



Generation Development Group Limited
ABN: 90 087 334 370

Interim Condensed Consolidated
Financial Report 31 December 2021

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Corporate Information

Company Directors

Mr Robert Neil Coombe
Mr William Eric Bessemer
Mr Jonathan James Tooth
Mr John David Wheeler
Ms Giselle Collins

Non-Executive Chairman
Non-Executive Director
Non-Executive Director (resigned 18 November 2021)
Non-Executive Director (resigned 18 November 2021)
Non-Executive Director (appointed 18 November 2021)

Company Secretary

Ms Amanda Gawne

Chief Financial Officer

Mr Terence Wong

Registered Office

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Melbourne VIC 3000
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Share Register

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

Banker

National Australia Bank
330 Collins Street
Melbourne VIC 3000

Auditor

KPMG
Tower Two
Collins Square
727 Collins Street
Melbourne VIC 3008

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Summary of Results (Unaudited)

Generation Development Group recorded an underlying operating profit after tax from its Life/administration business of \$3.3m for the six months ended 31 December 2021 (31 December 2020: \$2.1m).

The underlying operating profit after tax of its Life/administration business excludes Income from associates, product development costs of the annuity business and other items.

The Group recorded a consolidated statutory net profit for the six months ending 31 December 2021 of \$1.7m (31 December 2020: profit \$554k). Statutory net profit/(loss) after tax has been prepared in accordance with the Corporation Act 2001 and Australian Accounting Standards, which comply with International Financial Reporting Standards.

	Notes	Half year to 31 Dec 21 \$'000	Half year to 31 Dec 20 \$'000	Variance \$'000
Life and Services		11,984	8,843	3,141
Other income		687	565	122
Total revenue	1	12,671	9,408	3,263
Personnel		(5,891)	(3,945)	(1,946)
Occupancy		(131)	(121)	(10)
Communication		(59)	(74)	15
Finance		(71)	(20)	(51)
Dealing and settlement		(3,453)	(2,498)	(955)
Marketing and promotion		(150)	(229)	79
Depreciation and amortisation		(635)	(452)	(183)
Administration expenses		(3,774)	(2,799)	(975)
Total expenses	1	(14,164)	(10,138)	(4,026)
Underlying loss before income tax		(1,493)	(730)	(763)
Income tax benefit / (expense)	2	4,833	2,854	1,979
Underlying profit after tax – Life / administration business		3,340	2,124	1,216
Income from associates	3	952	337	615
Product development costs (net of tax)		(1,426)	(230)	(1,196)
Underlying profit after tax		2,866	2,231	635
Other items (net of applicable tax)				
Net gain on sale of Ascalon Capital Limited (Asia)		50	-	50
Ascalon operational costs inclusive of foreign exchange gain	4	56	(640)	696
Deferred tax reversal on carry-forward losses		(890)	(553)	(337)
Transaction and completion costs	5	(362)	(484)	122
Statutory profit / (loss) after tax		1,720	554	1,166

Notes:

- Revenue and expenses reflected in the summary of results are attributable to the Shareholders of the Company and excludes the activities of the consolidated benefit funds.
- For income taxation purposes Generation Life Limited is a single taxpayer comprising policyholder Benefit Funds and a central management or shareholder fund with all the Company's assessable income, allowable deductions and other tax offsets being pooled.
- Based on share of profit after tax of associates for the six months period ended 31 December 2021.
- Includes Ascalon Capital Limited (Asia) trading loss of \$59k and realised foreign exchange gain of \$115k. Prior comparative period includes \$479k of Ascalon Capital Limited (Asia) trading loss.
- Includes non-capitalised amounts and amounts not attributed to share capital and fee paid to vendors.

Directors' Report

The Directors of Generation Development Group Limited (the "Company") submit herewith the interim condensed consolidated financial report of the Company and its controlled entities (the "Group") for the six months ended 31 December 2021. In order to comply with the provisions of the Corporations Act 2001, the Directors report is as follows:

Directors

The names and particulars of the Directors of the Company during or since the end of the interim period are set out below. Directors were in office for the entire period unless otherwise stated:

Mr Robert Neil Coombe	Non-Executive Chairman
Mr William Eric Bessemer	Non-Executive Director
Mr Jonathan James Tooth	Non-Executive Director (resigned 18 November 2021)
Mr John David Wheeler	Non-Executive Director (resigned 18 November 2021)
Ms Giselle Collins	Non-Executive Director (appointed 18 November 2021)

Review of Operations

Underlying profit represents the Group's preferred measure of the result of the ongoing business activities of the Group. This is a non-statutory measure not subject to review by the external auditor which excludes non-core items, included in the statutory result, to derive the underlying profit. The adjustments made are included in the statutory profit which is subject to review by the external auditor in the context of their review of the interim condensed consolidated financial report.

The underlying net profit after tax (NPAT) for the Life / Administration business increased by \$1.2m or 57% to \$3.3m for the six months ended 31 December 2021, compared to \$2.1m in the prior comparative period. The Group underlying NPAT of \$2.9m includes earnings from associates and product development costs but excludes other items as reflected in the summary of results.

The increase was largely a result of continued FUM growth, which reached \$2.1b at 31 December 2021, 20% higher than at the start of the financial year. The key elements where inflows of \$344.2m (1HY21 \$165.7m), exits by way of withdrawals and maturities of \$47m (1HY21 \$52.5m), while investment earnings contributed \$52.1m (1HY21 \$80.5m) in the period.

Effective 1 July 2021, the administration, registry and information technology services provided by Austock Financial Services Pty Ltd have been novated to Generation Development Services Pty Ltd (previously known as Ascalon Capital Managers Pty Ltd). This is purely an internal restructure and streamlining of our operations and will not have any effect operationally or commercially.

On 1 September 2021, the Group completed the sale of Ascalon Capital Limited (Asia) ("Ascalon") to Wayford Capital Partners Limited. Having invested in Ascalon in 2019, the Group has endeavoured to launch, through its investment, a fund targeting hedge funds in Asia Pacific. Unfortunately, this launch was impacted by a series of exogenous events in the market which made fund raising extremely difficult. Instead of persevering with the launch or pursuing alternative fund management models, the Group has decided to divest its interest in Ascalon and pursue other opportunities.

Product Sales Results

Investment Bond penetration has risen significantly in 1HY22 with new applications rising to a record 10,774 up 64.0% on the corresponding period last financial year (6,570). This comprised 6,399 LifeBuilder Bonds, 3,978 ChildBuilder bonds and 397 Funeral Bonds.

Savings plans have risen to \$29.9m from \$24.3m (up 23.0% pcp). Over 45% of all new policies received now come with a saving plan attached.

The number of direct business has also increased by 41.2% in 1HY22 with 3,550 applications received directly from clients worth \$17.6m.

Pleasingly 314 financial advisers wrote business for the first time with Generation Life in 1HY22 and 1,246 individual financial advisers have submitted business during the period (up 31.0% pcp).

