

Annual Report

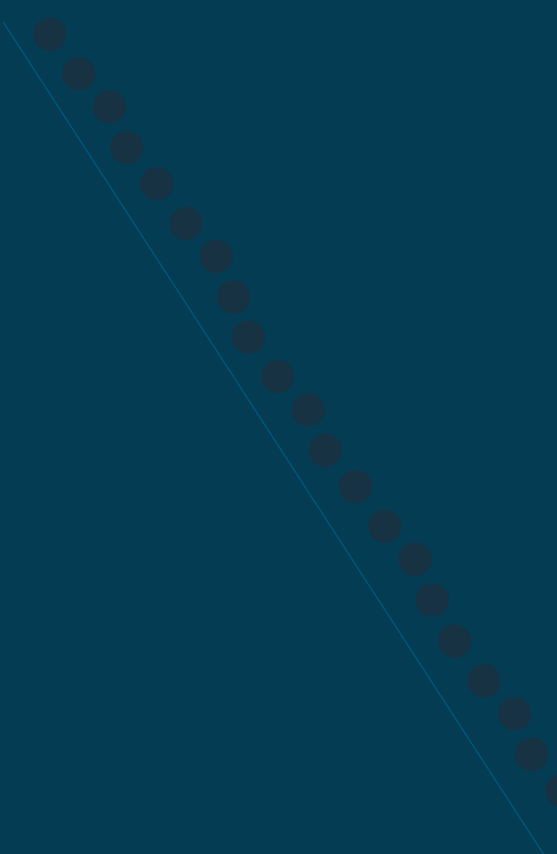
2024





WELCOME

We acknowledge the Traditional Custodians of the lands on which we work and live and recognise their continuing connection to land, water, and community. We pay our respects to Elders past and present.



Futurity Investment Group Limited (Futurity) ABN 21 087 648 879, AFSL 236665 is licensed to provide general financial product advice to retail clients on life products only and does not take into account an individual's objectives, financial situation or needs. Before making any investment decisions, individuals should consider their personal circumstances, the relevant Product Disclosure Statement (accessible from our website or by calling us on 1300 345 456) and whether to consult a licensed Financial Adviser.

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The image shows two young girls in school uniforms (blue and white checkered dresses with white collars and cuffs) and backpacks, jumping rope in a schoolyard. The girl in the foreground is smiling and looking down at the rope. The girl in the background is also smiling and looking towards the camera. The ground is paved and has colorful hopscotch markings. The background shows a brick building with yellow-painted pillars.

Futurity is one of
**AUSTRALIA'S
LEADING
PROVIDERS**

of tax effective
education products.



Our **BELIEF**

Education is a transformative force for good, with the power to create a more equitable society and a more innovative and prosperous world.

Our **VISION**

Everyone has education and lifelong learning opportunities needed to fulfill their aspirations.

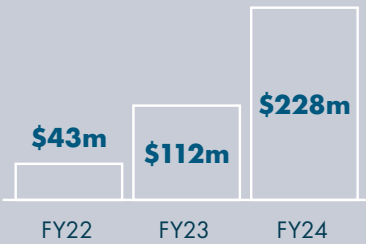


Our **PURPOSE**

- Provide financial products that help Members save and plan for lifelong education costs;
- Advocate for quality education that is affordable, accessible and inclusive; and
- Enable education pathways for people experiencing disadvantage through philanthropy.

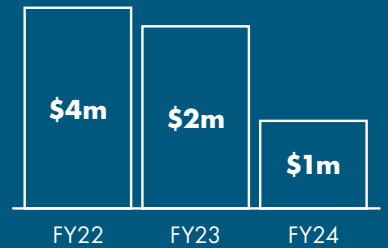
Key HIGHLIGHTS FY24

EDUCATION BONDS – FUNDS UNDER MANAGEMENT (FUM)



\$175m
PAID TO MEMBERS AS
BENEFITS IN FY24

NET LOSS AFTER TAX (MANAGEMENT FUND)*



*excluding donations to Futurity Education Foundation

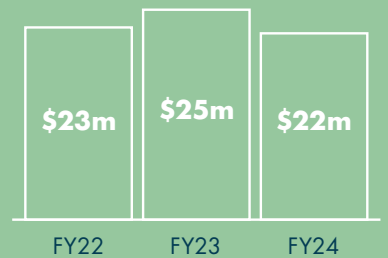


5,600
MEMBERS
HOLDING EDUCATION
BONDS



\$56,000
AVERAGE EDUCATION
BOND SIZE

OPERATING EXPENDITURE



Our STRATEGIC FOCUS



New Strategic Plan FY 25-27 developed

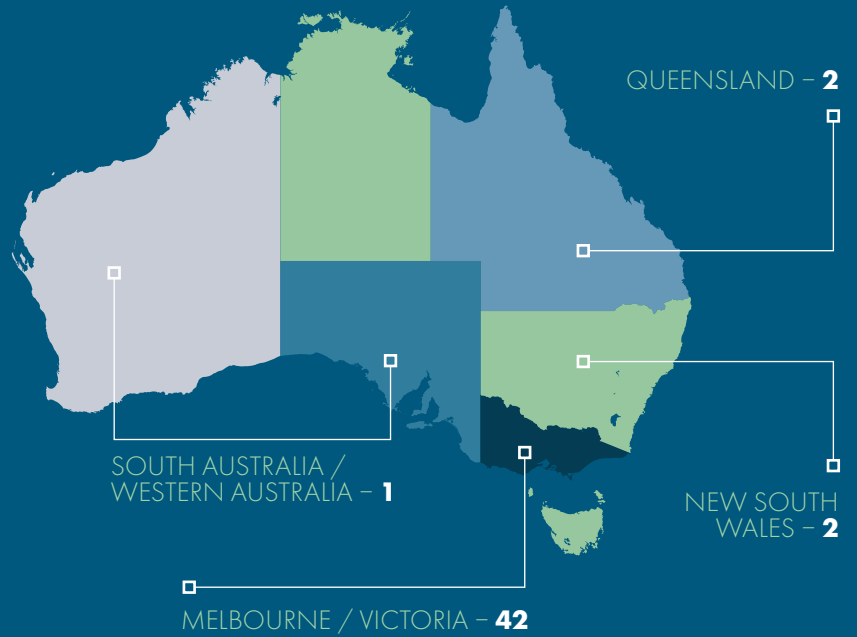


Impact Measurement Framework established



Reflect RAP approved by Reconciliation Australia

Our PEOPLE



62%
FEMALE



38%
MALE

10%
UNDERTAKING
STUDY FUNDED
BY FUTURITY

We aspire to be an employer of choice where our people feel valued, empowered and connected to our purpose.



11 TEAM MEMBER
VALUE AWARDS



6 STAFF SECURED
INTERNAL
PROMOTIONS

Our people are at the heart of Futurity. Our focus is on providing a range of learning and development opportunities which:

- ✓ Build a highly capable, dedicated team;
- ✓ Create a culture of excellence; and
- ✓ Allow us to live our organisational values.

Product PERFORMANCE

Education Bonds

Futurity's Education Bond offers a menu of 32 investment options, which provides choice for Financial Advisers and self-directed investors.

The table below provides a summary of the returns generated by our **top five Education Bond investment options**, to 30 June 2024, based on the value of funds invested.

Futurity Education Bonds are tax paid investments. The returns displayed are after all fees and taxes.¹

APIR CODE	BENEFIT FUND NAME	UNDERLYING MANAGED FUND	1 Year	2 Year	3 Year	4 Year
FIG0317AU	Futurity Diversified Indexed – High Growth	Vanguard High Growth Index Fund	9.62%	9.72%	3.69%	7.19%
FIG5289AU	Futurity Diversified Indexed – Growth	Vanguard Growth Index Fund	7.53%	7.30%	2.07%	4.92%
FIG7164AU	Futurity Diversified Indexed – Balanced	Vanguard Balanced Index Fund	5.55%	5.13%	0.65%	2.66%
FIG2673AU	Futurity Sectoral Indexed – Australian Equities	Vanguard Australian Shares Index Fund	7.90%	8.91%	3.70%	7.52%
FIG9646AU	Futurity Blended – Growth Portfolio	Futurity Blended – Growth Portfolio	5.66%	5.77%	2.22%	4.49%

1. It should be noted that Futurity's products are of a tax paid investment style and our returns are quoted after taxes have been applied to the earnings at the applicable tax rate (generally 30% for our funds). We do receive a tax benefit when we pay our scholarship benefits, which we pass on to the Education Beneficiaries via higher payments. The Education Bond's unit price does not include the tax benefit returned to Education Beneficiaries in respect of an Education Benefit Claim withdrawal.

Product PERFORMANCE

continued

ASG Products

Since 1974, we have managed the investments of our ASG-branded funds by maintaining prudently diversified portfolios, with risk-adjusted settings, which meet all market cycles and volatile market conditions.

The following table provides a summary of the after-tax and fee returns generated on a selection of our ASG Pooled Risk Group benefit funds for the year ended 30 June 2024¹

ASG POOLED RISK GROUP BENEFIT FUND	DECLARED RATE OF RETURN
The Education Fund	2.95%
Supplementary Education Fund	2.95%
Pathway Education Fund*	2.70%
The Education Fund (NZ)	5.30%
Supplementary Education Fund (NZ)	5.70%
Pathway Education Fund (NZ)*	3.21%

*Annualised

1. It should be noted that Futurity's products are of a tax paid investment style and our returns are quoted after taxes have been applied to the earnings at the applicable tax rate (generally 30% for our funds). We do receive a tax benefit when we pay our scholarship benefits, which we pass on to the Education Beneficiaries via higher payments. The Pooled Risk Group's declared rate of return does not include the tax benefit returned to Education Beneficiaries.

Our IMPACT

Impact through OUR CORE BUSINESS



570,000
MEMBERS

HAVE RECEIVED
EDUCATION BENEFITS
SINCE 1974

We are committed to opposing modern slavery in all its forms and acting in an ethical and transparent manner. Our modern slavery risk is identified as “low”.



48,000
MEMBERS

We encourage responsible investing and offer several sustainable investment options within our Education Bond menu. Futurity is a signatory to the United Nations Global Compact.



\$3.8b

PAID TO MEMBERS IN
EDUCATION BENEFITS
SINCE 1974

5%

of our management fees on the Education Bond range are donated to Futurity Education Foundation.

Impact through RESEARCH AND ADVOCACY

Our innovative Cost of Education Report detailed the financial pressures and costs associated with education in Australia. This study complements our rich history of research and advocacy, including our Cost of University, Impact of University Debt and Grandparents' Contribution to Education research.

85%

of parents believe paying for their child's education has a negative impact on their household finances.

81%

of parents feel overwhelmed by their financial situation.

\$316,944

the total estimated cost of an Independent education in Australia (school fees + ancillary costs) according to our 2023 research.

Impact through PHILANTHROPY



Learn today, change tomorrow.



More than

\$710k

gifted to The Smith Family since 2004.

\$1.3m

invested in NEiTA since 1994.



The NEiTA Foundation Est. 1994



\$4.5m

donated to Futurity Education Foundation in FY24.

\$300k

three-year grant 2024-2026.



Yalari Educating Indigenous Children

Our STRATEGY

With almost 50 years of serving our Members, our strategy will ensure Futurity continues to evolve and grow over the coming decades.

During the next three years, we will achieve this through two strategic objectives:

1. Financial stability and Operational maturity



High levels of Member engagement and satisfaction.



A high performing and risk aware workforce who feel connected, supported and aligned to purpose.



An operating model that is efficient with a mature risk culture.



We are sustainably profitable.

2. Extend our reach and impact



We achieve growth that is aligned with our purpose.



We strengthen our leadership and influence.



Our social impact is measured and communicated.



We positively impact a greater number of people.



Chair's REPORT



Reflecting back on FY24, I feel immensely proud of how far Futurity has come and optimistic about our future.

We began FY24 with renewed energy as Sam Sondhi commenced as Chief Executive Officer, signalling a fresh direction. In his first year Sam has worked closely with the Board, drawing on his significant experience, to help us articulate an ambitious and achievable Strategic Plan for the coming three years.

In developing the Plan, we reflected on our proud history and deep commitment to social impact and reaffirmed our Vision and Purpose. Collectively, we used these insights to develop our Belief statement that:

Education is a transformative force for good, with the power to create a more equitable society and a more innovative and prosperous world.

Our three-year Strategic Plan will establish stronger foundations for our organisation on which more ambitious purpose-aligned growth can be achieved.

This growth will enable more people to access the educational and lifelong learning opportunities they need to fulfil their aspirations, which will be achieved through education-purposed products, targeted philanthropy and our research and advocacy programs.

We are passionate about making a difference, and to help guide us and ensure we are on the right path, we developed our inaugural Impact Measurement Framework. Measuring our impact will allow us to monitor the effectiveness of our work and ensure we are delivering meaningful outcomes.

A highlight of my year was, as always, attending the National Excellence in Teaching Awards (NEiTA). Founded by Futurity in 1994, these awards showcase the passion and innovation of teachers and principals throughout Australia and New Zealand.

Futurity has a strong culture of philanthropy which was strengthened in 2021 with the creation of the Futurity Education Foundation (Foundation). This year the Foundation expanded its impact with the formation of a new partnership with Indigenous education and leadership foundation, Yalari Ltd (Yalari). The Foundation committed \$300,000 in total over three years which will cover full boarding and tuition

costs for two Indigenous students to attend one of Australia's leading boarding schools, as well as supporting three students undertaking university education. Importantly, the addition of Yalari complements a 20-year partnership with The Smith Family.

