Key Invest

Annual Report

2023/24

KeyInvest is a member owned mutual Friendly Society regulated by the Australian Prudential Regulation Authority (APRA) under the Life Act.

Established in 1878, originally as the Independent Order of Odd Fellows (IOOFSA), KeyInvest has a proud history and track record in financial services.

Contents

FY24 Highlights

1.

5 Year Strategic Plan: Tangible progress improving technology, member and partner experience, increasing Fund returns and developing new products to meet further financial needs of current and future members.

2.

Expanded Strategic Capabilities: Strengthened our leadership team to support strategic growth initiatives and deliver more for our members.

3.

New Website: Improved the online member and partner experience, recognised as a finalist in the Financial Standard's Website of the Year Award.

4.

Improved Communications Platforms: Implemented platforms to enhance communication, experience and engagement with members and partners.

5.

New Head of Funeral Bond Distribution: Appointed a newly created role of Head of Funeral Bond Distribution to better support the funeral industry.

6.

Supported Industry Partners: Supported financial advisers and funeral industry partners through sponsorships and CPD accredited educational content.

7.

Financial Performance Shows Strong Growth Trend: Delivered NPAT growth in line with forecasts, enabling us to meet more financial needs of our members.

8.

Keystone Capital Growth: Grew revenue in FY24 to $10.3 million from $7.4 million in FY23 and grew NPAT in FY24 to $4.7 million from $3.8 million in FY23.

9.

Strong Product Ratings by Lonsec: Highly Recommended Life Events Bond and Approved Funeral Bond.

*Refer to the disclaimer on inside back cover

10.

Bonus Interest Declared: Increased capital guaranteed Benefit Funds' bonuses declared.

Letter from the Chairman and CEO

It is our privilege to once again inform members of the developments and key outcomes of the financial year ended 30 June 2024 (FY24).

This past year, we have made significant strides in delivering on our strategic objectives. Our commitment to supporting the financial wellbeing of our members remains steadfast, with an ongoing focus on delivering increased returns and meeting more of their financial needs. We have continued to invest in capabilities that enable us to deliver more for our members.

Economic Outlook

By the end of FY24 inflation began to stabilise, with the Reserve Bank of Australia (RBA) leaving the cash rate unchanged throughout the fiscal year. Meanwhile, the labour market has shown resilience, characterised by low unemployment and rising wages.

The Federal Government has proposed changes to superannuation, The Superannuation (Objective) Bill 2023 aims to define the primary purpose of superannuation as providing income for a dignified retirement in an equitable and sustainable manner. This broader legislative context sets the stage for specific measures, such as the Better Targeted Superannuation Concessions Legislation. A key component of this legislation is the introduction of the Division 296 tax. If enacted, this tax will impose an additional 15% tax on superannuation earnings for balances exceeding $3 million. This measure is designed to align with the Government's goal of promoting equitable retirement outcomes.

As the great intergenerational wealth transfer continues, with an estimated $4.9 trillion expected to change hands between the generations by 2050, the complexities of estate planning are becoming more pronounced. This massive shift will have significant implications, especially as families navigate the increasingly intricate landscape of estate planning and wealth distribution. The rise in complex family structures, including blended families and multiple marriages, adds further challenges, making tailored financial strategies and planning more essential than ever.

The operating environment in which KeyInvest participates is complex and evolving rapidly. The Board and Management of KeyInvest have demonstrated an ability over many years to exercise judgement, informed by data and experience, to identify and respond to the risks, and threats which emerge from changes in our operating environment. Equally we have demonstrated an ability to respond to the opportunities which emerge from such changes by capitalising on our strengths and deep corporate experience.

Adding to the challenges in our operating environment, are several recent developments in Australian Government policies around housing objectives and retirement incomes. The Australian Government has set a target of having 1.2 million more homes built over the next five years from 1 July 2024 (ie by 2029) (the National Housing Accord). The Government has also enacted a Retirement Income Covenant which requires the trustees of superannuation funds to develop a retirement income strategy to improve the standard of living of Australians in retirement.

As detailed in our 2022/23 Annual Report, KeyInvest made a strategic decision to exit from retirement villages and to acquire a 50% interest in a private credit business Keystone Capital, as a means of lifting returns and investment opportunities for our members, funeral directors and financial advisers.

The Private Credit Market with its flexibility and reliability provides the opportunity for KeyInvest to add property backed high yield funds to our investment portfolio to enhance member returns, while also delivering on a number of key social objectives.

The housing market continues to face challenges, with limited new housing supply exacerbating the crisis. Home prices are expected to rise further, driven by population growth, reflecting ongoing supply demand imbalances. Private credit has the potential to help address these supply challenges by providing developers with more accessible funding options.

The private credit market in Australia has seen remarkable growth, expanding from ~$130 billion in Funds Under Management at the end of 2021 to ~$188 billion by the close of 2023. It is likely to surpass $200 billion through the remainder of 2024. This rapid expansion underscores the rise of private credit as a potential stand-alone asset class. Unlike traditional bank loans, private credit offers speed, flexibility and reliability, making it an increasingly preferred option for developers and associated sponsors of those building the homes needed in support of the future of Australia. With private credit currently representing around 10% of commercial lending in Australia, there is substantial potential for further growth, especially considering that in Europe and the US, it accounts for approximately 50% of the market. This trend is further bolstered by the increasing allocation of superannuation funds into private credit, reflecting its growing importance in both global and domestic markets.

As we navigate these economic trends, our focus remains on supporting our members and partners by providing innovative financial solutions and equipping them with the knowledge to stay ahead of the evolving landscape and potential legislative changes. Investment Bonds, with their maximum 30% tax rate and unique estate planning benefits, are becoming an increasingly attractive alternative to superannuation for members with large superannuation balances.

Additionally, we see significant potential in the private credit market to address housing supply challenges while offering robust investment opportunities. Our experience as an investor in private credit, including the acquisition of a 50% stake in Keystone Capital, uniquely positions us to offer innovative new investment opportunities for our members. Initially available to wholesale sophisticated investors, these funds are being designed with a strategy that prioritises capital preservation, delivers monthly income and ensures diversification.

Leadership

To ensure we are well-positioned to deliver more for our members, we have expanded our leadership team in key areas, reflecting our commitment to guiding KeyInvest through the next phase of its strategic journey. These appointments bring decades of valuable financial services expertise which allows us to continue to deliver new, innovative financial solutions that support the unique financial needs of our members.

These appointments include:

- Group Executive - Distribution and Customer Engagement, responsible for reshaping our distribution capabilities.
- Group Executive - Strategic Initiatives, responsible for delivery of our strategic priorities.
- Head of Risk, responsible for enhancing our risk and governance framework in support of our strategic priorities.
- Head of Technology and Information Security, responsible for modernising our technology capabilities.

Risk and Governance Framework

In FY24, and over the next two financial years, we have and will continue to invest in our risk and governance frameworks to keep pace with regulatory developments and also to ensure that KeyInvest is well placed to contribute to a stable and resilient financial services industry in Australia. KeyInvest is making a significant investment in three key areas:

1. Compliance with new prudential standards that include CPS 230 Operational Risk Management and the Financial Accountability Regime (FAR).
2. Strengthening existing and implementing new risk management frameworks to enhance the protection of our members' best interests. These include the existing CPS 220 Risk Management frameworks, CPS 234 Information Security (cyber) and several other governance standards outlined in CPS 510, all of which are key to advancing our 5 Year Strategic Plan.
3. Digitising and automating controls which can further support the Strategic Plan.

Throughout the entire FY24, KeyInvest made significant progress in strengthening its CPS 234 approach, including appointing a new managed service provider to implement market leading information security protections. With numerous cybersecurity incidents in Australia in recent years, adopting top-tier security standards remains paramount. Our investments in this area reflect our commitment to having multi-year cyber resilience programs which are aligned with international best practices to enable us to detect and respond to cyber events in a timely manner.

Best in Class Member and Partner Experience

This year we have undertaken significant transformation in our ongoing effort to enhance the experience for our members and partners, delivering a new website and improving our communication and engagement platforms. These initiatives pave the way for our new member portal, funeral director portal and enhancements to our adviser portal:

- Our new website provides a more user friendly online experience for our members and was recognised by the Financial Standard as a Website of the Year finalist.
- Our new Customer Relationship Management (CRM) platform significantly improves our ability to engage with members through more personalised and timely communications and utilise more channels to do so.
- KeyInvest has co-designed a new best-in-class digital portal for our members and stakeholder partners that will deliver an experience that both surprises and delights. This portal will serve four distinct user groups; members, funeral directors, financial advisers and authorised staff and corporate partners. Each group will benefit from simple and easy applications, maintenance instructions and additional investments. The process to setup a Funeral Bond will now be instantaneous.

We continue to strive toward our vision of becoming Australia's leading specialty financial services provider. We recognise that our success is deeply linked to the strength of our partner relationships and remain committed to supporting the industry partners who play an essential role in the lives of Australians.

Financial advisers are instrumental in guiding everyday Australians to make informed decisions that help them live their best life, secure their legacy and provide for loved ones. Our commitment to supporting financial advisers is unwavering, as we continue to seek meaningful ways to contribute to the advice profession and the success of their clients. Through partnership and consultation with The Inside Network and the Financial Advice Association of Australia (FAAA), we have developed and delivered CPD accredited education, which we offer at no cost to advice practices. We are a proud sponsor of the FAAA National Congress, a commitment we have renewed this year. In addition, we are continuously exploring ways to enhance the KeyInvest experience for financial advisers and their clients.

Funeral directors provide immeasurable compassion, care and support during times of loss, helping families to honour and celebrate the lives of their loved ones. In recognition of the crucial role played by the funeral industry, we have appointed a Head of Funeral Bond Distribution to better serve our funeral director partners. Our commitment to the industry is also reflected in our sponsorship of significant bodies like the Australian Funeral Directors Association (AFDA), and the National Funeral Directors Association (NFDA), as we strive to engage with and support funeral directors across the country.

Building Investment Opportunities

Everything we do is focussed on the ultimate goal of delivering more for our members which includes finding ways to meet more of our members' current and future financial needs. In the coming years, KeyInvest's Funds Management business will develop a range of funds including equities, fixed interest, cash, private equity and private credit. Each strategy will be tailored to specific investor risk profiles and made available across Australia.

Private credit remains a key part of our strategy to continuously improve the returns our members enjoy. KeyInvest's team brings significant experience in credit and the asset class has been deeply researched and understood over the past two years. Stakeholders continue to provide ongoing feedback that Australian investors need a simpler, more transparent way to enter the asset class, acting as a "gateway" to the best and most well-managed opportunities. Investing in private credit can offer robust investment opportunities with attractive yields, stable income, and comparatively low risk and low volatility, providing an attractive form of property investment, without the associated transaction costs.

Retail Investors

Our investment in non-bank lender Keystone Capital provides both retail and wholesale sophisticated investors access to private credit opportunities. Keystone Capital is a fund manager that specialises in the origination and management of loans secured by mortgages over real property assets across Australia, managing two registered investment schemes:

- KC Select Income Fund - a contributory mortgage fund established in 2013.
- KC Diversified Income Fund - a pooled mortgage fund established in 2017.

Wholesale Sophisticated Investors

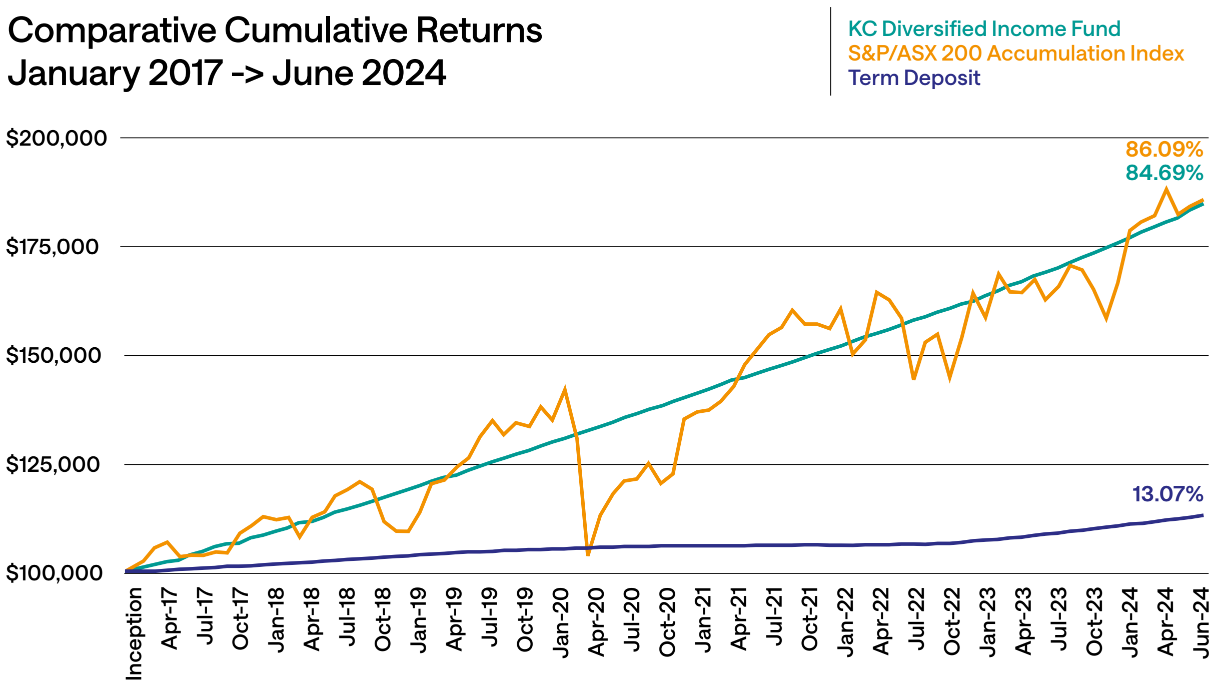
Our experience through the 50% ownership of Keystone Capital, and as an investor coupled with the decades of credit expertise amongst our leadership team, uniquely positions KeyInvest to provide innovative new investment opportunities.

Through the culmination of almost two years of development, we will introduce two new private credit products to certified wholesale sophisticated investors, including self-managed super funds and financial advisers. These new funds will have a strategy that aligns with our core values and focusses on:

- Capital Preservation: Safeguarding your investments remains our top priority.
- Monthly Income: Enjoying regular income that can be reinvested to compound your returns.
- Diversification: Achieving greater diversification within your portfolio through access to large, diversified debt pools.

These initiatives not only allow us to better support the unique financial needs of our members while making a positive contribution towards addressing Australia's housing supply needs, but also generate value that we can reinvest in product development to meet more financial needs and enhance the member experience.

Comparative Cumulative Returns January 2017 -> June 2024



Disclaimer:

Note 1: The above chart represents the return on $100,000 invested in the KC Diversified Income Fund at its inception in January 2017, net of all management fees and assuming the reinvestment of distributions. No allowance has been made for taxation.