Balance Sheet and Capital

- The Group held cash and cash equivalents of \$19m at 31 December 2021 (30 June 2021: \$21.9m) excluding cash and cash equivalent of the benefit funds that are attributable to the policy holders, providing the life business with strong levels of capital to support growth ambitions.
- The Group has no drawn borrowing facilities and Generation Life Limited, the Group's main operating subsidiary, continues to meet all regulatory capital requirements.

Dividend Policy

An interim dividend of 1 cent per share, fully franked, will be declared on 25 February 2022 with payment date of 8 April 2022.

Outlook

Based on year-to-date results and sales pipeline for the investment bond business, we now expect FY22 sales to materially exceed FY21, subject to prevailing market conditions. The Group is now focused on developing and bringing to market the investment linked lifetime annuity product which is scheduled for launch in the second half of this financial year, subject to regulatory approval.

Auditor's independence declaration

The auditor's independence declaration is included on page 7 of the interim condensed consolidated financial report and forms part of this Directors' report.

Rounding of amounts

The Company is a company of the kind referred to in ASIC Corporation instrument 2016/191, and in accordance with the Class Order amounts in directors' report and the interim consolidated financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors



Mr Robert Coombe
Non-Executive Chairman
Melbourne, 25 February 2022



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

To the Directors of Generation Development Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Generation Development Group Limited for the half-year ended 31 December 2021 there have been:

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

KPMG

KPMG



Dean Waters

Partner

Melbourne

25 February 2022

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Directors' Declaration

In the opinion of the directors of Generation Development Group Limited ("the Company"):

1. the interim condensed consolidated financial statements and notes set out on pages 9 to 29, are in accordance with the Corporations Act 2001 including:
 - a. giving a true and fair view of the Group's consolidated financial position as at 31 December 2021 and of its performance for the six months ended on that date; and
 - b. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

On behalf of the Directors



Mr Robert Coombe
Non-Executive Chairman
Melbourne, 25 February 2022

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months ended 31 December 2021

	Notes	Half year ended 31 Dec 2021 \$'000	Half year ended 31 Dec 2020^ \$'000
Revenue			
Revenue from contracts with customers	11(a)	2,678	1,955
Interest income	11(b)	116	434
Revaluation income	11(c)	67,296	102,621
Other income	11(d)	924	662
Distribution income		20,417	13,980
Total revenue		91,431	119,652
Expenses			
Personnel expenses		(6,883)	(4,678)
Occupancy expenses		(142)	(157)
Communication expenses		(62)	(82)
Finance expenses		(71)	(23)
Dealing and settlement expenses		(3,514)	(2,584)
Marketing and promotional expenses		(150)	(229)
Depreciation and amortisation expenses		(636)	(454)
Administration expenses		(5,184)	(3,555)
Policyholder withdrawals - insurance		(54)	(63)
Total expenses		(16,696)	(11,825)
Income from associates	12	952	337
Profit / (loss) before income tax expense		75,687	108,164
Income tax (expense) / benefit	13	(8,346)	(25,938)
Profit / (loss) after income tax expense		67,341	82,226
(Profit) / loss attributable to policyholders	19	(65,621)	(81,672)
Net profit / (loss) attributable to shareholders of the Company		1,720	554
Total comprehensive income attributable to shareholders of the Company		1,720	554
Earnings per share			
➤ Basic (cents per share)		0.96	0.37
➤ Diluted (cents per share)		0.96	0.37

^ Certain comparative amounts have been reclassified to conform with the current year's presentation.

A subsidiary of the Company, Generation Life Limited, is a Friendly Society in accordance with the Life Insurance Act 1995. The funds operated by Generation Life Limited and any trusts controlled by those funds, are treated as statutory funds in accordance to the Life Insurance Act 1995. These statutory funds are required to be consolidated in accordance to Accounting Standards.

The notes on pages 13 to 29 are an integral part of these condensed consolidated interim financial statements

Interim Condensed Consolidated Statement of Financial Position as at 31 December 2021

	Notes	As at 31 Dec 21 \$'000	As at 30 Jun 21^ \$'000
Assets			
Cash and cash equivalents		91,770	95,132
Income tax receivable		5,398	3,895
Trade receivables		3,868	1,669
Other assets		13,641	47,025
Financial assets	14	2,109,043	1,726,195
Investment in associates	12	29,529	28,277
Right-of-use assets		4,577	4,969
Plant and equipment		539	255
Deferred tax assets		2,641	3,268
Intangible assets		2,734	2,103
Total assets		2,263,740	1,912,788
Liabilities			
Trade and other payables		6,595	4,700
Current tax liabilities		4,514	25,661
Lease liabilities		4,569	4,791
Other liabilities		2,866	8,144
Provisions		1,334	1,090
Deferred tax liabilities		50,378	41,828
Policyholder liabilities	19	2,135,357	1,775,120
Total liabilities		2,205,613	1,861,334
Net assets		58,127	51,454
Equity			
Issued capital	15	88,368	79,118
Share based payment reserve		1,585	4,112
Other reserve		-	104
Retained earnings		(31,826)	(31,880)
Total equity		58,127	51,454

^ Certain comparative amounts have been reclassified to conform with the current year's presentation.

A subsidiary of the Company, Generation Life Limited, is a Friendly Society in accordance with the Life Insurance Act 1995. The funds operated by Generation Life Limited and any trusts controlled by those funds, are treated as statutory funds in accordance to the Life Insurance Act 1995. These statutory funds are required to be consolidated in accordance to Accounting Standards.

The notes on pages 13 to 29 are an integral part of these condensed consolidated interim financial statements.

Interim Condensed Consolidated Statement of Changes in Equity for the six months ended 31 December 2021

	Issued capital	Share based payment reserve	Other reserves	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Period ended 31 Dec 2021					
Balance at 1 Jul 2021	79,118	4,112	104	(31,880)	51,454
Net profit/(loss) for the period	-	-	-	1,720	1,720
Total comprehensive income for the period	-	-	-	1,720	1,720
Transactions with owners					
Issue of ordinary shares	6,820	-	-	-	6,820
Share based payments	2,430	(2,527)	-	97	-
Dividend paid	-	-	-	(1,763)	(1,763)
Other items	-	-	(104)	-	(104)
Balance at 31 Dec 2021	88,368	1,585	-	(31,826)	58,127
Period ended 31 Dec 2020					
Balance at 1 Jul 2020	45,207	3,370	222	(31,428)	17,371
Net profit/(loss) for the period	-	-	-	554	554
Total comprehensive income for the period	-	-	-	554	554
Transactions with owners					
Issue of ordinary shares	33,752	-	-	-	33,752
Share based payments	-	(63)	-	-	(63)
Dividend paid	-	-	-	(1,258)	(1,258)
Other items	-	-	(130)	31	(99)
Balance at 31 Dec 2020	78,959	3,307	92	(32,101)	50,257

The notes on pages 13 to 29 are an integral part of these condensed consolidated interim financial statements.

