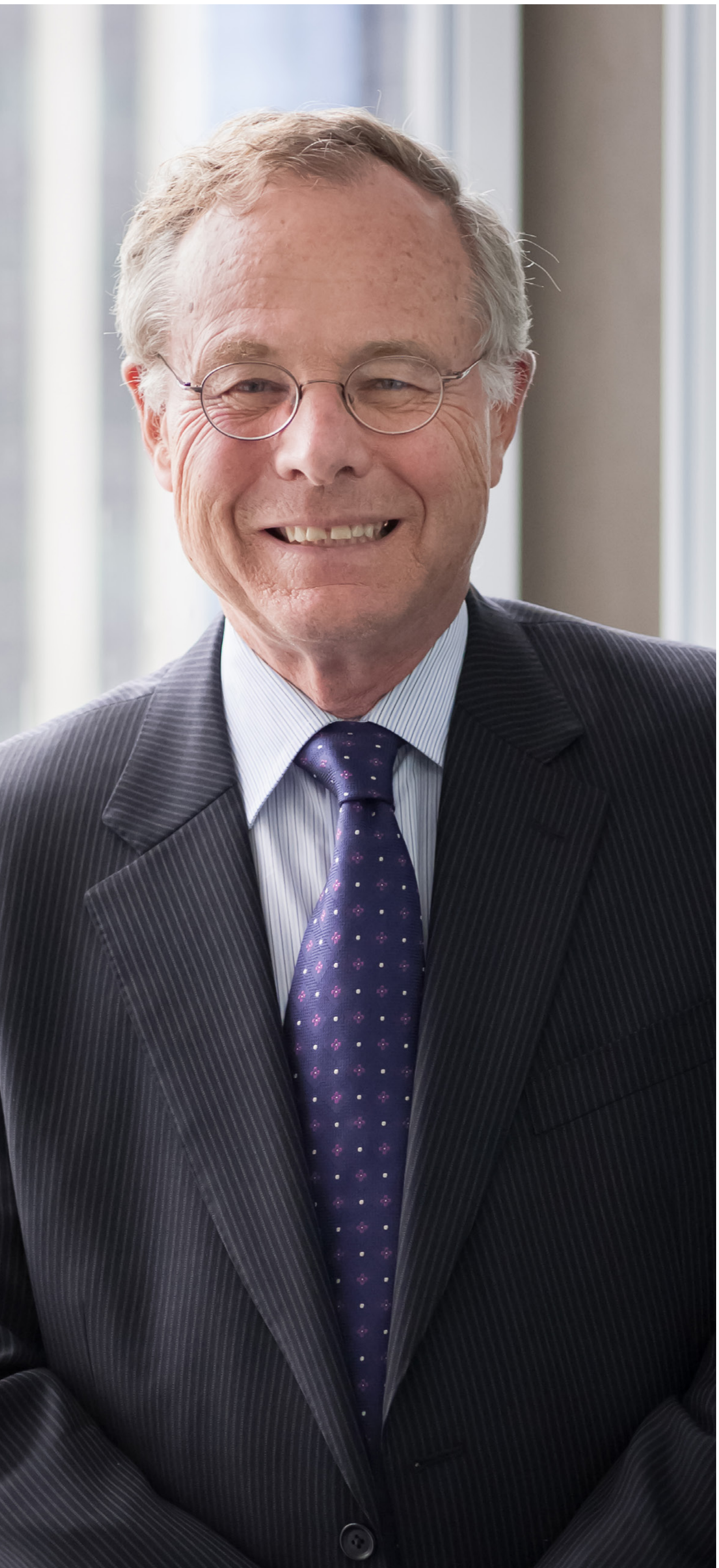
Liberty

2021 ANNUAL REPORT

Contents

Letter from the Chair

We have managed a challenging year, exceeded IPO Prospectus forecast and continued to grow



This is Liberty Financial Group's first Annual Report as a listed company and I would like to welcome all securityholders and look forward to a rewarding association.

For Liberty the year to 30 June 2021 has been one of exceptional results exceeding IPO forecasts and has reinforced the Group's position as a leading financial services provider.

This was achieved despite the challenging environment we have all been facing and highlights the benefits from the commitment and values of the Liberty team and the strength of our customer relationships.

Performance Highlights

Liberty Group achieved record earnings for the year ended 30 June 2021 of $185 million or $0.61 per stapled security. Underlying net profit after tax and amortisation or NPATA (after adjusting for such one -off items as the costs associated with the IPO) increased by 61% to $226 million.

In respect to the period since listing Liberty paid an inaugural distribution of $0.24 per security.

A diversified business

Since its inception nearly 24 years ago Liberty has consistently invested in diversifying our business. Liberty Group provides residential loans, motor loans, secured and unsecured loans to small and medium enterprises, and self-managed superannuation loans. It also offers unsecured and secured personal loans, mortgage broking services, real estate services, as well as life and general insurance solutions.

We are optimistic about new opportunities over the coming years and believe that there are many more customers that we can help get financial.

A collaborative and connected culture

Our culture is an important element to achieve our vision of helping more people get financial. We will continue to focus on innovating and evolving our business model to support customers and business partners with streamlined solutions.

Almost since inception Liberty has developed and maintained its own software which continues to be an important differentiator. Our internal and external facing applications allow us to quickly respond to customer's needs whilst providing leading service. This was evident this year with the addition of Liberty's new Business Care Loans for SME Borrowers.

An accountable leadership team

The Board and I are exceptionally proud of the way in which our leadership team managed the impact of the COVID-19 pandemic for our customers and staff. We pivoted quickly to ensure there were sufficient people in customer service functions to support our customers when they needed us.

Our Culture and Community team did an outstanding job in supporting the health and wellbeing of our staff as we made the significant transition to working from home.

We will continue to support Australia's economic recovery

It has been a demanding year, but a successful one on all measures.

I would like to thank the entire Liberty Group staff and my Board colleagues each of whom contributed to delivering the strong results for FY21 and ensuring the company is in a sound position for FY22.

Finally, thanks to you, the securityholders for your support.

Richard Longes
Chairman

Letter from the CEO

Over the past 12 months we have supported our team and our customers and created shared value in Australia and New Zealand

The COVID-19 pandemic brought unexpected and ongoing challenges to our customers, their families, our business partners and our team.

I am grateful to the Liberty Group team which moved quickly to support customers. The team made changes to the way we operate that better respond to the ever-changing demands of a global pandemic. In so doing, we have been able to create ongoing value for our customers, the community, our people, and securityholders.

We have never been clearer about our purpose of helping more people get and stay financial and never has our purpose been so important in guiding us.

Helping our Customers

Throughout each lockdown, we have been able to help those customers challenged by COVID in ever better ways. This enabled us to finish the year with $84 million of customer exposure to COVID-19, down from $1.1 billion the previous year.

Equally, as low interest rates strengthened the demand for finance, we maintained prompt loan application turnaround times.

We also continued to develop and refine our products, using our free-thinking attitude, especially in the hard-hit small business lending area.

Reflecting our focus on customers and business partners, we are very proud of the increase in our market-leading net promoter scores for mortgage brokers and customers. Our mortgage broker NPS came in at 75, up 19% and our customer NPS came in at 53, up 8% compared to the previous year.

Supporting our People

We know that without a fully engaged team, we cannot support and service customers and process loan applications to our high standards. That's why we spent a great deal of time helping our team manage the dislocating effects of the COVID-19 pandemic.

We focused on supporting mental health. We engaged a psychologist to train leaders on mental health and leading resilient, remote teams. We ran frequent mental health check-ins with team members across the Liberty Group. We also introduced morning movement and mindfulness sessions to help balance the day.

Recognising the ongoing demands of the pandemic, combined with the growth in originations, we continued to grow our team to maintain service levels and to support each other. Maintaining fast application turnaround times is a critical element of remaining market competitive.

Creating value for Securityholders

We created significant value for securityholders in FY21. We delivered ongoing growth in loan originations and average assets. New loan originations of $4.1 billion exceeded the prior year by 17% as borrowers sought funding to improve their lives, confident in the ability to meet their commitments.

We delivered 18% growth in net revenue to $600 million as our net interest margin increased by 43 basis points to 3.08%.

Impairment cost was nil in FY21, reflecting neither an increase to, or a release of, the collective provision. We feel this position is appropriate given the current environment as our nation moves from a COVID eradication strategy to a COVID management strategy.

Total provisions at $75 million or 61 basis points of average financial assets is 10 times more than the annualised level of realised losses. As such, we feel we remain very strongly provisioned as at 30 June 2021.

We reduced our cost income ratio to 22.8%, down 190 basis points and we increased our underlying return on assets to 1.9%, up 70 basis points. Importantly, the business generated positive jaws in FY21 as net revenue growth of 18% outpaced underlying operating cost growth of 9%.

We remain a strongly capitalised and durable financial institution. Liberty Financial Pty Ltd, the principal operating Company in the Liberty Group, had its investment grade rating placed on positive outlook.

And we were successful in raising $4.9 billion in new funding during FY21, placing us in a strong liquidity position leading into FY22.

Contributing to our Community

We remained active in our community. We are a Principal Sponsor of the Melbourne Renegades Twenty20 Cricket Club. During the year we became the Essendon Football Club's official financial services partner, with the Liberty logo featuring on the back of the match-day guernseys.

Liberty Group will continue to implement ESG practices as an accredited and active member of the Australian B Corp community. We will continue our efforts in the community through Liberty Lend-a-Hand which partners with Aardvark Music, Beacon Foundation and Mirabel Foundation.

Confident in the year ahead

We remain cautious yet optimistic. Cautious that the vaccine rollout needs to gather pace so that we can move the economy out of lockdown. Optimistic that the program will gather pace and result in our customers and our business partners moving around more freely.

On our part we will focus on sustainable and profitable portfolio growth, while investing in improving our customer experience through digital and online technologies.

We will continue with disciplined execution and care for our people and our customers. In so doing, I am confident that we will continue to deliver value to all our stakeholders in the year ahead.

In closing, I would like to acknowledge the professional and dedicated work of the Liberty team members. Without their efforts, we would not be where we are today.

Thank you.

James Boyle
Chief Executive Officer

Financial Highlights*

$226.0m
Underlying NPATA
+61% ($140.6m)

$600.1m
Net revenue
+18% ($508.1)

3.08%
NIM
+43bps (2.65%)

0bps
BDD
-28bps (28bps)

22.8%
Cost to income
-190bps (24.7%)

1.9%
Underlying ROA
+70bps (1.2%)

* Balances represent: FY21 (FY20) change between the periods.

Business Highlights*

$12.0b
Average financial assets
+4% ($11.5b)

$4.1b
New assets originated
+17% ($3.5b)

2.71%
+30 day delinquency
-570bps (8.41%)

490
FTE Staff
+13% (434)

75
Broker NPS
+19% (63)

53
Customer NPS
+8% (49)

Directors' Report

For the year ended 30 June 2021

The directors present their report together with the consolidated financial report of Liberty Financial Group Limited (the "Company") and the Liberty Financial Group Trust ("LFGT") and its respective controlled entities (together the "Liberty Group"), for the year ended 30 June 2021 and the auditor's report thereon. Liberty Fiduciary Ltd is the responsible entity of LFGT ("RE").

Liberty Group is formed as a stapled entity, a combination of a share in the Company and a unit in LFGT. The Liberty Group listed on the Australian Securities Exchange ("ASX") on 15 December 2020. The ASX ticker code is LFG.

Directors

The directors of the Liberty Group at any time during or since the end of the financial year were:

James Boyle
Chief Executive Officer
Appointed Executive Director 26 November 2020

James Boyle is the Liberty Group Chief Executive Officer and has been responsible for Liberty's strategy and execution for over five years. James oversees the Liberty's performance while ensuring the company remains agile, free thinking and curious. James has been part of the Liberty Group for more than 15 years and brings invaluable insight into the changing landscape of the financial services industry.

James received an MBA from INSEAD Graduate Business School in France, and also holds a Masters of Applied Finance from Macquarie University and a Bachelor of Business from the Australian Catholic University.

Peter Hawkins
Independent Non-Executive Director

Peter Hawkins was appointed as a Director of the Company in 2006. Peter's 34-year career with the Australia and New Zealand Banking Group Ltd spanned the highest levels of management. His previous roles included Group Managing Director of Group Strategic Development and Group Managing Director of Personal Financial Services. He was formerly a director of Clayton Utz, ING Australia Limited, ING (NZ) Limited, Visa International and Westpac Banking Corporation Ltd. Peter presently serves as a non-executive director of Crestone Holdings.

Peter has a Bachelor of Commerce and Administration with First Class Honours from Victoria University, is a fellow of the Australian Institute of Company Directors and the Australian Institute of Bankers and is an Associate Chartered Accountant (New Zealand).

Richard Longes
Chair
Independent Non-Executive Director

Richard Longes was appointed as Chair in 2005. Richard was a Partner in the leading law firm Freehilll Hollingdale & Page (now Herbert Smith Freehills) from 1971 to 1988 and a founding principal of the corporate advisory and private equity group Wentworth Associates. His prior directorships have included Chairman of MLC, GPT and Austbrokers, Deputy Chairman of Lend Lease Corporation and a Director of Boral, Metcash and Investec Bank Australia.

Richard holds, and has held, positions with Government advisory boards as well as significant non-profit organisations, including Pain Management Research Institute, Bangarra Dance and NIDA. Richard is currently the independent Chair of Irongate Group (ASX:IAP).

Richard has Arts and Law degrees from the University of Sydney and an MBA from the University of New South Wales.

Sherman Ma
Executive Director

Sherman Ma founded the Liberty Group in 1997. Prior to that he gathered financial services experience whilst working in investment banking with the First Boston Corporation (now Credit Suisse), investment management with BlackRock Financial Management and management consulting with McKinsey & Company.

Sherman earned an MBA from the Wharton School and won the Management & Technology award for being first-in-program with dual disciplines in Economics and Operations Research at the University of Pennsylvania. He is a member of the Wharton Undergraduate Executive Board.

Leona Murphy
Independent Non-Executive Director

Leona Murphy was appointed as a Director of the Company in 2016. Leona joined the Liberty Group from leading insurer IAG Ltd, where she performed a number of group executive roles including Chief Strategy Officer and Chief Transformation Officer. Prior to IAG she was an Executive General Manager with Promina Group and Vero Insurance.

Leona is formally an independent director of Australian Insurance Association and Co-Chair of the UN Environmental Programs' Financial Initiative for Sustainable Insurance and the NZ Accident Compensation Commission. Leona is currently the Chair of Stone & Chalk and Royal Brisbane and Womens' Hospital Foundation and an independent director of RACQ Ltd, RACQ Bank and RACQ Insurance.

Leona has a Bachelor of Commerce degree in Accounting and Law from Griffith University.

All directors held office throughout the year ended 30 June 2021 unless otherwise stated.

Company Secretary

Peter Riedel is responsible for managing access to and control over capital for the wider Liberty group. Passionate about delivering efficient and effective financial solutions, Peter draws on his extensive knowledge to identify key insights to enhance business performance.

Before joining Liberty, Peter spent 16 years at Deloitte providing merger and acquisition, valuation and capital raising advice to companies in the financial services industry. Peter is a Chartered Accountant and holds a Bachelor of Economics from Monash University. Peter was appointed Company Secretary in 2008.

Directors' Meetings

The number of Directors' meetings (excluding circulatory resolutions) held during the year and each Director's attendance at those meetings is set out in the table below.

The Directors of the Company met as a Board 13 times during the year. Ten meetings were main meetings and three meetings were special meetings convened to consider the Liberty Group Initial Public Offering.

Directors' board meetings - Company

	Main meetings held	Main meetings attended	Special meetings held	Special meetings attended
James Boyle#	7	7	-	-
Peter Hawkins	10	10	3	3
Richard Longes[C]	10	10	3	3
Sherman Ma	10	10	3	3
Leona Murphy	10	10	3	3

C - Chair

James Boyle was appointed a Director of the Company on 26 November 2020 and was eligible to attend 7 Board meetings during the financial year ended 30 June 2021.

The Directors of the RE met as a Board nine times during the year. Six meetings were main meetings and three meetings were special meetings convened to consider the Liberty Group Initial Public Offering.

Directors' board meetings - RE

	Main meetings held	Main meetings attended	Special meetings held	Special meetings attended
Peter Hawkins[C]	6	6	3	3
Richard Longes	6	6	3	3
Sherman Ma	6	6	3	3
Leona Murphy	4	4	-	-

C - Chair

Leona Murphy was appointed Director of the RE on 8 October 2020 and was eligible to attend 4 Board meetings during the financial year ended 30 June 2021.

Directors' Report

For the year ended 30 June 2021

Directors' Interests

Please see the Remuneration Report for the details of Directors' interests in the Liberty Group.

Committee Membership

The Liberty Group has an Audit, Risk and Compliance Committee and a Remuneration and Nomination Committee. Members acting on the Committees and meetings held are set out in the below tables:

Audit, Risk and Compliance Committee

	Meetings held	Meetings attended
Peter Hawkins[C]	4	4
Richard Longes	4	4
Leona Murphy	4	4

Remuneration and Nomination Committee

	Meetings held	Meetings attended
Peter Hawkins	1	1
Richard Longes	1	1
Leona Murphy[C]	1	1

Principal Activities

The Liberty Group conducts activities and makes investments in the financial services industry including but not limited to specialty lending, finance and insurance brokering, receivables servicing, consumer insurance underwriting, real estate and funds management across Australia and New Zealand. There have been no significant changes in the nature of the Liberty Group's activities during the financial year ended 30 June 2021.

Results and Review of Operations

The consolidated profit after income tax amounted to $185.4 million (2020: $134.7 million). The Liberty Group had financial assets under management $12.2 billion (2020: $11.7 billion).

Total operating income increased from $852.3 million in FY20 to $853.1 million in FY21 as a result of the following:

- Interest income decreased by $26.8 million (4.1%) from $648.8 million to $622.0 million due to:
  - an increase in average financial assets of 4.5%, from $11.6 billion to $12.1 billion which was more than offset by
  - a reduction in interest income yield from 5.6% to 5.1%, as a result of reductions in customer interest rates following reductions in the official RBA cash rate.
- Fee, commission and other income increased by $27.5 million (13.5%) from $203.5 million to $231.0 million due to:
  - an increase in commission income received due to higher loan originations and real estate sales; partly offset by
  - a reduction in origination fees due to a higher proportion of total originations from lower risk loans which attract lower fees.

Total expenses decreased by $55.9 million (8.0%) from $696.6 million in FY20 to $640.7 million in FY21 as a result of the following:

- Interest expense decreased by $91.3 million (26.5%) from $334.2 million to $253.0 million due to:
  - an increase in average borrowings of 2.3%, from $11.7 billion to $12.0 billion, driven by the increase in average financial assets which was more than offset by
  - a reduction in the weighted average cost of borrowing from 3.0% to 2.1% due to reductions in the average 1-month BBSW rate (66bps) and lower average margin paid on debt issues (22bps).

- Fee and commission expenses increased by $17.7 million (9.4%) from $188.2 million to $205.9 million in line with the increase in originations and real estate sales partly offset by a reduction in liquidity fees.
- Impairment of financial assets decreased from a $32.5 million in FY20 to $0.4 million in FY21 due to:
  - an increase in the Collective Provision for expected losses of $22.7 million in FY20 compared to a reduction of $1.4 million in FY21;
  - net realised losses in FY20 of $24.6 million, against which existing provisions of $30.4 million were released, compared to net realised losses in FY21 of $9.5 million, against which existing specific provisions of $18.0 million were released; and
  - an increase in specific provisions on the continuing portfolio in FY20 of $15.6 million, compared to $10.3 million in FY21.
- Personnel expenses increased by $24.4 million (34.6%) from $70.6 million to $95.1 million due to:
  - one-off costs of $20.1 million relating to benefits provided to staff in connection with the IPO; and
  - an increase in FTE staff from 434 to 490 to support continued business growth.
- Other expenses increased by $25.4 million (37.6%), from $60.6 million to $86.1 million due to:
  - one-off external adviser costs of $12.4 million incurred as a result of the IPO; and
  - non-cash expense of $11.9 million related to the amortisation of intellectual property intangible assets acquired in December 2019.

