

**Centuria Life Limited And Controlled Entities**

**ABN 79 087 649 054**

**Consolidated financial report  
For the year ended 30 June 2024**

## **Directors' Report For the year ended 30 June 2024**

The directors present their report together with the consolidated financial statements of Centuria Life Limited ("the Society") for the financial year ended 30 June 2024 and the auditor's report thereon.

### **Directors**

The directors of the Society at any time during or since the end of the financial year are:

Mr Garry S. Charny  
Mr Peter J. Done (resigned 28 November 2023)  
Ms Joanne Dawson (appointed 28 November 2023)  
Mr John R. Slater  
Mr John E. McBain  
Ms Natalie Collins  
Mr Jason C. Huljich

### **Company secretary**

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

### **Principal activities**

The principal activities of the Society during the course of the financial year were the marketing and management of investment products, principally friendly society investment bonds. There were no significant changes in the nature of the activities of the Society during the year.

### **Operating and financial review**

The net profit for the year was \$2,347,000 (2023: net profit \$2,113,000) after providing for income tax expense relating to shareholders of \$1,055,000 (2023: \$1,049,000).

### **Change in state of affairs**

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

### **Dividends**

A dividend of \$700,000 during the financial year ended 30 June 2024 was paid to Centuria Capital Limited (CCL), the ultimate parent company of the Society (2023: \$1,300,000).

### **Events subsequent to the reporting date**

The Society paid out \$1,300,000 FY2024 final dividend to the Parent company, Centuria Capital Limited on 23 August 2024 followed the Board approval on 22 August 2024.

Other than the above, there has not arisen in the interval between 30 June 2024 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Society, to affect significantly the operations of the Society, the results of those operations, or the state of affairs of the Society, in future financial years.

### **Likely developments**

The Society's key focus continues to be on growing Funds Under Management through creating new and innovative products that meet market demand, prudent investment decision making and maintaining informative and regular policyholder communication.

The Society is currently in the process of increasing its product offering to policyholders to provide further investment choice and flexibility, to attract new policyholder investment as well as organically increase existing Funds Under Management.

## **Directors' Report**

### **For the year ended 30 June 2024**

#### **Environmental regulation**

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

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

#### **Indemnification of officers and auditors**

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

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

The directors have not included details of the nature of the liabilities covered or the amount of premium paid in respect of the Directors' and Officers' Liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contracts. CCL has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Society or any related body corporate against a liability incurred as such an officer or auditor.

#### **Lead auditor's independence declaration**

The lead auditor's independence declaration is set out on page 3 and forms part of the Directors' Report for the year ended 30 June 2024.

#### **Rounding of amounts to the nearest thousand dollars**

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

This Directors' Report is signed in accordance with a resolution of the Directors.



Mr Garry S. Charny  
Director  
Sydney



Ms Joanne Dawson  
Director

Sydney  
24 September 2024



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

To the Directors of Centuria Life Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Centuria Life Limited for the financial year ended 30 June 2024 there have been:

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

A handwritten version of the KPMG logo in black ink, showing the letters 'KPMG' in a cursive style.

KPMG

A handwritten signature in black ink that reads 'Leann Yuen' in a cursive script.

Leann Yuen  
*Partner*

Sydney  
24 September 2024

## Consolidated statement of comprehensive income

For the year end 30 June 2024

	Note	2024 \$'000	2023 \$'000
Revenue	C1(a)	20,853	14,870
Profit on investment	C1(b)	9,282	7,037
Share of profit from equity accounted associate		-	507
		<u>30,135</u>	<u>22,414</u>
Employee benefits expense	C2	(3,602)	(3,906)
Administration fees		(750)	(373)
Other expenses	C3	(1,957)	(1,643)
Net movement in policyholders funds - benefits funds	C4	(15,584)	(10,001)
<b>Profit before tax</b>		<u>8,242</u>	<u>6,491</u>
Income tax expense relating to shareholders		(1,055)	(1,049)
Income tax expense relating to Benefit Funds		(4,840)	(3,329)
<b>Total income tax (expense)</b>	C6(a)	<u>(5,895)</u>	<u>(4,378)</u>
<b>Profit for the year</b>		<u>2,347</u>	<u>2,113</u>
<b>Other comprehensive income</b>			
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive income for the period</b>		<u>2,347</u>	<u>2,113</u>

The notes on pages 8 to 40 are an integral part of these consolidated financial statements.

## Consolidated Statement of Financial Position

For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>ASSETS</b>			
Cash and cash equivalents		33,735	55,523
Trade and other receivables	D1	6,691	3,198
Financial assets at fair value through profit or loss	D2	300,327	233,009
Prepayments		95	55
Plant and equipment		18	18
Derivative assets	D3	919	-
Deferred tax assets	C6(c)	546	1,230
<b>TOTAL ASSETS</b>		<b>342,331</b>	<b>293,033</b>
<b>LIABILITIES</b>			
Trade and other payables	D4	3,279	2,038
Income tax payable	C6(b)	2,032	671
Deferred tax liabilities	C6(c)	4,480	2,846
Provisions		82	380
Borrowings	D5	11,536	-
Policyholders funds	D6	306,970	278,793
<b>TOTAL LIABILITIES</b>		<b>328,379</b>	<b>284,728</b>
<b>NET ASSETS</b>		<b>13,952</b>	<b>8,305</b>
<b>EQUITY</b>			
Contributed equity	D7	9,000	5,000
Retained earnings		4,952	3,305
<b>TOTAL EQUITY</b>		<b>13,952</b>	<b>8,305</b>

The notes on pages 8 to 40 are an integral part of these consolidated financial statements.

## Consolidated statement of changes in equity

For the year ended 30 June 2024

	Note	Issued capital \$'000	Retained earnings \$'000	Total \$'000
<b>Balance at 1 July 2022</b>		65,400	2,492	67,892
Profit for the period		-	2,113	2,113
Share capital issued		-	-	-
Return of surplus share capital		(60,400)	-	(60,400)
Dividend paid		-	(1,300)	(1,300)
<b>Balance at 30 June 2023</b>		<b>5,000</b>	<b>3,305</b>	<b>8,305</b>
<b>Balance at 1 July 2023</b>		<b>5,000</b>	<b>3,305</b>	<b>8,305</b>
Profit for the period		-	2,347	2,347
Share capital issued	D7	4,000	-	4,000
Dividend paid		-	(700)	(700)
<b>Balance at 30 June 2024</b>		<b>9,000</b>	<b>4,952</b>	<b>13,952</b>

The notes on pages 8 to 40 are an integral part of these consolidated financial statements.

## Consolidated statement of cash flows

For the year ended 30 June 2024

	2024	2023
Note	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Applications received by unit linked funds (no DPF)	42,561	23,630
Interest received	2,668	2,045
Management fees received	3,379	3,372
Dividends received	11,424	8,316
Acquisition fee received	340	-
Interest paid	(65)	-
Other income received	405	596
Redemption paid from unit linked funds (no DPF)	(29,337)	(24,169)
Cash paid to suppliers and employees	(6,771)	(6,957)
Income tax paid	(2,217)	(1,765)
<b>Net cash provided by operating activities</b>	<b>22,387</b>	<b>5,068</b>
E2		
<b>Cash flows from investing activities</b>		
Centuria Keysborough Trust investment	(11,375)	-
Net (outflows)/inflows for (acquisition)/disposal of financial assets	(47,540)	31,823
Distributions received from associates	-	655
Distribution received from Centuria Keysborough Trust investment	65	-
Disposal of investments in associates	-	31,060
<b>Net cash (used in)/provided by investing activities</b>	<b>(58,850)</b>	<b>63,538</b>
<b>Cash flows from financing activities</b>		
Net (payments)/receipts from related parties	-	(27,202)
Proceeds from issues of shares	4,000	-
Proceeds from borrowings	11,375	-
Return of share capital	-	(31,500)
Dividends paid	(700)	(1,300)
<b>Net cash provided by/(used in) financing activities</b>	<b>14,675</b>	<b>(60,002)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		
	<b>(21,788)</b>	<b>8,604</b>
Cash and cash equivalents at the beginning of the financial year	55,523	46,919
<b>Cash and cash equivalents at end of year</b>	<b>33,735</b>	<b>55,523</b>
E1		

The notes on pages 8 to 40 are an integral part of these consolidated financial statements.

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

### A1 General information

Centuria Life Limited ("the Society") is a for-profit public entity, limited by shares and guarantee, incorporated and operating in Australia. The Society's registered office and its principal place of business is as follows:

Level 47  
101 Collins Street  
Melbourne VIC 3000  
Tel: 1300 50 50 50

### Statement of compliance

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

The consolidated financial statements were authorised for issue by the directors on 24 September 2024.

