



# APPENDIX 4D

For The Half-Year Ended 31 December 2023

**PSC Insurance Group Limited & Controlled Entities**  
ACN 147 812 164  
Level 4, 96 Wellington Parade East Melbourne VIC 3002  
[www.pscinsurancegroup.com.au](http://www.pscinsurancegroup.com.au)

# APPENDIX 4D

Half-Year Report for the six months to 31 December 2023

## Name of entity

PSC INSURANCE GROUP LIMITED  
ABN 81 147 812 164

## 1. Reporting period

Report for the half-year ended 31 December 2023

Previous corresponding periods are financial year ended 30 June 2023 and half-year ended 31 December 2022

## 2. Results for announcement to the market

Revenues from ordinary activities up 22.4% to \$169.6m

Profit from ordinary activities after tax attributable to members up 38.2% to \$29.5m

Net profit for the period attributable to members up 38.2% to \$29.5m

Dividends	Amount per security	Franked amount per security
Interim dividend (FY 2024, to be paid 10 April 2024)	5.7 ¢	3.42 ¢
Final dividend (FY 2023, paid 11 October 2023)	8.3 ¢	4.98 ¢
Previous corresponding period (12 months 2023)	13.5 ¢	8.10 ¢

Record date for determining entitlements to the dividend 13 March 2024 - 7.30pm (AEDT).

Brief explanation of any of the figures reported above necessary to enable the figures to be understood :

Refer to the separate December 2023 half-year results announcement.

## 3. Net tangible assets per security

Dividends	Current period (31 December 2023)	Previous corresponding period (31 December 2022)
Net tangible asset backing per ordinary security	(\$0.20)	(\$0.19)

## 4. Details of entities over which control has been gained or lost during the period

Please refer to Note 11 of the attached Financial Report.

## 5. Dividends to members of the parent

	Date of payment	Total amount of dividend
Interim dividend year ended 30 June 2024	10/4/2024	\$20,783,547
Final dividend year ended 30 June 2023	11/10/2023	\$29,819,836

### Amount per security

Total dividend:	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign sourced dividend
Current year (half-year 2024)	5.7 ¢	3.42 ¢	-
Previous year (half-year 2023)	5.2 ¢	3.12 ¢	-

### Total dividend on all securities

Dividends	Current period \$A'000	Previous corresponding Period - \$A'000
Ordinary securities	\$20,784	\$18,420
Preference securities	nil	nil
Other equity instruments	nil	nil
<b>Total</b>	<b>\$20,784</b>	<b>\$18,420</b>

## 6. Details of dividend or distribution reinvestment plans in operation are described below:

The Dividend Reinvestment Plan has been suspended for the half-year FY 24 dividend payable on 10 April 2024.

The DRP rules and FAQ's can be found at: <https://www.pscinsurancegroup.com.au/corporate-governance/>

## 7. The financial information provided in the Appendix 4D is based on the half-year condensed financial report (attached).

## 8. Independent review of the financial report

The financial report has been independently reviewed. The financial report is not subject to a qualified independent review statement.



# FINANCIAL REPORT

**For The Half-Year Ended 31 December 2023**

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2023

**PSC Insurance Group Limited & Controlled Entities**  
ACN 147 812 164  
Level 4, 96 Wellington Parade East Melbourne VIC 3002  
[www.pscinsurancegroup.com.au](http://www.pscinsurancegroup.com.au)



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# DIRECTORS' REPORT

The Directors present their report together with the condensed financial report of the Group consisting of PSC Insurance Group Limited (the Company) and its controlled entities (the Group) for the half-year ended 31 December 2023 and independent review report thereon.

## Directors

The names of directors in office at any time during or since the end of the half-year are:

Paul Dwyer  
Brian Austin  
Antony Robinson  
John Dwyer  
Melvyn Sims  
Tara Falk  
James Kalbassi  
Jo Dawson

The Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

## Review of operations

A review of the operations of the Group during the half-year ended 31 December 2023 and the results of those operations are as follows:

Underlying earnings before interest, tax, depreciation and amortisation (EBITDA) was up 12% on the prior period to \$54.2m. The operating performance and organic growth was strong in Australia, and all businesses are well positioned. In line with our strategy, we completed a number of acquisitions during the period, including Giles Gower (UK), Ensurance (Australia) and Worldwide Insurance (Ireland). Underlying net profit after tax before amortisation (NPATA) was up 6% on the prior period to \$37.1m. Statutory net profit after tax (NPAT) was up 39% on the prior period to \$29.8m.

## Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the review for the half-year is provided with this report.

## Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest one thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors:



**Paul Dwyer**

**Chairman**

Melbourne

Date: 21 February 2024



**Antony Robinson**

**Managing Director**

Melbourne

Date: 21 February 2024

# AUDITOR'S INDEPENDENCE DECLARATION



**Building a better  
working world**

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## **Auditor's independence declaration to the directors of PSC Insurance Group Limited**

As lead auditor for the review of the half-year financial report of PSC Insurance Group Limited for the half-year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

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

This declaration is in respect of PSC Insurance Group Limited and the entities it controlled during the financial period.

