ASX announcement

RESULTS ANNOUNCEMENT

FOR THE FULL YEAR ENDED 30 JUNE 2021

Eildon Capital Group (ASX: EDC) delivered a net profit after tax (NPAT) of $4.9 million or 11.5 cents per stapled security (cps) for the twelve months ended 30 June 2021, which is higher than the prior comparative period (pcp) result of $4.7 million.

The portfolio generated income of $5.8 million derived by a combination of interest from debt investments, rental income, revaluation of property investments and management fees during the period. Distributions totalling 8.0 cps were declared, representing an annualised yield of approximately 7.4% on the closing security price of $1.08 as at 30 June 2021. Net assets (NAV) per stapled security was $1.11 as at 30 June 2021, up 1.8% over the 30 June 2020 NAV of $1.09.

The Group successfully completed the internalisation of Eildon Funds Management Limited (EFM) at a cost of $4.0 million, which was approved by securityholders at the Extraordinary General Meeting (EGM) held on Friday, 13 November 2020. Pleasingly, EFM delivered a pre-tax contribution of $0.6 million to the Group's result. The Group also successfully undertook a placement of 6.14 million securities in March 2021 to raise an additional $6.3 million in capital to assist in the growth of the Group.

Investment Portfolio

At 30 June 2021, Eildon Capital Group's investment portfolio totalled $39.2 million in addition to cash reserves of $11.1 million, representing 21% of net assets, of which $3.6 million is committed to portfolio investments.

The portfolio comprised 8 debt and 5 equity investments representing 75% of total assets, as at 30 June 2021. By value debt investments represent 77% and equity 23%. The investments are diversified across Victoria, Queensland and New South Wales.

Eildon Funds Management (EFM)

Eildon Funds Management Limited is a leading arranger, investor and manager of real estate credit and equity investments within Australia's Commercial Real Estate market. The Group successfully completed the internalisation of the funds management function through the acquisition of EFM for $4.0 million in November 2020. In the period since that transaction, EFM delivered a pre-tax contribution of $0.6 million to the Group's result in contrast to a management fee of $0.431 million which otherwise would have been payable to EFM had the internalisation not occurred. Group Assets Under Management (AUM) totalled $267 million as at 30 June 2021, which included balance sheet and third-party assets. A strong pipeline of opportunities in place should see the AUM of the Group increase materially over the FY2022 period.

Eildon Funds Management Product Lines

1. Eildon Capital - Property Income Funds

Eildon Asset Management (EAM) (50% owned by EFM in partnership with Strategic Property Partners Investment Pty Limited) successfully closed two new unlisted property funds in the period, the EAM Elara Village Property Fund and EAM Berwick Motor Trust Funds raised for these two products were $38.6 million and included 150 new wholesale investors to the Group's funds management platform.

As part of the Group's commitment to an alignment of interest, it has co-invested $1.5 million into these property funds. Assets Under Management totalled $71.3 million as at 30 June 2021.

EAM is considering launching a neighborhood retail centre fund in the December quarter, valued at c.$55 million. An identified pipeline for a further $70 million of community essential retail assets is available for syndication, with a potential launch date in 2H FY22. Demand for high quality income producing investment products remains strong and EAM is well positioned to capitalise on this investor demand.

2. Eildon Capital – Real Estate Credit

EFM currently manages $118 million across 13 projects which includes the Group's balance sheet co-investment of circa $7.0 million. Since the internalisation in November 2020 to 30 June 2021, EFM has negotiated and funded over $80 million of new loans.

EFM continues to review lending opportunities, with in excess of $200 million of loan opportunities currently under due diligence as at 19 August 2021. Loan facilities can be funded by a blend of Eildon Capital balance sheet investment as well as third party capital provided by investors in the Eildon Debt Fund. The Group's business model is expected to generate a combination of improved interest returns on invested capital supplemented with interest margins and fees derived from the Eildon Debt Fund portfolio. Borrower demand for flexible finance solutions remains strong as the real estate lending environment is favourable for non-bank lenders.

3. Eildon Capital – Development Funds

EFM currently manages $35 million across two projects in two development funds. Both projects comprise community essential retail projects and are located in Caboolture, Queensland and Werribee, Victoria. EFM earns development management fees and has the potential to earn performance fees. There is the opportunity to launch additional development funds in FY2022. Details of the existing funds are outlined below:

Harpley Town Centre – Werribee, VIC

- 4.4Ha site within Lend Lease Harpley Estate.
- Development into corporate medical centre, neighbourhood centre, service station and fast food and other commercial uses.
- Development commencing in FY22 with end value projected to be in excess of $70 million.