Profit after tax increased by $50.7 million (37.6%) from $134.7 million in FY20 to $185.4 million in FY21 due to the reasons indicated above. Profit after tax in FY21 includes one-off IPO related expenses of $32.5 million.

The Liberty Group originated $4.1 billion in new financial assets in FY21 resulting in an increase of $582.3m in total financial assets to $12.2 billion. New financial asset origination was financed by the establishment of six new securitisation vehicles totalling $4.5 billion.

In FY21 the Liberty Group's total assets of $13.6 billion was 13.0 times total equity of $1.0 billion, an increase of 0.3 times compared to FY20.

Strategy and Outlook

The Liberty Group will drive profitability growth through continuing to execute on its strategy of consistently and sustainably improving its three disciplines: Customer Experience, Customer Choice and Risk Adjusted Returns.

Customer Experience

- Faster approvals by leveraging Liberty's proprietary technology to reduce uncertainty and provide fast answers while maintaining quality;
- Build advocacy by providing stakeholders with timely and helpful answers to their queries; and
- Self-service by providing customers and business partners access to their information online anytime.

Customer Choice

- Liberty flow by increasing ways that customers and business partners are able to choose Liberty for their financial needs; and
- Champion custom by making options available for customers who are otherwise excluded from financial choices.

Risk Adjusted Returns

- Simplify applications by making the application process quicker, easier and less effort for customers and business partners;
- Loss management by working proactively and in cooperation with customers if things don't go to plan; and
- Company health by behaving like owners of the business, being responsible with costs, and fair with customers.

Risks

The Liberty Group is subject to risks that are both specific to its business activities and others that are more general in nature. Any, or a combination, of these risk factors may have a material adverse impact on the Liberty Group's financial performance, financial position, cash flows, the size and timing of distributions, growth prospects or the value of LFG securities. Refer to note 6 of the finanical statements for a description of the principal risks of the Liberty Group.

Directors' Report

For the year ended 30 June 2021

COVID-19 Response

The existence of COVID-19 was confirmed in early 2020 and in March 2020 was declared a pandemic by the World Health Organisation. This has resulted in significant volatility in global and domestic financial markets. As a finance business, the Liberty Group is exposed to the pandemic because it relies on financial markets to source its funds and the Liberty Group's customers rely on the economy to provide jobs and income to meet their financial obligations.

Since April 2020, the Liberty Group has been engaging with customers impacted by COVID-19 and managing an increased level of borrower hardship. When engaging customers regarding hardship, the Liberty Group seeks to understand their circumstances and tailor a specific solution to fit. Continuing to make smaller repayments during hardship impacts the ultimate cost of the loan to the borrower and improves the probability of recovery. The Liberty Group provides payment holidays or deferrals when needed but encourages all customers to make some repayments where possible.

After an initial spike in hardship requests, the total number of the Liberty Group's customers requiring hardship support has fallen consistently since April 2020. In addition, the number of customers making monthly repayments below the contracted monthly payment amount (subset of total customers impacted) has reduced over the same period.

During the pandemic, the Liberty Group's operations have transitioned to ensure continuity of business while working remotely. This has been realised in a timely and effective manner, with little disruption to the normal course of business. During this period the Liberty Group did not reduce any staff, hours or wages reflecting the resilience of the business. The Liberty Group is confident that it can continue to operate remotely for the foreseeable future. The Liberty Group has been able to quickly respond to the initial impacts of the COVID-19 pandemic whilst keeping its team safe, attracting new customers, serving existing customers, and increasing profit. However, the full impact of the COVID-19 pandemic continues to remain uncertain.

At the date of signing of the financial statements, there is still significant uncertainty on the likely duration and the ultimate impact COVID-19 will have on world economies. Given the high degree of estimation uncertainty, management cannot reasonably assess or quantify the potential short or longer term financial impact on the Liberty Group.

Dividends and Distributions

The Company paid a dividend of $57,670,000 on 10 December 2020 (30 June 2020: nil).

LFGT paid an interim distribution of $66,386,000 on 10 December 2020. A final distribution of $74,107,000 is due to be paid on 31 August 2021 (30 June 2020: $92,094,000).

MPRE paid a dividend to the non-controlling interest of $259,000 during the year ended 30 June 2021 (30 June 2020: $703,000).

Significant Changes in the State of Affairs

In the opinion of the directors there were no significant changes in the state of affairs of the Liberty Group that occurred during the financial year under review.

Events Subsequent to Balance Date

There has not arisen in the interval between the end of the interim reporting period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Liberty Group, to affect significantly the operations of the Liberty Group, the results of those operations or the state of affairs of the Liberty Group, in future financial years.

Environmental Regulation

The Liberty Group's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

Indemnification of Officers

Indemnification

The Liberty Group has agreed to indemnify the directors, company secretary and public officers of the Liberty Group against all liabilities to another person (other than the Liberty Group or a related body corporate) that may arise from their position in the Liberty Group and its controlled entities, except where prohibited by law including where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Liberty Group will meet the full amount of any such liabilities, including costs and expenses.

Insurance premiums

The Liberty Group pays a premium each year in respect of a contract insuring the directors, company secretary and public officers of the Liberty Group against liabilities past, present and future. In accordance with normal commercial practice, disclosure of the total amount of premium payable under, and the nature of the liabilities covered by, the insurance contract is prohibited by a confidentiality clause in the contract. No such insurance cover has been provided for the benefit of any external auditor of the Liberty Group.

Corporate Governance

Liberty Group endorses the ASX's Corporate Governance Principles and Recommendations (Fourth Edition). Further information on Liberty Group's compliance with the ASX's Corporate Governance Principles and Recommendations, including our Corporate Governance Statement, can be found at www.lfgroup.com.au/about-us/corporate-governance.

Non-audit Services

During the year KPMG, the Liberty Group's auditor, has performed certain services in addition to their statutory duties. The directors of the Liberty Group have considered the non-audit services provided by the auditor during the year, and are satisfied that the provision of those non-audit services are compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001. Fees for non-audit services were $827,000 for the year ended 30 June 2021. Refer to note 7 of the financial statements for Auditor's remuneration.

Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 23 and forms part of the directors' report for the financial year ended 30 June 2021.

Rounding Off

The Liberty Group is of a kind referred to in ASIC Corporations *(Rounding in Financial/Director's Reports)* Instrument 2016/191 dated 1 April 2016, and in accordance with that Rounding Instrument, amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

Remuneration Report

For the year ended 30 June 2021

Introduction

The Remuneration Report outlines the Liberty Group's remuneration information and outcomes for Key Management Personnel (KMP). The Remuneration Report is presented in accordance with the requirements of the Corporations Act 2001 (Cth) (the Act). It has been audited as required by Section 308(3C) of the Act.

Key Management Personnel (KMP)

Name	Position
J Boyle	Chief Executive Officer (CEO)
P Hawkins	Non-executive Director
R Longes	Non-executive Director and Chair
S Ma	Executive Director
L Murphy	Non-executive Director
P Riedel	Chief Financial Officer (CFO) and Company Secretary

Governance and Principles of Remuneration

Remuneration and nomination committee

The Liberty Group's Remuneration and Nomination Committee is responsible for (i) designing the Liberty Group's remuneration framework and setting remuneration of KMP and (ii) developing processes relating to the evaluation, succession and nomination of Directors.

The Remuneration and Nomination Committee Charter outlines the detailed role and responsibilities of the Committee. The Charter can be located on the Shareholder Centre at https://www.lfgroup.com.au/about-us/corporate-governance.

As at 30 June 2021, the Remuneration and Nomination Committee comprised Independent, Non-Executive Directors:

- Leona Murphy (Chair);
- Peter Hawkins; and
- Richard Longes.

Remuneration structure pre-IPO

Fixed remuneration

KMP were offered fixed remuneration that reflected the key performance requirements of their roles and was reviewed annually. Fixed remuneration included base salary, superannuation and non-monetary benefits.

Variable remuneration

KMP were provided variable remuneration based on individual and team achievement towards the Liberty Group's financial and non-financial performance. Variable remuneration was determined on a discretionary basis paid in cash over three annual instalments. KMP will receive one final instalment of cash in December 2021 under this program provided they remain continuously employed by the Liberty Group.

Remuneration awarded on IPO

IPO Bonus Security Rights

KMP were granted IPO Bonus Security Rights to reward contribution to the Liberty Group prior to completion of the IPO. Each IPO Bonus Security Right confers upon the relevant holder the right to be issued or transferred one Security upon the exercise of such Security Right. The IPO Bonus Security Rights program was outlined in the IPO Prospectus and Product Disclosure Statement. The ASX provided a waiver of Listing Rule 10.14 to permit the issue of IPO Bonus Security Rights and to issue Securities to a Director (or an associate of a Director) upon the exercise of IPO Bonus Security Rights without securityholder approval.

Remuneration policy and structure post-IPO

Fixed remuneration

KMP are offered fixed remuneration amounts that reflect the key performance requirements of their roles. Fixed Remuneration is reviewed annually following the completion of each financial year. The fixed renumeration packages include base salary, superannuation and any non-monetary benefits.

Equity Incentive Plan

KMP remuneration includes annual incentive programs to reward sustained and consistent performance, payments under which are subject to discretion each year. The Liberty Group has established the Equity Incentive Plan ("EIP") to align the interests of the KMP with securityholders. The EIP permits the grant of performance rights and options.

Performance-linked Remuneration: Medium-Term Incentive (MTI)

The MTI is awarded to select staff based on individual and team achievement towards the Liberty Group's financial and non-financial targets that support the Liberty Group's strategies. The MTI seeks to promote personal accountability and sustained performance on a medium-term basis. The Board determine the MTI value each KMP receive following the completion of each financial year. The MTI value is based on performance against key performance indicators and conduct set by the Board. The MTI is provided over a period of three years in cash or options at the discretion of the Board.

Performance-linked Remuneration: Long-Term Incentive (LTI)

The LTI is awarded to select staff based on individual achievement towards the Liberty Group's financial and non-financial targets that support long-term strategic objectives and create long-term value for all stakeholders. The LTI seeks to promote personal accountability and sustained performance on a long-term basis. The Board determine the LTI value each Executive KMP receive following the completion of each financial year. The LTI value is based on performance against key performance indicators and behaviour set by the Board. The LTI is provided over a period of five years in options.

Remuneration outcome FY21

Fixed remuneration

James Boyle, Peter Riedel and Sherman Ma are employed by the Liberty Group in the positions of CEO, CFO, and Executive Director respectively. Under the terms of their employment contracts, the CEO, CFO and the Executive Director received a fixed annual package (inclusive of base salary and any superannuation or non-monetary benefits).

Variable remuneration (relating to year ended 30 June 2020)

The CEO and CFO received a MTI award in December 2020 based on contribution to the Liberty Group performance in the preceding financial year. The award was determined by pre-IPO shareholders on a discretionary basis. The MTI was awarded as one-third immediately payable in cash and two-thirds in MTI Security Rights which vest in equal parts in December 2021 and December 2022. The terms of the MTI Security Rights were outlined in the IPO Prospectus and Product Disclosure Statement. KMP must remain continuously employed by the Liberty Group until vesting date to exercise their MTI Security Rights. Any issue of securities in respect of the MTI Security Rights granted to the CEO (or associate of the CEO) requires the approval of securityholders.

LTI ("long-term variable remuneration") was not awarded to the CEO or CFO during FY21.

IPO bonus security rights were issued to the CEO, CFO and Executive Director on completion of the IPO as a one-time performance award based on contribution to Liberty Group.

Remuneration Report

For the year ended 30 June 2021

Variable remuneration (relating to year ended 30 June 2021)

The Board intend to award MTI Security Rights and LTI Security Rights to KMP based on achievement against key performance indicators for the year ended 30 June 2021. The Board will establish the vesting conditions to apply to the LTI Security Rights. Any issue of securities in respect of the MTI Security Rights or LTI Security Rights granted to a director (or associate of a director) requires the approval of securityholders.

The table below represents the remuneration mix for Executive KMP in the year ended 30 June 2021.

		Performance related			
	Fixed	Short-term variable remuneration [(a)]	Medium-term variable remuneration [(b)]	Long-term variable remuneration	IPO Bonus
CEO	45%	18%	14%	-	23%
CFO	43%	19%	15%	-	23%
Executive Director	45%	-	-	-	55%

(a) Represents cash received from pre-IPO variable remuneration and the cash component of the December 2020 MTI award.
(b) Represents the security right component of the MTI award (based on fair value at grant date).

Consequences of Performance on Securityholder Interests

In considering the Liberty Group's performance and benefits for securityholder interests, the remuneration and nomination committee have regard to the following indices in respect of the current financial year and the previous four financial years.

	2021	2020	2019	2018	2017
Profit attributable to the equity holders of the Liberty Group	$185,377,000	$134,710,000	$89,030,000	(b)	(b)
Dividends and distributions paid and payable	$198,422,000	$89,013,000	$33,140,000	(b)	(b)
Change in security price[(a)]	$1.86	-	-	-	-
Return on capital employed[(c)]	20.46%	15.22%	10.44%	(b)	(b)

(a) This represents movement in the security price from IPO to 30 June 2021.
(b) Financial performance for 2017 and 2018 is not meaningful as it reflects a different Liberty Group structure. Comparatives under the current Liberty Group structure are only available from 2019.
(c) Return on capital employed is calculated as net profit before tax for the year divided by closing total equity.

Service Agreements

Remuneration and other terms of employment for KMP are formalised in Executive Service Agreements (ESA).

All ESAs are unlimited in term but capable of termination at agreed notice by either the Liberty Group or the KMP. The notice period is determined based on tenure and age and may be increased by an additional 10 weeks at the discretion of the Liberty Group. The ESAs also contain confidentiality and restraint of trade clauses.

	Position	Notice period	Termination payments
James Boyle	CEO	4 Months	-
Peter Riedel	CFO	4 Months	-
Sherman Ma	Executive Director	4 Months	-

Non-executive Directors

The annual Directors' fees currently agreed to be paid are $270,000 to the Chair of the Board and $360,000 in total for other Non-Executive Directors. Directors are paid an additional $30,000 for each of the roles of Chair of the Audit and Risk Committee and Chair of the Remuneration and Nomination Committee. The annual Directors' fees include the participation of all Non-Executive Directors as members of each committee. Superannuation payments are included in the Directors' fees.

Non-executive directors do not receive performance-related compensation and are not provided with retirement benefits apart from statutory superannuation.

Elements	Details			
Board/committee fees p.a.		**Year**	**Chair**	**Members**
	Board fees	2021	$222,000	$340,500
		2020	$174,000	$261,000
Post employment benefits	The NED base fee structure (included above) are inclusive of superannuation contributions			

Remuneration Report

For the year ended 30 June 2021

KMPs' Remuneration

Details of the remuneration of the KMP of the Liberty Group is set out in the following tables.

		Short-term				Post employment benefits	Long term employee benefits	Share-based payments				
	Financial Year	Salary & Fees	Cash bonus	Non-monetary benefits[a]	Total	Superannuation	Long service leave accrued	Security Rights[b]	Securities[c]	Termination benefits[d]	Total	Proportion of remuneration performance related[e]
Current Disclosed KMP		$	$	$	$	$	$	$	$	$	$	
J Boyle	2021	816,828	470,000	51,949	1,338,777	25,000	239,881	961,270	-	-	2,564,928	55.80%
CEO and Executive Director	2020	809,300	660,000	69,749	1,539,049	25,000	226,296	-	-	-	1,790,345	36.86%
P Riedel	2021	804,300	460,000	44,574	1,308,874	25,000	187,250	961,270	-	-	2,482,394	57.25%
CFO and Company Secretary	2020	780,020	575,000	68,898	1,423,918	25,000	167,276	-	-	-	1,616,194	35.58%
S Ma	2021	245,000	-	-	245,000	-	-	300,635	-	-	545,635	55.10%
Executive Director	2020	183,000	-	-	183,000	-	-	-	-	-	183,000	-
R Longes	2021	222,000	-	-	222,000	-	-	-	120,000	-	342,000	-
Non-executive Director and Chair	2020	174,000	-	-	174,000	-	-	-	-	-	174,000	-
P Hawkins	2021	167,123	-	-	167,123	15,877	-	-	120,000	-	303,000	-
Non-executive Director	2020	142,466	-	-	142,466	13,534	-	-	-	-	156,000	-
L Murphy	2021	143,836	-	-	143,836	13,664	-	-	120,000	-	277,500	-
Non-executive Director	2020	95,891	-	-	95,891	9,109	-	-	-	-	105,000	-
Total Remuneration	**2021**	**2,399,087**	**930,000**	**96,523**	**3,425,610**	**79,541**	**427,131**	**2,223,174**	**360,000**	**-**	**6,515,456**	
	2020	**2,184,677**	**1,235,000**	**138,647**	**3,558,324**	**72,643**	**393,572**	**-**	**-**	**-**	**4,024,539**	

(a) Non-monetary benefits primarily comprise the provision of motor vehicle benefits
(b) Security rights granted in the current financial year are all equity-settled. The fair value of rights are calculated at the date of grant using the Black-Scholes model.
(c) A one-off fee of $120,000 was paid to each Non-Executive Director, in the form of securities, for services provided by each of them in connection with the Initial Public Offer.
(d) No KMP received a termination benefit during the reporting period.
(e) The CEO, CFO and the Executive Director receive a fixed annual package. Security rights related to MTI and IPO Bonus were granted at the completion of the IPO in December 2020. As at 30 June 2021, there is no variable remuneration related to performance.

Analysis of Incentives Included in Remuneration

On 10 December 2020 the Liberty Group allocated a MTI award to KMP under the Equity Incentive Plan. This award represented one-third in cash and two-thirds security rights. In total 129,964 awards were granted with a total value at grant date of $720,000. Each award represents a right to receive one Stapled Security in the capital of the Liberty Group at no cost. The Liberty Group has the discretion to make a cash payment of equivalent value instead of issuing the Stapled Securities.

The table below includes the details of the MTI vesting outcome as at 30 June 2021.

	Medium term incentive plan included in cash bonus		
	Included in remuneration	**% vested in year**	**% forfeited in year**
J Boyle	$180,000	100%	-
P Riedel	$180,000	100%	-

	Medium term incentive plan					
	Number of rights granted	**Vesting condition (a)**	**Grant date**	**Fair value per right at grant date (b)**	**Date of expiry**	**Number of rights vested**
J Boyle	64,982	Vesting periods	10-Dec-20	$5.54	15-Dec-35	-
P Riedel	64,982		10-Dec-20	$5.54	15-Dec-35	-

(a) The MTI awards will vest as follows:

- 50% of the Awards will vest on the first anniversary of the Grant Date, subject to employee remaining continuously employed by a member of the Liberty Group from the grant date until that time; and
- 50% of the Awards will vest on the second anniversary of the Grant Date, subject to employee remaining continuously employed by a member of the Liberty Group from the grant date until that time.

(b) The fair value of MTI security rights was determined at the grant date using the Black-Scholes model.

IPO Bonus security rights over ordinary Stapled Securities in the Liberty Group that were granted as compensation to each KMP during the reporting period as follows:

	IPO bonus security rights						
	Number of rights granted	**Vesting condition (a)**	**Grant date**	**Fair value per right at grant date (b)**	**Exercise price per right**	**Date of expiry**	**Number of rights vested**
J Boyle	668,077	Completion of IPO	15-Dec-20	$0.90	$6.00	15-Dec-35	668,077
P Riedel	668,077		15-Dec-20	$0.90	$6.00	15-Dec-35	668,077
S Ma	334,039		15-Dec-20	$0.90	$6.00	15-Dec-35	334,039

The IPO Bonus Security Rights fully vested on Completion of the IPO Offer.