The important work of the Foundation will continue well into the Future with Futurity making a significant \$4.5 million donation this year. This is in addition to our ongoing contribution of 5% of Futurity's management fee from the Education Bond product to the Foundation.

I would like to thank my fellow Board Members for their dedication and guidance over the past year, in particular Neelesh Mehta, who stood down as Deputy Chair in October following four years in the role, Dr Jacqueline Jennings, our new Deputy Chair, and Board Advisor and Chair of the NEiTA Foundation, Catherine O'Sullivan.

On behalf of the Board, I would also like to thank the Futurity team for their hard work and passion throughout the financial year.

As we enter our 50th year, the organisation is in a much stronger position than when I arrived. For any business to reach 50 years, takes hard work, agility, ambition and vision. Our longevity is testament to the culture at Futurity, which is anchored in our commitment to social impact.

We are now well positioned to build on this and enter the next 50 years with a clear vision and the strong foundations needed to adapt to a changing world.

In this context, and on a personal note, I would like to announce that FY25 will be my last as Board Chair of Futurity. After 15 years on the Board, including the past decade as Chair, I feel it is the right time for me to step aside. Succession plans are well underway, and I will spend my final year working with Sam and the Board to continue our great work and ensure a smooth transition.

Craig Dunstan
Chair

Chief Executive Officer's REPORT



We approach our 50th anniversary this year with a strong sense of achievement regarding the significant impact Futurity has had on the education journeys of more than half-a-million people, as well as a renewed sense of energy and purpose for the journey ahead.

This reflects the vision, hard work and dedication of our founders, the Board, team members and key partners over many years.

To ensure we continue to deliver strong outcomes for Members that support their education journeys, our focus this financial year has been on improving our operational and risk maturity, enhancing our financial sustainability, strengthening our impact and renewing our strategic objectives. Key outcomes this financial year include:

- The development of a new three-year Strategic Plan underpinned by our guiding Vision and Purpose that will strengthen our foundations and deliver purpose-aligned growth for the benefit of our Members and the community. This is supported by a clear and transparent Impact Measurement Framework;
- Restructuring the organisation to better align with our Strategic Plan and support our long-term financial sustainability. This included making a number of roles redundant across the organisation, realigning core functions and leadership renewal;
- Strong growth in Education Bond FUM of \$228 million at year end, a 103% increase on FY23. This reflects the unique design and strong demand for our Education Bond product. Strong FUM growth also meant that FY24 was our first year of net FUM growth since 2014, with \$903 million in total FUM at year end;

- FY24 saw investment markets perform strongly, despite rising interest rates and high levels of inflation. While geopolitical risks remain, investors focused on expected sound levels of economic activity and continued outperformance of the technology sector driven by heightened expectations surrounding artificial intelligence; and
- Our journey towards reconciliation is also well underway with our Reflect Reconciliation Action Plan due to be launched soon. Our understanding of the role we play as both an organisation and as individuals has evolved over the past year, and we are proud of the progress made.

Thank you to our Chair, Craig Dunstan for your guidance and counsel and to our Board and team for your warm welcome as the incoming Chief Executive Officer, as well as for your continued dedication and passion for our Members. I am looking forward to working alongside you as we implement our Strategic Plan and deliver our Purpose.

Sam Sondhi
Chief Executive Officer

Futurity EDUCATION FOUNDATION

Our commitment to impact stretches back decades and more recently is supported through the work of Futurity Education Foundation, which was established in 2021.

To fund this life-changing work, 5% of our Education Bond management fees are directed to the Futurity Education Foundation, which supports initiatives with The Smith Family and Yalari. Collectively we are breaking down barriers, establishing education pathways and ensuring students facing disadvantage have access to the education and lifelong learning opportunities they need to fulfil their aspirations.

A young man with dark hair, wearing a dark blue suit jacket, a light blue shirt, and a patterned tie, is smiling broadly and looking towards the camera. He is seated at a table, and the background is a bright, out-of-focus indoor setting.

Excitingly, we will fund a third partner in FY25, who will help us empower more Australians through education.

20 YEARS of impact with The Smith Family

A key pillar of our philanthropic work is a 20-year partnership with The Smith Family.

In addition to donating more than \$710,000 over the past two decades, we have actively supported The Smith Family's *Learning for Life* program, which provides students in need with financial support for education essentials (including uniforms and textbooks), as well as personal support and practical learning programs.



20
year partnership.

Since 2004, we have
donated more than
\$710k
to The Smith Family.



Sponsored
70
Learning for Life
students each year.

SANDY AND SHELBY

14-year-old Shelby is an energetic child excited about his future

But Shelby and his mum, Sandy, have certainly faced some challenges together.

"We were living week to week," Sandy said.

"We were watching what we were paying; whether it was petrol in the car or swimming fees, it was always something that we had to keep an eye on.

"Having The Smith Family's support has definitely helped us financially. And it has definitely helped Shelby with his learning, way more than we could have imagined.

"He was starting to notice that he was a little bit behind compared to his peers and was coming home and getting really frustrated that he wasn't quite getting it, especially with his maths.

"Once he started tutoring, he got really excited to go back to school, because he said that he was finally 'getting it'."

As Shelby's confidence continues to grow in his core subjects, he's been able to channel his natural strengths into some more practical subjects at school, like woodwork.

"The Smith Family has helped my mum pay for school uniforms and school shoes," Shelby said.

"But the best thing about The Smith Family help is the tutoring.

"I definitely feel like I'm getting better at maths. It's helping me with understanding the calculations and the measurements in woodwork.

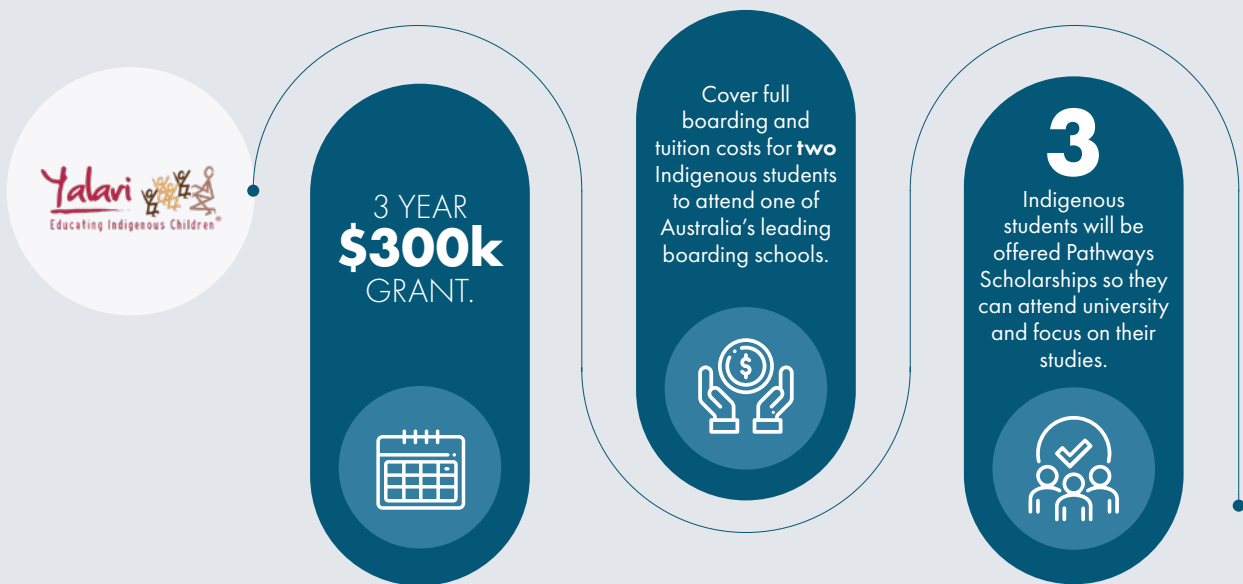
"I do like working with my hands, because I can see things come to life.

"When I finish school, I want to be a carpenter and I want to run my own business. I want to build my mum a house. It is a dream goal for me."

Our partnership with **YALARI**

We are deeply committed to our role in achieving reconciliation with First Nations Peoples.

FY24 saw us partner with Indigenous education and leadership foundation, Yalari. This support will help First Nations students to thrive, champion student learning and wellbeing and help to prioritise culturally relevant education, language and curriculum.



OLIVIA OAKESHOTT

Yalari Pathways Scholarship recipient

Olivia Oakeshott, the inaugural recipient of the Futurity funded, Yalari Pathways Scholarship, is uncomfortable being called a role model.

A proud Bayali woman, Olivia, a first year Bachelor of Medical Studies student at the University of New South Wales, has a strong passion for helping others, however, cultural biases led her to believe a career in medicine was beyond her reach.

"I think education is the most important thing in life," Olivia said.

"Organisations like Yalari, and companies like Futurity, which generously support Yalari's vision, are essential in closing the gap in education for Indigenous kids.

"I did not think I could study medicine or become a doctor, because you get told it is not something you can do when you are from my background.

"Yalari has supported my education journey every step of the way, initially through a scholarship to attend a top Sydney boarding school and now supporting my university education via a Pathways Scholarship.

"I would like to pursue a career in the first responder space, either in an emergency ward or with the Royal Flying Doctor Service, so I can support rural communities and help people who do not have access to hospitals and clinicians.

"The thought of one day being a role model to other young people is really inspiring. It makes me want to keep doing what I am doing."



Our Reconciliation JOURNEY

Over the past two years, we have been carefully considering the role we play in supporting reconciliation.

The outcome of this reflection is the creation of a Reflect Reconciliation Action Plan (RAP), which will be launched in the coming months. Our RAP will outline ways we can contribute to the national reconciliation movement both internally and within our community and is an important step in our commitment to being active in achieving reconciliation with First Nations People.



Our Reconciliation **JOURNEY** continued



United, 2024

Mya Wilson
Wurundjeri

Acrylic on Canvas

United depicts the concept of unity and collaboration, symbolising the importance of collective effort and Futurity's shared vision of supporting education.

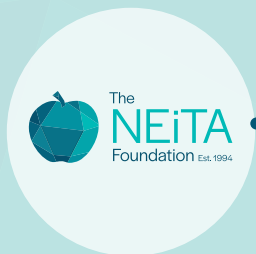
At the centre of the painting, Futurity is depicted as a central gathering place. The grey, wavy lines converging as this centre symbolise the different elements of Futurity's work, coming together to operate as a collective.

National Excellence in **TEACHING AWARDS**



The NEiTA Foundation was founded in 1994 and continues to be generously funded by Futurity.

The National Excellence in Teaching Awards is the longest running, community-based awards program that recognises teaching excellence in Australia and New Zealand.



Since 1994,

1,100

teachers have received more than **\$1.3 million** in professional development grants and prizes.

2,500+

NEiTA nominations in FY24.



14

NEiTA winners in FY24.

MATT HOPKINS

National Excellence in Teaching Award winner

Matt Hopkins has a unique ability to connect and inspire students who have 'fallen through the cracks' at traditional schools.

The Port School teacher and 2023 National Excellence in Teaching Award winner, started a program for at-risk and disengaged boys who had educational, social, emotional or behavioural challenges eight years ago.

"These boys had been unsuccessful at their previous schools and were often referred to us by the youth justice workers or the local detention centre," Matt said.

"Originally, we operated the classroom out of a converted bus. The students would be picked up, taught in a park before doing something stimulating and engaging.

"The approach developed trust and delivered education to the boys at their level.

"The bus initiative inspired the creation of a separate program in 2019 for at-risk and disengaged girls and boys in Year 8 and Year 9.

"Five years on, the program now supports 45 Year 8, Year 9 and Year 10 students.

"Students who arrive at Port School often come from trauma, disadvantage, dysfunction, and other scenarios that have hindered their ability to learn.

"My greatest skill is to quickly work out a student's educational level and then set them on the right path to success through positive relationships, structures, routines and high expectations.

"I am honoured the students have the trust to show me their battle scars, so I can move them forward socially, emotionally and educationally."

Our BOARD AND EXECUTIVE

As at 30 June 2024



CRAIG DUNSTAN

Chair

B Com, LLB, MBA,
F Finsia, MAICD



DR JACQUELINE JENNINGS

Deputy Chair

B Met, M Mgt, PhD Mgt,
GAICD



NEELESH MEHTA

Non-Executive Director

B Com, FCA, FAICD



TONY BRAIN

Non-Executive Director

B Com, CA, GAICD, FAIST

Craig joined the Board as a Board Advisor in 2010, was appointed as a Non-Executive Director in 2011 and was appointed Chair of the Board in 2015.

Craig has a career spanning over 35 years in the financial services industry in Australia, Asia and the United States.

Current roles:

- Chair of Futurity's People & Culture Committee;
- Member of Futurity's Investment Committee.

Jacqueline joined the Board as a Board Advisor in 2011 and was appointed Non-Executive Director in 2012. She was appointed Deputy Chair of the Board in 2023.

Jacqueline has extensive senior executive experience in sales, marketing, business development and strategy, and financial management.

Current roles:

- Chair of Futurity's Investment Committee;
- Member of Futurity's People & Culture Committee;
- Member of Futurity's Impact and Sustainability Committee.

Neelesh was appointed to the Board as a Non-Executive Director in 2017.

Neelesh has more than 25 years' experience across the financial services and retail industries in Australia and overseas.

