

Guild Group Holdings Limited

Annual Report 2024



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CEO Report



Paul Cassidy

B. Sci (Statistics & Information Technology), FIAA (Group CEO)

The past year has seen increased social division, political conflict and climate disruption making our lives more challenging, particularly for the most vulnerable amongst our communities. In the face of these challenges, the Guild Group's support for our shareholder's mission to improve the health and wellbeing of all Australians is as important as ever. We strive to deliver products and services that make the lives of those in the healthcare and community services sectors more assured so that our communities may continue to thrive.

This is why our team at Guild take great pride in living our purpose, there for those our communities rely on. We believe that our strong sense of community and the care that we show each other, our customers, partners and suppliers make us stand out from peer organisations and differentiates our service offerings. Over the past year we have continued our commitment to the industries we support, across all our businesses in the legal services, insurance and community pharmacy sectors.

Reflecting on the year, 2023-24 has been one of repositioning for the Guild Group and we have achieved some significant milestones. Our pathway ahead will see us embark on an ambitious transformation journey, to become the first-choice provider of products and services that support allied health and help community services professionals thrive. This is a vital shift that will enable us to meet the changing needs of our shareholder, while also delivering outcomes that will benefit our customers, and improve the health and wellbeing of all Australians.

By holding our customers, our people and our shareholder at the core of everything we

do – we have once again achieved some significant milestones over the past year.

One of these milestones was the divestment of our superannuation business in December. Guild Group Holdings entered a strategic partnership with the Pharmacy Guild of Australia and Future Group to improve superannuation services and outcomes for Guild Super and Childcare Super members and to ensure its ongoing sustainability. Importantly, the strategic partnership with Future Group provided improved outcomes for members via reduced fees, expanded investment capability and increased services such as intra-fund advice. I would like to acknowledge the commitment of the entire team throughout this transition, led by Guild Trustee Services Executive General Manager, Greg Everett.

It has been another strong year for our insurer, Guild Insurance Limited. The business has delivered strong revenue growth and improvements in the performance of their intermediary division, Acerta. Whilst the insurer's overall year-on-year profit result will be down on last year, the Acerta division has delivered its strongest profit on record and contributed 40% of the insurers profit over the past year. Against this, unanticipated increases in the number and severity of claims from our NSW workers compensation specialist licence, an increase in arson attacks and other large property claims and several severe storm events on our East Coast have all dragged down the insurer's profit.

Positively, insurance premiums written increased by 11% over the prior financial year and most pleasingly, our customers have continued to choose us for their insurance needs with an 89% average retention rate in our Direct channel. This result has been driven by sustained high customer satisfaction levels, demonstrated via a healthy Net Promoter Score which continues to exceed 50%. Additionally, research conducted during the year validated the high level of trust felt by our regional customers who rated us 8.7 out of 10 for satisfaction. This is driven by putting our customers at the core of everything we do which we illustrated during a number of challenging incidents over the past year including the horrific incident at Westfield Bondi Junction Shopping Centre in NSW and our response to significant weather events along our East Coast.

Our insurer has also progressed its strategic agenda, successfully delivering significant improvements in how they support their customer base, which has also resulted in tangible financial benefits across its operations. They have embraced technology enhancements and Artificial Intelligence tools to simplify and modernise the way they work; enhanced the functionality of Policy Hub, its self-serve policy management system; uplifted the approach to managing impacts of Natural Perils; while transforming the ways of working in the Claims Team to speed up our response to property repair claims by enhancing claims governance and supplier optimisation including a new fast tracked claim process for small claims and new Partner Builder repair model which have more than halved the average time taken to repair properties.

Leading national legal firm, Meridian Lawyers continues to perform admirably, focusing on its strategic initiatives and achieving over 40% year-on-year revenue growth and an impressive profit increase of 80% over the past year.

The team has welcomed 55 new employees over the year and have continued to attract key clients, while securing panel appointments, and enhancing its service offer to include CTP, professional risks, recoveries, fraud and investigations and cyber legal services.

Meridian has also featured prominently in insurance industry and legal profession related media platforms, was recognised as a Tier 1 firm in Insurance Law on a national scale and 27 of its practicing team were recognised for their professionalism and expertise in the 2025 edition of The Best Lawyers in Australia. This is an outstanding achievement given that these awards are peer voted across the profession.

The Meridian team are well positioned to continue their evolution in the year ahead including a focus on integrating AI and digital solutions into their processes and systems, enabling them to continue to appropriately reward their team despite industry wide pressure on fees.

To round out our businesses performance, Gold Cross has continued to support community pharmacy, by delivering unique, exclusive and market leading products and services to the industry. The team were

CEO Report

successful in continuing to secure the support of the broader pharmacy industry for its Glucojel brand following its deranging by Chemist Warehouse in the prior year.

In March, Gold Cross also rebranded its ITK publication to Australasian Pharmacy and it is now published in New Zealand as well as Australia. Importantly, partnerships continued to grow across the year, with the team adding new partners to the existing portfolio of organisations offering benefits to Pharmacy Guild of Australia members.

Our businesses continue to be supported by a centralised shared services team. Across the year, these teams have focussed on optimising ways of working, and investing in core capabilities. This has been complemented by an uplift in our Risk Management culture and a focus on how new technologies and AI will enable our businesses in the future.

Our #CONNECT program which was designed to create space and spaces for our teams to innovate new customer solutions, reduce waste and reinvest cost and opportunity savings to boost our Employee Value Proposition and our people's experience at work concluded 12 months ahead of schedule at 30 June 2024. Of particular note, the program has successfully progressed our approach to Diversity, Equity, Inclusion and Belonging, and our Environment, Social and Governance (ESG) maturity. Again delivering cost savings to the Group over the past year, #CONNECT was delivered under budget. This work has been a key driver of Employee Engagement score remaining strong this year at 76%.

I would like to finish by expressing my gratitude to our customers and clients who have chosen and continue to choose Guild products and services. It is a privilege to be your provider of choice and to be trusted to support you, especially in times of need. I also thank the Pharmacy Guild of Australia, our shareholder, for their continued support – especially as we have navigated our future priorities together over the past year. Importantly, I thank the Guild team for their continued commitment and passion to delivering outstanding products and services for our communities in a way that lives our company values.

As I reflect on the year, the Board and I also look to the future at Guild with enthusiasm

and great optimism. Our performance in 2023-24 has set us up well to deliver on our strategic plan and our growth ambitions in the new year, while continuing to service our customer and client base with outstanding products and services.

Report of Directors

1. DIRECTORS

Your Directors present their report on the consolidated Group consisting of Guild Group Holdings Limited and the entities it controlled for the year ended 30 June 2024.

The names and details of the company's Directors in office during the financial year and up to the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.



Andrew Bloore (Chair)
(Non-Executive Director)

Andrew has been described as a serial entrepreneur and has been involved in the establishment, design, funding, commercialisation, and ultimate sale (both trade sale and IPO) of a number of businesses in a diverse range of industries. Andrew has stood as a CEO for over 20 years. Andrew has sat on a wide range of Australian Tax Office (ATO) and Treasury Committees, including the Simple Super Legislation Committee, ATO Regulations Review and a range of Senate Select Committees. Effective as at 30 June 2024, Andrew holds the following positions: Chair of Guild Group Holdings. Non Executive Director Guild Insurance Limited Steadfast Group Ltd, Insignia Financial Limited (ASX:IFL), IOOF Investment Management Ltd, OnePath Custodians Pty Ltd, Oasis Fund Management Limited, NULIS Nominees (Australia) Ltd, Simonds Group Ltd.



Catherine Dubé
BSc Mathematics, FIAA, FSA, GAICD
(Non-Executive Director)

Catherine is an Actuary with over 25 years' experience in financial services. From 2012 to 2020, Catherine was Chief Risk Officer at AIG where she was responsible for the development and execution of the risk management strategy for the Australasian region. Prior to this role, Catherine held a number of senior corporate and consultancy positions across the general, life and health insurance sectors. Catherine is a Fellow of the Actuaries Institute, a Fellow of the Society of Actuaries and a graduate of the Australian Institute of Company Directors. Effective as at 30 June 2024, Catherine holds the following positions: Non-Executive Director of Guild Group Holdings Limited and Guild Insurance Limited, Chair of the Guild Group Audit and Risk Committees. Non-Executive Director and Chair of Board Audit Committees for MLC Limited, Assetinsure Limited and Challenger Retirement and Investment Services Limited. Member of the ACT Public Trustee and Guardian Investment Board.

Report of Directors



Michael Kay
LLB (Non-Executive Director)

Michael is an experienced Non-Executive Director and Chairperson. Michael is the current Chairman of Omni Bridgeway (ASX: OBL) and City Chic Collective Ltd (ASX:CCX). In June 21 Michael retired as a Non-Executive Director of Royal Automobile Club Insurance Limited, after a twelve-year tenure. He has also been the Chairman of ApplyDirect Limited (ASX:AD1) and Lovisa Holdings Limited (ASX:LOV). Michael was the Chief Executive Officer and Managing Director of salary packaging company McMillan Shakespeare (ASX: MMS), a position he held for six years. Prior to this Michael was the Chief Executive Officer of national insurer AAMI after serving in a variety of senior roles within that company. Michael has also spent 12 years in private legal practice. Effective as at 30 June 2024, Michael holds the following positions: Chairman of Omni Bridgeway (ASX: OBL) and City Chic Collective Ltd (ASX:CCX). Chairman/ Non-Executive Director Guild Insurance Limited, Non-Executive Director Guild Group Holdings Limited.



Anna McCreery
BA(Econ) (Non-Executive Director)

Anna has over 20 years of executive experience in both Investment and Private Banking both onshore and offshore. After a successful career in Investment banking dealing with Australian corporates and then international hedge funds on behalf of Citibank Anna moved into Private Banking. While working for UBS Anna ran the Australian team in Singapore building that part of the business from a one person operation to a successful team of 40 people. From here Anna moved back to Australia into a senior executive role at Credit Suisse, before becoming Head of Private Clients for NAB and her final executive role at Macquarie Bank where she was Head of Strategic Client Coverage.

Throughout her career Anna was well known in the market, both onshore and offshore, for transforming businesses and their culture, leading to both short term and sustainable growth and profitability. She has a wealth of experience dealing with multinationals, Investment Banks, IPO's, corporate strategy, family boards, venture capital and private equity investments. Effective as at 30 June 2024, Anna holds the following positions: Non Executive Director - Guild Group Holdings Limited & Guild Insurance Limited.

Anna was appointed a director on 16 October 2023.



Chris Owen
B. Pharmacy (Rural) MACP FAICD
GIA(Affiliated) (Non- Executive Director)

Chris is an experienced director and owner of a collective of SME's for over a decade, Chris has a multi-disciplinary skill set with a particular focus on governance, finance & audit. He is the currently the Queensland Branch President & National Vice-President Finance of the Pharmacy Guild of Australia. He is a Fellow of the Australian Institute of Company Directors and former President of Australasian College of Pharmacy.

Chris has demonstrated ability in governance oversight, strategic direction and advice to drive operational excellence, proper financial management and organizational leadership.

Chris' background is as a regional community pharmacist with has a keen interest in rural health and pharmacy education. He has practical experience and degree qualifications in rural pharmacy as well as offering specialist services in Sexual Health; particularly HIV prevention and treatment. Effective as at 30 June 2024, Chris holds the following positions: Non-Executive Director Guild Group Holdings Limited, Guild Insurance Limited. Director & Secretary – New Farm Pharmacy Pty Ltd, Highfields Pharmacy Pty Ltd, Director - Guildprop Pty Ltd.

Report of Directors



Nick Panayiaris

BSc, BPharm, MAICD (Non-Executive Director)

Nick is a practising pharmacist with over 25 years' experience and is an owner of a community pharmacy in South Australia. Nick is the SA State President and the Senior National Vice President of the Pharmacy Guild of Australia and has been a National Councillor for 10 years. He was the Chair of the Guild's Member Services and Innovation Committee and is a current member of the Health Economic and Policy Committee which negotiated the 6th and 7th Community Pharmacy Agreement.

Effective as at 30 June 2024, Nick holds the following positions: Non Executive Director Guild Trustee Services Pty Ltd, Guild Group Holdings Ltd, Guild Insurance Limited, Gold Cross Products & Services Pty Ltd, Board member of the World Pharmacy Council, immediate past member of the Priceline Brand Advisory Committee, the co-Chair and member of the Guilds CP2025 project and is a Lifetime and Board member of the Adelaide Comets Football Club

Nick was appointed a director on 1 May 2024



Anthony Tassone

B.Pharm (Hon), FAICD (Non-Executive Director)

Anthony is a community pharmacist and has been a proprietor of community pharmacies since 2006 in outer south eastern Melbourne. He has been the Victorian Branch President of the Pharmacy Guild of Australia since 2013.

His pharmacies have been recognised for community engagement and customer service excellence on multiple occasions at both a State and National level. Over the past decade, Anthony has served on a range of advisory boards for multi-national pharmaceutical companies and had advisory roles with State and Federal governments.

In 2019, Anthony was the recipient of the Holt Australia Day Award recognising his contribution to health promotion, primary healthcare, and volunteerism in the community.

In 2021, Anthony was appointed the National Vice President of Health Economics and Policy for the Pharmacy Guild of Australia— which leads engagement and negotiation with the Commonwealth Government and Department of Health for five yearly Community Pharmacy Agreements. Effective as at 30 June 2024, Anthony holds the following positions: Non Executive Director - Guild Trustee Services Pty Ltd, Guild Group Holdings Limited, Guild Insurance Limited, MedAdvisor Limited, Guild Properties Victoria Pty Ltd. Director & Secretary - TasLau Pty Ltd, Pharmacy on Clyde Pty Ltd.



Kevin Behrens

BEco, GradDipBIS, GradDipAFI, CA ANZ (Company Secretary)

Kevin is a financial professional with broad experience working in Professional Services, and ASX/Publicly listed entities. He has held management roles in NAB, AXA Asia, EY and Arthur Anderson prior to joining Guild Group.

Report of Directors



Dunia Wright

BA (Hons), LLB

Dunia is a lawyer with over 30 years' broad commercial experience and 12 years as an executive in investment and funds management, including as Head of IFM Investors US & Europe in New York (\$20b+ FUM). She has deep experience in structuring, capital raising, M&A transactions, statutory reporting & requirements, investment and client administration, the setting up of investment teams and risk and governance frameworks in Australia, the US and the UK.

Dunia has held Board positions, both domestically & internationally, on core infrastructure and social infrastructure assets, such as Southern Cross Station, Darwin Airports, Wyuna Water, Dalkia Lodz (Poland), NAEA (United States).

Dunia was appointed Company Secretary on 26 September 2023.

Report of Directors cont.

2. PRINCIPAL ACTIVITIES

The principal activities during the year within the consolidated Group were:

- > general insurance underwriting;
- > providing superannuation;
 - > providing legal services; and
- > pharmaceutical products and services endorsement company.

3. CONSOLIDATED RESULTS 2024

Profit (Loss) for the year is attributable to:	2024	2023
	\$'000	\$'000
Owners of the parent	21,455	10,767
Non-controlling interest	1,515	781
Total	22,970	11,548

4. DIVIDENDS

Dividends recommended and paid in the current financial year

	2024	2023
	\$'000	\$'000
On ordinary shares	35,113	8,000

5. REVIEW OF OPERATIONS

During the 2023/2024 financial year, the Group made progress in the execution of its business strategy, while continuing to maintain a strong financial position.

The business has delivered strong revenue growth and improvements in the performance of their intermediary division, Acerta. Whilst the insurer's overall year-on-year profit result will be down on last year, the Acerta division has delivered its strongest profit on record making a significant contribution to the insurer's profit over the past year;

Our insurer experienced unanticipated increases in the number and severity of claims from our NSW workers compensation specialist licence, an increase in arson attacks, other large property claims and several severe storm events on our East Coast which have all dragged down this year's profit;

Our customers have continued to choose us for their insurance needs with an average retention rate of 89% in our Direct channel.

This result has been driven by sustained high customer satisfaction levels, demonstrated via a healthy Net Promoter Score which continues to exceed 50%. Our people continue to put the needs of our customers at the core of everything we do;

Meridian celebrated 20 years in business, growing to more than 200 staff members and 35 Principals with a national presence. Meridian also produced 42% year on year revenue growth and an impressive net profit before tax increase of 80% for FY24;

Meridian was acknowledged as a Tier 1 firm in Insurance in the inaugural Best Law Firms in Australia listing; 27 lawyers recognised as Best Lawyers in Australia Award recipients and 15 lawyers recognised in DoYLES Guide;

Meridian has also enhanced its service offer to include CTP, professional risks, recoveries, fraud and investigations and cyber legal services by welcoming 8 new Principals;

Gold Cross has continued to support community pharmacy, by delivering unique, exclusive and market leading products and services to the industry. The team were successful in continuing to secure the support of the broader pharmacy industry for its Glucojel brand following its deranging by Chemist Warehouse in the prior year; and

Guild Trustee Services, the Trustee for the Guild Retirement Fund (GRF), which included GuildSuper, Guild Pension and Child Care Super retired in its capacity as Trustee and surrendered its RSE licence effective 14 December 2023.

6. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Following completion of the divestment of the superannuation business of Guild Trustee Services Pty Ltd ("GTS") (a subsidiary of Guild Group Holdings Limited) on 14 December 2023, GTS retired in its capacity as Trustee of the Guild Retirement Fund ("GRF") which resulted in the Trusteeship of GRF transitioning to Equity Trustees Superannuation Limited.

As part of the transition, Guild Super Services Pty Ltd was sold to Future Group Australia Holdings Pty Ltd ("Future Group") resulting in Future Group becoming the promoter & owner of the Childcare Super & SuperSuper and promoter of the GuildSuper brand (under

licence), formerly managed by GTS in its capacity as Trustee of GRF.

7. SIGNIFICANT EVENTS AFTER REPORTING DATE

A dividend of \$3,200,000 was approved for declaration by the Directors at the Board meeting held on 12 September 2024 with payment of the dividend remaining subject to approval being received from the Australian Prudential Regulation Authority.

GIL reduced its Net Whole of Account Quota Share proportional treaty from 12.5% to 5.0% effective 1 July 2024.

8. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Management are positive about the prospects for the entity and the focus for the year ahead will continue to be based on three key objectives.

Customers

Commitment to customers remains the cornerstone of the business model. The goal is to continually improve the value the Group provides to existing clients while leveraging the enhanced business development capability and new distribution channels to win new customers.

People

Management seek to retain its people through providing them an environment where they can excel in and be rewarded for their achievements. Management will continue to actively seek to attract new talent into the business as it builds new opportunities and to provide career progression for existing staff. Management will continue to leverage the opportunities presented by new ways of working following the COVID-19 pandemic.

Financial Performance

Management will target strong earnings and growth targets for the year while ensuring the Group retains a well capitalised position.

9. INSURANCE CONTRACT LIABILITIES IN CONTROLLED GROUP (GUILD INSURANCE LIMITED)

Insurance Contract Liabilities are determined after consultation with the Group Actuary. The assessment takes into account the statistical analysis of past claims, allowance for claims incurred but not reported,

Report of Directors cont.

recoveries and future interest and inflation factors. The Directors consider that adequate risk adjustments are required in addition to actuarial central estimates to cover uncertainties such as changes in interest rates and superimposed inflation.

The APRA standards provide that outstanding claims must be set at a level that provides a probability of at least 75% that the provision for outstanding claims will be adequate to settle claims as they become payable in the future. The directors have satisfied themselves that the Group's outstanding claims provision exceeds this requirement. Consistent with Guild policy, the directors have also reviewed the probability of sufficiency at the 75% level and determined it to be appropriate based on the underlying risk profile and the business plan.

10. CAPITAL ADEQUACY OF GUILD INSURANCE LIMITED

Guild Insurance Limited's Common Equity Tier 1 (CET1) capital was \$150.4 million (2023: \$137.8 million) and regulatory capital of \$166.6 million (2023: \$154.7 million) At 30 June 2024 as per the requirements of the Australian Prudential Regulatory Authority's Prudential Standards. At 30 June 2024, Guild Group Holdings Limited had a CET1 multiple of 1.7 (2023: 1.7) and a PCA multiple of 1.9 (2023: 1.9).

	2024	2023
	\$'000	\$'000
I. Common Equity Tier 1 capital		
Ordinary shares	9,866	9,866
Retained earnings	136,983	128,083
Excess technical provisions (net of tax)	18,328	21,748
Less: Deductions	(14,732)	(21,848)
Common Equity Tier 1 capital (CET1 capital)	150,445	137,849
II. Additional Tier 1 capital	—	—
Total Tier 1 capital	150,445	137,849
III. Tier 2 capital		
Eligible Tier 2 capital instruments	16,840	16,840
Total Tier 2 capital	16,840	16,840
Total regulatory capital	167,285	154,689
IV. Prescribed Capital Amount (PCA)		
Insurance risk charge	57,862	51,372
Insurance concentration risk charge	5,178	4,419
Asset risk charge	35,504	33,691
Asset concentration risk charge	—	—
Aggregation benefit	(20,251)	(18,774)
Operating risk charge	10,173	9,146
Total PCA	88,466	79,854
PCA multiple	1.89	1.94
CET1 multiple	1.70	1.73

In the above Table, the Regulatory Capital includes contributed equity provided by Guild Group Holdings Limited (GGHL), which is treated as Tier 2 capital for regulatory purposes by Guild Insurance Limited (GIL). The treatment as Tier 2 capital reflects the source of the capital in the parent entity GGHL, which is Interest-bearing Tier 2 Capital. It is noted that for APRA regulatory purposes Common Equity Tier 1 CET 1 capital in a subsidiary is not intended to be funded by lesser quality capital raised by a parent.

11. ENVIRONMENTAL REGULATIONS

The operations are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

The Directors are not aware of any breaches of significant environmental regulations during the period covered by this report that are likely to result in a material impact on the Group or the environment.

Report of Directors cont.

12. MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Group entities attended by Directors (including meetings of Committees of the Board) held during the year ended 30 June 2024:

	Meeting of the Board of Directors (GGHL)	Meeting of the Board of Directors (GIL)	Meeting of the Board of Directors (GTS)	Audit Committee (GGHL)	Audit Committee (GTS)	Risk Management & Compliance Committee (GGHL)	Risk Management & Compliance Committee (GTS)	Remuneration & Nominations Committee (GGHL)	Remuneration & Nominations Committee (GTS)	Capital Committee	Investment Committee (inaugural meeting March 2024)	Meeting of the Board of Directors (Gold Cross)	Meeting of the Board of Directors (Meridian)
Number of Meetings Held	7	6	3	5	2	4	1	3	1	7	3	3	3
Number of Meetings Attended By:													
A. Bloore #	7	6	—	5	—	4	—	2	—	4	3	—	3
C. Dube	7	6	—	5	—	4	—	3	—	6	3	—	—
M. Kay #	5	5	—	3	—	1	—	3	—	3	2	—	—
A. McCreery+	4	4	—	3	—	2	—	1	—	3	3	—	—
C. Owen #	6	5	—	4	—	3	—	3	—	5	3	—	—
N. Panayiaris *	2	2	3	5	2	2	1	1	1	7	3	3	—
A. Tassone #	6	5	—	5	—	4	—	3	—	7	3	—	—
P. Baker	—	—	—	—	—	—	—	—	—	—	—	—	3
J. Dowling	—	—	—	—	—	—	—	—	—	—	—	—	3
L. Jenkinson **	—	—	3	—	2	—	1	—	1	3	—	1	—
K. Pratt ***	—	—	3	—	2	—	1	—	1	3	—	—	—
M. Pirone ****	—	—	2	—	2	—	—	—	1	—	—	—	—
P.Cassidy #	7 [^]	—	—	—	—	—	—	—	—	—	—	3	—

*N. Panayiaris was appointed to the GGHL Board on 1 May 2024

**L. Jenkinson resigned from the Gold Cross Board on 21 October 2023 & GTS on 14 December 2023

***K. Pratt resigned from the GTS Board on 14 December 2023

****M. Pirone resigned from the GTS Board on 30 September 2023

#GGHL board meetings held concurrently with Guild Superannuation Services Limited ("GSSL"). Directors of GSSL comprise A Bloore, M. Kay, C. Owen, A. Tassone & P. Cassidy.

[^] P.Cassidy as Director of GSSL only.

+A. McCreery was appointed a Director on 16 October 2023

Report of Directors cont.

13. DIRECTORS' BENEFITS

No Director of the Group has received or become entitled to receive a benefit because of a contract made by the Group or a related body corporate with the Director or a firm of which they are a member, or with an Group in which they have a substantial financial interest.

14. BOARD MEMBERSHIP

As at 30 June 2024, the following positions tabled below were held by Directors within Guild Group Holdings Limited and its subsidiaries:

	GGHL	GSS	GIL	GTS	MLL	GC
Andrew Bloore *	Chair	Chair	Director	Director	Director	
Catherine Dube	Director		Director			
Chris Owen	Director	Director	Director			Director
John Dowling					Chair	
Anthony Tassone	Director	Director	Director	Director		
Michael Kay **	Director	Director	Chair			
Anna McCreery	Director		Director			
Nick Panayiaris	Director			Chair		Chair
Paul Baker					Director	
Paul Cassidy		Director				Director

* A. Bloore resigned as Chair of Guild Insurance Limited effective 7 March 2024

** M. Kay was appointed Chair of Guild Insurance Limited effective 7 March 2024

15. INSURANCE OF OFFICERS

During the financial year, Guild Group Holdings Limited paid a premium in respect of a contract insuring the Directors, Company Secretary and Officers of the Group and its subsidiaries against exposure to liabilities incurred 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 liability and the amount of the premium.

The Group has not otherwise, during or since the financial year, indemnified or agreed to indemnify a Director, a Company Secretary, an Officer or Auditor of the company or any related body corporate against a liability incurred as such a Director, Company Secretary, Officer or Auditor.

16. NUMBER OF EMPLOYEES

The workforce of the Group stands at 592 full time equivalent employees at 30 June 2024 (585 - 30 June 2023). The consolidated Group staff numbers are expected to remain stable over the next twelve months to ensure that there are adequate staffing resources to manage the anticipated revenue growth.

17. ROUNDING OF AMOUNTS TO NEAREST THOUSAND DOLLARS

The amounts contained in this report and in the financial report have been rounded to the nearest thousand dollars (\$'000) (where rounding is applicable) under the option available to the Company under ASIC Corporations Instrument 2016/191. The Group is a company to which the Class Order applies.

Report of Directors cont.

18. DECLARATION FROM AUDITORS

A copy of the Auditor's Independence declaration as required under section 307C of the Corporations Act 2001 is set out on page [19](#).



.....
A. Bloore
Chairman
Melbourne
12 September 2024



.....
C. Dube
Non-Executive Director
Melbourne
12 September 2024

Directors' Declaration

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Guild Group Holdings Limited, we state that:

In the opinion of the Directors:

- a. the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001;
- b. the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note [2](#).
- c. there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.
- d. the consolidated entity disclosure statement required by section 295(3a) of the Corporations Act is true and correct.

On behalf of the Board



.....
A. Bloore
Chairman
Melbourne
12 September 2024



.....
C. Dube
Non-Executive Director
Melbourne
12 September 2024



**Building a better
working world**

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent auditor's report to the Members of Guild Group Holdings Limited

Opinion

We have audited the financial report of Guild Group Holdings Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the 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 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.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly 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 this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

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

- ▶ The financial report (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 consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

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

- ▶ 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
- ▶ 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 Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

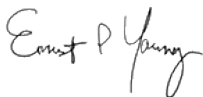
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that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

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

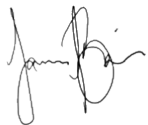
- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group 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 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.



Ernst & Young



Jason Bain
Partner
Sydney
12 September 2024



**Building a better
working world**

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of Guild Group Holdings Limited

As lead auditor for the audit of Guild Group Holdings Limited for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b) No contraventions of any applicable code of professional conduct in relation to the audit; and
- c) No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Guild Group Holdings Limited and the entities it controlled during the financial year.

A handwritten signature in black ink, appearing to read 'Ernst & Young', written in a cursive style.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Jason Bain', written in a cursive style.

Jason Bain
Partner
Sydney
12 September 2024

Statement of Financial Position

Year ended 30 June 2024

	Notes	2024 \$'000	Restated 2023 \$'000	Restated 1 July 2022 \$'000
Assets				
Cash and cash equivalents	8a.	48,443	54,400	36,522
Trade and other receivables	9	14,420	10,723	11,945
Related party receivables	9	6,685	10,375	9,582
Reinsurance contract assets	34	79,245	77,737	96,802
Income tax receivable		5,560	2	—
Investments	10	364,656	331,525	346,994
Investment in Associates	12	12,621	12,576	—
Investment in Joint Venture	11	158	485	492
Investments hold on trust	13	47	300	131
Prepayments and work in progress	14	18,542	13,743	11,689
Property, plant and equipment	15	5,238	5,469	1,705
Right-of-use assets	16	13,197	16,594	13,285
Deferred tax assets	6	13,260	16,289	20,240
Intangible assets and goodwill	17	3,841	8,876	10,575
Assets from Discontinued Operations		—	—	5,371
Total Assets		585,913	559,094	565,333
Liabilities				
Trade and other payables	18a.	12,943	14,471	10,212
Deferred Revenue	18a.	1,485	62	108
Income tax payable		—	2,525	11,926
Interest-bearing borrowings	19	20,282	20,642	17,252
Lease liabilities	20	18,391	21,466	15,723
Provisions	21	26,866	25,667	25,793
Insurance contract liabilities	33	359,450	315,070	329,333
Liabilities from Discontinued Operations		—	—	4,014
Total Liabilities		439,416	399,903	414,361
Net Assets		146,497	159,191	150,972
Equity				
Contributed equity	22a.	21,420	21,420	21,420
Unallocated Shares (Employee Share Scheme)		6	60	30
Retained earnings	22d.	121,525	133,534	125,712
Non-controlling interest	23	3,614	2,596	2,229
Merger reserve	22e.	(68)	1,581	1,581
Total Equity		146,497	159,191	150,972

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income

Year ended 30 June 2024

	Notes	2024	Restated 2023
		\$'000	\$'000
Insurance revenue		318,525	287,100
Insurance service expenses		(244,137)	(187,334)
Insurance service result from insurance contracts issued		74,388	99,766
Reinsurance expense		(88,567)	(75,212)
Reinsurance income		55,674	25,978
Insurance service result		41,495	50,532
Insurance finance expense		(8,840)	(3,845)
Reinsurance finance income		1,382	818
Net insurance financial result		34,037	47,505
Investment revenue on assets backing policyholder funds	5b.	9,849	6,276
Investment revenue on assets backing shareholder funds	5c.	7,680	2,867
Gain on sale of asset		21,129	900
Share of Profit/(Loss) in joint venture	11b.	(327)	(8)
Net investment income		38,331	10,035
Fee and other income		57,783	51,795
Other Operating Expenses		(97,043)	(89,318)
(Loss) / Profit before Income tax		33,108	20,017
Income tax expense	6	(10,138)	(8,469)
(Loss) / Profit after Income tax		22,970	11,548
Total comprehensive income for the year is attributable to:			
Owners of the parent		21,455	10,767
Non-controlling interest		1,515	781
		22,970	11,548

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

Year ended 30 June 2024

	Attributable to equity holders				
	Issued Capital	Merger Reserve	Retained Earnings	Non controlling Interest	Total Equity
2024	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2023	21,480	1,581	133,534	2,596	159,190
Dividends paid	—	—	(35,113)	(551)	(35,664)
Deconsolidation adjustment following sale of Guildlink Pty Limited	—	(1,649)	1,649	—	—
Changes in equity during the period					
Net profit/(loss)	—	—	21,455	1,515	22,970
Total Equity	21,480	(68)	121,525	3,560	146,497
Sale of Non Controlling Interest	—	—	—	54	54
Unallocated Shares (Employee Share Scheme)	(54)	—	—	—	(54)
At 30 June 2024	21,426	(68)	121,525	3,614	146,497
2023					
At 30 June 2022	21,450	1,581	115,272	2,229	140,532
Impact of application of AASB 17	—	—	7,308	—	7,308
At 1 July 2022 (restated)	21,450	1,581	122,580	2,229	147,840
Dividends paid	—	—	(8,000)	(384)	(8,384)
Deconsolidation adjustment following sale of Guildlink Pty Limited	—	—	8,187	—	8,187
Net profit (restated)	—	—	10,767	781	11,548
Total Equity (restated)	21,450	1,581	133,534	2,626	159,190
Sale of Non Controlling Interest	—	—	—	(30)	(30)
Unallocated Shares (Employee Share Scheme)	30	—	—	—	30
At 30 June 2023 (restated)	21,480	1,581	133,534	2,596	159,191

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

Year ended 30 June 2024

	Notes	2024 \$'000	Restated 2023 \$'000
Cash flows from operating activities			
Premiums received		324,458	289,948
Reinsurance premium expenses paid		(109,502)	(118,360)
Claims paid		(132,175)	(130,792)
Reinsurance recoveries received		45,017	52,462
Other operating expenses paid		(728)	1,662
Acquisition costs paid		(54,168)	(50,084)
Payments to suppliers and employees		(60,886)	(66,750)
Other underwriting expenses		(73,248)	(66,515)
Reinsurance commission received		31,031	35,923
Agency commission received		6,886	5,990
Receipts from customers		61,543	61,632
Income tax refunded / (paid)		(15,190)	(16,755)
Interest and other costs of finance paid		(2,694)	(1,404)
Goodwill Impairment		3,757	—
Sundry income received		413	253
Payments for leases of low-value assets		(43)	(80)
Net cash flows from operating activities		24,471	(2,870)
Cash flows from investing activities			
Distributions from unit trust received		4,081	(516)
Interest received		13,557	9,209
Payments for property, plant and equipment		(636)	(2,955)
Proceeds from disposal of financial assets		(2,769)	(1,411)
(Purchases)/sales of financial assets		(29,630)	12,542
Payments for intangible assets		424	2,226
Proceeds from disposal of subsidiary		21,129	—
Dividends paid		(35,664)	(8,084)
Net cash flows (used in) / from investing activities		(29,508)	11,011
Cash flows from financing activities			
Repayment of lease liabilities		(3,447)	(2,556)
Repayments of borrowings		(720)	3,390
Interest on lease liabilities		(1,227)	(589)
Loan to related parties		4,474	5,630
Net cash flows used in financing activities		(920)	5,875
Net (decrease)/increase in cash and cash equivalents		(5,957)	14,024
Cash and cash equivalents at 1 July		54,400	40,376
Cash and cash equivalents at 30 June	8a.	48,443	54,400

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

Year ended 30 June 2024

1. CORPORATE INFORMATION

The consolidated financial report for Guild Group Holdings Limited and its subsidiaries (the Group) for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the directors on 12 September 2024.

