

Annual Report

2025/2026

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About Foresters Financial

Life. Planned. Since 1849

For more than 177 years, we've been helping Australians plan for what matters most.

Before government safety nets existed, members of the Ancient Order of Foresters pooled their resources to protect each other from illness, loss, and hardship.

What began as a promise of care has grown into one of Australia's longest-standing member-owned financial organisations: still independent, still purpose-led, and still here for the people, not shareholders.

Fast forward to today, Foresters helps Australians plan and prepare for life's defining moments through our range of investment, funeral, education and giving bonds. Each plan is built to be practical, personal, and long-lasting. It's a continuation of the same care that started it all.



Key Highlights

\$473m

member funds under management



\$30.7m

inflows to market-linked funeral products



\$3.7m

distributed as bonuses to policyholders



\$1.4m

inflows to Investment & Education Bonds



97,000+

members



Chair and CEO Report

It is our privilege to present Foresters Financial's Annual Report for the year ended 30 June 2026.

FY26 was a year of robust progress. We continued to grow while strengthening the organisation for the long term benefit of our members.

Funds under management rose to a record \$473m, an increase of 5.3% from the previous year. Funeral bond sales are up more than 22% from two years ago thereby demonstrating the continued relevance of our products and the strength of the Foresters brand and market position.

We welcomed a significant increase in new funeral bond policyholders during the year, with new policy numbers rising by 31.8% across our traditional and corporate distribution channels. This growth reflects the enduring strength of our relationships with funeral directors and other distribution partners.

Our investment portfolios also delivered solid returns for members despite continued volatility in global markets, shifting interest rate expectations and geopolitical uncertainty. We remained focused on disciplined investment management and on providing members with a range of options aligned to different objectives and risk profiles.

Foresters remained in a strong financial position. At 30 June 2026, our total capital base had increased by more than 18% over two years, providing a prudent buffer above our internal capital target. It was also pleasing to record a return to profitability in the management fund compared with a loss in previous years. This reflects the sustained focus of our people on strengthening performance and improving how we operate.

Alongside our financial and sales performance, we continued to strengthen governance, risk management and operational capability. This included work across accountability, information security, operational resilience and third party risk, supported by clear organisational ownership and oversight. We also continued to invest in the capability of our team and in the foundations needed to meet future challenges.

Looking ahead, our traditional funeral business remains central to Foresters. At the same time, we see further opportunity to support members at other important life stages through our investment and education bonds. Interest in tax paid investment structures outside superannuation is growing and the proposed Division 296 reforms represent further opportunities. We will continue to develop our product and technical capability and engage more closely with advisers while applying disciplined investment and capital management.

Our achievements were made possible by the commitment of our employees and Board and the continued support of our business partners. We thank them for their contribution throughout the year.

Most importantly, we thank our more than 97,000 members for their trust in Foresters. As a member owned organisation, Foresters exists for the benefit of our members; their interests are at the centre/heart of everything we do and guide every decision we make.



Rachel de Gruchy

Chair



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

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

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), Jaywing Group (Chair), Agricultural Innovation Australia (Deputy Chair), Sydney Symphony Orchestra (Deputy Chair), OzHarvest, Queens Fund, 24HR Business Plan.



Andrew Smith

BCom, CA, MBA, FAICD

Non-Executive Director

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. Previous roles include Group CEO of InvoCare Limited, the largest private operator of funeral homes and cemeteries in Australia, New Zealand and Singapore from 2008 to 2015 and 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

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

Nicolle is a governance and leadership professional with over 25 years' experience across financial services, education, government, aged care and member-based organisations.

Nicolle has been Chief Executive Officer of Public Trustee (SA), 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.

Her current Board roles include Chair of Clayton Church Homes, Adelaide University Governing Council, LLL Australia and the Women's and Children's Hospital Network.



Caroline Banhidy

BEc(Hons), MBA, GAIST, MAICD

Executive Director

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.

Annual Financial Report for year ended 30 June 2026



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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 2026.

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 and Board member 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

Chief Executive Officer

Caroline Banhidy
BEc(Hons), MBA GAIST, MAICD

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 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).

