FORESTERS
FINANCIAL

# Annual Report
# 2025

# Contents

# About Foresters Financial

For over 176 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 $449 million in funds under management and over 97,000 members Australia-wide.

# 2025 Key Highlights

97,000+
members

$449m
funds under management

$23.4m
inflows to market-linked funeral products

$8.1m
distributed as bonuses to policyholders

$350k
Inflows to Investment & Education Bonds

# 2025 Chair's Report

***Rachel de Gruchy***

I am honoured to present the Chair's report in my first year as Chair of Foresters Financial.

This year we witnessed renewed energy within Foresters with a fresh management team, leading with a sharpened focus on our strategic goals and an unwavering dedication to our values. The Board and executive team worked closely together to revitalise our approach—incorporating new perspectives and strengthening our commitment to governance, risk management, and sustainable growth. Our vision for Foresters remains clear: to empower members at every life stage and ensure our services and products are both relevant and robust in a rapidly changing world.

Over the past year, the Board has prioritised transparent governance and open dialogue - with our members, partners, and within our own teams. These conversations have enriched our understanding and ensured that our strategic direction remains aligned with the needs and aspirations of our members and key stakeholders. The Board and executive management team recognise the vital role they play in shaping and embedding a healthy corporate culture and this continued to be a focus during the year.

We now have 97,000 members whose life milestone needs we proudly serve, whether through our funeral, investment or education bond products.

We were pleased to once again deliver solid investment returns to our members, during a period marked by continued geopolitical and economic uncertainty, with challenging markets and facing headwinds presented by volatile interest rates. Our Funds Under Management rose to a record $449mln during the year, an increase of 7.73%. We also achieved one of our best years ever in sales of funeral, investment and education bonds.

Our financial performance was robust, demonstrating the resilience of the business, and our capital position remains strong.

The Board regularly reviews its composition, and we are committed to ensuring we have the right balance of skills and experience. We were delighted to welcome Nicolle Rantanen to the Board in early 2025. Nicolle brings a wealth of experience / expertise in public and private sector organisations across the finance, superannuation, legal and service delivery functions.

It was a year of renewal with Caroline Banhidy appointed as CEO and the executive team reinvigorated, bringing the skills and capabilities needed for the next phase of Foresters' growth. Caroline's insights from the perspective of her dual CEO/Executive Director role have been immensely valuable as we develop and grow during this time of change.

We place special emphasis on supporting our members through key milestones, adapting to evolving needs, and fostering a culture that embraces innovation and accountability. As we navigate the evolving landscape, our ability to manage risk and adapt to change will prove invaluable.

I wish to express my sincere gratitude to our hardworking team for their dedication during a year marked by significant change. I would also like to thank my board colleagues for their continued support. Most importantly, I extend my appreciation to our members and funeral director clients for the trust they place in Foresters, which motivates us to continually strive towards a standard of consistent excellence.

Looking ahead, we are dedicated to not only navigating but thriving in an increasingly complex environment. Our actions and decisions are consistently guided by our core values, ensuring that our members remain at the heart of what we do.

Thank you.
Rachel de Gruchy
Chair

# 2025 CEO's Report

*Caroline Banhidy*

It is a privilege to present this year's Annual Report as Chief Executive Officer of Foresters Financial following my transition from Board Chair to CEO in November 2024. In addition to leading the executive, I continue to serve as a Director of the organisation. This dual role is both strategic and deliberate: it allows Foresters to draw on continuity of leadership while accelerating our transformation agenda and ensures that governance insight is closely aligned with execution. I remain committed to maintaining the highest standards of governance while steering the organisation operationally.

The 2024 - 25 financial year was marked by renewal. We farewelled several long serving executives and directors whose contributions helped shape Foresters while welcoming new leaders and investing in capability across growth, client service and operations. This renewal has ensured that Foresters is equipped to deliver not only on its core commitments, but also on its forward looking strategy.

Operational Excellence has been a central theme. We have strengthened our compliance and governance frameworks in line with the Australian Prudential Regulation Authority requirements, embedding CPS 220 (Risk Management), CPS 230 (Operational Risk Management), and CPS 234 (Information Security) while we prepared for the introduction of the Financial Accountability Regime in March. We maintained daily unit pricing across our funds, commenced a client service system uplift including development of a long term technology roadmap and laid the foundations for new portals to improve efficiency, data quality and reporting for members and partners. These investments create a stronger, more resilient organisation able to serve our members and distribution partners with confidence.

Equally important has been our focus on building a high-performing team. This year was not only marked by leadership transition, but also by substantial renewal across the broader staff. While this level of change is always demanding, it has given Foresters the opportunity to reset capability, culture and performance expectations.

Our people have shown extraordinary resilience, adaptability and energy throughout this process. We have invested in training, development and leadership programs to build capability and foster a culture of accountability, collaboration and continuous improvement. This renewal is not just about filling roles; it is about equipping Foresters with the right skills, mindset and culture to thrive in a changing financial services landscape.

This focus on people is critical to Foresters today and sets the organisation up to deliver sustainably for the long term. With a refreshed team and a clear vision, we are better positioned to deliver outstanding service to our members and partners and to pursue our broader strategy with confidence.

Despite a challenging external environment marked by persistent inflation, weaker consumer confidence and ongoing consolidation in the financial services sector, Foresters delivered steady growth in its core Funeral Bond business. Funds under management continued to increase, underpinned by disciplined investment management and solid inflows. Importantly, we are looking forward to the development of enhanced reporting and insights for funeral directors, recognising their pivotal role as trusted partners in helping families plan with confidence.

Looking ahead, Foresters' strategic vision remains clear: to evolve beyond traditional funeral products into a broader life planning and milestone partner. This includes exploring new opportunities and partnerships with mission-aligned organisations. These initiatives are designed to preserve our mutual ethos while positioning Foresters for relevance and growth in a changing market.

I would like to thank our staff, directors, partners and members for their commitment and trust during this period of renewal. Foresters enters the new financial year with stronger foundations, a high-performing team and a relentless focus on operational excellence. These strengths will enable us to protect legacies, deliver value to our members and seize the opportunities ahead with confidence.