Guild Group Holdings Limited is a for profit company limited by shares incorporated in Australia. The ultimate parent entity of Guild Group Holdings Limited is The Pharmacy Guild of Australia.

The nature of the operations and principal activities of the Group are described in the Directors' report.

The registered office for this entity is at Level 15, 171 Collins Street Melbourne, Victoria.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a. Basis of preparation

This general purpose financial report has been prepared in accordance with the requirements of the Corporations Act 2001 including applicable Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on a historical cost basis, except for certain assets, which have been measured at fair value. The accounting policies adopted are consistent with those of previous years, except where noted below.

The financial report is presented in Australian dollars and all values are to the nearest thousand dollars (\$000) in accordance with ASIC Corporations Instrument 2016/191, unless otherwise stated.

The entity is a for-profit entity for the purposes of preparing the financial statements.

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

b. Compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

c. New accounting standards and interpretations

In these financial statements, the Company has adopted and applied AASB 17 Insurance Contracts (AASB 17) and AASB 9 Financial Instruments (AASB 9) for the first time. The Company has not early adopted these or any other standard, interpretation or amendment that has been issued but is not yet effective.

AASB 17 – Insurance contracts

AASB 17 replaces 'AASB 4 Insurance Contracts' and 'AASB 1023 General Insurance Contracts', for annual periods on or after 1 January 2023. The Company has restated comparative information for the year ended 30 June 2023 applying the transitional provisions in Appendix C to AASB 17. The nature of the changes in accounting policies can be summarised, as follows:

The adoption of AASB 17 did not change the classification of the Company's insurance contracts. However, AASB 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Company.

The Company's insurance and reinsurance contracts held are all eligible to be measured by applying the Premium Allocation Approach ("PAA"). The following areas have been impacted as compared to AASB 1023:

- > The liability for remaining coverage (LfRC) reflects premiums received less deferred insurance acquisition cash flows and less amounts recognised in revenue for insurance services provided.
- > Measurement of the LfRC involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component (previously these may have formed part of the unexpired risk reserve provision).
- > Measurement of the liability for incurred claims (LIC) (previously claims outstanding and incurred but not reported ('IBNR') claims) is determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk. The liability includes the Company's obligation to pay other incurred insurance expenses.

Notes to the Financial Statements cont.

Year ended 30 June 2024

- > Measurement of the asset for remaining coverage ('ARC') (reflecting reinsurance premiums paid for reinsurance held) is adjusted to include a loss-recovery component to reflect the expected reinsurance recoveries applicable to onerous contract losses on underlying insurance contracts issued.

The Company allocates the acquisition cash flows to groups of insurance contracts issued, or expected to be issued, using a systematic and rational basis.

For presentation in the statement of financial position, the Company aggregates insurance and reinsurance contracts issued, and reinsurance contracts held, respectively and presents separately, portfolios of insurance and reinsurance contracts that are assets and those that are liabilities.

The portfolios referred to above are those established at initial recognition in accordance with the AASB 17 requirements.

The Company provides disaggregated qualitative and quantitative information about:

- > Amounts recognised in its financial statements from insurance contracts
- > Significant judgements, and changes in those judgements, when applying the standard

The Company has adopted AASB 17 retrospectively, applying the full retrospective approach. The Company applied the full retrospective approach to all insurance contracts in force, effective 1 July 2022.

The Company concluded that reasonable and supportable information that was necessary to apply the full retrospective approach was available. Applying the fully retrospective approach, the Company identified, recognised and measured each group of insurance contracts and reinsurance assets for insurance acquisition cash flows as if AASB 17 had always applied, derecognised any existing balances that would not exist had AASB 17 always been applied and recognised any resulting net difference in equity.

AASB 9 – Financial instruments

AASB 9 replaced AASB 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018. However, the Company elected, under the amendments to AASB 4, to apply the temporary exemption from AASB 9, thereby deferring the initial application date of AASB 9 to align with the initial application of AASB 17. The Company has applied AASB 9 retrospectively and restated comparative information for financial instruments in the scope of AASB 9.

The Company's investments are recognised as fair value through profit or loss on initial recognition and are subsequently remeasured to fair value at each reporting date, reflecting the Company's business model for managing and evaluating the investment portfolio. Adoption of AASB 9 does not result in any changes to accounting for these investments.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by Guild Group Holdings Limited for the annual reporting period ended 30 June 2024, are outlined in the table below:

Reference	Title	Application date	Application date for GIL	Note
AASB 2021-2	Amendments to Australian Accounting Standards Disclosure of Accounting Policies & Definition of Accounting Estimates	1 January 2023	1 July 2024	A
AASB 2021-5	Amendments to Australian Accounting Standards Deferred Tax related to Assets & Liabilities arising from a Single Transaction	1 January 2023	1 July 2024	A

Table note

A - At the reporting date management have not yet assessed the impact of implementing these standards. These standards are not expected to be material given the effective date is 1 July 2024.

d. Basis of consolidation

The consolidated financial statements comprise the financial statements of Guild Group Holdings Limited (the parent company) and its subsidiary as at 30 June each year (the Group).

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the Consolidated Financial Statements, all intercompany balances and transactions, income and expenses and profit or losses resulting from intra-group transactions have been eliminated in full.

Notes to the Financial Statements cont.

Year ended 30 June 2024

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

Non-controlling interests are allocated their share of net profit after tax in the Statement of Comprehensive Income and are presented within equity in the consolidated Statement of Financial Position, separately from the equity of the owners of the parent.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

e. Presentation of Statement of Financial Position

The Group presents assets and liabilities in the Statement of Financial Position in order of liquidity.

f. Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Revenue from Contracts with Customers

i. Superannuation fees

Fees earned are recognised when the entity's right to receive the payment is established, by reference to the members participation in the fund. The performance obligation is met at the end of each month.

ii. Insurance administration and exit fees

Insurance administration fee income is recognised when the entity's right to receive the payment is established, by reference to the members participation in the fund. The performance obligation is met at the end of each month. If a member decides to leave the fund an exit fee will be charged at the date of exit and the income recognised at the same point in time.

iii. Transaction prices

The Group allocates the transaction price to each performance obligation based on the Product Disclosure Statement. Allocation of transaction price is otherwise based on either daily or monthly participation, depending on the revenue category and the members options.

iv. Presentation and disclosure requirements

The Group has disaggregated revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Group also disclosed information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for each reportable segment. Refer to note 5a. for the disclosure of disaggregated revenue.

v. Provision of legal services – Insurance

Revenue from the provision of Insurance legal advice is recognised over the time that the services are performed on a time and material basis.

Work in progress is only included in revenue to the extent that it is highly probable that the cumulative amount of revenue recognised in respect to the contract at the end of the reporting period will not be subject to a significant reversal when the matter is concluded.

A receivable in relation to these services is recognised when a bill is raised and issued, as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

vi. Provision of legal services – Commercial

The Group earns revenue from the provision of general legal services incorporating commercial employment and property. Revenue for general legal services is recognised over time in the accounting period when services are rendered.

Fee arrangements from Commercial legal services are unconditional fee for service arrangements ("Time and Materials").

Notes to the Financial Statements cont.

Year ended 30 June 2024

In fee for service arrangements revenue is recognised up to the amount of fees the entity is entitled to invoice for services performed to date based on contracted rates.

Work in progress is only included in revenue to the extent that it is highly probable that the cumulative amount of revenue recognised in respect to the contract at the end of the reporting period will not be subject to a significant reversal when the matter is concluded.

A receivable in relation to these services is recognised when a bill is raised and issued, as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

vii. Provision of legal services – Litigation

Revenue from the provision of litigation legal advice is recognised over the time that the services are performed on a time and material basis.

Fee arrangements from litigation legal services include unconditional fee for service arrangements (“Time and Materials”) and variable or contingent fee arrangements for some commercial litigation services. Work in progress is only included in revenue to the extent that it is highly probable that the cumulative amount of revenue recognised in respect to the contract at the end of the reporting period will not be subject to a significant reversal when the matter is concluded.

A receivable in relation to these services is recognised when a bill is raised and issued, as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

viii. Agency Commissions

Agency Commission represents income received from Guild Early Learning Pty Ltd which is an authorised representative of Guild Insurance Limited to underwrite Workers Compensation Insurance. Commission received is based on a set percentage of the total gross written premium in a financial year for the specific scheme underwritten. Placing business as an agent for GEL would be the performance obligation for the agency commission. Once the business has been placed the commission can start earning adopting the 365ths method.

Interest income

Under AASB 9, interest income is recorded using the Effective Interest Rate (“EIR”) method for all financial assets measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the gross carrying amount of the financial asset

Interest income also includes interest on all financial assets measured at FVPL using contractual interest rate.

g. Fire service levy and other charges

A liability for fire service levy and other charges is recognised on business written to the reporting date. Levies and charges payable are expensed on the same basis as the recognition of insurance revenue.

h. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand available on demand and deposits held at call with financial institutions. Cash and cash equivalents are measured at amortised cost, being the principal amount. For the purposes of the cash flow statement, cash also includes other highly liquid investments not subject to significant risk of change in value, with short periods to maturity, net of any bank overdraft.

i. Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Trade and other receivables are recognised at fair value, less an allowance for expected credit loss. For trade receivables, the entity applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

j. Work in progress – contracts with customers

Work in progress represents client cases which have not yet reached a conclusion and comprises of insurance claims, commercial claims and commercial litigation. Amounts ultimately owed to Meridian Lawyers are valued at the lower of cost and net realisable value, as fees are not rendered on matters until either the completion of a particular task or time period.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The entity recognises expected credit loss using the simplified approach, which requires expected lifetime losses to be recognised from initial recognition. Work in progress is recognised at fair value, less an allowance for impairment loss. The following methodologies are used in determining the value of work completed:

Notes to the Financial Statements cont.

Year ended 30 June 2024

Time Recording

Contracts for general and commercial law matters are billed based on time spent by a professional and is recorded against the matter at an agreed hourly rate. As permitted under AASB 15 Revenue from Contracts with customers, the transaction price allocated to the unsatisfied or partially unsatisfied performance obligations under these contracts has not been disclosed.

Estimated Fees Earned

Work in progress reflects the time recorded against each matter as at a particular date and is used as a guide in determining the professional and other fees that will ultimately be rendered to the relevant client, which is accrued and held as a receivable in the Statement of Financial Position.

Recognition of revenue

Work in progress is only included in revenue to the extent that it is highly probable that the cumulative amount of revenue recognised in respect to the contract at the end of the reporting period will not be subject to a significant reversal when the matter is concluded.

k. Investments

Investments within the scope of AASB 9 Financial Instruments: Recognition and Measurement are categorised as investments at Fair Value through Profit or Loss (FVTPL). When investments are recognised initially, they are measured at fair value.

Recognition and Derecognition

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL. Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit or loss.

All recognised financial assets that are within the scope of AASB 9 are required to be subsequently measured at amortised cost or fair value on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets at FVTPL

Financial assets in this category are those that are managed in a fair value business model, or that have been designated by management upon initial recognition or are mandatorily required to be measured at fair value under AASB 9. This category includes debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or both to collect contractual cash flows and sell.

Financial assets at FVTPL are:

- > assets with contractual cash flows that are not SPPI; or/and
- > assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- > assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in profit or loss. Fair value is determined in the manner described in Note 10.

Modification and derecognition

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

When a financial asset is modified the Company assesses whether this modification results in derecognition. In accordance with the Company's policy a modification results in derecognition when it gives rise to substantially different terms. The Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity.

Impairment of non-financial assets

The Company conducts a bi-annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

Notes to the Financial Statements cont.

Year ended 30 June 2024

I. Foreign currencies

For these financial statements, the results and financial position of the Company are expressed in AUD which is the functional currency of the Company, and the presentation currency for the financial statements. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date.

Insurance contracts issued and reinsurance contracts held that generate cash flows in a foreign currency are treated as monetary items. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Groups of insurance and reinsurance contracts that generate cash flows in a foreign currency, are treated as monetary items. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered into to hedge certain foreign currency risks (see below under derivative financial instruments/hedge accounting).

m. Impairment of financial assets

The Company recognises an allowance for Expected Credit Losses (ECL) for all debt instruments not held at fair value through profit or loss. ECLs are the difference between the contractual cash flows and all the cash flows that the Company expects to receive, discounted at the appropriate EIR.

The Company calculates ECLs based on scenarios to measure the expected cash shortfalls, discounted at an appropriate EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

ECL's on credit exposures that have not had a significant increase in credit risk since initial recognition are provided based on potential default events that are possible within the next 12-months (12-month ECL). For credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

n. Write offs

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovering the financial asset. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

o. Investment in joint venture

The Company's investment in its joint venture was initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately. The statement of comprehensive income reflects the Company's share of the results of operations of the joint venture. The aggregate of the Company's share of profit or loss in its joint venture is shown on the face of the statement of comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the joint venture.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Company determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Company calculates the amount of the impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of the joint venture' in the statement of comprehensive income.

p. Property, plant and equipment

Cost and valuation

Plant and equipment is stated at historical cost, net of accumulated depreciation and/or any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

- | | |
|----------------------------|--------------------------------------|
| (i) Leasehold improvements | over the terms of the various leases |
| (ii) Fixtures and fittings | 2-13 years |

The residual values, useful lives, impairment and amortisation methods are reviewed and adjusted if appropriate, at each financial year end.

Notes to the Financial Statements cont.

Year ended 30 June 2024

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

q. Right-of-use-assets

Right-of-use assets are initially recorded at the cost value of the lease liability, along with adjustments for costs directly linked to the acquisition, either added or subtracted. Depreciation is computed using the straight-line approach, distributing the asset's cost minus any remaining value over the estimated economically useful lifespan, spanning from 2 to 10 years.

Payments associated with short-term leases of property, motor vehicles and equipment are recognised on a straight-line basis as an expense in profit or loss. Short-term leases have a lease term of 12 months or less.

r. Intangible assets

Intangible Assets - System development costs

An intangible asset arising from development expenditure on an internal project is recognised only when the entity can demonstrate:

- > The technical feasibility of completing the intangible asset so that it will be available for use;
- > Its intention to complete and its ability to use the asset;
- > How the asset will generate future economic benefits;
- > The availability of resources to complete the asset; and
- > The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Following the initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit (5 year period for Guidewire Insurance System, 5 year period for Digital Platforms, 10 years for practice management software). Amortisation is recorded in operating expenses.

Amortisation is calculated on a straight-line basis over their estimated useful lives of 5-10 years.

s. Trade and other payables

Trade and other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 to 90 days of recognition.

t. Lease liabilities

Liabilities arising from a lease are initially measured as the present value of lease payments over the term of the agreement that are not paid at that date. Lease liabilities include the following lease payments:

- > Fixed payments (including in-substance fixed payments), less any lease incentives receivable; and
- > Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date. At 30 June 2024 there were no variable lease payments.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Group has also elected not to recognise ROU assets and lease liabilities for leases of low-value assets (i.e. < \$5,000) and short-term leases (i.e. < 12 months). Options (extension / termination) on lease contracts are considered on a case by case basis following a regular management assessment. When an agreement includes an option to extend the lease term, the probability of renewing the lease is assessed and includes the renewal term in the ROU asset and lease liability measurement where the option to extend the lease is reasonably certain.