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 2026, 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	4 of 4	4 of 4	4 of 4	5 of 5
Andrew Baxter ²	8 of 8	N/A	N/A	4 of 4	5 of 5
Andrew Smith ³	8 of 8	4 of 4	4 of 4	N/A	N/A
Caroline Banhidy ⁴	8 of 8	N/A	N/A	4 of 4	5 of 5
Nicolle Rantanen ⁵	8 of 8	4 of 4	4 of 4	2 of 2	5 of 5

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 2026 is reflected by the following:

- Funds under management increased by \$24m or 5.3% driven by investment performance and product sales, particularly of Funeral Bonds.
- Profit after tax excluding distributions to policyholders of \$6.1m.
- Total distributions to policyholders of \$3.7m.
- An increase in the net assets of the Management Fund to \$18.9m.
- 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 2026 are as follows:

	2026 \$	2025 \$
Foresters Financial		
Total assets	493,267,270	465,380,127
Increase in total assets	27,887,143	29,228,110
Funds under management	472,960,709	449,031,958
Profit after tax (excluding bonuses paid)	6,083,882	13,622,192
Profit after tax (including bonuses paid)	2,409,028	5,511,926
Management Fund		
Profit (loss) after tax	101,943	(441,861)
Net assets	18,948,620	18,446,681

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 for entire reporting period. Chair of IC for entire reporting period.

² Andrew Baxter: Deputy Board Chair for entire reporting period. Chair of PCC for entire reporting period.

³ Andrew Smith: Chair of ACC for entire reporting period.

⁴ Caroline Banhidy: CEO and Executive Director for entire reporting period. Caroline Banhidy is not a member of the RC or ACC. She is an attendee (by invitation) at these committee meetings in the capacity of CEO.

⁵ Nicolle Rantanen: Chair of RC for entire reporting period. Member of the IC from the beginning of the reporting period until 10 November 2025.

BONUS DECLARATION

The Directors have resolved that the following bonus rates be paid for the year ended 30 June 2026:

	2026	2025
Flexible Insurance Fund	2.00%	1.50%
Funeral Benefit Fund Exempt	2.50%	2.00%
Funeral Benefit Fund Taxable (Pre 1 February 2011)	0.35%	0.35%
Funeral Benefit Fund Taxable (Post 1 February 2011)	1.00%	2.50%
State Trustees Funeral Benefit Fund Exempt	2.50%	6.00%
State Trustees Funeral Benefit Fund Taxable	2.50%	4.00%

EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There are no matters or circumstances that have arisen since 30 June 2026 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.

On behalf of the Directors:



Rachel de Gruchy
Chair

Melbourne, 14 September 2026

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 2026, Foresters had 97,093 members (2025: 97,092) with a total guarantee of \$97,093 (2025: \$97,092).

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

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

AUDITOR'S INDEPENDENCE DECLARATION

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

AUDITOR

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

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

RESOLUTION

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



Andrew Smith
Director

Melbourne, 14 September 2026

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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 2026, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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



RSM AUSTRALIA PARTNERS



WARWICK JA SPARGO
Partner

Dated: 14 September 2026
Melbourne, Victoria

THE POWER OF BEING UNDERSTOOD
ASSURANCE | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.
RSM Australia Partners ABN 36 965 185 036
Liability limited by a scheme approved under Professional Standards Legislation

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2026

	Note	2026 \$	2025 \$
Revenue			
Insurance premiums received	4	1,529,879	1,507,691
Fees	4	18,905	19,898
Net investment income	4	23,163,429	30,513,876
Other income		-	60
Total revenue		24,712,213	32,041,525
Expenses			
Ordinary expenses	5	15,666,858	13,003,383
Distributions to policyholders		3,674,854	8,110,266
Total expenses		19,341,712	21,113,649
Profit / (loss) before income tax		5,370,501	10,927,876
Income tax expense / (benefit)	6	2,961,473	5,415,950
Profit / (loss) after income tax		2,409,028	5,511,926
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		2,409,028	5,511,926

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 2026

	Note	2026 \$	2025 \$
Assets			
Cash and cash equivalents	7	17,162,098	28,059,953
Trade and other receivables	8	656,566	749,116
Investments	9	474,611,621	435,418,861
Right of use asset	10	371,116	593,786
Property, plant and equipment		46,533	80,810
Deferred tax asset	11	369,896	387,435
Intangibles	12	49,440	90,166
Total assets		493,267,270	465,380,127
Liabilities			
Trade and other payables	13	3,244,983	3,089,805
Other provisions	14	238,908	192,080
Provision for current tax	6	3,124,828	1,370,092
Leased liabilities	10	402,195	605,186
Members' policy liabilities	15	458,868,188	435,143,824
Total liabilities		465,879,102	440,400,987
Net assets		27,388,168	24,979,140
Equity			
Retained earnings		27,388,168	24,979,140
Total equity		27,388,168	24,979,140