Current roles:

- Member of Futurity's Investment Committee;
- Member of Futurity's Risk and Compliance Committee;
- Member of Futurity's People & Culture Committee.

Tony started with Futurity as a Board Advisor in 2014 and was appointed Non-Executive Director in 2016.

Tony is a Chartered Accountant, with more than 30 years' experience in Australia and the United Kingdom, with a particular focus on the financial services sector.

Current roles:

- Chair of Futurity's Audit Committee;
- Member of Futurity's Investment Committee.



EXECUTIVE TEAM

SAM SONDDHI – CHIEF EXECUTIVE OFFICER

KEVIN ROBERTS – CHIEF FINANCIAL OFFICER AND EGM, CORPORATE SERVICES

STACEY GLEN – EXECUTIVE GENERAL MANAGER, PEOPLE AND CULTURE

PETER TAUBMAN – EXECUTIVE GENERAL MANAGER, FINANCIAL SERVICES

SARAH MCADIE – EXECUTIVE GENERAL MANAGER, STRATEGY AND CORPORATE AFFAIRS

ROSEMARY READ – CHIEF RISK OFFICER



LEON NASH

Non-Executive Director

B Bus, MBA, FCPA, FAICD



JENNIFER STOREY

Non-Executive Director

Dip. Ed. (Secondary), Grad. Dip. Information Science, Master of Arts (Public Relations), GAICD



PHILLIP VERNON

Non-Executive Director

B Ec, M Comm, MBA, FAIDC, FCA, FASFA



CATHERINE O'SULLIVAN

Board Advisor

EMPA (ANZSOG), DipEd, BA (UNE)

Leon was appointed to the Board as a Non-Executive Director in 2006.

Leon has extensive experience in general management, accounting, economics, human resources and corporate finance.

Current roles:

- Member of Futurity's Risk and Compliance Committee;
- Member of Futurity's People & Culture Committee;

Jennifer joined Futurity as a Board Advisor in 2016 and was appointed Non-Executive Director in 2018.

Jennifer has extensive experience in digital marketing, product and commercialisation.

Current roles:

- Chair of Futurity's Risk and Compliance Committee;
- Member of Futurity's Audit Committee.

Phil joined Futurity as a Board Advisor in 2020 and was appointed Non-Executive Director in 2022.

Phil has 30 years' experience in investments, superannuation and sustainable finance.

Current roles:

- Chair of Futurity's Impact and Sustainability Committee;
- Member of Futurity's Audit Committee;
- Member of Futurity's Risk and Compliance Committee.

Catherine joined Futurity as a Board Advisor in 2021.

Catherine trained as a high school teacher and taught in public schools for 25 years before becoming a high school principal in Goondiwindi. She is also a former Assistant Director General for QLD Primary Industries.

Current roles:

- Chair of Futurity's Education Advisory Panel;
- Chair of NEiTA Foundation;
- Member of Impact and Sustainability Committee.

Corporate Governance STATEMENT

We place a high importance on strong corporate governance frameworks and practices which are fundamental to our culture and consistent with our Vision and Purpose.

REGULATORY OVERSIGHT

Futurity is subject to both Australian Prudential Regulation Authority (APRA) and Australian Securities and Investments Commission (ASIC) regulation and oversight.

Futurity's Education Bonds are established and must be maintained under a secure framework with legal protections governed by the *Life Insurance Act 1995*.

Our operations in New Zealand are regulated by the Financial Market Authority and the New Zealand Companies Office.

BOARD ROLE AND RESPONSIBILITY

The role of our Board is to provide leadership, oversight and strategic guidance. As a mutually structured organisation, the Board derives its power from the Governance Rules, as well as the *Corporations Act 2001*, and is accountable to Members and other key stakeholders.

The key responsibilities of the Board include:

- Approval of the strategic direction, the annual budget and the business plan, and monitoring of performance against them;
- Approving and monitoring the effectiveness of compliance and risk management, including satisfying itself through appropriate reporting and oversight that internal control mechanisms are in place and are being implemented in accordance with regulatory requirements; and
- Oversight of management's implementation of Futurity's strategic initiatives.

BOARD COMPOSITION

The Board must comprise at least five Directors and not exceed eight. Directors can only offer themselves for re-election if they satisfy the APRA fit and proper requirements and meet eligibility requirements outlined in the Governance Rules.

Directors are appointed for a term of no more than three years, at which point they must stand for re-election. Directors are elected by the Members at the Annual General Meeting.

The Board is supported by its four Board Committees and often by at least one Board Advisor, who is chosen for specialist and/or technical expertise. The Board is advised on developments and opportunities in the education sector by an expert Education Advisory Panel, currently chaired by a Board Advisor with eight other specialist Australian and New Zealand educators.

Futurity's Board values and supports diversity in all areas, including gender and race. The Board regularly reviews the skills represented by the Directors against the strategic objectives of Futurity, ensuring that the Board consists of Directors with a broad range of skills and relevant experience.



5
MALE



3
FEMALE



8
YEARS
AVERAGE
DIRECTOR TENURE

BOARD SKILLS MATRIX

All Directors are experts in Board and Governance, Change Management and Leadership.

Each individual Director and Board Advisor self-assesses their skills and experience annually. The results are subsequently peer-reviewed and calibrated by the People & Culture Committee.

- **Expert:** Has significant experience, authoritative knowledge and holds relevant qualifications with comprehensive understanding of the skill.
- **Advanced:** Experience based, deep understanding of discipline.
- **Competent:** Good working background or limited knowledge of discipline.

Information Technology and Digital Innovation	Expert	Expert	Advanced	Advanced	Advanced	Advanced	Advanced	Advanced
Stakeholder Engagement	Expert	Expert	Expert	Expert	Expert	Advanced	Advanced	Advanced
Sustainability (Environmental and Social)	Expert	Expert	Advanced	Advanced	Advanced	Advanced	Advanced	Advanced
Strategic Human Resources, Remuneration and Culture	Expert	Expert	Expert	Expert	Expert	Advanced	Advanced	Advanced
Change Management	Expert	Expert	Expert	Expert	Expert	Expert	Expert	Expert
Member Engagement	Expert	Expert	Expert	Expert	Advanced	Advanced	Advanced	Advanced
Financial Services	Expert	Expert	Expert	Expert	Expert	Advanced	Advanced	Advanced
Investments	Expert	Expert	Expert	Advanced	Advanced	Advanced	Advanced	Advanced
Marketing and Branding	Expert	Expert	Expert	Expert	Advanced	Advanced	Advanced	Advanced
Strategic Planning	Expert	Expert	Expert	Expert	Expert	Advanced	Advanced	Advanced
Mergers & Acquisitions	Expert	Expert	Expert	Expert	Expert	Advanced	Advanced	Advanced
Philanthropy, Advocacy and Charities	Expert	Expert	Advanced	Advanced	Advanced	Advanced	Advanced	Advanced
Board and Governance	Expert	Expert	Expert	Expert	Expert	Expert	Expert	Expert
Leadership	Expert	Expert	Expert	Expert	Expert	Expert	Expert	Expert
Public and For-Purpose/Mutuals Sector	Expert	Expert	Expert	Expert	Expert	Expert	Advanced	Advanced

DIRECTORS' RESPONSIBILITIES AND OBLIGATIONS

The responsibilities and obligations of Futurity Directors are extensive and onerous. The Directors of Futurity, as a life company prudentially regulated by APRA, have a primary duty, pursuant to s48 of the Life Act, to Futurity Members.

Directors have obligations as outlined in the Futurity Governance Rules, in common law, under the Corporations Act as well as other relevant legislation.

Directors have a duty to Futurity's Members, employees and creditors as well as to ASIC, APRA and the FMA (NZ) to:

- Act with care and diligence;
- Act in good faith and in the best interests of Futurity;
- Make sure Futurity can pay its debts;

- Ensure proper financial records are kept; and
- Use any information gained through the Director position properly and ethically.

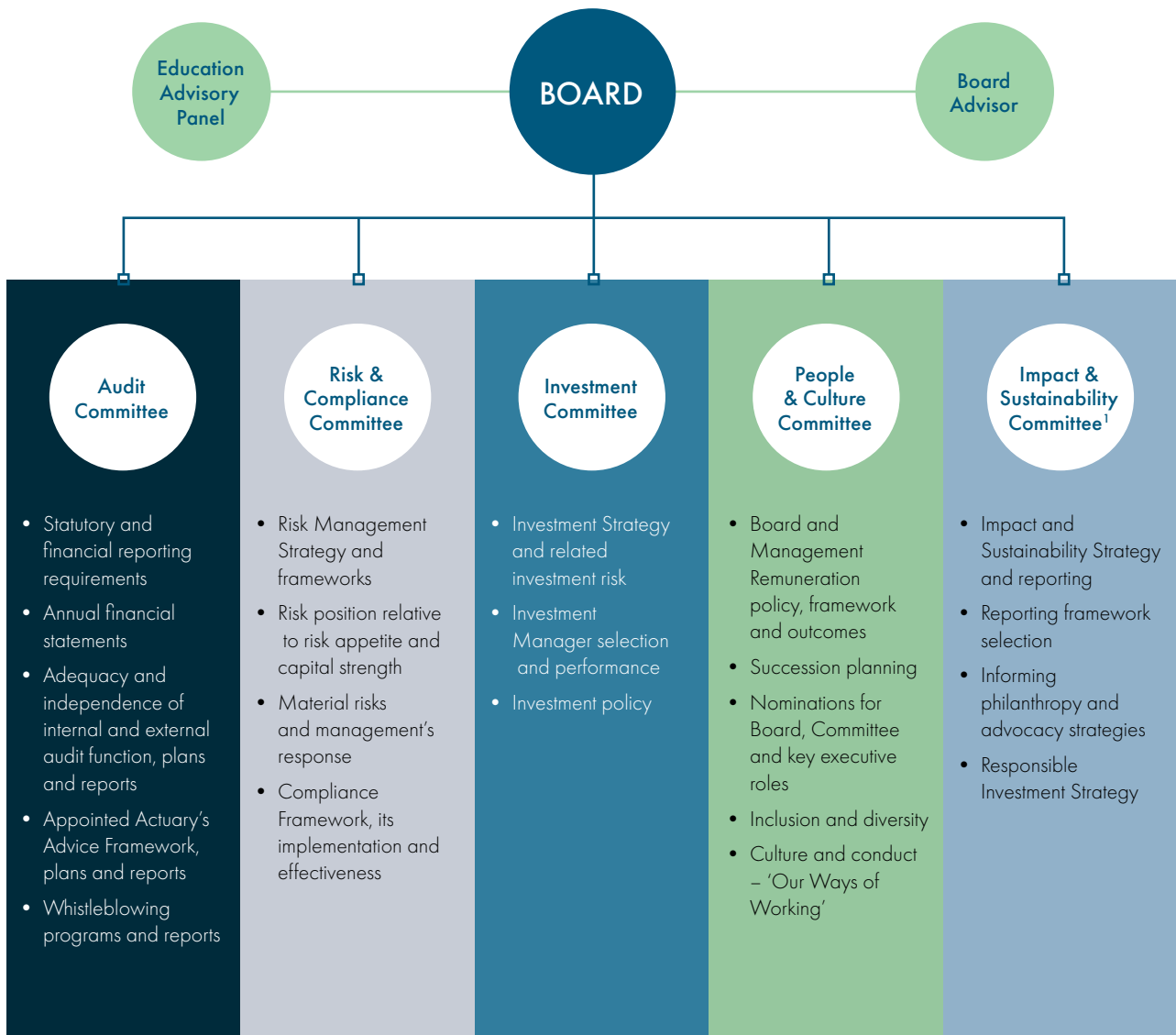
There are a significant number of laws under which a Director can be found to be personally liable in the event of a contravention e.g. workplace health and safety, privacy law, employment law and taxation. Contravention of certain duties can lead to criminal and/or civil sanctions as well as disqualification.

Corporate Governance STATEMENT continued

CORPORATE GOVERNANCE FRAMEWORK

We document and regularly review the Board Governance Framework, which includes the Board Charter and sets out the following:

- The expectations and roles and responsibilities of the Board, individual Directors and the Board Chair;
- Board composition and renewal; and
- The relationship between Directors and management.



1. The Impact & Sustainability Committee was disbanded in December 2023. The Committee held two meetings in FY24 in September and November 2023. The work previously championed by the Impact & Sustainability Committee is now being overseen by all Board Members via the new Strategic Plan and the Impact Measurement Framework.

To be eligible for election, Directors must invest in either an Education Bond or ASG benefit fund and have an understanding of Members, customers and investment experience.

The Education Advisory Panel is convened by the NEITA Trust Board to provide expert assessment of the emerging trends and opportunities in the education sector.

CONFLICTS OF INTEREST

To avoid any possible conflicts of interest, Directors and Board Advisors must declare any specific conflicts of interest arising from the business at Board and Committee meetings. A declaration of interest register is maintained and updated as required and verified at least once a year.



Directors' REPORT

The Directors of Futurity submit the annual Directors' Report for the financial year ended 30 June 2024.

DIRECTORS

The following persons were Directors of Futurity during the financial year and up to the date of this report:

Craig Dunstan	Chair
Dr Jacqueline Jennings*	Deputy Chair
Neelesh Mehta**	Non-Executive Director
Tony Brain	Non-Executive Director
Leon Nash	Non-Executive Director
Jennifer Storey	Non-Executive Director
Phillip Vernon	Non-Executive Director

* Dr Jacqueline Jennings was appointed Deputy Chair from 26 October 2023.