Lease liabilities were discounted at the reference rate which was 8.07%. The Group has used one single Incremental Borrowing Rate (IBR) for a portfolio of leases having similar risk characteristics.

Notes to the Financial Statements cont.

Year ended 30 June 2024

u. Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When some or all of a provision is expected to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Liabilities, including non-monetary benefits expected to be settled within 12 months of the reporting date are recognised up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expected future payments are discounted using market yields at the reporting date on corporate bonds (employee provisions) or national government bonds (other provisions) with terms to maturity that match, as closely as possible, the estimated future cash outflows.

v. Interest bearing borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Borrowing costs are recognised as an expense when incurred.

w. Income tax and other taxes

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred tax is provided for using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred income tax liabilities are recognised for all taxable temporary differences except when the deferred income tax liability arises from the initial recognition of goodwill, or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except when the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of a right-of-use asset, or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

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

Deferred tax assets and liabilities are reported on a net basis as per AASB 112.74.

Tax consolidation legislation

Guild Group Holdings Limited and its wholly owned Australian controlled entities implemented the tax consolidation legislation as of 1 July 2003.

The head entity, Guild Group Holdings Limited and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, Guild Group Holdings Limited also recognises the current liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group. Assets or liabilities arising under the tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

Notes to the Financial Statements cont.

Year ended 30 June 2024

Goods and services tax ('GST')

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of the acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

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

x. Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

y. Insurance Contracts

Insurance and reinsurance accounting treatment

Products sold by the Company are classified as insurance contracts when the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the Company considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Company determines whether it contains significant insurance risk, by assessing if an insured event could cause the Company to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

The Company holds reinsurance contracts to mitigate certain risk exposure. A reinsurance contract is an insurance contract issued by a reinsurer to compensate the Company for claims arising from one or more insurance contracts issued by the Company.

Level of aggregation

The Company identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, the Company considers the similarity of risks rather than the specific labelling of the product lines. The Company determines that all contracts within each product line, as defined for management purposes, have similar risks and, therefore, represent a portfolio of contracts when they are managed together.

Each portfolio is sub-divided into groups of contracts to which the recognition and measurement requirements of AASB 17 are applied. At initial recognition, the Company segregates contracts based on when they were issued.

Each portfolio is then further disaggregated into two groups of contracts, contracts that are onerous on initial recognition and any remaining contracts in the portfolio.

In determining the appropriate group, the Company measures a set of contracts together using reasonable and supportable information.

All groups include only contracts issued within a 12-month period. The composition of groups established at initial recognition is not subsequently reassessed.

For insurance contracts accounted for applying the PAA, the Company determines that contracts are not onerous on initial recognition, unless there are facts and circumstances indicating otherwise. The Company assesses the likelihood of changes in applicable facts and circumstances to determine whether contracts not onerous on initial recognition belong to a group with no significant possibility of becoming onerous in the future.

Some insurance contracts within a portfolio would fall into different groups only because of specific constraints imposed by law or regulation on the Company's practical ability to set a different price or level of benefits, as required by law. The Company includes those contracts in the same group.

Reinsurance contracts held are recognised and measured separately from underlying insurance contracts issued. For reinsurance contracts held accounted for applying the PAA, the Company assumes that all reinsurance contracts held in each portfolio will not result in a net gain on initial recognition, unless facts and circumstances indicate otherwise.

Recognition

The Company recognises groups of insurance contracts issued from the earliest of the following dates:

Notes to the Financial Statements cont.

Year ended 30 June 2024

- > the beginning of the coverage period of the group of contracts.
- > the date when the first payment from a policyholder in the group becomes due (in the absence of a contractual due date, this is deemed to be when the first payment is received); and
- > when the Company determines that a group of contracts becomes onerous.

All groups include only contracts issued within a 12-month period. Subject to this limit, a group of insurance contracts can remain open after the end of the current reporting period and new contracts are included to the group when they meet the recognition criteria in subsequent reporting periods until such time that all contracts expected to be included within the group have been recognised.

Contract boundary

The Company includes in the measurement of a group of insurance contracts all the future cash flows expected to arise within the boundary of each of the contracts in the group.

In determining which cash flows fall within a contract boundary, the Company considers its substantive rights and obligations arising from the terms of the contract, and also applicable laws and regulations. The Company determines that cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums or the Company has a substantive obligation to provide the policyholder with services.

A substantive obligation to provide services ends when:

- > the Company has the practical ability to reassess the risks of a particular policyholder and as a result change the price charged or the level of benefits provided for the price to fully reflect the new level of risk; or
- > the boundary assessment is performed at a portfolio rather than individual contract level, there are two criteria that both need to be satisfied: the Company must have the practical ability to reprice the portfolio to fully reflect risk from all policyholders' and the company's pricing must not take into account any risks beyond the next reassessment date.

In determining whether all the risks have been reflected either in the premium or in the level of benefits, the Company considers all risks that policyholders would transfer had it issued the contracts (or portfolio of contracts) at the reassessment date. Similarly, the Company concludes on its practical ability to set a price that fully reflects the risks in the contract or portfolio at a renewal date by considering all the risks that it would assess when underwriting equivalent contracts on the renewal date for the remaining service. The assessment on the Company's practical ability to reprice existing contracts takes into account all contractual, legal and regulatory restrictions. In doing so, the Company disregards restrictions that have no commercial substance. The Company also considers the impact of market competitiveness and commercial considerations on its practical ability to price new contracts and repricing existing contracts. Judgement is required to decide whether such commercial considerations are relevant in concluding as to whether the practical ability exists at the reporting date.

Insurance contracts - initial measurement

The Company applies the PAA to the measurement of the Company's insurance contracts issued.

On initial recognition, the Company measures the LfRC at the amount of premiums received in cash. The Company has determined that there is no significant financing component in its insurance contracts with a coverage period of one year or less and therefore does not discount the LfRC to reflect the time value of money and financial risk for such insurance contracts.

Insurance contracts - subsequent measurement

The Company measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period plus premiums received in the period, minus insurance acquisition cash flows, plus any adjustment to the financing component, where applicable, minus the amount recognised as insurance revenue for the services provided in the period.

When measuring the liability for incurred claims, the Group discounts all future cash flows and includes an explicit risk adjustments for non-financial risk.

Reinsurance contracts held - initial measurement

Reinsurance contracts held are accounted for separately from underlying insurance contracts issued and are assessed on an individual contract basis. For reinsurance contracts held accounted for applying the PAA, the Company assumes that all reinsurance contracts held in each portfolio will not result in a net gain on initial recognition, unless facts and circumstances indicate otherwise.

In determining the timing of initial recognition of a reinsurance contract, the Company assesses whether the reinsurance contract's terms provide protection on losses on a proportionate basis. The Company recognises a group of reinsurance contracts held that provides proportionate coverage:

- > at the same time as the onerous group of underlying contracts is recognised, or

Notes to the Financial Statements cont.

Year ended 30 June 2024

- > for all the other reinsurance contracts held that provide proportionate coverage, at the start of the coverage period of that group of reinsurance contracts; or at the initial recognition of any of the underlying insurance contracts, whichever is later.

The Company recognises a group of non-proportionate reinsurance contracts at the earliest of the beginning of the coverage period of the group or the date an underlying onerous group of contracts is recognised. Cash flows are within the boundary of a reinsurance contract held if they arise from the substantive rights and obligations of the cedant that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

The boundary of a reinsurance contract held includes cash flows resulting from the underlying contracts covered by the reinsurance contract. This includes cash flows from insurance contracts that are expected to be issued by the Company in the future if these contracts are expected to be issued within the boundary of the reinsurance contract held.

The Company holds reinsurance agreements which allow both the reinsurer and the Company to terminate the contract within a specified notice period for new business ceded. The Company includes within the contract boundary only cash flows arising from such specified notice period because it does not have substantive rights or obligations beyond that point.

The Company measures its reinsurance contracts held applying the PAA. Under the PAA, the initial measurement of the ARC equals the reinsurance premium paid. The Company measures the amount relating to remaining service by allocating the reinsurance premium paid over the coverage period of the group.

If the coverage period exceeds a year, the Group at initial recognition applies criteria to determine whether the PAA is a reasonable approximation of the GMM. For reinsurance contracts held with a coverage period longer than one year, the Group applies judgement to determine whether a policy includes a significant financing component.

Where the reinsurance contracts held covers a group of onerous underlying insurance contracts, the Company adjusts the carrying amount of the ARC and recognises a gain when, in the same period, it reports a loss on initial recognition of an onerous group of underlying insurance contracts or on additional loss from an already onerous group of underlying insurance contracts. The recognition of this gain results in recognition of a loss recovery component, included in the ARC. This component is subsequently adjusted for any applicable changes.

Reinsurance contracts held - subsequent measurement

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

Presentation

Where applicable, the Company has presented separately in the statement of financial position the carrying amount of portfolios of insurance contracts that are assets and those that are liabilities, portfolio of reinsurance contracts held that are assets and those that are liabilities. The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

Insurance revenue

The Company recognises insurance revenue for the period based on the passage of time by allocating premium receipts including premium experience adjustments to each period of service. However, when the expected pattern of release from risk during the coverage period differs significantly from the passage of time, then premium receipts are allocated based on the expected pattern of incurred insurance service expense.

Where the Company's insurance policies have a different expected pattern of occurrence of claims, revenue is recognised based on the expected pattern of claim occurrence. At the end of each reporting period, the Company considers whether there was a change in facts and circumstances indicating a need to change, on a prospective basis, the premium receipt allocation due to changes in the expected pattern of claim occurrence for new and existing groups.

Insurance Acquisition Cash Flows

Insurance Acquisition Cash Flows are cash flows arising from the costs of selling, underwriting, and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs. Such cash flows include cash flows that are not directly attributable to individual contracts or groups of insurance contracts within the portfolio but are attributable to the portfolio. Guild Insurance Limited has decided to continue deferring insurance acquisition costs for groups of contracts that apply the premium allocation approach and have a coverage period of one year or less. The Company distinguishes between attributable and non-attributable expenses and allocates overheads to groups of contracts using systematic and rational methods. Insurance acquisition cash flows that are directly attributable expenses are deferred and amortised over the coverage period of the group of insurance contracts and recorded as part of the Insurance Service Result in the Statement of Comprehensive Income.

Notes to the Financial Statements cont.

Year ended 30 June 2024

Onerous Contracts

Under AASB 17, onerous contracts are required to be identified and measured at a more granular level of aggregation than under AASB 1023. Guild Insurance Limited has developed a process to review onerous contracts using a dashboard with the Group Actuary to review onerous contracts (at inception and at subsequent reporting dates) based on underwriting year. A non-onerous group may become onerous, and a loss will be recognised based on facts and circumstances applying the General Measurement Model, while an onerous group may become less onerous, when the relevant remaining amount of the loss is reversed. The impact of this is to recognise the loss component as insurance service expenses in the Profit & Loss, and, where applicable, an allowance can be made for a loss recovery component provided that the reinsurance contracts are already in force.

Insurance service expense

Insurance service expense arising from group insurance contracts issued comprises:

- > changes in the LIC related to claims and expenses incurred in the period excluding repayment of non-distinct investment components;
- > changes in the LIC related to claims and expenses incurred in prior periods (related to past service);
- > other directly attributable expenses incurred in the period;
- > insurance acquisition cash flows are deferred and amortised over the coverage period; and
- > changes in the LfRC related to changes in the loss components of onerous groups of contracts.

Income or expenses from reinsurance contracts held

The Company presents income or expenses from a group of reinsurance contracts held and reinsurance finance income or expenses in profit or loss for the period separately. Income or expenses from reinsurance contracts held are split into the following two amounts:

- > amount recovered from reinsurers; and
- > reinsurance premium expense.

The Company presents cash flows that are contingent on claims of the underlying contracts as part of the amount recovered from reinsurers. Ceding commissions that are not contingent on claims of the underlying contracts are presented as a deduction in the premiums to be paid to the reinsurer.

aa. Insurance finance income and expenses

Insurance finance income or expenses present the effect of the time value of money and the change in the time value of money, together with the effect of financial risk and changes in financial risk. When applying the PAA, the Company does not discount the LfRC to reflect the time value of money and financial risk for insurance contracts with a coverage period of one year or less. The entity has elected to discount all future expected cash flows relating to fulfilment of claims even where the time of settlement is 12 months or less.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk Management Framework ("RMF")

The Guild Group has a formally approved RMF in place that describes the strategies and approach for effectively identifying, assessing and managing material risks across the organisation. The Group's RMF is considered an enterprise-wide capability in that it is a fully integrated and active process within all Group entities, business lines and support service functional areas. The presence of the RMF supports the Group's belief that having an effective risk management framework in place is considered a critical element in supporting the organisation meet its strategic and operational goals.

The RMF details the layers of managerial responsibility, risk management related policies and the key processes used to identify, assess, monitor, report on and mitigate all material risks that have the potential (if realised) to impact the Group achieving its strategic objectives. The Board has delegated its authority for the oversight of the RMF to the Risk Management & Compliance Committee. In turn the Risk Management & Compliance Committee works closely with the Chief Executive Officer ("CEO"), the Chief Risk Officer ("CRO") and the dedicated risk management function to ensure that the RMF remains appropriate and effective. The CRO is charged with overall functional responsibility for the RMF and risk management capability. The Group's Executive Leadership Team also assists the CEO by providing additional support to ensure the management of risk, within established risk appetite parameters, is appropriately maintained across the Group.

The Guild Group RMF encompasses the Risk Management Strategy ("RMS") and is supported by a range of risk management artefacts including the Risk Appetite Statement Framework and Controls Assurance Framework.

A major element of the RMF is the formally approved Risk Appetite Statement ("RAS") which is an overall declaration regarding the amount and type of risk that the Board is prepared to accept in order to achieve its strategic and operational objectives. The RAS has been developed by incorporating the expectations of various stakeholders and are aligned to the principles of:

- > Fulfilling customer and stakeholder obligations;

Notes to the Financial Statements cont.

Year ended 30 June 2024

- > Maintaining financial strength;
- > Delivering satisfactory shareholder returns and to grow cash earnings in a capital-efficient manner;
- > Meeting regulatory obligations, maintaining licenses and not requiring supervisory intervention; and
- > Preventing reputational damage to Guild Group.

The RAS references the material risks relevant to the context of the business's operating environment and establishes specific risk tolerance limits which form the basis for ongoing Board governance reporting and oversight.

In conjunction with the application of the RMF, the risks currently considered material to the Group are discussed below.

a. Governance Risk

Governance risk involves any risks associated with insufficient or ineffective processes being in place to ensure appropriate oversight and decision making within the Group. This includes a lack of transparency over decision-making processes, conflicts of interest, fitness & propriety issues, delegation of roles and responsibilities, and remuneration structures.

Key controls for mitigating Governance Risk

- > The Group has a governance framework in place that includes director education, Board Charters, Board renewal processes, Board Remuneration & Nominations Committee and associated policies, conflicts recognition and a company secretariat function. Delegations of Authority have also been established and formally approved by the Board.
- > A Risk Management & Compliance Committee and an Audit Committee is in place that operates under formal Terms of Reference and delegation from the Board.
- > A Fit & Proper Policy is in place that provides the establishment and monitoring processes for persons acting in positions of responsibility (Responsible Persons).
- > A Conflicts Management Framework is in place that includes policies for Conflicts of Interest and Gifts & Entertainment.
- > A Whistle-blower Policy is in place that informs employees of the Whistle-blower hotline and how to make a confidential report of any areas of concern. The purpose of the policy is to encourage the reporting of matters that may cause financial/non-financial loss or damage our reputation.

b. Strategic Risk

Strategic risk refers to any risks associated with the strategic / Business plan and includes risks that may impact the Group as a result of strategic initiatives and/or the business plan being inadequately established or coordinated. This risk also includes issues concerning business efficiency, product or service design, and association, broker and/or client relationship maintenance.

Key controls for mitigating Strategic Risk

- > The Group's Strategic Business Plan is reviewed and formally approved by the Board annually. Regular reporting to the Board occurs regarding actual performance against the Strategic Business Plan.
- > Strategic / continuous improvement initiatives are underway that are intended to improve business efficiency across the Group.
- > Regular competitor analysis is conducted and market competitiveness is also considered during the Group's business pricing process.
- > A tiered model is in place to facilitate key relationship engagement occurring on a regular basis.

c. Capital Management Risk

Capital management risk relates to the potential for financial issues occurring that may be amplified by the Group's inability to access capital, and/or that the Group's current capital adequacy requirements are being adversely impacted.