A stylized signature of 'Ernst &amp; Young' in a cursive script.

Ernst & Young

A stylized signature of 'T M Dring' in a cursive script.

T M Dring  
Partner  
Melbourne  
21 February 2024

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	31-Dec 2023 \$'000	31-Dec 2022 \$'000
<b>Revenue</b>		
Fee and commission income	151,742	134,640
Other revenue	672	384
Interest income	5,749	1,702
Share of equity accounted results	49	77
Gain on financial instruments	10,910	1,215
Investment income	430	449
	<b>169,552</b>	<b>138,467</b>
<b>Expenses</b>		
Administration and other expenses	(20,264)	(22,057)
Depreciation expense - property, plant and equipment	(1,143)	(1,017)
Depreciation expense - right-of-use assets	(3,252)	(2,486)
Amortisation expense	(8,348)	(6,947)
Employee benefits expense	(79,944)	(66,054)
Finance costs	(5,961)	(3,996)
Finance costs - lease liabilities	(605)	(556)
Expected credit losses	(18)	(1)
Employee contractors	(1,554)	(1,552)
Information technology costs	(3,711)	(2,701)
Professional fees	(2,185)	(1,751)
	<b>(126,985)</b>	<b>(109,118)</b>
<b>Profit before income tax expense</b>	<b>42,567</b>	<b>29,349</b>
Income tax expense	(12,755)	(7,858)
<b>Net profit from continuing operations</b>	<b>29,812</b>	<b>21,491</b>
<b>Other comprehensive income</b>		
<i>Items that may not be reclassified subsequently to profit or loss</i>		
Revaluation of property, plant and equipment	149	-
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translation of foreign operations	(6,102)	2,320
<b>Other comprehensive income for the half-year</b>	<b>(5,953)</b>	<b>2,320</b>
<b>Total comprehensive income</b>	<b>23,859</b>	<b>23,811</b>
<b>Profit is attributable to:</b>		
- Owners of PSC Insurance Group Limited	29,466	21,316
- Non-controlling interests	346	175
	<b>29,812</b>	<b>21,491</b>
<b>Total comprehensive income is attributable to:</b>		
- Owners of PSC Insurance Group Limited	23,513	23,636
- Non-controlling interests	346	175
	<b>23,859</b>	<b>23,811</b>
<b>Earnings per share for profit attributable to the equity holders of the parent entity:</b>		
Basic earnings per share	8.2 cents	6.1 cents
Diluted earnings per share	8.2 cents	6.1 cents

The accompanying notes form part of these condensed financial statements.



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		31-Dec 2023	30-Jun 2023
	Notes	\$'000	\$'000
<b>Current assets</b>			
Cash and cash equivalents	4	66,822	71,370
Financial assets - trust cash	6	268,007	274,791
Receivables		12,174	11,547
Contract assets - broking		49,381	71,300
Financial assets - derivatives	6	707	1,049
Other assets		12,042	9,987
<b>Total current assets</b>		<b>409,133</b>	<b>440,044</b>
<b>Non-current assets</b>			
Receivables		1,046	707
Financial assets - investments in shares and unit trusts	6	75,566	60,359
Equity accounted investments	12	25,966	24,025
Property, plant and equipment		17,440	16,861
Intangible assets	10	547,652	519,892
Right-of-use assets		16,509	18,525
Financial assets - derivatives	6	-	52
<b>Total non-current assets</b>		<b>684,179</b>	<b>640,421</b>
<b>Total assets</b>		<b>1,093,312</b>	<b>1,080,465</b>
<b>Current liabilities</b>			
Payables		291,986	299,362
Provisions		6,947	6,413
Current tax liabilities		4,188	6,510
Lease liabilities		6,694	6,191
Contract liabilities - deferred revenue		11,814	12,291
Amounts payable to vendors		17,142	13,471
<b>Total current liabilities</b>		<b>338,771</b>	<b>344,238</b>
<b>Non-current liabilities</b>			
Payables		1,844	789
Borrowings		211,999	213,693
Provisions		797	691
Deferred tax liabilities		42,258	40,667
Lease liabilities		13,074	15,850
Contract liabilities - deferred revenue		404	412
Amounts payable to vendors		10,762	8,396
<b>Total non-current liabilities</b>		<b>281,138</b>	<b>280,498</b>
<b>Total liabilities</b>		<b>619,909</b>	<b>624,736</b>
<b>Net assets</b>		<b>473,403</b>	<b>455,729</b>
<b>Equity</b>			
Share capital	7	449,181	425,981
Reserves	8	(30,668)	(25,392)
Retained earnings		52,720	53,074
<b>Equity attributable to owners of PSC Insurance Group Limited</b>		<b>471,233</b>	<b>453,663</b>
Non-controlling interests		2,170	2,066
<b>Total equity</b>		<b>473,403</b>	<b>455,729</b>