Note 2: Past performance is not a reliable indicator of future performance. By comparing the returns of these three investment options Keystone Capital does not intend to imply that the underlying risks of the three investment options are comparable.

Note 3: The source of the data series for Term Deposits is the Reserve Bank of Australia. Series ID FRDIRBTD10KAR.

Financial Performance

KeyInvest maintained a strong capital base of $44.5 million and operates well in excess of the minimum regulatory requirements. This is critical in maintaining capacity to support our capital guaranteed Benefit Funds in the event of future stressed investment market conditions. As stated in previous years, maintaining a strong financial performance coupled with an equally strong capital base allows KeyInvest to continue to build and deliver ongoing benefits for our members.

Our statutory FY24 after tax consolidated result was $1,606,282, delivering a further profit after several years of planned consolidation of business activities. Our underlying FY24 after tax consolidated result was $1.96 million after accounting for one-off abnormal and non-recurring transactions that were the result of regulatory provisions and changes to the underlying book value of properties. The FY23 after tax consolidated result was $686,289. Funds Under Management started the year at $415 million and on 30 June 2024 the total Funds Under Management was $428 million.

KeyInvest declared increased bonuses across all of its capital guaranteed Benefit Funds in FY24, with KeyInvest's flagship product, the capital guaranteed KeyInvest Funeral Bond, posting a bonus of 2.25% pa. KeyInvest has been able to produce enhanced returns for the capital guaranteed KeyInvest Funeral Bond by actively managing a portfolio of mortgaged investments on behalf of Benefit Fund members. This strategy has enabled the restoration of the capital position of the capital guaranteed KeyInvest Funeral Bond and it is anticipated the strategy will contribute to enhanced returns in the future.

Bonus Interest Comparison (KeyInvest Funeral Bond - Capital Guaranteed)

Year	KeyInvest	Competitor A	Competitor B	Competitor C	Competitor D
2024	2.25%	–	–	–	–
2023	1.50%	1.40%	1.50%	0.75%	0.88%

In closing, we would like to provide our sincere gratitude to our members, our stakeholders across the financial advice and funeral director industry, and of course our incredibly hard working dedicated staff and Board of Directors.

We would particularly like to express our appreciation to Ms Mary-Anne Nunan and Mr Travis Pretty who will be stepping down as Directors in November, this year. Ms Nunan and Mr Pretty were elected to the Board for a period of two years as part of the arrangements associated with the merger of AFS with KeyInvest in 2022. Both Directors have gained valuable experience and corporate knowledge of KeyInvest during these past two years. The Board has therefore resolved to capitalise on this experience gained and their respective skills, by engaging them beyond November to assist with the implementation of its risk and governance programs across the Company.

As a mutual member owned organisation, the Board and Management of KeyInvest recognise the opportunity to help address the rising incidence of poverty amongst certain socio-economic groups in Australia (which has implications for all Australians). Accordingly, we have strengthened our charitable arm, the KeyInvest Foundation, during 2023/24 so that it can play an even more meaningful role in the years ahead in helping to ensure that all Australians can participate fully in society, improve their economic wellbeing and contribute to a stronger nation.

Yours sincerely

Dr Roger N Sexton AM
Chairman

Craig Brooke
CEO

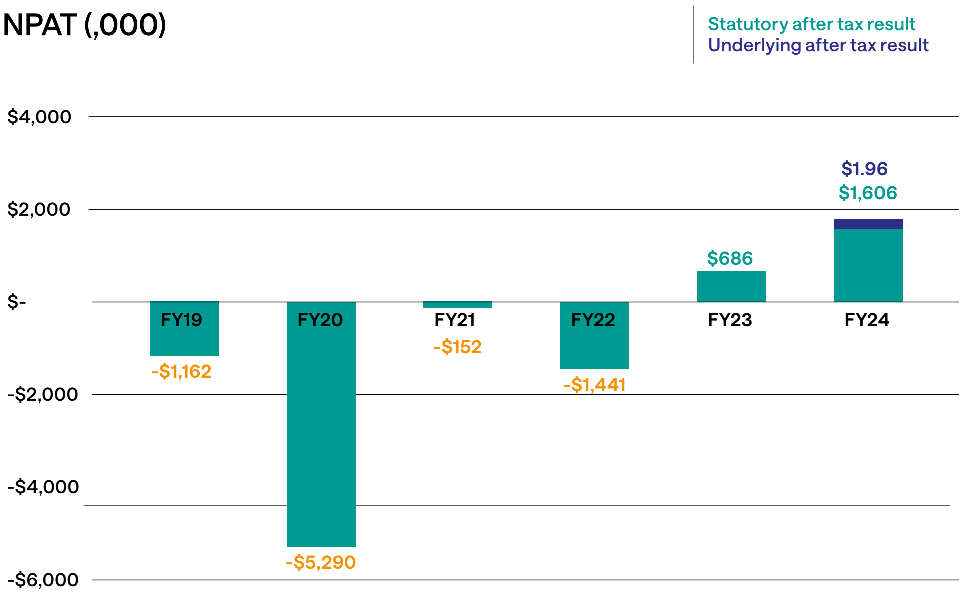
As we move forward in our new chapter, KeyInvest remains dedicated to creating more value for members.

We have successfully delivered a NPAT return for members that aligns with our forecast, reaffirming our strategy. The value generated through our growth strategy enables us to continually reinvest in meeting more financial needs and enhancing the member experience.

Our statutory FY24 after tax consolidated result was $1,606,282.

Our underlying FY24 after tax consolidated result was $1,960,786 prior to adjustments for one-off regulatory provisions and changes to property values.

NPAT (,000)



Creating more value for members

Meeting more of your financial needs

At KeyInvest, our journey is guided by our Purpose: Supporting the unique financial needs of our customers.

This year, we have taken significant steps towards building the ability to introduce new initiatives that meet more of these evolving financial needs.

The private credit market in Australia grew rapidly in 2023, now accounting for 10% of commercial lending in Australia. Despite this, it considerably lags the US and European markets. This gap presents significant growth opportunities as private credit continues to gain traction with superannuation funds and addresses housing supply challenges as a flexible, reliable funding source for developers.

As the private credit market continues to expand, we are poised to introduce new private credit funds that have a strategy focussed on:

- **Capital Preservation:** Safeguarding your investments remains our top priority.
- **Monthly Income:** Enjoying regular income that can be reinvested to compound your returns.
- **Diversification:** Achieving greater diversification within your portfolio through access to large, diversified debt pools.

These opportunities will be open to wholesale sophisticated investors, offering robust returns that align with our commitment to meeting more financial needs. We invite interested wholesale sophisticated investors to express interest in these opportunities by contacting Investor Services at info@keyinvest.com.au or 1300 658 904.

Retail investors can access private credit opportunities through our partner, Keystone Capital, https://keystonecapital.com.au/

Keystone Capital update

Keystone Capital is a fund manager that specialises in the origination and management of loans secured by mortgages over real property assets across Australia.

100% principal returned to investors since inception.

As at 30 June 2024:

- Celebrating 11 years of operation in 2024.
- Successfully funded in excess of $1.1 billion of loans.
- Transacted 356 loans, with 78 currently active.
- Over $288 million Funds Under Management:
  - <59% weighted average LVR
  - $3,531,020 average loan size
- Team has over 200 years of combined banking and financial industry expertise.
- External Credit Committee members; independent panel of valuers and legal team.

Keystone Capital is the holder of Australian Financial Services Licence 439327 and currently manages two registered managed investment schemes:

1. **KC Select Income Fund (ARSN 615 690 732):**

   A contributory mortgage fund established in 2013.

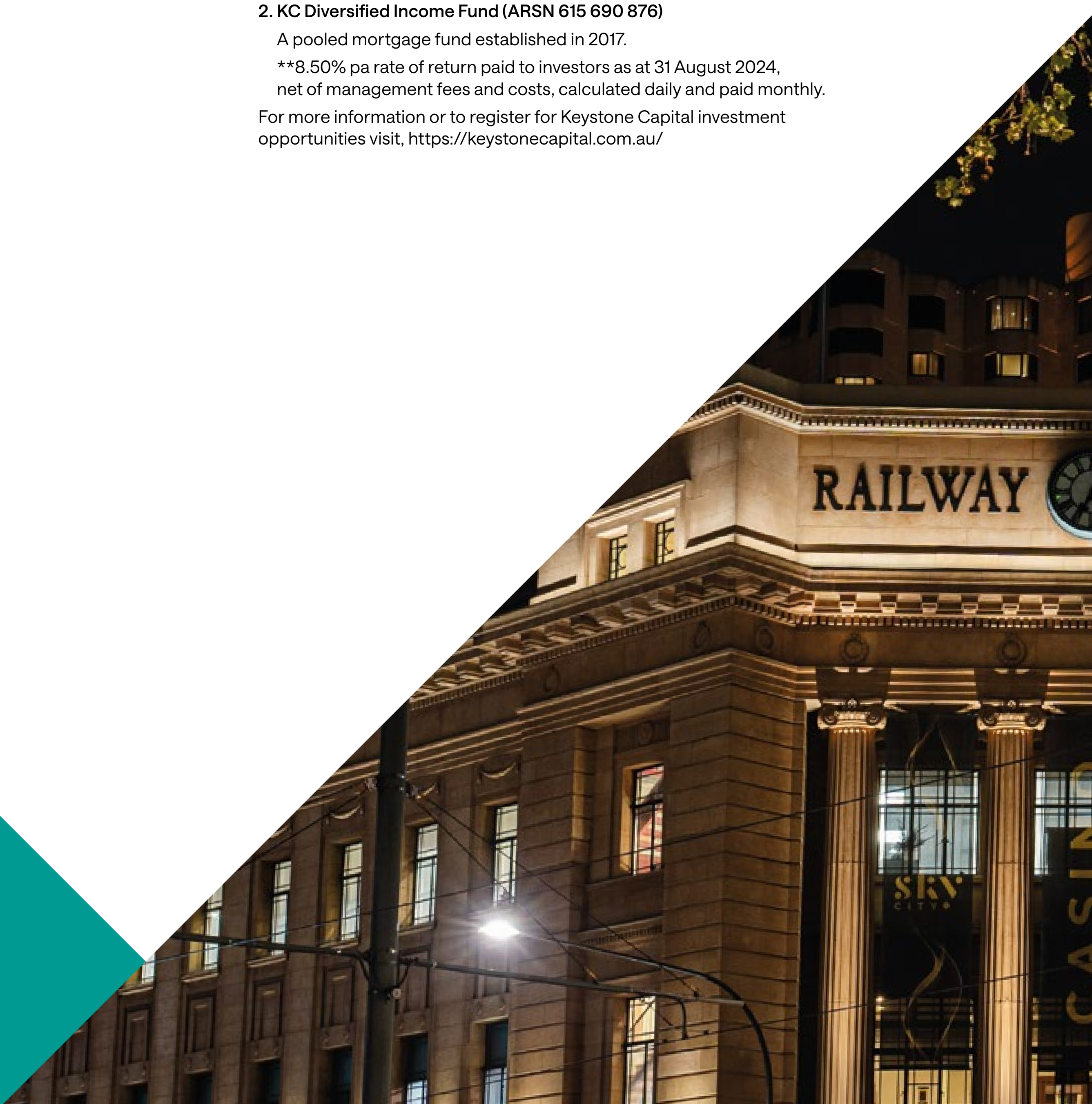
   *8.50-9.50% pa investor returns across mortgage transactions in the past 12 months as at 31 August 2024.

2. **KC Diversified Income Fund (ARSN 615 690 876)**

   A pooled mortgage fund established in 2017.

   **8.50% pa rate of return paid to investors as at 31 August 2024, net of management fees and costs, calculated daily and paid monthly.

For more information or to register for Keystone Capital investment opportunities visit, https://keystonecapital.com.au/



KC Select Income Fund

(ARSN 615 690 732) - A contributory mortgage fund established in 2013.

*8.50-9.50% pa

* Investor returns across mortgage transactions in the past 12 months as at 31 August 2024.

KC Diversified Income Fund

(ARSN 615 690 876) - A pooled mortgage fund established in 2017.

**8.50% pa

**Rate of return paid to investors as at 31 August 2024, net of management fees and costs, calculated daily and paid monthly.

KEYSTONE CAPITAL

About us

Our Vision:

To be Australia's leading specialty financial services provider.

Our Purpose:

**Supporting the unique financial needs of our customers.
Trusted since 1878.**

Our Values:

Our values are Trust, Results, Innovation and Care.

Trust

- We speak up because it's safe.
- We do what we say we are going to do.
- We are transparent in everything we do with all stakeholders.
- We are reliable in every step we take and move we make.

Results

- We always set goals and strive to achieve them.
- The results we focus on are sustainable.
- We balance the needs of all stakeholders in decisions.
- We celebrate success and have fun.

Innovation

- We generate the best in class partner experiences.
- We have the ability to be adaptable and move first.
- We use and embed technology to make things simple and easy.
- Continuous improvement always.

Care

- We have a personal touch.
- We have a deep care for our members, customers and each other.
- We always show respect.
- We listen, act and deliver.

Strategic Priorities:

1.

Deliver a service experience that delights.

2.

Launch and scale our new product suite by implementing our Fund distribution plan.

3.

Continue to increase Fund returns.

4.

Modernise our technology for members and partners.

5.

KeyInvest is an employer of choice.

Environmental, social and governance

KeyInvest recognises the need for members of the Australian corporate community to come together to accelerate action towards tackling climate change. KeyInvest continues to monitor the development of a Co-operative and Mutual Climate Policy by the peak industry body, the Business Council of Co-operatives and Mutuals (BCCM).

KeyInvest's intended approach to developing its own future Climate Policy will be to:

- assess core suppliers' climate impact plans;
- complete internal steps to embed strong environment focus into decision frameworks; and
- set, track and report metrics to global standards once required to do so.

The KeyInvest Foundation was established in 2012 to recognise our heritage as an organisation that has protected and cared for its members and their communities since 1878.

The KeyInvest Foundation has made charitable donations to Future2, Foodbank, Fishing for the Disabled, Habitat for Humanity, Vinnies CEO Sleepout, Morialta Trust, the Smith Family and the Hutt Street Centre over the past decade.

The KeyInvest Foundation's new purpose is to help support vulnerable groups that are impacted by housing and shelter issues in society. This is further supported by KeyInvest's strategic business plan in providing access through many fund structures set up to help fund the future housing needs of Australia.

KeyInvest allows its employees to volunteer in the community for charitable purposes as part of its employee value proposition.

KeyInvest is regulated by APRA under the Life Insurance Act and by ASIC under the Corporations Act with regard to its financial services. KeyInvest's Board and Management are committed to best practice corporate governance.