Key controls for mitigating Capital Management Risk

- > The Group has a formally approved Internal Capital Adequacy Assessment Process (ICAAP) that identifies and documents the policies, procedures, systems and controls in place to manage associated capital related risks and to ensure that capital is held commensurate with the relevant level of risk. The ICAAP also articulates the Group's strategy for maintaining adequate capital over time, including the setting of capital targets that are consistent with the Group's risk profile, its risk appetite and the relevant regulatory requirements.
- > Calculations occur quarterly to monitor the adequacy of capital being maintained within a specified risk appetite range and these calculations are also reported to the Board quarterly for appropriate governance oversight.
- > Capital management processes and calculations are subject to review by the Group Actuary.

Notes to the Financial Statements cont.

Year ended 30 June 2024

d. Insurance Risk

Insurance risk is associated with claims management (including leakage and blowout in supplier manager costs), poor service standards, adverse risk acceptance, inadequate pricing or unintended product exposure or misleading disclosure. It also covers inadequate reinsurance management and incurring of losses above reinsurance treaty limits.

Key controls for mitigating Insurance Risk

To mitigate the impact of insurance risk, the entity has the RAS, ICAAP summary statement, RMF as well as the following key policies and procedures in place:

Selection and Pricing of Risk

- > Underwriting authority is delegated to experienced underwriters following a detailed analysis of each class of business being underwritten by the Group.
- > Implementation and triennially review of underwriting guidelines and criteria covering the classes of risk the Group is authorised to underwrite.
- > Maximum limits are set for the acceptance of risk on an individual contract basis, for classes of business and across the portfolio with particular attention paid to geographic exposure, industry segment and the Group's risk appetite and tolerance.
- > Management information systems are used to provide current reliable and accurate data about the various risks being underwritten by the business.
- > In-house pricing models are formulated and monitored by the analytics unit within the Insurance division using historical pricing and statistical data as well as claims analysis for each portfolio. Economic data and industry information is gathered to ensure underwriters are aware of current developments and prevailing conditions in the markets being underwritten and the expected future trends facing those markets.
- > An Underwriting Committee is in place to oversee, investigate and determine the processes necessary to address the pricing of insurance products, and also to provide strategic direction in relation to the management of insurance portfolios.

Concentration Risk

- > Relevant risk appetite parameters are in place requiring the diversification of the insurance portfolio across classes, industries and regions. Concentration exposure is monitored on a regular basis ensuring the portfolio is sufficiently diversified such that there is no undue concentration by risk class or by industry.
- > The Reinsurance program and risk tolerances are subject to the principles set out in the Reinsurance Management Strategy (ReMS).
- > Reinsurance is used to limit the entity's exposure to individual claims and catastrophes. Guild Insurance purchases reinsurance to limit its exposure accordingly within the entity's risk appetite.
- > Catastrophe reinsurance is purchased to ensure that any accumulation of losses from one area is protected.
- > Capital Committee is in place which also reviews the adequacy and effectiveness of our reinsurance program.

Claims Management and Reserving

- > Claims reserves are established by local knowledge from claims officers, underwriters and specialist advisors. The Group Actuary provides an independent assessment of the provision at least semi-annually.
- > A Claims Committee is in place to provide strategic and operational oversight of Guild's entire claim's operation by function (Short Tail, Casualty & Workers Compensation). Ensuring that the appropriate drivers of organisational performance from a claims perspective have been identified and are being monitored with appropriate actions being taken to address any deterioration or adverse outcomes outside of tolerance. The Committee will play a key role in the governance framework for Guild's claims functions.
- > The risk of the liability being inadequate is monitored by way of half-yearly actuarial valuation.

e. Liquidity Risk

Liquidity risk is concerned with the risk of there being insufficient capital reserves or cash resources to meet payment obligations without affecting the daily operations of the financial condition of the Group. Liquidity facilitates the ability to meet expected and unexpected requirements for cash.

Key Controls for mitigating Liquidity Risk

- > Investment portfolio mandates and policy provide sufficient cash deposits to meet day-to-day obligations.

Notes to the Financial Statements cont.

Year ended 30 June 2024

- > Investment funds set aside within the portfolio can be realised to meet significant claims payment obligations.
- > In the event of a catastrophe, immediate cash access once retention limit is reached is available under the terms of reinsurance arrangements.
- > Financing facility with set limits for loans, leasing and guarantees.
- > Regular monitoring of liquidity levels.

f. Credit (Financial) Risk

Credit (Financial) risk relates to the default of counterparty (including reinsurer), credit provider, broker or customer, resulting in them not meeting their contractual obligations. The Group's credit risk arises predominantly from trade receivables, reinsurance recoveries and investments.

Key controls for mitigating Credit (Financial) Risk

To mitigate the impact of credit risk, the following key policies and procedures are in place:

- > The Group's Reinsurance Management Strategy provides rating guidelines for the reinsurers we engage with. Where the credit rating of a reinsurer falls below the required quality during the period of risk, a contractual right to replace the counterparty exists.
- > Clearly defined credit policies for the approval and management of credit risk in relation to reinsurers are in place.
- > The Group Finance function monitors credit ratings of credit providers and has in place tracking mechanisms for aged receivables.

Other Receivables

- > The maximum exposure to credit risk as at reporting date is indicated by the carrying amounts of the other receivables on the Statement of Financial Position, with the ageing in Note 9.
- > A Debtor Management policy is in place that outlines the appropriate processes and procedures for staff dealing with the management of debtors
- > The Group Finance function monitors credit ratings of credit providers and has in place tracking mechanisms for aged receivables

Reinsurance Recoveries

- > Reinsurance arrangements are monitored and managed internally and by specialised reinsurance brokers operating in the international reinsurance market. Concentration of credit risk is mitigated by placement of cover with a number of reinsurers of at least A- rating as determined by Standard & Poor's ("S&P") or AM Best equivalent.

Investments

- > Investments in financial instruments in the investment portfolio are held in accordance with the Investment Policy. Credit and counterparty limits have been established within the policy to ensure counterparties have appropriate credit ratings and that concentration risk is minimised. The Group limits its exposure to credit risk by investing in fixed income instruments with various counter parties of S&P, Moody's and/or Fitch investment grade other than the Guild Loan book which provides finance for business purposes (i.e. motor vehicle, commercial property requirements and business equipment acquisitions) to approved Guild Group customers. The credit risk relating to investments is monitored and assessed regularly.
- > There is credit risk exposure from investments in fixed term deposits with Australian banks which are regulated by APRA. The maximum exposure to credit risk as at reporting date is the carrying amounts of the investments in the Statement of Financial Position as they are measured at fair value.
- > Credit derivatives to offset its credit exposure are not held.

Notes to the Financial Statements cont.

Year ended 30 June 2024

The following table provides information regarding the credit risk exposure to other receivables, reinsurance contracts held and investments.

	Investment grade	Non-investment grade: satisfactory	Total
	\$'000	\$'000	\$'000
2024			
Cash and cash equivalents	48,443	—	48,443
Investments	309,901	54,755	364,656
Trade and Other Receivables	—	21,105	21,105
Reinsurance contract assets	79,245	—	79,245
Total credit risk exposure	437,589	75,860	513,449
2023			
Cash and cash equivalents	54,400	—	54,400
Investments	243,055	88,470	331,525
Trade and Other Receivables	—	21,098	21,098
Reinsurance contract assets	77,737	—	77,737
Total credit risk exposure	375,192	109,568	484,760

Maturity analysis for liabilities for Incurred Claims (undiscounted future cash flows)

The following table summarises the maturity profile of portfolios of insurance contracts issued that are liabilities based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

2024	Up to 1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	Greater than 5 years	No maturity	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Business Insurance	56,292	25,737	17,070	11,885	9,323	19,014	—	139,321
Scheme	22,262	18,650	14,786	10,874	7,412	18,532	—	92,516
Retail	8,189	1,479	520	270	170	172	—	10,800
Workers Compensation	33,045	21,717	16,052	11,829	8,439	26,027	—	117,109
Total	119,788	67,583	48,428	34,858	25,344	63,745	—	359,746

2023	Up to 1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	Greater than 5 years	No maturity	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Business Insurance	35,094	20,260	15,834	10,965	8,591	17,396	—	108,140
Scheme	18,171	14,733	11,613	8,643	6,018	15,396	—	74,574
Retail	4,219	971	414	221	102	119	—	6,046
Workers Compensation	30,007	19,738	14,450	10,511	7,428	20,774	—	102,908
Total	87,491	55,702	42,311	30,340	22,139	53,685	—	291,668

Notes to the Financial Statements cont.

Year ended 30 June 2024

Maturity analysis for financial assets (contractual undiscounted cash flow basis)

The following table summarises the maturity profile of financial assets of the Company based on remaining undiscounted contractual cash flows, including interest receivable:

	Less than 12 months	More than 12 months	Total	Less than 12 months	More than 12 months	Total
	30 June 2024			30 June 2023		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets						
Cash and cash equivalents	48,443	—	48,443	54,400	—	54,400
Trade and other receivables	14,420	—	14,420	10,723	—	10,723
Related party receivables	—	6,685	6,685	—	10,348	10,348
Investments	36,183	328,473	364,656	40,013	291,512	331,525

This maturity profile is a key tool used in the investment of assets backing insurance liabilities in accordance with the policy of matching the maturity profile of the assets with the estimated pattern of claims payments.

Maturity analysis for financial liabilities (contractual undiscounted cash flow basis)

The following table summarises the maturity profile of financial liabilities of the Company based on remaining undiscounted contractual cash flows:

	2024			2023		
	Less than 12 months	More than 12 months	Total	Less than 12 months	More than 12 months	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Liabilities						
Trade and other payables	12,943	—	12,943	14,471	—	14,471
Interest Bearing Borrowings	—	20,282	20,282	—	20,642	20,642
Lease Liabilities	3,944	14,447	18,391	3,277	18,189	21,466

g. Market and Investment Risk

Market and investment risk is the possibility that the Group will experience losses due to factors that affect the overall performance of investments in the financial markets. This includes the risk of unfavourable changes in interest rates, equity prices, credit spreads, commodity prices and investment market volatilities.

Key controls for mitigating Market and Investment Risk

- > To mitigate risks associated with investments, an Investment Policy is in place that provides restrictions for risk appetite and liability matching, transaction supervision, defined monthly and exception reporting processes.
- > A Capital Committee is also in place to regularly review investment strategy, performance and compliance with the Investment Policy.

The Group is exposed to mainly the following categories of market investment risks – interest rate risk and equity price risk. The key controls for mitigating these risks are outlined below.

Market Interest rate risk

Interest rate risk is the risk of loss arising from an unfavourable movement in market interest rates. Fixed interest rate assets and liabilities create exposure to fair value interest rate risk which is a market risk. Financial assets and liabilities with floating interest rates create exposure to cash flow interest rate risk.

Notes to the Financial Statements cont.

Year ended 30 June 2024

Key controls for mitigating Interest Rate Risk - Assets

- > Exposure to interest rate risk is monitored through several measures that include position limits, scenario testing, stress testing, and asset and liability matching using measures such as duration.

Key controls for mitigating Interest Rate Risk - Liabilities

- > The Group has a policy of investing in assets backing insurance liabilities principally in fixed interest securities broadly matched to the expected payment pattern of the insurance liabilities. Movements in investment income on assets backing insurance liabilities broadly offset the impact of movements in discount rates on the insurance liabilities.
- > Interest bearing liabilities are exposed to interest rate risk but as they are measured at amortised cost they therefore do not expose the Group to fair value interest rate risk. In addition, interest bearing liabilities bearing fixed interest rates reduce the entity's exposure to cash flow interest rate risk.

Sensitivity Analysis

The sensitivity analysis provided in the following table demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. The investments in interest bearing securities are recognised on the balance sheet at fair value. Movements in market interest rates impact the price of the securities (and hence their fair value measurement) and so would impact profit. The impact from the measurement of the interest bearing securities held at reporting date of a change in interest rates at reporting date by +1% or -1% on profit after tax, is shown in the table below.

		2024	2023
		\$'000	\$'000
		Post Tax Profit	Post Tax Profit
Financial assets - Interest Bearing Securities	+1%	5,860	3,721
	-1%	(5,860)	(3,721)

Insurance Contracts

The following sensitivity analysis shows the impact on gross and net of recoveries, and equity for reasonably movements in key assumptions with all other assumptions held constant.

2024	Sensitivity	Gross of Recoveries \$'000	Net of Recoveries \$'000	Equity \$'000
Claim inflation	+0.5%	3,575	3,155	(2,208)
	-0.5%	(3,491)	(3,084)	2,159
Discount rate	+0.5%	(3,795)	(3,206)	2,244
	-0.5%	3,925	3,313	(2,319)
Claim handling Expense	+0.5%	1,499	1,496	(1,047)
	-0.5%	(1,499)	(1,496)	1,047
Risk Adjustment	+0.5%	1,478	1,190	(833)
	-0.5%	(1,478)	(1,190)	833

Notes to the Financial Statements cont.

Year ended 30 June 2024

2023	Sensitivity	Gross of Recoveries \$'000	Net of Recoveries \$'000	Equity \$'000
Claim inflation	+0.5%	3,288	2,925	(2,047)
	-0.5%	(3,198)	(2,849)	1,995
Discount rate	+0.5%	(3,519)	(2,979)	2,085
	-0.5%	3,651	3,087	(2,161)
Claim handling Expense	+0.5%	1,326	1,323	(926)
	-0.5%	(1,326)	(1,323)	926
Risk Adjustment	+0.5%	1,286	1,058	(740)
	-0.5%	(1,286)	(1,058)	740

Equity price risk is the risk that the fair value of equities decreases as a result of changes in market prices, whether those changes are caused by factors specific to individual stocks or factors affecting all instruments in the market.

Key controls for mitigating Equity Price Risk

- > To limit equity price risk, investments are held in a diversified Australian share trust in accordance with limits set by the Board. The majority of the equity investments within the trust are of a high quality and are publicly traded on the ASX 300 Index.
- > Risk appetite parameters have been established defining the upper and lower limits for equity asset allocation.

Sensitivity Analysis

The impact from the measurement of the investments held at reporting date of a change in equity values at reporting date by +10% or -10% on profit after tax, is shown in the table below.

		2024 \$'000	2023 \$'000
		Post Tax Profit	Post Tax Profit
Investments - Infrastructure & Unlisted Unit Trust (Level 3)	+10%	2,419	4,157
	-10%	(2,419)	(4,157)

h. Operational Risk

Operational risk is the risk of financial loss (including lost opportunities) resulting from external events and/or inadequate or failed internal processes, wherein people, processes and systems fail to perform as required. Operational risk can have overlaps with all of the other risk categories. When controls fail, operational risk events can cause injury, damage to reputation, have legal or regulatory implications or can lead to financial loss. The Group cannot expect to eliminate all operational risks, but manages these by initiating an appropriate control framework and by monitoring and responding to potential risks, and thereby minimise exposure to such risks.

Key controls for mitigating Operational Risk

- > In conjunction with the various policies and processes that make up the Group's RMF, the identification, assessment, management and monitoring of operational risk is regularly performed. In addition to this, the RMS & ICAAP (incorporating the Group's Capital Management Plan) also include specific consideration of operational risk being identified and assessed on an ongoing basis.

These include:

- > Quality assurance programs within business lines.
- > Management monitoring and exception reporting. Compliance Plan and adherence to plan monitored by a dedicated Compliance team.
- > Financial crime and fraud mitigation controls.
- > Business continuity and disaster recovery planning and periodic testing.
- > Policies and procedural controls, including those around underwriting and claims management.

Notes to the Financial Statements cont.

Year ended 30 June 2024

- > Information Security and Technology controls, including privileged access management, vulnerabilities scanning, patch management. The Risk Management and Compliance Committee receives regular reporting on operational risks and vendor management.
- > Management and staff are responsible for identifying, assessing and managing operational risks in accordance with their roles and responsibilities and a designated Risk, Audit & Compliance function that monitors processes and procedures involving the management of operational risk.

Regulatory Risk

Regulatory Risk is the risk of legal or regulatory sanctions, financial loss, or loss to reputation which the Group may suffer as a result of its failure to comply with all applicable regulations, codes of conduct and good practice standards.

Key controls for mitigating Regulatory Risk

- > In conjunction with the various licences and regulatory obligations operated under, a Group Compliance Plan has been developed covering all regulated entities and adherence to the Plan is monitored by Compliance via controls testing and attestation process. Any breach (potential or actual) of a regulatory obligation, will be managed by the established incident management process that forms part of the RMF.
- > Commensurate with operating within the heavily regulated Australian financial services industry, our Risk, Audit & Compliance function facilitates a process whereby any regulatory change resulting from new or amended legislation / regulation will be identified, assessed and the appropriate areas are engaged to ensure the changes are addressed as necessary.

Outsourcing Risk

Outsourcing risk is the risk of material service providers and / or external third party suppliers being poorly selected and / or failing to meet their obligations under the outsourced arrangements, including in respect to adequacy of resources, resulting in material loss, or significant reputational damage or regulatory action.