### Basis of preparation

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

The consolidated statement of financial position is prepared with the assets and liabilities presented broadly in order of liquidity. The assets and liabilities comprise both current amounts (expected to be recovered or settled within 12 months after the reporting date) and non-current amounts (expected to be recovered or settled more than 12 months after the reporting date).

### Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Society and entities controlled by the Society (subsidiaries). The Society controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

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

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

The Benefit Fund operations of the Society comprise the issue and administration of contracts governed under the *Life Insurance Act 1995* (Life Act). For the purposes of the consolidated financial statements these are classified as Benefit Funds without discretionary participation features (DPF), i.e. unit linked funds without DPF. These contracts do not transfer significant insurance risk and therefore do not fall under the scope of AASB 17 *Insurance Contracts*. Instead, they are classified as financial instruments under AASB 9 *Financial Instruments*.

For the purposes of this financial report, holders of Benefit Funds are referred to as policyholders. Monies held in the Benefit Funds are subject to distribution and transfer restrictions pursuant to the Life Act.

Information concerning the management fund on a standalone basis is included in Note B Segment information.

### A1 General information (continued)

#### Going concern

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

#### Rounding of amounts

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

### A2 Changes in accounting standards

#### Material accounting policy information

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

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

Management reviewed the accounting policies and made updates to the information disclosed in A3 Material accounting policies (FY2023: Significant accounting policies) in certain instances in line with the amendments.

### A3 Material accounting policies

These financial statements contain all material accounting policies that summarise the recognition and measurement basis used and which are relevant to provide an understanding of the financial statements. Accounting policies that are specific to a note to the financial statements are described in the note to which they relate, unless included below.

#### Unit prices

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

### A4 Other new Accounting Standards and Interpretations

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

The following new or amended standards and interpretations do not have a significant impact on the Society's consolidated financial statements.

### A4 Other new Accounting Standards and Interpretations (continued)

#### **Standards now effective**

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

#### **Standards not yet effective**

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

The following new and amended standards are not expected to have a material impact on the Society's consolidated financial statements.

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

### A5 Critical accounting judgements and key sources of estimation uncertainty

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

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

#### **Key Judgements**

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in Note G1.

#### **Summary of significant actuarial methods and assumptions**

A Financial Condition Report was prepared by the Society's Appointed Actuary, Mr Sean McGing. This report covers Benefit Fund liabilities and prudential reserves. The effective date of the report is 30 June 2024. The amount of the Benefit Fund liabilities has been determined in accordance with the methods and assumptions disclosed in the Financial Condition Report, described below. The Appointed Actuary is satisfied as to the accuracy of the data from which the amount of the policyholder's fund liabilities has been determined.

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

### A5 Critical accounting judgements and key sources of estimation uncertainty (continued)

#### Summary of significant actuarial methods and assumptions (continued)

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

#### Expense Margin

The expenses of the Benefit Funds are equal to the management allowances transferred to the Management Fund.

#### Solvency and Capital Adequacy

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

#### Involvement with unconsolidated structured entities

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

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

## B Segment information

The Society's reportable segments have been presented based on product groupings used by the chief operating decision maker of the Society in making resource allocation decisions. The accounting policies of reportable segments are the same as the Society's accounting policies.

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

### Segment Profit and Loss

30 June 2024	Unitised Bonus Rated Benefit Funds (1) \$'000	Unitised Benefit Funds Investment Bonds (2) \$'000	Unitised Benefit Funds Life Goals (3) \$'000	Unitised Management Fund \$'000	Eliminations \$'000	Total \$'000
Other income	-	143	-	847	-	990
Property acquisition fee	-	-	-	309	-	309
Net (loss) of property investment disposal	-	-	-	-	-	-
Share of net profit of equity accounted investment	-	-	-	-	-	-
Investment income	-	16,855	7,727	874	-	25,456
Management fees	-	-	-	7,678	(4,298)	3,380
<b>Total revenue and gains</b>	<b>-</b>	<b>16,998</b>	<b>7,727</b>	<b>9,708</b>	<b>(4,298)</b>	<b>30,135</b>
						-
Investment management expenses	-	(3,692)	(606)	(750)	4,298	(750)
Other expenses (4)	-	(10,222)	(5,365)	(5,556)	-	(21,143)
<b>Total expenses</b>	<b>-</b>	<b>(13,914)</b>	<b>(5,971)</b>	<b>(6,306)</b>	<b>4,298</b>	<b>(21,893)</b>
<b>Profit before tax</b>	<b>-</b>	<b>3,084</b>	<b>1,756</b>	<b>3,402</b>	<b>-</b>	<b>8,242</b>
<b>Income tax expense</b>	<b>-</b>	<b>(3,084)</b>	<b>(1,756)</b>	<b>(1,055)</b>	<b>-</b>	<b>(5,895)</b>
<b>Profit after income tax and financing costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,347</b>	<b>-</b>	<b>2,347</b>

## Segment information

(1) Followed APRA's approval, the dormant bonus rated fund (with DPF), Deferred Annuity Fund, was closed in FY2024. At 30 June 2024, no bonus rated fund (with DPF) was managed by the Society.

(2) Centuria Growth Bond Fund, Centuria Australian Shares Bond Fund, Centuria Balanced Bond Fund, Centuria DWA CARE Balanced Fund (name changed from "Centuria Implemented Portfolios Bond Fund" in FY2024), Centuria Providence Investment Fund, Centuria Capital Stable Fund No.1, Centuria Capital Stable Fund No. 2, Centuria Funeral Benefit Fund, RAM US Dollar High Yield Hybrid Income Fund, RAM Australia Credit Fund, RAM Australian Multi-Asset Growth Fund, RAM Australian Property Fund, Centuria DWA CARE Core High Growth Fund, Centuria DWA Genuine Edge Fund and Centuria DWA CARE ESG High Growth Fund.

(3) Centuria AB Managed Volatility Equities Fund, Centuria Alphinity Sustainable Share Fund, Centuria Bennelong Concentrated Aus Equities Fund, Centuria BetaShares Geared Aus Equity Fund (hf), Centuria Fidelity Future Leaders Fund, Centuria Firetrail Australian High Conviction Fund, Centuria Greencape Broadcap Fund, Centuria Vanguard Australian Shares Index Fund, Centuria BetaShares Aus Inv Grade Corp Bond ETF, Centuria Pental Short Term Income Securities Fund, Centuria Pimco Australian Bond Fund, Centuria Pimco Global Bond Fund, Centuria Vanguard Aus Fixed Interest Index Fund, Centuria MLC WHL Horizon 4 Balanced Portfolio, Centuria Russell Investments Balanced Fund, Centuria Pental Sustainable Balanced Fund, Centuria Vanguard Diversified Balanced Index Fund, Centuria MLC WHL Horizon 5 Growth Portfolio, Centuria Russell Investments Growth Fund, Centuria Schroder Real Return CPI + 5% Fund, Centuria Vanguard Diversified Growth Index Fund, Centuria Magellan Global Fund, Centuria T.Rowe Price Global Equity Fund, Centuria Vanguard International Shares Index Fund, Centuria Vanguard Int Small Companies Index Fund, Centuria Walter Scott Global Equity Fund Unhedged, Centuria Magellan Infrastructure Fund, Centuria Vanguard Aus Prop Securities Index Fund, Centuria LifeGoals Vanguard Diversified High Growth Index Fund and Centuria BlackRock Diversified ESG Growth Fund.

(4) Other expenses includes bank fees and the movement in net policyholders' liabilities.