KeyInvest outsources the investment management of the fixed income and cash assets held in its capital guaranteed Benefit Funds to Janus Henderson Investors (Australia), a leading fixed income manager with over $25 billion in Funds Under Management in Australia.

Janus Henderson's investment philosophy of investing in "quality before price" results in the selection of stable and sustainable investments, which in turn positively influences corporate behaviour and produces better environmental and social outcomes. Janus Henderson employs an ESG investment screening process which removes investments from issuers with products, services, processes or activities that may cause significant social and/or environmental harm eg tobacco, gambling and armaments.

KeyInvest and Keystone Capital Product Ratings

- Life Events Bond - Highly Recommended by Lonsec.*
- KeyInvest Funeral Bond - Recommended by Lonsec.*
- Keystone Capital - 3.75 star rating issued by SQM.

*Refer to the disclaimer on inside back cover

Distribution Team

Gary Parkin

Group Executive - Distribution and Customer Engagement

With his Grandson.

Gary was appointed in February 2024 as part of our expanded leadership team, bringing decades of valuable financial services expertise to KeyInvest as we continue to deliver new, innovative financial solutions that support the unique financial needs of our members.

Andrew Meinel

Head of Funeral Bond Distribution

Andrew joined KeyInvest in 2008 and has held numerous leadership roles since that time. In June 2024 he was appointed to this newly created role, highlighting our commitment to better supporting the unique needs of the funeral industry, our funeral director partners, their clients and families.

"Helping clients plan for a funeral or working with a funeral business to better service their clients' needs is a reminder to me that we don't just help with a 'transaction' but that we help people improve their business, as well as the experience for their family or clients, often at a difficult time in their life."

Tom Huntley

Head of Investor Distribution

Tom presenting a professional development session to financial advisers at The Inside Network's Practice of the Future Masterclass, as we strive to better support financial advisers with educational content.

"Through my time in advice, I've nurtured a passion for helping everyday Australians to live their best life. By providing education and support to financial advisers, and working with our business partners to build client-centric solutions, I'm always striving to deliver exceptional and enduring value."

Denise Ahern

Senior Manager Investor Services

Denise leads our incredible Investor Services team with dedication and genuine care for our members, partners and team members. Denise brought her strong leadership and customer services skills to KeyInvest in 2018. This is Denise with her daughter Laura.

“I enjoy helping the team provide a quality, personal service for all our stakeholders. Continual improvement is something I am passionate about and I am always looking at ways we can better serve our members, partners and each other. I always get a warm feeling when speaking to someone who is surprised at our efficiency, compassion and speed of service.”

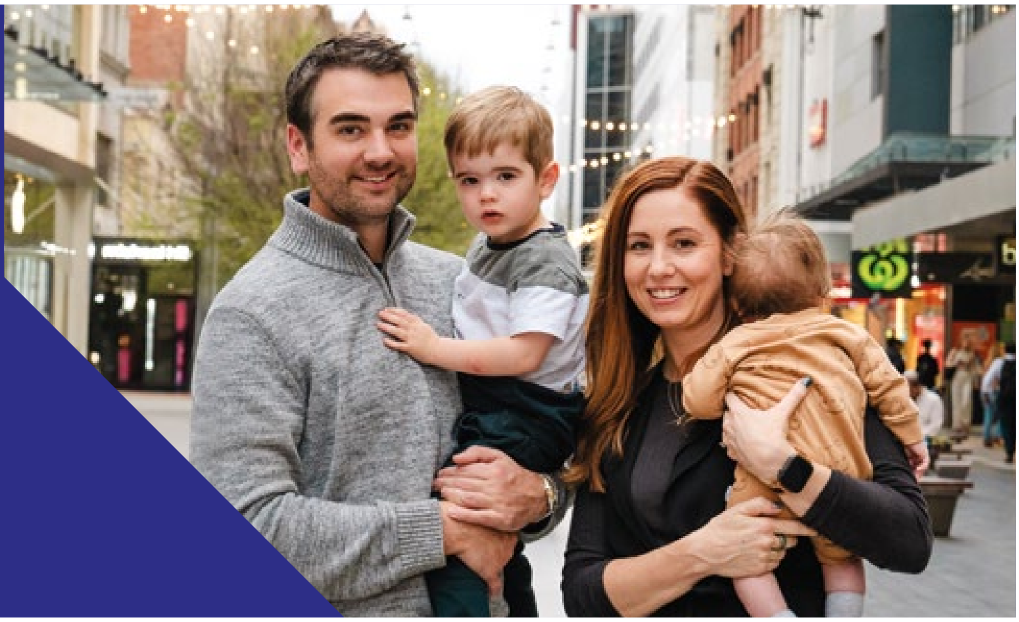
Life Events Bonds

5
Highly Recommended
Lonsec Research

The key to securing your future.

* Refer to the disclaimer on inside back cover

Starting a family



Education

Buying a home

Retirement

Estate Planning

Corporate Governance statement

KeyInvest places great importance on its corporate governance framework. The Board regularly reviews and refines its corporate governance policies to ensure systems are in place to encourage and deliver sustainable and profitable financial performance with long term growth of members' funds.

The Board - Roles and Responsibilities

The Board is responsible for the Group's[1] overall strategy, governance and performance. Under the Corporate Governance Policy, the Board has adopted a schedule of its roles and responsibilities as documented within its charter. Broadly, the Board's role includes:

- reviewing and approving the objectives and strategic direction of the Group;
- setting the Group's risk appetite and ensuring the Group's risk culture is consistent with the approved risk appetite;
- ensuring the Group's business continuity framework is appropriate for the nature and scale of the Group's operations and consistent with the Group's Risk Management Strategy;
- reviewing and approving the Group's statutory and regulatory accounts;
- adopting the annual budgets of the Company[2] and each of its wholly owned subsidiaries;
- approving significant business decisions of the Group;
- understanding the Group's business and the industries and environments within which it operates to effectively oversee the risk management and strategic direction of the Group;
- monitoring the achievement of all objectives and the performance of the Group;
- reviewing marketing and communication strategies for the Group;
- maintaining an adequate level and quality of capital commensurate with the scale, nature and complexity of the Group's business and risk profile;
- monitoring the adequacy and effectiveness of internal controls implemented by the Company; and
- appointing and reviewing the performance of the Company's CEO.

The Corporate Governance Policy also details the roles and responsibilities of the Board's Committees.

The Group's key operating controlled entities each have separate boards which are responsible for overseeing the strategy, governance and performance of those entities.

The Board has put in place a formal delegation structure that details specific authorities delegated to its Board Committees, the CEO, Management and those authorities specifically retained by the Board.

Role of the CEO

The Board has specifically delegated responsibility for the day to day management of the Company, its performance and the achievement of all agreed objectives of the Company to the CEO. The CEO is responsible for operational risk management and ensuring compliance with all policies and procedures of the Company.

Role of the Chairman

The Chairman is responsible for leading the Board and facilitating effective discussions at Board meetings. The Chairman also has delegated responsibility and authority from the Board to conduct annual individual performance assessments of all Non Executive Directors.

[1] Group means KeyInvest Ltd and its controlled entities.

[2] Company means KeyInvest Ltd ABN 74 087 649 474.

Board Size and Composition

In accordance with APRA's *Prudential Standard CPS 510 Governance* and the Company's Constitution, the Board:

- comprises a majority of independent Non Executive Directors;
- is chaired by an independent Non Executive Director;
- has a minimum of five Directors; and
- has an appropriate mix of skills, experience and personal attributes which allow the Directors individually, and the Board collectively, to discharge their role and responsibilities.

In accordance with APRA's *Prudential Standard CPS 520 Fit and Proper* the Board membership must comprise Directors with appropriate skills, experience and knowledge, who act with honesty and integrity. That is, they are considered to be fit and proper.

The current membership of the Board is set out in the Directors' Report and comprises eight independent Non Executive Directors.

Board Renewal and Succession Planning

The Board has established a Board Renewal Plan that sets out how the Board intends to progressively renew its membership. A particular focus of the Board is to preserve continuity and have an appropriate pool of skills and experience, whilst achieving an orderly succession of the Board's long serving members.

The Company's Constitution requires that one-third of the Directors or, if their number is not a multiple of three, then the number nearest to but not more than one-third of the Directors, must retire from office, at the end of each annual general meeting.

Board and CEO Performance Evaluation

The Board must ensure that the Directors and senior Management of the Group, collectively, have the full range of skills needed for the effective and prudent operation of the Group. This includes the requirement for Directors, collectively, to have the necessary skills, knowledge and experience to understand the risks of the Group, including its legal and prudential obligations and to ensure that the Group is managed in an appropriate way.

The Board and CEO Performance Evaluation Procedures assess the performance of Non Executive Directors and the CEO relative to their respective objectives and their contribution to Board deliberations and processes.

The Remuneration and Nomination Committee, together with the Chairman, is responsible for evaluating the Board's performance and each Director's individual performance including that of the Chairman and CEO. A Non Executive Director performance review is conducted with respect to each financial year.

Training and Development

A Director Induction Program is carried out for all new Non Executive Directors to ensure they are suitably equipped with information for their role and are aware of the governance environment within which the Group operates.

Directors are required to meet minimum standards of involvement in training and development programs in order to enhance their knowledge of the industries within which the Group operates.

Board Practices

The Board holds regular meetings to receive reports on the Group's progress and to review both the Group's operating performance and monitor the effectiveness of established strategies. The Board may meet on other occasions, as required, and the independent Non Executive Directors meet frequently in the absence of the CEO and Executive Management. In addition, corporate strategy meetings are held to assess and determine the strategic direction of the Group.

Details of the number of meetings held by the Board and its Committees during FY24 and attendance by Directors are set out in the Directors' Report.

The Board is entitled to seek independent professional advice at the Company's expense in respect of specific issues that arise from time to time.

Risk Management

KeyInvest considers risk management to be a fundamental part of the achievement of its strategic and operational objectives. The Group strives to have a strong risk culture that ensures the key risks inherent in the business are well understood, formally documented and managed.

The Company is required under APRA *Prudential Standard CPS 220 Risk Management* to maintain a risk management framework and strategy that is appropriate to the nature and scale of its operations. An annual risk management declaration is provided to APRA which is signed by the Chairman of the Board and the Chairman of the Board Risk and Governance Committee. The Company's Appointed Actuary is also required to submit an assessment on the suitability of the risk management practices of the business as part of an annual Financial Condition Report which is provided to APRA.

In accordance with APRA *Prudential Standard LPS 110 Capital Adequacy*, the Company has documented its Internal Capital Adequacy Assessment Process (ICAAP) and implements the requirements of LPS 110 within its risk management framework.

Overall, the Board is responsible for the Group's risk management framework and oversees the implementation of systems, processes, structures and policies designed to identify, assess, mitigate and monitor risks of the Group. The active identification of risks and implementation of mitigation measures are responsibilities of senior Management. The Board has adopted a Risk Management Strategy that defines the responsibilities of the Board, Board Audit Committee, Board Risk and Governance Committee, other Board Committees, the CEO, Group Chief Risk Officer (Group CRO), senior Management and staff.

The Group's risk registers, risk management practices and risk and compliance policies are progressively reviewed and updated during the year.

The internal audit function has full and free access to the Board Audit Committee and the Chairman of the Board.

Board Committees

To assist the Board in discharging its role and responsibilities during FY24 it maintained four Board Committees.

Each Committee operates in accordance with a written charter, and it is the policy of the Board that a majority of the members of each Committee should be independent. Information on the Directors and their Committee memberships can be found in the Directors' Report. The role and function of each Committee is reviewed annually by the Board.

The Committees of the Board during FY24 were:

Remuneration and Nomination Committee

In accordance with APRA's *Prudential Standard CPS 510 Governance* this Committee comprises a minimum of three Non Executive Directors, with a majority of the members of the Committee being independent.

The Remuneration and Nomination Committee has been established to review and make recommendations to the Board on remuneration and incentives applicable to the Directors and senior Management of the Group in accordance with APRA's *Prudential Standard CPS 510 Governance* and the Group's Remuneration Policy.

This Committee is also responsible for making recommendations regarding nominations and appointments of Directors, the fitness and propriety of Directors, senior Management, the External Auditor, the Internal Auditor and the Actuary, in accordance with APRA's *Prudential Standard CPS 520 Fit and Proper.*

Board Audit Committee

In accordance with APRA's *Prudential Standard CPS 510 Governance* this Committee comprises a minimum of three Non Executive Directors, with a majority of the members of the Committee being independent.

The primary function of the Board Audit Committee is to assist the Board in fulfilling its responsibilities by providing an objective non-executive review of the effectiveness of the Group's financial reporting and financial risk management framework, including:

- Financial Statements and financial reporting;
- any changes in financial reporting requirements and professional accounting requirements and standards, and advising or making recommendations to the Board;
- the scope of internal and external audit plans;
- making recommendations on the appointment and removal of the Group's Appointed Actuary;
- the performance and independence of internal and external auditors; and
- the appointment and removal of the External Auditor and Internal Auditor.

Board Risk and Governance Committee

In accordance with APRA's *Prudential Standard CPS 510 Governance* this Committee comprises a minimum of three Non Executive Directors, with a majority of the members of the Committee being independent.

The primary function of the Board Risk and Governance Committee is to assist the Board in fulfilling its responsibilities by providing an objective non-executive oversight of the implementation and operation of the Group's risk management, corporate governance and compliance framework, including:

- reviewing and monitoring the risk culture, identifying any desired changes to it, setting the tone, and providing an environment where sound risk culture is established and maintained;
- advising the Board in relation to the Group's current and future risk appetite and Risk Management Strategy;
- establishing an enterprise-wide view of the Group's current and future risk position relative to its risk appetite and capital strength;
- overseeing senior Management's implementation of the Risk Management Strategy;
- overseeing the effectiveness of the risk management framework including compliance and internal controls;
- constructively challenging senior Management's proposals and decisions on all aspects of risk management arising from the Group's activities;
- oversight of the Group's governance framework;
- reviewing and recommending to the Board, amendments to the Company's Constitution including the Benefit Fund Rules;
- reviewing the performance and setting the objectives of the Group CRO, and ensuring the Group CRO has unfettered access to the Board and the Board Risk and Governance Committee; and
- oversight of the appointment and removal of the Group CRO.

Finance and Investment Committee

The Finance and Investment Committee has been established to advise the Board on the financial activities, investment policies and activities of the Group.

In particular, this Committee is responsible for reviewing and recommending for approval to the Board:

- the annual budget of the Company and each of its wholly owned subsidiaries;
- the bonus rates to be declared for capital guaranteed Benefit Funds;
- the financial viability of major projects; and
- the long term financial positioning and investment strategies of the Group.

Financial report

These financial statements are the consolidated financial statements of the consolidated entity consisting of KeyInvest Ltd ('company' or 'parent entity') and its subsidiaries.