The accompanying notes form part of these condensed financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Share capital	Reserves	Retained Earnings	Non- controlling Interest	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2022	411,661	(46,890)	42,157	1,837	408,765
Profit for the half-year	-	-	21,316	175	21,491
Exchange differences on translation of foreign operations, net of tax	-	2,320	-	-	2,320
<b>Total comprehensive income for the half-year</b>	<b>-</b>	<b>2,320</b>	<b>21,316</b>	<b>175</b>	<b>23,811</b>
<b>Transactions with owners in their capacity as owners:</b>					
Capital issuing costs	(29)	-	-	-	(29)
Shares in lieu of cash for acquisition of subsidiary	6,809	-	-	-	6,809
Dividend reinvestment	525	-	-	-	525
Non-controlling interest changes	-	(2,064)	-	(93)	(2,157)
Put option reserve	-	(193)	-	(186)	(379)
Employee share issues	-	1,306	-	-	1,306
Dividends paid	-	-	(26,420)	(165)	(26,585)
<b>Total transactions with owners</b>	<b>7,305</b>	<b>(951)</b>	<b>(26,420)</b>	<b>(444)</b>	<b>(20,510)</b>
<b>Balance as at 31 December 2022</b>	<b>418,966</b>	<b>(45,521)</b>	<b>37,053</b>	<b>1,568</b>	<b>412,066</b>

	Share capital	Reserves	Retained Earnings	Non- controlling Interest	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2023	425,981	(25,392)	53,074	2,066	455,729
Profit for the half-year	-	-	29,466	346	29,812
Revaluation of property, plant and equipment, net of tax	-	149	-	-	149
Exchange differences on translation of foreign operations, net of tax	-	(6,102)	-	-	(6,102)
<b>Total comprehensive income for the half-year</b>	<b>-</b>	<b>(5,953)</b>	<b>29,466</b>	<b>346</b>	<b>23,859</b>
<b>Transactions with owners in their capacity as owners:</b>					
Capital issuing costs	(50)	-	-	-	(50)
Shares in lieu of cash for acquisition of subsidiary	22,906	-	-	-	22,906
Dividend reinvestment	509	-	-	-	509
Put option reserve	-	(1,206)	-	(102)	(1,308)
Treasury shares	(1,745)	-	-	-	(1,745)
Employee share issues	1,580	1,883	-	-	3,463
Dividends paid	-	-	(29,820)	(140)	(29,960)
<b>Total transactions with owners</b>	<b>23,200</b>	<b>677</b>	<b>(29,820)</b>	<b>(242)</b>	<b>(6,185)</b>
<b>Balance as at 31 December 2023</b>	<b>449,181</b>	<b>(30,668)</b>	<b>52,720</b>	<b>2,170</b>	<b>473,403</b>

The accompanying notes form part of these condensed financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	31-Dec 2023 \$'000	31-Dec 2022 \$'000
<b>Cash flow from operating activities</b>		
Receipts from customers	179,194	157,594
Payments to suppliers and employees	(114,981)	(91,553)
Trust distributions / dividends received	1,027	1,187
Interest received	5,745	1,681
Interest paid	(5,732)	(3,503)
Income tax paid	(14,389)	(8,567)
<b>Net cash provided by operating activities</b>	<b>50,864</b>	<b>56,839</b>
<b>Cash flow from investing activities</b>		
Payments for deferred consideration/business acquisitions	(19,327)	(24,614)
Payment for property, plant and equipment	(1,270)	(422)
Proceeds from sale of financial assets	-	142
Payment for financial assets	(6,043)	(21)
Payment for other investments	(161)	(30)
Payment for equity investments	(3,882)	(12,868)
Proceeds from sale of equity investments	5,234	-
Net proceeds / (payments) from derivatives	645	(1,178)
<b>Net cash used in investing activities</b>	<b>(24,804)</b>	<b>(38,991)</b>
<b>Cash flow from financing activities</b>		
Capital issuing costs	(50)	(30)
Proceeds from employee share issues	1,580	-
Payment of lease liabilities	(3,773)	(3,038)
Dividends paid	(29,451)	(26,060)
Payment of related party loans and receivables	(40)	(1,521)
Repayments of related party loans and receivables	1,836	397
<b>Net cash used in financing activities</b>	<b>(29,898)</b>	<b>(30,252)</b>
<b>Reconciliation of cash</b>		
Cash at beginning of the half-year	71,370	106,110
Net decrease in cash held	(3,838)	(12,404)
Effect of exchange rate fluctuation on cash held	(710)	412
<b>Cash at end of the half-year</b>	<b>66,822</b>	<b>94,118</b>

The accompanying notes form part of these condensed financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

## NOTE 1: CORPORATE INFORMATION

These condensed half-year financial statements of PSC Insurance Group Limited and its controlled entities (collectively, the Group) for the six months ended 31 December 2023 was authorised for issue by the Directors on 21 February 2024.