Interim Condensed Consolidated Statement of Cash Flows for the six months ended 31 December 2021

	Half year ended 31 Dec 21 \$'000	Half year ended 31 Dec 20 \$'000
Cash Flows from Operating Activities		
Receipts from customers	63,304	42,063
Payments to suppliers and employees	(21,075)	(14,645)
Finance and borrowing costs	(11)	(20)
Income tax paid	(21,818)	(1)
Payment for investment benefit funds	(315,552)	(134,295)
Contributions by investors	344,665	166,220
Withdrawals by investors	(47,985)	(52,507)
Net cash flows from / (used in) operating activities	1,528	6,815
Cash Flows from Investing Activities		
Interest received	15	289
Annuity project costs	(1,682)	(328)
Investment in associates inclusive of acquisition costs	(300)	(20,747)
Net gain on sale of Ascalon Capital Limited (Asia)	50	-
Other investments	-	471
Purchase of property, plant and equipment	(527)	(37)
Payment of software	(631)	(506)
Net cash flows (used in) / from investing activities	(3,075)	(20,858)
Cash Flows from Financing Activities		
Capital raised	-	35,000
Capital raising costs	-	(1,309)
Dividends paid	(1,593)	(1,197)
Payment of lease liability	(222)	(243)
Net cash flows (used in) / from financing activities	(1,815)	32,251
Net (decrease) / increase in cash held	(3,362)	18,208
Cash and cash equivalents at beginning of the period	95,132	62,094
Cash and cash equivalents at the end of the period	91,770	80,302

The notes on pages 13 to 29 are an integral part of these condensed consolidated interim financial statements.

Notes to the Interim Condensed Consolidated Financial Statements

1. Reporting entity

Generation Development Group Limited (the "Company") is a for profit public company listed on the Australian Securities Exchange (ASX: GDG) and incorporated in Australia. The Company operates as a Pooled Development Fund. This interim condensed consolidated financial report comprises the Company and its controlled entities (the "Group") as at and for the six months ended 31 December 2021. The Group is primarily involved in the provision of Life investment products within the Australian Life Insurance Sector.

2. Basis of preparation

This interim condensed consolidated financial report for the six months ended 31 December 2021 (1HY22) has been prepared in accordance with AASB 134 *Interim Financial Reporting and the Corporations Act 2001*.

This 1HY22 financial report does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 30 June 2021.

This 1HY22 financial report was approved by the Board of Directors on 25 February 2022. The Company is of a kind referred to in ASIC Corporation Instrument 2016/191, and amounts in the interim financial report have been rounded off to the nearest thousand dollars. All amounts are presented in Australian dollars, which is the functional currency of the Company and its subsidiaries.

The consolidated annual financial report of the Group as at and for the year ended 30 June 2021 is available upon request from the Company's registered office and principal place of business at Level 17, 447 Collins Street, Melbourne Victoria 3000 or at www.gendevdevelopmentgroup.com.au.

3. Use of estimates and judgements

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimate and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied in the consolidated annual financial statements as at and for the year ended 30 June 2021.

4. Significant accounting policies

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2021.

Changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 30 June 2022.

5. Equity accounting in associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. 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 including acquisition related costs. After initial recognition, the consolidated financial statements include the Group's share of profit or loss of equity accounted investees. Dividends received or receivable reduce the carrying amount of the equity accounted investment. Details of investments made in associates are listed in note 12.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

6. Standards and interpretations issued but not yet adopted

AASB 17 Insurance Contracts

AASB 17 *Insurance Contracts* replaces AASB 4 *Insurance Contracts*, AASB 1038 *Life Insurance Contracts* and AASB 1023 *General Insurance Contracts* and is effective for the Group from 1 July 2023.

Under AASB 17, insurance contract liabilities will be calculated as the present value of future insurance cash flows with a provision for risk. This will impact the Group's estimation of policyholder liabilities in the Generation Life Limited Benefit Funds, shown in note 19 of these financial statements, and will also have a potential impact on the Deferred Acquisition Costs for Generation Life Limited. The Group is not expected to early adopt the standard.

7. New interpretations adopted by the Group

In April 2021, IFRIC issued a final agenda decision regarding configuration or customisation costs in a cloud computing arrangement. The decision provides additional guidance on how to determine whether configuration or customisation expenditure relating to cloud computing arrangements can be recognised as an intangible asset and if not, over what time period the expenditure is recognised in the Income Statement. The Group has adopted this agenda decision in the interim financial statements for the period ending 31 December 2021.

8. Segment reporting

The Group has the following two strategic divisions, which are its reportable segments. All segments' operating results are regularly reviewed by the Group's Chief Financial Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

a. Operating segments

Investment Bonds Management and Fund Administration

The provision of administration and management services to the Benefit Funds of Generation Life Limited and administration services to institutional clients.

Other Businesses

Lonsec Holdings Pty Ltd undertook a selective buy-back on 1 July 2021 and as a result, the Company's equity interest in Lonsec has increased from 37% to 41%. Equity interest in Claimfast Pty Ltd remains at 20%.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

b. Non-operating segments

Benefit funds represent the operating result and financial position of the Benefit Funds which are required to be consolidated in the Group's financial statements in accordance with the accounting standards.

Where relevant, comparative financial information has been restated to ensure consistency in presentation of financial information across the applicable comparative periods.

The reportable segments are divisions engaged in providing either different products or services. The statutory benefit funds are classified as a non-operating segment. Details of the operating and non-operating segments are detailed below:

Half year ended 31 Dec 2021	Operating Segments			Non- operating Segment		
	Investment Bonds Management & Funds Administration	Other Businesses	Operating Segment Total	Benefit Funds	Elimination	Consolidated Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenue	12,721	1,067	13,788	88,320	(9,725)	92,383
Segment revenue	12,721	1,067	13,788	88,320	(9,725)	92,383
Expenses	(16,457)	(59)	(16,516)	(9,905)	9,725	(16,696)
Income tax benefit / (expense)	4,448	-	4,448	(12,794)	-	(8,346)
Profit attributable to policyholders	-	-	-	(65,621)	-	(65,621)
Net profit / (loss) after tax	712	1,008	1,720	-	-	1,720
Segment assets and liabilities						
Segment total assets	68,196	-	68,196	2,196,537	(993)	2,263,740
Segment total liabilities	10,069	-	10,069	2,196,537	(993)	2,205,613
Segment net assets / (deficiency)	58,127	-	58,127	-	-	58,127
Other segment information						
Depreciation and amortisation	(636)	-	(636)	-	-	(636)

Notes to the Interim Condensed Consolidated Financial Statements (continued)

Half year ended
31 Dec 2020

	Operating Segments			Non-operating Segment		
	Investment Bonds Management & Funds Administration	Other Businesses	Operating Segment Total	Benefit Funds	Elimination	Consolidated Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenue	8,830	345	9,175	117,363	(6,549)	119,989
Segment revenue	8,830	345	9,175	117,363	(6,549)	119,989
Expenses	(10,373)	(648)	(11,021)	(7,353)	6,549	(11,825)
Income tax benefit / (expense)	2,400	-	2,400	(28,338)	-	(25,938)
Profit attributable to policyholders	-	-	-	(81,672)	-	(81,672)
Net profit / (loss) after tax	857	(303)	554	-	-	554
Segment assets and liabilities						
Segment total assets	62,533	828	63,361	1,515,279	-	1,578,640
Segment total liabilities	13,034	70	13,104	1,515,279	-	1,528,383
Segment net assets / (deficiency)	49,499	758	50,257	-	-	50,257
Other segment information						
Depreciation and amortisation	(452)	(2)	(454)	-	-	(454)

9. Financial risk management

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated annual financial report as at and for the year ended 30 June 2021.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

10. Financial Instruments – Fair value and risk management

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

Trade and other receivable and trade and other payables classified as held-for-sale are not included in the table below. Their carrying amount is a reasonable approximation of fair value.