Thank you.
Caroline Banhidy
Chief Executive Officer & Executive Director

# Board of Directors

## Rachel de Gruchy
**MAppFin, GAICD, Chartered Fellow CISI (UK), Dip IoD**
**Chair**
Non-Executive Director
(As at 30 June 2025) Member of: Audit and Compliance Committee; Risk Committee, Investment Committee (Chair); People and Culture Committee

Rachel has over 40 years' 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 Deputy Chair, independent member of the investment committee of The Australian & New Zealand College of Anaesthetists and an independent member of the investment committee of Thorne Harbour Health.

## Andrew Baxter
**BBus(Mktg), FAMI CPM, FAICD**
**Deputy Chair**
Non-Executive Director
(As at 30 June 2025) Member of: Investment Committee; People and Culture Committee (Chair)

Andrew brings extensive experience in high-profile Chair and Board roles. Prior to this he successfully led two of the country's largest communications agencies, Publicis and Ogilvy, for over a decade. Andrew regularly speaks and writes 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. He is also a sought-after strategy consultant through his management advisory business, the 24HR Business Plan.

Andrew's current board appointments include Australian Pork (Chair), Boomtown (Chair), Hypetap, Agricultural Innovation Australia, Sydney Symphony Orchestra (Deputy Chair), OzHarvest, Queens Fund, 24HR Business Plan.

## Andrew Smith
**BCom, CA, MBA, FAICD**
Non-Executive Director
(As at 30 June 2025) Member of: Audit and Compliance Committee (Chair); Risk Committee
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. Andrew was the Group CEO of InvoCare Limited, the largest private operator of funeral homes and cemeteries in Australia, New Zealand and Singapore from 2008 to 2015. 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 Past YPO ANZ Regional Gold Chair).

# Board of Directors

## Nicolle Rantanen

**FAICD, FCPA ,MComLaw, MBA,BCom (Acc)**

Non-Executive Director (February 2025 - current)

(As at 30 June 2025) Member of: Audit and Compliance Committee; Risk Committee (Chair); Investment Committee; People and Culture Committee

Nicolle has over 25 years' experience in public and private sector organisations across finance, superannuation, legal and service delivery functions. Nicolle has been Chief Executive Officer at SA Public Trustees, Chief Operating Officer at the Department of Treasury and Finance (SA), Chief Executive Officer/Chief Operating Officer at Statewide Superannuation and Director Strategy and Business Services, SuperSA.

Nicolle's current board appointments include Chair of Thoroughbred Racing Northern Territory, President of The Grange Golf Club and Board member of the Adelaide University Transition Council, Lutheran Laypeople's League (LLL) Australia, and Clayton Church Homes. Nicolle is also an Australian Institute of Company Directors (AICD) Divisional Councillor for South Australia.

## Caroline Banhidy

**BEc(Hons), MBA, GAIST, MAICD**

Executive Director

(As at 30 June 2025) Member of: Investment Committee; People and Culture Committee

Caroline has almost 40 years' experience in financial services, governance and business transformation in both Australia and abroad. She first joined Foresters Financial in 2019 as a Non-Executive Director and Deputy Chair, later serving as Board Chair before her appointment as Chief Executive Officer in November 2024.

Caroline brings extensive expertise in investment governance, risk management and organisational strategy with a particular focus on de-risking and future proofing businesses. She has held governance and advisory roles across financial services, technology and professional associations including Non-Executive Director positions with the Institute of Financial Professionals Australia and Oxil. Caroline is the Principal of Bangay Capital Pty Ltd.

Caroline holds an Honours Degree in Economics from Monash University and an MBA from Melbourne Business School. She has also completed the Trustee Director Course with the Australian Institute of Superannuation Trustees and the Board Mastery™ program with the Australian Institute of Company Directors.

It is noted that Michael Liu, Non-Executive Director resigned on 6 July 2024.

# Annual Financial Report for year ended 30 June 2025

Foresters Financial Limited ABN 27 087 648 842
Australian Financial Services Licence No. 241421

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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 2025.

**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**
Board member since August 2019
Chair November 2020 to November 2024
Chief Executive Officer from 26 July 2024

**Rachel de Gruchy**
Board member since April 2024
Chair since November 2024

**Andrew Baxter**
Board member since July 2020
Deputy Chair since November 2024

**Andrew Smith**
Board member since November 2020

**Nicolle Rantanen**
Board member since February 2025

**Michael Liu**
Resigned July 2024

**Chief Executive Officer**

Caroline Banhidy
*BEc(Hons), MBA GAIST, MAICD*
*(Interim CEO: from 26 July 2024*
*Appointed CEO: 18 November 2024)*

Emma Sakellaris
*BEd, Dip of Fin Planning, Master Ind&Emp Law, MBA/LLM (CommLaw), GAICD*
*(resigned 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 31, 405 Bourke Street
Melbourne VIC 3000

## PRINCIPAL ACTIVITIES

During the reporting period, Foresters Financial (Foresters) focused on strengthening its strategic position through the ongoing development of multi-year referral partner relationships, aimed at fostering sustainable growth and enhancing market reach. In addition, Foresters maintained its commitment to members and investors by ensuring the prompt and accurate provision of benefits in response to claims, with respect to the following products:

- Investment bonds
- Funeral bonds
- Education bonds
- Defined benefit products

## COMPANY OBJECTIVES

Foresters' objective is to be recognised as a trusted provider of, funeral products, investment bonds and education bonds, delivering value through sustainable growth, superior service, and a strong commitment to its members, investors, and communities.

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

- Remaining highly committed to the Funeral Bond and Prepaid Business and complementary growth in the Investment and Education bond business;
- Ongoing build of national distribution channels, including diversified referral partnerships;
- Commitment to enhancement of Information Technology platforms; and
- Continued community focus and responsible investment philosophies and practices.

Foresters' focus on refining investment offerings, targeting specific audiences and relationships, will support the creation of intergenerational wealth opportunities for members and investors. Foresters will continue to prioritise the funeral pre-planning market, working closely with 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 Foresters' Investment Policy.

Foresters maintains its strong focus on the wellbeing of members, investors, policyholders, and the communities in which it operates. Foresters seeks 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

The Board meets at least annually and as required to refine and develop strategic and annual business plans. The plans are actively monitored throughout the year and include management reporting at each Board meeting.

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 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 employees, including 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 management during the annual strategic and business planning phases.