The financial statements are presented in Australian currency.

KeyInvest Ltd is a company limited by shares and guarantee, however no shares have been issued. The company is incorporated and domiciled in Australia. Its registered office and principal place of business is:

49 Gawler Place, Adelaide, South Australia 5000

A description of the nature of the consolidated entity's operations and its principal activities is included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2024. The directors have the power to amend and reissue the financial statements.

Directors' Report

The Directors of KeyInvest Ltd ('company' or 'parent entity') present their report, together with the financial statements of the consolidated entity, being the company and its subsidiary entities, for the year ended 30 June 2024.

Principal Activities

The consolidated entity's principal activities during the financial year were the provision of financial services and products to members, the investment management of mortgage investments on behalf of KeyInvest and its Benefit Funds, the monitoring of KeyInvest's interest in Keystone Capital Ltd and the management of commercial properties.

Objectives

The consolidated entity's objectives for FY24 were to:

- Build the wealth of our members by improving the financial performance of KeyInvest's Benefit Funds and KeyInvest's businesses.
- Maintain strong investment governance structures to continue to increase Fund returns and restore the capital position of the capital guaranteed funds.
- Improve member experiences through the implementation of a new website and improving engagement platforms.
- Commence the development of new products, through detailed market research, to diversify the offerings for our members.
- Launch the KeyInvest Employment Value Proposition to make KeyInvest an employer of choice.

The consolidated entity's long term objectives include:

- Growing and expanding our financial services product suite, through designing developing and delivering new products for our members.
- Continue growing the capital base of the company and increasing Fund returns to promote member's interests.
- Enhancing and embedding the end to end risk management framework in line with upcoming regulatory changes.
- Improve member experiences through the introduction of streamlined automated processes and by providing members and financial advisers with easy access to portfolio information.
- Prioritising an excellent service experience for our members.
- Creating a work environment and culture that attracts and retains the best talent and develops the capability of our people.

Review of the Consolidated Entity's Operations and Results

An overview of the consolidated entity's operations is provided in the Letter from the Chairman and CEO.

Operating revenue of the consolidated entity for FY24 for continuing operations was $9,855,734 (FY23: $8,115,446), improved for a full year of income from the share of profit in associate (Keystone Capital Ltd).

The consolidated entity's total comprehensive income for the year was $1,606,202 (FY23: $686,289).

The net assets of the consolidated entity as at 30 June 2024 increased to $47,614,823 (FY23: $47,094,096).

Financial Services

Members' Funds Under Management increased for FY24 to $428,156,640 (FY23: $412,332,204). This was the result of improved Fund performance for both the capital guaranteed and unitised Benefit Funds.

Investment options in the Life Events Bond generally performed well during FY24. Equity markets rebounded from a trough in October 2023 to end the year strongly, with international equities and high growth funds the strongest performers.

During FY24 bond markets continued to jostle with the prospect of an end to the inflationary cycle that has gripped the world since the onset of COVID-19, with short periods of volatility in what was otherwise a largely sideways trajectory for bond yields. There was stronger support for the KeyInvest Funeral Bond via its capital guaranteed fund in FY24 compared to FY23. Inflows to the three KeyInvest Funeral Bond unitised funds were slightly reduced in comparison to FY23. The KeyInvest capital guaranteed fund in the KeyInvest Funeral Bond recorded strong returns, stemming from sustained higher income yields and capital gains due to active management of KeyInvest's fixed income portfolios and elevated returns from the mortgage investment portfolio managed by KeyInvest. Improved performance during FY24 enabled KeyInvest to build surpluses in the capital guaranteed Benefit Funds, allowing the payment of increased bonuses to policyholders in all of KeyInvest's capital guaranteed Benefit Funds. Market observers anticipate that interest rates in Australia will fall in the short to medium term, which will present further opportunities for capital gains in KeyInvest's fixed income portfolios. This coupled with continued enhanced returns from mortgage investments provides a positive return outlook for KeyInvest's capital guaranteed Benefit Funds in FY25.

Investment Management

KeyInvest actively manages a portfolio of mortgage investments by investing capital from KeyInvest's balance sheet and on behalf of KeyInvest capital guaranteed Funeral Bond Benefit Fund members. During FY24 KeyInvest's investment management activities increased the revenue of KeyInvest and delivered enhanced returns to KeyInvest capital guaranteed Funeral Bond Benefit Fund members.

Property

The consolidated entity continues to manage two commercial properties providing office accommodation. The Adelaide CBD property is currently classified as an asset held for sale. In FY24, the consolidated entity generated rental income of $728,137.

Significant Changes in State of Affairs

No significant changes in the consolidated entity's state of affairs occurred during the financial year.

After Balance Date Events

Other than as disclosed in this report or the financial statements, there have been no matters or circumstances that have arisen, which significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Future Developments, Prospects and Business Strategies

Disclosure of information relating to future developments of the consolidated entity in future financial years is likely to result in unreasonable prejudice to the interests of the consolidated entity. Accordingly, this information has not been disclosed in this Report.

Directors

The names and particulars of the Directors of the company during the financial year:

Dr Roger Sexton AM

BEc (Hons), MEc, PhD (Econ), FAICD, SF Fin, CPMgr, CUniv

Chairman (Independent Non Executive)

Appointed Director on 1 October 2003. Dr Sexton is Chairman of the Remuneration and Nomination Committee. Dr Sexton is an Investment Banker with over 40 years' experience and is a specialist in corporate reconstruction, financial planning and funds management. He is a Director of several private and public company boards and organisations.

Daryl Stillwell

BA, Dip App Psych, Reg Psych MAPS, MCOP, FAICD, CMC

Deputy Chairman (Independent Non Executive)

Appointed Director on 1 July 2005. Mr Stillwell is a member of the Board Audit Committee, Board Risk and Governance Committee, Finance and Investment Committee and the Remuneration and Nomination Committee. Mr Stillwell is Managing Director of a human resources consulting company and has over 40 years' experience within that industry.

Donny Walford

FAICD

Director (Independent Non Executive)

Appointed Director on 1 July 2005. Ms Walford is the Chairman of the Finance and Investment Committee and a member of the Remuneration and Nomination Committee. Ms Walford is Managing Director of Leadership and Executive Coaching companies, an accredited Advisory Board Chair and has extensive experience in financial management, human resources, strategic planning and project management.

Geoff Vogt

BEc, FAICD, FGIA, FCIS, SF Fin, FCPA, ANZIF (Assoc), CTP, RFD

Director (Independent Non Executive)

Appointed Director on 27 May 2010. Mr Vogt is the Chairman of the Board Audit Committee and a member of the Board Risk and Governance Committee and the Finance and Investment Committee. Mr Vogt is also a Director on a number of boards. Previously he worked as a CEO and in other senior executive roles primarily in the finance and insurance industries and in leadership development.

Marcus La Vincente AM

LLB, MBA, FAICD

Director (Independent Non Executive)

Appointed Director on 15 November 2011. Mr La Vincente is the Chairman of the Board Risk and Governance Committee and a member of the Board Audit Committee. He spent many years as a Partner with and Senior Legal Adviser to the international law firm Minter Ellison. He has extensive commercial and corporate law experience and has acted for many prominent companies and not for profit organisations. Mr La Vincente has also been a Director of a number of private and public company boards and organisations.

Chantale Millard

BCom, Dip Management, FCPA, GAICD

Director (Independent Non Executive)

Appointed Director on 11 October 2018. Ms Millard is a member of the Finance and Investment Committee. Ms Millard has extensive experience in the areas of financial management, mergers and acquisitions, business growth and turnarounds. Ms Millard has previously held CEO and Managing Director roles of both public and private companies and is currently a Director on several private and public company boards and organisations.

Mary-Anne Nunan

LLB, Dip Fin Mar, GAICD

Director (Independent Non Executive)

Appointed Director on 31 October 2022. Ms Nunan is a member of the Board Risk and Governance Committee. Ms Nunan has more than 25 years of experience in advisory services to senior investment personnel within Australian superannuation, government and institutional investment community. A former Investment Banker, Ms Nunan is now heavily involved in an advisory capacity for both Financial Institutions and Investment Committees.

Travis Pretty

CPA, MAICD

Director (Independent Non Executive)

Appointed Director on 31 October 2022. Mr Pretty is a member of the Board Audit Committee. Mr Pretty has more than 20 years' experience in the Banking and Financial Services sector, holding senior finance roles with ASX listed companies including IOOF Ltd and the Bendigo and Adelaide Bank Ltd. He has extensive experience in mergers and acquisitions, business integrations, strategy and new business development.

The following persons were Directors of the following controlled entities of KeyInvest Ltd during FY24 and/or as at the date this Annual Report was published.

• Chiton RV Pty Ltd • KeyInvest Retirement Living Pty Ltd • KeyInvest Burton Pty Ltd • KeyInvest Horsham Pty Ltd • Life Events Bond Pty Ltd	**Craig Brooke**
• KeyInvest Managed Investments Pty Ltd	**Roger Sexton, Daryl Stillwell, Donny Walford, Geoff Vogt, Marcus La Vincente, Chantale Millard, Mary-Anne Nunan and Travis Pretty (appointed on 26 August 2024)** **Craig Brooke (ceased on 20 September 2024)**
• KeyInvest Funds Management Pty Ltd	**Roger Sexton, Marcus La Vincente, Geoff Vogt, Craig Brooke and Dion Silvy**
• KeyInvest Foundation Pty Ltd	**Roger Sexton, Geoff Vogt, Donny Walford, Craig Brooke, Adrian Elston and Tom Waltham** **Marcus La Vincente, Daryl Stillwell, Chantale Millard and Dion Silvy (ceased on 29 September 2023)**
• KeyInvest Private Capital Pty Ltd	**Roger Sexton and Craig Brooke** **Daryl Stillwell, Donny Walford, Geoff Vogt, Marcus La Vincente, Chantale Millard, Mary-Anne Nunan and Travis Pretty (ceased on 29 September 2023)**

Chief Executive Officer

Craig Brooke, FFin, MAICD, MICM

Mr Brooke was appointed Chief Executive Officer on 3 October 2022. Mr Brooke has over 28 years' experience in banking and financial services, having held senior roles at ANZ and the Commonwealth Bank of Australia before most recently acting as Head of Enterprise Lending Strategy and Credit Transformation at Bendigo and Adelaide Bank. Mr Brooke sits on the AFSL for KeyInvest, KeyInvest Managed Investments Pty Ltd and Keystone Capital Ltd. Mr Brooke also sits on the Board and Credit Committee of Keystone Capital Ltd.

Chief Investment Officer and Company Secretary

Dion Silvy, Chartered Secretary, FGIA, FCG, BFin, GradDipAppFin (Wealth Management), GAICD

Mr Silvy was appointed Company Secretary on 27 March 2014. Mr Silvy's professional experience includes corporate advisory and corporate secretarial work for numerous Australian and international companies and four years with the Australian Securities Exchange (ASX) advising listed entities. In addition to his professional qualification as a Chartered Secretary he holds a Bachelor of Finance, a Diploma of Applied Finance and Investment, and is a graduate of the AICD Company Directors Course.

Directors' Meetings

The table below shows the number of Directors' meetings of the company held (including meetings of Board Committees) and the number of meetings attended by each of the Directors of the company during the year:

	Board of Directors		Finance and Investment		Remuneration and Nomination		Board Audit		Board Risk and Governance	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
R N Sexton	10	10	-	-	3	3	-	-	-	-
D L Stillwell	10	9	4	4	3	3	7	5	7	6
D Walford	10	9	4	4	3	2	-	-	-	-
G T Vogt	10	9	4	4	-	-	7	7	7	7
M D La Vincente	10	10	-	-	-	-	7	6	7	7
C M Millard	10	9	4	4	-	-	-	-	-	-
M-A Nunan	10	10	-	-	-	-	-	-	7	7
T N Pretty	10	10	-	-	-	-	7	7	-	-

Indemnification of Officers or Auditors

During FY24 the company paid a premium in respect of a contract insuring the Directors, the Company Secretary and all officers of the consolidated entity, against liabilities incurred in their capacity as a director, secretary or officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liabilities covered and the amount of premium.

During or since the end of FY24 the company has not indemnified or made a relevant agreement to indemnify the consolidated entity's Auditor against a liability arising out of their conduct whilst acting as the consolidated entity's Auditor. In addition, the consolidated entity has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by the consolidated entity's Auditor.

Proceedings

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

Environmental Issues

The consolidated entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory. The consolidated entity promotes environmentally sustainable business practices across all its operations. The company has a policy of providing a safe environment for its staff and customers.

Company Structure and Dividend Policy

The company is a public company, limited by shares and guarantee:

- No shares have been issued with respect to the company and the Directors have no present intention to issue shares or declare any dividends in FY24.
- The guarantee provided by members acts as both the means of membership of the company and the means of limiting the members' liability (the amount of each member's guarantee is up to a maximum of $1).

Options

No options over interests in the consolidated entity were granted during or since the end of FY24 and there were no options outstanding at the date of this report.

Auditor's Independence Declaration

The Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 follows the Directors' Report.

Signed in accordance with a resolution of the Board of Directors.

On behalf of the Board of Directors.

Dr Roger N Sexton AM
Chairman

Auditor's independence declaration

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of KeyInvest Ltd.

As lead audit partner for the audit of the financial statements of KeyInvest Ltd 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:

(a) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

Nexia Edwards Marshall

Nexia Edwards Marshall
Chartered Accountants

Matthew O'Connor
Partner

Adelaide
South Australia

30 September 2024

Advisory. Tax. Audit.

KeyInvest Ltd
Statements of comprehensive income
For the year ended 30 June 2024

	Note	Consolidated Entity 2024 $	Consolidated Entity 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
Revenue	3	4,898,240	4,420,694	4,899,684	4,284,533
Other income	4	1,543,277	2,379,786	3,843,277	1,872,407
Interest revenue		1,039,484	1,176,271	1,037,413	1,174,820
Share of profit in an associate	15	2,374,733	138,695	-	-
Total revenue		9,855,734	8,115,446	9,780,374	7,331,760
Expenses					
Expenses	5	(9,671,310)	(8,092,160)	(9,639,383)	(8,039,523)
Total expenses		(9,671,310)	(8,092,160)	(9,639,383)	(8,039,523)
Surplus/(deficit) before income tax benefit from continuing operations		184,424	23,286	140,991	(707,763)
Income tax benefit	6	1,421,778	706,540	1,569,457	891,179
Life investment contracts	35				
Revenue		29,567,432	19,083,673	29,567,432	19,083,673
Expenses		(18,698,900)	(10,865,596)	(18,698,900)	(10,865,596)
Income tax benefit/(expense)		(6,425,711)	(3,475,427)	(6,425,711)	(3,475,427)
Add back: (surplus)/deficit after income tax expense		(4,442,821)	(4,742,650)	(4,442,821)	(4,742,650)
Life investment contracts contribution to profit, net of tax		-	-	-	-
Surplus/(deficit) after income tax benefit from continuing operations		1,606,202	729,826	1,710,448	183,416
Surplus/(deficit) after income tax expense from discontinued operations	7	-	(43,537)	-	-
Surplus/(deficit) after income tax benefit for the year attributable to the members of KeyInvest Ltd		1,606,202	686,289	1,710,448	183,416
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive income for the year attributable to the members of KeyInvest Ltd		1,606,202	686,289	1,710,448	183,416

The above Statements of comprehensive income should be read in conjunction with the accompanying notes.