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 2026

	Note	2026 \$	2025 \$
Total equity at the beginning of the year		24,979,140	19,467,214
Total comprehensive income for the year		2,409,028	5,511,926
Transfers from benefit funds		(400,000)	(1,476,831)
Transfers to the management fund		400,000	1,476,831
Total equity at the end of the year		27,388,168	24,979,140

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 2026

	Note	2026 \$	2025 \$
Cash flows from operating activities			
Premiums and contributions received		55,354,673	51,905,853
Interest on investments received		18,868,743	17,189,176
Dividends and distributions received		2,756,965	2,342,591
Payments for operating expenses		(15,724,810)	(13,031,998)
Lease payments – interest		(42,743)	(21,796)
Claims and benefits paid		(33,775,283)	(36,231,415)
Income tax (paid)/ refunds		(1,189,198)	469,846
Net cash provided by operating activities		26,248,347	22,622,257
Cash flows from investing activities			
Receipt/ (payment) for non-current assets		1,860	(60,439)
Net purchases of investments		(36,945,071)	(54,897,661)
Net cash used by investing activities		(36,943,211)	(54,958,100)
Cash flows from financing activities			
Lease payments - principal		(202,991)	(275,243)
Net cash used by financing activities		(202,991)	(275,243)
Net decrease in cash held		(10,897,855)	(32,611,086)
Cash and cash equivalents at the beginning of the year		28,059,953	60,671,039
Cash and cash equivalents at the end of the year	7	17,162,098	28,059,953
Reconciliation of net cash provided by operating activities			
Operating profit after income tax		2,409,028	5,511,926
Depreciation and amortisation		73,143	159,247
Unrealised gains on the fair value of assets		(2,247,690)	(11,589,112)
Changes in operating assets and liabilities			
Decrease in trade and other receivables		92,550	451,207
Decrease in current tax assets		-	277,304
Decrease in deferred tax assets		17,539	4,238,400
Increase/ (decrease) in trade and other payables		155,178	(242,577)
Decrease in right of use asset		222,670	249,867
Increase in members' policy liabilities		23,724,365	22,204,613
Increase in provision for current tax		1,754,736	1,370,092
Increase/ (decrease) in other provisions		46,828	(8,710)
Net cash provided by operating activities		26,248,347	22,622,257

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 ("company").

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 14 September 2026.

NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION**A. Financial Reporting Framework**

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

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

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

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

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

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

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

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

B. Compliance with International Financial Reporting Standards

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

C. Accounting Standards and Interpretations

The company has reviewed and applied all new accounting standards, amendments and interpretations that became applicable for the first time during the reporting period.

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 off 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 off.

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% (2025: 80%) for the Sick and Funeral Fund, 130% (2025: 130%) for State Trustees Funds Taxable, 110% (2025: 110%) for the State Trustees Fund Exempt, 130% (2025: 130%) for Funeral Benefit Fund Taxable, 80% (2025: 80%) for Funeral Transfer Fund, 45% (2025: 45%) for Funeral Benefit Fund Exempt, 40% (2025: 40%) for the Police Association (Victoria) Benefit Fund and 70% (2025: 70%) for the Police Association (Victoria) Benefit Fund spouses;
- Sickness benefits of 20% (2025: 20%) of contributions for the Police Association (Victoria) Benefit Fund;
- Future profits for the Funeral Transfer Fund of 0% (2025: 0%);
- Average claim size for the Funeral Transfer Fund of \$1,060 (2025: \$1,034);
- Claim rate for the Funeral Transfer Fund of 8.8% (2025: 8.8%);
- 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	
	2026	2025	2026	2025	2026	2025	2026	2025
Sick and Funeral	5.00%	4.39%	1.50%	1.50%	0.00%	0.00%	2.00%	2.00%
Police Association (Victoria)	5.47%	5.49%	0.00%	0.00%	30.00%	30.00%	0.00%	0.00%
Funeral Benefit Exempt	5.12%	4.21%	1.50%	1.50%	0.00%	0.00%	2.50%	2.00%
Funeral Benefit Taxable	5.04%	4.03%	1.50%	1.50%	30.00%	30.00%	1.00%	2.50%
Funeral Transfer Fund	5.03%	4.47%	2.00%	2.00%	30.00%	30.00%	0.00%	0.00%
State Trustees Funeral Exempt	4.94%	3.79%	1.50%	1.50%	0.00%	0.00%	2.50%	6.00%
State Trustees Funeral Taxable	4.97%	3.87%	1.50%	1.50%	30.00%	30.00%	2.50%	4.00%

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 1,051,190 (2025: \$406,815). The assumed cost of sickness benefits is 20% (2025: 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 expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are 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 2026 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.

