,664)	(349)	(3,058,994)	7,882,665	(1,493,761)	6,388,904	(8,155,083)	(1,569,756)	(3,335,935)

NOTE 28. STATUTORY BENEFIT FUND ASSETS, LIABILITIES AND UNALLOCATED SURPLUS

As at 30 June 2024 \$										
Benefit Fund	Assets					Liabilities and Unallocated Surplus				
	Cash and cash equivalents	Receivables	Fixed interest and other investments	Current and deferred tax assets	Total assets	Provision for current and deferred tax	Creditors and other liabilities	Members policy liabilities	Total liabilities	Net assets
Investment Contracts:										
Education Bond	22,809	228	475,865	-	498,902	11,669	1,160	486,141	498,970	(68)
Insurance Bond	18,781,739	270	8,680,261	-	27,462,270	230,967	37,199	26,887,490	27,155,656	306,614
Funeral Benefit	28,011,904	555,368	316,775,826	1,629,218	346,972,316	621,158	716,493	349,002,291	350,339,942	(3,367,626)
State Trustees (Exempt and Taxable)	6,610,867	-	9,781,647	119,556	16,512,070	(5,509)	24,955	16,160,906	16,180,352	331,718
Total investment contracts	53,427,319	555,866	335,713,599	1,748,774	391,445,558	858,285	779,807	392,536,828	394,174,920	(2,729,362)
Insurance Contracts:										
Sickness and Accident	-	-	-	-	-	-	-	-	-	-
Accident	-	-	-	-	-	-	-	-	-	-
Funeral Transfer	198,760	-	99,110	-	297,870	4,933	75,509	217,428	297,870	-
Sick and Funeral	1,966,373	-	21,851,284	-	23,817,657	-	1,040,039	20,844,700	21,884,739	1,932,918
Police Association	588,240	-	2,881,414	-	3,469,654	255,530	416,745	16,858	689,133	2,780,521
Death and Distress	76,413	-	-	-	76,413	(23)	7	5,000	4,984	71,429
Total insurance contracts	2,829,786	-	24,831,808	-	27,661,594	260,440	1,532,300	21,083,986	22,876,726	4,784,868
Total all contracts	56,257,105	555,866	360,545,407	1,748,774	419,107,152	1,118,725	2,312,107	413,620,814	417,051,646	2,055,506

NOTE 28. STATUTORY BENEFIT FUND ASSETS, LIABILITIES AND UNALLOCATED SURPLUS (CONTINUED)

Benefit Fund	As at 30 June 2023 \$										
	Assets					Liabilities and Unallocated Surplus					
	Cash and cash equivalents	Receivables	Fixed interest and other investments	Other assets	Current and deferred tax assets	Total assets	Provision for current and deferred tax	Creditors and other liabilities	Members policy liabilities	Total liabilities	Net assets
Investment Contracts:											
Bonus Bond	-	-	-	-	-	-	-	-	-	-	-
Flexible Insurance	17,370,059	34,075	13,279,865	-	-	30,683,999	220,736	38,059	30,198,838	30,457,633	226,366
Education and Savings	-	-	-	-	-	-	-	-	-	-	-
Funeral Benefit	21,433,019	4,369,487	289,606,562	-	-	315,409,068	(818,044)	486,847	324,881,584	324,550,387	(9,141,319)
State Trustees (Exempt and Taxable)	1,132,763	57,369	16,116,819	-	-	17,306,951	(21,075)	23,048	17,367,674	17,369,647	(62,696)
Blue Chip Endowment	-	-	-	-	-	-	-	-	-	-	-
Total investment contracts	39,935,841	4,460,931	319,003,246	-	-	363,400,018	(618,383)	547,954	372,448,096	372,377,667	(8,977,649)
Insurance Contracts:											
Sickness and Accident	50,497	-	-	-	-	50,497	-	-	15,000	15,000	35,497
Accident	50,000	-	-	-	-	50,000	-	-	5,000	5,000	45,000
Funeral Transfer	112,654	-	141,570	-	-	254,224	11,192	75,325	167,706	254,224	-
Sick and Funeral	1,564,584	-	23,066,158	-	-	24,630,742	-	239,320	21,908,267	22,147,587	2,483,155
Police Association	1,874,244	144,931	1,737,424	-	-	3,756,599	192,266	688,468	158,494	1,039,228	2,717,371
Death and Distress	236,892	-	151,209	-	-	388,101	14,852	662	11,896	27,410	360,691
Total insurance contracts	3,888,871	144,931	25,096,361	-	-	29,130,163	218,310	1,003,776	22,266,363	23,488,499	5,641,714
Total all contracts	43,824,712	4,605,862	344,099,607	-	-	392,530,181	(400,073)	1,551,730	394,714,459	395,866,116	(3,335,935)