## THE BOARD AND BOARD COMMITTEES

The Board is responsible for governance and the sound and prudential management of Foresters. To assist the Board in fulfilling its governance and oversight responsibilities, the Board established the following Committees:

- Audit and Compliance (ACC);
- Risk (RC);
- Investment (IC); and
- People and Culture (PCC).

## DIRECTOR RESIGNATION

Michael Liu resigned effective 6 July 2024.

## NEWLY APPOINTED DIRECTOR

Nicolle Rantanen was appointed as Director on 3 February 2025.

## MEETINGS OF DIRECTORS

The number of Board and Committee meetings each Director was eligible to attend, and the actual number attended during the year ended 30 June 2025, are shown in the below table:

| Director | Board | Audit and Compliance Committee (ACC) | Risk Committee (RC) | Investment Committee (IC) | People and Culture Committee (PCC) |
|---|---|---|---|---|---|
| Rachel de Gruchy[1] | 8 of 8 | 5 of 5 | 3 of 3 | 4 of 4 | 3 of 3 |
| Andrew Baxter[2] | 8 of 8 | 2 of 3 | 3 of 3 | 2 of 3 | 4 of 4 |
| Andrew Smith[3] | 8 of 8 | 5 of 5 | 4 of 4 | 2 of 2 | 1 of 2 |
| Caroline Banhidy[4] | 8 of 8 | 3 of 3 | 2 of 2 | 4 of 4 | 4 of 4 |
| Nicolle Rantanen[5] | 3 of 3 | 1 of 2 | 2 of 2 | 2 of 2 | 0 of 1 |
| Michael Liu[6] | 0 | 0 | 0 | 0 | 0 |

## 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.

## REVIEW OF OPERATIONS AND FINANCIALS

The success of Foresters' operations for the year ended 30 June 2025 is reflected by the following:

- Funds under management increased by $32.2m or 7.73% driven by investment performance and product sales, particularly of Funeral Bonds.
- Profit after tax excluding distributions to policyholders of $13.6m. The strongest profit performance in over 10 years.
- A 101% increase from the prior year in total distributions to policyholders to over $8m.
- An increase in the net assets of the Management Fund to over $18m.
- 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 2025 are as follows:

| | 2025 $ | 2024 $ |
|---|---|---|
| **Foresters Financial** | | |
| Total assets | 465,380,127 | 436,152,016 |
| Increase (decrease) in total assets | 29,228,110 | 25,562,556 |
| Funds under management | 449,031,958 | 416,802,512 |
| Profit (loss) after tax (excluding bonuses paid) | 13,622,192 | 10,575,795 |
| Profit (loss) after tax (including bonuses paid) | 5,511,926 | 6,539,888 |
| **Management Fund** | | |
| Profit (loss) after tax | (441,861) | (651,303) |
| Net assets | 18,446,681 | 17,411,711 |

## 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.

1 Rachel de Gruchy: Board Chair from 18 November 2024. Chair of ACC until February 2025. Chair of IC for entire reporting period.
2 Andrew Baxter: Deputy Chair from 18 November 2024. Chair of PCC for entire reporting period.
3 Andrew Smith: Chair of RC until February 2025. Chair of ACC from February 2025.
4 Caroline Banhidy: Chair of the Board from July to November. Ceased being a member of the ACC and RC upon appointment as CEO and Executive Director in November 2025.
5 Nicolle Rantanen: appointed 3 February 2025. Chair of RC from February 2025.
6 Michael Liu: Resigned 6 July 2024. No meetings occurred from 1 July to 6 July 2024 (inclusive)

## BONUS DECLARATION

The Directors have resolved that the following bonus rates be paid for the year ended 30 June 2025:

| | 2025 | 2024 |
|---|---|---|
| Flexible Insurance Fund | 1.50% | 1.75% |
| Funeral Benefit Fund Exempt | 2.00% | 0.75% |
| Funeral Benefit Fund Taxable (Pre 1 February 2011) | 0.35% | 0.35% |
| Funeral Benefit Fund Taxable (Post 1 February 2011) | 2.50% | 1.05% |
| State Trustees Funeral Benefit Fund Exempt | 6.00% | 3.00% |
| State Trustees Funeral Benefit Fund Taxable | 4.00% | 1.50% |

## EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There are no matters or circumstances that have arisen since 30 June 2025 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.

## 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.

## 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.

## ENVIRONMENTAL REGULATIONS

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

## 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 2025, Foresters had 97,092 members (2024: 95,927) with a total guarantee of $97,092 (2024: $95,927).

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*.

On behalf of the Directors:

**Rachel de Gruchy**
**Chair**

Melbourne, 15 September 2025

**Andrew Smith**
**Director**

Melbourne, 15 September 2025

RSM Australia Partners

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# AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Foresters Financial Limited for the year ended 30 June 2025, 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

**RSM AUSTRALIA**

**WARWICK JA SPARGO**
Partner

16 September 2025
Melbourne, Victoria

# Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2025

| | Note | 2025 $ | 2024 $ |
|---|---|---|---|
| **Revenue** | | | |
| Insurance premiums received | 4 | 1,507,691 | 1,496,431 |
| Fees and commissions | 4 | 19,898 | 20,552 |
| Net investment income | 4 | 30,513,876 | 23,415,758 |
| Other income | | 60 | 5,245 |
| **Total revenue** | | **32,041,525** | **24,937,986** |
| **Expenses** | | | |
| Ordinary expenses | 5 | 13,003,383 | 10,880,396 |
| Distributions to policyholders | | 8,110,266 | 4,035,907 |
| **Total expenses** | | **21,113,649** | **14,916,303** |
| **Profit / (loss) before income tax** | | **10,927,876** | **10,021,683** |
| Income tax expense / (benefit) | 6 | 5,415,950 | 3,481,795 |
| **Profit / (loss) after income tax** | | **5,511,926** | **6,539,888** |
| Other comprehensive income | | - | - |
| **Total comprehensive income/(loss) for the year** | | **5,511,926** | **6,539,888** |