NOTE 4. REVENUE**Premiums Received**

The Police Association (Victoria) Benefit Fund	1,450,052	1,430,934
Funeral Transfer Fund	68,400	60,360
Sick and Funeral Fund	11,427	16,397
Total premiums received	1,529,879	1,507,691

Fees

Fees received	18,905	19,898
Total fees	18,905	19,898

Investment Income

Interest on investments	19,286,346	17,709,889
Dividends and distribution income	2,758,314	2,376,572
Changes in the fair value of securities	1,811,182	11,048,441
Less: direct investment expense	(692,413)	(621,026)
Total investment income	23,163,429	30,513,876

NOTE 5. ORDINARY EXPENSES

Employee benefits	3,951,202	3,791,509
Operating expenses	2,716,028	2,908,403
Sales and marketing	642,402	840,060
Occupancy	22,410	19,946
Depreciation and amortisation	73,143	159,247
Lease depreciation charge	222,670	249,867
Lease interest charge	42,743	21,796
VPA members counselling	390,500	390,500
Claims paid to policyholders	2,482,129	1,827,008
Changes in policy liabilities	5,123,631	2,795,047
Total ordinary expenses	15,666,858	13,003,383

NOTE 6. INCOME TAX EXPENSE

Income tax recognised in profit or loss:

	2026 \$	2025 \$
Current tax provision	3,124,828	1,343,158
Deferred Tax	14,196	4,180,559
Over provision prior year	(177,551)	(107,767)
Total income tax expense	2,961,473	5,415,950

The amount provided in respect of income tax differs from the amount prima facie payable on operating profit / (loss).

The difference is reconciled as follows:

Profit before income tax	5,370,501	10,927,876
Prima facie tax on profit (loss) for the period at 30% (2025: 30%)	1,611,150	3,278,363
Add (deduct) tax effect of:		
Non-deductible distributions	1,102,456	2,433,079
Net non-assessable income	(2,451,737)	(2,969,323)
Non-deductible expenses	1,937,870	1,508,629
Other income and allowable deductions	939,285	1,272,968
Over provision of tax	(177,551)	(107,766)
Income tax expense	2,961,473	5,415,950

NOTE 7. CASH AND CASH EQUIVALENTS

Cash management accounts	1,382,252	1,224,165
Deposit at call accounts	15,779,846	26,835,788
Total cash and cash equivalents	17,162,098	28,059,953

NOTE 8. TRADE AND OTHER RECEIVABLES

Prepaid expenses	408,484	352,506
Sundry receivables	248,082	396,610
Total trade and other receivables	656,566	749,116

NOTE 9. INVESTMENTS

Investment in interest bearing securities	365,240,303	356,412,571
Investment in ASX listed securities	79,615,978	55,009,133
Investment in managed funds	29,755,340	23,997,157
Total investments	474,611,621	435,418,861

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.

	2026 \$			2025 \$		
	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	365,240,303	-	-	356,412,571	-	-
Investments in ASX listed securities	79,615,978	-	-	55,009,133	-	-
Investment in managed funds	-	29,755,340	-	-	23,997,157	-
Total investments	444,856,281	29,755,340	-	411,421,704	23,997,157	-

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	2026 \$	2025 \$
Right of use asset	Leased asset	668,009	668,009
Accumulated depreciation	Leased asset	(296,893)	(74,223)
	Leased asset	371,116	593,786
Lease liability	Lease liabilities	402,195	605,186

Statement of Profit or Loss and Other Comprehensive Income

Category	Disclosure	2026 \$	2025 \$
Depreciation charge	Ordinary expenses	222,670	249,867
Interest expense	Ordinary expenses	42,743	21,796

Statement of Cash Flows

Category	Disclosure	2026 \$	2025 \$
Lease payments	Lease payments - principal	202,991	275,243
Lease interest	Lease payments - interest	42,743	21,796