** Neelesh Mehta stepped down as Deputy Chair on 26 October 2023.

Director's qualifications, experience, special responsibilities and time in office are detailed on pages 26 and 27.

COMPANY SECRETARY

The following persons were Company Secretary during the financial year and up to the date of this report.

Fiona O'Neill

B.A. (Human Genetics), Lawyer

Appointed as Company Secretary on 1 May 2021 and departed 9 November 2023.

Fiona O'Neill qualified as a lawyer in Ireland in 2006 and was admitted as an Australian Lawyer (Supreme Court of Victoria) in August 2011. Fiona acted as Assistant Company Secretary upon joining Futurity in October 2016.

David Goldberg

LLB (Hons), BA, GAICD

Appointed as Company Secretary on 14 November 2023.

David is an experienced lawyer, senior risk and compliance executive, board director and Company Secretary who is retained by 'for purpose' organisations across a wide array of industries. David's clients include elite sporting organisations, statutory regulators, universities and health and allied health services. He is also a board director.

FUTURITY STRATEGIC DIRECTION

Futurity's strategic direction is covered on page 12 and discussed in both the Chair's Report on page 14 and the Chief Executive Officer's Report on page 15. The Strategic Plan as referred to, should assist Futurity in establishing stronger foundations for which more ambitious purpose-aligned growth can be achieved in future financial years.

PRINCIPAL ACTIVITIES

Futurity is registered as a company limited by shares and guarantee and operates as a friendly society-based life insurance company that is Member-owned and structured as a mutual.

Futurity is a current issuer in Australia of Education Bond savings and investment products and maintains a closed scholarship plan Benefit Fund business within Australia and New Zealand.

The principal activities of Futurity and its subsidiaries during the financial year were the provision of savings and investment products to help fund the cost of education. Futurity also undertakes advocacy and research activities aligned to the education and lifelong learning objectives of its Members.

Generating investment income for Members through its financial products, enables Futurity to meet its organisational and Member objectives.

REVIEW OF OPERATIONS AND OPERATING RESULTS

The report of the financial year to 30 June 2024 has been compiled and audited.

Futurity's consolidated operating revenue for FY24 was \$70.213 million (FY23 \$72.983 million). The result after income tax for Futurity for FY24 was a \$4.159 million loss (FY23: \$2.042 million loss). The FY24 loss was driven by a \$4.5 million donation to the Futurity Education Foundation. Net assets decreased during the financial year to \$94.99 million (FY23 \$98,708 million) as a result of the donation.

In FY24 we paid \$175 million to Members as benefits (FY23 \$185 million) and donated \$4.5 million to Futurity Education Foundation (FY23 \$21k).

SIGNIFICANT CHANGES IN PRINCIPAL ACTIVITY

During FY24, there were no significant changes in the principal activities of Futurity.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Consideration has been given to the impact on Futurity as required by AASB 110 Events after the reporting date. Futurity did not identify any other subsequent events that would require adjustments or amounts or disclosures to be made in the financial statements.

No matter or circumstance has arisen since 30 June 2024 that has significantly affected or may significantly affect:

- Futurity's operations in future financial years;
- The results of those operations in future financial years; or
- Futurity's state of affairs in future financial years.

DIRECTORS' INTERESTS AND BENEFITS

Since the end of the previous financial year and to the date of signing this report, no Director of Futurity has received or become entitled to receive any benefit by reason of a contract made by the Company with the Director or with a firm of which the Director is a Member, or with a company in which the Director has a substantial interest.

BOARD AND COMMITTEE MEETINGS

	Board of Directors		Investment Committee		Audit Committee		Risk & Compliance Committee		Joint Audit, R&C Committee		Education Advisory Panel		People & Culture Committee		Impact & Sustainability Committee		Strategy		
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	
Directors:																			
Mr T Brain	10	9	3	3	5	5			1	1							3	3	
Mr C M Dunstan (Chair)	10	9	7	7									7	7			3	3	
Dr J A Jennings	10	9	7	7					1	1			4	4	2	2	3	3	
Mr N Mehta	10	10	4	4			2	2	1	1			7	6			3	3	
Mr L G Nash	10	8					5	4	1	1			7	7			3	2	
Ms J Storey	10	8			5	5	5	5	1	1							3	3	
Mr P Vernon	10	10			5	5	3	3	1	1					2	2	3	3	
Participating Consultant																			
Ms C O'Sullivan	10	9										1	1			2	1	3	3

The Impact & Sustainability Committee was disbanded in December 2023. The Committee held two meetings in FY24 in September and November 2023. The work previously championed by the Impact & Sustainability Committee is now being overseen by all Board Members via the new Strategic Plan and the Impact Measurement Framework.

Mr N Mehta stepped down as Deputy Chair on 26 October 2023.

Dr J Jennings was appointed Deputy Chair from 26 October 2023.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, Futurity paid a premium for a contract insuring the Directors, Board Advisors, Company Secretary and Officers of Futurity to the extent permitted by the *Corporations Act 2001* against liabilities incurred in their respective capacities. In accordance with common commercial practice, the insurance policy prohibits disclosure of the nature of the liabilities covered and the amount of the premium.

Additionally, during the financial year, Futurity paid a premium for a corporate travel insurance policy which provided cover for Directors' business travel and for all private travel outside Australia for them and accompanying relatives.

In accordance with the Corporate Governance Rules of Futurity and under a separate deed, the Directors, Board Advisors and Officers are indemnified to the extent permitted by law against any liability incurred by them in connection with the proper discharge of their duties, other than for conduct involving a lack of good faith.

PROCEEDINGS

No person has applied for leave of Court to bring proceedings on behalf of Futurity or intervene in any proceedings to which Futurity is a party for the purpose of taking responsibility on behalf of Futurity for all or any part of those proceedings. Futurity was not a party to any such proceedings during FY24.

SHARES, DIVIDENDS AND OPTIONS

Futurity has not issued any shares and the Directors have no present intention to issue shares or declare any dividends in FY24. No options over interests in Futurity were granted during or since the end of FY24 and there were no options outstanding at the date of this report.

ROUNDING OFF OF AMOUNTS

Futurity is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument, amounts in the Directors' Report and the Financial Statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Directors made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the Directors



Craig Dunstan
Chair



Dr Jacqueline Jennings
Deputy Chair

Remuneration REPORT

1. OUR ORGANISATION AND KEY MANAGEMENT PERSONNEL

The purpose of the Remuneration Report is to set out the principles and Remuneration Strategy Futurity applies to remunerate key management personnel (KMP). The report also demonstrates how the Remuneration Strategy is aligned to our goals and strategic imperatives, enabling performance-based reward and supporting the recruitment and retention of high calibre executives.

This information provided in the Remuneration Report has been prepared with reference to disclosure requirements outlined in the Corporations Act, Section 300A.

The report details financial year FY24 remuneration information for the year ended 30 June 2024 as it applies to KMP, including Board Directors, the Chief Executive Officer and senior executives. For the purpose of this report, senior executives are defined as the employees reporting to the Chief Executive Officer who have authority and responsibility for planning, directing and controlling the activities of Futurity.

FY24 KMP covered in this year's Remuneration Report are listed below:

NAME	POSITION
Craig Dunstan	Chair
Dr Jacqueline Jennings	Director Deputy Chair, effective from 26 October 2023
Neelesh Mehta	Director Deputy Chair to 26 October 2023
Tony Brain	Director
Leon Nash	Director
Jennifer Storey	Director
Phil Vernon	Director

Key Management Personnel

NAME	POSITION
Sam Sondhi	Chief Executive Officer <i>(commenced on 3 July 2023)</i>
Kevin Roberts	Chief Financial Officer / EGM Corporate Services <i>(promoted to EGM Corporate Services 13 November 2023)</i>
Rosemary Read	Chief Risk Officer
Peter Taubman	EGM Financial Services <i>(appointed on 9 November 2023)</i> <i>Previously Group Executive Investments</i>
Sarah McAdie	EGM Strategy and Corporate Affairs <i>(commenced on 25 March 2024)</i>
Ross Higgins	Chief Executive Officer <i>(ceased on 30 July 2023)</i>
Damien Otto	Group Executive – Sales & Distribution <i>(ceased on 9 November 2023)</i>
Kate Hill	Group Executive – Financial Products, Marketing & Digital <i>(ceased on 9 November 2023)</i>

In line with the People and Culture Committee (the Committee) Charter, the Committee is responsible to Futurity's Board for Futurity's Employee Remuneration Policy as well as the Board Remuneration Policy. These policies determine the nature and amount of KMP Remuneration.

A Remuneration Framework that aligns with APRA Regulatory Standard CPS 511 was approved by the Board, effective 1 January 2024 which outlines the remuneration arrangements and its effective application in line with relevant policies. Other responsibilities of the Committee are outlined in the Corporate Governance section of Futurity's website.

The gross salary of Directors (including Committee fees), together with superannuation guarantee contributions is paid from the \$550,000 pool. The superannuation guarantee contributions are included in the 'post-employment benefits' column in the table below.

In addition to the above, Directors who were appointed prior to 1 February 2013 are entitled to a defined superannuation benefit under the Futurity Supplementary Benefit Fund. This defined benefit superannuation scheme was applicable prior to that time but was closed to new Directors in February 2013. That scheme entitles the relevant Directors to a supplementary benefit, which is determined by length of eligible service, category classification and salary at the date of termination of service.

To qualify for the supplementary benefit, a minimum of ten years continuous service is required. An initial contribution into a Director's Futurity Supplementary Account is made when Directors have rendered ten years' service. That contribution and contributions in subsequent years are treated as an expense in the year they are made. Directors who withdraw money from their Futurity Supplementary Account prior to termination of service are deemed to have withdrawn from the scheme. Futurity has contributed to the scheme for the following directors for the financial year ended 30 June 2024:

- Craig Dunstan \$NIL* (2023: \$NIL)
- Leon Nash \$NIL* (2023: \$1,600)
- Dr Jacqueline Jennings \$9,000 (2023: \$15,900)

*Contributions to superannuation are subject to the general concessional cap of \$27,500 per annum for FY24. Contributions may be reduced at the request of the individual.

2. REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

Non-executive directors' remuneration

Non-Executive Director remuneration is calculated in accordance with relevant market salary data with consideration of the skills required to ensure Futurity's success. Remuneration is reviewed on an annual basis with reference to Futurity's performance.

Futurity's Governance Rules provide that Non-Executive Directors shall be paid remuneration for their services as Directors, subject to the fees not exceeding the annual sum last approved at a general meeting. At the October 2021 AGM, the Members approved a pool of \$550,000 for Directors' fees, including committee fees, outside directorships and superannuation guarantee.

The approved Committee fees payable for the 2024 Financial year were:

COMMITTEE/ PANEL	CHAIR \$	MEMBER \$	TOTAL COMMITTEE FEES \$
1 July to 31 December 2023			
Audit	5,934	3,549	13,032
Risk and Compliance	5,934	3,549	13,032
People and Culture	5,934	3,549	13,032
Investment	8,306	4,969	18,244
Impact and Sustainability	5,934	3,549	9,483
Total Half Year Committee Fees			66,823
1 January to 30 June 2024			
Audit	6,112	3,655	13,422
Risk and Compliance	6,112	3,655	13,422
People and Culture	6,112	3,655	17,077
Investment	8,555	5,118	18,791
Total Half Year Committee Fees			62,712
Total Annual Committee Fees			129,535

Remuneration REPORT continued

2.1 REMUNERATION OF NON-EXECUTIVE DIRECTORS

The compensation of each Non-Executive Director is set below:

NON-EXECUTIVE DIRECTORS	SALARY \$	COMMITTEE FEES \$	SUPERANNUATION \$	TOTAL \$
2024				
Craig Dunstan	97,881	9,975	11,864	119,719
Neelesh Mehta	55,402	7,172	6,883	69,457
Tony Brain	50,028	7,598	6,339	63,965
Dr Jacqueline Jennings	62,390	10,845	8,056	81,291
Leon Nash	50,028	6,493	6,217	62,738
Jennifer Storey	50,028	8,675	6,457	65,160
Phil Vernon	50,028	7,534	6,332	63,894
Total	415,783	58,292	52,148	526,224
2023				
Craig Dunstan	104,265	10,481	2,569	117,315
Neelesh Mehta	66,791	6,804	7,728	81,323
Tony Brain	49,226	10,037	6,227	65,490
Dr Jacqueline Jennings	49,266	10,919	6,319	66,504
Leon Nash	49,266	6,395	5,844	61,505
Jennifer Storey	49,266	9,496	6,170	64,932
Phil Vernon	49,266	8,543	6,070	63,879
Total	417,346	62,675	40,927	520,948

2.2 REMUNERATION OF CHIEF EXECUTIVE OFFICER AND SENIOR EXECUTIVES

The Chief Executive Officer and senior executives who are employed by Futurity, are remunerated in accordance with Futurity's remuneration policy and practices.

Their remuneration arrangements are reflective of the executive role they performed for Futurity and are reviewed annually.

In setting an individual's remuneration Futurity considers:

- Role complexity and responsibilities;
- Individual capabilities, experience, and knowledge;
- Business and individual performance;
- Internal and external market role relativities;
- Input from Futurity's People and Culture Committee and management on the target remuneration for individuals;
- Adherence of expected behaviours outlined in Futurity's Code of Conduct – Our Ways of Working and its core values; and
- General remuneration market environment and trends.