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 2025

| | Note | 2025 $ | 2024 $ |
|---|---|---|---|
| **Assets** | | | |
| Cash and cash equivalents | 7 | 28,059,953 | 60,671,039 |
| Trade and other receivables | 8 | 749,116 | 1,200,323 |
| Investments | 9 | 435,418,861 | 368,932,087 |
| Current tax asset | | - | 277,304 |
| Right of use asset | 10 | 593,786 | 175,644 |
| Property, plant and equipment | | 80,810 | 98,996 |
| Deferred tax asset | 11 | 387,435 | 4,625,835 |
| Intangibles | 12 | 90,166 | 170,788 |
| **Total assets** | | **465,380,127** | **436,152,016** |
| **Liabilities** | | | |
| Trade and other payables | 13 | 3,089,805 | 3,332,382 |
| Other provisions | 14 | 192,080 | 200,790 |
| Provision for current tax | | 1,370,092 | - |
| Leased liabilities | 10 | 605,186 | 212,420 |
| Members' policy liabilities | 15 | 435,143,824 | 412,939,210 |
| **Total liabilities** | | **440,400,987** | **416,684,802** |
| **Net assets** | | **24,979,140** | **19,467,214** |
| **Equity** | | | |
| Retained earnings | | 24,979,140 | 19,467,214 |
| **Total equity** | | **24,979,140** | **19,467,214** |

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 2025

| | Note | 2025 $ | 2024 $ |
|---|---|---|---|
| **Total equity at the beginning of the year** | | **19,467,214** | **12,927,326** |
| Total comprehensive income / (loss) for the year | | 5,511,926 | 6,539,888 |
| Transfers from benefit funds | | (1,476,831) | (1,799,755) |
| Transfers to the management fund | | 1,476,831 | 1,799,755 |
| **Total equity at the end of the year** | | **24,979,140** | **19,467,214** |

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 2025

| | Note | 2025 $ | 2024 $ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Premiums and contributions received | | 51,905,853 | 51,186,510 |
| Interest on investments received | | 17,189,176 | 16,386,645 |
| Dividends and distributions received | | 2,342,591 | 861,534 |
| Payments for operating expenses | | (13,031,998) | (11,791,114) |
| Lease payments – interest | | (21,796) | (17,849) |
| Claims and benefits paid | | (36,231,415) | (34,303,069) |
| Income tax refunds/(paid) | | 469,846 | 562,888 |
| **Net cash (used) / provided by operating activities** | | **22,622,257** | **22,885,545** |
| **Cash flows from investing activities** | | | |
| Payment for non-current assets | | (60,439) | (98,887) |
| Net sales / (purchases) of investments | | (54,897,661) | (9,409,025) |
| **Net cash (used) / provided by investing activities** | | **(54,958,100)** | **(9,507,912)** |
| **Cash flows from financing activities** | | | |
| Lease payments - principal | | (275,243) | (297,255) |
| **Net cash (used) / provided by financing activities** | | **(275,243)** | **(297,255)** |
| Net increase / (decrease) in cash held | | (32,611,086) | 13,080,378 |
| **Cash and cash equivalents at the beginning of the year** | | 60,671,039 | 47,590,661 |
| **Cash and cash equivalents at the end of the year** | 7 | **28,059,953** | **60,671,039** |
| **Reconciliation of net cash provided / (used) by operating activities** | | | |
| Operating (loss) / profit after income tax | | 5,511,926 | 6,539,888 |
| Depreciation and amortisation | | 159,247 | 191,259 |
| Unrealised (gains) / loss on the fair value of assets | | (11,589,112) | (6,742,061) |
| **Changes in operating assets and liabilities** | | | |
| Decrease / (increase) in receivables | | 451,207 | (731,614) |
| Decrease / (increase) in current tax assets | | 277,304 | 589,599 |
| Decrease / (increase) in deferred tax assets | | 4,238,400 | 3,455,084 |
| (Decrease) / increase in creditors | | (242,577) | (134,674) |
| Decrease / (increase) in leases | | 249,867 | 263,466 |
| (Decrease) / increase in policy liabilities | | 22,204,613 | 19,422,918 |
| (Decrease) / increase in income tax payable | | 1,370,092 | - |
| (Decrease)/ increase in provisions | | (8,710) | 31,680 |
| **Net cash (used) / provided by operating activities** | | **22,622,257** | **22,885,545** |

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 15 September 2025.

## 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 utilized 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.

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.

**NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

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.

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.

## NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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% (2024: 80%) for the Sick and Funeral Fund, 130% (2024: 110%) for State Trustees Funds Taxable, 110% (2024: 110%) for the State Trustees Fund Exempt, 130% (2024: 130%) for Funeral Benefit Fund Taxable, 80% (2024: 80%) for Funeral Transfer Fund, 45% (2024: 35%) for Funeral Benefit Fund Exempt, 40% (2024: 40%) for the Police Association (Victoria) Benefit Fund and 70% (2024: 70%) for the Police Association (Victoria) Benefit Fund spouses;
- Sickness benefits of 20% (2024: 20%) of contributions for the Police Association (Victoria) Benefit Fund;
- Future profits for the Funeral Transfer Fund of 0% (2024: 0%);
- Resignation rates based on the experience for the Police Association (Victoria) Benefit Fund; and
- Other assumptions as detailed in the table below:

| Fund | Gross Interest | | Expenses | | Tax | | Future Bonus Rates | |
|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Sick and Funeral | 4.39% | 4.57% | 1.50% | 1.50% | 0.00% | 0.00% | 2.00% | 1.75% |
| Police Association (Victoria) | 5.49% | 4.93% | 0.00% | 0.00% | 30.00% | 30.00% | 0.00% | 0.00% |
| Funeral Benefit Exempt | 4.21% | 4.51% | 1.50% | 1.50% | 0.00% | 0.00% | 2.00% | 0.75% |
| Funeral Benefit Taxable | 4.03% | 4.41% | 1.50% | 1.50% | 30.00% | 30.00% | 2.50% | 1.05% |
| Funeral Transfer Fund | 4.47% | 4.58% | 2.00% | 2.00% | 30.00% | 30.00% | 0.00% | 0.00% |
| State Trustees Funeral Exempt | 3.79% | 4.32% | 1.50% | 1.50% | 0.00% | 0.00% | 6.00% | 3.00% |
| State Trustees Funeral Taxable | 3.87% | 4.39% | 1.50% | 1.50% | 30.00% | 30.00% | 4.00% | 1.50% |