(c) Securities to be delivered to KMP upon the exercise of the vested IPO Bonus Security Rights will be subject to the following disposal restrictions:

- one-third of the Securities will be subject to a disposal restriction ending on the third anniversary of the date of Completion of the IPO (indicative fair market value of $0.91 per right);
- one-third of the Securities will be subject to a disposal restriction ending on the fourth anniversary of the date of Completion of the IPO (indicative fair market value of $0.90 per right); and
- one-third of the Securities will be subject to a disposal restriction ending on the fifth anniversary of the date of Completion of the IPO (indicative fair market value of $0.89 per right).

Remuneration Report

For the year ended 30 June 2021

The fair value of IPO Bonus security rights was determined at the grant date using the Black-Scholes model. Value of the allocated instruments is at weighted average of the indicative fair market value at $0.90 as at 15 December 2020.

Rights over Equity Instruments Granted as Compensation

Details of rights over ordinary Stapled Securities in the Liberty Group that were granted as compensation to each KMP during the reporting period and details on options that vested during the reporting period are as follows.

Year-on-year remuneration awarded for the disclosed KMP is disclosed in the table below. Variable remuneration continues to differ both year-on-year between different executives at nature of the variability in the Liberty Group and individual performance year-on-year.

								Vested			Lapsed/Forfeited			Exercised/Sold					
Rights	Type of equity	Number held at 1 July 2020	Number granted	Grant date	Fair value per right at grant date	First exercisable date	Date of expiry	Number	%	Value	Number	%	Value	Number	%	Value	Number held at 30 June 2021	Exercis-able at 30 June 2021	Non-exercisable as at 30 June 2021
J Boyle	Security rights (MTI)	-	32,491	10-Dec-20	$5.69	10-Dec-21	15-Dec-35	-	-	-	-	-	-	-	-	-	32,491	-	32,491
	Security rights (MTI)	-	32,491	10-Dec-20	$5.39	10-Dec-22	15-Dec-35	-	-	-	-	-	-	-	-	-	32,491	-	32,491
	Security rights (IPO Bonus)	-	222,692	15-Dec-20	$0.91	15-Dec-23	15-Dec-35	222,692	100%	$1,336,154	-	-	-	-	-	-	222,692	-	222,692
	Security rights (IPO Bonus)	-	222,692	15-Dec-20	$0.90	15-Dec-24	15-Dec-35	222,692	100%	$1,336,154	-	-	-	-	-	-	222,692	-	222,692
	Security rights (IPO Bonus)	-	222,692	15-Dec-20	$0.89	15-Dec-25	15-Dec-35	222,692	100%	$1,336,154	-	-	-	-	-	-	222,692	-	222,692
P Riedel	Security rights (MTI)	-	32,491	10-Dec-20	$5.69	10-Dec-21	15-Dec-35	-	-	-	-	-	-	-	-	-	32,491	-	32,491
	Security rights (MTI)	-	32,491	10-Dec-20	$5.39	10-Dec-22	15-Dec-35	-	-	-	-	-	-	-	-	-	32,491	-	32,491
	Security rights (IPO Bonus)	-	222,692	15-Dec-20	$0.91	15-Dec-23	15-Dec-35	222,692	100%	$1,336,154	-	-	-	-	-	-	222,692	-	222,692
	Security rights (IPO Bonus)	-	222,692	15-Dec-20	$0.90	15-Dec-24	15-Dec-35	222,692	100%	$1,336,154	-	-	-	-	-	-	222,692	-	222,692
	Security rights (IPO Bonus)	-	222,692	15-Dec-20	$0.89	15-Dec-25	15-Dec-35	222,692	100%	$1,336,154	-	-	-	-	-	-	222,692	-	222,692
S Ma	Security rights (IPO Bonus)	-	111,346	15-Dec-20	$0.91	15-Dec-23	15-Dec-35	111,346	100%	$668,078	-	-	-	-	-	-	111,346	-	111,346
	Security rights (IPO Bonus)	-	111,346	15-Dec-20	$0.90	15-Dec-24	15-Dec-35	111,346	100%	$668,078	-	-	-	-	-	-	111,346	-	111,346
	Security rights (IPO Bonus)	-	111,346	15-Dec-20	$0.89	15-Dec-25	15-Dec-35	111,346	100%	$668,078	-	-	-	-	-	-	111,346	-	111,346

The MTI Awards and security rights will be vested as follows:

- 50% of the Awards and security rights will vest on the first anniversary of the Grant Date, subject to employee remaining continuously employed by a member of the Liberty Group from the grant date until that time; and
- 50% of the Awards and security rights will vest on the second anniversary of the Grant Date, subject to employee remaining continuously employed by a member of the Liberty Group from the grant date until that time.

The fair value of MTI and IPO Bonus security rights was determined and calculated at the grant date using the Black-Scholes model. The IPO Bonus security rights were vested at $6 per security at the completion of IPO.

Securityholding of KMP

The interests of the KMP are aligned with creating long-term value for the Liberty Group. Shown below are the Securities held by KMP (directly, indirectly and beneficially) as at 30 June 2021.

	Number of securities as at 1 July 2020	Movements	Number of securities at 30 June 2021	Percentage of Securities
James Boyle	-	4,037,880	4,037,880	1.33%
Peter Hawkins	-	398,600	398,600	0.13%
Richard Longes	-	365,000	365,000	0.12%
Sherman Ma	144,120,043	-	144,120,043	47.47%
Leona Murphy	-	103,000	103,000	0.03%
Peter Riedel	-	3,036,000	3,036,000	1.00%

Loans made to Key Management Personnel and their Related Parties

Details regarding the aggregate of all loans made, guaranteed or secured by any entity in the Liberty Group to KMP and their related parties, and the number of individuals in each group as at 30 June 2021 are as follows:

	Opening balance $	Closing balance $	Interest paid and payable in the period $	Number in group at 30 June 2021
Total for KMP and their related parties	682,587	-	13,845	1

Details regarding loans outstanding at the end of the reporting period to key management personnel and their related parties, where the individuals aggregate loan balance exceeded $100,000 in the reporting period are as follows:

Name	Opening balance $	Closing balance $	Interest paid and payable in the period $	Highest balance in the period $
J Boyle	682,587	-	13,845	690,879

Loans made to KMP and their related parties are made in the ordinary course of business on normal commercial terms and conditions no more favourable than those given to other employees or customers, including the term of the loan, security required and the interest rate.

Other Transactions with Key Management Personnel

Sherman Ma holds positions in related entities that result in him having control of those entities. As at June 30 2021, the related party loans between the Liberty Group and related entities that Sherman Ma controls are:

- Net loans receivable of $157,004,000 from Vesta Funding B.V.; and
- Loan payable of $450,000 to Hestia Holdings B.V.

The terms and conditions of the transactions with KMP and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-KMP related entities on an arm's length basis.

This report is made with a resolution of the directors of the Liberty Group:

Richard Longes
Chair

Dated at Melbourne on 30 August 2021.

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

To the Directors of Liberty Financial Group

I declare that, to the best of my knowledge and belief, in relation to the audit of Liberty Financial Group for the financial year ended 30 June 2021 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Dean Waters

Partner

Melbourne

30 August 2021

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2021

	Notes	2021 $'000	2020 $'000
Interest income on financial assets measured at amortised cost		620,537	647,123
Interest income on financial assets measured at fair value		1,498	1,673
Other finance income	9	211,249	182,463
Other income		19,786	21,054
Total operating income		853,070	852,313
Finance expense	10	(459,138)	(532,777)
Impairment on financial assets measured at amortised cost		(370)	(32,501)
Personnel expenses	11	(95,082)	(70,646)
Other expenses	12	(86,082)	(60,641)
Total operating expense		(640,672)	(696,565)
Profit before income tax		**212,398**	**155,748**
Income tax expense	13	(27,021)	(21,038)
Profit after tax		**185,377**	**134,710**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Net change in fair value of financial assets at fair value through other comprehensive income		17,810	1,603
		17,810	1,603
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		(458)	(1,291)
Net change in fair value of cash flow hedges		10,007	(1,981)
Related income tax		(5,343)	(481)
		4,206	(3,753)
Total comprehensive income for the period		**207,393**	**132,560**
Profit attributable to:			
Equity holders of the stapled Group			
Attributable to Liberty Financial Group Limited		45,341	46,528
Attributable to LFGT		140,577	88,310
Non-controlling interests - other		(541)	(128)
Profit for the period		**185,377**	**134,710**
Total comprehensive income attributable to:			
Equity holders of the stapled Group			
Attributable to Liberty Financial Group Limited		57,825	45,494
Attributable to LFGT		150,109	87,194
Non-controlling interests - other		(541)	(128)
Total comprehensive income for the period		**207,393**	**132,560**
Earnings per stapled security	26	**0.61**	**0.44**
Diluted earnings per stapled security	26	**0.58**	**0.44**

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements set out on pages 28 to 75.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

	Attributable to equity holders of the stapled Group										
	Contri-buted equity $'000	Share-based payment reserve $'000	Cash flow hedge reserve $'000	Foreign currency translation reserve $'000	Revalu-ation reserve $'000	Common control reserve $'000	Retained profits $'000	Non-controlling interests - LFGT $'000	Total $'000	Non-controlling interests - other $'000	Total equity $'000
Balance at 1 July 2019	639,000	-	(3,641)	(100)	651	(136,020)	408,354	(14,304)	893,940	7,636	901,576
Adjustment on adoption of new accounting standards (net of tax)	-	-	-	-	-	-	(1,593)	-	(1,593)	-	(1,593)
Adjusted balance at 1 July 2019	639,000	-	(3,641)	(100)	651	(136,020)	406,761	(14,304)	892,347	7,636	899,983
Other comprehensive income for the year	-	-	(865)	(1,291)	1,122	-	-	(1,116)	(2,150)	-	(2,150)
Issue of ordinary shares	80,000	-	-	-	-	-	-	-	80,000	-	80,000
Profit/(loss) for the year	-	-	-	-	-	-	46,528	88,310	134,838	(128)	134,710
Distributions provided for or paid	-	-	-	-	-	-	-	(88,310)	(88,310)	-	(88,310)
Dividends paid - note 25	-	-	-	-	-	-	(703)	-	(703)	-	(703)
Balance at 1 July 2020	**719,000**	**-**	**(4,506)**	**(1,391)**	**1,773**	**(136,020)**	**452,586**	**(15,420)**	**1,016,022**	**7,508**	**1,023,530**
Balance at 1 July 2020	719,000	-	(4,506)	(1,391)	1,773	(136,020)	452,586	(15,420)	1,016,022	7,508	1,023,530
Adjustment to prior year retained earnings (net of tax)	-	-	-	-	-	-	610	-	610	-	610
Adjusted balance at 1 July 2020	719,000	-	(4,506)	(1,391)	1,773	(136,020)	453,196	(15,420)	1,016,632	7,508	1,024,140
Equity-settled share-based payment	-	13,515	-	-	-	-	-	-	13,515	-	13,515
Other comprehensive income for the year	-	-	475	(458)	12,467	-	-	9,532	22,016	-	22,016
Profit/(loss) for the period	-	-	-	-	-	-	45,341	140,577	185,918	(541)	185,377
Distributions provided for or paid	-	-	-	-	-	-	-	(140,493)	(140,493)	-	(140,493)
Dividends paid - note 25	-	-	-	-	-	-	(57,929)	-	(57,929)	-	(57,929)
Acquisition of NCI - note 28	-	-	-	-	-	-	-	-	-	(8,399)	(8,399)
Balance at 30 June 2021	**719,000**	**13,515**	**(4,031)**	**(1,849)**	**14,240**	**(136,020)**	**440,608**	**(5,804)**	**1,039,659**	**(1,432)**	**1,038,227**

The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements set out on pages 28 to 75.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Notes	2021 $'000	2020 $'000
Assets			
Cash and cash equivalents	20	499,218	396,895
Restricted cash	20	104,651	101,572
Trade receivables and other assets	16	291,158	447,254
Financial assets	15	12,239,391	11,658,874
Other investments	17	49,152	29,203
Derivative assets	6(g)	5,198	14,507
Property, plant and equipment	19	21,950	23,234
Intangible assets	21	288,987	299,937
Deferred tax assets	18	67,462	64,590
Total Assets		**13,567,167**	**13,036,066**
Liabilities			
Payables	22	138,403	113,523
Financing	23	12,235,935	11,792,107
Provisions	24	12,525	11,905
Lease liabilities		9,185	11,264
Derivative liabilities	6(g)	85,345	48,875
Deferred tax liabilities	18	47,547	34,862
Total Liabilities		**12,528,940**	**12,012,536**
Net Assets		**1,038,227**	**1,023,530**
Equity			
Contributed equity	25	719,000	719,000
Reserves		(114,145)	(140,144)
Retained profits		440,608	452,586
Non-controlling interests - LFGT		(5,804)	(15,420)
Total equity attributable to equity holders of the stapled Group		1,039,659	1,016,022
Non-controlling interests - other		(1,432)	7,508
Total Equity		**1,038,227**	**1,023,530**

The Consolidated Statement of Financial Position is to be read in conjunction with the notes to the financial statements set out on pages 28 to 75.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2021

	Notes	2021 $'000	2020 $'000
Cash flows from operating activities			
Interest income received		613,908	638,930
Interest expense paid		(255,900)	(352,746)
Fees and commissions received		211,126	181,967
Fees and commissions paid		(198,992)	(181,204)
Insurance premiums received		7,514	7,820
Cash paid to suppliers and employees		(141,883)	(105,144)
Net increase in financial assets		(577,017)	(475,111)
Net proceeds from financing		499,744	237,949
Income taxes paid		(25,538)	(20,890)
Net cash from/(used in) operating activities	20(b)	**132,962**	**(68,429)**
Cash flows from investing activities			
Payments for businesses acquired/investments, net of cash acquired		(20,245)	(277,912)
Acquisition of property, plant and equipment		(4,322)	(4,085)
Loss/(proceeds) from the sale of property, plant and equipment		195	(292)
Net cash used in investing activities		**(24,372)**	**(282,289)**
Cash flows from financing activities			
Payment of lease liabilities		(2,079)	(2,227)
Proceeds from related party loans		191,337	259,934
Payments to related party loans		(10,784)	(107,442)
Dividends and distributions paid		(181,662)	(89,013)
Net cash (used in)/from financing activities		**(3,188)**	**61,252**
Net increase/(decrease) in cash held		105,402	(289,466)
Cash at the beginning of the year		498,467	787,933
Cash at the end of the year	20(a)	**603,869**	**498,467**

The Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the financial statements set out on pages 28 to 75.

Notes to the Financial Statements

For the year ended 30 June 2021

1 Reporting Entity

The Liberty Group comprises Liberty Financial Group Limited (the "Company") and the Liberty Financial Group Trust ("LFGT") and its respective controlled entities (together the "Liberty Group"). Liberty Fiduciary Ltd is the responsible entity of LFGT ("RE"). The address of Liberty Group's registered office is Level 16, 535 Bourke Street, Melbourne, Victoria 3000.

Liberty Group is formed as a stapled entity, a combination of a share in the Company and a unit in LFGT. The Liberty Group listed on the Australian Securities Exchange ("ASX") on 15 December 2020. The ASX ticker code is LFG.

2 Basis of Preparation

The financial statements as at and for the year ended 30 June 2021 have been prepared as a consolidation of the financial statements of the Liberty Group. The equity securities of the Company and the units of Liberty Financial Group Trust are stapled and cannot be sold separately.

AASB 3 *Business Combinations* and AASB 10 *Consolidated Financial Statements* require one of the stapled entities of a stapled group to be identified as the parent entity for the purpose of preparing a consolidated financial report. In accordance with this requirement, the Company has been identified as the parent entity of the consolidated group comprising Liberty Financial Group Limited and its controlled entities and Liberty Financial Group Trust and its controlled entities, together comprising the Group. The financial statements were authorised for issue by the Directors of the Liberty Group on 30 August 2021.

The statement of financial position is presented on a liquidity basis.

Parent entity financial information

The financial information for the parent entity, Liberty Financial Group Limited, disclosed in Note 29 has been prepared on the same basis as the consolidated financial statements.

The Group is a for profit entity for the purpose of preparing these financial statements.

(a) Statement of compliance

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

(b) Basis of measurement

The consolidated financial statements have been prepared on the basis of historical cost except as otherwise stated.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Liberty Group's functional currency.

(d) Rounding off

The Company and Group are of a kind referred to in ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191 dated 1 April 2016, and in accordance with that Rounding Instrument, amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

(e) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are considered to be reasonable. Actual results may differ from these estimates. 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 and in any future periods affected.

(i) Judgements

Information about accounting treatments involving complex or subjective decisions or assessments are described in the following notes:

- Note 4 (g) – Insurance commission revenue and expense recognition
- Note 5 – Fair value
- Note 6 – Financial instruments including credit risk

- Note 18 – Deferred tax assets and liabilities
- Note 21 – Goodwill
- Note 24 – Provisions
- Note 32 – Capital commitments and contingent liabilities

In particular, management applies judgement in determining the approach to establishing the appropriate level of provisioning for its financial assets, both at the specific and collective levels. In addition, the Liberty Group applies a weighted average tenure of the portfolio to assess the average life of financial assets which impacts the amount and timing of financing income recognition. Both judgements are assessed on at least an annual basis. In relation to the weighted average tenure, the annual review ensures consistency of the average life applied under the effective interest yield calculation. The reassessment of average life for financial assets has resulted in a decrease to profit in the year ended 30 June 2021.

The net present value of insurance commission and trail commission are calculated using a discounted cash flow methodology. There are a number of key assumptions used to determine the underlying cash flows including lapse rates, discount rate and projection period. The assumptions are determined based on experience and current and forecast economic factors.

LFI Group Pty Ltd, a consolidated entity, commenced underwriting insurance products on 1 December 2014. Management has applied its judgement to the materiality of this entity in the preparation of this financial report and determined that no additional disclosures are required. At 30 June 2021 LFI had premium revenue of $2,476,000 and contributed a loss before tax of $379,000 to the Liberty Group.

The Liberty Group assesses its intangible assets for impairment at least annually by comparing the carrying value of the assets with their recoverable value. The key assumptions in calculating the recoverable value of the intangible assets are the asset's future cash flows, the terminal value of the cash flows and discount rate. The assumptions are determined based on experience and current and forecast economic factors.

(ii) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ending 30 June 2021 is included in the following notes:

- Note 4 (i) and note 6 – measurement of provision for impairment of financial assets: key assumptions in determining the collective provisions.
- Note 4 (l) and note 21 – impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts, including the recoverability of development costs.

(iii) Measurement of fair values

A number of the Liberty Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Management assesses the evidence obtained from third parties to support fair value calculations. When measuring the fair value of an asset or liability, the Liberty Group uses market observable data as far as possible.

3 Changes in Significant Accounting Policies

Except as described below, the accounting policies set out in note 4 have been applied consistently to all periods presented in these consolidated financial statements.

Certain comparative amounts have been re-presented to conform to the current year's presentation to enhance comparability.

(a) Interest rate benchmark reform

Background

Interest rate benchmarks such as interbank offered rates (IBORs) play an important role in global financial markets. These benchmarks index a wide variety of financial products, including mortgages, securities and derivatives.

Market developments have undermined the reliability of some existing benchmarks, leading to regulators, central banks and other market participants to work towards replacing existing benchmarks with alternative, nearly risk-free rates (RFR). This work has, in turn, led to uncertainty about the future of some existing interest rate benchmarks, which may affect companies' financial reporting.

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For the year ended 30 June 2021

Accounting standard amendments

In October 2019, the AASB issued AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform* (AASB 2019-3), which amends certain existing hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the interest rate benchmark reform. The Liberty Group elected to early adopt the standard on 1 October 2019. AASB 2019-3 makes amendments to AASB 9, AASB 139 and AASB 7, which allows the Liberty Group to apply certain exceptions to the standard hedge accounting requirements in respect of hedge relationships that are impacted by a market wide interest rate benchmark reform. The specific interest rate benchmark reform that this amendment currently applies to is the planned discontinuation of Interbank Offer Rates (IBOR) on 30 June 2021.