Key controls for mitigating Outsourcing Risk

- > A Vendor Management framework is being established to uplift the discipline behind the process of working with vendors, controlling costs and increasing value, while ensuring quality and mitigating risks. It also assists in promoting a productive and successful relationship between both parties.
- > A Material Outsourcing policy describes the framework and processes for ensuring that all risks arising from outsourcing material business activities are being appropriately managed. These processes include the initial due diligence of any intended outsourced providers or service, a formal agreement being established that contains specified service levels, and performance monitoring being regularly undertaken against the established service levels being provided by the outsourced provider. The policy, along with its associated policies, is considered a key part of the RMF.

i. Climate Risk

Guild, through its operations, is exposed to the impacts of natural peril events including cyclones, wind, hail, floods, and fire which are inherently unpredictable in both frequency and severity. There is a risk that the frequency and/or the severity of such events may increase over time due to climate change.

Claims arising out of such natural peril events can be substantial and can adversely affect the Group's financial performance. Reinsurance and underwriting standards are used by the Group to mitigate the potential claims cost arising from natural peril events as well as steps taken to reduce exposure.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES, JUDGEMENTS, ESTIMATES & ASSUMPTIONS

Critical accounting judgements and estimates

In the application of the Group's accounting policies, which are described in Note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies and key sources of estimation uncertainty

The following are the critical judgements and key estimations that the Directors have used in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in financial statements:

Notes to the Financial Statements cont.

Year ended 30 June 2024

a. Method of estimating discounts rates

In determining discount rates for different products, the Group uses the bottom-up approach. Under this approach, the Group estimates discount rates as points on a liquid risk-free rate curve for the same currency and duration as the cash flows of insurance contract with a premium for the illiquidity of the insurance contract to be explicitly added to the risk-free rate. The illiquidity premium adjusts for the fact that yield curves derived from observable market prices reflect liquid assets, whereas insurance contracts are difficult to sell, or surrender quickly without incurring significant costs. The Group applies judgement in determining the liquidity characteristics of the group of insurance contracts.

b. Risk adjustment for non-financial risk

Guild Insurance Limited applied the cost of capital approach to determine the risk adjustment for both the liability for incurred claims and the liability for remaining coverage. The risk adjustment incorporates non-financial risk and is determined by the Group Actuary based on a cost of capital approach with non-finance risks measured by APRA's insurance risk charge ("IRC") and the insurance concentration risk charge ("ICRC") as well as the required compensation derived from the Board's risk appetite for capital and return on capital targets. The fulfilment cash flows used in calculating the loss component for onerous groups allowed for an appropriate risk adjustment. The Group Actuary determines risk adjustments appropriate to each valuation class, which are then aggregated or disaggregated as required to the portfolios and other groupings of business, e.g. for regulatory or management reporting. The entire change in the risk adjustment for non-financial risk are included as part of the insurance service result. Guild discloses the confidence level associated with the risk adjustment for non-financial risk for risk adjustments both gross and net (of reinsurance). The resulting Probability of Sufficiency is estimated to be 75% (FY23 75%).

c. Trade debtors and other receivables

Trade receivables are recognised initially at fair value plus transaction costs and then subsequently measured at amortised cost using the effective interest rate method, less impairment. Collectability of trade receivables is reviewed on an on-going basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is an expected credit loss that the entity will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts greater than trade terms are considered objective evidence of impairment.

d. Annual impairment tests

The entity determines whether PPE, ROU and Intangibles with definite useful lives are impaired at least on an annual basis. An impairment loss of \$nil (2023: \$nil) was recognised in respect of systems development costs.

e. Deferred tax assets

The Group has recognised deferred tax assets relating to carried forward tax losses to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority against which the unused tax losses can be utilised. However, utilisation of the tax losses also depends on the ability of the entity to satisfy certain tests at the time the losses are recouped. If the entity fails to satisfy the tests, carried forward losses of \$27,350 thousand that are currently recognised as deferred tax asset would have to be written off to income tax expense.

f. Revenue recognition - Revenue from contracts with customers

Superannuation

1. Identifying the Performance obligations

Contracts with clients generally comprise of a single distinct performance obligation, once the service has been provided at end of the month and the transaction price is allocated to this single performance obligation. Management considers the methods used provide a reasonable depiction of the transfer of goods or services.

2. Estimating the Transaction price

The Company allocates the transaction price to each performance obligation based on the Product Disclosure Statement. Allocation of transaction price is otherwise based on either daily or monthly participation, depending on the revenue category and the members options.

Legal fees

1. Identifying the Performance obligations

In insurance and commercial matters contracts with clients generally comprise of a single distinct performance obligation, being the provision of services in pursuit of the successful settlement of the client's claim and the transaction price is allocated to this single performance obligation. Some contracts contain multiple deliverables, and, in such circumstances, these multiple deliverables are considered to represent a single distinct performance obligation. Management considers the methods used provide a reasonable depiction of the transfer of goods or services.

Notes to the Financial Statements cont.

Year ended 30 June 2024

2. Estimating the Transaction price: Variable consideration Class Action Arrangements

The entity provides various services based on a part conditional fee arrangement. The uncertainty around the full fees ultimately receivable under these arrangements is generally only fully resolved when a matter is concluded.

Fees are only included in revenue to the extent that it is highly probable that the cumulative amount of revenue recognised in respect of a contract at the end of the reporting period will not be subject to significant reversal when a matter is concluded.

3. Work in Progress

Work in progress represents client cases which have not yet reached a conclusion. Stage of completion is measured by the labour hours incurred valued at chargeable hourly rates, less allowance for any amounts expected not to be recovered, to date compared to that expected on completion.

Work in progress is only included in revenue to the extent that it is highly probable that the cumulative amount of revenue recognised in respect to the contract at the end of the reporting period will not be subject to a significant reversal when the matter is concluded.

Notes to the Financial Statements cont.

Year ended 30 June 2024

5. REVENUE AND EXPENSES	2024	2023
	\$'000	\$'000
a. Revenue from contracts with customers		
Type of contract		
Time and Materials - Insurance (legal fees)	39,411	24,349
Time and Materials - Commercial (legal fees)	4,103	3,838
Superannuation fees	10,322	19,322
Insurance administration	412	782
Gold Cross Net Income	3,247	3,308
Other Income	288	196
Total revenue from contracts with customers	57,783	51,795
b. Investment revenue on assets backing policyholder funds		
Interest income	7,273	5,882
Income from managed funds	28	163
Realised gains/(losses) on financial assets	2,081	(544)
Unrealised gains/(losses) on financial assets held at fair value	107	512
Distributions from unit trust	361	263
	9,849	6,276
c. Investment revenue on assets backing shareholder funds		
Interest income	5,330	3,325
Rebate of management services fees	84	493
Realised gains/(losses) on financial assets	2,385	(218)
Unrealised gains/(losses) on financial assets held at fair value	(3,215)	(2,100)
Distributions from unit trust	3,096	1,367
	7,680	2,867
d. Other expenses		
Depreciation - property, plant and equipment	1,300	915
Employee Entitlements	10,917	11,105
Amortisation of intangible assets and goodwill	1,383	1,849
Depreciation of right-of-use assets	4,113	5,350
Interest expense on lease liabilities	1,227	589
	18,940	19,808

Notes to the Financial Statements cont.

Year ended 30 June 2024

6. INCOME TAX	2024	2023
	\$'000	\$'000
The major components of income tax expense are:		
Income statement		
Current income tax		
Current income tax charge	10,980	8,169
Adjustments in respect of current income tax of previous years	(3,105)	(1,233)
Other Adjustments	(763)	717
Deferred income tax		
Relating to origination and reversal of temporary differences	(1,097)	536
Adjustments in respect of income tax of previous years	4,086	760
Other Adjustments	37	(608)
Transitional Impact AASB 17	—	128
Income tax (credit) / expense reported in the statement of comprehensive income	10,138	8,469
A reconciliation between tax expense and the product of accounting profit/(loss) before income tax multiplied by the company's applicable income tax rate is as follows:		
Accounting profit/(loss) before income tax	33,107	19,592
Transitional Impact AASB 17	—	426
At the company's statutory income tax rate @ 30% (2023:30%)	14,421	7,282
Adjustments in respect of current income tax of previous year	(1,394)	(481)
Adjustments in respect of income tax of previous year	773	—
Expenditure not allowable for income tax purposes	69	47
Other	(3,731)	1,621
Income tax (credit) / expense reported in the statement of comprehensive income	10,138	8,469

Notes to the Financial Statements cont.

Year ended 30 June 2024

	Balance Sheet		Income Statement	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Deferred income tax				
Deferred income tax at 30 June relates to the following:				
Deferred tax liabilities				
Revaluation of investments to fair value	(105)	(113)	(8)	67
Prepayments	(170)	(222)	(52)	29
Right-of-use assets	(3,840)	(4,845)	(1,005)	1,154
Work in progress	(2,258)	(1,473)	785	240
Shares in Subsidiaries	(2,008)	(2,095)	(87)	2,095
Other	(252)	(706)	(454)	604
Fixed Assets	(508)	(410)	98	410
Insurance Contract Liabilities	—	(5,280)	(5,280)	5,280
	(9,141)	(15,144)		
Deferred tax assets				
Provisions	6,028	5,787	(241)	(67)
Revaluation of investments to fair value	1,500	9,783	8,283	21
Claims handling costs	8,764	7,521	(1,243)	(1,975)
Lease liabilities	5,230	6,016	786	(1,732)
Intangibles	—	—	—	24
Other	879	305	(574)	118
Reinsurance Contract Assets	—	2,021	2,021	(2,021)
	22,401	31,433		
Net Deferred Tax Asset / (Liability)	13,260	16,289		
Deferred income tax benefit			3,029	4,247

This benefit for tax losses will only be obtained if:

- the subsidiary entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, or
- the subsidiary entity continues to comply with the conditions for deductibility imposed by tax legislation, and
- no changes in tax legislation adversely affect the subsidiary entity in realising the benefit from the deductions for the losses.

At 30 June 2024, there are no unrecognised temporary differences associated with the Group's investments in subsidiaries, as the Group has no liability for additional taxation should unremitted earnings be remitted (2023 – \$nil).

Notes to the Financial Statements cont.

Year ended 30 June 2024

7. DIVIDENDS PAID AND PROPOSED

The Guild Group Holdings Limited board declared and paid dividends in FY2024 of \$35,113,056 (2023: \$8,000,000).

	2024	2023
	\$'000	\$'000
Declared and paid during the year		
Dividends on ordinary shares	35,113	8,000
Franking credit balance		
The amount of franking credits available for the subsequent financial year are:		
> franking account balance as at the end of the financial year at 30% (2023: 30%)	76,148	62,275
> franking credits/debits that will arise from the payment of income tax payable/receivables at the end of the financial year	1,826	13,873
	77,974	76,148

The tax rate at which paid dividends have been franked is 30% (2023: 30%)

8. CASH AND CASH EQUIVALENTS

	2024	2023
	\$'000	\$'000
a. Reconciliation to Cash Flow Statement		
Cash balance comprises:		
Cash at bank and on hand	48,443	54,400

Notes to the Financial Statements cont.

Year ended 30 June 2024

8. CASH AND CASH EQUIVALENTS CONT'D

b. Reconciliation of operating loss after income tax to the net cash flows from operations	2024	Restated 2023
	\$'000	\$'000
Profit after income tax from operating activities	22,970	11,548
Adjustments for:		
Depreciation and amortisation	6,795	8,114
Movement in doubtful debts and impairment	71	120
Changes in fair value of financial assets	3,161	1,622
Movement in interest receivable	(12,012)	(7,827)
Movement in investment in joint venture	(327)	(8)
Movement in distributions from unit trust	(8,072)	(1,587)
Realisation of ROU Asset	(334)	(1,419)
Loss/(profit) on sale of non current assets	(21,119)	(830)
Interest expense on lease liabilities	1,227	589
Changes in assets and liabilities		
Decrease/(Increase) in work in progress	(2,615)	(800)
Movement in insurance contract liabilities	44,177	(14,217)
Movement in reinsurance contract assets	(3,063)	17,179
Increase/(Decrease) in trade and other payables	(2,306)	3,218
Decrease/(Increase) in right of use asset	6,575	(7,922)
Increase/(Decrease) in lease liabilities	(348)	298
Increase/(Decrease) in provisions	3,663	2,651
Increase/(Decrease) in income tax payable	(8,083)	(10,237)
Increase/(Decrease) in deferred income tax	(3,808)	4,486
Decrease/(Increase) in other amounts receivable	(8,276)	(2,763)
Decrease/(Increase) in deferred tax assets	6,957	(3,786)
Increase/(Decrease) in deferred revenue	1,423	(46)
Decrease/(Increase) in prepayments	(2,185)	(1,253)
Net cash flows (used in) / from operating activities	24,471	(2,870)

Notes to the Financial Statements cont.

Year ended 30 June 2024

c. Changes in liabilities arising from financing activities

	1 July 2023	Cash Flows	Additions	Interest Charged	Changes in Fair Values	Risk Free Adjustment	Other	30 June 2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Dividends Paid	–	(35,113)	–	–	–	–	–	(35,113)
Lease Liabilities	21,465	(3,989)	264	1,227	–	–	(576)	18,391
							2024	2023
							\$'000	\$'000

d. Financing facilities available

At reporting date, the following financing facilities had been negotiated and were available:

Total facilities

> Bank overdraft	3,500	500
> Leasing/hire purchase/credit cards	1,500	1,500
> Loan facility - Macquarie Group Limited	3,030	3,600
> Bank guarantees	5,755	5,500
	13,785	11,100

Facilities used at reporting date

> Bank overdraft	47	49
> Leasing/hire purchase/credit cards	196	303
> Loan facility - Macquarie Group Limited	3,030	3,390
> Bank guarantees	3,392	5,092
	6,665	8,834

Facilities unused at reporting date

> Bank overdraft	3,453	451
> Leasing/hire purchase/credit cards	1,304	1,197
> Loan facility - Macquarie Group Limited	–	210
> Bank guarantees	2,363	408
	7,120	2,266

Notes to the Financial Statements cont.

Year ended 30 June 2024

	2024	2023
	\$'000	\$'000
9. TRADE AND OTHER RECEIVABLES		
b. Other receivables		
Other amounts receivable	14,420	10,750
Loan receivable	—	5,364
Agency service debtors	6,685	4,984
	21,105	21,098

c. Provision for impairment

Trade receivables are non-interest bearing and are generally on 30 day terms.

d. Maturity

	Total days	0 – 30 days	30 – 60 days	60 – 90 days	91+ days
	\$'000	\$'000	\$'000	\$'000	\$'000
2024	8,928	5,825	1,623	764	716
2023	7,996	6,778	705	312	208

Other receivable balances within trade and other receivables do not contain impaired assets and are not past due. It is expected that these other receivable balances will be received when due.

e. Fair value and credit risk

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the entity's policy to transfer (on-sell) receivables to special purpose entities.

f. Recoverability

Receivables are expected to be received within 12 months of the financial year end.

Notes to the Financial Statements cont.

Year ended 30 June 2024

	2024	2023
	\$'000	\$'000
10. INVESTMENTS		
a. Fixed interest deposits - fair value	309,902	251,580
b. Investment in unlisted unit trust - fair value	12,672	42,466
c. Infrastructure investments	21,883	16,919
d. Loans *	490	380
e. Amounts receivable in respect of:		
Investment Loans	19,709	20,180
Expected to be realised within 12 months	5,215	5,624
Expected to be realised after 12 months	14,494	14,556
	19,709	20,180
	364,656	331,525
f. Maturity		
Expected to be realised within 12 months	36,183	40,013
Expected to be realised after 12 months	328,473	291,512
	364,656	331,525

* Loans have been made directly with selected Meridian senior employees for the purchase of Meridian Shares via the Employee Share Trust and are fully recourse.

Investments – determination of fair value

There has been no change during the current reporting period in the processes used for the determination of the fair value for investments.

The entity's investments are recognised at fair value through profit and loss, and for the vast majority of the investments, the fair value is determined based on observable market data.

The table below separates the total investments balance based on a hierarchy that reflects the significance of the inputs used in the determination of fair value. The fair value hierarchy has the following levels:

- > Level 1 – the fair value is calculated using quoted prices in active markets.
- > Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- > Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

Notes to the Financial Statements cont.