## 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 a decrease in the risk-free interest rate.

The policy liabilities of the Police Association (Victoria) Benefit Fund have been revalued to $406,815 (2024: $16,858). The assumed cost of sickness benefits is 20% (2024: 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 2025 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 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. |

| | 2025 $ | 2024 $ |
|---|---|---|
| **NOTE 4. REVENUE** | | |
| **Premiums Received** | | |
| The Police Association (Victoria) Benefit Fund | 1,430,934 | 1,412,317 |
| Death and Distress Fund | - | 11,250 |
| Funeral Transfer Fund | 60,360 | 54,960 |
| Sick and Funeral Fund | 16,397 | 17,904 |
| Total premiums received | **1,507,691** | **1,496,431** |
| **Fees and Commissions** | | |
| Fees received | 19,898 | 20,552 |
| **Total fees and commissions** | **19,898** | **20,552** |
| **Investment Income** | | |
| Interest on investments | 17,709,889 | 16,093,708 |
| Dividends and distribution income | 2,376,572 | 818,451 |
| Changes in the fair value of securities | 11,048,441 | 7,009,201 |
| Less: direct investment expense | (621,026) | (505,602) |
| **Total investment income** | **30,513,876** | **23,415,758** |
| | | |
| **NOTE 5. ORDINARY EXPENSES** | | |
| Employee benefits | 3,791,509 | 3,878,447 |
| Operating expenses | 2,908,403 | 2,681,461 |
| Sales and marketing | 840,060 | 894,176 |
| Occupancy | 19,946 | 37,122 |
| Depreciation and amortisation | 159,247 | 191,260 |
| Lease deprecation charge | 249,867 | 263,466 |
| Lease interest charge | 21,796 | 17,849 |
| VPA members counselling | 390,500 | 390,500 |
| Claims paid to policyholders | 1,827,008 | 1,668,898 |
| Changes in policy liabilities | 2,795,047 | 857,217 |
| **Total ordinary expenses** | **13,003,383** | **10,880,396** |

| | 2025 $ | 2024 $ |
|---|---|---|
| **NOTE 6. INCOME TAX EXPENSE** | | |
| Income tax recognised in profit or loss: | | |
| Current tax provision | 1,343,158 | (36,191) |
| Deferred Tax | 4,180,559 | 4,163,418 |
| (Over) / under provision prior year | (107,767) | (645,432) |
| **Total income tax expense/ (benefit)** | **5,415,950** | **3,481,795** |

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:

| | 2025 $ | 2024 $ |
|---|---|---|
| **Profit / (loss) before income tax** | **10,927,876** | **10,021,683** |
| Prima facie tax on profit (loss) for the period at 30% (2023: 30%) | 3,278,363 | 3,006,505 |
| Add (deduct) tax effect of: | | |
| Non-deductible distributions | 2,433,079 | 1,210,773 |
| Net non-assessable income | (2,969,323) | (2,477,194) |
| Non-deductible expenses | 1,508,629 | 848,751 |
| Other income and allowable deductions | 1,272,968 | 1,563,726 |
| (Over)/ under provision of tax | (107,766) | (645,432) |
| Franking credit rebate | - | (25,334) |
| **Income tax expense** | **5,415,950** | **3,481,795** |
| | | |
| **NOTE 7. CASH AND CASH EQUIVALENTS** | | |
| Cash management accounts | 1,224,165 | 4,277,628 |
| Deposit at call accounts | 26,835,788 | 56,393,411 |
| **Total cash and cash equivalents** | **28,059,953** | **60,671,039** |
| | | |
| **NOTE 8. TRADE AND OTHER RECEIVABLES** | | |
| Prepaid expenses | 352,506 | 201,445 |
| Sundry receivables | 396,610 | 998,878 |
| **Total trade and other receivables** | **749,116** | **1,200,323** |
| | | |
| **NOTE 9. INVESTMENTS** | | |
| Investment in interest bearing securities | 356,412,571 | 320,809,623 |
| Investment in ASX listed securities | 55,009,133 | 28,076,172 |
| Investment in managed funds | 23,997,157 | 20,046,292 |
| **Total investments** | **435,418,861** | **368,932,087** |

## 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.

| | 2025 $ | | | 2024 $ | | |
|---|---|---|---|---|---|---|
| | 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 | 356,412,571 | - | - | 320,809,623 | - | - |
| Investments in ASX listed securities | 55,009,133 | - | - | 28,076,172 | - | - |
| Investment in managed funds | - | 23,997,157 | - | - | 20,046,292 | - |
| **Total investments** | **411,421,704** | **23,997,157** | **-** | **348,885,795** | **20,046,292** | **-** |

## 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 original lease term of five years expired at the end of February 2025; the lease was renewed in March 2025 for a further three years.

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 | 2025 $ | 2024 $ |
|---|---|---|---|
| Right of use asset | Leased asset | 668,009 | 1,317,331 |
| Accumulated deprecation | Leased asset | (74,223) | (1,141,687) |
| | Leased asset | **593,786** | **175,644** |
| Lease liability | Lease liabilities | 605,186 | 212,420 |

**Statement of Profit or Loss and Other Comprehensive Income**

| Category | Disclosure | 2025 $ | 2024 $ |
|---|---|---|---|
| Depreciation charge | Ordinary expenses | 249,867 | 263,466 |
| Interest expense | Ordinary expenses | 21,796 | 17,849 |

**Statement of Cash Flows**

| Category | Disclosure | 2025 $ | 2024 $ |
|---|---|---|---|
| Lease payments | Lease payments - principal | 275,243 | 297,256 |
| Lease interest | Lease payments - interest | 21,796 | 17,849 |