Big Fish Retail and Commercial Centre – Caboolture, QLD

- 15Ha site located on Bruce Highway between Brisbane and Sunshine Coast.
- EFM has been transforming the site into a combined retail and commercial precinct.
- Leases to Ampol Travel Centre and McDonalds completed in 2018 and 2020 respectively.

- Negotiated and finalised Agreement for Lease for the development of a 14,042 sqm Bunnings Warehouse. Construction commencing 1H22.
- Negotiated and finalised Agreement for Lease with Coles Group Limited, Chemist Warehouse and Petstock who will anchor the balance of the six-hectare site.
- Construction will commence 1H22, the project's end value is expected to be in excess of $125 million (subject to market conditions remaining strong).

Capital Management

A distribution of 2.0 cents per stapled security was paid on 23 July 2021. The anticipated distribution/dividend payment calendar for the next 12 months is outlined below:

Distribution Period	Payment Date
September 2021	22 October 2021
December 2021	24 January 2022
March 2022	22 April 2022
June 2022	22 July 2022

It is intended that the Distribution/Dividend Reinvestment Plan will be reactivated for the September 2021 distribution/dividend. Further details will be provided regarding the operation of the Plan when the distribution/dividends are announced.

As part of the Group's focus on building and retaining a highly skilled management team, and their alignment to the performance of the Group, a total of 409,300 performance rights have been issued to certain employees under the Long Term Incentive Plan (LTIP) that was approved by security holders at the meeting on 13 November 2020.

Market Conditions and Outlook

Eildon Capital Group is a unique ASX offering as it provides exposure to a pure play property funds management platform which covers both debt and equity investment. The aim of the Group is to provide income yield through its balance sheet investments while also generating fees from its funds management platform, which over time has the ability to scale and be valued on an earnings multiple.

As a result of the internalisation of EFM, the Group has the flexibility and capacity to take advantage of attractive opportunities when they emerge. This can be achieved by undertaking a combination of either direct investment utilising the Group's balance sheet or third-party investor capital via the Funds Management platform.

The Group is cautious but optimistic about the investment environment leading into FY2022 as historically low interest rates and investor appetite for income focused risk appropriate investments underpin the Group's growth aspirations.

Balance Sheet investments that derive income will continue to support quarterly distributions while the Group's cash reserve provides the ability to fund growth initiatives and new strategies within Eildon Funds Management.

EDC offers strong asset backed income returns with opportunity for earnings growth through scalable funds management initiatives. The Directors and Management continually undertake a disciplined review of new opportunities and evaluate the allocation of capital between new and strategic Funds Management growth initiatives and balance sheet investment.

Mark Avery
Managing Director
24 August 2021

Appendix 4E

Preliminary Final Report
Results for announcement to the market

Eildon Capital Group comprises the stapling of Eildon Capital Limited ACN 059 092 198 and Eildon Funds Management Limited (ACN 066 092 028 AFSL 229809) as Responsible Entity for Eildon Capital Trust (ARSN 635 077 753)

Financial Year ended ('Reporting Period')	Previous Financial Year ended ('Corresponding period')
30 June 2021	30 June 2020

Results

Income from ordinary activities	up/~~down~~	36%	to	$10,626,826
Profit after tax attributable to securityholders	up/~~down~~	3%	to	$4,894,024
Net profit for the period attributable to securityholders	up/~~down~~	3%	to	$4,894,024

Dividends (distributions)

	Payment Date	Amount per security	Franked amount per security
June 2021 Ordinary Distribution	23 July 2021	2.023¢	-
March 2021 Ordinary Dividend	23 April 2021	2¢	-
December 2020 Ordinary Dividend	22 January 2021	2¢	-
September 2020 Ordinary Dividend	23 October 2020	1.925¢	-

Information on Distributions/Dividends:

An unfranked distribution in respect of the June 2021 quarter for the financial year ended 30 June 2021 of 2.023 cents per security was paid on 23 July 2021.

The Distribution Reinvestment Plan has been suspended until such time as a there is a better correlation between the security price and the underlying net asset value of Eildon Capital Group. As a result, the Distribution Reinvestment Plan is not in operation in relation to the payment of the distribution.

Net tangible asset per security

	Year ended 30 June 2021	Year ended 30 June 2020
Net assets per security	$1.11	$1.09
Net tangible assets ("NTA") per security	$1.03	$1.09

The preliminary final report is based on accounts that have been audited.