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

Lease payments	2026 \$	2025 \$
No later than one year	255,620	245,734
Later than one year but no later than five years	174,894	430,514
Total – Lease Payments	430,514	676,248
Less future interest expense	(28,319)	(71,062)
Reconciliation to lease liabilities	402,195	605,186

NOTE 11. DEFERRED TAX ASSET

The balance comprises temporary differences attributable to:

	2026 \$	2025 \$
Employee entitlements	71,672	57,624
Accrued expenses	281,224	321,005
Property, plant and equipment	7,676	5,386
Lease liability	9,324	3,420
Total deferred tax asset	369,896	387,435

NOTE 12. INTANGIBLE ASSETS

Intangible assets	878,128	1,038,728
Less: Accumulated Amortisation	(828,688)	(948,562)
Total intangible assets	49,440	90,166
Movements in carrying amounts		
Balance at the beginning of the year	90,166	170,788
Amortisation expense	(40,726)	(80,622)
Total intangible assets	49,440	90,166

NOTE 13. TRADE AND OTHER PAYABLES

Suppliers and creditors	1,633,548	1,307,337
Accrued general expenses	730,522	870,130
Funeral Trusts (refer Note 30)	880,913	912,338
Total trade and other payables	3,244,983	3,089,805

NOTE 14. OTHER PROVISIONS

	2026 \$	2025 \$
Annual leave	200,903	159,555
Long service leave	38,005	32,525
Total other provisions	238,908	192,080

NOTE 15. MEMBERS' POLICY LIABILITIES

Investment contracts:

Education Fund	1,017,395	612,582
Flexible Insurance Fund	22,751,565	24,995,080
Funeral Benefit Fund	400,993,221	374,871,699
State Trustees Funeral Fund (Exempt and Taxable)	13,763,027	14,927,692
Total investment contracts	438,525,208	415,407,053

Defined benefit contracts:

Sick and Funeral Fund	19,730,350	19,783,384
The Police Association (Victoria) Benefit Fund	1,051,190	406,815
Funeral Transfer Fund	336,884	273,315
Total defined benefit contracts	21,118,424	20,463,514
Interfund investment elimination	(775,444)	(726,743)
Total members' policy liabilities	458,868,188	435,143,824

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.

	2026 \$	2025 \$
	Market Observable Level 2	Market Observable Level 2
Investment contract policy liabilities	438,525,208	415,407,053
Defined benefit contract policy liabilities	21,118,424	20,463,514
Interfund investment elimination	(775,444)	(726,743)
	458,868,188	435,143,824

NOTE 16. SUPERANNUATION GUARANTEE CONTRIBUTIONS

During the year Foresters made contributions in respect of employees' superannuation to a complying superannuation fund in accordance with the Legislative requirements. Defined contributions of 12.00% (2025: 11.50%) for the year totalled 333,199 (2025: \$303,746).

NOTE 17. AUDITOR'S REMUNERATION

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

	2026 \$	2025 \$
Audit of financial statements	169,744	164,800
Other professional review services	37,519	43,224
Total auditor's remuneration	207,263	208,024

NOTE 18. ACTUARY'S REMUNERATION

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

	2026 \$	2025 \$
Actuary's statutory functions	147,200	169,695
Other services	46,019	58,242
Total actuary's remuneration	193,219	227,937

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

Caroline Banhidly - Chief Executive Officer
 Rachel de Gruchy - Chair
 Andrew Baxter - Deputy Chair
 Andrew Smith - Director
 Nicolle Rantanen - Director

NOTE 19. DIRECTORS AND KEY MANAGEMENT PERSONNEL (continued)

	2026 \$	2025 \$
Compensation		
Short term employee benefits	897,450	972,893
Post employment benefits	68,409	81,261
Total compensation	965,859	1,054,154

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 2026 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 2026 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. Material 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 analysing interest rate risk, the effect of a 1.50% interest rate increase or decrease (2025: 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:

	2026 \$		2025 \$	
	Net Profit/(Loss)	Net Assets	Net Profit/(Loss)	Net Assets
Adjusted by +1.5% increase	(108,104)	21,909,563	5,581,687	19,632,951
Net Profit / (Loss) before income tax	5,370,501	-	10,927,876	-
Net Assets	-	27,388,168	-	24,979,140
Adjusted by -1.5% decrease	10,849,106	32,866,733	16,274,065	30,325,329

B. Price Risk

For the purpose of analysing price risk, the effect of a 10.00% increase or decrease (2025: 10.00%) in equity prices on profit / (loss) before income tax and net assets is shown in the table below.