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

| Lease payments | 2025 $ | 2024 $ |
|---|---|---|
| No later than one year | 245,734 | 216,216 |
| Later than one year but no later than five years | 430,514 | - |
| Total – Lease Payments | **676,248** | **216,216** |
| Less future interest expense | (71,062) | (3,796) |
| Reconciliation to lease liabilities | **605,186** | **212,420** |

| | 2025 $ | 2024 $ |
|---|---|---|
| **NOTE 11. DEFERRED TAX ASSET** | | |
| The balance comprises temporary differences attributable to: | | |
| Tax losses carried forward | - | 4,116,914 |
| Employee entitlements | 57,624 | 60,237 |
| Accrued expenses | 321,005 | 400,815 |
| Property, plant and equipment | 12,226 | (15,857) |
| Lease liability | (3,420) | 63,726 |
| **Total deferred tax asset** | **387,435** | **4,625,835** |
| | | |
| **NOTE 12. INTANGIBLE ASSETS** | | |
| Work in progress | - | 40,858 |
| Intangible assets | 1,038,728 | 997,870 |
| Less: Accumulated Amortisation | (948,562) | (867,940) |
| **Total intangible assets** | **90,166** | **170,788** |
| **Movements in carrying amounts** | | |
| Balance at the beginning of the year | 170,788 | 242,763 |
| Additions | - | 26,564 |
| Amortisation expense | (80,622) | (98,539) |
| **Total intangible assets** | **90,166** | **170,788** |
| | | |
| **NOTE 13. TRADE AND OTHER PAYABLES** | | |
| Suppliers and creditors | 1,307,337 | 1,197,426 |
| Accrued general expenses | 870,130 | 1,173,511 |
| Funeral Trusts (refer Note 30) | 912,338 | 961,445 |
| **Total trade and other payables** | **3,089,805** | **3,332,382** |

| | 2025 $ | 2024 $ |
|---|---|---|
| **NOTE 14. OTHER PROVISIONS** | | |
| Annual leave | 159,555 | 136,407 |
| Long service leave | 32,525 | 58,083 |
| Allowances | - | 6,300 |
| **Total other provisions** | **192,080** | **200,790** |
| | | |
| **NOTE 15. MEMBERS' POLICY LIABILITIES** | | |
| Investment contracts: | | |
| Education Fund | 612,582 | 486,142 |
| Flexible Insurance Fund | 24,995,080 | 26,887,491 |
| Funeral Benefit Fund | 374,871,699 | 349,002,289 |
| State Trustees Funeral Fund (Exempt and Taxable) | 14,927,692 | 16,160,906 |
| **Total investment contracts** | **415,407,053** | **392,536,828** |
| Defined benefit contracts: | | |
| Sick and Funeral Fund | 19,783,384 | 20,844,700 |
| The Police Association (Victoria) Benefit Fund | 406,815 | 16,858 |
| Death and Distress Fund* | - | 5,000 |
| Funeral Transfer Fund | 273,315 | 217,428 |
| **Total defined benefit contracts** | **20,463,514** | **21,083,986** |
| Interfund investment elimination | (726,743) | (681,604) |
| **Total members' policy liabilities** | **435,143,824** | **412,939,210** |

*Terminated effective 31 March 2024. 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.

| | 2025<br>$<br><br>Market Observable Level 2 | 2024<br>$<br><br>Market Observable Level 2 |
|---|---|---|
| Investment contract policy liabilities | 415,407,053 | 392,536,828 |
| Defined benefit contract policy liabilities | 20,463,514 | 21,083,986 |
| Interfund investment elimination | (726,743) | (681,604) |
| | **435,143,824** | **412,939,210** |

## 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 11.50% (2024: 11.00%) for the year totalled 303,746 (2024: $284,121).

## NOTE 17. AUDITOR'S REMUNERATION

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

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Audit of financial statements | 174,334 | 157,000 |
| Other professional review services | 21,824 | 42,000 |
| **Total auditor's remuneration** | **196,158** | **199,000** |

## NOTE 18. ACTUARY'S REMUNERATION

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

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Actuary's statutory functions | 169,695 | 134,107 |
| Other services | 58,242 | 196,020 |
| **Total actuary's remuneration** | **227,937** | **330,127** |

## NOTE 19. DIRECTORS AND KEY MANAGEMENT PERSONNEL

**Directors during the reporting period**
Caroline Banhidy – Chair until November 2024 (Chief Executive Officer, effective 26 July 2024)
Rachel de Gruchy – Chair from November 2024
Michael Liu – Director, resigned 6 July 2024
Andrew Baxter – Deputy Chair since November 2024
Andrew Smith – Director
Nicolle Rantanen – Director, appointed 3 February 2025
**Key Management Personnel**
Emma Sakellaris – Chief Executive Officer, resigned 25 July 2024

## NOTE 19. DIRECTORS AND KEY MANAGEMENT PERSONNEL (continued)

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| **Compensation** | | |
| Short term employee benefits | 972,893 | 907,894 |
| Post employment benefits | 81,261 | 68,314 |
| **Total compensation** | **1,054,154** | **976,208** |

## 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

There are no matters or circumstances that have arisen since 30 June 2025 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 2025 other than the lease of 4/417 St Kilda Rd, Melbourne, VIC, 3004 as disclosed at Note 10.

## NOTE 23. 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 23. 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 24. SENSITIVITY ANALYSIS

A. Interest Rate Risk

Foresters investments are subject to risks associated with financial assets (Refer Note 23).
For the purpose of the analysing interest rate risk, the effect of a 1.50% interest rate increase or decrease (2024: 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:

| | 2025 $ | | 2024 $ | |
|---|---|---|---|---|
| | NetProfit/(Loss) | Net Assets | NetProfit/(Loss) | Net Assets |
| Adjusted by +1.5% increase | 5,581,687 | 19,623,951 | 5,209,539 | 14,655,070 |
| Net Profit / (Loss) before income tax | 10,927,876 | - | 10,021,683 | - |
| Net Assets | - | 24,979,140 | - | 19,467,214 |
| Adjusted by -1.5% decrease | 16,274,065 | 30,325,329 | 14,833,827 | 24,279,358 |

B. Price Risk

For the purposes of the analysing price risk, the effect of a 10.00% increase or decrease (2024: 10.00%) in equity prices on profit / (loss) before income tax and net assets is shown in the table below.

| | 2025 $ | | 2024 $ | |
|---|---|---|---|---|
| | NetProfit/(Loss) | Net Assets | NetProfit/(Loss) | Net Assets |
| Adjusted by +10% increase | 18,828,505 | 32,879,769 | 14,833,929 | 24,279,460 |
| Net Profit / (Loss) before income tax | 10,927,876 | - | 10,021,683 | - |
| Net Assets | - | 24,979,140 | - | 19,467,214 |
| Adjusted by -10% decrease | 3,027,247 | 17,078,511 | 5,209,437 | 14,654,968 |