Year ended 30 June 2024

	Quoted market price (Level 1)	Valuation technique - market observable inputs (Level 2)	Valuation technique - non market observable inputs (Level 3)	Total
	\$'000	\$'000	\$'000	\$'000
2024				
Investments				
Investment in unlisted unit trust – fair value	–	10,871	1,801	12,672
Fixed interest deposits – fair value	–	309,902	–	309,902
Infrastructure Investment	4,153	–	17,730	21,883
Investment/other loans	–	–	20,199	20,199
	4,153	320,773	39,730	364,656
2023				
Investments				
Investment in unlisted unit trust – fair value	–	37,446	5,020	42,466
Fixed interest deposits – fair value	–	251,580	–	251,580
Infrastructure Investment	–	–	16,919	16,919
Investment/other loans	–	–	20,560	20,560
	–	289,026	42,499	331,525

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the valuation of infrastructure and unlisted unit trusts are unquoted share prices and the valuation of these investments are based on either recent transaction price or net asset values. The fair value of the investment and other loan is valued using either the discounted cash flow method or capitalisation approach.

Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity of the input to fair value	
Guild's proportion of net assets	Net asset value	+10% -10%	10% increase/(decrease) in net asset value will result in an increase/(decrease) in fair value by \$1,953k.	
			2024	2023
			\$'000	\$'000
Reconciliation of Level 3 fair value movements				
Opening balance			42,499	42,556
Fair value movement			2,779	299
New business/purchases			21,883	16,919
Repayments			(27,431)	(17,275)
Closing balance			39,730	42,499

Notes to the Financial Statements cont.

Year ended 30 June 2024

11. INVESTMENTS IN JOINT VENTURE

The Group has a 50% interest in Guild Early Learning Pty Limited (2023: 50%) which involves general insurance underwriting for workers compensation. The Group interest in Guild Early Learning Pty Limited is accounted for using the equity method in the financial statements. The following table illustrates the summarised financial information of the Company's investment in Guild Early Learning Pty Limited:

	2024	2023
	\$'000	\$'000
Current assets	7,353	6,272
Current liabilities	(7,037)	(5,303)
Equity	316	969
Company's share in equity = 50% (2023: 50%)	158	485
a. Company's carrying amount of the investment	158	485
Revenue	11,221	8,341
Administrative expenses	(11,874)	(8,356)
Profit/(Loss) before income tax	(653)	(15)
Income tax expense	—	—
Net Profit/(Loss) for the year	(653)	(15)
b. Company's share of net profit/(loss) for the year	(327)	(8)

Guild Early Learning Pty Limited had no contingent liabilities or capital commitments as at 30 June 2024.

12. INVESTMENT IN ASSOCIATES

The Group has a 17.21% interest in MedAdvisor Limited (ASX: MDR). The principal activities include the enhancement and growth of the MedAdvisor medication and adherence platform. The platform is focused on improving health outcomes by connecting health professionals with their patients using technology and enhancing medication adherence through health programs. Medadvisor's principal place of business is Level 2/971-977 Burke Rd, Camberwell Victoria 3124. The Group's interest in MedAdvisor Limited is accounted for using the equity method in the financial statements. The following table illustrates the Group's share of net profit/(loss) which is based on the latest available audited financial statements of MedAdvisor Limited, 30 June 2024 and prior year.

Notes to the Financial Statements cont.

Year ended 30 June 2024

	2024	2023
	\$'000	\$'000
Total Assets	98,783	95,908
Total Liabilities	(47,199)	(47,446)
Equity	51,584	48,462
All-Scrip Acquisition of Guildlink Pty Ltd	9,139	9,139
Securities issued under institutional offer	4,884	4,884
Sub-underwritten securities issued	406	406
Guild Group's share in net profit/(loss) for the year	(1,808)	(1,853)
a. Company's carrying amount of the investment	12,621	12,576
Net Profit/(Loss) for the year	648	(10,619)
b. Company's share of net profit/(loss) for the year	113	(1,853)

13. INVESTMENTS HELD ON TRUST

	2024	2023
	\$'000	\$'000
As the parent entity of Meridian Lawyers Limited, Guild Group Holdings Limited holds the following unallocated shares on behalf of the Employee Share Trust which remain available to eligible employees of Meridian Lawyers Limited at the reporting date:	47	300

14. PREPAYMENTS AND WORK IN PROGRESS

	2024	2023
	\$'000	\$'000
Work in progress – contract asset under AASB 15	7,527	4,912
Prepayments	11,015	8,831
	18,542	13,743

Notes to the Financial Statements cont.

Year ended 30 June 2024

	Leasehold Improvements	Fixtures & Fittings	Total
	\$'000	\$'000	\$'000
15. PROPERTY, PLANT AND EQUIPMENT			
Reconciliation 2024			
Carrying amount at the beginning of the period	364	5,105	5,469
Additions	47	1,568	1,615
Inter-Group Transfers	—	(359)	(359)
Utilised/Disposals	—	(1,027)	(1,027)
Depreciation charge for the year	(105)	(355)	(460)
Carrying amount at the end of the year	306	4,932	5,238
Reconciliation 2023			
Carrying amount at the beginning of the period	36	1,669	1,705
Additions	404	4,425	4,829
Utilised/Disposals	—	(383)	(383)
Depreciation charge for the year	(76)	(606)	(682)
Carrying amount at the end of the year	364	5,105	5,469

Notes to the Financial Statements cont.

Year ended 30 June 2024

	Property \$'000	Motor Vehicle \$'000	Equipment \$'000	Total \$'000
16. RIGHT-OF-USE ASSET				
Reconciliation 2024				
As at July 2023	16,168	313	112	16,593
Additions	414	364	107	885
Less disposals	(102)	(44)	—	(146)
Depreciation	(3,855)	(204)	(76)	(4,135)
Carrying amount at the end of the year	12,625	429	143	13,197
Reconciliation 2023				
As at July 2022	12,806	286	194	13,286
Additions	9,180	293	—	9,473
Less disposals	(757)	(40)	—	(797)
Depreciation	(5,062)	(225)	(81)	(5,368)
Carrying amount at the end of the year	16,167	314	113	16,594

	2024 \$'000	2023 \$'000
17. INTANGIBLE ASSETS AND GOODWILL		
a. Goodwill		
Goodwill at the beginning of the year	—	3,757
Balance at end of year	—	3,757

Following completion of the divestment of the superannuation business of Guild Trustee Services Pty Ltd (“GTS”) (a subsidiary of Guild Group Holdings Limited) on 14 December 2023, GTS retired in its capacity as Trustee of the Guild Retirement Fund (“GRF”) which resulted in the Trusteeship of GRF transitioning to Equity Trustees Superannuation Limited. As a result of GTS’ retirement as Trustee, the Group no longer recognises goodwill in relation to this former Cash Generating Unit.

Notes to the Financial Statements cont.

Year ended 30 June 2024

b. Systems Development & Computer Software – at cost

	Computer Software \$'000	Total \$'000
Reconciliation 2024		
Carrying amount at the beginning of the period	5,119	5,119
Additions	106	106
Amortisation	(1,384)	(1,384)
Carrying amount at the end of the year	3,841	3,841
Reconciliation 2023		
Carrying amount at the beginning of the period	6,817	6,817
Amortisation	(1,698)	(1,698)
Carrying amount at the end of the year	5,119	5,119
	2024	2023
	\$'000	\$'000
Total Intangible Assets & Goodwill	3,841	8,876

Notes to the Financial Statements cont.

Year ended 30 June 2024

18. TRADE AND OTHER PAYABLES

	2024	2023
	\$'000	\$'000
a. Trade and other payables		
Trade and other payables	12,943	14,471
Deferred revenue – contracts with customers under AASB 15	1,485	62
	14,428	14,533
b. Maturity		
Expected to be realised within 12 months	14,428	14,533
	14,428	14,533

c. Fair value

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

Notes to the Financial Statements cont.

Year ended 30 June 2024

19. INTEREST BEARING BORROWINGS

	2024	2023
	\$'000	\$'000
a. Loan – floating rate		
Loan payable to ultimate parent entity – floating rate	16,840	16,840
Loan payable to ultimate parent entity – interest on loan	412	412
Bank Loans	3,030	3,390
	20,282	20,642
b. Maturity		
Expected to be realised within 12 months	–	–
Expected to be realised after 12 months	20,282	20,642
	20,282	20,642

Fair values

The carrying amount of the Group's borrowings disclosed in order of liquidity approximate their fair value.

Defaults and breaches

During the current and prior years, there were no defaults or breaches on any of the loans.

20. LEASE LIABILITIES

	2024	2023
	\$'000	\$'000
Balance at 1 July	21,465	15,723
Additions	264	9,472
Less disposals	(576)	(1,289)
Interest charged	1,227	589
Repayment of lease liabilities	(3,989)	(3,029)
Carrying amount at the end of the year	18,391	21,466
Maturity		
Expected to be released within 12 months	3,944	3,277
Expected to be released after 12 months	14,447	18,189
	18,391	21,466

The Group has used one single Incremental Borrowing Rate (IBR) for a portfolio of leases having similar risk characteristics. The Group has used one single Incremental Borrowing Rate (IBR) of 3.71% for a portfolio of leases having similar risk characteristics.

Notes to the Financial Statements cont.

Year ended 30 June 2024

The Group has determined the IBR to be the interest rate provided by the Ultimate parent entity plus the six month BBSY interest rate, which is sourced from the Reserve Bank of Australia twice yearly.

21. PROVISIONS

	Employee Entitlements
	\$'000
At 1 July 2023	25,667
Arising during the year	17,087
Utilised	(14,059)
Unused amounts Reversed	(1,829)
Carrying amount at the end of the year	26,866
Current 2024	20,371
Non-current 2024	6,495
	26,866
Current 2023	18,837
Non-current 2023	6,830
	25,667

Employee Entitlements

a. Annual Leave

Liability for annual leave is recognised at the nominal amounts unpaid at the reporting date using remuneration rates that are expected to be paid when the liability is settled, including on costs.

b. Long Service Leave

A liability for long service leave is recognised as the present value of estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The estimated future cash outflows are discounted using corporate bond yields which have terms to maturity that match, as close as possible, the estimated future cash outflows. Factors which affect the estimated future cash outflows such as expected future salary increases, experience of employee departures and period of service, are incorporated in the measurement.

c. Short Term Incentive (STI)

The short term incentive plan continued in operation during the current reporting year. Eligible employees have the capacity to earn a proportion of their base pay as a cash incentive annually. The incentive opportunity is set depending on an employee's role and responsibilities. The majority of employees are on a 8%, 10%, 15% or 20% plan. The incentive payments are determined based on an assessment of individual performance and achievement of a range of business unit and individual goals.

d. Long Term Incentive (LTI)

LTI rewards behaviour and results that add value to the Group's business. The LTI is based on company, business unit and individual performance metrics. The rules for the payment of the incentive schemes must, and have been developed to meet the APRA prudential requirements in respect to remuneration arrangements. Participation in the Group LTI scheme commencing 1 July 2010 is only available to the following eligible employees: Executive Team and Extended Leadership Team (ELT)/ Technical Talent. Incentive achievement targets for the Group or business units will be set annually by the Chief Executive Officer and the Board. The LTI bonus earned will be paid at the end of year 3 on a rolling year (1 July – 30 June) basis.

Notes to the Financial Statements cont.

Year ended 30 June 2024

22. CONTRIBUTED EQUITY

a. Authorised shares

Consolidated and Parent entity

Number of shares

\$'000

2024

Ordinary shares

Total ordinary shares issued and fully paid as at 30 June 2024

19,440,044

21,420

2023

(i) Ordinary shares

Total ordinary shares issued and fully paid as at 30 June 2023

19,440,044

21,420

b. Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared.

c. Capital management

When managing capital, management's objective is to ensure the Group continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Group. Management adjust the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. During 2023/2024, dividends of \$35.1m were paid by Guild Group Holdings Limited (2022/2023: \$8.0m).

	Notes	2024 \$'000	2023 (restated) \$'000
d. Retained earnings			
Balance at 1 July		133,534	122,580
Net profit/(loss) attributable to members of Guild Group Holdings Limited		21,455	10,767
Deconsolidation adjustment following sale of Guildlink Pty Limited		1,649	8,187
Total available for appropriation		156,638	141,534
Dividends paid or provided		(35,113)	(8,000)
Balance at 30 June		121,525	133,534
e. Merger reserve (pooling of interest)			
Merger reserve		(68)	1,581

Notes to the Financial Statements cont.

Year ended 30 June 2024

23. NON-CONTROLLING INTEREST

	2024	2023
	\$'000	\$'000
a. Interest in:		
Class A ordinary shares	743	689
Dividend paid	(551)	(384)
Retained earnings	3,422	2,291
Balance at 30 June	3,614	2,596

- b. Guild Group Holdings Limited owns 50.05% of the total equity and also holds an additional 0.41% (2023: 4.00%) of shares on behalf of the Meridian Employee Share Scheme which remain unallocated at the reporting date. The remaining 49.54% of equity is held by the Meridian Employee Share Plan 24.54% and Steadfast Group Limited (ASX:SGL) 25.00%. The ultimate parent entity of Meridian Lawyers Limited is The Pharmacy Guild of Australia.

24. RELATED PARTIES

	2024	2023
	\$	\$
(Amounts are in whole dollars)		
Transactions of Directors		
Guild Insurance Limited had loans to directors during the period, Mr J Dowling (Director of the parent entity) on normal terms and conditions no more favourable than those available on similar transactions to other customers:		
Repayments received during the year in relation to the loans	—	252,747
Interest revenue from directors	—	2,747
Transactions of Parent		
Loan advanced to:		
The Pharmacy Guild of Australia	—	5,000,000
Interest revenue from:		
The Pharmacy Guild of Australia	—	207,085
Interest Bearing Borrowings - The Pharmacy Guild of Australia	17,251,580	17,251,580
Interest paid/payable to The Pharmacy Guild of Australia	1,483,898	1,241,600
Guild Insurance Limited has paid commission on policies written to The Pharmacy Guild of Australia. The rates are based on normal commercial terms and conditions.	4,199,323	3,881,668
Sponsorship Fees paid by the parent and subsidiary entities to The Pharmacy Guild of Australia	201,240	215,375
Insurance Premiums received/receivable by subsidiary entities from The Pharmacy Guild of Australia.	100,181	84,533
Legal fees received/receivable by subsidiary entities from The Pharmacy Guild of Australia.	452,609	338,571
Amounts owed by The Pharmacy Guild of Australia	450,181	590,421
Guild Insurance Limited sold insurance policies to directors or their director-related entities, and to the directors of The Pharmacy Guild of Australia or their director-related entities during the year within a normal employee or customer relationship on terms and conditions no more favourable than those available on similar transactions to other employees or customers.		
Transactions of Other Related Parties:		
Investment in Medadvisor Limited (ASX: MDR)	12,620,978	12,576,172
Legal fees received/paid from other related parties	1,739,331	632,442
Insurance premiums received/paid from other related parties	100,181	84,533
Commission income from Guild Early Learning Pty Ltd to Guild Insurance Limited	7,973,369	5,990,238

Notes to the Financial Statements cont.

Year ended 30 June 2024

Commission expense to Guild Early Learning Pty Ltd by Guild Insurance Limited	(9,791,297)	(7,356,013)
Commissions paid/payable to Steadfast owned brokers	353,598	353,598
Loan Receivable - Joint Venture Partner	157,024	157,024

Parent entity:

The parent entity (and ultimate parent entity) is The Pharmacy Guild of Australia.

25. SIGNIFICANT EVENTS AFTER BALANCE DATE

A dividend of \$3,200,000 was approved for declaration by the Directors at the Board meeting held on 12 September 2024 with payment of the dividend remaining subject to approval being received from the Australian Prudential Regulation Authority.

GIL reduced its Net Whole of Account Quota Share proportional treaty from 12.5% to 5.0% effective 1 July 2024.

26. REMUNERATION OF AUDITORS

	2024	2023
(Amounts are in whole dollars)	\$	\$
Amounts received, or due and receivable, by Ernst & Young:		
Audit of the financial report of the consolidated group	522,630	468,131
Assurance services in relation Taxation & Regulatory Compliance	229,950	214,438
	752,580	682,569

27. KEY MANAGEMENT PERSONNEL

Directors' remuneration

The following Directors held office during the year:

Mr A. Bloore, Ms C. Dube, Mr M. Kay, Ms A. McCreery, Mr N. Panayiaris, Mr C. Owen & Mr A. Tassone.

Income paid or payable, or otherwise made available, in respect of the financial year, to all directors of the consolidated entity, directly or indirectly, from the entity or any related party:

	2024	2023
(Amounts are in whole dollars)	\$	\$
Short term benefits	907,315	640,399
Post-employment benefits	97,516	65,109
Total compensation	1,004,831	705,508

Other Key Management Personnel

Remuneration received or due and receivable by executive officers (including directors) of the consolidated group whose remuneration is \$100,000 or more, from the entities in the consolidated entity or a related party, in connection with the management of the affairs of the entities in the consolidated group, whether as an executive officer or otherwise is:

Notes to the Financial Statements cont.