## Segment information

30 June 2023	Bonus Benefit Funds(1) \$'000	Rated Investment Bonds (2) \$'000	Unitised Benefit Funds Life Goals (3) \$'000	Unitised Management Fund \$'000	Eliminations \$'000	Total \$'000
Other income	-	160	-	684	-	844
Property acquisition fee	-	-	-	-	-	-
Net gain of property disposal	-	-	-	(187)	-	(187)
Share of net profit of equity accounted investment	-	-	-	507	-	507
Investment income	-	12,993	4,260	631	-	17,884
Management fees	-	-	-	7,449	(4,083)	3,366
<b>Total revenue</b>	<b>-</b>	<b>13,153</b>	<b>4,260</b>	<b>9,084</b>	<b>(4,083)</b>	<b>22,414</b>
						-
Investment management expenses	(6)	(3,689)	(388)	(373)	4,083	(373)
Other expenses(4)	5	(7,175)	(2,831)	(5,549)	-	(15,550)
<b>Total expenses</b>	<b>(1)</b>	<b>(10,864)</b>	<b>(3,219)</b>	<b>(5,922)</b>	<b>4,083</b>	<b>(15,923)</b>
<b>Profit before tax</b>	<b>(1)</b>	<b>2,289</b>	<b>1,041</b>	<b>3,162</b>	<b>-</b>	<b>6,491</b>
<b>Income tax expense</b>	<b>1</b>	<b>(2,289)</b>	<b>(1,041)</b>	<b>(1,049)</b>	<b>-</b>	<b>(4,378)</b>
<b>Profit after income tax and financing costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,113</b>	<b>-</b>	<b>2,113</b>

## Segment information

### Segment Assets and Liabilities

30 June 2024	Unitised Benefit Funds	Investment Bonds	Unitised Benefit Funds	Life Goals	Management Fund	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment assets	-	198,681	91,029	10,617	-	300,327	
Put/call option				919		919	
Cash assets	-	14,923	927	17,885	-	33,735	
Other assets	-	3,130	3,108	952	(386)	6,804	
Tax receivable	-	7	47	-	-	54	
Deferred tax assets	-	126	420	-	-	546	
<b>Total assets</b>	-	216,867	95,531	30,373	(386)	342,385	
Other liabilities	-	(304)	(236)	(3,207)	386	(3,361)	
Current tax liabilities	-	(713)	(425)	(948)	-	(2,086)	
Deferred tax liabilities	-	(2,886)	(864)	(730)	-	(4,480)	
Borrowings				(11,536)		(11,536)	
Policyholders' funds	-	(212,964)	(94,006)	-	-	(306,970)	
<b>Total liabilities</b>	-	(216,867)	(95,531)	(16,421)	386	(328,433)	
<b>Net assets</b>	-	-	-	13,952	-	13,952	
<b>Policyholder funds liabilities</b>							
Balance at beginning of the financial year	(1)	(220,094)	(58,698)	-	-	(278,793)	
Applications received	-	(4,048)	(36,461)	-	-	(40,509)	
Redemptions paid	-	21,398	6,518	-	-	27,916	
Undistributed profit	1	(10,220)	(5,365)	-	-	(15,584)	
	-	(212,964)	(94,006)	-	-	(306,970)	
<b>Total policyholders' funds at end of financial year</b>	-	(212,964)	(94,006)	-	-	(306,970)	

## Segment information

30 June 2023	Unitised Benefit Funds		Unitised Benefit Funds		Management Fund	Eliminations \$'000	Total \$'000
	Bonus Rated Benefit Funds \$'000	Investment Bonds \$'000	Life Goals \$'000		\$'000		
Investment assets	-	175,528	57,481		-	-	233,009
Cash assets	-	44,978	416		10,129	-	55,523
Other assets	-	2,124	583		1,001	(437)	3,271
Tax receivable		45	18				63
Deferred tax assets		360	870		-	-	1,230
<b>Total assets</b>	<b>-</b>	<b>223,035</b>	<b>59,368</b>		<b>11,130</b>	<b>(437)</b>	<b>293,096</b>
Other liabilities	-	(569)	(412)		(1,874)	437	(2,418)
Tax liabilities	1	(209)	(190)		(336)	-	(734)
Deferred tax liabilities	-	(2,163)	(68)		(615)	-	(2,846)
Policyholders' funds	(1)	(220,094)	(58,698)		-	-	(278,793)
<b>Total liabilities</b>	<b>-</b>	<b>(223,035)</b>	<b>(59,368)</b>		<b>(2,825)</b>	<b>437</b>	<b>(284,791)</b>
<b>Net assets</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>8,305</b>	<b>-</b>	<b>8,305</b>
<b>Policyholder funds liabilities</b>							
Balance at beginning of the financial year	(6)	(229,751)	(40,801)		-	-	(270,558)
Applications received	-	(4,126)	(18,721)		-	-	(22,847)
Redemptions paid	-	20,958	3,655		-	-	24,613
Undistributed profit	5	(7,175)	(2,831)		-	-	(10,001)
	(1)	(220,094)	(58,698)		-	-	(278,793)
<b>Total policyholders' funds at end of financial year</b>	<b>(1)</b>	<b>(220,094)</b>	<b>(58,698)</b>		<b>-</b>	<b>-</b>	<b>(278,793)</b>

## C Income and Expenses

### C1 Income

#### (a) Revenue

	2024 \$'000	2023 \$'000
Interest received	2,672	2,045
Dividends/distributions received	13,501	8,615
Management fees	3,381	3,366
Property acquisition fees	309	-
Other income	990	844
	<u>20,853</u>	<u>14,870</u>

\*Property acquisition fee is related to the Society's \$11.4 million investment into a newly established Trust, Centuria Keysborough Trust (CKT). CKT acquired a property located at 93-103 Pacific Drive Keysborough VIC (the Keysborough Property) in March 2024. According to the investment agreement, the Society is entitled to the property acquisition fee and disposal fee of the Keysborough Property.

#### Recognition and measurement

Revenue is measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

##### Interest revenue

Interest revenue is recognised when it is probable that the economic benefits will flow to the Society and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method.

##### Dividend and distribution revenue

Dividend and distribution revenue from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Society and the amount of revenue can be measured reliably).

##### Management fees

Management fees are recognised on an accruals basis when the Society has the right to receive payment.

##### Property acquisition income

The Society received a one-off fee for the investment in CKT. The revenue is recognised in accordance with the agreement and consideration is due 30 days from invoice date.

#### (b) Gain/(Loss) on Investments

	2024 \$'000	2023 \$'000
Net unrealised gains on financial assets	7,313	8,658
Net gains/(losses) on sale of financial assets	1,969	(1,621)
	<u>9,282</u>	<u>7,037</u>

## Income and Expenses

### C2 Employee benefit expenses

	2024 \$'000	2023 \$'000
Wages and salaries	3,417	3,601
Payroll taxes	22	181
Other associated personnel expenses	163	124
	3,602	3,906

### Recognition and measurement

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

### Transactions with key management personnel

The following were considered key management personnel of the Company during the year:

- Garry Charny (Independent Non-Executive Director and Chairman)
- Peter Done (Independent Non-Executive Director), resigned 28 November 2023
- Joanne Dawson (Independent Non-Executive Director), appointed 28 November 2023
- John Slater (Independent Non-Executive Director)
- Natalie Collins (Independent Non-Executive Director)
- Jason Huljich (Executive Director)\*
- John McBain (Executive Director)\*
- Michael Blake (Head of Centuria Life)

\*The Executive Directors are specifically required to be included as key management personnel in accordance with AASB 124 Related Party Disclosures. The Executive Directors are employees of Centuria Capital Limited and their remuneration are not borne or allocated to the Society.

During the financial year, with the exception of the Head of Centuria Life and the Executive Directors, key management personnel compensation, were incurred in full by the immediate and ultimate parent entity Centuria Capital Limited and allocated and recovered from the Society. The prior year comparatives have been restated to be consistent with the current year presentation, reflecting the compensation received by the Non-Executive key management personnel allocated and recovered from the Society.

	2024 \$	2023 \$
<b>Key management personnel compensation</b>		
Short term benefits	261,224	245,594
Post employment benefits	8,376	14,406
	269,600	260,000

## Income and Expenses

### C3 Other expenses

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Consulting and professional fees	539	418
Information systems expenses	399	377
Insurance expenses	157	200
Office administration expenses	62	53
Travel expenses	49	64
Rental expense	190	244
Recruitment and temporary staff	21	77
Depreciation and amortisation expense	96	102
Advertising and marketing expense	123	27
Finance costs*	227	-
Other general expenses	94	81
	<b>1,957</b>	1,643

\*Include \$226,000 of interest expense, (6.55% fixed rate for the first year, then BBSY plus 0.5% for the following years), capitalised on the Society's new related party loan. Details refer to D5.

### C4 Net movement in policyholders' funds

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Net profit attributed to fund members with DPF	-	(5)
Net movement in benefit funds with DPF	-	(5)
Net movement in benefit funds with no DPF	<b>15,584</b>	10,006
Net movement in policyholders' funds - benefit funds	<b>15,584</b>	10,001

### C4 Net movement in policyholders' funds (continued)

#### Recognition and measurement

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

##### (i) Insurance contracts

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

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

##### (ii) Investment contracts

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

(a) that are likely to be a significant portion of the total contractual benefits;

(b) whose amount or timing is contractually at the discretion of the issuer; and

(c) that are contractually based on:

- the performance of a specified pool of contracts or a specified type of contract;
- realised and/or unrealised investment returns on a specified pool of assets held by the issuer; or
- the profit or loss of the Society, fund or other entity that issues the contract.