## NOTE 25. 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 2025 $ | | | | |
|---|---|---|---|---|---|
| | 1 year or less | Over 1 year to 5 years | Over 5 years | Total | Weighted average interest rates |
| *Financial Assets:* | | | | | |
| Cash and cash equivalents | 28,059,953 | - | - | 28,059,953 | 3.50% |
| Trade and other receivables | 396,610 | - | - | 396,610 | Nil |
| Other financial assets | 115,252,466 | 147,166,697 | 172,999,698 | 435,418,861 | 4.77% |
| **Total Financial Assets** | **143,709,029** | **147,166,697** | **172,999,698** | **463,875,424** | |
| *Financial Liabilities:* | | | | | |
| Trade and other payables | 3,089,805 | - | - | 3,089,805 | Nil |
| **Total Financial Liabilities** | **3,089,805** | **-** | **-** | **3,089,805** | |

| | As at 30 June 2024 $ | | | | |
|---|---|---|---|---|---|
| | 1 year or less | Over 1 year to 5 years | Over 5 years | Total | Weighted average interest rates |
| *Financial Assets:* | | | | | |
| 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** | |
| *Financial Liabilities:* | | | | | |
| Trade and other payables | 3,332,382 | - | - | 3,332,382 | Nil |
| **Total Financial Liabilities** | **3,332,382** | **-** | **-** | **3,332,382** | |

## NOTE 26. STATUTORY BENEFIT FUND INCOME AND EXPENSES

| For the Period Ended 30 June 2025 $ | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 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: | | | | | | | | | | | | | | | |
| Education Bond | 53,665 | - | - | (3,939) | - | (35,511) | (145) | - | - | 14,070 | (14,693) | (623) | (68) | - | (691) |
| Insurance Bond | 1,240,435 | - | - | (394,465) | (34,891) | (41,510) | (2,444) | (741) | (359,649) | 406,735 | (251,758) | 154,977 | 306,614 | - | 461,591 |
| Funeral Benefit | 26,118,537 | - | - | (5,354,197) | - | (3,755,392) | (519,429) | 121,126 | (6,783,873) | 9,826,772 | (5,590,679) | 4,236,093 | (3,367,626) | - | 868,467 |
| State Trustees (Exempt and Taxable) | 800,961 | - | - | (234,861) | (9,285) | - | (30,180) | (376) | (654,829) | (128,570) | (94,915) | (223,485) | 331,718 | - | 108,233 |
| **Total investment contracts** | **28,213,598** | **-** | **-** | **(5,987,462)** | **(44,176)** | **(3,832,413)** | **(552,198)** | **120,009** | **(7,798,351)** | **10,119,007** | **(5,952,045)** | **4,166,962** | **(2,729,362)** | **-** | **1,437,600** |
| Insurance Contracts: | | | | | | | | | | | | | | | |
| Funeral Transfer | 11,713 | 60,360 | - | (6,594) | (3,900) | (55,887) | (9) | - | - | 5,683 | (5,683) | - | - | - | - |
| Sick and Funeral | 1,533,229 | 16,771 | - | (351,106) | (585,272) | 1,478,210 | (3,131) | - | (416,894) | 1,671,807 | - | 1,671,807 | 1,932,918 | (1,000,000) | 2,604,725 |
| Police Association | 116,730 | 1,430,934 | - | (357,734) | (708,656) | (389,957) | (335) | - | - | 90,982 | 18,634 | 109,616 | 2,780,521 | (400,000) | 2,490,137 |
| Death and Distress | 540 | - | - | - | (30) | 5,000 | - | - | - | 5,510 | (108) | 5,402 | 71,429 | (76,831) | - |
| **Total insurance contracts** | **1,662,212** | **1,508,065** | **-** | **(715,434)** | **(1,297,858)** | **1,037,366** | **(3,475)** | **-** | **(416,894)** | **1,773,982** | **12,843** | **1,786,825** | **4,784,868** | **(1,476,831)** | **5,094,862** |
| **Total all contracts** | **29,875,810** | **1,508,065** | **-** | **(6,702,896)** | **(1,342,034)** | **(2,795,047)** | **(555,673)** | **120,009** | **(8,215,245)** | **11,892,989** | **(5,939,202)** | **5,953,787** | **2,055,506** | **(1,476,831)** | **6,532,462** |

## NOTE 26. STATUTORY BENEFIT FUND INCOME AND EXPENSES (CONTINUED)

| For the Period Ended 30 June 2024 $ | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 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: | | | | | | | | | | | | | | | |
| 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 | - | 306614 |
| 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 | (9,149,319) | - | (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 ASSETS, LIABILITIES AND UNALLOCATED SURPLUS

| As at 30 June 2025 $ | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Assets | | | | | Liabilities and Unallocated Surplus | | | | |
| Benefit Fund | 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 | 17,095 | 194 | 610,945 | - | 628,234 | 14,874 | 1,469 | 612,582 | 628,925 | (691) |
| Insurance Bond | 1,584,231 | 189 | 24,164,968 | - | 25,749,388 | 253,058 | 39,657 | 24,995,082 | 25,287,797 | 461,591 |
| Funeral Benefit | 18,476,562 | 44,316 | 362,055,627 | - | 380,576,505 | 4,009,665 | 826,675 | 374,871,698 | 379,708,038 | 868,467 |
| State Trustees (Exempt and Taxable) | 2,522,686 | - | 12,517,506 | - | 15,040,192 | (19,727) | 23,996 | 14,927,690 | 14,931,959 | 108,233 |
| **Total investment contracts** | **22,600,574** | **44,699** | **399,349,046** | **-** | **421,994,319** | **4,257,870** | **891,797** | **415,407,052** | **420,556,719** | **1,437,600** |
| Insurance Contracts: | | | | | | | | | | |
| Funeral Transfer | 354,622 | - | - | - | 354,622 | 5,683 | 75,623 | 273,316 | 354,622 | - |
| Sick and Funeral | 1,276,786 | - | 22,148,495 | - | 23,425,281 | - | 1,037,172 | 19,783,384 | 20,820,556 | 2,604,723 |
| Police Association | 230,976 | - | 3,071,460 | - | 3,302,436 | (18,633) | 424,117 | 406,815 | 812,299 | 2,490,137 |
| Death and Distress | - | - | - | | - | - | - | - | - | - |
| **Total insurance contracts** | **1,862,384** | **-** | **25,219,955** | **-** | **27,082,339** | **(12,950)** | **1,536,912** | **20,463,515** | **21,987,477** | **5,094,862** |
| **Total all contracts** | **24,462,958** | **44,699** | **424,569,001** | **-** | **449,076,658** | **4,244,920** | **2,428,709** | **435,870567** | **442,544,196** | **6,532,462** |