PSC Insurance Group Limited is a company limited by shares, incorporated and domiciled in Australia. The address of PSC Insurance Group Limited's registered office and principal place of business is Level 4, 96 Wellington Parade, East Melbourne, VIC 3002. PSC Insurance Group Limited is a for-profit entity for the purpose of preparing the financial statements.

## NOTE 2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

### (a) Basis of preparation

These condensed consolidated half-year financial statements have been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting, as appropriate for for-profit entities, and the *Corporations Act 2001*. Compliance with AASB 134, as appropriate for for-profit entities, ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

These condensed consolidated half-year financial statements do not include all the notes of the type usually included in an annual financial report.

It is recommended the half-year financial statements be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by PSC Insurance Group Limited during the half-year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*.

The half-year financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

### (b) Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Directors' report and in the financial report have been rounded to the nearest one thousand dollars, unless otherwise stated.

### (c) Fair value compared with carrying amounts

The fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in the consolidated statement of financial position and notes to the condensed financial statement.

### (d) New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2023.

There have been no new accounting policies adopted since the year ended 30 June 2023 which have had a material effect in the preparation of the condensed consolidated financial statements.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Several amendments and interpretations apply for the first time, but these do not have an impact on the condensed consolidated financial statements of the Group.

**NOTE 3: SELECTED (REVENUE) AND EXPENSE ITEMS**

	31-Dec 2023 \$'000	31-Dec 2022 \$'000
<b>Administration and other expenses includes:</b>		
Acquisition legal and professional fees	1,375	731
Other acquisition and transactions related costs	148	-
Non-operating employment costs	764	209
Unrealised (gain) / loss on foreign exchange	(1,555)	593
Realised (gain) / loss on foreign exchange	(608)	1,220
Net loss on deferred consideration	3,561	3,988
Share-based payment expense	1,883	1,309
Other expenses	1,403	411
<b>Expected credit losses:</b>	18	1
<b>(Gain) / loss on financial instruments includes:</b>		
Gain on fair value adjustments	(7,964)	(52)
Loss / (gain) on derivatives	384	(1,163)
Gain on sale of shares	(3,330)	-
	<b>(3,921)</b>	<b>7,247</b>

**NOTE 4: CASH AND CASH EQUIVALENTS**

	31-Dec 2023 \$'000	30-Jun 2023 \$'000
Cash on hand	33	31
Cash at bank	43,759	34,495
Cash on deposit	23,030	36,844
	<b>66,822</b>	<b>71,370</b>

**NOTE 5: DIVIDENDS**

	31-Dec 2023 \$'000	31-Dec 2022 \$'000
<b>(a) Dividends paid or declared</b>		
Dividends paid, partly franked	29,820	26,420
Dividends paid to non-controlling interests, partly franked	140	165
	<b>29,960</b>	<b>26,585</b>
<b>(b) Dividends declared after the reporting period and not recognised</b>		
Since the end of the reporting period the Directors have recommended / declared dividends of 5.7 cents per share franked to 60% (2023: 5.2 cents per share franked to 60%)	20,784	18,420
	<b>20,784</b>	<b>18,420</b>

## NOTE 6: FINANCIAL ASSETS

	31-Dec 2023	30-Jun 2023
	\$'000	\$' 000
<b>Financial assets - current</b>		
Trust cash	268,007	274,791
Derivatives	707	1,049
<b>Total current financial assets</b>	<b>268,714</b>	<b>275,840</b>
<b>Financial assets - non current</b>		
<i>Financial assets - investments in shares and unit trusts</i>		
Shares in listed corporations	68,792	54,538
Other shares and units held	6,774	5,821
<b>Total financial assets - investments in shares and unit trusts</b>	<b>75,566</b>	<b>60,359</b>
Derivatives	-	52
<b>Total non current financial assets</b>	<b>75,566</b>	<b>60,411</b>

## NOTE 7: SHARE CAPITAL

	31-Dec 2023	30-Jun 2023
	\$'000	\$' 000
<b>(a) Issued and paid-up capital</b>		
364,623,631 Ordinary shares fully paid (June 2023: 355,683,921)	<b>449,181</b>	<b>425,981</b>
Fully paid ordinary shares carry one vote per share and have the right to dividends.		

	31-Dec 2023	31-Dec 2023
	No of shares	\$'000
<b>(b) Movements in shares on issue</b>		
<b>31 December 2023</b>		
Beginning of half-year	355,683,921	425,981
Capital issuing costs	-	(50)
Shares in lieu of cash for acquisition of subsidiary	5,242,149	22,906
Dividend reinvestment	106,361	509
Treasury shares	-	(1,745)
Loan funded shares	3,591,200	1,580
<b>End of half-year</b>	<b>364,623,631</b>	<b>449,181</b>



**NOTE 7: SHARE CAPITAL (Continued)**

	31-Dec 2022	31-Dec 2022
	No of shares	\$'000
<b>31 December 2022</b>		
Beginning of half-year	348,955,012	411,661
Capital issuing costs	-	(29)
Shares in lieu of cash for acquisition of subsidiary	1,537,446	6,809
Dividend reinvestment	108,923	525
Loan funded shares	744,500	-
Converted share options	2,796,725	-
<b>End of half-year</b>	<b>354,142,606</b>	<b>418,966</b>

**(c) Rights of each type of share**

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share gives entitlement to one vote when a poll is called.