Year ended 30 June 2024

	2024	2023
	\$	\$
(Amounts are in whole dollars)		
Short term benefits	6,270,862	6,781,634
Post-employment benefits	403,476	335,015
Other long term benefits	819,414	2,466,781
Termination benefits*	495,674	1,421,165
Total compensation	7,989,426	11,004,595

* Termination benefits relate to key management personnel who have ceased employment.

The remuneration of all Leadership Team members includes a base remuneration component, a short-term incentive payment and a pro-rata long-term incentive payment.

The remuneration detailed above only includes amounts that were either paid or payable at 30 June 2024.

If certain performance conditions are met and employment continues an additional amount may be payable in accordance with the long-term incentive scheme at a future date.

Subsidiaries of Guild Group Holdings Limited sold insurance policies and financial products to key management personnel or their related entities during the year within a normal employee or customer relationship on terms and conditions no more favourable than those available on similar transactions to other employees in line with the company's policy on staff discounts.

28. INVESTMENT IN SUBSIDIARIES

Name of entity	Book Value of Parent Entity's Investment		Share Capital Held		Class of shares
	2024	2023	2024	2023	
	\$'000	\$'000	%	%	
Parent Entity					
Guild Group Holdings Limited					
Controlled Entities					
Guild Insurance Limited	34,228	34,228	100	100	Ordinary
Guild Superannuation Services Limited ³	528	5,862	100	100	Ordinary
Guild Finance Facility Limited	750	750	100	100	Ordinary
Meridian Lawyers Limited ²	751	751	50	50	Ordinary
Guild Commercial Finance Pty Limited	350	350	100	100	Ordinary
Guild Solutions Inc	242	242	100	100	Ordinary
Entity Investments at 30 June ¹	36,849	42,183			

¹ All controlled entities are incorporated in Australia and in the form of body corporate. All controlled entities are Australian resident (within the meaning of the Income Tax Assessment Act 1997).

² Guild Group Holdings Limited owns 50.05% of the total equity and also holds an additional 0.41% (2023: 4.00%) of shares on behalf of the Meridian Employee Share Scheme which remain unallocated at the reporting date. The remaining 49.54% of equity is held by the Meridian Employee Share Plan 24.54% and Steadfast Group Limited (ASX:SGL) 25.00%. The ultimate parent entity of Meridian Lawyers Limited is The Pharmacy Guild of Australia.

³ Guild Trustee Services Pty Ltd ("GTS") retired in its capacity as Trustee of the Guild Retirement Fund ("GRF") on 14 December 2023 which resulted in the Trusteeship of GRF transitioning to Equity Trustees Superannuation Limited.

Notes to the Financial Statements cont.

Year ended 30 June 2024

As part of the transition, Guild Super Services Pty Ltd was sold to Future Group Australia Holdings Pty Ltd ("Future Group") resulting in Future Group becoming the promoter & owner of the Childcare Super & SuperSuper and promoter of the GuildSuper brand (under licence), formerly managed by GTS in its capacity as Trustee of GRF.

Guild Group Holdings Limited received net consideration (pre-tax) of \$23.8m and also de-recognised goodwill with a carrying value of \$3.8m attributed to Childcare Super.

Following the de-recognition of Goodwill, retirement of GTS in its capacity as Trustee of GRF and dividends paid of \$11.0m by Guild Superannuation Services Limited to Guild Group Holdings Limited, the book value of Guild Superannuation Services Limited has been impaired to a value of \$0.5m in the accounts of the parent entity.

29. CONTINGENCIES

The entity has \$3,392,371 (2023: \$5,092,211) in contingent liabilities relating to bank guarantees as at 30 June 2024.

Notes to the Financial Statements cont.

Year ended 30 June 2024

30. PARENT ENTITY FINANCIAL INFORMATION

	2024	2023
	\$'000	\$'000
Statement of financial position		
Assets		
Cash and cash equivalents	5,855	602
Trade and other receivables	2,312	592
Related Party Receivables	—	5,207
Income tax receivable	(341)	1,474
Prepayments and inventories	2,013	946
Property, plant and equipment	1,447	1,291
Right of Use Assets	92	33
Deferred tax assets	2,058	1,162
Financial assets	50,007	55,440
Intangible assets	—	99
Total Assets	63,443	66,846
Liabilities		
Trade and other payables	10,282	9,512
Income tax payable	5,108	—
Lease Liabilities	93	34
Deferred Revenue	1,449	—
Interest-bearing loans and borrowings	26,740	30,740
Provisions	6,704	6,346
Deferred tax liabilities	2,317	2,095
Total Liabilities	52,693	48,727
Net Assets	10,750	18,119
Equity		
Contributed equity	21,420	21,420
Retained earnings	(10,670)	(3,301)
Total Equity	10,750	18,119

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Notes to the Financial Statements cont.

Year ended 30 June 2024

	2024	2023
Statement of Financial Performance	\$'000	\$'000
Other revenue	49,009	33,340
Licensing Income	301	—
Administration expenses	(10,801)	(9,098)
Marketing expenses	(2,257)	(2,308)
Occupancy expenses	(47)	(291)
Salary related expenses	(21,723)	(21,358)
Finance costs	(2,438)	(1,779)
Other Operating Expenses	(160)	(266)
Unrealised gain on investment	45	(1,853)
Investment revenue on assets backing shareholder funds	474	—
Profit on sale of subsidiary entity	24,886	288
Loss on Impairment	(5,334)	—
(Loss) before income tax	31,955	(3,325)
Income tax credit	(4,212)	(670)
Net profit/(loss) for the year	27,743	(3,995)
Profit/(loss) for the year is attributable to:		
Owners of the parent	27,743	(3,995)
Other comprehensive income for the year is attributable to:		
Owners of the parent	27,743	(3,995)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Notes to the Financial Statements cont.

Year ended 30 June 2024

31. INSURANCE FINANCE INCOME/(EXPENSES) FROM INSURANCE CONTRACTS ISSUED

	2024	2023
	\$'000	\$'000
Insurance finance income/(expenses) from insurance contracts issued		
Interest accreted to insurance contracts using current financial assumptions	(9,366)	(5,308)
Due to changes in interest rates and other financial assumptions	526	1,463
Total insurance finance income/(expenses) from insurance contracts issued	(8,840)	(3,845)

32. REINSURANCE FINANCE INCOME/(EXPENSES) FROM INSURANCE CONTRACTS HELD

	2024	2023
	\$'000	\$'000
Reinsurance finance income/(expenses) from reinsurance contracts held		
Interest accreted to reinsurance contracts using current financial assumptions	1,465	1,007
Due to changes in interest rates and other financial assumptions	(83)	(189)
Reinsurance finance income/(expenses) from reinsurance contracts held	1,382	818

Notes to the Financial Statements cont.

Year ended 30 June 2024

33. INSURANCE CONTRACTS ISSUED

2024	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of PV of future cash flows	Risk adjustment for non-financial risk	
Opening insurance contract liabilities	37,995	1,512	256,617	18,946	315,070
Net balance as at beginning of reporting period	37,995	1,512	256,617	18,946	315,070
Insurance revenue	(318,625)	—	—	—	(318,625)
Incurred claims and other expenses	—	(1,512)	244,726	7,204	250,418
Insurance acquisition cash flows amortisation	48,864	—	—	—	48,864
Changes that relate to future service: losses on onerous contracts and reversals of those losses	—	204	—	—	204
Changes that relate to past service: changes to liabilities for incurred claims	—	—	(9,773)	(4,714)	(14,487)
Total insurance service expenses	48,864	(1,308)	234,953	2,490	285,000
Insurance service result	(269,760)	(1,308)	234,953	2,490	(33,625)
Finance expenses from insurance contracts issued	—	—	8,840	—	8,840
Total amounts recognised in the statement of comprehensive income	(269,760)	(1,308)	243,793	2,490	(24,785)
Cash flows					
Premiums received	324,458	—	—	—	324,458

Notes to the Financial Statements cont.

Year ended 30 June 2024

Claims and other expenses paid, including investment components	—	—	(205,313)	—	(205,313)
Insurance acquisition cash flows	(49,980)	—	—	—	(49,980)
Total cash flows	274,479	—	(205,313)	—	69,165
Net balance as at end of reporting period	42,713	204	295,097	21,436	359,450

2023

Liabilities for remaining coverage

Liabilities for incurred claims

	Excluding loss component	Loss component	Estimates of PV of future cash flows	Risk adjustment for non-financial risk	Total
Opening insurance contract liabilities	35,853	995	270,655	21,831	329,333
Net balance as at beginning of reporting period	35,853	995	270,655	21,831	329,333
Insurance revenue	(287,016)	—	—	—	(287,016)
Incurred claims and other expenses	—	(995)	205,740	6,231	210,976
Insurance acquisition cash flows amortisation	48,754	—	—	—	48,754
Changes that relate to future service: losses on onerous contracts and reversals of those losses	—	1,512	—	—	1,512
Changes that relate to past service: changes to liabilities for incurred claims	—	—	(28,679)	(9,115)	(37,794)

Notes to the Financial Statements cont.

Year ended 30 June 2024

Total insurance service expenses	48,754	517	177,062	(2,885)	223,448
Insurance service result	(238,262)	517	177,062	(2,885)	(63,568)
Finance expenses from insurance contracts issued	—	—	3,845	—	3,845
Total amounts recognised in the statement of comprehensive income	(238,262)	517	180,906	(2,885)	(59,723)
Cash flows					
Premiums received	290,489	—	—	—	290,489
Claims and other expenses paid, including investment components	—	—	(194,944)	—	(194,944)
Insurance acquisition cash flows	(50,084)	—	—	—	(50,084)
Total cash flows	240,404	—	(194,944)	—	45,460
Net balance as at end of reporting period	37,995	1,512	256,617	18,946	315,070
Closing insurance contract liabilities	37,995	1,512	256,617	18,946	315,070
Net balance as at end of reporting period	37,995	1,512	256,617	18,946	315,070

Notes to the Financial Statements cont.

Year ended 30 June 2024

34. REINSURANCE CONTRACTS HELD

2024	Assets for remaining coverage		Assets for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of PV of future cash flows	Risk adjustment for non-financial risk	
Opening reinsurance contract assets	28,187	814	45,739	2,997	77,737
Net balance as at beginning of reporting period	28,187	814	45,739	2,997	77,737
Net income (expenses) from reinsurance contracts held	(88,567)	—	—	—	(88,567)
Recoveries of incurred claims and other insurance service expenses	—	(814)	56,212	1,527	56,925
Recoveries and reversals of recoveries of losses on onerous underlying contracts	—	148	—	—	148
Adjustments to assets for incurred claims	—	—	(639)	(1,036)	(1,675)
Amounts recoverable from reinsurers	—	(666)	55,573	491	55,398
Net income (expenses) from reinsurance contracts held					
Finance income from reinsurance contracts held	—	—	1,382	—	1,382
Total amounts recognised in the statement of comprehensive income	(88,567)	(666)	56,955	491	(31,787)
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	78,472	—	—	—	78,472
Recoveries from reinsurance	(160)	—	(45,017)	—	(45,177)
Total cash flows	78,312	—	(45,017)	—	33,295
Net balance as at end of reporting period	17,932	148	57,677	3,488	79,245

Notes to the Financial Statements cont.

Year ended 30 June 2024

	Assets for remaining coverage		Assets for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of PV of future cash flows	Risk adjustment for non-financial risk	
Opening reinsurance contract assets	21,011	654	71,388	3,749	96,802
Net balance as at beginning of reporting period	21,011	654	71,388	3,749	96,802
Net income (expenses) from reinsurance contracts held					—
Reinsurance expenses: Allocation of premiums paid to the reinsurer	(75,213)	—	—	—	(75,213)
Recoveries of incurred claims and other insurance service expenses	—	(654)	42,576	1,286	43,208
Recoveries and reversals of recoveries of losses on onerous underlying contracts	—	814			814
Adjustments to assets for incurred claims	—		(19,087)	(2,037)	(21,124)
Amounts recoverable from reinsurers	—	160	23,488	(752)	22,896
Net income (expenses) from reinsurance contracts held	(75,213)	160	23,488	(752)	(52,316)
Finance income from reinsurance contracts held	—	—	818	—	818
Total amounts recognised in the statement of comprehensive income	(75,213)	160	24,306	(752)	(51,499)
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	82,437				82,437
Recoveries from reinsurance	(48)		(49,955)		(50,003)
Total cash flows	82,389	—	(49,955)	—	32,434
Net balance as at end of reporting period	28,187	814	45,739	2,997	77,737

Notes to the Financial Statements cont.

Year ended 30 June 2024

35. INSURANCE CONTRACT LIABILITIES

a. Actuarial assumptions and methods

The following ranges of key actuarial assumptions were used in the measurement of outstanding claims and recoveries, where appropriate, at the reporting date.

	2024	2023
Inflation rate	3.25 %	3.59 %
Superimposed inflation rate (weighted average)	2.55 %	3.93 %
Discount rate (weighted average)	4.60 %	4.56 %
Claims handling expense rate	9.90 %	8.90 %
Weighted average term to settlement (number of years)	2.5	2.6

Process used to determine assumptions

A description of the processes used to determine these assumptions is provided below:

Inflation rate

Economic inflation assumptions are set by reference to current economic indicator.

Superimposed inflation rate

Superimposed inflation occurs due to non-economic effects such as court settlements increasing at a faster rate than the economic inflation rate utilised. An allowance for superimposed inflation was made for each underlying model, where appropriate, based on expected cost pressures to re-emerge.

Discount rate

The discount rate is derived from market yields on government securities.

Claims handling expense rate

A rate for claims handling expenses was calculated by reference to past experience of estimated claims handling costs as a percentage of past payments.

Weighted average term to settlement

The average weighted term to settlement is calculated as the time weighted average of projected aggregate cash flows for all classes of business (gross of reinsurance and other recoveries and discounted to the balance date).

Notes to the Financial Statements cont.

Year ended 30 June 2024

b. Claims developments table

The following table shows the development of net undiscounted outstanding claims relative to the ultimate expected claims for the ten most recent accident years.

Net	2015 (and prior) \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000	2020 \$'000	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000	Total \$'000
Estimate of Ultimate claims cost											
At end of accident year	941,531	86,124	91,464	86,054	86,952	99,241	93,700	88,638	96,610	113,458	941,531
One year later	921,371	82,011	84,207	80,950	87,690	109,618	96,906	83,677	99,249	—	1,007,495
Two years later	909,074	79,488	82,383	78,339	88,671	95,285	95,833	80,393	—	—	1,082,548
Three years later	905,726	81,717	83,002	76,965	90,762	95,702	98,643	—	—	—	1,155,476
Four years later	899,910	78,892	82,243	75,872	90,509	96,209	—	—	—	—	1,231,912
Five years later	896,251	75,741	81,330	76,422	89,261	—	—	—	—	—	1,318,474
Six years later	889,489	75,835	80,391	75,214	—	—	—	—	—	—	1,385,782
Seven years later	890,435	76,823	79,891	—	—	—	—	—	—	—	1,493,062
Eight years later	888,718	75,797	—	—	—	—	—	—	—	—	1,584,684
Nine years later	886,065	—	—	—	—	—	—	—	—	—	1,694,181
Current estimate of cumulative claims cost	886,065	75,797	79,891	75,214	89,261	96,209	98,643	80,393	99,249	113,458	1,694,181
Cumulative payments	876,954	72,279	75,002	69,921	79,350	79,563	72,767	52,596	46,462	29,820	1,454,716
Outstanding claims – undiscounted	9,111	3,518	4,888	5,293	9,911	16,646	25,876	27,796	52,787	83,638	239,465
Discount	(1,212)	(400)	(575)	(686)	(1,276)	(2,148)	(3,305)	(3,405)	(7,085)	(9,117)	(29,209)
Outstanding claims	7,899	3,118	4,313	4,607	8,635	14,498	22,571	24,391	45,702	74,521	210,256
Claims handling expenses											27,688
Risk adjustment											17,949
Goods & Services Tax Component											(526)
Total net liability for incurred claims											255,367

Notes to the Financial Statements cont.

Year ended 30 June 2024

Consolidated Entity Disclosure Statement

The table below includes consolidated entity information required by section 295 of the Corporations Act 2001 (Cth):

Entity Registered Name	Entity Type	Percentage of share capital held (%)	Country of incorporation	Australian or foreign resident (for tax purposes)	Foreign tax jurisdiction(s) of foreign residents
Guild Insurance Limited	Body Corporate	100	Australia	Australia	n/a
Guild Superannuation Services Limited	Body Corporate	100	Australia	Australia	n/a
Guild Finance Facility Limited	Body Corporate	100	Australia	Australia	n/a
Meridian Lawyers Limited	Body Corporate	50	Australia	Australia	n/a
Guild Commercial Finance Pty Limited	Body Corporate	100	Australia	Australia	n/a
Guild Solutions Inc	Body Corporate	100	Philippines	Foreign	Philippines



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