The value of policyholders' funds in the unit linked funds is solely dependent on the market valuation of the underlying assets therefore all contracts held by the Society and its Benefit Funds are investment contracts without DPF.

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

## Income and Expenses

### C5 Dividends

	2024 Cents per share	2024 Total \$'000	2023 Cents per share	2023 Total \$'000
<b>Recognised amounts</b>				
Total Dividend (fully franked)	1	700	3	1,300

Dividends of \$700,000 in respect of the financial year ended 30 June 2024 were paid to the Society's parent company, Centuria Capital Limited (2023: \$1,300,000).

### C6 Taxation

#### (a) Income tax recognised in profit or loss

	Notes	2024 \$'000	2023 \$'000
Profit before tax		8,242	6,491
Less: Profit/(Loss) relating to Benefit Funds included in profit before tax		<u>(4,840)</u>	<u>(3,329)</u>
<b>Profit before tax attributable to the management fund</b>		<b>3,402</b>	<b>3,162</b>
Tax at the Australian tax rate of 30.0% (2023 - 30.0%)		1,021	949
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:			
Expenses relating to exempt income and non-allowable expenses		35	100
Income tax expense/(benefit) relating to Benefit Funds		<u>4,840</u>	<u>3,329</u>
<b>Income tax expense/(benefit)</b>		<b><u>5,896</u></b>	<b><u>4,378</u></b>
Current tax on profits for the year		3,576	956
Deferred tax expense relating to the origination and reversal of temporary differences		<u>2,319</u>	<u>3,422</u>
<b>Income tax expense/(benefit)</b>		<b><u>5,895</u></b>	<b><u>4,378</u></b>

#### (b) Current tax assets and liabilities

	2024 \$'000	2023 \$'000
Current tax liabilities	<u>2,032</u>	671
Income tax payable (to Centuria Capital Limited)	<u>2,032</u>	<u>671</u>

## Income and Expenses

### C6 Taxation (continued)

#### (c) Deferred tax balances

	Opening Balance \$'000	Charged to Income \$'000	Closing Balance \$'000
<b>Financial year ended 30 June 2024</b>			
<b>Deferred tax assets</b>			
Unrealised loss on financial assets	1,230	(684)	546
<b>Deferred tax liabilities</b>			
Unrealised gain on financial assets	(2,231)	(1,520)	(3,751)
Other	(615)	(115)	(730)
	(1,616)	(2,319)	(3,935)
<b>Presented in the statement of financial position as follows:</b>			
Deferred tax assets			546
Deferred tax liabilities			(4,481)
			(3,935)
	Opening Balance \$'000	Charged to Income \$'000	Closing Balance \$'000
<b>Financial year ended 30 June 2023</b>			
<b>Deferred tax assets</b>			
Unrealised loss on financial assets	2,710	(1,480)	1,230
Other	98	(98)	-
<b>Deferred tax liabilities</b>			
Unrealised gain on financial assets	(1,002)	(1,229)	(2,231)
Other	-	(615)	(615)
	1,806	(3,422)	(1,616)
<b>Presented in the statement of financial position as follows:</b>			
Deferred tax assets			1,230
Deferred tax liabilities			(2,846)
			(1,616)

#### Recognition and measurement

Income tax expense represents the sum of the tax currently payable and payable on a deferred basis.

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

#### (i) Current tax

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

### C6 Taxation (continued)

#### Recognition and measurement (continued)

##### *(ii)* Deferred tax

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

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

Deferred tax assets arising are generally recognised for all deductible temporary differences to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off deferred tax assets against deferred tax liabilities and when they relate to income taxes levied by the same taxation authority and the Society intends to settle its current tax assets and liabilities on a net basis.

##### *(iii)* Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in the consolidated statement of comprehensive income, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss.

## D Assets and Liabilities

### D1 Trade and other receivables

	2024 \$'000	2023 \$'000
Amount owing by related entities (current assets)	1,445	403
Sundry debtors (current assets)	394	100
Accrued income (current assets)	4,852	2,695
	<u>6,691</u>	<u>3,198</u>

### Recognition and measurement

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'trade and other receivables'. Trade and other receivables are measured at amortised cost using the effective interest method less impairment.

The Society does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Society to the counterparty.

### D2 Financial assets at fair value through profit and loss

	2024 \$'000	2023 \$'000
Floating rate notes (current assets)	27,794	20,830
Investments in unit trusts and shares (current assets)	253,437	207,661
Investments in unlisted property trusts (non-current assets)	11,641	1,342
Cashline loans (non-current assets)	5,384	1,181
Other equity investments (non-current)	2,071	1,995
	<u>300,327</u>	<u>233,009</u>

### Investments in unit trusts, property trusts and shares

Financial year ended 30 June 2024	Fair value \$'000	Exposure	Maximum exposure to loss \$'000
<b>Type of structured entities</b>			
Unlisted property trusts	11,641	4.00%	11,641
Listed property trusts	11,340	4.00%	11,340
Fixed interest trusts	65,480	22.00%	65,480
Equity trusts	156,448	52.00%	156,448
Other unlisted trusts	20,169	7.00%	20,169
Investments in unit trusts and shares	<u>265,078</u>	<u>89.00%</u>	<u>265,078</u>

## Assets and Liabilities

### D2 Financial assets at fair value through profit and loss (continued)

#### Investments in unit trusts, property trusts and shares (continued)

Financial year ended 30 June 2023	Fair value \$'000	Exposure	Maximum exposure to loss \$'000
<b>Type of structured entities</b>			
Unlisted property trusts	1,342	1.00%	1,342
Listed property trusts	13,450	6.00%	13,450
Fixed interest trusts	63,847	27.00%	63,847
Equity trusts	109,322	47.00%	109,322
Other unlisted trusts	21,042	9.00%	21,042
Investments in unit trusts and shares	209,003	90.00%	209,003

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

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

The Society holds investments which are listed on the ASX and are therefore exposed to volatility in the equity capital markets. This volatility has resulted in fair value losses being recognised in the financial year in respect of these investments.

In addition, the Society also holds stakes in other unlisted funds. As these funds are unlisted, they are not exposed to volatility in equity capital markets to the same extent as listed securities, however they are exposed to changes in underlying property values and potential impacts on future cashflows.

#### Recognition and measurement

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

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

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

Financial assets recognised at FVTPL include mortgage loan receivables and investments in trusts.

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The Society has determined that all financial assets held are assets backing the policy liabilities of the life investment contracts under *AASB 9 Financial Instruments*. As these assets are managed on a fair value basis and are reported to the Board on this basis, they have been valued at fair value through profit or loss wherever the applicable standard allows.

#### Derecognition of financial assets

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

## Assets and Liabilities

### D3 Derivative assets

	2024	2023
	\$'000	\$'000
Centuria Keysborough Trust (CKT) Put and Call option	919	-
	919	-

In accordance with a Put and Call Option Deed (the Deed) the Society entered into in April 2024, the Society grants Centuria Property Funds No. 2 Limited as trustee of the Centuria Select Opportunities Fund I (CSOF), the Call Option to purchase CKT units on terms and conditions set out in the Deed; CSOF grants the Society the Put Option to require CSOF to purchase the CKT units held by the Society on terms and conditions set out in the Deed.

#### Recognition and measurement

The Put and Call Option is a derivative financial instrument, with its value being measured at fair value through profit and loss. Gains and losses arising from changes in fair value are taken to the consolidated statement of comprehensive income.

The valuation technique used to determine the fair value of the Put and Call Options is as follows:

- the fair value of the CKT units at each financial period end;
- the carrying amount of the related party loan including accrued interest used to finance the acquisition of the CKT units.

### D4 Trade and other payables

	2024	2023
	\$'000	\$'000
Amounts payable to ultimate parent entity	119	111
Sundry creditors <sup>(i)</sup>	3,160	1,927
	3,279	2,038

<sup>(i)</sup> Sundry creditors are non-interest bearing current liabilities, payable on commercial terms of 7 to 60 days.

### D5 Borrowings

	2024	2023
	Non-current	Non-current
	\$'000	\$'000
<i>Secured</i>		
Related party loan	11,536	-
	11,536	-

## Assets and Liabilities

### D5 Borrowings (continued)

In April 2024, the Society entered into a related party loan agreement with Centuria Select Opportunities Fund I (CSOF), Centuria Property Funds No. 2 Limited, a subsidiary of the Society's parent company, Centuria Capital Limited, acts as trustee of CSOF. The sole purpose of the loan is to finance 100% of the Society's unit acquisition in the Centuria Keysborough Trust (CKT).