**NOTE 8: RESERVES**

	31-Dec 2023	30-Jun 2023
	\$'000	\$' 000
Share-based payment reserve	9,282	7,399
Foreign currency translation reserve	5,198	11,300
Revaluation surplus	1,592	1,443
Put option reserve	(1,590)	(384)
Non-controlling interest reserve	(45,150)	(45,150)
<b>Reserves</b>	<b>(30,668)</b>	<b>(25,392)</b>

## NOTE 9: SEGMENT INFORMATION

### (a) Description of segments

The Group has four reportable segments as described below:

- **Distribution:** Insurance Broking, including PSC Network Insurance Partners, life broking and PSC Workers Compensation Services.
- **Agency:** Underwriting agencies, including Chase Solutions, Chase Professional Risks, Breeze Underwriting, Travel and Medical Indemnity Australia.
- **United Kingdom:** Businesses including Paragon International Insurance Brokers, Paragon Bermuda, Carrolls, Breeze Underwriting (UK), Chase Underwriting (UK), Ensurance (UK), PSC UK Insurance Brokers, PSC Europe and the Hong Kong businesses.
- **Group:** Group income and investments from non-operating assets and any net group costs not recovered from operating segments.

All these operating segments have been identified based on internal reports reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and assess their performance.

### (b) Segment information

The Group's chief operating decision maker uses segment revenue, segment result, segment assets and segment liabilities to assess each operating segment's financial performance and position. Amounts reported for each operating segment are the same amount recorded in the internal reports to the chief operating decision maker.

Segment information is measured in the same way as the financial statements. They include items directly attributable to the segment and those that can reasonably be allocated to the segment based on the operations of the segment. Inter-segment revenue is determined on an arm's length basis.

Segment information is reconciled to financial statements and underlying profit disclosure notes if provided elsewhere where these amounts differ.

31 December 2023	Distribution \$'000	Agency \$'000	United Kingdom \$'000	Group \$'000	Total \$'000
<b>Segment revenue</b>					
Commission income	32,958	9,564	71,255	-	113,777
Fees income	24,775	1,214	4,018	-	30,007
Other fees	6,361	504	933	160	7,958
Other revenue	3	-	667	2	672
Interest income	2,864	281	1,848	756	5,749
Share of equity accounted results	-	-	69	(20)	49
Gain on financial instruments	1,819	-	(384)	9,475	10,910
Investment income	-	-	-	430	430
<b>Total segment revenue</b>	<b>68,780</b>	<b>11,563</b>	<b>78,406</b>	<b>10,803</b>	<b>169,552</b>
<b>Segment revenue from external source</b>	<b>68,780</b>	<b>11,563</b>	<b>78,406</b>	<b>10,803</b>	<b>169,552</b>
<b>Segment result</b>					
Total segment result	14,325	1,963	11,980	1,544	29,812
<b>Segment result from external source</b>	<b>14,325</b>	<b>1,963</b>	<b>11,980</b>	<b>1,544</b>	<b>29,812</b>
<i>Items included within the segment result:</i>					
Depreciation expense - property, plant and equipment	(397)	(104)	(432)	(210)	(1,143)
Depreciation expense - right-of-use assets	(1,373)	(179)	(1,700)	-	(3,252)
Amortisation expense	(4,246)	(82)	(4,006)	(14)	(8,348)
Interest expense	(91)	-	-	(5,870)	(5,961)
Interest expense - lease liabilities	(141)	(37)	(427)	-	(605)
Income tax expense	(6,131)	(3,064)	(4,320)	760	(12,755)
<b>Total segment assets</b>	<b>225,953</b>	<b>33,296</b>	<b>223,306</b>	<b>610,757</b>	<b>1,093,312</b>
<b>Total segment liabilities</b>	<b>209,268</b>	<b>26,732</b>	<b>181,939</b>	<b>201,970</b>	<b>619,909</b>