Impact of IBOR reform.

At 30 June 2021 the Liberty Group has performed an initial high level IBOR exposure review and has identified the following IBOR Exposures:

Exposure	Hedging Instruments	FCCY Notional JPY	IBOR	Transition progress
JPY Notes	JPYAUD CCIRS	JPY 38,873,055,439	JPYLIBOR	Discussions are in progress with the counterparty to amend rates by 31 December 2021

The Liberty Group has adopted AASB 2019-3 as it continues to review its funding mix.

4 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, except as otherwise disclosed (see note 3).

(a) Basis of consolidation

(i) Business combinations

The Liberty Group accounts for business combinations using the acquisition method when control is transferred to the Liberty Group (see note 4 (a) (ii)). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any gain on a bargain purchase is recognised in the statement of profit or loss and other comprehensive income immediately.

The Liberty Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Liberty Group to the previous owners of the acquiree, and equity interests issued by the Liberty Group. Consideration transferred also includes the fair value of any contingent consideration and share based payments awards of the acquiree that are replaced mandatorily in the business combination. Contingent consideration is measured as the present value of expected future payments, discounted using a risk-adjusted interest rate.

Transaction costs that the Liberty Group incurs in connection with a business combination, such as finders fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

A business combination that occurs between entities under common control is exempt from the typical requirements of AASB 3 to record the acquired assets and liabilities at fair value and measure goodwill based on the difference between the net assets and liabilities acquired and the consideration transferred. The Liberty Group elected to record the common control transaction based on the carrying amount in the transferor's records on the date of the transaction and any difference between the consideration transferred and the equity acquired is taken to equity as a common control reserve.

(ii) Subsidiaries

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

(iii) Special purpose entities

The Liberty Group has established a number of special purpose entities ("SPEs") for securitisation of financial assets. The SPEs are controlled by the Liberty Group as they were established under terms that impose strict limitations on the decision-making powers of the SPEs management relating to the SPEs operations and net assets. The results of the SPEs are included as part of the Liberty Group consolidated financial statements. Refer to note 33 for further details.

(iv) Transactions eliminated on consolidation

Intra-group balances, transactions and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(v) Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Liberty Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate prevailing at that date. Foreign exchange differences arising on translation are recognised in other comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates prevailing at the dates the fair value was determined.

(ii) Foreign currency operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Australian dollars at foreign exchange rates prevailing at the reporting date.

The income and expenses of foreign operations are translated to Australian dollars at rates approximating the foreign exchange rates prevailing at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised directly as a separate component within equity in the foreign currency translation reserve (FCTR).

(iii) Net investment in foreign operations

Unrealised foreign currency differences arising on the investment and related party balances in a foreign operation are recognised in other comprehensive income (OCI) and are presented within equity in the FCTR. When an investment is disposed of or a related party loan is repaid the relevant amount in the FCTR is transferred to the statement of profit or loss and other comprehensive income as a realised gain or loss.

(c) Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, trade and other receivables, investments in equity and debt securities, payables and financing.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through the statement of profit or loss and other comprehensive income, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment loss.

A financial instrument is recognised if the Liberty Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Liberty Group's contractual rights to the cash flows from the financial assets expire or if the Liberty Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

Cash and cash equivalents comprise cash balances and term deposits. The Liberty Group does not have an overdraft facility other than an overnight overdraft facility which is repayable the following day. The bank overnight overdraft facility is included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(d) Derivative financial instruments

The Liberty Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. The Liberty Group is required to hedge

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these exposures under the terms and conditions of its borrowing facilities and relevant Trust Deeds. Derivative financial instruments are not held for trading.

Derivatives are initially measured at fair value and attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value.

The Liberty Group's approach to managing market risk, including interest rate risk, is discussed in note 6 (e).

On entering into a hedging relationship, the Liberty Group formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows. The hedges are assessed on an ongoing basis to determine if they have been highly effective throughout the financial reporting periods for which they are designated.

Cash flow hedges

Changes in the value of the derivative hedging instruments designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss.

Fair value hedges

Gains or losses from remeasuring the hedging instruments designated as a fair value hedge are recognised in other comprehensive income and accumulated in the hedging reserve. Changes in the fair value of the hedged item are recognised in profit or loss.

If the hedge no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. When the hedged item is a financial asset the amount recognised in equity is reclassified to profit or loss in the same period that the hedged item affects the statement of profit or loss and other comprehensive income.

The Liberty Group's approach to accounting for hedges is discussed in note 6 (g).

(e) Share Capital

Stapled securities

Stapled securities are classified as equity. Incremental costs are directly attributable to issue of stapled securities. Refer to note 25.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and term deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Liberty Group in the management of its short-term commitments.

The cash collection accounts are used to hold all payments received within the various Trusts during a payment period. All amounts are transferred into these accounts in accordance with the Trust Deeds.

The cash reserve is maintained and utilised to cover shortfall payments of the Trusts to which the Liberty Group acts as Trustee, in the event of liquidation losses as specified in the Trust Deeds.

(g) Insurance commission revenue and expense recognition

The Liberty Group's performance obligations under the contract with the insurer are satisfied at the time that the insurance policy is sold. On each policy sold, both upfront and trail commissions are recognised. Upfront commissions are recognised at the fixed transaction price, net of an allowance for clawbacks. Trail commissions are recognised upfront as a contract asset as the net present value of future trail commissions, based on the commission rate in the contract, expected length of time that the policy will remain in force, and discount factor applied. The estimated variable consideration is reassessed at each reporting period to take into consideration changes in circumstances impacting the net present value of forecast future trail commissions during the period. The Liberty Group incurs incremental costs to obtain the contract, represented by the commissions owed to referring brokers. These incremental costs are recognised in line with the related revenue.

(h) Financial assets

Financial assets, comprising residential mortgages, commercial mortgages, auto receivables, hire purchase contracts, equipment finance, personal loans and any facilities in Australia and New Zealand, are initially recognised at fair value when the Liberty Group becomes a party to the contract. Depending on the Liberty Group's business model for managing, and the contractual cash flow characteristics of the financial assets, they are subsequently measured at either amortised cost using the effective interest method where they meet the definition of solely payments of principal and interest, or at fair value through profit or loss. All mortgage assets are secured by registered mortgages. Auto receivables, hire purchase contracts and equipment loans are secured by a registered interest on the vehicle or equipment. Any facility is secured by an interest in the assets of the relevant entity.

A financial asset is assessed annually to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

(i) Impairment

At each reporting date the Liberty Group assesses whether financial assets carried at amortised cost are impaired. A financial asset is impaired when credit risk has increased significantly since initial recognition.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Specific provisions relate to loans that are currently known to be impaired, based on objective evidence as a result of one or more events that have occurred after the initial recognition of the asset, otherwise known as a loss event. For loans where a loss event has occurred, the provisioning process involves detailed review and analysis of individual loans. These loans are assessed for impairment based on security value, loan balance outstanding and other factors deemed relevant to collectability by management. The Liberty Group engages a panel of external valuation experts.

Provisions are raised where objective evidence of impairment exists and the negative impact on estimated future cash flows of the asset can be reliably estimated.

The AASB 9 ECL impairment model applies to all financial assets, except for those which are fair value through profit or loss (FVPL), and equity securities designated as at fair value through other comprehensive income (FVOCI), which are not subject to impairment assessment.

Under AASB 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Stage 1: 12 Month ECL - Not Significantly Increased Credit Risk

Where there has been no significant increase in the risk of default since origination, allowances reflect the portion of the lifetime ECL from expected defaults in the following twelve months.

Stage 2: Lifetime ECL – Significant Increase in Credit Risk (SICR)

A financial asset moves from Stage 1 to Stage 2 when there is a SICR since initial recognition.

The Liberty Group applies a combination of quantitative and qualitative factors to assess whether a SICR has occurred. These include:

- forbearance status including provision of repayment variation;
- relevant behavioural attributes exhibited during life of the asset;
- relevant application attributes such as employment type, employment tenure and disposable income that indicate higher risk of default; and
- transferring assets more than 30 days past due into Stage 2.

The ECL impairment model, which requires judgement, is used to determine whether an exposure's credit risk has increased significantly and requires higher probability of default factors. ECLs are a probability-weighted estimate

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of credit losses. Credit losses are measured as the present value of all cash shortfalls, being the difference between the cash flows due to the Liberty Group in accordance with the contract and the cash flows the Liberty Group expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

Stage 3: Lifetime ECL – Credit Impaired

Write-off

Loans are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Liberty Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Macroeconomic scenarios

The assessment of credit risk, and the estimation of ECL, will be unbiased and probability weighted, and incorporate all available information relevant to the assessment, including information about past events, current conditions and reasonable and supportable information about future events and economic conditions at the report date. The Liberty Group has established a process whereby forward-looking macroeconomic scenarios and probability weightings are developed for ECL calculation purposes. The final probability weighted ECL amount will be calculated from a Central estimate, Best Case and a Worst Case scenario.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Non-financial assets

The carrying amounts of the Liberty Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use the recoverable amount is estimated at each reporting date.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. A non-financial asset is impaired if the recoverable amount of the asset is less than the carrying amount of the asset.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in the statement of profit or loss and other comprehensive income.

(j) Investments

Corporate bonds are categorised as at fair value through profit or loss and are recognised when the Liberty Group becomes a party to the contract. Corporate bonds are initially and subsequently recognised at fair value using the quoted market price for the bonds at reporting date, or if a quoted market price is not available, the fair value is calculated using the applicable market rate of interest for bonds of a similar maturity and credit rating.

Other investments are categorised as fair value through other comprehensive income.

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing proceeds from the disposal with the carrying amount of the property, plant and equipment and are recognised net within "other expenses" in profit or loss.

(ii) Depreciation

Depreciation is charged to the income statement on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Liberty Group will obtain ownership by the end of the lease term.

The depreciation and amortisation rates used for each class of assets are as follows:

Furniture, equipment and fittings	3 - 13 years
Computer equipment	3 - 7 years
Other fixed assets	3 years
Leasehold improvements	5 - 10 years
Leased motor vehicles	5 years
Land and buildings	10 - 40 years
Right-of-use assets	3 - 10 years

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

(l) Intangibles

Goodwill, brand name and development costs are measured at cost less accumulated impairment losses. Brand name and development costs are amortised on a straight line basis in the statement of profit or loss and other comprehensive income over their estimated useful life (10-15 years) from the date they are available for use.

Intellectual property acquired by the Liberty Group is measured at cost less accumulated amortisation and any accumulated impairment losses. Intellectual property is amortised on a straight-line basis is the statement of profit or loss and other comprehensive income over the estimated finite life (20 years) from the date available for use.

(m) Leases

At inception of a contract, the Liberty Group assesses whether a contract is, or contains, a lease. A contract is a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Liberty Group uses the definition of a lease in AASB 16 *Leases*.

This policy is applied to contracts entered into on or after 1 July 2019.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of make-good costs.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Liberty Group's incremental borrowing rate. The Liberty Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The Liberty Group presents right-of-use assets in property, plant, and equipment and lease liabilities in the statement of financial position.

(n) Financing

Through its global financing arrangements, the Liberty Group issues asset-backed securities (securitisation notes). Pending the issue of securitisation notes, the Liberty Group has medium term finance facilities maturing within 1 and 2 years with financial institutions to enhance the funding of financial assets.

The Liberty Group's structured finance vehicles issue securitisation notes in the form of inscribed stock which is multi-tranched, secured, asset-backed floating rate securities, maturing up to 25-30 years. The Custodian of the facilities is Perpetual Trustee Company Ltd for Australia and Guardian Trust Ltd for New Zealand assets.

Debt issues payable and drawings under finance facilities are recognised when issued.

Financing facilities are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, apart from foreign currency denominated loans, they are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the life of the loans on an effective yield basis.

The Liberty Group has issued and intends to continue issuing unsecured debt. The unsecured debt is initially recognised at fair value when issued and subsequently measured at amortised cost. The amortised cost of debt is adjusted for fair value movements in underlying

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hedged risk when designated in hedge accounting relationships under the fair value hedge model. Fair value movements in the debt are recognised directly in profit or loss, which is offset by movements in related fair value hedging instruments per note 4 (d).

(o) Deposits and unitholder liabilities

Deposits and unitholder liabilities are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, deposits and unitholder liabilities are stated at amortised cost with any difference between cost and repayment value being recognised in profit or loss over the life of the loans on an effective yield basis.

(p) Provisions

A provision is recognised if, as a result of a past event, the Liberty Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(q) Employee benefits

(i) Long term service benefits

The Liberty Group's net obligation in respect of long-term service benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its fair value. Remeasurements are recognised in profit or loss in the period in which they arise. The discount rate is the yield at the balance sheet date on high quality corporate bonds that have maturity dates approximating to the terms of the Liberty Group's obligations.

(ii) Incentive plan

A liability is recognised for incentives declared but not paid as at reporting date when the Liberty Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iii) Short-term benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave that are expected to be settled within 12 months of the reporting date representing present obligations resulting from employees' services provided to the reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Liberty Group expects to pay as at the reporting date including related on-costs, such as workers compensation insurance and payroll tax.

(iv) Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the statement of profit or loss and other comprehensive income as incurred.

(v) Shared-based payment arrangement

The grant date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true up for differences between expected and actual outcomes.

(r) Fees and commissions

Fees and commissions income and expenses that are integral to the effective interest rate on a financial asset or financial liability are recognised using the effective interest method. Fees or commissions income and expenses which are not integral to the effective interest rate on a financial asset or financial liability are recognised in accordance with AASB 15 *Revenue from Contracts with Customers*. When fees or commissions relate to specific transactions or events, they are recognised as the related services are performed. When they are charged for services provided over a period, they are recognised as performance obligations are satisfied.

(s) Finance income and expenses

Finance income comprises interest income on financial assets and funds invested, dividend income, changes in the fair value of financial liabilities at fair value through profit or loss, foreign currency gains, and gains on hedging instruments that are recognised in the statement of profit or loss and other comprehensive income. Interest income is recognised as it accrues in the statement of profit or loss and other comprehensive income, using the effective interest method. The accrual of fee and interest income is suspended at the time at which the financial asset has a specific provision raised (note 4 (i)). Interest income on impaired loans is recognised either as cash is collected or on a cost-recovery basis as conditions warrant.

Finance expenses comprise interest expense on financing, borrowing costs, foreign currency losses, changes in the fair value of financial assets held at fair value through profit or loss, impairment losses recognised on financial assets, and losses on hedging instruments that are recognised in the statement of profit or loss and other comprehensive income on an accruals basis.

Interest payments in respect of financial instruments classified as liabilities are included in interest expense. Where interest rates are hedged or swapped and are designated in a hedging relationship, the borrowing costs are recognised net of any effect of the hedge or swap.

(t) Income tax

Income tax expense comprises current and deferred tax. Income tax is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any known or likely adjustments to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(u) Tax consolidation

On 18 December 2019 the Company and its wholly-owned Australian resident entities formed a tax consolidated group. Prior to this restructuring, an existing tax group comprising of these entities was dissolved and a clean exit payment was calculated allowing the entities to enter a new tax arrangement with the Company. As a consequence, all members of the tax consolidated group are taxed as a single entity. The Company is the head entity.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are recognised by the Company as amounts payable/(receivable) to/(from) other entities in the tax consolidated group in conjunction with any funding arrangement amounts. Any difference between these amounts is recognised by the Company as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax consolidated group to the extent that it is probable that future taxable profits of the tax consolidated group will be available against which the asset can be utilised.

The members of the tax consolidated group have entered into a tax funding arrangement which sets out the funding obligations of the members of the tax consolidated group with respect to tax amounts. The tax funding arrangements require payments within the tax consolidated group where inter-entity receivables/(payables) are at call.

The members of the tax consolidated group have also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of

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the allocation of income tax liabilities between the entities should there be a default on any tax payment obligations. No amounts have been recognised in the financial statements in respect to this agreement, as payment of any default amounts under the tax sharing agreements is considered remote.

(v) Distribution

In accordance with the relevant Trust Constitution, the Trustee distributes income from a subsidiary trust of the Liberty Group to a unitholder which is a non-controlled related party of the Liberty Group. These distributions have been treated as distributions to a non-controlling interest.

(w) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the Liberty Group and Company in the period of initial application. They are available for early adoption at 30 June 2021, but have not been applied in preparing this financial report. The analysis of the transitional impact of the standards is expected to be completed prior to the implementation dates.

(i) AASB 17 *Insurance Contracts*

AASB 17 introduces a new general measurement model for accounting for insurance contracts, with the application of a simplified approach (similar to AASB 1023) permitted in certain circumstances. The Liberty Group will undertake an impact assessment of the new standard.

AASB 17 is effective for annual periods beginning on or after 1 January 2023, with early adoption permitted.

The Liberty Group is currently assessing the impact of the new requirements on the Liberty Group's Insurance business.

5 Determination of Fair Values

The Liberty Group's disclosures require determination of fair values for financial assets and liabilities. Management assesses the evidence obtained from third parties to support the conclusion that fair value valuations meet the requirements of AASB 13. When measuring the fair value of an asset or liability, the Liberty Group uses market observable data as far as possible. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Financial assets

The carrying amount of financial assets includes deferred fees and expenses accounted for using the effective interest method and are initially recognised at fair value. They are subsequently measured at amortised cost using the effective interest method net of provisions for impairment and income yet to amortise.

Fair value is calculated based on the present value of future principal and interest cash flows discounted at the credit risk-adjusted rate of interest at the reporting date.

For financial assets designated at fair value through the statement of profit or loss and other comprehensive income, fair value is calculated using market observable data where possible.

(b) Derivatives

The fair value of interest rate and cross currency interest rate swaps are determined by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

(c) Non derivative financial assets and liabilities

For receivables and payables with a remaining life of less than one year, the notional amount is deemed to approximate the fair value.

(d) Financing

The fair value of financing is approximated by their carrying amounts.

(e) Investments

Corporate bonds that back insurance liabilities are designated at fair value through profit or loss and are measured at fair value in the statement of financial position. Changes in fair value are recognised in profit or loss. Fair value for corporate bonds is calculated using market observable data where possible.

(f) Leases

The fair value of the lease liability and right of use asset is based on the lease term, lease payments and discount rate as required by AASB 16.

(g) Carrying amounts and fair values of the financial assets and financial liabilities

The following table shows the carrying amounts and fair values of the financial assets and financial liabilities.

CONSOLIDATED 30 June 2021	Note	Carrying Amount				Fair Value
		Fair value through profit or loss $'000	Fair value through OCI $'000	Financial assets/ (financial liabilities) at amortised cost $'000	Total $'000	$'000
Financial assets measured at fair value						
Other investments	17	13,101	35,223	-	48,324	48,324
Derivative assets	6(g)	5,198	-	-	5,198	5,198
Financial assets	15	-	32,193	-	32,193	32,193
Financial assets not measured at fair value						
Other investments	17	-	-	828	828	828
Cash and cash equivalents	20	-	-	603,869	603,869	603,869
Trade receivables and other assets	16	-	-	192,261	192,261	192,261
Financial assets	15	-	-	12,207,198	12,207,198	12,320,748
Financial liabilities measured at fair value						
Derivative liabilities	6(g)	(85,345)	-	-	(85,345)	(85,345)
Financial liabilities not measured at fair value						
Payables	22	-	-	(102,421)	(102,421)	(102,421)
Financing	23	-	-	(12,235,935)	(12,235,935)	(12,235,935)
		(67,046)	67,416	665,800	666,170	779,720

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CONSOLIDATED 30 June 2020	Note	Carrying Amount				Fair Value
		Fair value through profit or loss	Fair value through OCI	Financial assets/ (financial liabilities) at amortised cost	Total	
		$'000	$'000	$'000	$'000	$'000
Financial assets measured at fair value						
Other investments	17	7,225	21,150	-	28,375	28,375
Derivative assets		14,507	-	-	14,507	14,507
Financial assets	15	-	28,506	-	28,506	28,506
Financial assets not measured at fair value						
Other investments	17	-	-	828	828	828
Cash and cash equivalents	20	-	-	498,467	498,467	498,467
Trade receivables and other assets	16	-	-	358,658	358,658	358,658
Financial assets	15	-	-	11,630,368	11,630,368	11,707,421
Financial liabilities measured at fair value						
Derivative liabilities		(48,875)	-	-	(48,875)	(48,875)
Financing	23	(228,378)	-	-	(228,378)	(228,378)
Financial liabilities not measured at fair value						
Payables	22	-	-	(80,608)	(80,608)	(80,608)
Financing	23	-	-	(11,563,729)	(11,563,729)	(11,563,729)
		(255,521)	49,656	843,984	638,119	715,172

(h) Fair value hierarchy

When measuring the fair value of an asset or liability, the Liberty Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value in an active market (Level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

Fair value in an inactive or unquoted market (Level 2)

The fair value of interest rate and cross currency interest rate swaps are determined by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Unobservable inputs used in measuring fair value (Level 3)

There are no financial instruments measured using Level 3 inputs.