NOTE 29. STATUTORY BENEFIT FUNDS POLICY LIABILITIES

Benefit Fund	As at 30 June 2024 \$							
	Value of policy liabilities 1 July 2023	Allocation of surplus prior year	Liability component of contributions	Withdrawals (Including interim bonuses)	Allocation of surplus current year	Member liability revaluation	Restructured benefit funds	Value of policy liabilities at the end of the year
Investment Contracts:								
Education Bond	-	-	458,844	-	-	27,297	-	486,141
Insurance Bond	30,107,693	91,145	171,015	(3,978,562)	454,477	41,722	-	26,887,490
Funeral Benefit	322,518,280	2,363,304	66,600,260	(45,575,746)	3,038,654	57,539	-	349,002,291
State Trustees (Exempt and Taxable)	17,170,215	197,459	17,080	(1,531,173)	307,325	-	-	16,160,906
Total investment contracts	369,796,188	2,651,908	67,247,199	(51,085,481)	3,800,456	126,558	-	392,536,828
Insurance Contracts:								
Sickness and Accident	15,000	-	-	-	-	(15,000)	-	-
Accident	5,000	-	-	-	-	(5,000)	-	-
Funeral Transfer	167,706	-	-	-	-	49,722	-	217,428
Sick and Funeral	21,523,609	384,658	-	-	370,914	(1,434,481)	-	20,844,700
Police Association	158,494	-	-	-	-	(141,636)	-	16,858
Death and Distress	11,896	-	-	-	-	(6,896)	-	5,000
Total insurance contracts	21,881,705	384,658	-	-	370,914	(1,553,291)	-	21,083,986
Total all contracts	391,677,893	3,036,566	67,247,199	(51,085,481)	4,171,370	(1,426,733)	-	413,620,814

NOTE 29. STATUTORY BENEFIT FUNDS POLICY LIABILITIES (CONTINUED)

Benefit Fund	As at 30 June 2023 \$							
	Value of policy liabilities 1 July 2022	Allocation of surplus prior year	Liability component of contributions	Withdrawals (including interim bonuses)	Allocation of surplus current year	Member liability revaluation	Restructured benefit funds	Value of policy liabilities at the end of the year
Investment Contracts:								
Bonus Bond	1,384,874	4,130	24,886	(1,436,320)	22,430	-	-	-
Flexible Insurance	12,018,332	47,653	1,241,655	(1,015,751)	91,145	16,995	17,798,809	30,198,838
Education and Savings	641,873	1,932	46,631	(77,501)	-	-	(612,935)	-
Funeral Benefit	308,022,665	1,917,329	41,242,110	(28,663,824)	2,363,304	-	-	324,881,584
State Trustees (Exempt and Taxable)	18,799,443	74,298	12,572	(1,716,098)	197,459	-	-	17,367,674
Blue Chip Endowment	19,163,176	-	-	(1,977,302)	-	-	(17,185,874)	-
Total investment contracts	360,030,363	2,045,342	42,567,854	(34,886,796)	2,674,338	16,995	-	372,448,096
Insurance Contracts:								
Sickness and Accident	29,000	-	-	-	-	(14,000)	-	15,000
Accident	37,000	-	-	-	-	(32,000)	-	5,000
Funeral Transfer	118,419	-	-	-	-	49,287	-	167,706
Sick and Funeral	23,406,388	413,238	-	-	384,658	(2,296,017)	-	21,908,267
Police Association	266,209	-	-	-	-	(107,715)	-	158,494
Death and Distress	11,547	-	-	-	-	349	-	11,896
Total insurance contracts	23,868,563	413,238	-	-	384,658	(2,400,096)	-	22,266,363
Total all contracts	383,898,926	2,458,580	42,567,854	(34,886,796)	3,058,996	(2,383,101)	-	394,714,459