	2026 \$		2025 \$	
	Net Profit/(Loss)	Net Assets	Net Profit/(Loss)	Net Assets
Adjusted by +10% increase	16,307,633	38,325,300	18,828,505	32,879,769
Net Profit / (Loss) before income tax	5,370,501	-	10,927,876	-
Net Assets	-	27,388,168	-	24,979,140
Adjusted by -10% decrease	(5,566,631)	16,451,036	3,027,247	17,078,511

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 2026 \$				
	1 year or less	Over 1 year to 5 years	Over 5 years	Total	Weighted average interest rates
<i>Financial Assets:</i>					
Cash and cash equivalents	17,162,098	-	-	17,162,098	3.92%
Trade and other receivables	248,082	-	-	248,082	Nil
Other financial assets	41,077,622	144,377,525	180,586,915	366,042,062	5.23%
Total Financial Assets	58,487,802	144,377,525	180,586,915	383,452,242	
<i>Financial Liabilities:</i>					
Trade and other payables	3,244,983	-	-	3,244,983	Nil
Total Financial Liabilities	3,244,983	-	-	3,244,983	

	As at 30 June 2025 \$				
	1 year or less	Over 1 year to 5 years	Over 5 years	Total	Weighted average interest rates
<i>Financial Assets:</i>					
Cash and cash equivalents	28,059,953	-	-	28,059,953	3.50%
Trade and other receivables	396,610	-	-	396,610	Nil
Other financial assets	37,101,626	147,166,697	172,999,698	357,268,021	4.77%
Total Financial Assets	65,558,189	147,166,697	172,999,698	385,724,584	
<i>Financial Liabilities:</i>					
Trade and other payables	3,089,805	-	-	3,089,805	Nil
Total Financial Liabilities	3,089,805	-	-	3,089,805	

NOTE 26. STATUTORY BENEFIT FUND INCOME AND EXPENSES

Benefit Fund	For the Period Ended 30 June 2026 \$														
	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	82,786	-	-	(5,806)	-	(55,792)	(190)	-	-	20,998	(21,762)	(764)	(692)	-	(1,456)
Insurance Bond	1,163,046	-	-	(359,962)	(10,675)	(85,239)	(2,763)	(8,682)	(414,360)	281,365	(238,864)	42,501	461,593	-	504,094
Funeral Benefit	19,792,582	-	-	(5,788,349)	-	(4,818,279)	(1,037,654)	(1,719)	(2,416,836)	5,729,745	(2,954,622)	2,775,123	868,466	-	3,643,589
State Trustees (Exempt and Taxable)	727,103	-	-	(217,158)	-	-	(86,097)	(7,389)	(335,280)	81,179	(31,498)	49,681	108,233	-	157,914
Total investment contracts	21,765,517	-	-	(6,371,275)	(10,675)	(4,959,310)	(1,126,704)	(17,790)	(3,166,476)	6,113,287	(3,246,746)	2,866,541	1,437,600	-	4,304,141
Insurance Contracts:															
Funeral Transfer	13,775	68,400	-	(7,713)	(3,650)	(63,568)	(5)	-	-	7,239	(7,239)	-	-	-	-
Sick and Funeral	498,633	11,427	-	(334,166)	(652,200)	543,622	(2,884)	-	(490,588)	(426,156)	-	(426,156)	2,604,723	-	2,178,567
Police Association	127,953	1,450,052	-	(362,513)	(747,567)	(644,375)	(23,001)	-	-	(199,451)	66,153	(133,298)	2,490,138	(400,000)	1,956,840
Total insurance contracts	640,361	1,529,879	-	(704,392)	(1,403,417)	(164,321)	(25,890)	-	(490,588)	(618,368)	58,914	(559,454)	5,094,861	(400,000)	4,135,407
Total all contracts	22,405,878	1,529,879	-	(7,075,667)	(1,414,092)	(5,123,631)	(1,152,594)	(17,790)	(3,657,064)	5,494,919	(3,187,832)	2,307,087	6,532,461	(400,000)	8,439,548

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

Benefit Fund	For the Period Ended 30 June 2025 \$														
	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 27. STATUTORY BENEFIT FUND ASSETS, LIABILITIES AND UNALLOCATED SURPLUS