## NOTE 27. STATUTORY BENEFIT FUND ASSETS, LIABILITIES AND UNALLOCATED SURPLUS (CONTINUED)

| As at 30 June 2024 $ | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Assets | | | | | Liabilities and Unallocated Surplus | | | | |
| Benefit Fund | 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 FUNDS POLICY LIABILITIES

| | As at 30 June 2025 $ | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Benefit Fund | Value of policy liabilities 1 July 2024 | 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 | 486,141 | - | 90,931 | - | - | 35,510 | - | 612,582 |
| Insurance Bond | 26,433,014 | 454,476 | 260,860 | (2,554,437) | 359,660 | 41,509 | - | 24,995,082 |
| Funeral Benefit | 345,963,634 | 3,038,657 | 46,657,291 | (31,206,173) | 6,783,873 | 3,634,416 | - | 374,871,698 |
| State Trustees (Exempt and Taxable) | 15,853,581 | 307,325 | 19,410 | (1,907,831) | 654,829 | 376 | - | 14,927,690 |
| **Total investment contracts** | **388,736,370** | **3,800,458** | **47,028,492** | **(35,668,441)** | **7,798,362** | **3,711,811** | **-** | **415,407,052** |
| Insurance Contracts: | | | | | | | | |
| Funeral Transfer | 217,428 | - | - | - | - | 55,888 | - | 273,316 |
| Sick and Funeral | 20,473,786 | 370,914 | - | - | 416,894 | (1,478,210) | - | 19,783,384 |
| Police Association | 16,858 | - | - | - | - | 389,957 | - | 406,815 |
| Death and Distress | 5,000 | - | - | - | - | (5,000) | - | - |
| **Total insurance contracts** | **20,713,072** | **370,914** | **-** | **-** | **416,894** | **(1,037,365)** | **-** | **20,463,515** |
| **Total all contracts** | **409,449,442** | **4,171,372** | **47,028,492** | **(35,668,441)** | **8,215,256** | **2,674,446** | **-** | **435,870,567** |

## NOTE 28. STATUTORY BENEFIT FUNDS POLICY LIABILITIES (CONTINUED)

| | As at 30 June 2024 $ | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Benefit Fund | 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 FUND CAPITAL ADEQUACY

| As at 30 June 2025 $ | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 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 | 613,360 | 612,582 | 1,469 | (691) | - | - | - | - | - | - | - | - | - | - | - | 0% |
| Insurance Bond | 25,496,330 | 24,995,082 | 39,657 | 461,591 | - | - | - | - | - | - | - | - | - | - | - | 0% |
| Funeral Benefit | 376,566,840 | 374,871,698 | 826,675 | 868,467 | - | - | - | - | - | - | - | - | - | - | - | 0% |
| State Trustees (Exempt and Taxable) | 15,059,919 | 14,927,690 | 23,996 | 108,233 | - | - | - | - | - | - | - | - | - | - | - | 0% |
| **Total investment contracts** | **417,736,449** | **415,407,052** | **891,797** | **1,437,600** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | |
| Insurance Contracts: | | | | | | | | | | | | | | | | |
| Funeral Transfer | 348,939 | 273,316 | 75,623 | - | (137,493) | 137,493 | 16,636 | 18,261 | (7,846) | - | - | - | - | 27,051 | 110,442 | 508% |
| Sick and Funeral | 23,425,281 | 19,783,384 | 1,037,172 | 2,604,725 | - | 2,604,725 | 1,516,028 | 1,270,119 | (622,410) | - | - | (2,163,737) | 500,000 | 500,000 | 2,104,725 | 521% |
| Police Association | 3,321,069 | 406,815 | 424,117 | 2,490,137 | - | 2,490,138 | 578,769 | 742,818 | (292,646) | - | - | - | - | 1,028,941 | 1,461,197 | 242% |
| Death and Distress | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total insurance contracts** | **27,095,289** | **20,463,515** | **1,536,912** | **5,094,862** | **(137,493)** | **5,232,356** | **2,111,433** | **2,031,198** | **(922,902)** | **-** | **-** | **(2,163,737)** | **500,000** | **1,555,992** | **3,676,364** | |
| Management Fund | 21,566,502 | - | 3,119,821 | 18,446,681 | 974,516 | 17,472,165 | 560,637 | - | - | 1,145,673 | 240,273 | - | 6,497,425 | 8,444,008 | 9,028,157 | 207% |
| Interfund elimination | (726,743) | (726,743) | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| **Total Society** | **465,671,497** | **435,143,824** | **5,548,530** | **24,979,143** | **837,023** | **22,704,521** | **2,672,070** | **2,031,198** | **(922,902)** | **1,145,673** | **240,273** | **(2,163,737)** | **6,997,425** | **10,000,000** | **12,704,521** | **227%** |

## NOTE 29. STATUTORY BENEFIT FUND CAPITAL ADEQUACY (CONTINUED)

| 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. 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 2025

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 2025 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:

**Rachel de Gruchy**
**Chair**

Melbourne, 15 September 2025

**Andrew Smith**
**Director**

Melbourne, 15 September 2025

RSM Australia Pty Ltd

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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 2025, 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 2025 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 2025; 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.

**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 the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material 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.

RSM

**RSM AUSTRALIA**

**WARWICK JA SPARGO**
Partner

16 September 2025
Melbourne, Victoria

Deloitte Touche Tohmatsu
Quay Quarter Tower
50 Bridge Street
Sydney NSW 2000 Australia
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**Appointed Actuary's Statement**

Liability valuations are established on balance sheet as of 30 June 2025. 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 2025 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) – Capital Guaranteed options only**

The liabilities of the capital guaranteed options have 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 2020-2022 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
- 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

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
Australian Financial Services License No. 241421

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