The loan amount is \$10,600,000 plus the transaction costs. The full loan amount including transaction costs amounts to \$11,375,000 was fully drawn on 12 March 2024 to acquire \$11,375,000 worth of CKT units. The interest in the loan is capitalised to the loan balance. Total interest capitalised in FY24 was \$226,000, and the Society repaid \$65,000 capitalised interest using FY24 distributions received from CKT.

The Society is not required to repay the loan principal and interest until the earlier of the disposal of all its CKT investments, or 9.5 years from the first advance date. However, the Society has the flexibility to repay all or any part of the amount owing at any time.

The interest rate of the loan is fixed for the first year at 6.55%, then converted to variable rate, being market rate plus 0.5% margin during the remaining loan period.

The loan is secured by the Society's units in the CKT.

### Recognition and measurement

Borrowings are initially recognised at fair value. They are subsequently measured at amortised cost using the effective interest rate method.

### D6 Policyholders' funds

#### (a) Movement in policyholders' funds

	2024 \$'000	2023 \$'000
<b>Bonus Rated Benefit Funds (with Discretionary Participation Features)</b>		
Opening balance	1	6
Undistributed profit	(1)	(5)
Closing balance	-	1
<b>Unitised Benefit Funds (non Discretionary Participation Features)</b>		
Opening balance	278,792	270,552
Applications received	40,509	22,847
Redemptions paid	(27,916)	(24,613)
Undistributed profit	15,585	10,006
Closing balance	306,970	278,792
<b>Total policyholders' funds</b>	<b>306,970</b>	<b>278,793</b>

\* At 30 June 2023 only one dormant Deferred Annuity Fund was classified and presented as a bonus rated benefit fund. This fund was closed followed APRA's approval in FY2024, as a result, the carrying amount of bonus rated benefit fund at 30 June 2024 is Nil.

### Recognition and measurement

Assets held by the Benefit Funds are included in total assets in the consolidated statement of financial position of the Society in accordance with *AASB 10 Consolidated Financial Statements*. A corresponding liability labelled "policyholders' funds" is shown in total liabilities in the consolidated statement of financial position. Movement in policyholders' funds shows the movement in bonus rated funds (with DPF) and unit linked funds (without DPF).

With the closure of last bonus rated fund, "Deferred Annuity Fund" in FY2024, there was no more bonus rated fund (with DPF) managed by the Society on 30 June 2024.

## Assets and Liabilities

### D6 Policyholders' funds (continued)

#### (a) Movement in policyholders' funds (continued)

##### Recognition and measurement (continued)

The policyholders' funds liabilities for unit linked funds are equal to the number of units held, multiplied by the unit redemption price based on market value of the fund's investments as at the valuation date. Applications to these funds are not recorded as income, redemptions from these funds are not recorded separately as expenses but amounts distributable to policyholders are recorded as an expense. No guarantees are provided by the Society in respect of the unit linked funds.

Investment withdrawals (redemptions) in respect of the Benefit Funds are recognised as a reduction in policyholders' funds.

#### (b) Solvency and capital adequacy

Friendly Societies are required to hold prudential reserves over and above their policy liabilities, as a buffer against adverse experience and poor investment returns. The minimum level of reserves required to be held is laid down by the *Life Insurance Act 1995* and accompanying Prudential standards *LPS 100 Solvency Standard* and *LPS 110 Capital Adequacy*.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Capital Base	<b>13,952</b>	8,305
Prescribed Capital Amount	<b>(8,246)</b>	(717)
Capital in excess of Prescribed Capital Amount	<b>5,706</b>	7,588
Capital Adequacy Multiple (%)	<b>169.00%</b>	1,158.00%
<b>Capital Base comprises:</b>		
Net Assets	<b>13,952</b>	8,305
Total Capital Base	<b>13,952</b>	8,305

### D7 Contributed equity

	2024		2023	
	No. of Shares	\$'000	No. of Shares	\$'000
Balance at beginning of the period	<b>48,461,479</b>	<b>5,000</b>	48,461,478	65,400
Shares issued	<b>21,563,342</b>	<b>4,000</b>	-	-
Surplus capital returned	-	-	-	(60,400)
Balance at end of the period	<b>70,024,821</b>	<b>9,000</b>	48,461,478	5,000

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

On 18 March 2024, the Board of Centuria Life Limited authorised to issue 21,563,342 ordinary shares to its parent, Centuria Capital Limited, in relation to a \$4,000,000 equity raising. All shares issued are fully paid. The Society increased its capital to satisfy APRA capital reserve requirements following Society's \$11.4 million investment into Centuria Keysborough Trust in March 2024.

## E Notes to the statement of cash flows

### E1 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprises cash on hand and in banks. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows are reconciled to the related items in the statement of financial position as follows:

	2024 \$'000	2023 \$'000
Cash and cash equivalents	<u>33,735</u>	55,523

### E2 Reconciliation of profit for the period to net cash flows from operating activities

	2024 \$'000	2023 \$'000
<b>Profit for the period</b>	<b>2,347</b>	2,113
Adjustment for		
Depreciation	96	102
Net movements in policyholders' funds	28,177	8,235
Net gain on sale of financial assets	(1,969)	1,434
Net loss on disposal of equity accounted investment - CAF	-	187
Distribution income received - CAF investment	-	(234)
Distribution income received - CKT investment	(65)	-
Equity accounted profit	-	(507)
Net unrealised loss on financial assets	(7,313)	(8,658)
<b>Change in operating assets and liabilities:</b>		
Trade and other receivables	(3,545)	3,258
Prepayments	(40)	15
Deferred tax assets	684	1,578
Trade and other payables	1,020	(3,820)
Deferred tax liabilities	1,634	1,844
Increase in income taxes payable	1,361	(479)
<b>Net cash inflow (outflow) from operating activities</b>	<u><b>22,387</b></u>	<u>5,068</u>

## F Group Structure

### F1 Parent entity disclosure

As at, and throughout the current and previous financial year, the parent entity of the Society was Centuria Life Limited, and the ultimate parent of the Society was Centuria Capital Limited.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Result of parent entity</b>		
Profit for the period	<u>2,347</u>	2,113
Total comprehensive income for the period	<u>2,347</u>	2,113
<b>Financial position of parent entity at year end</b>		
Total current assets	<b>332,369</b>	287,267
Total non-current assets	<u>9,962</u>	5,766
Total assets	<u>342,331</u>	293,033
Total current liabilities	<b>323,899</b>	281,882
Total non-current liabilities	<u>4,480</u>	2,846
Total liabilities	<u>328,379</u>	284,728
Net assets	<b>13,952</b>	8,305
<b>Total equity of the parent entity comprising of:</b>		
Share capital	<b>9,000</b>	5,000
Retained earnings	<u>4,952</u>	3,305
Total equity	<u>13,952</u>	8,305

## **G Other**

### **G1 Financial instruments**

#### **(a) Management of financial instruments**

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

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

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

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

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

#### **(b) Capital risk management**

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

The capital structure of the Society consists of cash and cash equivalents, policyholders' funds and equity (comprising issued capital and retained earnings). The Benefit Funds also hold a range of financial assets for investment purposes including investments in unit trusts, equity and floating rate notes. The Investment Committee aims to ensure that there is sufficient capital for possible redemptions by unit holders of the Benefit Funds. The Benefit Funds have no restrictions or specific capital requirements on the application and redemption of units. The Benefit Funds' overall investment strategy remains unchanged from the prior year.

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

The operations of the Society are regulated by APRA and the management fund of the Society has a minimum Prescribed Capital Amount ("PCA") that must be maintained at all times. The PCA is calculated monthly and these results are reported to the Board each month. The Directors believe that for the foreseeable future the PCA will continue to be met. The Benefit Funds are also subject to solvency and capital adequacy requirements. Refer to Note A5 for further discussion.

#### **(c) Fair value of financial instruments**

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

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

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes).