NOTE 30. STATUTORY BENEFIT FUND CAPITAL ADEQUACY

As at 30 June 2024 \$

Benefit Fund	Gross assets	Policy liabilities	Other liabilities	Net assets	Regulatory adjustments	Capital base	Asset risk charge	Insurance risk charge	Aggregation benefit	Operational risk charge	Combined stress test	Discretionary component of liabilities	To comply with \$10M minimum requirements	Total prescribed capital amounts	Capital surplus	Capital coverage
Investment Contracts:																
Education Bond	487,233	486,141	1,160	(68)	-	-	-	-	-	-	-	-	-	-	-	0%
Insurance Bond	27,231,303	26,887,490	37,199	306,614	-	-	-	-	-	-	-	-	-	-	-	0%
Funeral Benefit	346,351,158	349,002,291	716,493	(3,367,626)	-	-	-	-	-	-	-	-	-	-	-	0%
State Trustees (Exempt and Taxable)	16,517,579	16,160,906	24,955	331,718	-	-	-	-	-	-	-	-	-	-	-	0%
Total investment contracts	390,587,273	392,536,828	779,807	(2,729,362)	-	-	-	-	-	-	-	-	-	-	-	
Insurance Contracts:																
Sickness and Accident	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Accident	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Funeral Transfer	292,937	217,428	75,509	-	(123,909)	123,909	13,066	13,794	(6,049)	-	-	-	-	20,811	103,098	595%
Sick and Funeral	23,817,657	20,844,700	1,040,039	1,932,918	-	1,932,918	1,366,292	1,240,264	(585,954)	-	-	(2,020,602)	500,000	500,000	1,432,918	387%
Police Association	3,214,124	16,858	416,745	2,780,521	-	2,780,521	482,144	754,517	(263,382)	-	-	-	-	973,279	1,807,242	286%
Death and Distress	76,436	5,000	7	71,429	-	71,429	72	5,000	(57)	-	-	-	-	5,015	66,414	1424%
Total insurance contracts	27,401,154	21,083,986	1,532,300	4,784,868	(123,909)	4,908,777	1,861,574	2,013,575	(855,442)	-	-	(2,020,602)	500,000	1,499,105	3,409,672	
Management Fund	20,811,274	-	3,399,563	17,411,711	3,386,515	14,025,196	411,659	-	-	1,101,115	176,425	-	6,811,696	8,500,895	5,524,301	165%
Interfund elimination	(681,604)	(681,604)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Society	438,118,097	412,939,210	5,711,670	19,467,217	3,262,606	18,933,973	2,273,233	2,013,575	(855,442)	1,101,115	176,425	(2,020,602)	7,311,696	10,000,000	8,933,973	189%

NOTE 30. STATUTORY BENEFIT FUND CAPITAL ADEQUACY (CONTINUED)

As at 30 June 2023 \$																
Benefit Fund	Gross assets	Policy liabilities	Other liabilities	Net assets	Regulatory adjustments	Capital base	Asset risk charge	Insurance risk charge	Aggregation benefit	Operational risk charge	Combined stress test	Discretionary component of liabilities	To comply with \$10M minimum requirements	Total prescribed capital amounts	Capital surplus	Capital coverage
Investment Contracts:																
Bonus Bond	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Flexible Insurance	30,463,267	30,198,838	38,063	226,366	-	-	-	-	-	-	-	-	-	-	-	0%
Education and Savings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Funeral Benefit	316,227,112	324,881,584	486,847	(9,141,319)	-	-	-	-	-	-	-	-	-	-	-	0%
State Trustees (Exempt and Taxable)	17,328,026	17,367,674	23,048	(62,696)	-	-	-	-	-	-	-	-	-	-	-	0%
Blue Chip Endowment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Total investment contracts	364,018,405	372,448,096	547,958	(8,977,649)	-	-	-	-	-	-	-	-	-	-	-	
Insurance Contracts:																
Sickness and Accident	50,497	15,000	-	35,497	-	35,497	-	10,000	-	-	-	-	-	10,000	25,497	355%
Accident	50,000	5,000	-	45,000	-	45,000	-	10,000	-	-	-	-	-	10,000	35,000	450%
Funeral Transfer	243,032	167,706	75,326	-	(113,000)	113,000	10,000	40,000	(7,000)	-	2,000	-	-	45,000	68,000	251%
Sick and Funeral	24,630,742	21,908,267	239,320	2,483,155	-	2,483,155	2,029,000	1,193,000	(671,000)	-	236,000	(2,787,000)	500,000	500,000	1,983,155	497%
Police Association	3,564,333	158,494	688,468	2,717,371	144,931	2,572,440	385,000	760,000	(227,000)	-	125,000	-	-	1,043,000	1,529,440	247%
Death and Distress	373,249	11,896	662	360,691	-	360,691	2,000	18,000	(1,000)	-	6,000	-	-	25,000	335,691	1,443%
Total insurance contracts	28,911,853	22,266,363	1,003,776	5,641,714	31,931	5,609,783	2,426,000	2,031,000	(906,000)	-	369,000	(2,787,000)	500,000	1,633,000	3,976,783	
Management Fund	19,809,933	-	3,546,672	16,263,261	4,063,474	12,199,785	316,000	-	-	977,000	43,000	-	7,031,000	8,367,000	3,832,785	146%
Interfund elimination	(1,198,167)	(1,198,167)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Society	411,542,024	393,516,292	5,098,406	12,927,326	4,095,405	17,809,568	2,742,000	2,031,000	(906,000)	977,000	412,000	(2,787,000)	7,531,000	10,000,000	7,809,568	178%

NOTE 31. TRUSTEE

Foresters Financial Limited is a Trustee of Foresters Financial Funeral Funds Trust and The Andrew Kennedy Walters and Son Wood Coffill Group Funeral Fund, under pre-paid funeral contracts within the meaning of Part IV of the *Funeral Funds Act 1979* (NSW).