Commentary

Brief explanation of any of the figures reported above:

Please refer to the attached commentary for a detailed review.

Eildon Capital Group

Financial Report

For the financial year ended
30 June 2021

Consisting of the combined consolidated Financial Reports of
Eildon Capital Limited (ABN 11 059 092 198) and
Eildon Capital Trust (ARSN 635 077 753)

The financial report was authorised for issue by the Directors on 24 August 2021.
The Company has the power to amend and reissue the financial report.

Eildon Capital Group

Group Particulars

REGISTERED OFFICE:
Suite 4, Level 6
330 Collins Street
MELBOURNE VIC 3000
Tel: (02) 9087 8000

RESPONSIBLE ENTITY:
Eildon Funds Management Limited
ABN 72 066 092 028
AFSL 229 809
Suite 4, Level 6
330 Collins Street
MELBOURNE VIC 3000

DIRECTORS:

Eildon Capital Limited
Mark A Avery (Managing Director)
James R Davies
Michelle E Harpur
Craig G Treasure (Resigned 29 June 2021)

Eildon Funds Management Limited as Responsible Entity for Eildon Capital Trust
Mark A Avery (Managing Director)
James R Davies (Appointed 17 November 2020)
Michelle E Harpur (Appointed 17 November 2020)
Craig G Treasure (Appointed 17 November 2020 and resigned 29 June 2021)
John A Hunter (Resigned 17 November 2020)
Jonathan T M Sim (Resigned 17 November 2020)

SECRETARY:

Eildon Capital Limited
Tiffany L McLean (Appointed 14 January 2021)
John A Hunter (Resigned 29 June 2021)

Eildon Funds Management Limited as Responsible Entity for Eildon Capital Trust
Tiffany L McLean (Appointed 14 January 2021)
John A Hunter (Resigned 29 June 2021)

BANKERS:
Westpac Banking Corporation Limited

DOMICILE:
Australia

AUDITORS:
Pitcher Partners Sydney
Level 16
Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000

SHARE REGISTRY:
Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street
Sydney, NSW, 2000

STOCK EXCHANGE LISTING:
Australian Securities Exchange Limited

Directors' Report
For the Year Ended 30 June 2021

The Directors of Eildon Capital Limited and Eildon Funds Management Limited as Responsible Entity for Eildon Capital Trust (collectively referred to as the Directors) present their report together with the consolidated financial statements for the year ended 30 June 2021 for both:

- Eildon Capital Group ("EDC") consisting of Eildon Capital Limited (the "Company") and its controlled entities and Eildon Capital Trust (the "Trust") and its controlled entities; and
- the Trust and its controlled entities ("ECT").

The shares of the Company and units of the Trust are combined and issued as stapled securities in EDC. The shares of the Company and units of the Trust cannot be traded separately and can only be traded as stapled securities.

Directors
The Directors of the Company and Eildon Funds Management Limited as Responsible Entity in office during the whole of the financial year and up to the date of this report, unless otherwise stated, are:

Name:	**Mark A Avery**
Title:	Managing Director of Eildon Capital Limited Managing Director of Eildon Funds Management Limited Member of the audit committee
Qualifications:	B.Com.Pl.Ds. (UOM)
Experience and expertise:	Mr Avery began his professional career at Macquarie Group in 2002 in the property finance and residential development divisions. Mr Avery also worked for private and listed property development and investment groups. Mr Avery commenced at CVC Limited, the ultimate parent of the Company, in 2010, and has been responsible for all of the group's real estate investment activities. He was appointed as Managing Director of the Company in 2015.
Listed company directorships: (held within the last three years)	Managing director of CVC Limited (Since July 2019)
Interests as at the date of this report:	
- Stapled securities:	53,402
- Performance rights:	None

Name:	**James R Davies**
Title:	Non-Executive Chairman of Eildon Capital Limited Director of Eildon Funds Management Limited from 17 November 2020 Member of the audit committee
Qualifications:	BSC (Comp) (UNE), MBA (LBS), GAICD
Experience and expertise:	Mr Davies has over 30 years' experience in investment management across real estate, private equity, infrastructure, natural resources and distressed asset management. Most recently he was Head of Funds Management at New Forests Asset Management. Prior to that he held Director roles at Hastings Funds Management Limited and Royal Bank of Scotland's Strategic Investments Group. He has been appointed on numerous Investment Committees and Boards including as Chairman of Timberlink Australia, Forico and Airport Rail Link.
Listed company directorships: (held within the last three years)	Independent non-executive director of New Energy Solar (Since October 2017)
Interests as at the date of this report:	
- Stapled securities:	27,016
- Performance rights:	None