**G1 Financial instruments (continued)****(c) Fair value of financial instruments (continued)***(i) Valuation techniques and assumptions applied in determining fair value (continued)*

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

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

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

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

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

	2024			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit and loss</b>				
Floating rate notes (current assets)	24,704	3,090	-	27,794
Investments in unit trust and shares (current assets)	19,369	234,068	-	253,437
Investments in unlisted property trusts (non-current assets)	-	11,641	-	11,641
Cashline loans (non-current assets)	-	-	5,384	5,384
Other equity investments (non-current assets)	-	-	2,071	2,071
Put and call option (non-current assets)	-	-	919	919
<b>Total</b>	<b>44,073</b>	<b>248,799</b>	<b>8,374</b>	<b>301,246</b>

**G1 Financial instruments (continued)****(c) Fair value of financial instruments (continued)**(i) *Valuation techniques and assumptions applied in determining fair value (continued)*

	Level 1 \$'000	2023 Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit and loss</b>				
Floating rate notes (current assets)	20,830	-	-	20,830
Investments in unit trust and shares (current assets)	13,450	194,211	-	207,661
Investments in unlisted property trusts (non-current assets)	-	1,342	-	1,342
Cashline loans (non-current assets)	-	-	1,181	1,181
Other equity investments (non-current assets)	-	-	1,995	1,995
<b>Total</b>	<b>34,280</b>	<b>195,553</b>	<b>3,176</b>	<b>233,009</b>

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

<b>2024</b>	<b>Cashline loans \$'000</b>	<b>Other equity investment \$'000</b>	<b>Put and Call Option \$'000</b>	<b>Total \$'000</b>
<b>Opening balance as at 1 July</b>	1,181	1,995	-	3,176
Acquisitions	4,203	70	-	4,273
Fair value movement	-	6	919	925
<b>Closing balance as at 30 June</b>	<b>5,384</b>	<b>2,071</b>	<b>919</b>	<b>8,374</b>

<b>2023</b>	<b>Cashline loans \$'000</b>	<b>Other Equity investments \$'000</b>	<b>Put and Call Options \$'000</b>	<b>Total \$'000</b>
<b>Opening balance as at 1 July</b>	1,181	1,760	-	2,941
Acquisitions	-	70	-	70
Fair value movement	-	165	-	165
<b>Closing balance as at 30 June</b>	<b>1,181</b>	<b>1,995</b>	<b>-</b>	<b>3,176</b>

**(d) Credit risk**

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

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

*(i) Credit risk of loans*

Loans are carried at fair value. Concentration of credit risk in relation to loans is demonstrated by the following bands:

**G1 Financial instruments (continued)****(d) Credit risk (continued)***(i) Credit risk of loans (continued)*

	2024		2023	
	Number	Balance \$'000	Number	Balance \$'000
<b>Loan balance outstanding</b>				
\$0 - \$250,000	-	-	-	-
\$250,001 - \$500,000	-	-	-	-
\$500,001 - \$1,000,000	-	-	-	-
\$1,000,001 - plus	<b>3</b>	<b>5,384</b>	<b>1</b>	<b>1,181</b>
		<b>5,384</b>		<b>1,181</b>

*(ii) Credit risk on other financial assets*

Credit risk on other financial assets such as investments in floating rate notes, standard discount securities and unit trusts is managed through strategic asset allocations with creditworthy counterparties and the on-going monitoring of the credit quality of investments, including the use of credit ratings issued by well-known rating agencies. The exposure of credit risk in respect of financial assets is minimal.

The Society does not have any significant credit risk exposure to any single entity in other financial assets or any group of counterparties having similar characteristics. Other than cash and cash equivalents, no individual investment exceeds 5% of net assets at either 30 June 2024 or 30 June 2023. The ratings in the following table are the equivalent ratings of Standard & Poor's.

	2024 \$'000	2023 \$'000
<b>Cash and cash equivalents</b>		
AAA	-	-
AA-	<b>33,735</b>	55,523
A+	-	-
	<b>33,735</b>	55,523

*(iii) Credit risk of the Management Fund*

The Management Fund has credit risk exposure to the extent that there are outstanding receivables from the ultimate parent entity and other related parties. This risk is covered by recourse to the assets of the related parties. The Management Fund does not have any financial assets that are past due, and the expected credit loss is not considered material.

**(e) Liquidity risk**

The Society's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities. The unit holders in the Benefit Funds are able to withdraw their units at any time and the Benefit Funds are therefore exposed to the liquidity risk of meeting unit holders' withdrawals at any time.

The Benefit Funds' listed securities, listed managed investment schemes and unlisted management investment schemes are considered to be readily realisable. The Benefit Funds' other investments included investments in unlisted investments and mortgage loans, which are not traded in an organised market and which generally may be illiquid. As a result, there is a risk that the Benefit Funds may not be able to liquidate all of these investments at their fair value in order to meet their liquidity requirements.

The Benefit Funds' liquidity risks are managed in accordance with the funds' investment strategies. The funds also manage liquidity risk by maintaining adequate banking facilities and through continuous monitoring of forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The funds overall strategy to liquidity risk management remains unchanged from 2023.

The following tables summarise the maturity profile of the Society's financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the funds can be required to pay. The tables include both interest and principal cash flows.

**G1 Financial instruments (continued)****(e) Liquidity risk (continued)**

	On Demand \$'000	Less than 3 months \$'000	3 months to 1 year \$'000	1 - 5 years \$'000	5+ years \$'000	Total \$'000
<b>2024</b>						
Trade and other payables	-	3,279	-	-	-	3,279
Life Investment Contracts (no DPF)	306,970	-	-	-	-	306,970
Borrowings	-	-	-	-	18,974	18,974
Total financial liabilities	306,970	3,279	-	-	18,974	329,223

**2023**

Trade and other payables	-	2,038	-	-	-	2,038
Life Insurance Contracts (with DPF)	1	-	-	-	-	1
Life Investment Contracts (no DPF)	278,792	-	-	-	-	278,792
Total financial liabilities	278,793	2,038	-	-	-	280,831

**(f) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk and price risk. The Society manages the market risk associated with its Benefit Funds by outsourcing its investment management. The Investment Manager manages the financial risks relating to the operations of the Benefit Funds in accordance with an investment mandate set out in the Benefit Funds' constitution and product disclosure statement. There has been no change to the Society's exposure to market risks or the manner in which it manages and measures the risk.

**(i) Interest rate risk management**

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

The tables below detail the Society's interest-bearing financial assets. There were no interest bearing liabilities subject to interest rate risk during the financial period.

	Variable rate \$'000	Fixed rate \$'000	Total \$'000
<b>2024</b>			
<b>Financial assets</b>			
Cash and cash equivalents	33,735	-	33,735
Floating rate notes	27,794	-	27,794
Fixed interest trusts	-	57,580	57,580
Cashline loans	4,203	1,181	5,384
<b>Total</b>	<b>65,732</b>	<b>58,761</b>	<b>124,493</b>

**G1 Financial instruments (continued)****(f) Market risk (continued)***(i) Interest rate risk management (continued)*

2023	Variable rate \$'000	Fixed rate \$'000	Total \$'000
<b>Financial assets</b>			
Cash and cash equivalents	55,523	-	55,523
Floating rate notes	20,830	-	20,830
Fixed interest trusts	-	63,847	63,847
Cashline loans	-	1,181	1,181
Total	<u>76,353</u>	<u>65,028</u>	<u>141,381</u>

*(ii) Interest rate sensitivity*

The sensitivity analyses below have been determined based on the Society's exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and being held constant throughout the reporting period. A 100-basis point (1%) increase or decrease represents management's assessment of the reasonably possible change in interest rates.

At reporting date, if interest rates had been 100 basis points higher or lower and all other variables were held constant, the consolidated net profit after tax would increase or decrease by \$125,000 (2023: increase or decrease by \$71,000) and there would be no impact on other equity reserves (2023: nil).

The methods and assumptions used to prepare the sensitivity analysis have not changed in the year. The Benefit Funds' cash, floating rate notes, standard discount securities and mortgage loans expose the Benefit Funds to cash flow and fair value interest rate risk

**(g) Foreign currency risk management**

The Management Fund is not exposed to foreign exchange risk.

The Benefit Funds may have indirect foreign exchange risk to the United States dollar, Great British pound, Japanese yen, European euro and some other foreign currencies. The sensitivity of this indirect foreign exchange exposure has not been calculated as it is not attributable to the shareholders.

**(h) Other price risk**

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

**G2 Remuneration of auditors**

	2024 \$	2023 \$
Audit of the financial reports	114,626	109,168
Other services including AFSL and APRA return audits	11,794	11,232
	<u>126,420</u>	<u>120,400</u>

**G3 Related party transactions**

The ultimate parent entity of the Society is Centuria Capital Limited. The Society is the sole beneficiary of Over 50s Mutual Benefit Funds Trust.

**G3 Related party transactions (continued)****(a) Equity interests in related parties**

In March 2024, Centuria Life Limited ("CLL") invested \$11,375,000 in Centuria Keysborough Trust ("CKT") for 11,375,010 CKT units. The fair value of CLL's investment in CKT was 10,617,092 at 30 June 2024.