**NOTE 9: SEGMENT INFORMATION (Continued)**

	Distribution	Agency	United Kingdom	Group	Total
31 December 2022	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Segment revenue</b>					
Commission income	27,932	8,512	63,969	-	100,413
Fees income	22,558	1,116	3,173	-	26,847
Other fees	5,506	521	1,353	-	7,380
Other revenue	7	-	377	-	384
Interest income	975	113	1	613	1,702
Share of equity accounted results	-	-	55	22	77
Gain on financial instruments	-	-	1,163	52	1,215
Investment income	-	-	-	449	449
Total segment revenue	56,978	10,262	70,091	1,136	138,467
<b>Segment revenue from external source</b>	<b>56,978</b>	<b>10,262</b>	<b>70,091</b>	<b>1,136</b>	<b>138,467</b>
<i>Segment result</i>					
Total segment result	11,377	3,215	13,862	(6,963)	21,491
<b>Segment result from external source</b>	<b>11,377</b>	<b>3,215</b>	<b>13,862</b>	<b>(6,963)</b>	<b>21,491</b>
<i>Items included within the segment result:</i>					
Depreciation expense - property, plant and equipment	(381)	(95)	(324)	(217)	(1,017)
Depreciation expense - right-of-use assets	(1,187)	(173)	(1,126)	-	(2,486)
Amortisation expense	(3,319)	(98)	(3,513)	(17)	(6,947)
Interest expense	(88)	-	(15)	(3,893)	(3,996)
Interest expense - lease liabilities	(155)	(45)	(356)	-	(556)
Income tax expense	(4,711)	(1,208)	(3,487)	1,548	(7,858)
<b>Total segment assets - 30 June 2023</b>	<b>226,615</b>	<b>29,703</b>	<b>228,045</b>	<b>596,102</b>	<b>1,080,465</b>
<b>Total segment liabilities - 30 June 2023</b>	<b>207,179</b>	<b>23,350</b>	<b>187,846</b>	<b>206,361</b>	<b>624,736</b>

## NOTE 10: INTANGIBLE ASSETS

	31-Dec 2023	30-Jun 2023
	\$'000	\$'000
Goodwill at cost	418,987	399,533
Identifiable intangible assets at cost	185,217	169,242
Accumulated amortisation and impairment	(56,552)	(48,883)
	<b>128,665</b>	<b>120,359</b>
<b>Total intangible assets</b>	<b>547,652</b>	<b>519,892</b>

### (a) Reconciliations

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the period:

	31-Dec 2023	30-Jun 2023
	\$'000	\$'000
<i>Goodwill at cost</i>		
Opening balance	399,533	357,136
Additions through business combinations (i)	21,921	25,403
Acquired additions through business combinations (i)	2,224	-
Net foreign currency movement arising from foreign operations	(4,691)	16,994
<b>Closing balance</b>	<b>418,987</b>	<b>399,533</b>
<i>Identifiable Intangible assets at cost</i>		
Opening balance	120,359	100,159
Additions through business combination (i)	9,275	18,216
Acquired additions through business combination	-	292
Other additions	8,352	12,339
Amortisation expense	(8,348)	(14,718)
Net foreign currency movement arising from foreign operations	(973)	4,071
<b>Closing balance</b>	<b>128,665</b>	<b>120,359</b>
<b>Total intangible assets</b>	<b>547,652</b>	<b>519,892</b>

(i) Additional and acquired goodwill and identifiable intangible assets include the business acquisitions of Giles Gower Insurance Associates Limited, Ensurance Limited and Worldwide Insurance Brokers and Advisors Limited.

## NOTE 11: BUSINESS COMBINATIONS

### Acquisitions for half-year ended 31 December 2023

In accordance with the Group strategy, a series of acquisitions were completed during the half-year. These acquisitions complement the Groups growth strategies in existing and emerging international markets. These included the following acquisition vehicles:

- i. Client list, brand name and employees
- ii. Company and its subsidiary entity/(ies)

#### (a) Consideration paid/payable

	Giles Gower Insurance Associates Limited	Ensurance Limited	Worldwide Insurance Brokers and Advisors Limited	Total
	\$'000	\$'000	\$'000	\$'000
Cash consideration paid	4,475	3,366	2,576	10,417
Equity consideration	429	21,834	633	22,896
Contingent consideration	4,686	-	1,403	6,089
<b>Total purchase consideration</b>	<b>9,590</b>	<b>25,200</b>	<b>4,612</b>	<b>39,402</b>
Ownership share	100%	100%	100%	
Acquisition vehicle	(i)	(ii)	(ii)	
Date of acquisition	1/11/2023	17/11/2023	12/12/2023	

#### Contingent consideration

Contingent consideration is estimated based on agreed multiples of EBITDA, revenue or fees and commission in accordance with the sale and purchase agreements. The \$6.1m deferred contingent consideration shown above is variable and not capped. Refer to Note 13 for adjustments to the contingent liability amounts recognised for business combination in the current and prior periods.

#### (b) Identifiable assets and liabilities acquired

Recognised on acquisition at fair value

	Giles Gower Insurance Associates Limited	Ensurance Limited	Worldwide Insurance Brokers and Advisors Limited	Total
	\$'000	\$'000	\$'000	\$'000
- Cash and Cash equivalents	-	4,925	138	5,063
- Financial asset - trust cash	-	3,236	145	3,381
- Financial assets	-	1,201	-	1,201
- Contract assets - broking	-	562	165	727
- Property, plant and equipment	-	221	-	221
- Identifiable intangibles	4,819	2,912	1,544	9,275
- Acquired Intangibles	-	2,224	-	2,224
- Trade and other receivables	-	464	-	464
- Other Assets	-	1,862	27	1,889
- Right of use Assets	-	57	-	57
- Lease liabilities	-	(57)	-	(57)
- Deferred tax liabilities	(1,205)	(774)	(193)	(2,172)
- Trade and other payables	-	(4,295)	(266)	(4,561)
- Income tax payable	-	-	32	32
- Provisions	-	(263)	-	(263)
	<b>3,614</b>	<b>12,275</b>	<b>1,592</b>	<b>17,481</b>

The net assets for the above acquisitions are recognised based on a provisional assessment of their fair value at reporting date.