Linking Strategy, Performance and Remuneration

Performance-based components of remuneration (where relevant) for KMP are based on key performance indicators determined by the Board each year.

The pool for the proposed bonus/incentive plan is formulated as part of the business plan as below:

- Potential pool amount budgeted using a percentage of the salary budget as a guide;
- The Chief Executive Officer determines the allocation of individual amounts based on calibration of performance within the pool and using the structure/process agreed upon with the Committee;
- The Chief Executive Officer presents the overall outcome/result of the total payment against the budget to the Board for transparency following final approval for payment; and
- The Chief Executive Officer performance is reviewed against key performance indicators and performance-related remuneration is endorsed by the People and Culture Committee for approval by the Board.

Chief Executive Officer and Senior Executives

	SALARY \$	CASH BONUS \$	TERMINATION \$	SUPERANNUATION \$	TOTAL \$
2024					
Sam Sondhi <i>Commenced 3 Jul 2023</i>	403,718	–	–	29,081	432,799
Kevin Roberts	252,934	10,000	–	27,764	290,698
Rosemary Read <i>(0.9 FTE)</i>	231,191	5,000	–	25,902	262,093
Peter Taubman	216,619	10,000	–	24,928	251,547
Sarah Mcadie <i>Commenced 25 March 2024</i>	65,462	–	–	7,201	72,662
Ross Higgins <i>Ceased 31 July 2023</i>	34,308	87,500	19,873	9,036	150,717
Damien Otto <i>Ceased 9 Nov 2023</i>	87,627	17,500	125,562	13,699	244,388
Katherine Hill <i>Ceased 9 Nov 2023</i>	91,490	10,000	104,651	13,699	219,841
Other Senior Executives	67,736	5,000	98,092	9,657	180,485
Grand total	1,451,084	145,000	348,179	160,968	2,105,231

2023					
Ross Higgins	464,131	–	–	27,411	491,542
Kevin Roberts	239,074	5,000	–	25,175	269,249
Damien Otto	253,639	20,000	–	25,936	299,575
Rosemary Read	228,076	5,000	–	24,361	257,437
Kate Hill	254,368	15,000	–	25,953	295,321
Other Senior Executives	928,826	30,000	–	97,676	1,056,502
Total	2,368,114	75,000	–	226,512	2,669,626

Key Terms of Employment Contracts

The following contractual and other arrangements are in place in respect of the KMP as at 30 June 2024.

KMP	TERM	NOTICE PERIOD BY EITHER THE EMPLOYEE OR THE COMPANY
Sam Sondhi	Ongoing	4 months' notice
Kevin Roberts	Ongoing	4 weeks' notice
Rose Read	Ongoing	4 weeks' notice
Peter Taubman	Ongoing	8 weeks' notice
Sarah McAdie	Ongoing	4 weeks' notice

Employee Share Option Plan

Futurity does not have an employee share option plan.

Payments to Directors as Members

Under Futurity's Corporate Governance Rules, each Director is required to be a Member of a benefit fund to be eligible to hold the position of Director of the Company. Therefore, each Director holds at least one Membership in a benefit fund and is entitled to benefits in accordance with the terms of the rules of the relevant benefit fund as they apply to all other Members of the relevant fund(s).

	CONSOLIDATED	
	2024 \$	2023 \$
Payments made by Futurity out of the Benefit Funds to KMP	7,240	17,220

The names of key management personnel of Futurity with payments arising from their Memberships are Leon Nash and Dr Jacqueline Jennings.

These payments referred to above are made on the same normal terms and conditions that were available to all Members of Futurity at the time enrolment into the applicable benefit fund took place.

17 September 2024

The Board of Directors
Futurity Investment Group Limited
Level 15/ 333 Collins Street
MELBOURNE VIC 3000

Dear Board Members

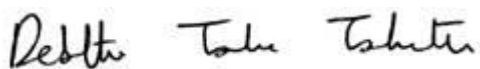
Auditor's Independence Declaration to Futurity Investment Group Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Futurity Investment Group Limited.

As lead audit partner for the audit of the financial statements of Futurity Investment Group Limited for the financial year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Neil Brown
Partner
Chartered Accountants

FUTURITY Financial Report 2024

Consolidated STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024

	Notes	PARENT		CONSOLIDATED	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Continuing Operations					
Revenue					
Investment income		68,167	67,061	67,696	69,479
Funds management income		2,149	2,895	2,149	2,895
Other operating revenue		214	435	368	609
Total revenue	5	70,530	70,391	70,213	72,983
Expenses					
Investment income allocated to benefit fund members		(33,897)	(36,050)	(33,897)	(36,050)
Policy liability revaluation		(50)	119	(50)	119
Operating expenses		(27,591)	(25,461)	(27,558)	(26,329)
Total expenses	6	(61,538)	(61,392)	(61,505)	(62,260)
Profit before tax		8,992	8,999	8,708	10,723
Income tax benefit/(expense)	7(a)	(12,966)	(12,238)	(12,867)	(12,765)
(Loss)/profit for the year		(3,974)	(3,239)	(4,159)	(2,042)
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit obligations		198	(226)	198	(226)
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		146	(331)	140	(313)
Income tax relating to items reclassified subsequently		(44)	100	(42)	94
Other comprehensive income for the year, net of tax		300	(457)	296	(445)
Total comprehensive income for the year		(3,674)	(3,696)	(3,875)	(2,487)
(Loss)/profit attributable to:					
Members of Futurity Investment Group		(3,974)	(3,239)	(4,159)	(2,042)
Total comprehensive income attributable to:					
Members of Futurity Investment Group		(3,674)	(3,696)	(3,875)	(2,487)

The accompanying notes form part of, and are to be read in conjunction with, these consolidated financial statements.

Consolidated STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	PARENT		CONSOLIDATED	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Assets					
Cash and cash equivalents		8,826	13,472	8,909	13,936
Trade and other receivables	9	15,085	11,599	15,034	10,862
Investment assets	8	995,675	968,113	996,253	968,989
Other assets		293	1,441	293	1,441
Right-of-use-assets	12	2,012	2,533	2,012	2,533
Current tax assets	7(c)	10,313	9,603	9,592	9,879
Total assets		1,032,204	1,006,761	1,032,093	1,007,640
Liabilities					
Trade and other payables	10	24,988	24,182	24,988	24,182
Lease liability	12	2,251	2,682	2,251	2,682
Deferred tax liabilities	7(d)	4,943	1,885	4,943	2,686
Employee entitlement	11	2,195	3,191	2,195	3,191
Benefit fund member liabilities	18	902,805	876,191	902,805	876,191
Total liabilities		937,182	908,131	937,182	908,932
Net assets		95,022	98,630	94,911	98,708
Equity					
Policyholder equity		3,987	4,567	3,987	4,567
Reserves		(323)	(623)	(373)	(669)
Retained earnings		91,358	94,686	91,297	94,810
Total equity		95,022	98,630	94,911	98,708

The accompanying notes form part of, and are to be read in conjunction with, these consolidated financial statements.

Consolidated STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

	Notes	PARENT		CONSOLIDATED	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash flows from operating activities					
Benefit funds – contributions received		172,468	134,596	172,622	134,595
Benefit funds – withdrawals		(177,046)	(186,250)	(177,046)	(186,250)
Benefit funds – policy claims paid		–	(50)	–	(49)
Premium received from credit products		–	–	–	174
Investment income received		29,886	21,048	28,727	20,558
Payments to suppliers and employees		(28,081)	(18,284)	(28,050)	(19,153)
Payments to members and scholarship grants		–	(1,283)	–	(1,283)
Income tax payments		(10,618)	(15,951)	(10,323)	(15,646)
Net cash used in operating activities	18	(13,391)	(66,174)	(14,070)	(67,054)
Cash flows from investing activities					
Payment for investment securities		(218,464)	(185,216)	(218,464)	(185,216)
Proceeds from sale of investment securities		227,470	244,439	227,768	245,354
Payments for property, plant and equipment and intangible assets		–	(153)	–	(153)
Proceeds from sale of asset classified as held for sale		415	9,968	415	9,968
Payments for intangible assets		–	(166)	–	(166)
Net cash generated by investing activities		9,421	68,872	9,719	69,787
Cash flows from financing activities					
Payment to lease liability		(555)	(533)	(555)	(533)
Payment of Interest on lease liability		(122)	(143)	(122)	(143)
Net cash used in financing activities		(677)	(676)	(677)	(676)
Increase in cash and cash equivalents					
		(4,647)	2,022	(5,028)	2,057
Cash and cash equivalents at the beginning of the financial year		13,473	11,450	13,937	11,879
Cash and cash equivalents at the end of the financial year	18	8,826	13,472	8,909	13,936

The accompanying notes form part of, and are to be read in conjunction with, these consolidated financial statements.

Consolidated STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	Policyholder equity	Reserves	Retained earnings	Total equity
	\$'000	\$'000	\$'000	\$'000
Parent				
Balance at 1 July 2022	5,153	4,124	92,935	102,212
Transfers from benefit funds	-	-	700	700
Transfers from terminated benefit funds	-	-	114	114
Transfers to management fund	(700)	-	-	(700)
Profit/(loss) for the year	115	-	(3,353)	(3,238)
Other comprehensive income/(expense)	(1)	(4,747)	4,290	(458)
Total comprehensive profit/(loss) for the year	114	(4,747)	937	(3,696)
Balance at 30 June 2023	4,567	(623)	94,686	98,630
Transfers from benefit funds	-	-	600	600
Transfers from terminated benefit funds	-	-	66	66
Transfers to management fund	(600)	-	-	(600)
Profit/(loss) for the year	20	-	(3,994)	(3,974)
Other comprehensive income/(expense)	-	300	-	300
Total comprehensive profit/(loss) for the year	20	300	(3,994)	(3,674)
Balance at 30 June 2024	3,987	(323)	91,358	95,022
Consolidated				
Balance at 1 July 2022	5,153	4,065	91,863	101,081
Transfers from benefit funds	-	-	700	700
Transfers from terminated benefit funds	-	-	114	114
Transfers to management fund	(700)	-	-	(700)
Profit/(loss) for the year	115	-	(2,157)	(2,042)
Other comprehensive income/(expense)	(1)	(4,734)	4,290	(445)
Total comprehensive profit/(loss) for the year	114	(4,734)	2,133	(2,487)
Balance at 30 June 2023	4,567	(669)	94,810	98,708
Transfers from benefit funds	-	-	600	600
Transfers from terminated benefit funds	-	-	66	66
Transfers to management fund	(600)	-	-	(600)
Profit/(loss) for the year	20	-	(4,179)	(4,159)
Other comprehensive income/(expense)	-	296	-	296
Total comprehensive profit/(loss) for the year	20	296	(4,179)	(3,863)
Balance at 30 June 2024	3,987	(373)	91,297	94,911

Notes to the CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

1. GENERAL INFORMATION

Futurity Investment Group Limited ("Futurity", "the Parent") is a registered Australian public company limited by guarantee under the *Corporations Act 2001* and a friendly society under the *Life Insurance Act 1995*.

These consolidated financial statements are for the consolidated entity consisting of the Futurity Investment Group Limited and its subsidiaries, referred to in these consolidated financial statements collectively as "the Group".

The company is domiciled in Australia and its registered office and principal place of business is:

Level 15, 333 Collins St
Melbourne VIC 3000

A description of the nature of the Parent's and Group's principal activities is included in the Directors' Report which is not part of these consolidated financial statements.

2. ADOPTION OF NEW AND REVISED STANDARDS

2.1 Change in accounting policy for insurance contracts due to cessation of AASB 1038 Life Insurance Contracts.

From 1 July 2023 the Group has changed its accounting policies for insurance contracts due to the cessation of AASB 1038 Life Insurance Contracts. From 1 July 2023 insurance contracts issued by Futurity are accounted for as financial instruments in accordance with AASB 9 Financial Instruments.

Under AASB 1038 the Group had accounted for its insurance contracts as either life investment or life insurance contracts in accordance with AASB 1038.

On the cessation of AASB 1038 the Group has reassessed the accounting policies for the insurance contracts it issues.

The Group has concluded that the insurance contracts it issues do not include material insurance risk to the Group and therefore has not adopted AASB 17 Insurance Contracts.

The Group has concluded that the insurance contracts it issues meet the definition of financial instruments under AASB 9 Financial Instruments and has therefore adopted AASB 9 to account for its insurance contracts.

The adoption of AASB 9 has led to the following changes in accounting policies:

Life investment contract assets:

- Previously valued at fair value under AASB 1039
- Now valued at fair value under AASB 9
- No impact on carrying value, presented as Investment in the Consolidated Statement of Financial Position

Life investment contract liabilities:

- Previously valued using the accumulation method under AASB 1038
- Now valued at fair value under AASB 9
- No impact on carrying value, classified as Benefit Fund Liabilities in the Consolidated Statement of Financial Position.

The retrospective adoption of AASB 9 has no impact on the Group's profit, equity, opening retained earnings or cash flows.

2.2 New and Amendments to AASB accounting standards that are effective for the current year.

The Group has adopted AASB 2021-2 Amendments to Australian Accounting Standards *Disclosure of Accounting Policies and Definition of Accounting Estimates*.

The amendments provide a definition of and clarifications on accounting estimates and clarify the concept of materiality in the context of disclosure of accounting policies. Futurity has removed accounting policy disclosure that is not material.

There has been no other new or amended Accounting Standards and Interpretations issued by the AASB that have a material impact on the financial position of the Group.