The fair value of financial assets and liabilities that are not traded in an active market is determined using various valuation techniques. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire assessment.

The Liberty Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(i) Fair value hierarchy - financial instruments measured at fair value

As at 30 June 2021	$'000 Level 1	$'000 Level 2	$'000 Level 3	Total
Financial assets measured at fair value				
Other investments - equity securities	35,223	5,660	-	40,883
Other investments - government and corporate bonds	7,441	-	-	7,441
Derivative assets	-	5,198	-	5,198
Financial assets	26,768	5,425	-	32,193
Financial liabilities measured at fair value				
Derivative liabilities	(85,345)	-	-	(85,345)
	(15,913)	16,283	-	370

As at 30 June 2020	$'000 Level 1	$'000 Level 2	$'000 Level 3	Total
Financial assets measured at fair value				
Other investments - equity securities	21,150	-	-	21,150
Other investments - government and corporate bonds	7,225	-	-	7,225
Derivative assets	-	14,507	-	14,507
Financial assets	26,817	1,689	-	28,506
Financial liabilities measured at fair value				
Derivative liabilities	(48,875)	-	-	(48,875)
Financing	-	(228,378)	-	(228,378)
	6,317	(212,182)	-	(205,865)

Transfers between level 1, level 2 and level 3
There were no transfers between level 1, level 2 and level 3 in 2021 (2020: nil).

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For the year ended 30 June 2021

6 Financial Risk Management

(a) Overview

The Liberty Group and the Company have exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Exposure to credit, liquidity and market risk arises in the normal course of the Liberty Group's business. This note presents information about the Liberty Group's exposure to each of the above risks, the objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout the financial report.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board has established a Risk, Audit and Compliance Committee (the "Committee") which is responsible for monitoring the emerging and changing risk profile of the Liberty Group. The Committee is responsible for reviewing the adequacy of internal systems, controls and procedures in relation to the risk management framework and the risks faced by the Company and the Liberty Group. The Committee is assisted in its oversight by the Risk department which coordinates, sets policy and monitors the Liberty Group's effectiveness in operational, credit risk, liquidity and market risk. The Chief Financial Officer reports regularly to the Committee and the Board. Risk management policies and systems are updated to reflect changes in market conditions and the Liberty Group's activities.

In response to COVID-19 the Liberty Group has further strengthened its financial risk management framework through more frequent board updates and enhanced stress testing, liquidity management and portfolio monitoring.

(b) Operational risk

Operational risk is the risk of impact on objectives resulting from inadequate or failed internal processes, people and systems or from external events including legal and reputation risk.

Operational risk is primarily monitored by the Committee supported by management which manages regulatory compliance, fraud prevention and detection, anti-money laundering and business continuity.

The Committee has primary responsibility for the oversight of financial reporting risk. The Risk department and Compliance Officers review risk management in order to assess and understand the Liberty Group's business and financial risks as well as the effectiveness of internal controls which may have a significant impact on the full financial statements.

(c) Credit risk

Credit risk is the risk of financial loss due to a customer or counterparty failing to meet their contractual obligations. Credit risk arises primarily from the Liberty Group's financial assets.

Financial assets

Management has a credit policy in place that ensures the loan portfolio is diversified across varying risk categories and locations. Management continually assesses the effectiveness of internal credit controls and policies to ensure reliability and integrity of asset management. The Liberty Group also obtains collateral and security arrangements as a means of mitigating the risk of financial loss from default and raises provisions for impairment where appropriate.

Investments

Investments in financial instruments in the investment portfolio are with counterparties with sound credit ratings. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations. An Investment Committee meets on a regular basis to consider investment opportunities and overall performance of the investments.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet.

Counterparty risk

The Liberty Group is exposed to counterparty credit risk by holding cash and cash equivalents and entering into derivatives with financial institutions. Their credit quality can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. The Liberty Group holds cash and derivative contracts with counterparties rated AA- and better.

Exposure

(i) Loans by credit risk rating grades

Consolidated $'000	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
30 June 2021				
Gross loans				
Prime	9,069,959	114,385	75,870	9,260,214
Non-prime	2,681,559	135,401	106,449	2,923,409
Unrated	97,193	-	-	97,193
Total	**11,848,711**	**249,786**	**182,319**	**12,280,816**

Consolidated $'000	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
30 June 2020				
Gross loans				
Prime	8,334,757	558,157	121,183	9,014,097
Non-prime	2,166,586	280,874	115,772	2,563,232
Unrated	134,817	-	-	134,817
Total	**10,636,160**	**839,031**	**236,955**	**11,712,146**

Credit quality

The ageing of loans is shown below:

(ii) Loans by credit quality

	2021 $'000	2020 $'000
Gross loans		
Neither past due or impaired	11,848,711	10,636,160
Past due but not impaired	249,786	839,031
Impaired	182,319	236,955
Total	**12,280,816**	**11,712,146**

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Provision for impairment loss

(iii) Provision for impairment

Consolidated $'000	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
30 June 2020				
Opening balance at 1 July 2019	22,962	2,130	31,358	56,450
Net movement during the year	15,924	2,179	2,304	20,407
Closing balance at 30 June 2020	**38,886**	**4,309**	**33,662**	**76,857**
30 June 2021				
Opening balance at 1 July 2020	38,886	4,309	33,662	76,857
Net movement during the year	3,518	1,123	(6,190)	(1,549)
Closing balance at 30 June 2021	**42,404**	**5,432**	**27,472**	**75,308**

The following tables show the movement in the Liberty Group's impairment provisions and credit exposures by expected credit loss (ECL) stage for the year ended 30 June 2021.

	12 month ECL		Lifetime ECL - not credit impaired		Lifetime ECL - credit impaired		Total	
Consolidated $'000 **30 June 2020**	**Gross exposure**	**Provisions**	**Gross exposure**	**Provisions**	**Gross exposure**	**Provisions**	**Gross exposure**	**Provisions**
Opening balance at 1 July 2019	10,956,053	22,962	184,350	2,130	113,679	31,358	11,254,082	56,450
New loans originated	3,152,741	6,492	224,505	1,295	22,610	1,624	3,399,856	9,411
Transfers:								
Transfers to Stage 1	106,389	3,242	(78,260)	(913)	(28,129)	(2,329)	-	-
Transfers to Stage 2	(580,034)	(1,110)	589,983	1,876	(9,949)	(766)	-	-
Transfers to Stage 3	(149,770)	(368)	(31,940)	(369)	181,710	737	-	-
Loans repaid	(2,502,249)	(3,569)	(41,408)	(443)	(38,851)	(2,393)	(2,582,508)	(6,405)
Other (a)	(342,258)	11,366	(3,708)	865	6,342	6,836	(339,624)	19,067
Write-offs	(10,257)	(146)	(4,743)	(135)	(10,569)	(1,410)	(25,569)	(1,691)
Foreign exchange movement	5,545	17	252	3	112	5	5,909	25
Closing balance at 30 June 2020	**10,636,160**	**38,886**	**839,031**	**4,309**	**236,955**	**33,662**	**11,712,146**	**76,857**

Consolidated $'000 30 June 2021	12 month ECL Gross exposure	12 month ECL Provisions	Lifetime ECL - not credit impaired Gross exposure	Lifetime ECL - not credit impaired Provisions	Lifetime ECL - credit impaired Gross exposure	Lifetime ECL - credit impaired Provisions	Total Gross exposure	Total Provisions
Opening balance at 1 July 2020	10,636,160	38,886	839,031	4,309	236,955	33,662	11,712,146	76,857
New loans originated	3,576,823	4,012	23,877	1,106	10,594	914	3,611,294	6,032
Transfers:								
Transfers to Stage 1	652,244	7,017	(566,067)	(2,518)	(86,177)	(4,499)	-	-
Transfers to Stage 2	(146,785)	(723)	168,456	2,327	(21,671)	(1,604)	-	-
Transfers to Stage 3	(62,701)	(247)	(52,364)	(509)	115,065	756	-	-
Loans repaid	(2,436,941)	(3,793)	(161,529)	(741)	(76,662)	(3,056)	(2,675,132)	(7,590)
Other (b)	(366,095)	(2,677)	895	1,572	9,109	1,873	(356,091)	768
Write-offs	(4,754)	(73)	(2,645)	(117)	(4,958)	(575)	(12,357)	(765)
Foreign exchange movement	760	2	132	3	64	1	956	6
Closing balance at 30 June 2021	**11,848,711**	**42,404**	**249,786**	**5,432**	**182,319**	**27,472**	**12,280,816**	**75,308**

(a) Other movement in gross exposure is largely driven by reductions in loan balances that remain in existence at year end due to repayments received during the year. Other movement in provisions is largely driven by the impact of the initial recognition of the COVID-19 Overlay.

(b) Other movement in gross exposure is largely driven by reductions in loan balances that remain in existence at year end due to repayments received during the year.

Expected Credit Losses

ECL measurement uncertainties

New Model Overlay

A new model to generate ECL was developed during 2021. The new model is designed to be more accurate and easier to update. The new model generates a probability of default for each individual loan based on the loan's application data and recent loan repayment behaviour.

The introduction of a new model implies a degree of uncertainty with respect to its sensitivity to changing historical data as well as the possible presence of biases which are difficult to anticipate. The model figures generated by the new model have been increased by 15% to reflect this uncertainty. This overlay will be reduced once the predictions of the model have been monitored for a sufficient amount of time to increase confidence in its reliability.

Security Value Overlays

The new model produces lower outputs for the Australian commercial (AU COM) and New Zealand residential (NZ RES) portfolios, as a result of strong security values and many loans having low outstanding balances. The model does, however, demonstrate a high level of sensitivity to changing security values. To address this sensitivity, different security value changes have been modelled and weighting to generate the final ECL figures for AU COM and NZ RES. Accounting for this sensitivity will be integrated into the underlying model in future as additional security value forecasts become available.

COVID-19 Overlay

COVID-19 has provided an unpredictable market wide shock. The ECL model may, as a result, produce underreactive changes (this was the case for the previous, linear model, and remains the case for the new ECL model, both of which rely on historical data which does not reflect circumstances similar to the current pandemic situation).

Management have increased the expected credit loss provision by a COVID-19/multi-scenario overlay of $11,678,550 (2020: $12,442,279), based upon the anticipated impact on customers having regard to the current economic outlook. The calculation of the overlay has remained consistent. The tables below show the macro-economic scenarios that resulted in the additional provision being recognised.

To quantify the expected credit loss under severe economic events, the Liberty Group stressed both the staging mix and stressed the probability of default (and probability of loss recovery given default). Three scenarios were applied and weighted.

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Changes to staging mix and probability of default are designed to allow for expected increases in unemployment rates which will likely result in increases in arrears. To maintain objectivity, management have applied a weighting to the likelihood of each scenario. The three scenarios applied are intended to generally reflect increased unemployment rates based on third party macroeconomic forecasts.

30 June 2021

Scenario	Weighting	Expectation
Scenario One - Upside A 100% weighting to this scenario would result in a decrease to total ECL provision at the reporting date of $5,601,000 (2020: $5,322,000)	30%	An equal adjustment has been applied from stage 1 to 2 and from stage 2 to 3, as it is expected that an increase in unemployment will have roughly the same impact on both the stage 2 and stage 3 balance.
Scenario Two - Baseline A 100% weighting to this scenario would result in a decrease to total ECL provision at the reporting date of $381,000 (2020: $2,104,000)	30%	Instead of stressing LGD, as in FY20, stress has been applied to probability of default and probability (given default) of loss recovery, to more directly capture the impact of unemployment increases. Stresses relating to reduced security values have been captured via (a) distinct macroeconomic scenarios applied to HPI and (b) additional security value overlays applied to the AU COM and NZ RES asset classes.
Scenario Three - Downside A 100% weighting to this scenario would result in an increase to total ECL provision at the reporting date of $4,486,000 (2020: $2,748,000)	40%	

30 June 2020

Scenario	Weighting	Expectation
Scenario One - Upside A 100% weighting to this scenario would result in a decrease to total ECL provision at the reporting date of $5,322,000	10%	A larger increase has been applied from stage 2 to stage 3, than from stage 1 to stage 2. This reflects an increase in the balance of stage 2 which has now begun to stabilise. It is therefore expected that an increase in unemployment will have a greater impact on increasing the stage 3 balance.
Scenario Two - Baseline A 100% weighting to this scenario would result in a decrease to total ECL provision at the reporting date of $2,104,000	40%	For LGD it is expected that reductions in asset values will have a greater impact on stage 3 balances than stage 2. This reflects the fact that loans in stage 3 are more likely to require asset realisation in the next 12 to 18 months and therefore likely to be more impacted by any reduction in asset values over this period.
Scenario Three - Downside A 100% weighting to this scenario would result in an increase to total ECL provision at the reporting date of $2,748,000	50%	

The table below shows the forward-looking macro forecasts as at 30 June 2021.

Macro Forecast	Unemployment %	Cash rate %	HPI*	GDP Growth %
Current	5.5%	0.10%	148.7	-1.1%
Upside – 2022	4.7%	0.10%	142.8	3.2%
Baseline – 2022	4.5%	0.25%	149.5	5.1%
Downside – 2022	7.1%	0.10%	118.9	0.5%

*HPI - House Price Index

The table below shows the forward-looking macro forecasts as at 30 June 2020.

Macro Forecast	Unemployment %	HPI*
Current	6.2%	143.5
Upside – 2021	6.8%	130.2
Baseline – 2021	7.8%	121.9
Downside – 2021	9.2%	100.5

The table below shows the change in staging between each scenario in the year ended 30 June 2021.

Stress to Staging	Scenario 1	Scenario 2	Scenario 3
Stage 1 –> 2	5%	10%	15%
Stage 2 –> 3	5%	10%	15%

The table below shows the stresses applied to PD and LR across all stages to each scenario in the year ended 30 June 2021.

Stress PD and LR	Scenario 1	Scenario 2	Scenario 3
Stages 1 and 2 PD	5%	10%	15%
All stages LR	5%	10%	15%

The table below shows the change in staging between each scenario in the year ended 30 June 2020.

Stress to Staging	Scenario 1	Scenario 2	Scenario 3
Stage 1 –> 2	5%	5%	10%
Stage 2 –> 3	10%	15%	20%

The table below shows the stresses applied to each LDG between each scenario in the year ended 30 June 2020.

Stress LGD	Scenario 1	Scenario 2	Scenario 3
Stage 1 & 2	2%	3%	4%
Stage 3	10%	15%	20%

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Given the uncertainty surrounding the impact of COVID-19 on the metrics used by the Liberty Group's expected credit loss model, the additional provision is likely to differ from the actual credit loss that the Liberty Group may eventually experience. As the COVID-19 pandemic continues to evolve, along with how governments, business and customers respond, it could be expected to result in an adjustment to the expected credit loss provision within future financial periods.

The ECL allowance as a percentage of gross carrying amount is as follows:

30 June 2021 $'000	Current	Stage 1	Stage 2	Stage 3	Total
Expected loss rate	-	0.36%	2.17%	3.53%	**0.44%**
Gross carrying amount	-	11,848,711	249,786	182,319	**12,280,816**
Loss allowance	-	(42,404)	(5,432)	(6,438)	**(54,274)**

30 June 2020 $'000	Current	Stage 1	Stage 2	Stage 3	Total
Expected loss rate	-	0.37%	0.51%	5.27%	**0.48%**
Gross carrying amount	-	10,636,160	839,031	236,955	**11,712,146**
Loss allowance	-	(38,886)	(4,309)	(12,483)	**(55,678)**

Collateral

(iv) Collateral held

Maximum exposure	2021 %	2020 %
Collateral classification:		
Secured (%)	98%	99%
Unsecured (%)	2%	1%
	100%	100%

(d) Liquidity risk

Liquidity risk is the risk that the Liberty Group will not be able to meet its financial obligations as they fall due. The Liberty Group's Treasury function manages liquidity risk by maintaining adequate cash reserves, bank facilities and undrawn facilities by continuously monitoring cash flows and matching the maturity profiles of financial assets and liabilities. Details of available facilities are outlined in note 23.

The following are contractual maturities of financial assets and liabilities, including estimated repayments and excluding the impact of netting. The contractual maturity of most debt issues is 25-30 years. For derivative liabilities only, contractual cash flows are stated excluding credit margins. The following maturity analysis is compiled on the contractual maturity date.

30 June 2021	Note	Carrying amount $'000	Contractual cash flows $'000	<1 year $'000	1-5 years $'000	> 5 years $'000
Non-derivative financial assets						
Cash and cash equivalents	20	603,869	603,869	603,869	-	-
Trade receivables and other assets	16	192,261	192,261	192,261	-	-
Financial assets	15	12,239,391	20,795,120	1,171,810	3,865,602	15,757,708
Corporate bonds	17	7,441	7,548	3,433	4,115	-
Derivative financial assets						
Derivative assets		5,198	4,970	3,687	1,123	160
Total assets		13,048,160	21,603,768	1,975,060	3,870,840	15,757,868
Non-derivative financial liabilities						
Payables	22	102,421	102,421	83,010	19,411	-
Debt issues	23	9,589,241	14,206,779	377,751	1,505,242	12,323,786
Finance facilities	23	2,565,604	2,606,458	2,225,869	380,589	-
Deposits and unitholder liabilities	23	71,291	73,858	60,476	13,382	-
Lease liabilities		9,185	9,185	408	8,777	-
Loans from related parties	28	9,799	9,799	9,799	-	-
Derivative financial liabilities						
Derivative liabilities		85,345	86,883	19,526	67,171	186
Total liabilities		12,432,886	17,095,383	2,776,839	1,994,572	12,323,972

30 June 2021	Note	Carrying amount $'000	Contractual cash flows $'000	<1 year $'000	1-5 years $'000	> 5 years $'000
Non-derivative financial assets						
Cash and cash equivalents	20	498,467	498,467	498,467	-	-
Trade receivables and other assets	16	358,658	358,658	358,658	-	-
Financial assets	15	11,658,874	20,121,495	1,197,419	3,655,230	15,268,846
Corporate bonds		7,225	7,243	7,243	-	-
Derivative financial assets						
Derivative assets		14,507	14,776	5,563	9,213	-
Total assets		12,537,731	21,000,639	2,067,350	3,664,443	15,268,846
Non-derivative financial liabilities						
Payables	22	80,608	80,608	65,397	15,211	-
Debt issues	23	9,093,512	13,966,382	422,326	1,351,938	12,192,118
Finance facilities	23	2,629,801	2,616,570	1,650,437	966,133	-
Deposits and unitholder liabilities	23	64,929	68,819	51,694	17,090	35
Lease liabilities		11,264	11,264	664	10,600	-
Loans from related parties	28	3,865	3,865	3,865	-	-
Derivative financial liabilities						
Derivative liabilities		48,875	50,301	18,670	31,612	19
Total liabilities		11,932,854	16,797,809	2,213,053	2,392,584	12,192,172

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(e) Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Liberty Group's income or the value of its holdings of financial instruments.