**(c) Goodwill on acquisition**

	Giles Gower Insurance Associates Limited	Ensurance Limited	Worldwide Insurance Brokers and Advisors Limited	Total
	\$'000	\$'000	\$'000	\$'000
Total consideration paid / payable	9,590	25,200	4,612	39,402
Total net identifiable assets acquired	3,614	12,275	1,592	17,481
<b>Goodwill on acquisition</b>	<b>5,976</b>	<b>12,925</b>	<b>3,020</b>	<b>21,921</b>

The value of goodwill represents the future benefit arising from the future earnings and synergies expected from the acquisitions. No goodwill is expected to be deductible for tax purposes.

**(d) Financial performance since acquisition date**

	Giles Gower Insurance Associates Limited	Ensurance Limited	Worldwide Insurance Brokers and Advisors Limited	Total
	\$'000	\$'000	\$'000	\$'000
Revenue	692	643	73	1,408
EBITDA	468	374	6	848
Profit after tax	351	262	6	619
<i>Financial performance if held for 12 months</i>				
Revenue	2,981	4,947	1,333	9,261
EBITDA	1,202	1,700	560	3,462
Profit after tax	901	1,190	491	2,582

**(e) Transaction costs**

The Group incurred transaction costs of \$0.6m (2023: \$0.03m) in respect to the above business combinations. Transaction costs included legal fees, stamp duty, due diligence and other direct costs incurred in relation to these acquisitions. These costs are included within Administration and other expenses in the Statement of Profit or Loss and other Comprehensive Income.



## NOTE 12: INTERESTS IN ASSOCIATES AND JOINT ARRANGEMENTS

### (a) Associates and joint ventures

Investments in associates and joint ventures are accounted for using the equity method in the Group and carried at cost in the parent entity.

### (b) Movements in holdings in Associated Companies in the half-year

Associated Companies	Principal activity	Principal place of business	Ownership interest	
			31-Dec 2023	30-Jun 2023
RP-South Perth Pty Ltd	Investments in entities holding client lists	Australia	0%	50%
RP-Cannington Pty Ltd	Investments in entities holding client lists	Australia	0%	50%
RP-Fremantle Pty Ltd	Investments in entities holding client lists	Australia	0%	50%
RP-Bloodstock Services Pty Ltd	Investments in entities holding client lists	Australia	0%	50%
RP-Ipswich Pty Ltd	Investments in entities holding client lists	Australia	0%	50%
PSC Property Lync Insurance Brokers Pty Ltd	Insurance services and broking	Australia	0%	50%

Associated Companies	31-Dec 2023	30-Jun 2023
	\$'000	\$'000
Investments in associates	25,966	24,025
	<b>25,966</b>	<b>24,025</b>

Reconciliation of interests in associates		
Opening balance	24,025	9,236
Additions	4,117	16,575
Dividends received	(400)	(375)
Other valuation adjustments	43	(231)
Disposals	(1,819)	(1,180)
	<b>25,966</b>	<b>24,025</b>

## NOTE 13: FAIR VALUE MEASUREMENTS

### (a) Fair value hierarchy

Asset and liabilities measured and recognised at fair value have been determined by the following fair value measurement hierarchy:

- 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
- Level 3:** Inputs for the asset or liability that are not based on observable market data

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

The fair value of financial assets and financial liabilities approximate their carrying amounts as disclosed in the consolidated statement of financial position and notes to the condensed financial statements. For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Contingent consideration liabilities measured and recognised at fair value have been determined to be Level 3. There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the six months ended 31 December 2023.

As at 31 December 2023	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<i>Financial Assets</i>				
Shares in listed corporations	68,792	68,792	-	-
Other shares and units held	6,774	-	-	6,774
Derivatives (forward exchange contracts)	707	-	707	-
<b>Total</b>	<b>76,273</b>	<b>68,792</b>	<b>707</b>	<b>6,774</b>
<i>Financial liabilities</i>				
Contingent consideration	27,904	-	-	27,904
<b>Total</b>	<b>27,904</b>	<b>-</b>	<b>-</b>	<b>27,904</b>

As at 30 June 2023	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<i>Financial Assets</i>				
Shares in listed corporations	54,538	54,538	-	-
Other shares and units held	5,821	-	-	5,821
Derivatives (forward exchange contracts)	1,101	-	1,101	-
<b>Total</b>	<b>61,460</b>	<b>54,538</b>	<b>1,101</b>	<b>5,821</b>
<i>Financial liabilities</i>				
Contingent consideration	21,867	-	-	21,867
<b>Total</b>	<b>21,867</b>	<b>-</b>	<b>-</b>	<b>21,867</b>

**NOTE 13: FAIR VALUE MEASUREMENTS (Continued)****(b) Fair value of Financial Instruments**

The Group's financial assets and liabilities are measured at fair value at the end of each reporting period. The following table gives information about how their fair values are determined, including the valuation technique and inputs used.