2.3 New and Amendments to AASB accounting standards in issue not yet effective

There has been no other new or amended Accounting Standards and Interpretations in issue but not yet effective that would have a material impact on the financial position of the Group.

3. MATERIAL ACCOUNTING POLICIES

The following material accounting policies have been adopted in the preparation and presentation of the consolidated financial statements:

3.1 Statement of compliance

These consolidated financial statements are general purpose financial statements which have been prepared in accordance with the *Life Insurance Act 1995*, *Corporations Act 2001*, Australian Accounting Standards and Interpretations, and comply with other requirements of the law.

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

The consolidated financial statements were authorised for issue by the directors on 17 September 2024.

3.2 Basis of preparation

The consolidated financial statements have been prepared on an accruals basis based on historical cost, unless otherwise stated.

Historical cost is based on the fair values of the consideration given for services or in exchange of assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, unless another basis is specifically required by the Australian Accounting Standards Board (AASB).

Amounts in the consolidated financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated. All amounts are presented in Australian dollars, unless otherwise stated.

Notes to the CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3.3 Basis of consolidation

The consolidated financial statements, which incorporate the financial statements of Futurity and entities controlled by Futurity, including subsidiaries, is referred to as 'the Group'. Control is achieved where Futurity:

- has power over its subsidiaries
- is exposed, or has rights, to variable returns from its involvement with its subsidiaries
- has the ability to use its power to affect its subsidiaries' returns.

Futurity assesses whether or not it controls its subsidiaries if there are changes to one or more of the three elements of control listed.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Intercompany transactions and transactions between the management fund and benefit funds are eliminated in the preparation of the financial statements.

3.4 Revenue recognition

Investment income

The Parent and the Group's main sources of income are interest, dividends distributions and gains and losses in financial investment held at fair value.

Gains and losses of Financial Instruments are calculated as the difference between the fair value at sale or balance date and the value at the previous valuation point.

Dividend income from investments is recognised when the Parent and the Group's right to receive payment has been established.

Distribution income is recognised on a receivable basis as of the date the unit value is quoted after distribution.

Interest income from a financial asset is recognised when it is probable that the benefits will flow to the Parent and the Group and the amount can be measured reliably. Interest income is accrued at the balance date, based on the principal amount outstanding and at the effective interest rate applicable.

3.5 Foreign currency transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date.

Exchange differences are recognised in profit or loss in the period in which they arise.

3.6 Employee benefits

Short-term and long-term employee benefits

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 amounts can be measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits consider services provided by employees up to the reporting date, and are based on the present value of the estimated future cash outflows.

3.7 Taxation

The income tax for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate. This is adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated financial statements because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current income tax assets and liabilities for the current and prior periods are recognised at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred income tax is provided on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

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

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses. This is recognised to the extent that it is probable that taxable profit will be available against which these items can be utilised.

The carrying amount of deferred income 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 profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Notes to the CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised as an expense or income in the consolidated statement of income and other comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

Tax consolidation

During the 2004 financial year, the directors elected that Futurity and its wholly owned Australian resident entities would form a tax consolidated group and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Futurity.

Nature of tax funding arrangements and tax sharing agreements

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax-sharing agreement with the head entity. Under the terms of the tax funding arrangement, Futurity and each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the tax-consolidated group.

The tax sharing agreement entered into between members of the tax consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the consolidated financial statements in respect of this agreement as the likelihood of the Group defaulting on its tax payment obligations and therefore payment of any amounts under the tax sharing agreement is considered remote.

Tax expense, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in their separate financial statements.

Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax consolidated group are recognised by the Group.

3.8 Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual relevant instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The Group's financial assets are classified as fair value through profit or loss (FVTPL).

Financial assets at fair value through profit or loss

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the net gains/ (losses) of financial assets held at fair value through profit and loss.

Derecognition of financial assets

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

Financial liabilities

All financial liabilities are measured at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss.

Notes to the CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

Derecognition of financial liabilities

The Group derecognises financial liabilities when the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Valuation of benefit fund member liabilities

The entitlements of members to benefit payments are recognised as financial liabilities. They are calculated as the amount of the accrued benefits as at the reporting date, being the benefits that the Fund is presently obliged to transfer to members or their beneficiaries in the future as a result of the membership up to the end of the reporting period.

Defined Contribution benefit funds

Defined contribution member account balances are measured using unit prices determined by the Group based on the underlying investment option values selected by members are recognised as financial liabilities.

The defined contribution members bear the investment risk relating to the underlying investment options. Unit prices used to measure defined contribution member liabilities are updated daily for movements in investment values

3.9 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) because of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.10 Goods and services tax

Revenues, expenses and assets are generally recognised inclusive of the amount of goods and services tax (GST) as generally the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost or acquisition of an asset or as part of an item of expense.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

3.11 Comparative information

Comparative information has been revised where appropriate to enhance comparability have been adjusted to conform with changes in presentation in the current year.

4. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the accounting policies of the Group, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various 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 only recognised in the periods affected.

Significant judgments, estimates and assumptions made by management in the preparation of these consolidated financial statements are outlined below:

Valuation of unlisted unit trusts

Fair value of unlisted unit trusts have been estimated based on the redemption price quoted by the Fund Managers at the reporting date.

Notes to the CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

5. REVENUE

	PARENT		CONSOLIDATED	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Investment income				
Distributions income	29,988	22,651	29,988	22,651
Interest income	16,292	10,754	16,146	10,452
Net realised/unrealised (losses)/gains of financial assets held at fair value through profit and loss	21,887	33,656	21,562	36,376
Funds management income				
Fees and other charges	2,149	2,895	2,149	2,895
Other operating revenue	214	435	368	609
Total revenue	70,530	70,391	70,213	72,983

6. EXPENSES

	PARENT		CONSOLIDATED	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Investment loss/(income) allocated to benefit funds	(33,897)	(36,050)	(33,897)	(36,050)
Policy liability revaluation	(50)	119	(50)	119
Operating expenses				
Salaries and related cost	(11,152)	(12,525)	(11,152)	(12,948)
Staff related costs	(1,125)	(1,443)	(1,127)	(1,468)
Marketing and digital expenses	(1,999)	(2,992)	(1,999)	(3,094)
IT Expenses	(2,352)	(2,593)	(2,352)	(2,839)
Finance expenses	(1,521)	(1,269)	(1,487)	(1,314)
Facilities and related expenses	(1,006)	(1,077)	(1,006)	(1,077)
Member and scholarship grants	-	(1,032)	-	(1,032)
Administration expenses	(1,367)	(899)	(1,367)	(901)
Depreciation and amortisation	(1,260)	(711)	(1,260)	(711)
Donation to Futurity Education Foundation	(4,548)	(21)	(4,548)	(21)
Other operating expenses	(1,261)	(899)	(1,260)	(924)
	(27,591)	(25,461)	(27,558)	(26,329)
Total expenses	(61,538)	(61,392)	(61,505)	(62,260)

Notes to the CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

7. INCOME TAX

	PARENT		CONSOLIDATED	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
(a) Income tax recognised in profit or loss				
Current tax	9,908	2,787	10,610	2,519
Deferred tax	3,058	9,451	2,257	10,246
Total income tax expense recognised in the current year	12,966	12,238	12,867	12,765

The income tax expenses for the year can be reconciled to the accounting profit as follows:

Profit before tax from continuing operations	8,992	8,999	8,708	10,723
Income tax expense calculated at statutory tax rate	2,698	2,700	2,613	3,220
Effect of income that is exempt from taxation	(100)	(377)	(100)	(377)
Tax effect of non deductible income allocated to benefit funds	10,560	11,144	10,560	11,144
Other	(770)	(1,122)	(770)	(1,125)
	12,388	12,345	12,303	12,862
Adjustments recognised in the current year in relation to the current tax of prior years	578	(107)	564	(97)
Total income tax recognised in profit and loss	12,966	12,238	12,867	12,765

The tax rate used in the 2024 and 2023 reconciliation is the corporate tax rate of 30 per cent, under Australian tax law, payable by tax-consolidated group, Futurity Investment Group Limited. ASG Education Programmes (NZ) Limited, which is the only entity not part of the tax-consolidated group, has a tax rate of 28 per cent (2023: 28 per cent) under New Zealand tax law.

(b) Income tax recognised in other comprehensive income

Deferred tax

Arising on income and expenses recognised in other comprehensive income:				
Property revaluations	–	(1,839)	–	(1,839)
Total income tax recognised in other comprehensive income	–	(1,839)	–	(1,839)

(c) Current tax assets and liabilities

Income tax payable attributable to:				
Parent entity	2,091	6,873	2,097	6,873
Entities in the tax-consolidated group	–	–	(728)	276
Tax losses carried forward to later income years	6,598	–	6,598	–
Tax credits & instalments	1,624	2,730	1,625	2,728
Exchange difference of foreign subsidiary	–	–	–	2
Total current tax assets and liabilities	10,313	9,603	9,592	9,879

Current tax balances are presented in the consolidated statement of financial position as follows:

Current tax assets	10,313	9,603	9,592	9,879
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(d) Deferred tax balances

Deferred tax balances are presented in the consolidated statement of financial position as follows:

Deferred tax liabilities	4,943	1,885	4,943	2,686
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Notes to the CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

7. INCOME TAX (CONTINUED)

Taxable and deductible temporary difference arise from the following:

PARENT – 2024	Opening balance	Recognised in profit or loss and other comprehensive income	Recognised directly in equity	Closing balance
	\$'000	\$'000	\$'000	\$'000
Gross deferred tax liabilities:				
Currency exchange difference	(82)	3	–	(79)
Gross deferred tax assets:				
Financial assets at fair value through profit or loss	(3,085)	(2,745)	–	(5,830)
Trade receivables, provisions and other items	1,282	(316)	–	966
Total net deferred tax (liabilities)/assets	(1,885)	(3,058)	–	(4,943)
CONSOLIDATED – 2024				
Gross deferred tax liabilities:				
Currency exchange difference	(78)	4	–	(74)
Gross deferred tax assets:				
Financial assets at fair value through profit or loss	(3,884)	(1,946)	–	(5,830)
Trade receivables, provisions and other items	1,276	(315)	–	961
Total net deferred tax (liabilities)/assets	(2,686)	(2,257)	–	(4,943)
PARENT – 2023				
Gross deferred tax liabilities:				
Property, plant and equipment and other items	(2,379)	458	1,839	(82)
Gross deferred tax assets:				
Financial assets at fair value through profit or loss	6,970	(10,055)	–	(3,085)
Provisions and other items	1,136	146	–	1,282
Total net deferred tax (liabilities)/assets	5,727	(9,451)	1,839	(1,885)
CONSOLIDATED – 2023				
Gross deferred tax liabilities:				
Property, plant and equipment and other items	(2,383)	466	1,839	(78)
Gross deferred tax assets:				
Financial assets at fair value through profit or loss	6,959	(10,843)	–	(3,884)
Trade receivables, provisions and other items	1,145	131	–	1,276
Total net deferred tax (liabilities)/assets	5,721	(10,246)	1,839	(2,686)

Notes to the CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

8. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives

Risk Management is a fundamental element of the Group's overall corporate governance structure. It has an important role in ensuring that adequate controls exist to mitigate against potential risks that may impact on the Group's ability to achieve its business objectives. The Group's Risk Management Framework outlines the core minimum requirements that the Group must follow in the management of risks at the Group. Effective risk management requires a coordinated framework across the entire organisation.

The Group recognises that all staff at the Group have a responsibility for risk management under the Group's Risk Governance Framework. In terms of governance, the Group board is responsible for setting the overall corporate governance strategy.

The Group's board of directors has established an Audit Committee and a Risk and Compliance Committee to assist the Board in the effective discharge of its responsibilities for business, market, credit, operational, liquidity and reputational risk management. Audit Committee and Risk and Compliance Committee scope's cover the broad range of inter-related business risks to which Futurity and its controlled entities are exposed.

The Internal Audit, Risk and Compliance functions support each of the Audit Committee and Risk & Compliance Committee respectively, in relation to their risk oversight, including compliance. Senior management is responsible for managing the risk process in conjunction with the Internal Audit and Risk and Compliance functions. The Internal Audit, Risk and Compliance functions actively partner with the Group's management to help the Group to effectively identify, access, manage and report its risks. To assist in this regard, these functions provide various tools, policies and procedures, training and advice. Refer to the Governance Statement for information regarding the principal responsibilities of each of the Audit Committee and Risk and Compliance Committee.

The Board has established the Investment Committee which assists the Board in fulfilling its responsibilities in relation to investment management.

Senior management has the primary responsibility for implementing the Group's risk management strategy. Management is responsible for assisting with identifying, assessing, managing and reporting risks within the business.

The Group's activities expose it primarily to the financial risks of changes in interest rates and market price, as well as credit and liquidity risks.

(b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: price risk, foreign currency risk and interest rate risk. Market risk is managed and monitored using sensitivity analysis, and minimised through ensuring that all investment activities are undertaken in accordance with established mandates and investment strategies.

Financial instruments held by the benefit funds managed by Futurity are exposed to market risk. However, as these financial instruments are matched with member liabilities in the benefit funds; any movement in the carrying value of financial instruments held by the benefit funds has an equal and opposite effect on member liabilities. Hence, the market risk is borne by the members.

(i) Price risks

Price risk is the risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market prices. The Group is exposed to price risk. This arises from investments held by the group and classified on the statement of financial position as financial assets 'at fair value through profit or loss'.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is achieved in accordance with investment policies overseen by the Investment Committee, the objective of which is to manage risk within acceptable limits.