The Liberty Group's activities expose it primarily to the risks of changing interest rates. The Liberty Group also has exposure to foreign exchange rate fluctuations. Derivative financial instruments are used by entities within the Liberty Group to hedge exposure to such fluctuations. The use of financial derivatives is governed by the terms and conditions of the relevant Trust Deeds belonging to the SPE's within the Liberty Group.

The Liberty Group uses interest rate derivatives to hedge against its fixed book exposures by swapping fixed to floating and cross currency interest rate swaps for its Euro and Yen denominated note exposures. The Liberty Group's determination of the economic relationship between the hedged item and the hedging instrument is based on the pay down profile of the fixed rates loans and the Euro and Yen denominated notes.

Interest rate risk

The Liberty Group is exposed to interest rate risk by borrowing funds at fixed and floating rates and lending at fixed and floating rates. Exposure to interest rate risk is minimised as the majority of any movement in borrowing rates is offset by variable rate loans. Interest rate swaps, denominated in Australian and New Zealand dollars, have been entered into to achieve an appropriate mix of fixed and floating rate exposure in line with the Liberty Group's interest rate risk management strategy. The swaps mature in line with the maturity of the related loans.

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Liberty Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. The Liberty Group has adopted AASB 2019-3 *Amendments to Australian Accounting Standards - Interest rate benchmark reform*, as permitted by the Standard, on 1 October 2019. See note 3 (a) for more information.

At reporting date the interest rate profile of the Liberty Group's interest bearing financial instruments was as follows:

	2021 $'000	2020 $'000
Fixed rate instruments		
Cash and cash equivalents	1,500	1,500
Financial assets	1,230,811	1,740,052
Financing	(71,291)	(64,929)
	1,161,020	1,676,623
Variable rate instruments		
Cash and cash equivalents	602,369	496,967
Financial assets	11,008,580	9,918,822
Financing	(12,164,644)	(11,727,178)
Net Derivatives	(80,147)	(34,368)
	(633,842)	(1,345,757)

Sensitivity analysis

The Liberty Group's exposure to interest rate risk is minimised as the Liberty Group actively manages its cost of funding and reprices its loan portfolio in response to changes in cost of funds within a short timeframe.

	2021		2020	
	$'000	$'000	$'000	$'000
Impact of movement in interest rates	**Profit or Loss**	**Equity**	**Profit or loss**	**Equity**
+2% increase in interest rates	276	(25,885)	244	(27,961)
-2% increase in interest rates	(276)	25,885	(244)	27,961

Price risk

The Liberty Group holds certain investments in equity securities for long term strategic purposes. These investments are designated as at FVOCI and are revalued with reference to either the quoted ASX security price, or the unquoted unit price, at balance date.

Sensitivity analysis

All of the Liberty Group's listed equity securities are listed on the Australian Securities Exchange (ASX). For such investments classified as FVOCI, an increase/decrease of +2%/-2% (2020: +2%/-2%) in the ASX 200 average would have increased/decreased equity by $1,247,000 (2020: $890,000).

Currency risk

The Liberty Group undertakes certain transactions denominated in foreign currency, hence exposures to exchange rate fluctuations arise. New Zealand denominated financial assets are funded by New Zealand denominated borrowings, thereby creating a natural hedge. In respect of other monetary assets and liabilities held in currencies other than the AUD, for which the exposures are immaterial, the Liberty Group elects not to enter into foreign exchange contracts to hedge the translation exposure, except for Euro and Yen denominated securitisation notes for which the Liberty Group has entered into cross currency interest rate swaps.

(f) Capital management

The Liberty Group manages its capital to ensure that entities in the Liberty Group will be able to continue as a going concern while maximising the return to stakeholders and maintaining investor, creditor and market confidence.

The Liberty Group maintains a minimum level of capital in liquid form to support future operational initiatives, expected short-term cash outflows and unexpected asset impairment.

There have been no significant changes to the Liberty Group's capital management strategy.

(g) Derivative assets and liabilities

Hedge accounting

The Liberty Group's risk management strategy is to manage market risks within risk limits to minimise profit and capital volatility. The use of derivative instruments for hedging purposes gives rise to potential volatility in the income statement because of mismatches in the accounting treatment between derivative hedging instruments and the underlying exposures being hedged. The Liberty Group's objective is to reduce volatility in the statement of profit or loss and other comprehensive income by applying hedge accounting.

The Liberty Group uses the hypothetical derivative method to assess hedge effectiveness and ineffectiveness for designated cash flow hedge relationships.

This method assumes that the terms of the hypothetical derivative will mirror the terms of the actual hedging instruments. For a hedge to be deemed effective, the change in fair values should be within 80% and 125% of each other. If the results fall outside this range the hedge would be deemed ineffective and is recognised immediately through profit or loss in line with hedge accounting policy.

Source of hedge ineffectiveness affecting hedge accounting are:

- Change in the credit risk of the hedging instrument; and
- Mismatches between the contractual terms of the hedged item and the hedging instrument.

No other sources of hedge ineffectiveness have arisen during the year.

The amounts relating to hedging instruments and hedge ineffectiveness are presented in the tables below.

The average exchange rates were as follows: EUR: 1.5462 (2020: 1.5512); and JPY: 0.0138 (2020: 0.0138).

The average fixed interest rate was 4.3% (2020: 4.5%).

Notes to the Financial Statements

For the year ended 30 June 2021

Cash flow hedges	As at 30 June 2021					During the year ended 30 June 2021		
	Nominal amount - maturity			Carrying amount				
$'000	1 - 6 months	7 - 12 months	More than one year	Assets	Liabilities	Change in the value of the hedging instrument recognised in OCI	Hedging ineffectiveness recognised in profit or loss	Amounts reclassified from hedging reserve to profit or loss
Interest rate risk								
Interest rate swaps	6,264	38,536	939,464	547	(10,875)	11,142	-	-
Currency risk								
Cross currency interest rate swaps	74,558	318,821	289,022	4,651	(74,470)	(57,780)	-	56,645
	80,822	357,357	1,228,486	5,198	(85,345)	(46,638)	-	56,645

Fair value hedges	As at 30 June 2021					During the year ended 30 June 2021		
	Nominal amount - maturity			Carrying amount				
$'000	1 - 6 months	7 - 12 months	More than one year	Assets	Liabilities	Change in the value of the hedged item recognised in profit or loss	Change in the value of the hedging instrument recognised in profit or loss	Hedging ineffectiveness recognised in profit or loss
Interest rate risk								
Interest rate swaps	-	-	-	-	-	3,524	(3,422)	102
	-	-	-	-	-	3,524	(3,422)	102
Total hedges	**80,822**	**357,357**	**1,228,486**	**5,198**	**(85,345)**	**(43,114)**	**(3,422)**	**56,747**

There were no outstanding fair value interest rate swaps at 30 June 2021.

Cash flow hedges	As at 30 June 2020 Nominal amount - maturity			Carrying amount		During the year ended 30 June 2020		
$'000	1 - 6 months	7 - 12 months	More than one year	Assets	Liabilities	Change in the value of the hedging instrument recognised in OCI	Hedging ineffectiveness recognised in profit or loss	Amounts reclassified from hedging reserve to profit or loss
Interest rate risk								
Interest rate swaps	9,699	62,535	1,274,490	-	(26,238)	(1,063)	-	-
Currency risk								
Cross currency interest rate swaps	-	-	1,001,502	11,085	(22,637)	(24,143)	-	23,225
	9,699	62,535	2,275,992	11,085	(48,875)	(25,206)	-	23,225

Fair value hedges	As at 30 June 2021					During the year ended 30 June 2021		
	Nominal amount - maturity			Carrying amount				
$'000	1 - 6 months	7 - 12 months	More than one year	Assets	Liabilities	Change in the value of the hedged item recognised in profit or loss	Change in the value of the hedging instrument recognised in profit or loss	Hedging ineffectiveness recognised in profit or loss
Interest rate risk								
Interest rate swaps	-	225,000	-	3,422	-	4,180	(3,656)	524
	-	225,000	-	3,422	-	4,180	(3,656)	524
Total hedges	**9,699**	**287,535**	**2,275,992**	**14,507**	**(48,875)**	**(21,026)**	**(3,656)**	**23,749**

7 Auditors Remuneration

	2021 $'000	2020 $'000
Audit Services		
Auditor of the Group - KPMG		
Audit of the financial statements	1,463	1,341
Other regulatory services	142	144
	1,605	1,485
Other services		
Auditor of the Group - KPMG		
Advisory services	21	82
Other services	664	347
	685	429
Total auditor's remuneration	2,290	1,914

8 Segment Information

(a) Description of Segments

The Liberty Group has identified three operating segments:

- Residential Finance: The Residential Finance segment includes revenues and direct expenses associated with residential mortgage lending in Australia and New Zealand.
- Secured Finance: The Secured Finance segment includes revenues and direct expenses associated with motor vehicle, commercial and self-managed superannuation fund lending in Australia.
- Financial Services: The Financial Services segment includes revenues and direct expenses associated with the activities of Mike Pero Mortgages, Liberty Network Services, National Mortgage Brokers, Australian Life Insurance, LFI, Unsecured Lending, Liberty Financial Limited and Mike Pero Real Estate.
- Corporate: administration expenses and interest income and expense not directly related to operating segments.

The Liberty Group's segments operate principally in Australia and New Zealand. A segment overview is presented below. During the year ended 30 June 2021, $784 million of external revenue was generated within Australia (2020: $790 million) and $69 million of external revenue was generated within New Zealand (2020: $62 million). At 30 June 2021 there were $12,088 million non-current assets in Australia (2020: $11,252 million) and $236 million non-current assets in New Zealand (2020: $253 million).

Notes to the Financial Statements

For the year ended 30 June 2021

Australia charges New Zealand a management fee. Sales between segments are carried out at arm's length and are eliminated on consolidation when they arise within the Liberty Group.

(b) Segment Overview

2021	Residential Finance $'000	Secured Finance $'000	Financial Services $'000	Corporate $'000	Total $'000
Interest income	350,017	222,605	30,204	19,209	622,035
Other finance income	28,169	28,731	154,222	127	211,249
Other operating income	-	-	17,769	2,017	19,786
Interest expense	(162,481)	(69,403)	(9,046)	(12,031)	(252,961)
Recoveries/(impairment expense)	4,599	2,002	(6,971)	-	(370)
Other finance expenses	(37,924)	(23,689)	(122,991)	(21,573)	(206,177)
Net margin as reported by the Liberty Group	**182,380**	**160,246**	**63,187**	**(12,251)**	**393,562**
Operating expenses	(17,821)	(9,471)	(35,336)	(100,694)	(163,322)
Depreciation and amortisation	-	-	-	(17,842)	(17,842)
Tax expense	-	-	-	(27,021)	(27,021)
Profit from continuing operations	**164,559**	**150,775**	**27,851**	**(157,808)**	**185,377**
Segment Balance Sheet Information					
Total Segment Assets	8,875,495	3,418,232	399,769	873,671	13,567,167
Total Assets reported by the Liberty Group	**8,875,495**	**3,418,232**	**399,769**	**873,671**	**13,567,167**
Total Segment Liabilities	8,566,829	2,794,513	285,093	882,505	12,528,940
Total Liabilities reported by the Liberty Group	**8,566,829**	**2,794,513**	**285,093**	**882,505**	**12,528,940**

2020	Residential Finance $'000	Secured Finance $'000	Financial Services $'000	Corporate $'000	Total $'000
Interest income	381,475	216,355	18,695	32,271	648,796
Other finance income	35,028	28,328	118,333	774	182,463
Other operating income	-	-	20,774	280	21,054
Interest expense	(223,155)	(93,858)	(10,231)	(17,349)	(344,593)
Impairment expense	(12,309)	(15,464)	(4,728)	-	(32,501)
Other finance expenses	(43,169)	(25,853)	(92,300)	(26,862)	(188,184)
Net margin as reported by the Liberty Group	**137,870**	**109,508**	**50,543**	**(10,886)**	**287,035**
Operating expenses	(30,373)	(15,801)	(33,793)	(39,535)	(119,502)
Depreciation and amortisation	-	-	-	(11,785)	(11,785)
Tax expense	-	-	-	(21,038)	(21,038)
Profit from continuing operations	**107,497**	**93,707**	**16,750**	**(83,244)**	**134,710**
Segment Balance Sheet Information					
Total Segment Assets	8,539,193	3,225,578	296,584	974,711	13,036,066
Total Assets reported by the Liberty Group	**8,539,193**	**3,225,578**	**296,584**	**974,711**	**13,036,066**
Total Segment Liabilities	8,197,007	2,941,618	259,116	614,795	12,012,536
Total Liabilities reported by the Liberty Group	**8,197,007**	**2,941,618**	**259,116**	**614,795**	**12,012,536**

9 Other Finance Income

	2021 $'000	2020 $'000
Effective yield fee income on financial assets measured at amortised cost	35,635	40,950
Lending fee income	33,479	33,395
Commission income	142,012	107,622
Unrealised gain on assets and liabilities	104	496
Net foreign exchange gain	19	-
	211,249	182,463

Effective yield fee income on financial assets measured at amortised cost is considered part of interest income. Lending fee income and commission income is recognised in accordance with AASB 15 *Revenue from Contracts with Customers*.

10 Finance Expense

	2021 $'000	2020 $'000
Interest expense on financial liabilities measured at amortised cost	239,560	332,484
Net interest expense on interest rate swaps	13,401	11,739
Effective yield costs on financial liabilities measured at amortised cost	13,856	16,219
Interest on lease liabilities	319	370
Lending costs	15,414	19,517
Commission expense	176,588	152,426
Net foreign exchange loss	-	22
	459,138	532,777

11 Personnel Expense

		2021 $'000	2020 $'000
Wages, salaries and on-costs		68,244	58,221
Share-based payment expense	14	13,907	-
Superannuation	24	4,877	4,676
Long service leave		525	818
Annual leave		3,984	3,810
Other personnel expenses		3,545	3,121
		95,082	70,646

12 Other Expenses

		2021 $'000	2020 $'000
Occupancy expenses		3,246	2,988
Loan establishment and management		12,918	13,888
Technology, communications and marketing		15,086	11,236
Depreciation	19	5,271	5,052
Amortisation and impairment	21	12,571	6,733
Costs relating to IPO		12,362	-
Other operating expenses and professional fees		24,628	20,744
		86,082	60,641

Notes to the Financial Statements

For the year ended 30 June 2021

13 Income Tax Expense

	2021 $'000	2020 $'000
Recognised in profit or loss		
Current year	26,544	26,115
Deferred tax expense		
Origination and reversal of temporary differences	(796)	(5,894)
Tax losses	609	755
Prior year adjustments	664	62
Income tax expense	27,021	21,038
Recognised in other comprehensive income		
Unrealised gain on fair value of financial assets at FVOCI	5,343	481
	32,364	21,519
Reconciliation between tax expense and profit		
Profit before income tax	212,398	155,748
Income tax using domestic corporation tax rate of 30% (2020: 30%)	63,719	46,724
Net movement in income tax due to:		
International differential in tax rate	(148)	(156)
Non-deductible expenses	5,677	537
Non-assessable income	(42,606)	(25,832)
Fees transferred	(285)	(297)
Prior year adjustments	664	62
Income tax expense on profit	27,021	21,038

14 Share-Based Payment Arrangement

(a) Description of share-based payment arrangements

At 30 June 2021, the Liberty Group had the following share-based payment arrangements.

(i) Liberty Group Employee Gift Offer (equity settled)

On 15 December 2020 the Liberty Group made an employee gift offer to each eligible employee of 166 Stapled Securities in the capital of the Liberty Group, which at grant date equated to a value of $996. In total 65,404 Stapled Securities were granted with a total value at Grant Date of $392,424. The Stapled Securities have vested to the employees and are currently held in trust on their behalf for a period of 3 years from grant date 15 December 2020. The employees are not able to dispose of the Stapled Securities whilst they are held in trust.

(ii) Medium Term Incentive Plan (equity settled)

On 10 December 2020 the Liberty Group offered to employees a medium-term incentive deferred equity award under the Company's Equity Incentive Plan. This award represents the two-thirds deferred equity portion of the medium-term incentive for the financial year ended 30 June 2020. In total 414,260 awards were granted with a total value at grant date 10 December 2020 of $2,295,000. Each award represents a right to receive one Stapled Security in the capital of the Liberty Group at no cost. The Liberty Group has the discretion to make a cash payment of equivalent value instead of issuing the Stapled Securities. The intention of the Liberty Group is to issue Stapled Securities. The remaining one-third totalling $1,147,500 was paid to employees in cash in December 2020.

The awards will be vested as follows:

- 50% of the Awards will vest on the first anniversary of the Grant Date, subject to employee remaining continuously employed by a member of the Liberty Group from the grant date until that time; and
- 50% of the Awards will vest on the second anniversary of the Grant Date, subject to employee remaining continuously employed by a member of the Liberty Group from the grant date until that time.

The fair value of medium term incentive plan was determined using the Black-Scholes model.

Details of awards granted to key management personnel are as follows:

Grant date/employees entitled	Number of awards	Vesting conditions	Contractual life of awards
Awards granted to key management personnel on 10 December 2020	129,964	Refer to vesting conditions of the Medium Term Incentive Plan	2 years

(iii) IPO Bonus Security Rights (equity settled)

On 15 December 2020, the Liberty Group offered IPO Bonus Security Rights, a discretionary one-time issue, to eligible staff members. In total 14,195,947 IPO Bonus Security Rights were issued, with a total value of $12,750,000 at grant date. Each IPO Bonus Security Right provides a right to subscribe for one Stapled Security in the capital of the Liberty Group, at a price of $6.00 (the “exercise price”), at any point in time for a period of 15 years after Grant Date 15 December 2020 (the “exercise date”). The Liberty Group has the discretion to make a cash payment representing the difference between the exercise price and the value of the Stapled Securities at the exercise date instead of issuing the Stapled Securities.

The IPO Bonus Security Rights have the following restrictions:

- One-third of any Securities resulting from an exercise of the rights will be subject to a disposal restriction ending on the third anniversary of the Liberty Group’s IPO;
- One-third of any Securities resulting from an exercise of the rights will be subject to a disposal restriction ending on the fourth anniversary of the Liberty Group’s IPO; and
- One-third of any Securities resulting from an exercise of the rights will be subject to a disposal restriction ending on the fifth anniversary of the Liberty Group’s IPO.

The fair value of IPO bonus security rights was determined using the Black-Scholes model.

Details of rights granted to key management personnel are as follows:

Grant date/employees entitled	Number of rights	Vesting conditions	Contractual life of rights
Rights granted to key management personnel on 15 December 2020	1,336,154	Refer to vesting restrictions of the IPO Bonus Security Rights	15 years

(b) One-off Service fee

A one-off fee was paid to each Non-Executive Director for services provided by them in connection with the IPO. In total 60,000 securities were issued to the Non-Executive Directors with a total value of $360,000.

Notes to the Financial Statements

For the year ended 30 June 2021

(c) Measurement of grant date fair values

		Medium Term Incentive Plan		IPO Bonus Security Rights	
	Liberty Group Employee Gift Offer (see (a)(i))	Key management personnel (see (a)(ii))	All other employees including senior managers (see (a)(ii))	Key management personnel (see (a)(iii))	All other employees including senior managers (see (a)(iii))
Fair value at grant date	$6.00	$5.54	$5.54	$0.90	$0.90
Security price at grant date	$6.00	$6.00	$6.00	$6.00	$6.00
Exercise price	n/a	-	-	$6.00	$6.00
Expected volatility (Weighted average volatility)	n/a	35.00%	35.00%	35.00%	35.00%
Option life (expected weighted average life)	n/a	1.5 Years	1.5 Years	7.5 years	7.5 years
Expected dividends	n/a	5.50%	5.50%	5.50%	5.50%
Risk-free interest rate (based on government bonds)	n/a	0.08%	0.08%	0.53%	0.53%

15 Financial Assets

(a) Financial assets comprises:

	2021 $'000	2020 $'000
Gross financial assets at amortised cost	12,280,816	11,712,146
Net financial assets at amortised cost	12,314,699	11,735,731
Less:		
Specific provision for financial asset impairment	(21,034)	(21,179)
Collective provision for financial asset impairment	(54,274)	(55,678)
	12,239,391	11,658,874

Net financial assets include unamortised effective yield fees and other adjustments.