KeyInvest Ltd
Statements of financial position
As at 30 June 2024

		Consolidated Entity		Parent Entity	
	Note	2024 $	2023 $	2024 $	2023 $
Assets					
Cash and cash equivalents	8	2,709,481	3,817,927	2,553,744	3,774,541
Financial assets at amortised cost	9	12,006,336	10,313,500	11,956,336	10,263,500
Other investments	10	-	-	35,008	35,008
Receivables	11	3,637,495	3,359,164	23,198,087	21,918,518
Assets held for sale	12	5,896,193	-	5,896,193	-
Investment property	13	3,200,000	9,214,611	3,200,000	9,214,611
Property, plant and equipment	14	758,422	975,865	758,422	975,865
Investment in an associate	15	21,068,026	20,893,293	-	-
Life investment contracts policyholder assets	16	428,824,996	414,523,940	428,824,996	414,523,940
Current tax assets		-	-	143,943	135,922
Deferred tax assets	17	347,362	840,460	347,362	840,460
Intangible assets	18	424,005	-	18,179	-
Total assets		478,872,316	463,938,760	476,932,270	461,682,365
Liabilities					
Payables	19	1,624,648	1,405,211	1,615,897	1,180,621
Provisions	20	511,587	458,528	511,587	458,528
Life investment contracts policyholder liabilities	21	428,824,996	414,523,940	428,824,996	414,523,940
Current tax liabilities		-	252,874	-	252,874
Deferred tax liabilities	22	296,262	204,111	285,591	197,176
Total liabilities		431,257,493	416,844,664	431,238,071	416,613,139
Net assets		47,614,823	47,094,096	45,694,199	45,069,226
Equity					
Capital note	23	10,543,015	10,543,015	10,543,015	10,543,015
Other equity reserves	24	9,814,477	9,814,477	9,814,477	9,814,477
Retained earnings		27,257,331	26,736,604	25,336,707	24,711,734
Total equity		47,614,823	47,094,096	45,694,199	45,069,226

The above Statements of financial position should be read in conjunction with the accompanying notes.

KeyInvest Ltd
Statements of changes in equity
For the year ended 30 June 2024

Consolidated Entity	Capital note $	Other equity reserves $	Retained earnings $	Total equity $
Balance at 1 July 2022	-	-	26,050,315	26,050,315
Surplus after income tax benefit for the year	-	-	686,289	686,289
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	686,289	686,289
Issue of capital notes	10,543,015	-	-	10,543,015
Net capital reserves established on merger	-	9,814,477	-	9,814,477
Balance at 30 June 2023	10,543,015	9,814,477	26,736,604	47,094,096

Consolidated Entity	Capital note $	Other equity reserves $	Retained earnings $	Total equity $
Balance at 1 July 2023	10,543,015	9,814,477	26,736,604	47,094,096
Surplus after income tax benefit for the year	-	-	1,606,202	1,606,202
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	1,606,202	1,606,202
Distributions provided for or paid	-	-	(1,085,475)	(1,085,475)
Balance at 30 June 2024	10,543,015	9,814,477	27,257,331	47,614,823

Parent Entity	Capital note $	Other equity reserves $	Retained earnings $	Total equity $
Balance at 1 July 2022	-	-	24,528,318	24,528,318
Surplus after income tax benefit for the year	-	-	183,416	183,416
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	183,416	183,416
Issue of capital note	10,543,015	-	-	10,543,015
Net capital reserves established on merger	-	9,814,477	-	9,814,477
Balance at 30 June 2023	10,543,015	9,814,477	24,711,734	45,069,226

Parent Entity	Capital note $	Other equity reserves $	Retained earnings $	Total equity $
Balance at 1 July 2023	10,543,015	9,814,477	24,711,734	45,069,226
Surplus after income tax benefit for the year	-	-	1,710,448	1,710,448
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	1,710,448	1,710,448
Distributions provided for or paid	-	-	(1,085,475)	(1,085,475)
Balance at 30 June 2024	10,543,015	9,814,477	25,336,707	45,694,199

The above Statements of changes in equity should be read in conjunction with the accompanying notes.

KeyInvest Ltd
Statements of cash flows
For the year ended 30 June 2024

	Note	Consolidated Entity 2024 $	Consolidated Entity 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
Cash flows from operating activities					
Receipts from customers (inclusive of GST)		2,250,867	1,949,814	2,194,504	964,481
Payments to suppliers and employees (inclusive of GST)		(9,045,330)	(9,816,981)	(8,786,059)	(9,285,491)
Interest and investment management fee receipts		5,918,552	5,529,651	5,917,925	5,392,039
Net GST recovered/(paid)		25,586	281,999	212,433	166,868
		(850,325)	(2,055,517)	(461,197)	(2,762,103)
Interest and other finance costs paid		(16,172)	(13,437)	(16,184)	(13,512)
Income taxes received from benefit funds		1,210,217	1,130,250	1,210,217	1,130,250
Income taxes received/(paid)		(252,874)	-	(252,874)	38,756
Net cash from/(used in) operating activities	33	90,846	(938,704)	479,962	(1,606,609)
Cash flows from investing activities					
Payments for property, plant and equipment	14	(180,170)	(264,382)	(180,170)	(264,382)
Payments for intangible assets		(424,005)	-	(18,179)	-
Capital expenditure on buildings	13	(16,806)	(170,611)	(16,806)	(170,611)
Receipts for financial assets		8,507,164	32,540,053	8,507,164	32,520,053
Payments for financial assets		(10,200,000)	(27,741,347)	(10,200,000)	(27,691,347)
Payments for shares in associate		-	(20,854,598)	-	-
Dividends from associates		2,200,000	-	-	-
Other dividends		-	-	2,145,000	-
Net cash received from merger		-	1,104,756	-	1,104,756
Proceeds from sale of retirement village new units and buybacks (discontinued operations)		-	932,687	-	-
Net cash from/(used in) investing activities		(113,817)	(14,453,442)	237,009	5,498,469
Cash flows from financing activities					
Net proceeds from capital notes		-	10,543,015	-	10,543,015
Payments for capital note distribution		(1,085,475)	-	(1,085,475)	-
Loans repaid from/(to) subsidiaries		-	-	(852,293)	(19,178,382)
Net cash from/(used in) financing activities		(1,085,475)	10,543,015	(1,937,768)	(8,635,367)
Net increase/(decrease) in cash and cash equivalents		(1,108,446)	(4,849,131)	(1,220,797)	(4,743,507)
Cash and cash equivalents at the beginning of the financial year		3,817,927	8,667,058	3,774,541	8,518,048
Cash and cash equivalents at the end of the financial year	8	2,709,481	3,817,927	2,553,744	3,774,541

The above Statements of cash flows should be read in conjunction with the accompanying notes.

KeyInvest Ltd
Notes to the financial statements
30 June 2024

Note 1. Material accounting policy information

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the AASB, the Corporations Act 2001 and the Life Insurance Act 1995, as appropriate for complying entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets, financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's and company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of KeyInvest Ltd ('company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. KeyInvest Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

A list of controlled entities is contained in note 31 to the financial statements.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

When the group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in subsidiaries are accounted for at cost, less any impairment, in the parent entity. Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition by acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition date fair value of any previous equity interest in the acquired entity,

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Investment in associates

Associates are all entities over which the group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments is tested in accordance with impairment of assets policy.

Investments and other financial assets

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

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

Note 1. Material accounting policy information (continued)

Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position in assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position in liabilities.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12 month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal or value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash generating unit ('CGU') to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a CGU.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Goods and services tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the Statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Tax consolidation

KeyInvest Ltd and its wholly owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the tax consolidated group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the "stand alone taxpayer" approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The group notified the Australian Taxation Office that it had formed an income tax consolidated group to apply from 1 July 2008. The tax consolidated group has entered a tax funding arrangement whereby each company in the group contributes to the income tax payable by the group in proportion to their contribution to the group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to, the head entity.

New accounting standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2024.

Life business - disclosure

The financial statements recognise the assets, liabilities, income and expenses of the life insurance business conducted by the consolidated entity in accordance with AASB 9: Financial Instruments: Recognition and Measurement and AASB 1038: Life Insurance Contracts which apply to investment contracts and assets backing insurance liabilities respectively. These amounts represent the total life business of the consolidated entity.

Restriction on assets

Assets held in the life funds can only be used within the restrictions imposed under the Life Insurance Act 1995. The main restrictions are that the assets in a fund can only be used to meet the liabilities and expenses of the fund, acquire investments to further the business of the fund or pay distributions when capital adequacy requirements allow. Policyholders can only receive a distribution when the capital adequacy requirements of the Life Insurance Act 1995 are met.

Policy liabilities

Life insurance liabilities are measured as the accumulated benefits to policyholders in accordance with AASB 9 and AASB 1038, which apply to investment contracts and assets backing insurance liabilities respectively.

Investment assets

Investment assets are carried at fair value through profit and loss. Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value of all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models. Changes in fair values are recognised in the Statement of comprehensive income in the financial period in which the changes occur.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Fair value measurement hierarchy

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: unobservable inputs for the asset or liability.

Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of CGU's have been determined based on the higher of fair value less cost to sell and value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Investment property

Investment property comprises freehold office buildings. The office buildings are held to generate long term rental yields and capital appreciation. All tenant leases are on an arm's length basis. Investment property is carried at fair value, determined annually either by independent valuers on a three year cycle or the consolidated entity's Directors. Changes to fair value are recorded in the Statement of comprehensive income.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee benefits provision

As discussed in the Provision note, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Revenue

	Consolidated Entity		Parent Entity	
	2024 $	2023 $	2024 $	2023 $
Management fees	4,898,240	4,420,694	4,899,684	4,284,533
Revenue from continuing operations	4,898,240	4,420,694	4,899,684	4,284,533

Accounting policy for revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Management fees

The parent entity receives various fees from the life investment contracts. These fees are recognised and brought to account in accordance with the rules of the respective benefit funds and the KeyInvest Ltd constitution. Management fees are considered revenue from contracts with customers.

Note 4. Other income

	Consolidated Entity		Parent Entity	
	2024 $	2023 $	2024 $	2023 $
Surplus from revaluation of investment properties	565,665	-	565,665	-
Rental income	728,137	687,697	728,137	687,697
GST recovery	-	1,277,806	-	842,915
Dividend income	-	-	2,300,000	-
Other	249,475	414,283	249,475	341,795
Other income from continuing operations	1,543,277	2,379,786	3,843,277	1,872,407

Property rental

Rental income from tenancy leases is recognised on an accruals basis. Any lease incentives are usually provided via contributions to fit-out costs, rental holidays or rental discounts.

GST recovery

During the 2023 financial year, an assessment was made in relation to GST Division 129 adjustment calculations in respect of Woodside Lodge and Chiton Retirement Living temporarily leased out by the company and subsequently sold. This resulted in a refund from the Australian Taxation Office.

Dividend income

Dividends are recognised as other income in profit or loss when the right to receive payment is established.

Note 5. Expenses

	Consolidated Entity 2024 $	Consolidated Entity 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
Audit fees	115,875	127,574	114,395	127,574
Actuarial fees	161,959	160,124	161,959	160,124
Depreciation and amortisation	324,619	668,504	324,619	668,504
Regulatory supervision fees	86,303	128,324	84,442	126,556
Salaries, wages and on costs	3,623,321	2,908,561	3,623,321	2,908,561
Employee benefits	55,543	178,620	55,543	178,620
Superannuation contributions	353,463	303,016	353,463	303,016
Property revaluation	772,188	-	772,188	-
Rates and taxes	209,751	186,831	209,751	180,526
Marketing	86,521	22,848	71,521	22,848
Borrowing costs/bank charges	16,172	13,437	16,184	13,512
Information technology	829,967	795,459	829,967	795,459
Insurance	206,559	188,627	206,559	185,485
Maintenance	119,210	121,006	119,210	121,006
Professional services	877,422	628,086	863,882	590,620
Loss on disposal of assets	1,695	2,350	1,695	2,350
Other operating expenses	1,830,742	1,658,793	1,830,684	1,654,762
Expenses from continuing operations	9,671,310	8,092,160	9,639,383	8,039,523

Depreciation and amortisation

Reduction due to amortisation of intangible assets in prior financial year. Refer to note 18 Intangible assets for further information.

Property revaluation

Devaluation of investment property. Refer to note 13 Investment property for further information.

Note 6. Income tax benefit

	Consolidated Entity		Parent Entity	
	2024 $	2023 $	2024 $	2023 $
Income tax benefit				
Current tax	(1,407,763)	(815,260)	(1,551,706)	(951,182)
Adjustment recognised for prior periods	(4,473)	-	(4,473)	-
Deferred tax	(9,542)	106,914	(13,279)	60,003
Aggregate income tax benefit	(1,421,778)	(708,346)	(1,569,458)	(891,179)
Numerical reconciliation of income tax benefit and tax at the statutory rate				
Surplus/(deficit) before income tax benefit	184,424	(22,057)	140,991	(707,763)
Tax at the statutory tax rate of 30%	55,327	(6,617)	42,297	(212,329)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:				
Non-assessable income	(807,388)	(88,674)	(788,705)	(54,000)
Impairment adjustments	-	-	-	-
Other assessable income	920,000	-	-	-
Net adjustments arising from life investment contracts	(875,077)	(659,402)	(875,077)	(659,394)
Non-deductible expenditure	56,500	34,544	56,500	34,544
Capital loss movement (discontinued operations)	-	11,803	-	-
Imputation credits	(766,667)	-	-	-
	(1,417,305)	(708,346)	(1,564,985)	(891,179)
Adjustment recognised for prior periods	(4,473)	-	(4,473)	-
Income tax benefit	(1,421,778)	(708,346)	(1,569,458)	(891,179)

Note 7. Discontinued operations

Description

In June 2022 the consolidated entity received and accepted a sale and purchase agreement for Wimmera Lodge village. The sale was completed on 28 July 2022.