It should be noted that in relation to Futurity's benefit funds, a 10 per cent change in the unit price of investments in unlisted trusts would lead to a \$88.68 million change (2023: \$87.70 million change) in investment income which would be offset by an investment income/loss allocated to policyholders. Therefore, the net financial position of Futurity's benefit funds would remain unchanged before and after a 10 per cent change in price.

As the majority of the Group's financial instruments are carried at fair value with changes in fair value recognised in the Consolidated Statement of Profit, all changes in market conditions will directly affect investment income and investment income allocated to members, and therefore the rate of return that can be paid to members.

The following table illustrates the effects on profit or loss and total equity of the Group based on the pricing risk Futurity was exposed to at reporting date:

	Change in variable	PROFIT		TOTAL EQUITY	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Pricing risk	+/- 10%	+/-9,127	+/-9,911	+/-9,127	+/-9,911

(ii) Foreign currency risk management

Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuates due to changes in exchange rates. Management monitors the exposure of all assets and liabilities denominated in foreign currencies. Since most transactions and account balances are in AUD, the foreign currency risk is not significant. The impact of foreign exchange risk on the account balances is considered immaterial to the Group.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's main interest rate risk arises from fixed income investments.

The Group faces interest rate risk due to its investment activities in financial instruments with both fixed and floating interest rates. Management closely monitors the exposure of all fixed income investments. Since the fixed income securities held are not substantial, there is no significant interest rate risk. Consequently, the impact of interest rate risk on the account balances is considered immaterial to the Group.

Notes to the CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

(iv) Climate Risk

Climate change represents a significant long-term risk to the Group's investment portfolio. The transition of the economy from current carbon-based energy to a lower, and ultimately net-zero economy, presents economic climate transition risks to companies domestically and overseas, and therefore potentially the Group's investments.

The Group manages climate risk in accordance with the Board Investment Policy, with the aim to invest majority of total funds under management with investment managers who are signatories to the United Nations Principles for Responsible Investment (UNPRI) and/or the United National Global Compact (UNGC), of which the Group is a signatory of.

(c) Capital risk management

Capital risk management is a fundamental element of the Group's overall corporate governance structure in terms of the Risk Management Framework. It ensures that the Group's capital is effectively managed through employing strategies that manage capital resources in line with documented targets and reserves, ensuring that various actuarial and prudential standards that the Group is required to comply with are met.

The Group's investments are managed with a view to ensuring each fund of Futurity and each entity in the group will be able to promptly meet its obligations as and when they fall due. The management of investments is carried out in accordance with the Group's Governance Rules, Board policies, the prudential standards issued by APRA, the *Life Insurance Act 1995* and disclosure documents and any relevant directives from APRA.

Capital is utilised to finance growth, non-current asset acquisitions and business plans, and provides support if adverse outcomes arise from investment performance or other activities.

The appropriate level of capital is determined by the Board based on both regulatory and economic considerations.

(d) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread among approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Investment Committee periodically.

Periodic assessments of debtor balances are undertaken by management and provisions for doubtful debts are raised as appropriate. The Group measures credit risk on a fair value basis.

The Group does not have any significant exposure to any single counterparty or any group of counterparties having similar characteristics. Investments in the various instrument categories comply with the guidelines for counterparties and issuers contained within the Board's investment policy and the authorised investments and investment ranges (counterparty limits) specific to each benefit fund outlined in the relevant investment mandates.

Investments in debt instruments are securities from issuers which have a credit rating of investment grade BBB- or higher or equivalent from independent rating agency. Investments in short-term securities and cash are securities from issuers, which have a short-term rating of investment grade A-3 or equivalent from an independent rating agency.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Futurity has ceased to offer mortgage products to members and the general public. However, it does maintain a mortgage portfolio. Loans are secured by registered first mortgage over capital improved property and comply with mortgage investment guidelines.

Maximum credit risk exposure of the group is equivalent to financial assets included in the consolidated statement of financial position and disclosed as \$ 903 million (2023: \$ 877 million).

(e) Liquidity risk management

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Group defines liquidity risk as the potential that the group may be unable to meet its obligations because of a timing mismatch between asset and liability cash flow patterns. In managing this risk, the Management has a system in place that monitors the liabilities of each benefit fund, while management has systems in place that monitor the liabilities of the Group's subsidiaries. The Management ensures that an appropriate level of liquid assets is maintained for the operations of Futurity's benefit funds plus a buffer for unforeseen demands. Management ensures that an appropriate level of liquid assets is maintained for the operations of Futurity's subsidiaries.

The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and managing the maturity profiles of financial assets and liabilities.

The authorised investments of Futurity's benefit funds are contained in their respective rules. For the benefit funds, a minimum of 15 per cent of total assets must be held in liquid funds.

In determining suitability of assets, it is important to note that the majority of assets are readily realisable. Ability to realise a sizeable proportion of the assets in an orderly manner at short notice is consistent with the fact that members' benefits may be withdrawn at any time.

The assets held are invested in accordance with APRA Prudential Standards and each of the Fund's rules and are in accordance with the current investment strategy set down by Futurity for each fund.

The following tables detail the Group's exposure to liquidity risk as at 30 June 2024.

Notes to the CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

8. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Liquidity risk management (continued)

	Weighted average effective interest rate %	PARENT		CONSOLIDATED	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
		Less than 1 year	Less than 1 year	Less than 1 year	Less than 1 year
Financial assets:					
Financial assets held at amortised cost:					
Cash and cash equivalents	4.35	8,826	13,472	8,909	13,936
Receivables		15,085	11,599	15,034	10,862
Total financial assets held at amortised cost		23,911	25,071	23,943	24,798
Fair value through profit or loss:					
Unlisted trust		981,274	946,094	981,316	946,452
Other securities	5.00	13,968	21,546	14,504	22,064
Mortgage loans	8.60	433	473	433	473
Total fair value through profit or loss		995,675	968,113	996,253	968,989
Total financial assets		1,019,586	993,184	1,020,196	993,787
Financial liabilities:					
Trade and other payables		24,988	24,182	24,988	24,182
Benefit fund member liabilities		902,805	876,191	902,805	876,191
Total financial liabilities		927,793	900,373	927,793	900,373

(f) Categories of financial instruments

	PARENT		CONSOLIDATED	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Financial assets				
Fair value through profit or loss (FVTPL)	995,675	968,113	996,253	968,989
Loans and receivables (amortised cost)	15,085	11,599	15,034	10,862
Cash and cash equivalents	8,826	13,472	8,909	13,936
Financial liabilities				
Benefit fund member liabilities	902,805	876,191	902,805	876,191
Other liabilities	24,988	24,182	24,988	24,182

Notes to the **CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 30 June 2024

(g) Fair value of financial instruments

The directors consider that the carrying amount of financial assets and financial liabilities recorded in the consolidated financial statements approximates their fair values unless otherwise stated.

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

- The fair value 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.
- The fair value of other financial assets is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.
- They are recognized as liabilities following the criteria under AASB 132 Presentation as the benefits can be called by the member at any time for represent the expected cash flows on derecognition of the liability.

The consolidated financial statements include holdings in unlisted unit trusts which are measured at fair value. Fair value of unlisted unit trusts has been estimated based on the redemption price quoted by the Fund Managers at the reporting date. Level 2 investments have publicly available quoted prices. Level 3 investments have prices that are not publicly available.

Fair value measurements recognised in the consolidated statement of financial position

In addition, for consolidated financial statements reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

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

Notes to the CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

8. FINANCIAL INSTRUMENTS (CONTINUED)

(g) Fair value of financial instruments

	PARENT		CONSOLIDATED	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Level 1				
Other securities	-	-	-	518
Total level 1	-	-	-	518
Level 2				
Unlisted trust	737,108	735,123	738,245	735,481
Other securities	18,035	21,546	18,034	21,546
Total level 2	755,143	756,669	756,279	757,027
Level 3				
Unlisted trust	240,100	210,972	240,100	210,972
Others	433	472	433	472
Total level 3	240,532	211,444	240,532	211,444
Total fair value of financial instruments	995,675	968,113	996,811	968,989

Reconciliation of Level 3 fair value measurements of financial assets

	PARENT		CONSOLIDATED	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Opening balance	211,444	231,949	211,444	231,949
Total gains or losses:				
in profit or loss	39	54	39	54
change in fair value of financial assets designated at fair value	5,653	6,946	5,653	6,946
Purchases/drawdowns	23,475	(27,117)	23,475	(27,117)
Mortgage repayments/settlements	(79)	(388)	(79)	(388)
Closing balance	240,532	211,444	240,532	211,444

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been estimated based on the redemption price quoted by the Fund Managers at the reporting date. Level 2 investments have publicly available quoted prices, Level 3 investments prices are not publicly available.

Notes to the CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

9. TRADE AND OTHER RECEIVABLES AT AMORTISED COST

	PARENT		CONSOLIDATED	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trade receivables	182	331	182	1,600
Receivables from subsidiaries / benefit funds	51	2,008	–	–
Distributions receivables from investment assets	14,852	9,260	14,852	9,262
Total trade and other receivables	15,085	11,599	15,034	10,862

10. TRADE AND OTHER PAYABLES AT AMORTISED COST

	PARENT		CONSOLIDATED	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Segregated Fund	18,668	18,864	18,668	18,864
Trade payables	3,326	1,375	3,326	1,375
Accruals	2,732	3,515	2,732	3,515
Contract liabilities	262	428	262	428
Total trade and other payables	24,988	24,182	24,988	24,182

All payables are due within 12 months and the amounts disclosed are equivalent to the contractual undiscounted cash flows expected to be paid.

Segregated Fund

Futurity activated the Comprehensive Scheme (which established a framework for the distribution of surpluses arising in benefit funds) in FY 2021 following detailed discussion with APRA and advice from the Appointed Actuary. These surpluses are being managed by the operation of the Segregated Fund which is a discreet component of the Management Fund. The net assets of the Segregated Fund is excluded from the Capital Base in determining Futurity's capital position.

	PARENT		CONSOLIDATED	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Opening balance	18,864	17,148	18,864	17,148
Net movement from transfers from benefit funds, investment income, payments to beneficiaries, and management fee rebate, during the year	(196)	1,716	(196)	1,716
Closing balance	18,668	18,864	18,668	18,864

11. EMPLOYEE ENTITLEMENT

	PARENT		CONSOLIDATED	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Employee benefits	1,162	3,191	1,162	3,191
Superannuation payable	1,033	–	1,033	–
Total employee entitlement	2,195	3,191	2,195	3,191

Notes to the CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

12. LEASE

Leases

The Group leases several assets, mainly buildings. The average lease terms is 5 years. The Group has no options to purchase the leased assets at the end of the lease terms. The Group's obligation are secured by the lessors' title to the leased assets for such leases.

	PARENT		CONSOLIDATED	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Amounts recognised in profit and loss				
Depreciation expenses on right-of-use assets	521	528	521	528
Interest expenses on lease liabilities	122	143	122	143
Right of use asset at cost				
Balance at the beginning of the financial year	3,484	3,469	3,484	3,469
Additions	–	15	–	15
Balance at 30 June	3,484	3,484	3,484	3,484
Accumulated depreciation	(951)	(423)	(951)	(423)
Depreciation expense	(521)	(528)	(521)	(528)
Balance at the end of the financial year	(1,472)	(951)	(1,472)	(951)
Net book value	2,012	2,533	2,012	2,533

On 4 November 2019, the Group entered into a 13 months lease and further extension to 4 December 2023 to rent property in Adelaide. As a result, a lease liability and right-of-use asset has been recognised as at 30 June 2024 and 30 June 2023.

On 12 April 2022, the Group entered into a 5 years lease to rent property in Melbourne CBD, as a result a lease liability and right-of-use asset has been recognised as at 30 June 2024 and 30 June 2023.

Notes to the CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

13. REMUNERATION OF AUDITORS

	PARENT		CONSOLIDATED	
	2024 \$	2023 \$	2024 \$	2023 \$
Deloitte and related network firms				
Audit of the financial reports:				
– Futurity Investment Group Limited	190,586	237,655	190,586	237,655
– Futurity's Benefit Funds (New Zealand)	72,028	67,947	72,028	67,947
– NEiTA Foundation	20,009	18,876	20,009	18,876
Total	282,623	324,478	282,623	324,478
Statutory assurance services required by legislation to be provided by the auditor				
– Futurity Investment Group Limited				
LPS 310 Report (Review)	56,705	53,493	56,705	53,493
APRA Return (Audit)	39,413	22,649	39,413	22,649
AFSL Form FS71 (Audit)	14,399	13,585	14,399	13,585
Total	110,517	89,727	110,517	89,727
Total audit fees *	393,140	414,205	393,140	414,205
Agreed upon procedures				
– Futurity's Benefit Funds (New Zealand)				
Reporting to New Zealand Supervisor	10,934	10,318	10,934	10,318
Total non-audit fees *	10,934	10,318	10,934	10,318
Total remuneration of auditors *	404,074	424,523	404,074	424,523

*The auditor of Futurity is Deloitte Touche Tohmatsu and costs incurred include the non-recoverable component of GST.