Foresters is exempt from the registration requirements of Section 35 and the requirement to report to Fair Trading NSW under the *Funeral Funds Act 1979* (NSW).

As required by law and the trust deeds, funds held in trust are required to be held separately from those of the company.

Notwithstanding this, the assets and liabilities of the trusts have been disclosed in the company's financial statements as required by Australian Accounting Standards (refer Note 13).

CONSOLIDATED ENTITY DISCLOSURE STATEMENT AS AT 30 JUNE 2024

Subsection 295(3A)(a) of the Corporations Act 2001 does not apply to the company, because the company is not required to prepare consolidated financial statements by Australian Accounting Standards.

In the Directors' opinion:

- The attached financial statements and notes thereto comply with the *Corporations Act 2001*, applicable Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- The attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 2 to the financial statements;
- The attached financial statements and notes give a true and fair view of Foresters' financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
- There are reasonable grounds to believe that Foresters will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the Directors:



Caroline Banhidy
Chair

Melbourne, 23 September 2024



Andrew Smith
Director

Melbourne, 23 September 2024

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INDEPENDENT AUDITOR'S REPORT To the Members of Foresters Financial Limited

Opinion

We have audited the financial report of Foresters Financial Limited ("the Company"), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Foresters Financial Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2024; but does not include the financial report and the Independent Auditor's Report thereon.

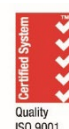
Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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Other Information (cont.)

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 this 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/ar4.pdf. This description forms part of our auditor's report.

A handwritten signature in blue ink that reads 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink, appearing to be 'Warwick Ja Spargo'.

WARWICK JA SPARGO

Partner

Dated: 25 September 2024
Melbourne, Victoria



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Appointed Actuary's Statement

Liability valuations are established on balance sheet as of 30 June 2024. They are estimates of ultimate expected payments in respect of obligations that occurred prior to the end of the accounting period. I have undertaken actuarial valuations in respect of each of the Benefits Funds of Foresters Financial Limited (the Society) as at 30 June 2024 in accordance with the Life Insurance Act 1995 (the Act). In my opinion:

- The value of the policy liabilities of the Society and the capital adequacy of the Society have been estimated using methods and assumptions consistent with the Prudential Standards;
- The allocation and distribution of the surplus of the approved Benefit Funds have been made in accordance with Division 5 and 6 of Part 4 of the Act and the rules of each Benefit Fund, and
- Proper records have been kept by the Society in respect of each approved Benefit Fund from which its value of benefit entitlements and capital adequacy have been able to be properly determined.

There is inherent uncertainty in the process of establishing the actuarial valuations with the following a summary of the key methodology and assumptions:

1. Defined Contribution Funds (Excluding Funeral Bond Funds)

The liability has been taken to be the sum of the members' account balances for the non-funeral Defined Contribution Funds.

2. Defined Benefit Funds and Funeral Bond Funds

For the Defined Benefit Funds and the Funeral Bond Funds, the liability is equal to the present value of future benefits, expenses and profits less the present value of future contributions, determined by applying the following assumptions:

- Mortality expressed as a percentage of Australian Life Tables 2015-2017 for the IOR Sick and Funeral Fund, State Trustees Fund Taxable, State Trustees Fund Tax Exempt, Funeral Benefit Fund Taxable, Funeral Benefit Fund Tax Exempt, Funeral Transfer Fund and Victoria Police Benefit Fund
- Late notification of claims for inactive Death and Distress Fund
- Sickness payments forecast as a percentage of contributions of the Victoria Police Benefit Fund
- Age based resignation rates for the Victoria Police Benefit Fund
- Future profits for the Funeral Transfer Fund
- Gross interest rates based on Commonwealth Government Bond yields
- Future bonus rates for the Funeral Bond Funds and IOR Sick and Funeral Fund.

Yours sincerely

Alan Merten
Partner
Appointed Actuary Foresters Financial Limited

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Foresters Financial Limited is a registered company under the Corporations Act 2001 (Cth).

The company is a public company limited by shares and guarantee.

Registered Business Name: Foresters Financial

Registered office and principal place of business is:

4/417 St Kilda Rd
Melbourne VIC 3004

ABN 27 087 648 842

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