	Consolidated Entity		Parent Entity	
	2024 $	2023 $	2024 $	2023 $
Discontinued revenue	-	12,360	-	-
Gain/(loss) on sale of assets	-	(79)	-	-
Discontinued expense	-	(57,624)	-	-
Impairment of held for sale assets	-	-	-	-
Total expenses	-	(57,624)	-	-
Income tax benefit	-	1,806	-	-
Surplus/(deficit) after income tax expense from discontinued operations	-	(43,537)	-	-

Accounting policy for discontinued operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the Statement of comprehensive income.

Note 8. Cash and cash equivalents

	Consolidated Entity		Parent Entity	
	2024 $	2023 $	2024 $	2023 $
Cash at bank and in hand	383,897	280,683	228,160	237,298
Short term money market	2,325,584	3,537,244	2,325,584	3,537,243
	2,709,481	3,817,927	2,553,744	3,774,541

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of six months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 9. Financial assets at amortised cost

	Consolidated Entity		Parent Entity	
	2024 $	2023 $	2024 $	2023 $
Term deposits	2,450,000	1,550,000	2,400,000	1,500,000
Loans - secured	9,556,336	8,763,500	9,556,336	8,763,500
	12,006,336	10,313,500	11,956,336	10,263,500

Refer to note 26 for further information on fair value measurement.

Note 10. Other investments

	Consolidated Entity		Parent Entity	
	2024 $	2023 $	2024 $	2023 $
Shares in controlled entities	-	-	35,008	35,008

Note 11. Receivables

	Consolidated Entity		Parent Entity	
	2024 $	2023 $	2024 $	2023 $
Prepayments	721,025	467,276	713,525	467,276
Loans to controlled entities - unsecured	-	-	19,568,192	18,560,899
Accrued income	21,783	842,915	21,783	842,915
Receivable from life funds	2,446,964	1,626,288	2,446,964	1,626,662
Interest and distributions receivable	106,157	80,765	106,157	80,765
Other	341,566	341,920	341,466	340,001
	3,637,495	3,359,164	23,198,087	21,918,518

KeyInvest Ltd
Notes to the financial statements
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Note 12. Assets held for sale

	Consolidated Entity		Parent Entity	
	2024 $	2023 $	2024 $	2023 $
Investment property	5,896,193	-	5,896,193	-
	5,896,193	-	5,896,193	-
Amount expected to be recovered within 12 months	5,896,193	-	5,896,193	-

Description

The Adelaide CBD property is currently for sale and is expected to be sold within 12 months from the reporting date.

Refer to note 26 for further information on fair value measurement.

Note 13. Investment property

	Consolidated Entity		Parent Entity	
	2024 $	2023 $	2024 $	2023 $
Investment properties	3,200,000	9,214,611	3,200,000	9,214,611

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	9,214,611	9,044,000	9,214,611	9,044,000
Additions	16,806	170,611	16,806	170,611
Disposals	-	-	-	-
Revaluation (decrements)/increments	(135,224)	-	(135,224)	-
Transfer to asset held for sale	(5,896,193)	-	(5,896,193)	-
Closing fair value	3,200,000	9,214,611	3,200,000	9,214,611

Valuations of investment properties

The 2024 valuation was conducted by external accredited independent valuer Knight Frank Valuations. Investment properties are stated at fair value. Where the Directors determine a property's value, a reasonable fair value estimate as applicable to each type of investment property is used.

Refer to note 26 for further information on fair value measurement.

Note 14. Property, plant and equipment

	Consolidated Entity 2024 $	Consolidated Entity 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
Furniture, equipment and software - at cost	1,733,590	2,532,255	1,733,590	2,532,255
Less: Accumulated depreciation	(975,168)	(1,556,390)	(975,168)	(1,556,390)
	758,422	975,865	758,422	975,865

Consolidated Entity	Furniture, equipment and software $	Motor vehicles $	Total $
Balance at 1 July 2022	1,051,813	607	1,052,420
Additions	264,382	-	264,382
Disposals, transfers and other	(2,431)	-	(2,431)
Depreciation expense	(337,899)	(607)	(338,506)
Balance at 30 June 2023	975,865	-	975,865
Additions	180,170	-	180,170
Disposals, transfers and other	(72,994)	-	(72,994)
Depreciation expense	(324,619)	-	(324,619)
Balance at 30 June 2024	758,422	-	758,422

Parent Entity	Furniture, equipment and software $	Motor vehicles $	Total $
Balance at 1 July 2022	1,051,730	607	1,052,337
Additions	264,382	-	264,382
Disposals, transfers and other	(2,350)	-	(2,350)
Depreciation expense	(337,897)	(607)	(338,504)
Balance at 30 June 2023	975,865	-	975,865
Additions	180,170	-	180,170
Disposals, transfers and other	(72,994)	-	(72,994)
Depreciation expense	(324,619)	-	(324,619)
Balance at 30 June 2024	758,422	-	758,422

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Furniture, equipment and software	1% to 40%
Motor Vehicles	20% to 40%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 15. Investment in an associate

	Consolidated Entity 2024 $	Consolidated Entity 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
Current assets	2,833,620	2,525,772	-	-
Non-current assets	539,918	209,086	-	-
Current liabilities	(1,067,686)	(1,079,833)	-	-
Non-current liabilities	(478,216)	(176,855)	-	-
Equity	1,827,636	1,478,170	-	-
Group's share in equity - 50%	913,818	739,085	-	-
Goodwill	20,000,000	20,000,000	-	-
Acquisition related costs	154,208	154,208	-	-
Group's carrying amount of the investment	21,068,026	20,893,293	-	-
Reconciliation to carrying amounts:				
Opening net assets 1 July	1,478,170	1,400,781	-	-
Profit for the period	4,749,466	277,389	-	-
Dividends paid	(4,400,000)	(200,000)	-	-
Closing net assets	1,827,636	1,478,170	-	-

	Consolidated Entity 2024 $	Consolidated Entity 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
Total income	10,322,712	484,817	-	-
Operating expenses	(3,982,951)	(113,523)	-	-
Profit before tax	6,339,761	371,294	-	-
Income tax expense	(1,590,295)	(93,905)	-	-
Profit for the year	4,749,466	277,389	-	-
Total comprehensive income for the year	4,749,466	277,389	-	-
Group's share of profit for the year	2,374,733	138,695	-	-
Dividends received from associate entity	2,200,000	100,000	-	-

On 9 June 2023, the group acquired a 50% interest in Keystone Capital Ltd, which is a fund manager that specialises in the origination and management of investment opportunities secured by mortgages over real property assets across Australia. The group's interest in Keystone Capital Ltd is accounted for using the equity method in the consolidated financial statements. The table above illustrates the summarised financial information of the group's investment in Keystone Capital Ltd.

Note 16. Life investment contracts policyholder assets

	Consolidated Entity 2024 $	Consolidated Entity 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
Supersaver Bond Fund	13,204,395	15,716,996	13,204,395	15,716,996
Life Events Bond Funds	108,186,395	92,938,306	108,186,395	92,938,306
Pre-Arranged Funeral Fund	14,226,479	15,755,144	14,226,479	15,755,144
KeyInvest Funeral Bond	274,473,236	275,757,540	274,473,236	275,757,540
KeyInvest Funeral Bond Unitised	18,734,491	14,355,954	18,734,491	14,355,954
	428,824,996	414,523,940	428,824,996	414,523,940

Refer to note 26 for further information on fair value measurement.

Actuarial report

The effective date of the actuarial report on the policy liabilities and capital adequacy is 30 June 2024. The actuarial report for KeyInvest Ltd was prepared by Bruce Watson, FIAA, and was dated 30 September 2024. The appointed actuary is satisfied as to the accuracy of the data upon which the policy liabilities have been determined.

Refer to note 35 for further information on life investment contracts.

Note 17. Deferred tax assets

	Consolidated Entity 2024 $	Consolidated Entity 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
Deferred tax asset	347,362	840,460	347,362	840,460
Movements:				
Opening balance	840,460	404,721	840,460	404,721
Valuation adjustments	(22,473)	294,259	(22,473)	294,259
Employee benefit and payables movement	128,641	(35,595)	128,641	(35,595)
Tax losses utilised	(599,266)	(18,776)	(599,266)	(18,776)
Capitalised expenses	-	195,851	-	195,851
Closing balance	347,362	840,640	347,362	840,640

Note 18. Intangible assets

	Consolidated Entity 2024 $	Consolidated Entity 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
Intellectual property - at cost	-	440,000	-	440,000
Less: Impairment of assets	-	(440,000)	-	(440,000)
Development costs – at cost	424,005	-	18,179	-
	424,005	-	18,179	-

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated Entity	Intellectual Property $	Development Costs $	Total $
Balance at 1 July 2022	330,000	-	330,000
Impairment of assets	(330,000)	-	(330,000)
Balance at 30 June 2023	-	-	-
Additions	-	424,005	424,005
Impairment of assets	-	-	-
Balance at 30 June 2024	-	424,005	424,005

Parent Entity	Intellectual Property $	Development Costs $	Total $
Balance at 1 July 2022	330,000	-	330,000
Impairment of assets	(330,000)	-	(330,000)
Balance at 30 June 2023	-	-	-
Additions	-	18,179	18,179
Impairment of assets	-	-	-
Balance at 30 June 2024	-	18,179	18,179

Development costs

Development costs include capitalised costs in relation to new product development which is an internally generated intangible asset. These costs are treated as having an indefinite useful life and will not be amortised until the useful life is determined to be finite.

Note 19. Payables

	Consolidated Entity 2024 $	Consolidated Entity 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
Trade creditors	511,345	639,587	473,815	415,087
Sundry creditors	169,746	197,583	200,005	197,493
Accrued expenses	943,557	568,041	942,077	568,041
	1,624,648	1,405,211	1,615,897	1,180,621

Refer to note 25 for further information on financial risk management.

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short term nature they are considered to be the same as their fair values and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 20. Provisions

	Consolidated Entity 2024 $	Consolidated Entity 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
Annual leave	174,837	167,417	174,837	167,417
Long service leave	295,093	246,969	295,093	246,969
Superannuation	35,437	44,142	35,437	44,142
Unearned income	6,220	-	6,220	-
	511,587	458,528	511,587	458,528

Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Accounting policy for provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the 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, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Accounting policy for other long term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows after taking into account the factors outlined in note 1.

Accounting policy for contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

Note 21. Life investment contracts policyholder liabilities

	Consolidated Entity		Parent Entity	
	2024 $	2023 $	2024 $	2023 $
Supersaver Bond Fund	13,204,395	15,716,996	13,204,395	15,716,996
Life Events Bond Funds	108,186,395	92,938,306	108,186,395	92,938,306
Pre-Arranged Funeral Fund	14,226,479	15,755,144	14,226,479	15,755,144
KeyInvest Funeral Fund	274,473,236	275,757,540	274,473,236	275,757,540
KeyInvest Funeral Fund Unitised	18,734,491	14,355,954	18,734,491	14,355,954
	428,824,996	414,523,940	428,824,996	414,523,940

Refer to note 35 for further information on life investment contracts.

Note 22. Deferred tax liabilities

	Consolidated Entity		Parent Entity	
	2024 $	2023 $	2024 $	2023 $
Deferred tax liability	296,262	204,111	285,591	197,176
Movements:				
Opening balance	204,111	97,197	197,176	137,172
Valuation adjustments	92,151	106,914	88,415	60,004
Closing balance	296,262	204,111	285,591	197,176

Note 23. Capital note

On 9 June 2023, the company issued 11,000 Tier 1 Capital Notes at an issue price equal to their face value of $1,000 each, pursuant to the information memorandum dated 1 June 2023, raising $11,000,000 in total. In accordance with the requirements of AASB 132 Financial Instruments: Presentation, Capital Notes are presented on the balance sheet at their carrying amount of $10.5m, after deducting directly attributable transaction issuance costs, net of any income tax benefit. The principal purpose of the Capital Notes issuance was to fund the acquisition of a 50% interest in Keystone Capital Ltd plus costs.

The Capital Notes are perpetual, subject to the issuer's right to redeem the Capital Notes on and from the fifth anniversary of the issue date (subject to APRA approval) or on the occurrence of a Tax Event or Regulatory Event at any time following the issue date. The holders of the Capital Notes are expected to receive a floating rate (3 Month BBSW + Margin) distribution payments to be paid quarterly in arrears. The distributions are discretionary and non-cumulative. Distributions are intended to be fully franked.

Note 24. Other equity reserves

The other equity reserves represent the retained earnings of Australian Friendly Society Ltd recognised upon the merger with KeyInvest Ltd.

Note 25. Financial risk management

a Financial risk management policies

Insurance contracts (Statutory Funds) as defined in AASB 4: Insurance Contracts are exempted from disclosure requirements under AASB 7: Financial Instruments Disclosures. Financial risk management disclosures in this note relate to the consolidated entity's financial instruments only.

The consolidated entity complies with the APRA Prudential Standard - Capital Adequacy LPS 110 which prescribes specific reserves to be established to meet a wide range of adverse but plausible conditions including the requirement that the consolidated entity be able to meet its obligations in respect of any business it carries on that is not life insurance business as those obligations fall due.

The consolidated entity's financial instruments consist mainly of deposits with banks and local money markets, short term investments, listed shares, unlisted unit trusts and accounts receivable and payable.

The main purpose of non-derivative financial instruments is to manage capital for consolidated entity operations. The consolidated entity does not have any derivative instruments at 30 June 2024.

Investment risk management: KeyInvest Ltd assesses and evaluates financial risk exposure and investment management strategies in the context of the most recent economic conditions and forecasts.

KeyInvest Ltd's overall risk management strategy seeks to assist the consolidated entity in meeting its strategic goals and financial targets, whilst minimising potential adverse effects on financial performance. Risk Management and Investment Management policies are approved and reviewed by the Board on a regular basis.

Financial risk exposures and management: The main risks the consolidated entity is exposed to through the financial instruments are liquidity risk, market risk and credit risk.

Liquidity risk: Liquidity risk is the risk that the consolidated entity is unable to promptly meet its obligations as they fall due.

The consolidated entity manages liquidity risk by monitoring forecast cash flows modelled on a 12 month time frame and applying limits to concentration of illiquid assets and counterparties. Non-committed capital is assessed regularly to determine the liquidity profile.

Market risk: Market risk is the risk that the value of assets of the consolidated entity will decline as a result of changes in market conditions. The consolidated entity is exposed to the following risks:

Price risk - equities: The consolidated entity's exposure to changes in the price and volatility of individual equities and equity indices affect the value of investments in financial assets held by the consolidated entity. This risk is primarily managed by investment diversification.

Interest rate: Interest rate risk is the risk that the value of financial assets will fluctuate due to movements in interest rate and credit markets. The consolidated entity mitigates its exposure to interest rate risk by maintaining predominantly liquid financial assets and limited exposure to fixed interest loans. For further details on interest rate risk refer to section d later in this note.

Credit risk: Credit risk is the risk of counterparty default resulting in financial loss to the consolidated entity. The maximum exposure of the consolidated entity to credit risk, at balance date, to assets that have been recognised in the Statement of financial position, is the carrying amount, net of any allowance for impairment of those assets.