Financial instrument	Fair value hierarchy	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Financial assets - Shares in listed corporations	Level 1	The fair value is calculated based on closing bid prices at the reporting date.	None	n/a
Financial assets - Other shares and units held	Level 3	The fair value is determined by reference to expected future cash flows and valuations of the underlying net asset base of the investment.	Forecast earnings and valuations of the underlying assets.	The fair value would increase/ (decrease) if: - The forecast assumptions were higher/(lower)
Financial assets / liabilities - Derivatives (forward exchange contracts)	Level 2	The fair value is calculated based on contracted exchange rates and current forward rates as determined by the issuer of the contract.	None	The fair value would increase/ (decrease) if: - The forecast foreign exchange rates were higher/(lower)
Amounts payable to vendors - contingent consideration	Level 3	The fair value is calculated based on an agreed multiple of EBITDA or fees and commissions. The discount used for long term deferred consideration is 6%.	Forecast EBITDA or fees and commissions	The fair value would increase/ (decrease) if: - The forecast EBITDA or fees and commissions were higher/ (lower)

**(c) Reconciliation of recurring level 1 fair value movements**

	31-Dec 2023	30-Jun 2023
Shares in listed corporations	\$'000	\$'000
Opening Balance	54,538	39,527
Additional holdings	5,993	-
Fair value adjustments - unrealised	8,261	15,011
<b>Closing balance</b>	<b>68,792</b>	<b>54,538</b>

Fair value adjustments are included in gain / (loss) on financial instruments in the consolidated profit and loss and other comprehensive income statement.

**(d) Reconciliation of recurring level 3 fair value movements**

	31-Dec 2023	30-Jun 2023
Other shares and units held	\$'000	\$'000
Opening Balance	5,821	5,228
Additional holdings	50	21
Acquired additions through business combinations	1,201	-
Fair value adjustments - unrealised	(298)	572
<b>Closing balance</b>	<b>6,774</b>	<b>5,821</b>

The Group measures the fair value for other shares and units held where there is no quoted market price, by reference to expected future cash flows and valuations of the underlying net asset base of the investment. The inputs into the valuations are based on the best information available about assumptions that market participants would use when pricing the assets.

	31-Dec 2023	30-Jun 2023
Contingent consideration	\$'000	\$'000
Opening balance	21,867	41,229
Additions from acquisitions	6,089	11,220
Other additions	3,156	4,137
Deferred payments	(6,742)	(40,883)
Deferred share issues	-	(4,680)
Revaluations	3,561	8,921
Net foreign currency movement arising from foreign operations	(27)	1,923
<b>Closing balance</b>	<b>27,904</b>	<b>21,867</b>

There were no significant differences between the carrying value of contingent consideration and the amount paid during the period.

**NOTE 14: SUBSEQUENT EVENTS**

On 1 January 2024, the Group acquired all of the shares in the capital of Cosmos Services (Vietnam) Limited ("Cosmos Vietnam") for approximately \$875,000. Cosmos Vietnam, which distributes motor vehicle insurance across motor vehicle dealerships in Vietnam, has since been renamed to "PSC Services (Viet Nam) Limited Liability Company". The acquisition of Cosmos Vietnam brings strategic growth of the Group in the Vietnamese market, and broader Asia market.

## DIRECTORS' DECLARATION

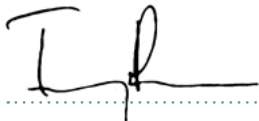
The Directors declare that:

1. In the Directors' opinion, the financial statements and notes thereto, as set out on pages 5 to 21, are in accordance with the *Corporations Act 2001*, including:

- a. complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*; and
- b. giving a true and fair view of the financial position of the Group as at 31 December 2023 and of its performance for the half-year ended on that date.

2. In the Directors' opinion there are reasonable grounds, at the date of this declaration, to believe that PSC Insurance Group Limited will be able to pay its debts as and when they become due and payable.

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



**Antony Robinson**  
**Managing Director**

Melbourne

Date: 21 February 2024

# INDEPENDENT AUDITOR'S REVIEW REPORT



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## Independent auditor's review report to the members of PSC Insurance Group Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of PSC Insurance Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed statement of financial position as at 31 December 2023, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a) Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity (ASRE 2410). Our responsibilities are further described in the Auditor's responsibilities for the review of the half-year financial report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



# INDEPENDENT AUDITOR'S REVIEW REPORT

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Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

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

Ernst &amp; Young

T M Dring  
Partner  
Melbourne  
21 February 2024