Half year ended 31 Dec 2021

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Listed Securities	203,631	-	-	203,631
Units in externally managed unlisted funds	-	1,877,510	-	1,877,510
Financial assets at fair value through profit or loss	203,631	1,877,510	-	2,081,141

Policyholder Liabilities	-	(2,135,357)	-	(2,135,357)
Financial liabilities at a fair value through profit or loss	-	(2,135,357)	-	(2,135,357)

30 June 2021

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Listed Securities	185,077	-	-	185,077
Units in externally managed unlisted funds	-	1,504,898	-	1,504,898
Financial assets at fair value through profit or loss	185,077	1,504,898	-	1,689,975

Policyholder Liabilities	-	(1,775,120)	-	(1,775,120)
Financial liabilities at a fair value through profit or loss	-	(1,775,120)	-	(1,775,120)

Notes to the Interim Condensed Consolidated Financial Statements (continued)

11. Revenue

The Group's main revenue streams are fee revenues earned from contracts with customers for life investment management and investment administration services.

a. Revenue from contracts with customers

Disaggregation of Revenue

In the following table, revenue is disaggregated by type of service, major service lines & timing of revenue recognition.

	Half year ended 31 Dec 21 \$'000	Half year ended 31 Dec 20 [^] \$'000
<i>Major service lines and type of service</i>		
Fee income – Funds administration	199	203
Adviser fee	2,479	1,752
Total revenue	2,678	1,955
<i>Timing of revenue recognition</i>		
Services transferred over time	1,839	1,477
Services transferred at a point in time	839	478
	2,678	1,955

b. Interest income

	Half year ended 31 Dec 21 \$'000	Half year ended 31 Dec 20 \$'000
Interest income	15	27
Interest income in benefit funds – investment contracts	101	380
Interest income in benefit funds – insurance contracts	-	27
	116	434

[^] Certain comparative amounts have been reclassified to conform with the current year's presentation.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

c. Revaluation income

	Half year ended 31 Dec 21 \$'000	Half year ended 31 Dec 20 \$'000
Realised gain on sale of investment – Management fund	-	13
Realised gain on sale of investments – Benefit funds	3,189	5,294
Foreign exchange gain / (loss) – Benefit funds	202	(949)
Unrealised (loss) / gain on assets designated as FVTPL – Benefit funds - Foreign	(34)	-
Unrealised gain / (loss) on assets designated as FVTPL – Benefit funds	63,939	98,263
	67,296	102,621

d. Other income

	Half year ended 31 Dec 21 \$'000	Half year ended 31 Dec 20 \$'000
Other income	701	551
Revaluation of policyholders' liabilities	58	111
Gain on sale of Ascalon Capital Limited (Asia)	50	-
Realised foreign exchange gain	115	-
	924	662

12. Investment in associates

On 1 July 2021 Lonsec undertook a selective buy-back and as a result, the Company's equity interest in Lonsec has increased to 41% from 37%. No additional consideration was made.

On 3 November 2021, the Group issued 9,499,007 fully paid ordinary shares in GDG (New Shares) to the existing vendors of Lonsec Holdings Pty Ltd, representing deferred consideration in connection with its acquisition in Lonsec on 14 October 2020.

Following the Group's initial investment in Claimfast Pty Ltd (trading as Remediator) on 19 October 2020, the Group has since completed its 20% subscription interest in the entity. Total shares acquired were 700,000 to a value of \$700,000. No external transaction costs were incurred as part of this transaction, which is accounted using the equity method.

A reconciliation of the carrying amount of investment in associates is provided below:

	As at 31 Dec 21 \$'000	As at 30 Jun 21 \$'000
Carrying value of investment in associates at cost inclusive of deferred consideration and acquisition costs	28,577	27,697
Share of gain/(loss) in associates	952	580
Closing carrying value in associates	29,529	28,277

Notes to the Interim Condensed Consolidated Financial Statements (continued)

13. Income Tax

At 31 December 2021 neither Generation Development Group Limited nor any of its controlled entities were members of a tax consolidated group.

	Half year ended 31 Dec 21 \$'000	Half year ended 31 Dec 20 \$'000
Income tax expense comprises:		
Current Tax		
Current income tax benefit / (expense)	2,113	1,531
Deferred Tax (expense) / benefit		
DTA reversal - utilisation of losses	(890)	(553)
Other income tax deferred	(9,569)	(26,916)
Total Income tax expense	(8,346)	(25,938)

14. Financial Assets

	As at 31 Dec 21 \$'000	As at 30 Jun 21 \$'000
Financial assets carried at fair value through profit or loss		
Term deposits ^(a)	27,902	36,220
Investments - Benefit funds ^(b)	2,081,141	1,689,975
Total financial assets	2,109,043	1,726,195
Current	2,109,043	1,726,195
Non-current	-	-
	2,109,043	1,726,195

(a) The term deposits have maturities ranging from three to twelve months

(b) Investments are amounts invested by the benefit funds in unlisted externally managed funds, listed securities and other fixed interest securities

15. Issued Capital

	Number	\$'000
Balance at 1 Jul 2021	176,051,600	79,118
Issued during the period	9,887,778	9,250
Balance at 31 Dec 2021	185,939,378	88,368

Notes to the Interim Condensed Consolidated Financial Statements (continued)

16. Dividends

A final fully franked dividend of \$1,762,972 (one cent per ordinary share) for the financial year ended 30 June 2021 was paid on 6 October 2021 (2020: \$1,258,208). The Company declared an interim dividend of one cent per ordinary share, fully franked, totalling \$1,859,394 to be paid on 8 April 2022. The Company's Dividend Reinvestment Plan (DRP) will be in operation for this dividend.

17. Contingent liabilities

The Group has the following finance facilities with National Australia Bank Limited:

- Direct debit facility of \$10,000,000 (2021: \$10,000,000) to be used for client's accounts as part of the Generation Life business.
- Electronic channel facility of \$5,000,000 (2021: \$5,000,000) to allow for transactions to be debited in the clearing account when funds are in the process of being cleared; and
- NAB credit card facilities of \$150,000 (2021: \$150,000) used by Senior Staff for business travel and client entertainment.

The above direct debit facility and the NAB credit card facility are backed by term deposits of \$120,000 and \$150,000, respectively.

The Company has issued letters of support in respect of certain of its subsidiaries in the normal course of business. Under these letters, the Company undertakes to ensure that those subsidiaries continue to meet their regulatory capital obligations subject to caps and certain conditions including that the entity remains a controlled entity of the Company.