Directors' Report
For the Year Ended 30 June 2021

Directors (Continued)

Name:	**Michelle E Harpur**
Title:	Non-Executive Director of Eildon Capital Limited Director of Eildon Funds Management Limited from 17 November 2020 Chairman of the audit committee
Qualifications:	B.A. (UNSW), L.L.B. (UNSW), GAICD
Experience and expertise:	Mrs Harpur has been a partner in mid-size, large and international law firms since 1992, and is principal of Harpur Phillips. She was admitted as a solicitor in 1986. Over many years, her clients have included listed public companies and private companies involved in property development, in addition to governance and risk management. She is a director of lifeline Australia, and sits on its Governance and Services Committees.
Listed company directorships: (held within the last three years)	None
Interests as at the date of this report:	
- Stapled securities:	19,523
- Performance rights:	None

Name:	**Craig G Treasure**
Title:	Non-executive Director of Eildon Capital Limited until 29 June 2021 Director of Eildon Funds Management Limited from 17 November 2020 to 29 June 2021 Member of the audit committee
Qualifications:	BASc (Surveying) (QUT), FDIA
Experience and expertise:	Craig has more than 30 years' experience in property development, specifically in the residential land and housing sectors along the eastern seaboard of Australia. As a licensed surveyor and licenced property developer, Craig has previously held a number of senior executive roles and directorships within the property industry. His experience is both as a business proprietor and at an executive level with publicly listed entities.
Listed company directorships: (held within the last three years)	Executive Chairman of CVC Limited (Since June 21) Director and Non-Executive Chairman of TasFoods Limited (Since June 2020) Executive Director of Villa World Limited (From February 2012 to October 2012) Managing director of Villa World Limited (From October 2012 to October 2019)
Interests as at the date of this report:	
- Stapled securities:	None
- Performance rights:	None

Directors' Report
For the Year Ended 30 June 2021

Directors (Continued)

Name:	**John A Hunter**
Title:	Executive Director of Eildon Funds Management Limited until 17 November 2020 Company secretary of Eildon Capital Limited until 29 June 2021 Company secretary of Eildon Funds Management Limited until 29 June 2021 Chief Financial Officer
Qualifications:	B.Com. (ANU), MBA (MGSM), MAppFin (MAFC), CA
Experience and expertise:	Mr Hunter joined CVC in 2006 and has overseen the development and management of a number of investment vehicles with his core responsibility being management of financial and statutory reporting and compliance. Mr Hunter has extensive experience in ASX listed and unlisted public reporting and accounting for property, equity trusts, managed investment companies and schemes, due diligence and compliance.
Listed company directorships: (held within the last three years)	None
Interests as at the date of this report:	
- Stapled securities:	None
- Performance rights:	None

Name:	**Jonathan Teck Meng Sim**
Title:	Executive Director of Eildon Funds Management Limited until 17 November 2020
Qualifications:	B.Com. Dip M.L. (UOM), CA
Experience and expertise:	Mr Sim has over 15 years' banking and finance experience, primarily as a real estate finance professional, with extensive experience in real estate debt and equity investment. Beginning his career at KPMG, Mr Sim has since held a number of management positions at Australian banks including ANZ, NAB and Commonwealth Bank. Subsequently, he was involved as a principal investor and financier at a private real estate investment group. Mr Sim is responsible for the real estate investment activities of Eildon Funds Management Limited and the Eildon Debt Fund.
Listed company directorships: (held within the last three years)	None
Interests as at the date of this report:	
- Stapled securities:	None
- Performance rights:	None

Directors' Report
For the Year Ended 30 June 2021

Company Secretaries

Name:	**Tiffany L McLean**
Title:	Company Secretary of Eildon Capital Limited from 14 January 2021 Company Secretary of Eildon Funds Management Limited from 14 January 2021
Qualifications:	L.L.B (Bond University), GDLP (GU)
Experience and expertise:	Ms McLean is a corporate lawyer with 15 years' experience in corporate governance, compliance and capital raisings and has held roles in private practice in Australia and in-house legal in the UK. She has provided legal services to EDC since 2018, including investments made by EDC and the successful implementation of the internalisation of Eildon Funds Management Limited.
Interests as at the date of this report:	
- Stapled securities:	None
- Performance rights:	None

In additional to being a Director of Eildon Funds Management Limited, John A Hunter was also a company secretary of Eildon Capital Limited and Eildon Funds Management Limited until 29 June 2021.