(b) Contractual maturity analysis

	2021 $'000	2020 $'000
Not longer than 12 months	316,455	563,608
Longer than 12 months and less than 5 years	1,586,812	1,402,940
Greater than 5 years	10,336,124	9,692,326
	12,239,391	11,658,874

(c) Geographic concentration of financial assets

	2021 $'000	2020 $'000
New South Wales/ACT	3,810,744	3,668,312
Victoria/Tasmania	4,456,241	4,284,816
Queensland	2,225,416	2,067,053
Western Australia	1,020,604	942,101
South Australia/Northern Territory	496,594	452,693
New Zealand	229,792	243,899
	12,239,391	11,658,874

16 Trade Receivables and Other Assets

	Note	2021 $'000	2020 $'000
Loans to related parties	28	157,212	325,871
Insurance commission		98,897	88,596
Other assets		31,786	21,673
Other loans		3,263	11,114
		291,158	447,254

Current trade receivables and other assets are $206,822,000 (2020: $371,583,000) and non-current are $84,336,000 (2020: $75,671,000). Loans to related parties are unsecured.

17 Other Investments

	Note	2021 $'000	2020 $'000
Corporate bonds		7,441	7,225
Other equity investments		41,711	21,978
		49,152	29,203

Current other investments are $3,243,000 (2020: $7,225,000) and non-current other investments are $45,909,000 (2020: $21,978,000) for the Liberty Group. Other equity investments are included within non-current other investments.

Notes to the Financial Statements

For the year ended 30 June 2021

18 Deferred Tax Assets and Liabilities

	Assets		Liabilities		Net	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Recognised deferred tax assets and liabilities						
Property, plant and equipment	(4,978)	(4,046)	2,331	1,874	(2,647)	(2,172)
Employee benefits	(8,236)	(4,019)	272	148	(7,964)	(3,871)
Provisions	(24,453)	(25,108)	-	-	(24,453)	(25,108)
Capitalised costs	(4,611)	(1,682)	-	-	(4,611)	(1,682)
Acquisition costs	-	-	14,006	12,408	14,006	12,408
Effective yield adjustment	(14,723)	(12,769)	18,080	15,676	3,357	2,907
Other items	(6,592)	(11,410)	12,858	4,756	6,266	(6,654)
Tax losses	(3,869)	(5,556)	-	-	(3,869)	(5,556)
Deferred tax (assets)/liabilities	(67,462)	(64,590)	47,547	34,862	(19,915)	(29,728)

	Balance 1-Jul-20 $'000	Transfer $'000	Recognised in income $'000	Recognised in equity $'000	Balance 30-Jun-21 $'000
Movement in temporary differences during the year					
Property, plant and equipment	(2,172)	-	(475)	-	(2,647)
Employee benefits	(3,871)	-	(4,093)	-	(7,964)
Provisions	(25,108)	-	655	-	(24,453)
Capitalised costs	(1,682)	-	(2,929)	-	(4,611)
Acquisition costs	12,408	-	1,598	-	14,006
Effective yield adjustment	2,907	-	450	-	3,357
Other items	(6,654)	(318)	3,584	9,654	6,266
Tax losses	(5,556)	-	1,687	-	(3,869)
Deferred tax (assets)/liabilities	(29,728)	(318)	477	9,654	(19,915)

19 Property, Plant and Equipment

	Furniture, equip. and fittings $'000	Computer equip. $'000	Other fixed assets $'000	Leasehold improve-ments $'000	Leased motor vehicles $'000	Land and buildings $'000	Total $'000
Cost							
Balance at 1 July 2019	978	5,533	287	5,221	1,665	7,840	21,524
Acquisitions	142	1,901	58	1,294	597	93	4,085
Disposals	(70)	(2)	(85)	(72)	(506)	-	(735)
Recognition of right-of-use asset on initial application of AASB 16	-	113	-	-	-	11,561	11,674
Foreign exchange movements	(3)	(20)	(1)	(18)	(3)	12	(33)
Balance at 30 June 2020	1,047	7,525	259	6,425	1,753	19,506	36,515
Balance at 1 July 2020	1,047	7,525	259	6,425	1,753	19,506	36,515
Acquisitions	206	1,498	97	1,780	741	-	4,322
Disposals	(66)	(2,015)	(42)	(1)	(579)	-	(2,703)
Additions to right-of-use assets	-	195	-	-	-	-	195
Foreign exchange movements	(1)	(4)	-	(3)	(1)	-	(9)
Balance at 30 June 2021	1,186	7,199	314	8,201	1,914	19,506	38,320
Depreciation							
Balance at 1 July 2019	662	3,719	188	2,670	337	960	8,536
Depreciation charge for the year	143	1,535	51	303	321	370	2,723
Disposals	(22)	(1)	(85)	(9)	(158)	-	(275)
Depreciation of right-of-use asset	-	58	-	-	-	2,271	2,329
Foreign exchange movements	(1)	(16)	(1)	(15)	(1)	2	(32)
Balance at 30 June 2020	782	5,295	153	2,949	499	3,603	13,281
Balance at 1 July 2020	782	5,295	153	2,949	499	3,603	13,281
Depreciation charge for the year	140	1,432	87	519	351	370	2,899
Disposals	(40)	(1,866)	(20)	-	(252)	-	(2,178)
Depreciation of right-of-use asset	-	58	-	-	-	2,314	2,372
Foreign exchange movements	-	(4)	-	(3)	-	3	(4)
Balance at 30 June 2021	882	4,915	220	3,465	598	6,290	16,370
Carrying amounts							
At 1 July 2019	316	1,814	99	2,551	1,328	6,880	12,988
At 30 June 2020	265	2,230	106	3,476	1,254	15,903	23,234
At 1 July 2020	265	2,230	106	3,476	1,254	15,903	23,234
At 30 June 2021	304	2,284	94	4,736	1,316	13,216	21,950

Notes to the Financial Statements

For the year ended 30 June 2021

20 Cash and Cash Equivalents

Restricted cash is cash reserves, maintained in accordance with the legal requirements of relevant securitisation Trust Deeds and available to meet certain shortfalls in respect of losses and liquidity. This cash is not available as free cash for the operations of the Liberty Group.

In addition to cash reserves, the Liberty Group held liquidity facilities of $5,352,000 (2020: $11,788,000) with third parties. These liquidity facilities are available to meet liquidity shortfalls from time to time. To date, no reserves available to the Liberty Group have ever been utilised for the abovementioned purposes.

(a) Reconciliation of cash and cash equivalents

	2021 $'000	2020 $'000
Cash and cash equivalents at bank	499,218	396,895
Restricted cash	104,651	101,572
Total as disclosed in the statement of cash flows	603,869	498,467

(b) Reconciliation of cash flows from operating activities

	2021 $'000	2020 $'000
Profit after tax	185,377	134,710
Adjustments for:		
Equity-settled share based payment	13,515	-
Amortisation of intangible assets	5,271	5,052
Depreciation	12,571	6,733
Other non cash items within the statement of profit or loss and other comprehensive income	142	118
Profit on business combination achieved in stages	(953)	-
Income in relation to related parties	(4,670)	(11,291)
Net change in financial assets and liabilities designated at fair value through profit or loss	(104)	(496)
Impairment of other investment	-	2,617
Foreign exchange movement	(19)	20
	25,753	2,753
Profit before changes in working capital and provisions	211,130	137,463
Increase in income taxes payable	(576,697)	(442,610)
Increase in financial assets	499,744	237,949
Increase in financing	(23,448)	(7,887)
Increase in trade receivables and other assets	20,130	5,329
Increase in interest and other payables	1,483	148
Increase in provisions	620	1,179
	(78,168)	(205,892)
Net cash from/(used in) operating activities	132,962	(68,429)

21 Intangible Assets

(a) Carrying value

	Goodwill $'000	Brand Name $'000	Development costs $'000	Intellectual property $'000	Total $'000
30 June 2020					
Cost and carrying value					
Balance at 1 July 2019	39,377	1,310	4,295	-	44,982
Acquisitions through business combinations	-	-	-	261,467	261,467
Additions/(disposals)	343	-	97	-	440
Amortisation	-	(144)	(706)	(5,883)	(6,733)
Foreign exchange movements	(192)	(27)	-	-	(219)
Balance at 30 June 2020	39,528	1,139	3,686	255,584	299,937

	Goodwill $'000	Brand Name $'000	Development costs $'000	Intellectual property $'000	Total $'000
30 June 2021					
Cost and carrying value					
Balance at 1 July 2020	39,528	1,139	3,686	255,584	299,937
Additions/(disposals)	-	-	126	1,533	1,659
Amortisation	-	(143)	(559)	(11,869)	(12,571)
Foreign exchange movements	(34)	(4)	-	-	(38)
Balance at 30 June 2021	39,494	992	3,253	245,248	288,987

(b) Impairment testing for cash generating units containing goodwill

Cash generating units	2021 $'000	2020 $'000
ALI	14,223	14,223
nMB	10,095	10,095
MoneyPlace	6,541	6,541
MPMH	1,665	1,671
MPRE	6,970	6,998
	39,494	39,528

Notes to the Financial Statements

For the year ended 30 June 2021

The carrying amount of goodwill of each CGU is tested for impairment at each statutory reporting date and whenever there is an indicator that the asset may be impaired. If an asset is impaired, it is written down to its recoverable amount. The recoverable amount is based on a value in use calculation using cash flow projections based on the Board approved three-year plan. The cash flow projections are derived from running a number of budget scenarios to arrive at the single most likely view over the next three years, which is incorporated in the value in use model. Cash flows for a further two-year period were extrapolated using declining growth rates and the long-term terminal growth was determined at 1.5% - 2.5% (FY20: 1.5% - 2.0%), which does not exceed the long-term average for the sectors and economies in which the CGUs operate.

As a result of the COVID-19 pandemic, assessing recoverable amounts as at the reporting date involves uncertainties around the underlying assumptions given the constantly changing nature of the situation. The length of time it will take the measures implemented by the Australian government to manage the effects of the COVID-19 pandemic on the broader economy and the global and domestic markets is still unknown. The key assumptions used in determining value in use are:

Assumption	How Determined
Forecasted revenue and expenses	Forecast revenues and expenses beyond the three year financial year forecast period have been extrapolated using long-term terminal growth rates as follows: • ALI 2% (2020: 2%) • nMB 2% (2020: 2%) • MoneyPlace 2% (2020: 2%) • MPRE 3% (2020: 2%) • MPMH 3% (2020: 2%)
Long term growth rate	The above long-term growth rate for each of the CGUs does not exceed the long-term average growth rate for the sector/industry in which the CGU operates.
Discount rate	The pre-tax discount rate used reflects the CGU's pre-tax nominal weighted average cost of capital (WACC) as follows: • ALI 6% (2020: 7%) • nMB 8% (2020: 10%) • MoneyPlace 12% (2020: 15%) • MPRE 14% (2020: 14%) • MPMH 8% (2020: 10%)

Sensitivity conclusion

The Directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amounts of all CGUs to exceed their respective recoverable amounts.

22 Payables

	2021 $'000	2020 $'000
Distribution payable	16,760	-
Interest payable	10,379	12,621
Trail commission	35,982	32,915
Contingent consideration	19,411	19,631
Payables and accruals	55,871	48,356
	138,403	**113,523**

Current payables are $88,513,000 (2020: $67,336,000) and non-current are $49,890,000 (2020: $46,187,000).

23 Financing

	Note	2021 $'000	2020 $'000
Debt issues		9,589,241	9,093,512
Finance facilities		2,565,604	2,629,801
Deposits and unitholder liabilities		71,291	64,929
Loans from related parties	28	9,799	3,865
		12,235,935	**11,792,107**

Current financing are $1,761,413,000 (2020: $1,560,439,000) and non-current are $10,474,522,000 (2020: $10,231,668,000).

Debt issuances

The Liberty Group utilises a variety of flexible funding programmes to issue independently rated debt securities to investors. Security for these debt issues is a combination of fixed and floating charges over the financial assets of the relevant trust.

The Liberty Group has issued unsecured debt of $1,050,000,000 (2020: $875,000,000) which is due to mature between 2022 and 2026 and is recorded at fair value.

Debt issues include transactions between related parties in the normal course of business and on an arm's length basis. All transactions between Liberty Group entities are eliminated on consolidation.

Finance facilities

The consolidated entity has access to the following lines of credit:

	2021 $'000	2020 $'000
Total facilities available	5,736,417	5,123,409
Facilities utilised at balance date	2,565,604	2,629,801
Facilities not used at balance date	3,170,813	2,493,608

The Liberty Group's financing facilities comprise wholesale and commercial paper facilities. These facilities are provided by a range of institutions with whom the Liberty Group has long-standing relationships. The security for advances under these arrangements is a combination of fixed and floating charges over assets of the Liberty Group.

Notes to the Financial Statements

For the year ended 30 June 2021

Bank guarantees

Bank guarantees totalling $1,376,000 (2020: $1,484,000) have been provided by the Liberty Group in relation to credit card facilities, lease on premises and other matters. These guarantees are secured by the assets of the Liberty Group.

24 Provisions

	2021 $'000	2020 $'000
Liability for annual leave and bonus	8,438	8,147
Liability for long service leave	3,829	3,453
Employee entitlements	12,267	11,600
Other provisions	258	305
	12,525	**11,905**
Discount rate	1.98%	2.27%

Superannuation plans

The Liberty Group contributes to a complying superannuation fund nominated by the employees and approved by the Liberty Group. The fund is a defined contribution fund. Details of contributions to these plans during the year and contributions payable at reporting date are as follows:

	2021 $'000	2020 $'000
Employer superannuation contributions	4,877	4,676
Employee entitlements		
Opening balance	11,600	10,412
Provisions made during the year	7,840	8,490
Provisions used during the year	(7,173)	(7,302)
Closing balance	**12,267**	**11,600**
Other provisions		
Opening balance	305	315
Provisions made during the year	322	300
Provisions used during the year	(369)	(310)
Closing balance	**258**	**305**

25 Capital and Reserves

(a) Capital

	2021 $
Contributed equity	
303,600,000 stapled securities, fully paid	719,000,100

There was a capital event as a result of the initial public offering that consolidated the number of securities from 719,000,100 at 30 June 2020 to 303,600,000. This did not result in a change to the entity's resources.

The holders of stapled securities are entitled to receive dividends and/or distributions as declared from time to time and are entitled to one vote per stapled security at meetings of the Company.

The Company does not have par value in respect of its stapled securities.

In the event of winding up, the stapled security holders are fully entitled to any proceeds of liquidation.

	2020 $
Contributed equity	
719,000,100 ordinary shares, fully paid	719,000,100
LFGT	
100 units, fully paid	100

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

In the event of winding up, the Company's ordinary shareholders are fully entitled to any proceeds of liquidation.

(b) Dividends and distributions

2021

Distribution information	Cents per stapled security	Total amount ($'000)	Date of payment
Interim 2021 distribution per stapled security	21.9	66,386	10 December 2020
Final 2021 distribution per stapled security	24.4	74,107	31 August 2021
Total		**140,493**	

2021

Dividend information	Cents per stapled security	Total amount ($'000)	Date of payment	Franked/ unfranked
Interim 2021 dividend per stapled security	19.0	57,670	10 December 2020	100%
Final 2021 dividend per stapled security	-	-	-	
Total		**57,670**		

Dividends declared or paid during the year or after 30 June 2021 were franked with franking credits (13%) and exempting credits (87%).

Liberty Group listed on the Australian Securities Exchange ("ASX") on 15 December 2020.

MPRE paid a dividend to the previous non-controlling interest of $259,000 during the year ended 30 June 2021 (2020: $703,000). The Liberty Group now owns 100% of the equity in MPRE. See note 31.

Dividend franking account

The amount of Australian franking credits available at the 30% tax rate to the Liberty Group for subsequent years is $11.4 million.

This is calculated from the franking account at year end adjusted for franking credits that will arise from the payment of income tax on profits for the current reporting period.

Notes to the Financial Statements

For the year ended 30 June 2021

(c) Reserves

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the following events:

(a) Translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

(b) Long term intercompany loan revaluation taken to the foreign exchange reserve at balance sheet date.

Cash flow hedge reserve

The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedges over the variability of cash flows arising from floating rate debt and cross currency cash flows.

Revaluation reserve

The revaluation reserve comprises the cumulative net change in fair value on assets measured at fair value through other comprehensive income.

Common control reserve

The difference between the purchase consideration and the net assets acquired on the restructure under common control, which took place on 18 December 2019, were accounted for in equity and transferred to a common control reserve.

Share-based payment reserve

The share-based payment reserve comprises of the Medium Term Incentive Plan and the IPO Bonus Security Rights.

26 Earnings Per Stapled Security (EPS)

Basic earnings per stapled security

Basic EPS amounts are calculated by dividing the profit for the year attributable to ordinary securityholders of the Liberty Group by the weighted average number of stapled securities outstanding during the year.

Diluted earnings per stapled security

Diluted EPS amounts are calculated by dividing the profit attributable to securityholders of the Liberty Group by the weighted average number of stapled securities during the year plus the weighted average number of stapled securities that would be issued on conversion of all the dilutive potential stapled securities into stapled securities.

	2021 $'000	**2020 $'000**
Profit attributable to securityholders of the Liberty Group	185,377	134,710
Weighted average number of stapled securities for basic EPS (thousands)	303,600	303,600
Effect of dilution: Medium Term Incentive and IPO Bonus Issue	14,610	-
Weighted average number of stapled securities adjusted for the effect of dilution	**318,210**	**303,600**

There have been no other transactions involving stapled securities or potential stapled securities between the reporting date and the date of authorisation of these financial statements.

	2021 Cents	2020 Cents
Basic earnings per stapled security	0.61	0.44
Diluted earnings per stapled security	0.58	0.44

27 Leases

The Liberty Group leases office space throughout Australia and New Zealand. None of the leases include contingent rentals.

The Liberty Group also has finance lease liabilities that are secured by the leased assets.

Information about the Group's leases is as follows:

(a) Right-of-use assets

	Land and buildings $'000	Production equipment $'000	Total $'000
Balance at 1 July 2019	11,561	113	11,674
Depreciation charge for the year	(2,271)	(58)	(2,329)
Foreign exchange movements	9	-	9
Balance at 30 June 2020	**9,299**	**55**	**9,354**
Balance at 1 July 2020	9,299	55	9,354
Additions to right-of-use assets	-	195	195
Depreciation charge for the year	(2,314)	(58)	(2,372)
Foreign exchange movements	(8)	-	(8)
Balance at 30 June 2021	**6,977**	**192**	**7,169**

(b) Amounts recognised in profit or loss

	2021 $'000	2020 $'000
Depreciation of right-of-use asset	2,372	2,329
Interest expense on lease liabilities	349	409
Expense of short-term leases	9	15

(c) Amounts recognised in statement of cash flows

	2021 $'000	2020 $'000
Total cash outflows for leases	2,079	2,227

Notes to the Financial Statements

For the year ended 30 June 2021

28 Related Parties

The following table provides the particulars in relation to controlled entities of the Liberty Group, for which the ultimate parent entity is Hestia Holdings BV. The immediate parent entity of the Company is Vesta Funding BV.