18. Subsequent events

The Company declared an interim dividend of \$0.01 per ordinary share fully franked to be paid on 8 April 2022. The Company's Dividend Reinvestment Plan (DRP) has been activated for this dividend.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

19. Disaggregated information by fund

The financial information by individual benefit funds are set out below. The solvency requirements are all nil as a result of the APRA Prudential Capital Requirements and Prudential Standard LPS 110 Paragraph 46.

	Assurance Fund	Oddfellows Fund	Total Life Insurance	Funeral Fund	Heritage Investment Bond Fund	Investment Bond	Cash Achiever	Deferred Annuity 39	Deferred Annuity 46
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Investment Linked ("N-IL")</i>									
As at 31 Dec 2021									
Financial assets	-	7,511,536	7,511,536	633,789	3,199,276	-	-	635,019	120,123
Other assets	-	-	-	-	-	-	-	1,816	924
Policy liabilities	-	6,967,494	6,967,494	585,351	3,034,957	-	-	599,831	119,802
Other liabilities	-	544,041	544,041	48,438	164,319	-	-	37,003	1,245
Retained earnings	-	-	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
For half year ended 31 Dec 2021									
Premium revenue	-	-	-	-	-	-	-	-	-
Investment income	-	291	291	-	29	-	-	253	47
Claims expense	-	54,326	54,326	-	-	-	-	-	-
Other expenses	-	6,691	6,691	6,338	11,082	-	-	4,691	908
Realised gain/(loss)	-	-	-	-	-	-	-	-	-
Unrealised gain/(loss)	-	2,792	2,792	240	1,216	-	-	241	48
Actuarial gain/(loss)	-	57,934	57,934	-	-	-	-	-	-
Operating profit/(loss) before tax	-	-	-	(6,098)	(9,837)	-	-	(4,157)	(813)
Operating profit/(loss) after tax	-	-	-	(6,098)	(10,211)	-	-	(3,533)	(691)
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-
As at June 2021									
Financial assets	-	7,007,561	7,007,561	630,737	3,115,623	-	-	607,029	124,150
Other assets	-	17,867	17,867	-	804	-	-	1,156	795
Policy liabilities	-	7,025,428	7,025,428	629,767	3,106,403	-	-	607,437	120,493
Other liabilities	-	-	-	970	10,024	-	-	748	4,452
Retained earnings	-	-	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
For half year ended 31 Dec 2020									
Premium revenue	43	-	43	-	-	-	-	-	-
Investment income	169	26,667	26,836	2,614	12,065	4,017	2,095	2,776	244
Claims expense	6,300	56,731	63,031	-	-	-	-	-	-
Other expenses	983	73,536	74,519	7,305	12,138	4,237	1,475	6,206	1,723
Realised gain/(loss)	-	-	-	-	-	-	-	-	-
Unrealised gain/(loss)	-	-	-	-	-	-	-	-	-
Actuarial gain/(loss)	6,968	103,599	110,567	-	-	-	-	-	-
Operating profit/(loss) before tax	(103)	(1)	(104)	(4,691)	(72)	(220)	620	(3,212)	(1,479)
Operating profit/(loss) after tax	-	(1)	(1)	(4,691)	(3,497)	(1,231)	434	(2,739)	(1,257)
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-

The Assurance Fund, Investment Bond and Cash Achiever were fully redeemed as of 30 June 2021 and terminated following APRA's approval on 31 December 2021.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

	Druids Funeral Fund \$	Druids Flexi Fund \$	No. 1 Cash & Deposits \$	No. 2 Aust Fixed Interest \$	No. 3 Aust Hybrid \$	No. 4 Int'l Fixed Interest \$	No. 5 Real Income \$	No. 5A Int'l Prop. Securities \$	No. 5B Global Infrastructure \$
	N-IL		Investment Linked						
As at 31 Dec 2021									
Financial assets	4,573,415	4,265,635	49,386,815	33,408,172	9,047,868	43,759,254	15,280,251	14,965,909	51,341,456
Other assets	-	-	8,748	291,725	224,203	135,066	86,775	59,488	978,831
Policy liabilities	4,438,773	4,127,184	49,385,419	33,667,091	9,242,821	43,844,252	14,922,658	14,067,310	51,190,982
Other liabilities	134,643	138,451	10,144	32,806	29,250	50,068	444,367	958,086	1,129,306
Retained earnings	-	-	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
For half year ended 31 Dec 2021									
Premium revenue	-	-	-	-	-	-	-	-	-
Investment income	48	161	6,922	91,037	113,559	103,260	146,939	116,718	978,905
Claims expense	-	-	-	-	-	-	-	-	-
Other expenses	22,868	21,139	101,338	157,501	43,619	199,100	63,818	63,591	223,836
Realised gain/(loss)	-	-	(1,455)	(67,780)	(32,011)	(47,207)	(5,012)	(1,132)	(61,535)
Unrealised gain/(loss)	1,536	1,423	(7,736)	(506,117)	(201,303)	(153,592)	1,515,356	1,386,927	3,211,925
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	(21,284)	(19,555)	(45,764)	(637,399)	(162,890)	(293,342)	1,594,968	1,439,696	3,910,058
Operating profit/(loss) after tax	(21,284)	(19,603)	(45,094)	(512,913)	(136,814)	(271,055)	1,140,531	1,075,023	2,915,721
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-
As at June 2021									
Financial assets	4,572,436	4,188,588	37,532,899	33,166,512	8,691,231	41,194,008	11,750,807	12,075,941	42,244,609
Other assets	1,239	1,288	2,145	176,861	311,794	127,074	343,684	348,224	872,242
Policy liabilities	4,569,867	4,179,962	37,518,496	33,249,467	8,895,315	41,089,152	12,084,906	11,724,582	42,652,666
Other liabilities	3,808	9,914	16,548	93,906	107,710	231,930	9,585	699,583	464,185
Retained earnings	-	-	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
For half year ended 31 Dec 2020									
Premium revenue	-	-	-	-	-	-	-	-	-
Investment income	18,719	15,265	26,327	441,247	101,392	938,050	99,500	104,673	792,903
Claims expense	-	-	-	-	-	-	-	-	-
Other expenses	23,953	21,527	78,363	142,199	41,891	174,646	44,033	45,148	164,830
Realised gain/(loss)	-	-	137	(12,037)	(1,670)	(18,712)	(359,226)	(52,221)	-
Unrealised gain/(loss)	-	-	4,340	223,147	126,617	613,164	1,135,159	1,055,736	(122,450)
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	(5,234)	(6,262)	(21,546)	514,018	184,464	1,363,371	831,915	1,063,971	510,439
Operating profit/(loss) after tax	(5,234)	(10,842)	(29,774)	325,789	122,236	927,181	528,059	747,673	287,042
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-

Notes to the Interim Condensed Consolidated Financial Statements (continued)