The consolidated entity's credit risk arises from exposure to deposits with financial institutions and mortgaged back securities. KeyInvest Ltd reviews credit risk regularly taking into account rating quality and the liquidity of counterparties. The Management Investment Committee regularly reviews the credit risk associated with the mortgage investments it manages.

The majority of the consolidated entity's short term deposits are held with APRA regulated financial institutions. Unlisted financial assets are not rated by external credit agencies. These are reviewed regularly to ensure that credit exposure is minimised.

The table reflects the credit risk of the consolidated entity's receivables.

	Consolidated Entity		Parent Entity	
	2024 $	2023 $	2024 $	2023 $
Receivables				
A1+ rated counterparties	47,437	22,035	47,437	22,035
Counterparties not rated	1,143,094	1,710,841	1,135,494	1,708,922
Internal receivable from life funds	2,446,964	1,626,288	2,446,964	1,626,662
Total	3,637,495	3,359,164	3,629,895	3,357,619

Note 25. Financial risk management (continued)

b Financial instruments composition and maturity analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period to maturity, as well as Management's expectations of the settlement period for all other financial instruments. For this reason, the amounts may not reconcile to the Statement of financial position.

Consolidated Entity - 2024

Financial Instruments	Fixed interest rate 1 year or less $	Fixed interest rate more than 1 year $	Variable interest rate $	Non-interest bearing $	Total $
Financial assets					
Cash assets	-	-	383,897	-	383,897
Short term money market	-	-	2,325,584	-	2,325,584
Term deposits	2,450,000	-	-	-	2,450,000
Loans - secured	9,556,336	-	-	-	9,556,336
Receivables	-	-	-	3,637,495	3,637,495
Total financial assets	12,006,336	-	2,709,481	3,637,495	18,353,312
Financial liabilities					
Payables	-	-	-	1,624,648	1,624,648
Total financial liabilities	-	-	-	1,624,648	1,624,648

Parent Entity - 2024

Financial Instruments	Fixed interest rate 1 year or less $	Fixed interest rate more than 1 year $	Variable interest rate $	Non-interest bearing $	Total $
Financial assets					
Cash assets	-	-	228,160	-	228,160
Short term money market	-	-	2,325,584	-	2,325,584
Term deposits	2,400,000	-	-	-	2,400,000
Loans - secured	9,556,336	-	-	-	9,556,336
Shares in controlled entities	-	-	-	35,008	35,008
Loans to/(from) controlled entities	-	-	-	19,568,192	19,568,192
Receivables	-	-	-	3,629,895	3,629,895
Total financial assets	11,956,336	-	2,553,744	23,233,095	37,743,175
Financial liabilities					
Payables	-	-	-	1,615,897	1,615,897
Total financial liabilities	-	-	-	1,615,897	1,615,897

Consolidated Entity - 2023

Financial Instruments	Fixed interest rate 1 year or less $	Fixed interest rate more than 1 year $	Variable interest rate $	Non-interest bearing $	Total $
Financial assets					
Cash assets	-	-	280,683	-	280,683
Short term money market	-	-	3,537,244	-	3,537,244
Term deposits	1,550,000	-	-	-	1,550,000
Loans - secured	8,763,500	-	-	-	8,763,500
Receivables	-	-	-	3,359,164	3,359,164
Total financial assets	10,313,500	-	3,817,927	3,359,164	17,490,591
Financial liabilities					
Payables	-	-	-	1,405,211	1,405,211
Total financial liabilities	-	-	-	1,405,211	1,405,211

Parent Entity - 2023

Financial Instruments	Fixed interest rate 1 year or less $	Fixed interest rate more than 1 year $	Variable interest rate $	Non-interest bearing $	Total $
Financial assets					
Cash assets	-	-	237,298	-	237,298
Short term money market	-	-	3,537,243	-	3,537,243
Term deposits	1,500,000	-	-	-	1,500,000
Loans - secured	8,763,500	-	-	-	8,763,500
Shares in controlled entities	-	-	-	35,008	35,008
Loans to/(from) controlled entities	-	-	-	18,560,899	18,560,899
Receivables	-	-	-	3,357,619	3,357,619
Total financial assets	10,263,500	-	3,774,541	21,953,526	35,991,567
Financial liabilities					
Payables	-	-	-	1,180,621	1,180,621
Total financial liabilities	-	-	-	1,180,621	1,180,621

Note 25. Financial risk management (continued)

c Net fair values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values in 2024: nil (2023: nil).

The aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date were:

	2024		2023	
Consolidated Entity	**Carrying amount $**	**Net fair value $**	**Carrying amount $**	**Net fair value $**
Financial assets				
Financial assets at amortised cost	12,006,336	12,006,336	10,313,500	10,313,500
Receivables	3,637,495	3,637,495	3,359,164	3,359,164
Total financial assets	15,643,831	15,643,831	13,672,664	13,672,664
Financial liabilities				
Payables	1,624,648	1,624,648	1,405,211	1,405,211
Total financial liabilities	1,624,648	1,624,648	1,405,211	1,405,211

	2024		2023	
Parent Entity	**Carrying amount $**	**Net fair value $**	**Carrying amount $**	**Net fair value $**
Financial assets				
Financial assets at amortised cost	11,956,336	11,956,336	10,263,500	10,263,500
Receivables	3,629,895	3,629,895	3,357,619	3,357,619
Total financial assets	15,586,231	15,586,231	13,621,119	13,621,119
Financial liabilities				
Payables	1,615,897	1,615,897	1,180,621	1,180,621
Total financial liabilities	1,615,897	1,615,897	1,180,621	1,180,621

d Sensitivity analysis

Interest rate sensitivity analysis: The consolidated entity has performed a sensitivity analysis relating to the exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk. At 30 June, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining unchanged would be as follows:

		Consolidated Entity		Parent Entity	
		2024 $	2023 $	2024 $	2023 $
	Change in Interest Rate %	Sensitivity of profit and equity (before tax)			
Financial assets					
Cash at bank and in hand	+2	7,678	5,614	4,563	4,746
Short term money market	+2	46,512	70,745	46,512	70,745
Financial assets at amortised cost	+2	240,127	206,270	239,127	205,270
Cash at bank and in hand	-2	(7,678)	(5,614)	(4,563)	(4,746)
Short term money market	-2	(46,512)	(70,745)	(46,512)	(70,745)
Financial assets at amortised cost	-2	(240,127)	(206,270)	(239,127)	(205,270)

Note 26. Fair value measurement

Fair value hierarchy

The consolidated entity measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- derivative financial instruments
- financial assets held for trading
- financial assets at amortised cost
- freehold land and buildings
- investment properties
- obligation for contingent consideration arising from a business combination

The consolidated entity subsequently measures some items of freehold land and buildings at fair value on a non-recurring basis.

The consolidated entity does not subsequently measure any liabilities at fair value on a non-recurring basis.

Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

Note 26. Fair value measurement (continued)

The following tables provide the fair values of the consolidated entity's assets and liabilities measured and recognised on a recurring basis after initial recognition and the categorisation within the fair value hierarchy:

Consolidated Entity - 2024	Level 1 $	Level 2 $	Level 3 $	Level 4 $
Assets				
Term deposits	2,450,000	-	-	2,450,000
Loans - secured	-	9,556,336	-	9,556,336
Investment property	-	3,200,000	-	3,200,000
Total assets	2,450,000	12,756,336	-	15,206,336

Consolidated Entity - 2023	Level 1 $	Level 2 $	Level 3 $	Level 4 $
Assets				
Term deposits	1,550,000	-	-	1,550,000
Loans - secured	-	8,763,500	-	8,763,500
Investment property	-	9,214,611	-	9,214,611
Total assets	1,550,000	17,978,111	-	19,528,111

Parent Entity - 2024	Level 1 $	Level 2 $	Level 3 $	Level 4 $
Assets				
Term deposits	2,400,000	-	-	2,400,000
Loans - secured	-	9,556,336	-	9,556,336
Shares in controlled entities	-	35,008	-	35,008
Investment property	-	3,200,000	-	3,200,000
Total assets	2,400,000	12,791,344	-	15,191,344

Parent Entity - 2023	Level 1 $	Level 2 $	Level 3 $	Level 4 $
Assets				
Term deposits	1,500,000	-	-	1,500,000
Loans - secured	-	8,763,500	-	8,763,500
Shares in controlled entities	-	35,008	-	35,008
Investment property	-	9,214,611	-	9,214,611
Total assets	1,500,000	18,013,119	-	19,513,119

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in level 3. There were no transfers between levels during the financial year.

Valuation Techniques

The consolidated entity selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the consolidated entity are consistent with one or more of the following valuation approaches:

Market Approach:

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income Approach:

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost Approach:

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the consolidated entity gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Valuation techniques for fair value measurements categorised within level 2 and level 3

The basis of the valuation of investment properties is fair value. The investment properties are revalued annually either by Directors of the consolidated entity or, based on independent assessments on a three year cycle, by a member of the Australian Property Institute having recent experience in the location and category of investment property being valued. Valuations are based on current prices in an active market for similar properties of the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment.

Accounting policy for fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 27. Business combination

Summary of acquisition

On 31 October 2022, the Australian Prudential Regulation Authority (APRA) approved the voluntary transfer of business from Australian Friendly Society Ltd to KeyInvest Ltd. The legal effect of the transfer of business is that the company has become the successor in law of all of the assets and liabilities of Australian Friendly Society Ltd from 31 October 2022.

The assets and liabilities recognised as a result of the merger are as follows:

	$
Cash	1,104,756
Prepayments and other receivables	20,809
Investments	8,933,075
Deferred tax assets	389,133
Trade payables	(553,315)
Other payables	(79,981)
Net identifiable assets acquired	9,814,477

Merger related costs

Merger related costs of $158,264 are included in the 2023 financial year expenses in the Statement of comprehensive income and in the operating cash flows in the Statement of cash flows.

Refer to note 35 for further information on life investment contracts.

Note 28. Key management personnel compensation

Other key management personnel

The key management personnel of the consolidated entity consisted of the following 14 (2023: 12) positions: Chief Executive Officer, Chief Financial Officer, Company Secretary / Chief Investment Officer, Head of Risk, Group Executive (2) and Non Executive Directors (8).

Compensation

Total remuneration of the key management personnel is set out below:

	Consolidated Entity		Parent Entity	
	2024 $	2023 $	2024 $	2023 $
Short term employee benefits	1,904,291	1,837,266	1,904,291	1,837,266
Long term benefits	176,736	164,468	176,736	164,468
	2,081,027	2,001,734	2,081,027	2,001,734

Note 29. Capital and lease commitments

	Consolidated Entity		Parent Entity	
	2024 $	2023 $	2024 $	2023 $
Capital expenditure commitments				
Committed at the reporting date but not recognised as liabilities	-	-	-	-
Payable				
Committed at the reporting date but not recognised as liabilities, payable:				
Within one year	-	-	-	-

Note 30. Related party transactions

Parent entity

The ultimate parent entity is KeyInvest Ltd which is incorporated in Australia.

Subsidiaries

Interests in subsidiaries are set out in note 31.

Key management personnel

Disclosures relating to key management personnel are set out in note 28.

Transactions with related parties

Other than specific transactions listed below, other transactions with related parties during the current and previous financial year have been eliminated as a part of producing the consolidated financial reports.

The following specific transactions occurred with related parties:

	Consolidated Entity		Parent Entity	
	2024 $	2023 $	2024 $	2023 $
Payment for goods and services:				
Mr D L Stillwell is a Director of a human resource management consultancy that received fees for human resources services provided to the consolidated entity.	69,112	29,167	69,112	29,167
Ms D Walford is a Director of a professional development company that received fees for professional development services provided to the consolidated entity.	14,569	10,329	14,569	10,329
Dr R N Sexton has a close family member that received fees for venue hire services provided to the consolidated entity.	3,725	1,422	3,725	1,422
Dr R N Sexton is a Non Executive Chairman of a financial advisory firm that received funds for light refreshments during KeyInvest's presentation.	74	-	74	-

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

KeyInvest Ltd
Notes to the financial statements
30 June 2024

Note 31. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 2024 %	Ownership interest 2023 %
Life Events Bond Pty Ltd	Australia	100%	100%
KeyInvest Managed Investments Pty Ltd	Australia	100%	100%
KeyInvest Retirement Living Pty Ltd	Australia	100%	100%
KeyInvest Horsham Pty Ltd	Australia	100%	100%
Chiton RV Pty Ltd ATF Chiton RV Unit Trust	Australia	100%	100%
Chiton RV Unit Trust	Australia	100%	100%
KeyInvest Burton Pty Ltd	Australia	100%	100%
KeyInvest Foundation Pty Ltd	Australia	100%	100%
KeyInvest Funds Management Pty Ltd	Australia	100%	100%
KeyInvest Private Capital Pty Ltd	Australia	100%	100%

Percentage of voting power is in proportion to ownership.

Note 32. Events after the reporting period

There are no other events subsequent to 30 June 2024 that need to be disclosed in the financial statements.

Note 33. Reconciliation of surplus/(deficit) after income tax to net cash used in operating activities

	Consolidated Entity		Parent Entity	
	2024 $	2023 $	2024 $	2023 $
Surplus/(deficit) after income tax benefit for the year	1,606,202	686,289	1,710,448	183,416
Adjustments for:				
Depreciation and amortisation	324,619	668,506	324,619	668,504
(Revaluation)/impairment of assets	206,523	-	206,523	-
GST recovery	-	(842,915)	-	(842,915)
Net loss on disposal of property, plant and equipment	1,695	2,431	1,695	2,350
Share of profit in an associate	(2,374,733)	(38,695)	-	-
Dividend income	-	-	(2,300,000)	-
Discontinued operations expenses	-	49,061	-	-
Transfer of business	-	(260,332)	-	(260,332)
Change in operating assets and liabilities:				
(Increase)/decrease in receivables	(278,331)	(419,435)	(272,276)	(506,013)
(Increase)/decrease in current tax assets	-	-	(8,021)	(97,166)
(Increase)/decrease in deferred tax assets	493,098	(435,739)	493,098	(435,739)
Increase/(decrease) in payables	219,437	(779,533)	435,276	(703,462)
Increase/(decrease) in provision for income tax	(252,874)	252,874	(252,874)	252,874
Increase/(decrease) in deferred tax liabilities	92,151	106,914	88,415	60,004
Increase/(decrease) in provisions	53,059	71,870	53,059	71,870
Net cash used in operating activities	90,846	(938,704)	479,962	(1,606,609)

Note 34. Capital management

KeyInvest Ltd is a public company, limited by shares and guarantee. No shares have been issued. The guarantee acts as both the means of membership of KeyInvest Ltd and the means of limiting the members' liability. The Corporations Act 2001 allows KeyInvest Ltd to issue Mutual Capital Instruments (MCIs). Following adoption of a new constitution on 23 June 2020 KeyInvest Ltd became an MCI Mutual which allows it to issue MCIs. At the date of this report, there are no MCIs on issue and the consolidated entity's Capital Base is comprised of retained earnings and Tier 1 Capital Notes.