As at 30 June 2026 \$										
Benefit Fund	Assets					Liabilities and Unallocated Surplus				
	Cash and cash equivalents	Receivables	Fixed interest and other investments	Current and deferred tax assets	Total assets	Provision for current and deferred tax	Creditors and other liabilities	Members policy liabilities	Total liabilities	Net assets
Investment Contracts:										
Education Bond	33,936	262	1,006,975	-	1,041,173	23,037	2,197	1,017,395	1,042,629	(1,456)
Insurance Bond	1,362,871	370	22,169,060	-	23,532,301	240,096	36,546	22,751,565	23,028,207	504,094
Funeral Benefit	13,820,618	45,416	394,852,082	-	408,718,116	3,107,099	974,207	400,993,221	405,074,527	3,643,589
State Trustees (Exempt and Taxable)	372,995	-	13,605,039	-	13,978,034	31,736	25,357	13,763,027	13,820,120	157,914
Total investment contracts	15,590,420	46,048	431,633,156	-	447,269,624	3,401,968	1,038,307	438,525,208	442,965,483	4,304,141
Insurance Contracts:										
Funeral Transfer	215,129	-	204,692	-	419,821	7,239	75,698	336,884	419,821	-
Sick and Funeral	257,575	-	21,686,251	-	21,943,826	-	34,909	19,730,350	19,765,259	2,178,567
Police Association	465,368	-	2,908,119	65,404	3,438,891	-	430,861	1,051,190	1,482,051	1,956,840
Total insurance contracts	938,072	-	24,799,062	65,404	25,802,538	7,239	541,468	21,118,424	21,667,131	4,135,407
Total all contracts	16,528,492	46,048	456,432,218	65,404	473,072,162	3,409,207	1,579,775	459,643,632	464,632,614	8,439,548

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

As at 30 June 2025 \$										
Benefit Fund	Assets				Total assets	Liabilities and Unallocated Surplus				
	Cash and cash equivalents	Receivables	Fixed interest and other investments	Current and deferred tax 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	253,060	39,657	24,995,080	25,287,797	461,591
Funeral Benefit	18,476,562	44,316	362,055,627	-	380,576,505	4,009,664	826,675	374,871,699	379,708,038	868,467
State Trustees (Exempt and Taxable)	2,522,686	-	12,517,506	-	15,040,192	(19,729)	23,996	14,927,692	14,931,959	108,233
Total investment contracts	22,600,574	44,699	399,349,046	-	421,994,319	4,257,869	891,797	415,407,053	420,556,719	1,437,600
Insurance Contracts:										
Funeral Transfer	354,622	-	-	-	354,622	5,684	75,623	273,315	354,622	-
Sick and Funeral	1,276,786	-	22,148,495	-	23,425,281	-	1,037,172	19,783,384	20,820,556	2,604,725
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	(12,949)	1,536,912	20,463,514	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	435,870,567	442,544,196	6,532,462

NOTE 28. STATUTORY BENEFIT FUNDS POLICY LIABILITIES

Benefit Fund	As at 30 June 2026 \$							
	Value of policy liabilities 1 July 2025	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	612,582	-	370,661	(21,639)	-	55,791	-	1,017,395
Insurance Bond	24,635,432	359,649	1,082,375	(3,824,750)	413,619	85,240	-	22,751,565
Funeral Benefit	368,087,821	6,783,873	52,359,191	(33,472,782)	2,730,873	4,504,245	-	400,993,221
State Trustees (Exempt and Taxable)	14,272,862	654,829	12,566	(1,512,510)	335,599	(319)	-	13,763,027
Total investment contracts	407,608,697	7,798,351	53,824,793	(38,831,681)	3,480,091	4,644,957	-	438,525,208
Insurance Contracts:								
Funeral Transfer	273,315	-	-	-	-	63,569	-	336,884
Sick and Funeral	19,366,490	416,894	-	-	490,588	(543,622)	-	19,730,350
Police Association	406,816	-	-	-	-	644,374	-	1,051,190
Total insurance contracts	20,046,621	416,894	-	-	490,588	164,321	-	21,118,424
Total all contracts	427,655,318	8,215,245	53,824,793	(38,831,681)	3,970,679	4,809,278	-	459,643,632

NOTE 28. STATUTORY BENEFIT FUNDS POLICY LIABILITIES (CONTINUED)