	No. 6 Aust Shares \$	No. 6A Aust Mkt Neutral \$	No. 7 Aust Shares Small Cap. \$	No. 8 Int'l Shares \$	No. 8A Int'l Shares \$	No. 9 Int'l Shares Small Cap. \$	No. 10 Diversified Growth \$	No. 10A Absolute Return Income \$	No. 10B Diversified Balanced \$
<i>Investment Linked</i>									
As at 31 Dec 2021									
Financial assets	52,264,716	4,110,994	26,722,007	123,399,346	18,825,465	18,185,311	32,337,457	12,606,382	8,720,196
Other assets	1,031,658	23,462	661,218	499,835	1,075	84,887	32,305	160,739	132,080
Policy liabilities	52,716,215	4,132,052	26,441,089	118,450,038	18,042,399	16,970,384	31,711,430	12,739,415	8,804,518
Other liabilities	580,160	2,404	942,135	5,449,144	784,141	1,299,815	658,331	27,706	47,758
Retained earnings	-	-	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
For half year ended 31 Dec 2021									
Premium revenue	-	-	-	-	-	-	-	-	-
Investment income	1,031,723	13	661,258	506,323	25	84,916	32,352	85,078	132,102
Claims expense	-	-	-	-	-	-	-	-	-
Other expenses	248,362	14,449	124,917	1,337,581	78,600	79,914	140,810	56,492	30,445
Realised gain/(loss)	(85,493)	(1,815)	21,050	2,331,680	(3,963)	(1,294)	18,081	(23,980)	(1,759)
Unrealised gain/(loss)	1,611,232	69,578	1,634,267	6,041,732	1,370,297	929,461	1,285,823	(60,733)	(61,848)
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	2,310,661	55,373	2,195,680	7,729,988	1,290,801	933,242	1,195,647	(55,843)	41,906
Operating profit/(loss) after tax	1,774,281	19,615	1,707,374	5,812,995	956,762	703,427	873,206	(57,617)	24,476
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-
As at June 2021									
Financial assets	50,408,266	2,669,839	24,170,428	113,927,016	13,116,846	15,958,918	27,061,524	11,406,028	3,913,785
Other assets	2,198,520	59,459	170,810	77,412	464,158	541,157	2,816,671	397,794	72,929
Policy liabilities	52,150,796	2,636,845	23,889,651	110,301,297	13,030,305	15,283,197	28,774,959	11,682,913	3,925,080
Other liabilities	455,990	92,453	451,587	3,703,131	550,699	1,216,878	1,103,236	120,909	61,634
Retained earnings	-	-	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
For half year ended 31 Dec 2020									
Premium revenue	-	-	-	-	-	-	-	-	-
Investment income	508,993	5	204,780	397,296	13	44,627	14	91,132	66,545
Claims expense	-	-	-	-	-	-	-	-	-
Other expenses	211,960	8,944	90,954	1,155,733	29,311	53,962	120,437	47,240	17,189
Realised gain/(loss)	(252,929)	(5,286)	(65,464)	164,263	(52,816)	(18,859)	(44,547)	(1,667)	-
Unrealised gain/(loss)	3,169,159	323,832	2,577,380	490,856	667,465	1,955,348	2,688,475	91,142	97,623
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	3,216,828	309,927	2,629,205	(1,193,908)	586,078	1,927,433	2,525,165	134,775	149,772
Operating profit/(loss) after tax	1,889,674	219,339	2,242,522	(1,149,550)	409,474	1,401,627	1,771,640	80,828	101,751
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-

Notes to the Interim Condensed Consolidated Financial Statements (continued)

	No. 11 Aust Shares Index \$	No. 11A Int'l Shares Index (Unhedged) \$	No. 12 Int'l Shares Index (Hedged) \$	No. 12A Aust Fixed Interest \$	No. 12B Prop. Sec Index \$	No. 12C Diversified Conservative Index \$	No. 12D Diversified Growth Index \$	No. 13 Credit Securities \$	No. 14 Aust Large Companies \$
<i>Investment Linked</i>									
As at 31 Dec 2021									
Financial assets	136,842,571	64,702,272	60,360,037	34,977,654	42,421,924	118,674,513	235,954,551	14,622,543	2,925,202
Other assets	1,942,761	3,526	50,506	269,574	81,075	561,084	1,255,755	115,204	19,192
Policy liabilities	132,426,247	60,642,241	56,660,696	35,168,006	39,812,543	118,343,341	231,523,285	14,691,304	2,941,755
Other liabilities	6,359,082	4,063,557	3,749,848	79,222	2,690,456	892,255	5,687,020	46,442	2,638
Retained earnings	-	-	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
For half year ended 31 Dec 2021									
Premium revenue	-	-	-	-	-	-	-	-	-
Investment income	2,381,046	102	27,947	260,945	243,046	968,948	2,516,719	178,107	64,893
Claims expense	-	-	-	-	-	-	-	-	-
Other expenses	667,199	295,397	272,587	176,087	189,372	432,185	852,147	66,459	11,249
Realised gain/(loss)	(64,270)	(8,627)	(201,993)	(89,518)	(3,039)	(153,613)	44,063	(16,757)	(427)
Unrealised gain/(loss)	2,844,810	6,236,813	5,014,502	(608,547)	5,127,434	888,384	6,472,352	(202,057)	(58,166)
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	4,510,778	5,944,075	4,572,054	(608,166)	5,186,651	1,298,104	8,255,059	(105,865)	(4,339)
Operating profit/(loss) after tax	4,362,047	4,655,984	3,650,619	(482,935)	3,838,915	893,339	7,093,447	(102,558)	16,538
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-
As at June 2021									
Financial assets	123,636,748	49,520,997	45,941,348	31,371,087	33,502,217	101,420,897	186,039,940	13,073,971	1,604,783
Other assets	3,446,195	2,098,975	8,910,271	562,186	316,423	1,021,930	2,882,283	75,033	7,285
Policy liabilities	120,133,633	48,331,030	49,465,694	31,626,565	32,335,797	100,698,136	182,442,109	13,074,574	1,579,755
Other liabilities	6,949,310	3,288,942	5,385,925	306,708	1,482,843	1,744,691	6,480,114	74,430	32,313
Retained earnings	-	-	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
For half year ended 31 Dec 2020									
Premium revenue	-	-	-	-	-	-	-	-	-
Investment income	1,211,893	35	19,185	257,488	275,875	1,531,742	2,216,518	161,525	8,999
Claims expense	-	-	-	-	-	-	-	-	-
Other expenses	462,670	177,218	186,772	159,330	129,415	308,925	488,910	49,584	9,466
Realised gain/(loss)	(113,842)	(68,463)	23,727	(10,611)	(240,945)	3,215,146	3,120,357	(9,162)	(27,717)
Unrealised gain/(loss)	10,736,626	3,193,300	6,869,055	61,947	4,929,369	(840,904)	7,046,165	100,279	66,268
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	11,384,922	2,954,223	6,728,027	153,515	4,838,354	3,612,675	11,914,450	205,130	38,324
Operating profit/(loss) after tax	8,449,195	2,178,388	5,094,230	92,625	3,398,236	2,904,146	9,101,269	134,607	11,391
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-

Notes to the Interim Condensed Consolidated Financial Statements (continued)