Whilst the total CLL's units holding accounts for 99.9% of CKT's outstanding 11,375,011 units, CKT is not controlled by CLL. Thus CKT's financials were not consolidated into the Society's consolidated financial statements at 30 June 2024.

There were no other equity interests in related parties held by CLL at 30 June 2024.

**(b) Borrowing from related parties**

In March 2024, the Society borrowed \$11,375,000 from Centuria Select Opportunities Fund I (CSOF) in the arm-length transaction to fund Society's \$11,375,000 investment in CKT. Centuria Property Funds No.2 Limited, a subsidiary of the Society's parent company, Centuria Capital Limited, acts as trustee of the CSOF. Details refers to borrowings disclosure D5.

The related party borrowings balance was \$11,535,981 as at 30 June 2024.

**(c) Directors and director-related entities**

The directors named in the Directors' Report each held office as a director of the Society for the entire year ended 30 June 2024 unless otherwise stated.

There was no remuneration received or receivable by the key management personnel from the Society for services in their capacity as directors.

**(d) Transactions with other related parties**

All transactions were on normal commercial terms and conditions unless stated otherwise.

*(i) Administration and investment services fees*

The Society receives fees for administration and investment services that it provides to the Over Fifty Guardian Friendly Society Limited as set out below.

	2024	2023
	\$	\$
<b>Administration and investment services fees received from:</b>		
Over Fifty Guardian Friendly Society Limited	<b>3,615,831</b>	3,602,960
Centuria Property Funds Limited	<b>163,119</b>	178,593
Bass Securities Pty Ltd	<b>125,662</b>	-

*(ii) Distributions*

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

Centuria Growth Bond Fund received:

- \$697,069 (2023: \$819,056) from Centuria Office REIT
- \$143,231 (2023: \$143,231) from Centuria Industrial REIT
- \$63,431 (2023: 14,019) from Centuria Secured Redeemable Notes
- \$6,939 (2023: 39,359) from Centuria Bass First Mortgage Fund No. 2
- \$45,852 (2023: 40,970) from Centuria Bass First Mortgage Fund No. 3
- \$118,515 (2023: Nil) from Bass Property Credit Fund

**G3 Related party transactions (continued)****(d) Transactions with other related parties (continued)***(ii) Distributions (continued)*

Centuria Balanced Bond Fund received:

- \$114,890 (2023: \$134,995) from Centuria Office REIT
- \$61,621 (2023: \$61,621) from Centuria Industrial REIT
- \$53,753 (2023: \$65,004) from Centuria Sydney Olympic Park Fund
- \$47,433 (2023: \$58,850) from Centuria Corporate Bond
- \$63,431 (2023: 14,019) from Centuria Secured Redeemable Notes
- \$4,626 (2023:26,240) from Centuria Bass First Mortgage Fund No. 2
- \$15,284 (2023:13,657) from Centuria Bass First Mortgage Fund No. 3
- \$17,274 (2023:Nil) from Bass Finance No.45 - Northbridge
- \$75,925 (2023:Nil) from Bass Property Credit Fund

Centuria Capital stable Fund No.1 received:

- \$63,431 (2023: 14,019) from Centuria Secured Redeemable Notes
- \$15,338 (2023: 87,003) from Centuria Bass First Mortgage Fund No. 2
- \$16,893 (2023: 15,094) from Centuria Bass First Mortgage Fund No. 3
- \$19,147 (2023:Nil) from Bass Finance No.45 - Northbridge
- \$168,007 (2023:Nil) from Bass Property Credit Fund
- \$151,223 (2023:Nil) from Bass Finance No.101 - Box Hill
- \$23,919 (2023:Nil) from Bass Finance No.104 - Throsby

Centuria Capital stable Fund No.2 received:

- \$63,431 (2023: 14,019) from Centuria Secured Redeemable Notes
- \$19,356 (2023: 109,793) from Centuria Bass First Mortgage Fund No. 2
- \$21,318 (2023: 19,048) from Centuria Bass First Mortgage Fund No. 3
- \$24,298 (2023:Nil) from Bass Finance No.45 - Northbridge
- \$212,015 (2023:Nil) from Bass Property Credit Fund
- \$151,223 (2023:Nil) from Bass Finance No.101 - Box Hill
- \$23,919 (2023:Nil) from Bass Finance No.104 - Throsby

Centuria Life Limited received:

- \$Nil (2023: \$654,881) from Centuria Agriculture Fund
- \$64,500(2023: Nil) from Centuria Keysborough Trust

*(iii) Dividend paid*

Dividends of \$700,000 in respect of the financial year ended 30 June 2024 were paid to parent company, Centuria Capital Limited (2023: \$1,300,000).

*(iv) Interest paid*

The Society paid \$64,500 interest to Centuria Select Opportunities Fund I in relation to its related party borrowings in FY2024 (2023 Nil).

*(v) Capital return and injection*

In FY2024, the Society received \$4,000,000 capital injected by its parent company, Centuria Capital Limited (2023: \$60,400,000 capital paid back to the parent company, Centuria Capital Limited).

**(e) Related party balances***(i) Investment in related parties*

The following table details related party investments carried at fair value through profit or loss:

<b>2024</b>	<b>Fair Value</b>	<b>Units Held</b>	<b>Ownership</b>
	<b>\$</b>		<b>%</b>
<b>Centuria Life Limited</b>			
Centuria Keysborough Trust	<b>10,617,092</b>	<b>11,375,010</b>	<b>99.99</b>

**G3 Related party transactions (continued)****(e) Related party balances (continued)****(i) Investment in related parties (continued)****Centuria Growth Bond Fund**

Centuria Office REIT	6,418,841	5,808,906	0.97
Centuria Industrial REIT	2,694,525	895,191	0.14
Centuria Secured Redeemable Notes	772,500	7,500	0.38
Centuria Bass First Mortgage Fund No. 2	-	-	-
Centuria Bass First Mortgage Fund No. 3	-	-	-
Bass Property Credit Fund	1,587,895	1,548,864	0.63

**Centuria Balanced Bond**

Centuria Office REIT	1,057,941	957,413	0.16
Centuria Industrial REIT	1,159,238	385,129	0.06
Centuria SOP Fund	799,000	1,000,000	3.28
Centuria Corporate Bond	-	-	-
Centuria Secured Redeemable Notes	772,500	7,500	0.38
Centuria Bass First Mortgage Fund No. 2	-	-	-
Centuria Bass First Mortgage Fund No. 3	-	-	-
Centuria Bass Finance No. 45 - Northbridge	-	-	-
Bass Property Credit Fund	1,017,257	992,252	0.40

**Centuria Captial Stable Fund No.1**

CENTURIA Secured Redeemable Notes	772,500	7,500	0.38
Centuria Bass First Mortgage Fund No. 2	-	-	-
Centuria Bass First Mortgage Fund No. 3	-	-	-
Centuria Bass Finance No. 45 - Northbridge	-	-	-
Bass Property Credit Fund	2,213,664	2,195,659	0.89
Bass Finance No 104 Throsby	2,077,478	2,077,478	8.65

**Centuria Captial Stable Fund No.2**

CENTURIA Secured Redeemable Notes	772,500	7,500	0.38
Centuria Bass First Mortgage Fund No. 2	-	-	-
Centuria Bass First Mortgage Fund No. 3	-	-	-
Centuria Bass Finance No. 45 - Northbridge	-	-	-
Bass Property Credit Fund	2,793,523	2,770,802	1.13
Bass Finance No 104 Throsby	2,077,478	2,077,478	8.65

**2023**

<b>Fair Value</b>	<b>Units Held</b>	<b>Ownership</b>
<b>\$</b>		<b>%</b>

**Centuria Life Limited**

Centuria Keysborough Trust	-	-	-
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**Centuria Growth Bond Fund**

Centuria Office REIT	7,958,201	5,808,906	0.97
Centuria Industrial REIT	2,775,092	895,191	0.14
Centuria Secured Redeemable Notes	749,625	7,500	0.38
Centuria Bass First Mortgage Fund No. 2	750,000	750,000	3.96
Centuria Bass First Mortgage Fund No. 3	807,692	807,692	6.35
Bass Property Credit Fund	-	-	-

**Centuria Balanced Bond**

Centuria Office REIT	1,311,656	957,413	0.16
Centuria Industrial REIT	1,193,900	385,129	0.06
Centuria SOP Fund	1,068,100	1,000,000	3.28
Centuria Corporate Bond	1,143,514	1,177,000	3.85
Centuria Secured Redeemable Notes	749,625	7,500	0.38
Centuria Bass First Mortgage Fund No. 2	500,000	500,000	2.64
Centuria Bass First Mortgage Fund No. 3	269,231	269,231	2.12
Centuria Bass Finance No. 45 - Northbridge	241,276	230,769	3.11
Bass Property Credit Fund	-	-	-