Benefit Fund	As at 30 June 2025 \$							
	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	41,507	-	24,995,080
Funeral Benefit	345,963,634	3,038,657	46,657,291	(31,206,173)	6,783,873	3,634,417	-	374,871,699
State Trustees (Exempt and Taxable)	15,853,581	307,325	19,410	(1,907,831)	654,829	378	-	14,927,692
Total investment contracts	388,736,370	3,800,458	47,028,492	(35,668,441)	7,798,362	3,711,812	-	415,407,053
Insurance Contracts:								
Funeral Transfer	217,428	-	-	-	-	55,887	-	273,315
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	(1,037,366)	-	20,463,514
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 29. STATUTORY BENEFIT FUND CAPITAL ADEQUACY

This table has been prepared in accordance with APRA Prudential Standard LPS 110 Capital Adequacy. All capital included in the Company's capital base comprises Common Equity Tier 1 capital, being the highest quality form of regulatory capital.

As at 30 June 2026 \$																
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	1,041,173	1,017,395	25,234	(1,456)	-	-	-	-	-	-	-	-	-	-	-	-
Insurance Bond	23,532,301	22,751,565	276,642	504,094	-	-	-	-	-	-	-	-	-	-	-	-
Funeral Benefit	408,718,116	400,993,221	4,081,306	3,643,589	-	-	-	-	-	-	-	-	-	-	-	-
State Trustees (Exempt and Taxable)	13,978,034	13,763,027	57,093	157,914	-	-	-	-	-	-	-	-	-	-	-	-
Total investment contracts	447,269,624	438,525,208	4,440,275	4,304,141	-	-	-	-	-	-	-	-	-	-	-	-
Insurance Contracts:																
Funeral Transfer	419,821	336,884	82,937	-	(154,210)	154,210	20,701	1,636	(1,248)	-	-	-	-	21,089	133,121	731%
Sick and Funeral	21,943,826	19,730,350	34,909	2,178,567	-	2,178,567	1,680,573	1,318,492	(664,740)	-	-	(2,334,325)	500,000	500,000	1,678,567	436%
Police Association	3,438,891	1,051,190	430,861	1,956,840	-	1,956,840	631,608	797,640	(317,189)	-	-	-	-	1,112,059	844,525	176%
Total insurance contracts	25,802,538	21,118,424	548,707	4,135,407	(154,210)	4,289,617	2,332,882	2,117,768	(983,177)	-	-	(2,334,325)	500,000	1,633,148	2,656,213	
Management Fund	22,260,394	-	3,311,774	18,948,620	918,275	18,030,349	576,855	-	-	1,207,849	247,224	-	6,334,924	8,366,852	9,663,498	215%
Interfund elimination	(775,444)	(775,444)														
Total Society	494,557,112	458,868,188	8,300,756	27,388,168	764,065	22,319,966	2,909,737	2,117,768	(983,177)	1,207,849	247,224	(2,334,325)	6,834,924	10,000,000	12,319,711	223%

NOTE 29. STATUTORY BENEFIT FUND CAPITAL ADEQUACY (CONTINUED)

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	25,496,328	24,995,080	39,657	461,591	-	-	-	-	-	-	-	-	-	-	-	0%
Funeral Benefit	376,566,841	374,871,699	826,675	868,467	-	-	-	-	-	-	-	-	-	-	-	0%
State Trustees (Exempt and Taxable)	15,059,921	14,927,692	23,996	108,233	-	-	-	-	-	-	-	-	-	-	-	0%
Total investment contracts	417,736,450	415,407,053	891,797	1,437,600	-	-	-	-	-	-	-	-	-	-	-	
Insurance Contracts:																
Funeral Transfer	348,938	273,315	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	27,095,288	20,463,514	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 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 2026

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 2026 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, 14 September 2026



Andrew Smith
Director

Melbourne, 14 September 2026



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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 2026, 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 2026 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 2026; but does not include the financial report and the Independent Auditor's Report thereon.

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

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Other Information (cont.)

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of 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 AUSTRALIA PARTNERS****WARWICK JA SPARGO**

Partner

Dated: 16 September 2026
Melbourne, Victoria

Appointed Actuary's Statement

Liability valuations are established on balance sheet as of 30 June 2026. 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 2026 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

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Foresters Financial Limited is a registered company under the Corporations Act 2001 (Cth). The company is a public company limited by shares and guarantee.

Registered office and principal place of business is:

 4/417 St Kilda Road
Melbourne VIC 3004

ABN 27 087 648 842
Australian Financial Services License No. 241421

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