	No. 14A Term Deposits \$	No. 14B Short Term Fixed Interest \$	No. 15 Aust Shares \$	No. 16 Geared Aust Shares \$	No. 17 Int'l Shares \$	No. 18 Mortgage * \$	No. 19 Diversified Growth \$	No. 20 Industrial Shares \$	No. 21 Australian Shares ESG \$
<i>Investment Linked</i>									
As at 31 Dec 2021									
Financial assets	62,848,399	10,562,136	30,356,406	24,985,835	15,482,901	-	41,858,696	19,884,506	27,254,615
Other assets	42,561	53,240	57,481	1,182,923	111,398	-	204,052	13,797	-
Policy liabilities	62,821,142	10,588,938	29,240,758	24,276,827	14,063,156	-	41,528,652	19,231,074	25,479,723
Other liabilities	69,817	26,437	1,173,128	1,891,931	1,531,143	-	534,095	667,229	1,774,893
Retained earnings	-	-	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
For half year ended 31 Dec 2021									
Premium revenue	-	-	-	-	-	-	-	-	-
Investment income	96,498	79,003	687,663	1,182,977	111,437	-	204,146	129,537	856,621
Claims expense	-	-	-	-	-	-	-	-	-
Other expenses	184,060	26,680	300,917	119,143	69,946	-	194,474	145,112	117,750
Realised gain/(loss)	-	(4,648)	1,125,541	(4,117)	(3,275)	-	(429)	1,163,493	(3,587)
Unrealised gain/(loss)	-	(64,773)	(628,181)	478,328	332,092	-	1,305,848	(1,336,401)	956,170
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	(81,687)	(17,071)	877,663	1,540,115	371,732	-	1,316,645	(186,379)	1,691,561
Operating profit/(loss) after tax	(109,836)	(19,045)	1,453,631	1,911,045	440,237	-	925,800	238,413	1,542,597
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-
As at June 2021									
Financial assets	65,162,993	10,321,114	29,235,126	24,449,078	13,256,870	-	37,420,426	20,319,270	23,627,152
Other assets	63,612	59,223	141,886	476,436	-	-	4,076,225	49,725	-
Policy liabilities	65,105,771	10,318,828	27,203,296	22,662,027	11,653,868	-	40,220,542	18,423,281	21,924,125
Other liabilities	120,834	61,509	2,173,716	2,263,487	1,603,002	-	1,276,109	1,945,714	1,703,027
Retained earnings	-	-	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
For half year ended 31 Dec 2020									
Premium revenue	-	-	-	-	-	-	-	-	-
Investment income	297,351	56,570	215,472	174,709	12	-	35,560	136,607	115,579
Claims expense	-	-	-	-	-	-	-	-	-
Other expenses	205,671	23,975	227,364	68,378	46,697	-	167,466	483,321	78,975
Realised gain/(loss)	-	(2,452)	127,395	(273,284)	51,272	-	(156,664)	558,413	(30,613)
Unrealised gain/(loss)	-	115,365	3,539,494	5,162,515	1,364,071	-	3,346,940	3,396,303	3,311,223
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	96,383	146,396	3,655,458	4,997,251	1,369,327	-	3,058,836	3,609,732	3,317,656
Operating profit/(loss) after tax	10,344	103,800	2,771,268	4,307,576	1,060,412	-	2,094,334	2,769,275	2,449,246
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-

* This is a dormant fund.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

	No 22. Diversified Growth \$	No 23. Australian Income \$	No 24. Diversified Growth \$	No 25. Mortgages \$	No 26. Diversified Conservative \$	No 27. Growth \$	No 28 Long Term Portfolio \$	No 29 Worldwide Sustainability \$	No 30. Diversified High Growth Index \$	No.31 Diversified Balanced Index \$	No. 32 Diversified Conservative \$	No. 33 Diversified Balanced \$
	<i>Investment Linked</i>											
As at 31 Dec 2021												
Financial assets	83,279,801	9,244,958	142,488,703	3,076,855	8,782,171	3,563,801	5,691,483	3,473,699	137,172,525	136,465,784	2,990,642	7,618,877
Other assets	-	36,245	373,672	26,023	7,296	13,597	21,322	2,913	731,850	711,169	7,269	-
Policy liabilities	79,764,364	9,130,719	140,988,491	3,085,273	8,658,965	3,562,335	5,670,792	3,451,295	133,863,010	135,655,759	2,991,756	7,542,919
Other liabilities	3,515,438	150,484	1,873,884	17,606	130,504	15,062	42,013	25,318	4,041,367	1,521,193	6,156	75,958
Retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-	-	-	-
For half year ended 31 Dec 2021												
Premium revenue	-	-	-	-	-	-	-	-	-	-	-	-
Investment income	787,964	316,654	981,134	50,672	26,420	16,337	38,814	3,084	1,535,727	1,267,557	23,472	64,501
Claims expense	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	384,727	83,508	512,882	14,119	45,758	13,061	11,394	7,079	467,929	461,843	14,572	35,588
Realised gain/(loss)	(33,399)	61,273	463,631	-	640	2,780	173	(1,251)	-	(9,764)	(2,320)	(5,579)
Unrealised gain/(loss)	2,256,080	(156,154)	5,345,581	-	109,276	26,653	159,993	106,690	4,852,793	1,866,919	15,557	103,551
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	2,628,744	138,563	6,285,535	36,560	93,028	36,628	188,582	102,941	5,964,721	2,707,993	24,149	131,697
Operating profit/(loss) after tax	2,158,904	418,880	5,300,729	21,359	61,325	24,453	151,073	76,360	5,027,937	2,208,735	12,981	91,447
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-	-	-	-
As at June 2021												
Financial assets	76,138,239	8,914,949	135,771,149	2,664,663	8,867,678	312,215	436,448	174,314	94,219,858	90,202,645	2,062,047	5,737,439
Other assets	4,827,686	55,515	1,939,561	21,658	266,539	9,070	8,685	19,959	1,699,967	1,170,096	93,123	296,478
Policy liabilities	76,554,498	8,625,891	128,421,605	2,664,681	8,947,672	318,345	441,328	189,015	91,403,281	89,439,636	2,130,466	5,913,790
Other liabilities	4,411,427	344,573	9,289,105	21,640	186,545	2,940	3,805	5,258	4,516,544	1,933,105	24,704	120,127
Retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-	-	-	-
For half year ended 31 Dec 2020												
Premium revenue	-	-	-	-	-	-	-	-	-	-	-	-
Investment income	264,128	132,589	1,410,748	43,590	45,246	-	-	-	750,539	913,976	3,131	19,966
Claims expense	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	333,661	64,929	375,638	12,367	34,814	-	-	-	216,934	188,232	5,836	19,926
Realised gain/(loss)	(94,497)	125,349	(87,881)	-	(7,073)	-	-	-	272,729	(178,007)	(2,664)	(9,330)
Unrealised gain/(loss)	6,603,637	518,375	10,996,066	-	291,267	-	-	-	4,452,253	2,676,913	56,203	296,167
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	6,442,794	711,417	11,951,135	31,837	295,193	-	-	-	5,306,604	3,238,910	50,835	286,976
Operating profit/(loss) after tax	4,675,577	532,839	9,237,348	18,252	200,705	-	-	-	3,960,760	2,386,303	33,228	197,435
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-	-	-	-