**G3 Related party transactions (continued)****(e) Related party balances (continued)****(i) Investment in related parties (continued)****Centuria Capital Stable Fund No.1**

Centuria Secured Redeemable Notes	749,625	7,500	0.38
Centuria Bass First Mortgage Fund No. 2	1,657,865	1,657,865	8.74
Centuria Bass First Mortgage Fund No. 3	297,566	297,566	2.34
Centuria Bass Finance No. 45 - Northbridge	266,669	255,056	3.44
Bass Property Credit Fund	-	-	-
Bass Finance No.101 Box Hill	-	-	-
Bass Finance No.104 Throsby	-	-	-

**Centuria Capital Stable Fund No.2**

Centuria Secured Redeemable Notes	749,625	7,500	0.38
Centuria Bass First Mortgage Fund No. 2	2,092,135	2,092,135	11.03
Centuria Bass First Mortgage Fund No. 3	375,511	375,511	2.95
Centuria Bass Finance No. 45 - Northbridge	336,521	321,867	4.34
Bass Property Credit Fund	-	-	-
Bass Finance No.101 Box Hill	-	-	-
Bass Finance No.104 Throsby	-	-	-

**(ii) Related party receivables/(payables) balances**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Receivable from related parties</b>		
Centuria Property Funds Limited	-	60,208
Over Fifty Senior Equity Release Pty Ltd	<b>169</b>	-
Over Fifty Guardian Friendly Society Limited	<b>394,060</b>	293,921
Centuria Business Services Pty Limited	-	41,477
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>(Payable) to related parties</b>		
Centuria Capital Limited	<b>(118,625)</b>	(110,705)
Centuria Property Services Pty Ltd	<b>(82)</b>	-
Centuria Funds Management Limited	<b>(266)</b>	-

**G4 Contingent liabilities and commitments**

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

**G5 Events subsequent to the reporting date**

The Society paid out \$1,300,000 FY2024 final dividend to the Parent company, Centuria Capital Limited on 23 August 2024 followed the Board approval on 22 August 2024.

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

## **Consolidated entity disclosure statement**

### **Basis of preparation:**

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

The entities that are consolidated in this consolidated financial statements at 30 June 2024 are set out below. The parent entity is Centuria Life Limited.

### **Determination of tax residency:**

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

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

## Consolidated entity disclosure statement

	Type	Place formed	Tax Residency	Ownership %
Centuria Life Limited	Body corporate	Australia	Australia	
Centuria Growth Bond Fund	Benefit fund*	Australia	Australia	N/A**
Centuria Australian Shares Bond Fund	Benefit fund*	Australia	Australia	N/A**
Centuria Balanced Bond Fund	Benefit fund*	Australia	Australia	N/A**
Centuria DWA CARE Balanced Fund	Benefit fund*	Australia	Australia	N/A**
Centuria Providence Investment Fund	Benefit fund*	Australia	Australia	N/A**
Centuria Capital Stable Fund No.1	Benefit fund*	Australia	Australia	N/A**
Centuria Capital Stable Fund No.2	Benefit fund*	Australia	Australia	N/A**
Centuria Funeral Benefit Fund	Benefit fund*	Australia	Australia	N/A**
RAM US Dollar High Yield Hybrid Income Fund	Benefit fund*	Australia	Australia	N/A**
RAM Australian Credit Fund	Benefit fund*	Australia	Australia	N/A**
RAM Australian Multi-Asset Growth Fund	Benefit fund*	Australia	Australia	N/A**
RAM Australian Property Fund	Benefit fund*	Australia	Australia	N/A**
Centuria DWA CARE Core High Growth Fund	Benefit fund*	Australia	Australia	N/A**
Centuria DWA CARE Genuine Edge Fund	Benefit fund*	Australia	Australia	N/A**
Centuria DWA Care ESG High Growth Fund	Benefit fund*	Australia	Australia	N/A**
Centuria AB Managed Volatility Equities Fund	Benefit fund*	Australia	Australia	N/A**
Centuria Alphinity Sustainable Share Fund	Benefit fund*	Australia	Australia	N/A**
Centuria Walter Scott Global Equity Fund Unhedged	Benefit fund*	Australia	Australia	N/A**
Centuria Bennelong Concentrated Aus Equities Fund	Benefit fund*	Australia	Australia	N/A**
Centuria BetaShares Aus Inv Grade Corp Bond ETF	Benefit fund*	Australia	Australia	N/A**
Centuria BetaShares Geared Aus Equity Fund (hf)	Benefit fund*	Australia	Australia	N/A**
Centuria Fidelity Future Leaders Fund	Benefit fund*	Australia	Australia	N/A**
Centuria Firetrail Australian High Conviction Fund	Benefit fund*	Australia	Australia	N/A**
Centuria Greencape Broadcap Fund	Benefit fund*	Australia	Australia	N/A**
Centuria Magellan Global Fund	Benefit fund*	Australia	Australia	N/A**
Centuria Magellan Infrastructure Fund	Benefit fund*	Australia	Australia	N/A**
Centuria MLC WHL Horizon 4 Balanced Portfolio	Benefit fund*	Australia	Australia	N/A**
Centuria MLC WHL Horizon 5 Growth Portfolio	Benefit fund*	Australia	Australia	N/A**
Centuria Pental Short Term Income Securities Fund	Benefit fund*	Australia	Australia	N/A**
Centuria Pental Sustainable Balanced Fund	Benefit fund*	Australia	Australia	N/A**
Centuria Pimco Australian Bond Fund	Benefit fund*	Australia	Australia	N/A**
Centuria Pimco Global Bond Fund	Benefit fund*	Australia	Australia	N/A**
Centuria Russell Investments Balanced Fund	Benefit fund*	Australia	Australia	N/A**
Centuria Russell Investments Growth Fund	Benefit fund*	Australia	Australia	N/A**
Centuria Schroder Real Return CPI + 5% Fund	Benefit fund*	Australia	Australia	N/A**
Centuria T.Rowe Price Global Equity Fund	Benefit fund*	Australia	Australia	N/A**
Centuria Vanguard Aus Fixed Interest Index Fund	Benefit fund*	Australia	Australia	N/A**
Centuria Vanguard Aus Prop Securities Index Fund	Benefit fund*	Australia	Australia	N/A**
Centuria Vanguard Australian Shares Index Fund	Benefit fund*	Australia	Australia	N/A**
Centuria Vanguard Diversified Balanced Index Fund	Benefit fund*	Australia	Australia	N/A**
Centuria Vanguard Diversified Growth Index Fund	Benefit fund*	Australia	Australia	N/A**
Centuria Vanguard International Shares Index Fund	Benefit fund*	Australia	Australia	N/A**
Centuria Vanguard Int Small Companies Index Fund	Benefit fund*	Australia	Australia	N/A**
Centuria Vanguard Diversified High Growth Index Fund	Benefit fund*	Australia	Australia	N/A**
Centuria BlackRock Diversified ESG Growth Fund	Benefit fund*	Australia	Australia	N/A**

\* Benefit fund is formed under the Life Insurance Act 1995, and managed by Centuria Life Limited, as the parent company.

\*\* Centuria Life Limited has Nil ownership in the benefit funds it managed, as benefit funds are established to provide benefits to its members in accordance with approved benefit fund rules.

## Directors' declaration For the year ended 30 June 2024

In the opinion of the Directors of Centuria Life Limited:

- (a) the consolidated financial statements and notes set out on pages 8 to 40 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the financial year ended on that date.
- (b) the consolidated entity disclosure statement as at 30 June 2024 set out on page 41 to 42 is true and correct, and
- (c) there are reasonable grounds to believe that the Society will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended on 30 June 2024.

The directors draw attention to Note A1 of the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors.

For and on behalf of the Board.



Mr Garry S. Charny  
Director  
Sydney



Ms Joanne Dawson  
Director  
Sydney  
24 September 2024



# Independent Auditor's Report

To the shareholders of Centuria Life Limited

## Opinion

We have audited the **Financial Report** of Centuria Life Limited (the Company).

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

The **Financial Report** comprises:

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

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

## Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

## Other Information

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

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



In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

### Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

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

### Auditor's responsibilities for the audit of the Financial Report

Our objective is:

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

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

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

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

KPMG

Leann Yuen  
Partner

Sydney  
24 September 2024