Management effectively manages the consolidated entity's capital within the APRA Prudential Standard - Capital Adequacy LPS 110 which became effective 1 January 2013. The Standard requires the Board to ensure that the consolidated entity maintains an adequate level and quality of capital commensurate with the scale, nature and complexity of its business and risk profile, such that it is able to meet its obligations under a wide range of circumstances.

Management controls the capital of the consolidated entity in order to ensure that the consolidated entity can fund its operations and continue as a going concern. There have been no significant changes in the strategy adopted by Management to control the capital of the consolidated entity since the prior year.

Measurement of Capital Base and Capital Adequacy as per APRA Prudential Standard - Capital Adequacy LPS 110

			2024 $			
Fund	**Net Assets**	**Member Balances and Unallocated Surpluses**	**Adjustments to Capital Base**	**Capital Base All Tier 1 (a)**	**Prescribed Capital Requirement (b)**	**Capital Surplus**
Management Fund	45,694,199	-	(1,220,927)	44,473,272	21,188,599	23,284,673
Supersaver Bond Fund	12,645,111	(12,645,111)	-	-	-	-
Life Events Bond Funds	105,918,776	(105,918,776)	-	-	-	-
Pre-Arranged Funeral Fund	14,198,817	(14,198,817)	-	-	-	-
KeyInvest Funeral Bond	271,575,712	(271,575,712)	-	-	-	-
KeyInvest Funeral Fund Unitised	18,548,721	(18,548,721)	-	-	-	-

The Capital Base All Tier 1 includes Additional Tier 1 Capital of $10,543,015. There are no regulatory adjustments applied in the calculation of Additional Tier 1 Capital.

At 30 June 2024 the Management Fund Capital Adequacy Multiple (%) (a)/(b) is 210%. Solvency requirements for the life investment contracts were met at all times during the financial year.

			2023 $			
Fund	**Net Assets**	**Member Balances and Unallocated Surpluses**	**Adjustments to Capital Base**	**Capital Base All Tier 1 (a)**	**Prescribed Capital Requirement (b)**	**Capital Surplus**
Management Fund	45,069,226	-	(1,625,172)	43,444,054	20,875,081	22,568,973
Supersaver Bond Fund	15,346,899	(15,346,899)	-	-	-	-
Life Events Bond Funds	92,756,981	(92,756,981)	-	-	-	-
Pre-Arranged Funeral Fund	15,723,249	(15,723,249)	-	-	-	-
KeyInvest Funeral Bond	274,171,235	(274,171,235)	-	-	-	-
KeyInvest Funeral Fund Unitised	14,327,925	(14,327,925)	-	-	-	-

The Capital Base All Tier 1 includes Additional Tier 1 Capital of $10,543,015. There are no regulatory adjustments applied in the calculation of Additional Tier 1 Capital.

At 30 June 2023 the Management Fund Capital Adequacy Multiple (%) (a)/(b) is 208%. Solvency requirements for the life investment contracts were met at all times during the financial year.

Note 35. Life investment contracts

Policyholder assets and liabilities 2024	Supersaver Bond Fund $	Life Events Bond Funds $	Pre-Arranged Funeral Fund $	KeyInvest Funeral Fund $	KeyInvest Funeral Fund Unitised $	Total Life Investment Contracts $
Cash and cash equivalents	1,239,802	708,912	1,531,774	9,955,317	28,519	**13,464,324**
Financial assets	11,902,994	107,473,073	12,561,757	259,627,845	18,705,972	**410,271,641**
Receivables	43,725	4,410	87,881	4,284,659	-	**4,420,675**
Current tax benefit	-	-	22,386	-	-	**22,386**
Deferred tax assets	17,874	-	22,681	605,415	-	**645,970**
Total assets	**13,204,395**	**108,186,395**	**14,226,479**	**274,473,236**	**18,734,491**	**428,824,996**
Payables	398,542	26,659	27,662	496,143	12,667	**961,673**
Current tax liability	160,742	785,348	-	2,401,381	91,205	**3,438,676**
Deferred tax liability	-	1,455,612	-	-	81,898	**1,537,510**
Policyholder liabilities	12,098,149	105,918,776	14,043,468	264,450,916	18,548,721	**415,060,030**
Unallocated policyholder benefits	546,962	-	155,349	7,124,796	-	**7,827,107**
Total liabilities	**13,204,395**	**108,186,395**	**14,226,479**	**274,473,236**	**18,734,491**	**428,824,996**
Net assets	-	-	-	-	-	-

Policyholder income and expenses 2024	Supersaver Bond Fund $	Life Events Bond Funds $	Pre-Arranged Funeral Fund $	KeyInvest Funeral Fund $	KeyInvest Funeral Fund Unitised $	Total Life Investment Contracts $
Investment income	794,968	10,144,857	876,623	16,398,700	1,352,284	**29,567,432**
Investment expenses	(27,601)	(43)	(29,085)	(388,027)	(22,916)	**(467,672)**
Management fees	(238,259)	(292,742)	(272,144)	(4,005,347)	(91,207)	**(4,899,699)**
Allocated to policyholders	(113,665)	(7,093,496)	(216,960)	(5,035,603)	(871,805)	**(13,331,529)**
Profit (loss) before tax	415,443	2,758,576	358,434	6,969,723	366,356	**10,868,532**
Income tax benefit/(expense)	(203,780)	(2,758,576)	(6,681)	(3,090,318)	(366,356)	**(6,425,711)**
Profit (loss) after tax	211,663	-	351,753	3,879,405	-	**4,442,821**
Transfer from (to) other funds	-	-	-	-	-	-
Unallocated policyholder benefits at beginning of the year	398,542	26,659	27,662	496,143	12,667	**961,673**
Unallocated policyholder benefits at end of the year	**160,742**	**785,348**	**-**	**2,401,381**	**91,205**	**3,438,676**

Movement of policyholder liabilities 2024						
Value of policyholder liabilities at beginning of the year	15,011,600	92,756,981	15,919,653	270,925,844	14,327,925	**408,942,003**
Deposits	53,975	16,727,602	3,539	7,606,363	3,982,672	**28,374,151**
Allocation to policyholders	113,665	7,093,496	216,960	5,035,603	871,805	**13,331,529**
Withdrawals	(3,081,091)	(10,659,303)	(2,096,684)	(19,116,894)	(633,681)	**(35,587,653)**
Transfer from (to) other funds	-	-	-	-	-	-
Value of policyholder liabilities at end of the year	**12,098,149**	**105,918,776**	**14,043,468**	**264,450,916**	**18,548,721**	**415,060,030**
Policyholder liabilities and unallocated benefits	**12,645,111**	**105,918,776**	**14,198,817**	**271,575,712**	**18,548,721**	**422,887,137**

Note 35. Life investment contracts (continued)

Policyholder assets and liabilities 2023	Supersaver Bond Fund $	Life Events Bond Funds $	Pre-Arranged Funeral Fund $	KeyInvest Funeral Fund $	KeyInvest Funeral Fund Unitised $	Total Life Investment Contracts $
Cash and cash equivalents	1,449,220	420,885	1,076,204	4,021,477	60,396	**7,028,182**
Financial assets	14,117,519	91,984,890	14,456,251	268,801,520	14,102,305	**403,462,485**
Receivables	87,171	14,915	106,423	1,633,028	-	**1,841,537**
Current tax benefit	2,174	-	64,518	7,163	-	**73,855**
Deferred tax assets	60,912	517,616	51,748	1,294,352	193,253	**2,117,881**
Total assets	**15,716,996**	**92,938,306**	**15,755,144**	**275,757,540**	**14,355,954**	**414,523,940**
Payables	370,097	23,009	31,895	481,982	28,029	**935,012**
Current tax liability	-	158,316	-	1,104,323	-	**1,262,639**
Policyholder liabilities	15,011,600	92,756,981	15,919,653	270,925,844	14,327,925	**408,942,003**
Unallocated policyholder benefits	335,299	-	(196,404)	3,245,391	-	**3,384,286**
Total liabilities	**15,716,996**	**92,938,306**	**15,755,144**	**275,757,540**	**14,355,954**	**414,523,940**
Net assets	-	-	-	-	-	**-**

Policyholder income and expenses 2023	Supersaver Bond Fund $	Life Events Bond Funds $	Pre-Arranged Funeral Fund $	KeyInvest Funeral Fund $	KeyInvest Funeral Fund Unitised $	Total Life Investment Contracts $
Investment income	900,576	6,054,601	831,080	10,596,068	701,348	**19,083,673**
Investment expenses	(303,830)	(464,850)	(132,919)	(733,143)	(26,626)	**(1,661,368)**
Management fees	(281,286)	(249,000)	(307,505)	(3,380,158)	(66,584)	**(4,284,533)**
Allocated to policyholders	-	(3,975,415)	(72,589)	(436,960)	(434,731)	**(4,919,695)**
Profit (loss) before tax	315,460	1,365,336	318,067	6,045,807	173,407	**8,218,077**
Income tax benefit/(expense)	(133,911)	(1,365,336)	29,949	(1,832,722)	(173,407)	**(3,475,427)**
Profit (loss) after tax	181,549	-	348,016	4,213,085	-	**4,742,650**
Transfer from (to) other funds	-	-	-	2,377,107	-	**2,377,107**
Unallocated policyholder benefits at beginning of the year	153,750	-	(544,420)	(3,344,801)	-	**(3,735,471)**
Unallocated policyholder benefits at end of the year	**335,299**	**-**	**(196,404)**	**3,245,391**	**-**	**3,384,286**

Movement of policyholder liabilities 2023						
Value of policyholder liabilities at beginning of the year	16,211,229	80,607,709	18,569,495	120,895,437	9,987,224	**246,271,094**
Deposits	70,287	15,946,732	1,800	7,261,211	4,264,094	**27,544,124**
Allocation to policyholders	-	3,975,415	72,589	436,960	434,731	**4,919,695**
Withdrawals	(1,269,916)	(7,772,875)	(2,724,231)	(15,241,658)	(358,124)	**(27,366,804)**
Transfer from (to) other funds	-	-	-	157,573,894	-	**157,573,894**
Value of policyholder liabilities at end of the year	**15,011,600**	**92,756,981**	**15,919,653**	**270,925,844**	**14,327,925**	**408,942,003**
Policyholder liabilities and unallocated benefits	**15,346,899**	**92,756,981**	**15,723,249**	**274,171,235**	**14,327,925**	**412,326,289**

KeyInvest Ltd
Consolidated entity disclosure statement
For the year ended 30 June 2024

Entity name	Type of entity	Place incorporated/ formed	% of share capital held	Australian resident or foreign resident	Foreign jurisdiction of foreign residents
Life Events Bond Pty Ltd	Body Corporate	Australia	100	Australian	N/A
KeyInvest Managed Investments Pty Ltd	Body Corporate	Australia	100	Australian	N/A
KeyInvest Retirement Living Pty Ltd	Body Corporate	Australia	100	Australian	N/A
KeyInvest Horsham Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Chiton RV Pty Ltd ATF Chiton RV Unit Trust	Body Corporate	Australia	100	Australian	N/A
Chiton RV Unit Trust	Body Corporate	Australia	100	Australian	N/A
KeyInvest Burton Pty Ltd	Body Corporate	Australia	100	Australian	N/A
KeyInvest Foundation Pty Ltd	Body Corporate	Australia	100	Australian	N/A
KeyInvest Funds Management Pty Ltd	Body Corporate	Australia	100	Australian	N/A
KeyInvest Private Capital Pty Ltd	Body Corporate	Australia	100	Australian	N/A

Directors' declaration

In the Directors' opinion:

(a) the consolidated Financial Statements of KeyInvest Ltd and its controlled entities are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the financial position of the Company and consolidated entity as at 30 June 2024 and of its performance, as represented by the results of its operations and cash flows for the year ended on that date; and

  (ii) complying with the Australian Accounting Standards and the Corporations Regulations 2001,

(b) there are reasonable grounds to believe that KeyInvest Ltd will be able to pay its debts as and when they become due and payable; and

(c) the consolidated entity disclosure statement is true and correct.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Board of Directors.

Dr Roger N Sexton AM
Chairman

Date: 30 September 2024

Auditor's report

Nexia Edwards Marshall

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEYINVEST LTD

Opinion

We have audited the financial report of KeyInvest Ltd ('the company'), which comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year and the annual financial report of the following Benefit Funds:

- Supersaver Bond Fund
- Life Events Bond Funds
- Pre-Arranged Funeral Fund
- KeyInvest Funeral Fund
- KeyInvest Funeral Fund Unitised

In our opinion:

(a) the financial report of KeyInvest Ltd is in accordance with the *Corporations Act 2001;* including:

  (i) giving a true and fair view of KeyInvest Ltd's and the consolidated entity's financial positions as at 30 June 2024 and of their financial performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

(b) The financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

In our opinion:

(a) the financial report of the company and its Benefit Funds are in accordance with the *Life Insurance Act 1995*;

(b) the records of the company and Benefit Funds on which the financial report are based record properly the affairs and transactions of the company and its Benefit Funds;

(c) the financial report truly represents the financial position of the company and its Benefit Funds;

(d) the apportionments made under Division 2 of Part 6 of the *Life Insurance Act 1995* have been made equitably and in accordance with generally accepted accounting principles; and

(e) no part of the assets of the Benefit Funds have been applied directly or indirectly in contravention of the provisions of Division 1 of Part 4 and Division 4 of Part 2A of the *Life Insurance Act 1995*.

Advisory. Tax. Audit.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEYINVEST LTD (CONT)

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the ethical requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (*including Independence Standards*) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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 in the company's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

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

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

Directors' responsibility for the financial report

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

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and the Life Insurance Act 1995, and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001

Nexia Edwards Marshall

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEYINVEST LTD (CONT)

Directors' responsibility for the financial report (cont)

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

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

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

The directors are responsible for overseeing the company's financial reporting process.

Auditor's responsibility for the audit of the financial report

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

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 report, 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 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's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Advisory. Tax. Audit.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEYINVEST LTD (CONT)

Auditor's responsibility for the audit of the financial report (cont)

- 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 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 report 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents 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 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.

Nexia Edwards Marshall

Nexia Edwards Marshall
Chartered Accountants

MJOC

Matthew O'Connor
Partner

Adelaide
South Australia

30 September 2024

Advisory. Tax. Audit.

Company information

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Auditor
Nexia Edwards Marshall Chartered Accountants
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5 Highly Recommended Lonsec Research

Approved Lonsec Research

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