Notes to the Interim Condensed Consolidated Financial Statements (continued)

	No. 34 Diversified High Growth \$	No. 35 Tax Effective Equity \$	No. 36 Int'l Shares Emerging Markets \$	No. 37 Diversified Fixed Income \$	No. 38 Aust Shares Concentrated \$	No. 39 Aust Shares Sustainability \$	No. 40 Diversified Balanced \$	No. 41 Diversified ESG Balanced \$	No. 42 Yield Focused Shares \$
	<i>Investment Linked</i>								
As at 31 Dec 2021									
Financial assets	5,773,182	26,280,234	7,474,576	7,079,022	45,776,325	5,105,705	24,179,299	5,371,527	8,144,651
Other assets	385	1,991,408	13,913	67,651	74,947	71,920	51,186	12,618	28,986
Policy liabilities	5,634,585	25,713,764	7,482,359	7,121,155	43,825,052	5,083,445	24,055,747	5,307,257	8,056,936
Other liabilities	138,981	2,557,877	6,131	25,517	2,026,220	94,180	174,736	76,888	116,701
Retained earnings	-	-	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
For half year ended 31 Dec 2021									
Premium revenue	-	-	-	-	-	-	-	-	-
Investment income	12	732,302	20	70,312	75,028	71,941	112,882	16,314	253,229
Claims expense	-	-	-	-	-	-	-	-	-
Other expenses	23,214	138,370	32,528	18,197	196,800	23,481	74,586	21,235	42,897
Realised gain/(loss)	(1,465)	(1,058,699)	(34,190)	370	(36,328)	(9,757)	9,869	(11,080)	49,002
Unrealised gain/(loss)	244,666	711,654	(470,819)	(109,749)	2,833,634	200,976	423,328	269,646	(124,881)
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	220,334	252,497	(536,486)	(54,168)	2,684,931	241,209	480,106	254,627	135,553
Operating profit/(loss) after tax	165,101	688,834	(386,887)	(42,444)	2,094,517	189,754	369,408	180,868	261,783
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-
As at June 2021									
Financial assets	3,973,096	16,688,838	5,994,484	1,536,073	30,332,246	3,920,331	14,818,609	3,419,640	6,954,368
Other assets	343,277	144,124	429,609	527	1,321,323	290,252	153,292	375,265	38,993
Policy liabilities	4,146,626	16,000,638	6,162,028	1,536,500	29,919,682	4,038,749	14,647,545	3,684,725	6,747,992
Other liabilities	169,747	832,324	262,065	100	1,733,887	171,834	324,356	110,180	245,369
Retained earnings	-	-	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
For half year ended 31 Dec 2020									
Premium revenue	-	-	-	-	-	-	-	-	-
Investment income	3	91,660	6	-	21	18,564	78,345	12,316	3,624
Claims expense	-	-	-	-	-	-	-	-	-
Other expenses	11,682	43,752	12,415	-	70,278	10,946	24,152	8,980	966
Realised gain/(loss)	(8,534)	(139,119)	(3,039)	-	-	(2,238)	-	(17,309)	4,475
Unrealised gain/(loss)	310,422	842,674	511,841	-	2,357,365	304,334	493,603	181,033	33,421
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	290,650	755,356	496,668	-	2,292,887	310,585	548,622	167,059	40,554
Operating profit/(loss) after tax	204,420	652,046	362,095	-	1,665,871	231,043	387,785	116,673	32,868
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-

Notes to the Interim Condensed Consolidated Financial Statements (continued)

	UF47 Alternatives \$	UF49 ESG Fixed Interest \$	UF50 Diversified ESG Balanced \$	UF52 International Shares (Hedged) \$	UF53 International Shares \$	Total Life Investment \$	M'gmt Fund \$
<i>Investment Linked</i>							
As at 31 Dec 2021							
Financial assets	562,974	418,136	4,526,579	5,334,078	12,387,125	2,174,766,329	5,033,986
Other assets	3,360	1,087	20,278	1,654	-	14,649,713	33,699,345
Policy liabilities	566,007	419,009	4,521,614	5,289,788	12,273,825	2,128,389,880	-
Other liabilities	327	214	25,245	45,943	113,299	61,026,155	4,298,371
Retained earnings	-	-	-	-	-	-	16,603,992
Reserve	-	-	-	-	-	-	681,000
Issued capital	-	-	-	-	-	-	17,149,968
For half year ended 31 Dec 2021							
Premium revenue	-	-	-	-	-	-	-
Investment income	1	6	20,287	10	21	20,546,004	-
Claims expense	-	-	-	-	-	-	-
Other expenses	1,808	1,655	10,957	16,078	37,779	9,844,208	5,993,458
Realised gain/(loss)	-	(2,887)	(239)	(6,510)	-	3,189,442	-
Unrealised gain/(loss)	(10,936)	(1,162)	80,544	288,315	85,067	63,935,803	-
Actuarial gain/(loss)	-	-	-	-	-	-	-
Operating profit/(loss) before tax	(12,743)	(4,795)	89,695	268,687	54,037	78,414,593	4,090,020
Operating profit/(loss) after tax	(9,542)	(3,710)	66,882	191,455	73,601	65,620,539	9,427,848
Solvency requirement (\$'000)	-	-	-	-	-	-	6,117
Solvency reserve ratio	-	-	-	-	-	-	130%
As at June 2021							
Financial assets	442,967	32,774	805,586	1,195,301	4,372,372	1,792,419,566	4,387,611
Other assets	493	2	12,489	168,083	-	46,859,970	25,988,599
Policy liabilities	443,340	32,757	814,718	1,325,594	4,241,885	1,768,095,574	-
Other liabilities	120	19	3,357	37,790	130,487	71,183,962	3,792,796
Retained earnings	-	-	-	-	-	-	14,752,422
Reserve	-	-	-	-	-	-	681,000
Issued capital	-	-	-	-	-	-	11,149,992
For half year ended 31 Dec 2020							
Premium revenue	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	14,378,864	-
Claims expense	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	7,215,049	9,016,260
Realised gain/(loss)	-	-	-	-	-	5,294,385	-
Unrealised gain/(loss)	-	-	-	-	-	98,420,583	-
Actuarial gain/(loss)	-	-	-	-	-	-	-
Operating profit/(loss) before tax	-	-	-	-	-	110,010,098	(1,510,082)
Operating profit/(loss) after tax	-	-	-	-	-	81,672,044	1,442,830
Solvency requirement (\$'000)	-	-	-	-	-	-	4,833
Solvency reserve ratio	-	-	-	-	-	-	127%



Independent Auditor's Review Report

To the shareholders of Generation Development Group Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Generation Development Group Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Generation Development Group Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2021 and of its performance for the **Half-year Period** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2021;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Interim Period ended on that date;
- Notes 1 to 19 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises Generation Development Group Limited (the Company) and the entities it controlled at the Half-year's period end or from time to time during the Half-year.

The **Half-year Period** is the 6 months ended on 31 December 2021.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



KPMG



Dean Waters

Partner

Melbourne

25 February 2022

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