14. DETAILS OF CONTROLLED ENTITIES

Name of subsidiary		Proportion of ownership interest and voting power held by the Group	
		2024 %	2023 %
Parent Entity			
Futurity Investment Group Limited			
Controlled Entities:			
ASG Education Funding Solutions Pty Ltd	(i)	100	100
ASG Education Programmes (NZ) Limited	(i), (ii)	100	100
Futurity Education Funding Pty Ltd	(i)	100	100
Futurity Custodians Pty Ltd	(i)	100	100

All companies are incorporated in Australia (Victoria), except for ASG Education Programmes (NZ) Limited which is incorporated in New Zealand.

(i) Controlled entities of Futurity. The book value of the investment in Futurity Education Funding Pty Ltd and ASG Education Funding Solutions Pty Ltd is \$100 for each company. The book value of the investment in ASG Education Programmes (NZ) Limited is \$95 (NZD100). The book value of the investment in Futurity Custodians Pty Ltd is nil.

(ii) Futurity provided financial support (2023: \$2k) to ASG Education Programmes (NZ) Limited, in the form of a management subsidy on its operating expenses.

Notes to the CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

15. EVENTS SINCE THE END OF THE FINANCIAL YEAR

There is not any matter or circumstance arising since 30 June 2024 which has significantly affected or may significantly affect the financial status or results of the Group and which has not been separately disclosed in this report.

16. RELATED PARTY DISCLOSURES

(a) Ownership interests in related parties

Information in relation to ownership interests in controlled entities is provided in Note 14 to the consolidated financial statements.

(b) Key management personnel compensation and key management payment

The key management personnel of Futurity consisted of the following 13 positions (June 2023: 17):

- Chief Executive Officer
- Chief Financial Officer / Executive General Manager Corporate Services
- Chief Risk Officer
- Executive General Manager Financial Services
- Executive General Manager Strategy and Corporate Affairs
- Non-Executive Directors (8).

The aggregate compensation of the key management personnel of Futurity is set out below:

	2024 \$'000	2023 \$'000
Short-term employee benefits	2,418,338	2,923,135
Post-employment benefits	213,116	267,439
Total	2,631,454	3,190,574

(c) Other transactions with key management personnel and related entities

During the financial year, Futurity donated \$4,548,293 (2023: \$20,687) to Futurity Education Foundation.

Other than the above, there were no transactions with key management personnel and related entities on terms and conditions no more favourable than those available on similar transactions to other parties.

Transactions with Subsidiaries

As at 30 June 2024, there was a loan balance owing to the Parent from:

- Futurity Education Funding Pty Ltd \$2,408,331 (2023: \$4,375,000). As at 30 June 2024, an impairment of \$2,400,000 (2023: \$2,700,000) was recognised by Futurity for this loan.
- Futurity Custodians Pty Ltd \$41,206 (2023: \$333,136)

During the financial year the following transactions took place on normal commercial terms and conditions between Futurity and other entities within the wholly owned Group:

- Reimbursement of expenses
- Receipt of management fees
- Receipt of production and design costs
- Provision of office accommodation
- Sponsorships paid.

(d) Intra-group transactions

The effect of all intra-group transactions and outstanding balances are eliminated in the preparation of the consolidated financial statements.

Notes to the CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

17. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents includes cash on hand and in bank accounts and net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the Consolidated Statement of Cash Flows are reconciled to the related items in the Consolidated Statement of Financial Position as follows:

	PARENT		CONSOLIDATED	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash and cash equivalents	8,826	13,472	8,909	13,936

(b) Reconciliation of profit from ordinary activities after related income tax to net cash flows from operating activities

Profit from ordinary activities after related income tax	(3,974)	(3,239)	(4,159)	(2,042)
Non-cash flows in profit from ordinary activities:				
Depreciation, amortisation and disposal of non-current assets	1,260	1,239	1,260	1,239
(Increase)/decrease in market value of investments	(36,877)	(55,865)	(36,879)	(55,991)
Decrease/(increase) in benefit fund liabilities	26,924	(18,656)	26,924	(18,540)
Movement in general reserve	366	(342)	367	(332)
(Increase)/decrease in assets:				
Receivables	(4,374)	9,535	(5,063)	6,627
Other assets	(5)	31	(5)	31
Increase/(decrease) in liabilities:				
Payables	4,622	4,848	4,620	4,848
Provisions	(3,678)	(12)	(3,678)	(12)
Current tax liability	(711)	(11,325)	286	(11,298)
Deferred tax balances	3,057	7,612	2,257	8,416
Net cash from operating activities	(13,390)	(66,174)	(14,070)	(67,054)

Notes to the CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

18. BENEFIT FUNDS

Futurity manages the following benefit funds:

Futurity Managed & Blended

- Balanced Portfolio
- Growth Portfolio
- Socially Responsible Investment Portfolio

Vanguard Indexed Range

- Conservative
- Balanced
- Growth
- High Growth

MLC Diversified Active Range

- Conservative
- Balanced
- Growth
- High Growth

Dimensional Diversified Active Range

- Balanced – 2
- Growth – 2
- Responsible Investment

Other Diversified Active Range

- Growth – 3
- High Growth – 2
- Responsible Investment – 2

Vanguard Sectoral Indexed Range

- Australian Fixed Income
- Australian Equities
- International Equities
- Emerging Market Equities
- Property
- Responsible Investment
- International Fixed Income

Specialist Sectoral Active Managers Range

- Cash
- Australian Fixed Income
- Australian Equities
- International Equities
- Emerging Market Equities
- International Fixed Income
- Responsible Investment
- Responsible Investment – 2

Legacy Funds (closed to new members)

- Children's Bursary Fund
- Children's Bursary Fund No. 2
- Children's Scholarships Fund
- Children's Scholarships Fund No. 2
- Pathway Education Fund
- Supplementary Education Program
- The Education Fund
- Children's Bursary Fund (NZ)
- Children's Bursary Fund No. 2 (NZ)
- Children's Scholarships Fund (NZ)
- Children's Scholarships Fund No. 2 (NZ)
- Pathway Education Fund (NZ)
- Supplementary Education Program (NZ)
- The Education Fund (NZ)

Accounting for benefit funds

The life insurance operations of the Group are conducted within separate benefit funds as required by the *Life Insurance Act 1995* (Life Act) and are reported in aggregate with the management fund in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows.

Assets backing benefit fund liabilities

Assets backing benefit fund liabilities are held within discrete benefit funds. The use of assets is restricted by the benefit fund rules, investment policy, requirements of the *Life Insurance Act 1995* and prudential standards.

Contributions and withdrawals

Withdrawals relating to benefit funds, in the form of surrenders and benefit payments, are determined to be withdrawal in nature and are recognised as a change in benefit fund liabilities.

Basis of expense recognition

Apportionment of expenses, to the extent that it is permissible under the benefit fund rules, is primarily by direct allocation.

No costs or charges other than policy acquisition and maintenance fees, investment management fees, bank charges, duties, taxes and benefits payable to members and nominated children may be paid out of the benefit funds.

Policy acquisition expenses and policy maintenance expenses of the benefit funds are received as the revenue component of member contributions.

Investment management expenses and ongoing management charges are allocated to the benefit funds based on the average size of each fund over each quarter and are determined by the percentage stipulated in the relevant benefit fund rule.

Notes to the CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

Allocation of benefit fund surplus

The proposed amounts available for benefit fund bonus distribution are transferred from the benefit fund profit or loss account to the benefit funds' unallocated surplus prior to the recommendation being given by Futurity's Actuary. Once declared by Futurity's Board of Directors the amounts are credited to members' accounts.

Benefit Fund member liabilities

They are recognised as liabilities following the criteria under AASB 132 Financial Instrument Presentation as the benefits can be called by the member at any time for cash and therefore represent the expected cash flows on derecognition of the liability.

Scholarship benefit funds

Policy liabilities for all of Futurity's scholarship benefit funds are valued using the accumulation method and are equal to the contributions made by members, net of fees, together with bonus additions to date. The balance of the fund is the unvested policyholder benefit liabilities (or surplus). Each year's bonus declaration results in a movement from unvested policyholder benefit liabilities to the vested policyholder benefit liabilities. The declared rate of return is subject to the amount vesting being no more than the distributable portion of unvested policyholder benefit liabilities.

The main variables that determine the declared rate of return for a benefit fund are the value of the net assets of each benefit fund at the end of the year, amounts left over after the bonus declaration through the previous year and the investment return (net of fees and taxes where applicable) earned by the fund throughout the year. The excess of the net assets of the benefit fund over the liabilities after meeting the prudential standards is the surplus that is generally able to be distributed to members as a bonus.

Changes in economic conditions will alter the unallocated surplus. The capital requirements are designed to ensure there is sufficient unallocated surplus to cover the effect of these changes. The expenses of the benefit funds are equal to the management allowances transferred to the Management Fund.

Futurity's benefit fund policy liabilities are set out below and reflect the operations of the benefit funds managed by Futurity.

	2024 \$'000	2023 \$'000
(a) Analysis of policy liabilities		
Total policy liabilities comprising benefit fund member liabilities	902,805	876,191
(b) Reconciliations of changes in benefit fund member liabilities		
Balance at the beginning of the financial year	876,191	894,003
Liability component of contributions	170,002	131,892
Withdrawals – paid to policyholders	(174,820)	(185,480)
Withdrawals – transferred to Management Fund and/or Segregated Fund	(2,291)	(262)
Policy liability revaluation	74	(119)
Proposed allocation of current year's surplus	33,959	35,312
Foreign translation movement	(310)	845
Balance at the end of the financial year	902,805	876,191

Capital Base Valuation

The Capital Base represents the assets available for capital purposes.

Capital Base of a benefit fund in a friendly society is:

- the net assets of the fund as shown in the accounts; less
- policy liabilities of the fund; less
- all regulatory adjustments to the net assets of the benefit fund (e.g. Deferred Tax Assets).

Prescribed Capital Amount Valuation

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 resources required to be held is set by the *Life Insurance Act 1995* and accompanying actuarial standards. These standards are Prudential Standards LPS001, LPS110, LPS112, LPS114, LPS115, LPS118, LPS320, LPS340, LRS001 and LRS110.1.

The Prescribed Capital Amount (PCA) represents the amount of capital that must be held for regulatory purposes, to cover:

- Asset risks (including interest rates, inflation, currency, equity, property, credit spreads and default)
- Insurance risks (including an expense reserve)
- Concentration risks
- Operational risks.

To comply with APRA's capital standards, the Capital Base must exceed the PCA plus any supervisory adjustment imposed by APRA.

The requirements of these standards have been met for the benefit funds as at 30 June 2024.

Consolidated ENTITY DISCLOSURE STATEMENT

For the year ended 30 June 2024

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Details of the Parent's subsidiaries at the end of the reporting period are as follows:

Entity name	Entity type	BODY CORPORATES		TAX RESIDENCY	
		Place formed or incorporated	% of share capital held	Australia or foreign	Foreign jurisdiction
Futurity Investment Group Limited	Body corporate	Australia	N/A	Australia	N/A
ASG Education Funding Solutions Pty Ltd	Body corporate	New Zealand	100%	Australia	N/A
ASG Education Programmes (NZ) Limited	Body corporate	Australia	100%	Foreign	New Zealand
Futurity Education Funding Pty Ltd	Body corporate	Australia	100%	Australia	N/A
Futurity Custodians Pty Ltd	Body corporate	Australia	100%	Australia	N/A

Director's DECLARATION

For the year ended 30 June 2024

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that Futurity Investment Group Limited will be able to pay its debts as and when they become due and payable;
- (b) in the directors' opinion, the attached consolidated financial statements and notes thereto are in accordance with the *Life Insurance Act 1995* and *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial performance and position of the Futurity Investment Group Limited;
- (c) in the director's opinion, the attached consolidated financial statements are in compliance with Australian Accounting Standards Board as stated in Note 3 to the consolidated financial statements; and
- (d) in the director's opinion, the attached consolidated entity disclosure statement is true and correct.

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

On behalf of the directors



Craig Dunstan
Director



Tony Brain
Director

Melbourne, 17 September 2024

Independent Auditor's Report to the Members of Futurity Investment Group Limited

Opinion

We have audited the financial report of Futurity Investment Group Limited (the "Company") and its subsidiaries (the "Group") which comprises the Group and the Company's statements of financial position as at 30 June 2024, the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the directors' declaration and the Consolidated Entity Disclosure Statement.

In our opinion, the accompanying financial reports of the Group and the Company are in accordance with the Corporations Act 2001, including:

- Giving a true and fair view of the Group and the Company's financial position as at 30 June 2024 and of their financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Reports section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional & 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 reports in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group and Company's annual report for the year ended 30 June 2024, but does not include the financial reports and our auditor's report thereon.

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

In connection with our audit of the financial reports, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial reports or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Responsibilities of the Directors for the Financial Reports

The directors are responsible:

- For the preparation of the financial reports in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group and the Company in accordance with Australian Accounting Standards and
- For such internal control as the directors determine is necessary to enable the preparation of the financial reports in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group and the Company, and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Reports

Our objectives are to obtain reasonable assurance about whether the financial reports as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial reports.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial reports, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group or the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial reports or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Company to cease to continue as going concerns.
- Evaluate the overall presentation, structure and content of the financial reports, including the disclosures, and whether the financial reports represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



DELOITTE TOUCHE TOHMATSU



Neil Brown
Partner
Chartered Accountants

Melbourne, 17 September 2024



Level 15, 333 Collins Street
Melbourne VIC 3000
1300 345 456

futurityinvest.com

Futurity Investment Group Limited
ACN 087 648 879, AFSL 236665, ACL 236665