(a) Particulars in relation to controlled entities of Liberty Financial Group Limited and Liberty Financial Group Trust:

	Ownership interest	
	2021 %	2020 %
Entity name		
A.L.I. Group Pty Ltd	60	-
ALI Corporate Pty Ltd	60	-
ALI Equity Pty Ltd	60	-
Assured Credit Management Pty Ltd	100	100
Australian Life Insurance Administration Pty Ltd	60	-
Australian Life Insurance Distribution Pty Ltd	60	-
Australian Life Insurance Pty Ltd	60	-
Hero Trust	-	-
LFI Group Pty Ltd	100	-
Liberty Charlotte Trust	100	100
Liberty Credit Enhancement Company NZ Limited	100	100
Liberty Credit Enhancement Company Pty Ltd	100	100
Liberty Fiduciary Limited	100	100
Liberty Financial Limited	100	100
Liberty Financial Pty Ltd	100	100
Liberty Funding Pty Ltd	100	100
Liberty High Yield Fund	100	100
Liberty Network Services Pty Ltd	100	100
Liberty NZ Warehouse Trust No.1	100	100
Liberty PRIME Series 2021-1 Trust	100	-
Liberty Reps Funding Trust	100	100
Liberty Scarborough Trust	100	100
Liberty Series 2017-1 Auto Trust	100	100
Liberty Series 2017-1 SME Trust	100	100
Liberty Series 2017-2 Trust	100	100
Liberty Series 2017-3 Trust	100	100
Liberty Series 2017-4 Trust	100	100
Liberty Series 2018-1 Auto Trust	100	100
Liberty Series 2018-1 SME Trust	100	100
Liberty Series 2018-1 Trust	100	100
Liberty Series 2018-2 Trust	100	100
Liberty Series 2018-3 Trust	100	100

	Ownership interest	
	2021 %	2020 %
Liberty Series 2018-4 Trust	100	100
Liberty Series 2019-1 SME Trust	100	100
Liberty Series 2019-1 Trust	100	100
Liberty Series 2019-2 Trust	100	100
Liberty Series 2020-1 Auto Trust	100	100
Liberty Series 2020-1 Trust	100	100
Liberty Series 2020-2 Trust	100	100
Liberty Series 2020-3 Trust	100	100
Liberty Series 2020-4 Trust	100	100
Liberty Series 2021-1 Trust	100	-
Liberty Sirius Trust	100	100
Liberty Term Investment Fund	73	72
Liberty Warehouse Trust 2012-1	100	100
Liberty Warehouse Trust No.1	100	100
Liberty Wholesale Trust 2018-1	100	100
Liberty/CS Warehouse Trust 2011-1	100	100
LoanNET Pty Ltd	100	100
Mike Pero (New Zealand) Limited	100	100
Mike Pero Group Limited	100	100
Mike Pero Insurances Limited	100	100
Mike Pero Mortgages Limited	100	100
Mike Pero Real Estate Limited	100	88
Minerva Fiduciary Pty Ltd	100	100
Minerva Funding Pty Ltd	100	100
Minerva Funds Management Limited	100	100
Minerva Holding Trust	100	100
Money Place AFSL Limited	100	80
Money Place Assets Pty Ltd	100	80
Money Place Australia Pty Ltd	100	80
Money Place Holdings Pty Ltd	100	80
MoneyPlace Lending Platform	18	19
MoneyPlace Pty Ltd	100	80
Mosaic Financial Services Pty Ltd	100	100
MPMH Limited	100	100
MPRE Limited	100	88
National Mortgage Brokers (WA) Pty Ltd	100	100
National Mortgage Brokers Pty Ltd	100	100
Priceware Pty Ltd	50	50
Secure Credit Pty Ltd	100	100
Secure Funding Limited	100	100
Secure Funding Pty Ltd	100	100

Notes to the Financial Statements

For the year ended 30 June 2021

ALI Corporate Pty Ltd

On 15 November 2017, the Liberty Group acquired preference shares in ALI Corporate Pty Ltd. In November 2020, all preference shares were converted to ordinary shares, resulting in the Liberty Group owning 60% of the equity in ALI Corporate Pty Ltd and its subsidiaries.

Hero Trust and Priceware Pty Ltd

On 30 June 2016, the Liberty Group acquired equity in Priceware Pty Ltd which has an interest in Hero Trust. Hero Trust and Priceware Pty Ltd are consolidated into the Liberty Group financial statements on the basis that the Liberty Group exercises power over the entities and is subject to variability of returns in accordance with relevant accounting standards.

MoneyPlace Holdings Pty Ltd

On 16 June 2021, the Liberty Group acquired an additional 20% of shares in MoneyPlace Holdings Pty Ltd, resulting in 100% ownership of MoneyPlace Holdings Pty Ltd and its subsidiaries.

(b) Transactions with related parties

	2021 $	2020 $
Statement of profit or loss and other comprehensive income items arising from related party transactions		
Distribution paid/payable to related parties of the Liberty Group	(140,576,552)	(88,309,661)
Interest income from related parties of the Liberty Group	8,773,835	11,693,718
Assets and liabilities arising from related party transactions		
Aggregate loans to related parties:		
Controlling entities	157,004,157	316,471,955
Other related parties	207,757	9,399,491
	157,211,914	**325,871,446**
Aggregate loans from related parties:		
Controlling entities	450,140	441,270
Other related parties	9,349,104	3,423,602
	9,799,244	**3,864,872**

(c) Acquisition of non-controlling interests

In February 2021 the Liberty Group acquired 100% of equity in LFI Group Pty Ltd, which was previously accounted for as a non-controlling interest. The carrying amount of LFI Group Pty Ltd's net assets on the date of acquisition was $8,399,000.

	2021 $'000
Carrying amount of NCI acquired ($8,399,000 x 100%)	8,399
Consideration paid to NCI	(8,500)
Change in equity attributable to owners of the Liberty Group	(101)

29 Parent Entity Disclosures

As at, and throughout, the financial year ended 30 June 2021 the parent entity of the Liberty Group was Liberty Financial Group Limited.

(a) Summary of financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2021 $	2020 $
Result of parent entity		
(Loss)/profit for the year	(1,222,551)	1,558,382
Other comprehensive income	-	-
Total comprehensive (loss)/income for the year	**(1,222,551)**	**1,558,382**
Financial position of the parent entity at year end		
Current assets	29,118,683	1,000
Total assets	**1,220,177,238**	**1,154,969,122**
Current liabilities	(7,840,432)	(9,031,856)
Total liabilities	**(487,731,777)**	**(434,419,943)**
Shareholders' equity		
Issued capital	719,000,100	719,000,100
Reserves	13,445,361	1,549,079
Total equity	**732,445,461**	**720,549,179**

(b) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2021 (2020: nil).

30 Key Management Personnel

(a) Directors

The following persons were Directors of the Liberty Group during the financial year:

James Boyle	Executive Director (appointed 26 November 2020)
Richard Longes	Non-Executive Director and Chair
Peter Hawkins	Non-Executive Director
Sherman Ma	Executive Director
Leona Murphy	Non-Executive Director

(b) Other Key Management Personnel

The following persons were key management personnel in the current year and also had authority and responsibility for planning, directing and controlling activities of the Liberty Group during the financial year:

James Boyle	Chief Executive Officer
Peter Riedel	Chief Financial Officer
Sherman Ma	Executive Director

Notes to the Financial Statements

For the year ended 30 June 2021

(c) Key Management Personnel Compensation

The key management personnel compensation included in personnel expenses (refer note 11) is as follows:

	2021 $	2020 $
Short-term employee benefits	3,329,087	3,419,677
Superannuation	79,541	72,643
Long service leave	427,131	393,572
Share-based payments	1,440,058	-
	5,275,817	**3,885,892**

(d) Loans to Key Management Personnel

Aggregate loans made to key personnel, included in note 16, are as follows:

	2021 $	2020 $
Loans to key management personnel	-	682,587
	-	**682,587**

Loans totalling nil (2020: nil) were made to key management personnel during the year by the Liberty Group. Repayments of $697,000 (2020: nil) were made during the year to the Liberty Group. These loans attract interest at market rates and on termination of employment are repayable on demand. Interest of $14,000 was charged during the year (2020: $35,000). Of the loans to key management personnel, security of nil (2020: $683,000) is held by the Liberty Group.

31 Business Combination

On 25 September 2018 the Liberty Group acquired an additional 26% equity interest in MPRE Limited, which was previously equity accounted for. This took the holding to 76%, resulting in MPRE Limited being controlled and consolidated into the Liberty Group's financial statements. The holding increased to 88% on 14 February 2020, and further to 100% on 28 October 2020. No gain or loss has been recognised in the statement of profit or loss and other comprehensive income in the year ended 30 June 2021.

32 Capital Commitments and Contingent Liabilities

There are no capital commitments as at 30 June 2021 (2020: nil). Contingent liabilities exist in relation to claims and/or possible claims against the Liberty Group which have not yet been resolved. An assessment of the likely outcome and potential loss to the Liberty Group has been made in respect of the identified claims, on a claim by claim basis, and specific provision has been made where it is considered probable that an outflow of economic benefits will occur and the amount can be reliably estimated. The Liberty Group does not consider that the outcome of any current known or potential claim or proceedings, either individually or in aggregate, is likely to materially affect its operations or financial position.

33 Special Purpose Entities

The Liberty Group enters into transactions in the normal course of business that transfers financial assets to special purpose entities. The special purpose entities are consolidated as the Liberty Group is exposed or has rights to variable returns and has the ability to affect its return through its power over the special purpose entities.

The Liberty Group may serve as a servicer, manager, liquidity provider, purchaser of notes and/or purchaser of residual interest and capital units with respect to these special purpose entities.

The table below presents assets securitised and the underlying borrowings as a result of the securitisations.

	2021 $	2020 $
Receivables	21,177,854	21,140,985
Customer loans	11,040,421,568	10,516,801,205
Cash held by securitisation vehicles	357,008,792	342,969,941
Total	**11,418,608,214**	**10,880,912,131**
Borrowings related to receivables and customer loans	10,480,330,000	10,309,329,750

34 Events Subsequent to Balance Date

There has not arisen in the interval between the end of the annual reporting period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Liberty Group, to affect significantly the operations of the Liberty Group, the results of those operations or the state of affairs of the Liberty Group, in future financial years.

Directors' Declaration

For the year ended 30 June 2021

In the opinion of the directors of the Liberty Group:

(a) the consolidated financial statements and notes, set out on pages 24 to 75 are in accordance with the *Corporations Act 2001* , including:

  (i) giving a true and fair view of the Liberty Group's financial position as at 30 June 2021 and of its performance for the financial year ended 30 June 2021; and

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

(b) there are reasonable grounds to believe that the Liberty Group will be able to pay its debts as and when they become due and payable.

The Directors of the Liberty Group have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and the Chief Financial Officer for the financial year ended 30 June 2021.

The Directors of the Liberty Group draw attention to note 2 (b) to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors of the Liberty Group:

Richard Longes
Chair

Dated at Melbourne on 30 August 2021

This is the original version of the audit report over the financial statements signed by the directors on 30 August 2021. Page references should be read as follows to reflect the correct references now that the financial statements have been presented in the context of the annual report in its entirety: page reference 7 to 13 with respect to our audit of the non-IFRS financial information comprising the non-statutory remuneration disclosure set out in the directors' Remuneration Report, should be updated to read pages 14 to 22.

KPMG

Independent Auditor's Report

To the stapled security holders of Liberty Financial Group

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Liberty Financial Group (the Stapled Group Financial Report).

In our opinion, the accompanying Stapled Group Financial Report is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Stapled Group's*** financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** of the Stapled Group comprises:

- Consolidated Statement of Financial Position as at 30 June 2021
- Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity, and Consolidated Statement of Cash Flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The ***Stapled Group*** consists of Liberty Financial Group Limited and the entities it controlled at the year-end or from time to time during the financial year and Liberty Financial Group Trust (formerly Minerva Financial Group Trust) and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

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

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

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

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Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Expected credit loss provisioning

Refer to Note 4(i), Note 6(c), Note 15(a) to the Financial Report

The key audit matter	How the matter was addressed in our audit
Expected credit loss provisioning is a Key Audit Matter due to: • The significance of the Financial Assets balances to the Stapled Group. • The high degree of complexity and judgement applied by the Stapled Group in determining the specific and collective provisions related to expected credit losses on Financial Assets, and the resulting judgements and audit effort required by us to challenge these estimates. *Provisions estimated across loan portfolios (collective provisions) - $54,274,488* The Stapled Group measure expected credit losses (ECL) on Financial Assets in accordance with the requirements of AASB 9 *Financial Instruments*. This incorporates forward-looking macroeconomic assumptions, such as unemployment rates and future house prices, representing the Stapled Group's view of future economic state. The Stapled Group also apply several overlays to deal with ECL measurement uncertainties in their models. In the current year, this forward-looking information included judgements related to the expected impact of COVID-19 under multiple forward-looking scenarios and the determination of a weighting for each of these scenarios (COVID-19 overlay) and a new model overlay to deal with new	Our procedures included: • Testing key controls relating to the Stapled Group's lending and provisioning processes including: - review and approval by Management of loan applications against the Stapled Group's lending policies; - review and approval by Management of specific provisions; - review and approval by Management of the Stapled Group's ECL models methodology, including the application of forward-looking macroeconomic assumptions. *Provisions estimated across loan portfolios (collective provisions)* • Working with our valuation specialists, we: • assessed the appropriateness of the Stapled Group's provisioning methodology and ECL models, including COVID-19 and new model overlays, against the requirements of the accounting standards and industry practice. • assessed the accuracy of the Stapled Group's ECL models predictions by re-performing the ECL allowance calculations and comparing this to the amount recorded by the Stapled Group. • obtained and inspected the Stapled

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model uncertainty and bias.

The Stapled Group also exercised judgement in defining indicators of what they consider represents a significant increase in credit risk (“SICR”) and in determining the loss estimates using ECL models. This estimation is inherently challenging and uses complex models based on the Stapled Group’s historical loss experience to predict probability of default and loss given default.

We applied a significant level of judgement to assess the key forward-looking macroeconomic assumptions and economic scenarios, including COVID-19 and a new model overlay used in the ECL models.

Complex modelling, using forward-looking assumptions tend to be prone to greater risk for potential bias, error and inconsistent application. These conditions necessitate additional scrutiny by us, in particular to address the objectivity of sources used for assumptions, and their consistent application.

In assessing this Key Audit Matter, we involved our valuation specialists to supplement our senior team members.

Provisions against specific individual loans (specific provisions) - $21,034,249

For credit impaired loans, the Stapled Group identifies specific ECL estimates based on their judgement of expected future cash flows which have a high risk of default. We focused our audit effort on those higher risk loans identified using factors such as underlying property location and arrears, and the Stapled Groups’ identification of specific loans for provisioning which contains significant judgement.

The Stapled Group engage a panel of valuation experts.
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Group’s analysis and related workings underlying the SICR criteria and staging methodology, and re-performed the staging assessment for a sample of loans to assess the SICR criteria.

performed industry comparisons of the coverage rates. We did this by using our knowledge of the loan portfolios and comparing the outputs of the models to publicly available data of a group of comparable entities and against our industry experience.
tested the completeness and accuracy for a sample of relevant data elements used within ECL models, such as checking year end balances to the general ledger, and arrears and risk ratings to source systems.
challenged the key assumptions used in the ECL models relating to forward-looking information such as unemployment rates and house price movements with reference to publicly available macro-economic information. This included the assumptions used in COVID-19 and new model overlays.
considered the sensitivity of the models by varying key macroeconomic assumptions, such as unemployment rates and house price movements, within a reasonably possible range. We did this to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures.

Provisions against specific individual loans (specific provisions)

Assessing the appropriateness of the Stapled Group’s specific provisioning methodology against the requirements of the accounting standards and industry practice.
Re-calculating the specific provision for a sample of loans and comparing this to the amount recorded by the Stapled Group.

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	• Assessing the scope, competency and objectivity of the Stapled Group’s panel of external valuation experts to value the specific assets. • Performing our independent assessment of recoverability on a sample of credit impaired loans identified as higher risk due to location or level of arrears. To do this we used current external valuations of assets, publicly available data relating to property price movements by location and information from the customers loan file such as security valuation and current arrears level. • Assessing the disclosures in the Financial Report using our understanding obtained from our testing and against the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in Liberty Financial Group’s annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors of Liberty Financial Group Limited are responsible for the Other Information.

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

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

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

Responsibilities of the Directors for the Financial Report

The Directors of Liberty Financial Group Limited are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Stapled Group’s ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as

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applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Stapled 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 objective is:

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

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

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

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf.This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Liberty Financial Group Limited for the year ended 30 June 2021, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of Liberty Financial Group Limited are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 7 to 13 of the Directors' report for the year ended 30 June 2021.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

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Dean Waters
Partner
Melbourne
30 August 2021

Securityholder Information

For the year ended 30 June 2021

Additional information required by the Australian Securities Exchange Ltd (ASX) and not disclosed elsewhere in this report is set out below. The information is current as at 31 July 2021.

a) Number of Holders of Equity Securities

Contributed equity

303,600,000 fully paid stapled securities are held by 806 individual security holders.

All issued stapled securities carry one vote per stapled security.

b) Distribution of Holders of Equity Securities

Fully paid securities

Range	Number of securities	%	Number of holders	%
100,001 and over	299,451,474	98.6%	30	3.7%
10,001 to 100,000	2,507,918	0.8%	98	12.2%
5,001 to 10,000	779,145	0.3%	106	13.2%
1,001 to 5000	753,938	0.2%	294	36.5%
1 to 1000	107,525	-	278	34.5%
Total	**303,600,000**	**100.0%**	**806**	**100.0%**

Security rights (medium-term incentive)

Range	Number of securities	%	Number of holders	%
100,001 and over	-	-	-	-
10,001 to 100,000	198,556	49.6%	6	2.0%
5,001 to 10,000	69,312	17.3%	9	3.1%
1,001 to 5,000	31,768	7.9%	13	4.4%
1 to 1000	100,701	25.2%	265	90.4%
Total	**400,337**	**100.0%**	**293**	**100.0%**

c) Substantial Securityholders

	Number of securities	%
Vesta Funding B.V.	234,939,520	77.4%

d) Twenty Largest Holders of Quoted Equity Securities

		Number of securities	%
1	Vesta Funding B.V	234,939,520	77.4%
2	HSBC Custody Nominees (Australia) Limited	11,360,130	3.7%
3	National Nominees Limited	10,199,905	3.4%
4	Citicorp Nominees Pty Limited	10,147,748	3.3%
5	JP Morgan Nominees Australia Pty Limited	4,444,873	1.5%
6	James Boyle	4,037,880	1.3%
7	Peter Riedel	3,036,000	1.0%
8	Wroxby Pty Limited	3,000,000	1.0%
9	Ridemax Investments Pty Limited	2,955,040	1.0%
10	CS Third Nominees Pty Limited	2,849,615	0.9%
11	BNP Paribas Nominees Pty Limited	2,805,962	0.9%
12	USB Nominees Pty Limited	2,589,669	0.9%
13	Anne Bastian	1,305,480	0.4%
14	BNP Paribas Noms Pty Ltd	865,003	0.3%
15	Washington H Soul Pattinson	781,088	0.3%
16	Helen Toy	647,680	0.2%
17	Richard Zylinski	485,760	0.2%
18	Citicorp Nominees Pty Limited	423,537	0.1%
19	Lynne Jordan	394,680	0.1%
20	Petlyn Holdings Pty Ltd	328,600	0.1%
		297,598,170	**98.0%**

Company Secretary

Mr Peter Riedel

Registered Office

Level 16, 535 Bourke Street, Melbourne VIC 3000

Share Registry

Link Market Services - Tower 4, 727 Collins Street, Docklands VIC 3008

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Corporate Directory

Principal Registered Office

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Melbourne VIC 3000

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(03) 8635 8888

Email

service@liberty.com.au

Facsimile

(03) 8635 8888

Website

www.lfgroup.com.au

Notice of AGM

The Annual General Meeting of the Liberty Group will be held on 17 November 2021.

Share Registry

Link Market Services

Tower 4, 727 Collins Street

Docklands VIC 3008

Telephone

1300 554 474

Email

registrars@linkmarketservices.com.au

Stock Listing

Liberty Group is listed on the Australian Securities Exchange (ASX Code: LFG)

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