Key management personnel
Key management personnel during the financial year includes the directors, company secretaries and Laurence Parisi who is the Chief Operation Officer of EDC.

Meetings of directors
The numbers of meetings of EDC's board of directors and of each board committee held during the year ended 30 June 2021, and the numbers of meetings attended by each director were:

	Full board		**Audit Committee**		**Independent board committee**	
	No of meetings attended	No of meetings eligible to attend	No of meetings attended	No of meetings eligible to attend	No of meetings attended	No of meetings eligible to attend
M A Avery	9	9	2	2	0	0
J R Davies	9	9	2	2	5	5
C G Treasure	8	9	2	2	5	5
M E Harpur	9	9	2	2	5	5

Share option
There were no options issued by the Company during the year or to the date of this report.

Principal activities
EDC is an active property investment group which participates in retail, industrial, residential and commercial opportunities. Following the acquisition of Eildon Funds Management Limited on 17 November 2020, this resulted in the internalisation of the investment function, with the group now providing funds management services in addition to the existing investment operations.

Directors' Report
For the Year Ended 30 June 2021

Dividends and distributions
Dividends and distributions proposed or paid during the year and included within the statement of changes in equity by EDC are:

	Company dividend (cents)	Trust distribution (cents)	Total Per Security (cents)	Total $	Date of Payment	Franked amount per security
2021 June quarter	-	2.023	2.023	952,329	23-Jul-21	-
2021 March quarter	-	2.000	2.000	941,502	23-Apr-21	-
2020 December quarter	-	2.000	2.000	818,702	22-Jan-21	-
2020 September quarter	-	1.925	1.925	788,021	23-Oct-20	-
2020 June quarter	-	1.5569	1.5569	637,298	24-Jul-20	-

Review of Operations

EDC recorded an after tax profit to securityholders of $4,894,024 (2020: $4,730,453). The profit for the year is comprised as follows:

	2021 $	2020 $
Net profit after income tax attributable to:		
- Eildon Capital Limited	**1,006,181**	4,091,672
- Eildon Capital Trust	**3,887,843**	638,781
Net profit to securityholders	**4,894,024**	4,730,453
Non-controlling interest	**33,159**	-
Net profit after income tax	**4,927,183**	4,730,453

EDC's investment portfolio totalled $39.2 million as at 30 June 2021. In addition, the group has $11.1 million of cash reserves, representing 21% of net assets, of which $3.6 million is committed to fund existing investments. The investment portfolio includes 5 debt positions and 7 equity investments diversified across Queensland, Victoria and New South Wales. The investment portfolio remains 71% invested in debt positions and 29% in equity by value. During the financial year, EDC generated $4.4 million (2020: $6.0 million) of interest income from property loans, and is holding loan investments totalling $27.8 million (2020: $30.9 million).

On 17 November 2020, the Company completed the acquisition of Eildon Funds Management Limited and its controlled entities ("EFM") for a consideration of $4,000,000, resulting in the internalisation its investment management function. EFM is a leading arranger, investor and manager of real estate credit and equity investments, and currently has approximately $267 million of Assets Under Management ("AUM").

During the period two new unlisted property funds were successfully closed with total AUM of $71 million and EFM has increased its lending portfolio to approximately $118 million under management. For the period from acquisition to the end of the period, EFM contributed $0.7m after tax profit to EDC.

EDC has successfully completed a placement on 22 March 2021, which resulted in 6,140,000 stapled securities being issued, raising approximately $6.3 million.

Directors' Report
For the Year Ended 30 June 2021

Remuneration Report (Audited)
This report outlines the remuneration arrangements in place for key management personnel of EDC in accordance with the requirements of the *Corporations Act 2001* and its regulations. This information has been audited as required by s. 308(3C) of the *Corporations Act 2001*. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of EDC.

Remuneration philosophy
The performance of EDC depends upon its ability to attract and retain quality people. EDC is committed to developing a remuneration philosophy of paying sufficient competitive 'base' rewards to attract and retain high calibre personnel in order to create value for stapled security holders.

Remuneration structure
In accordance with best practice corporate governance, the structure of Non-Executive Director and remuneration for all other key management personnel is separate and distinct.

Non-Executive Director's remuneration is solely in the form of fees and has been set by stapled security holders at a maximum aggregate amount of $300,000, which was approved at the Annual General Meeting held on 13 November 2020, to be allocated amongst the Directors.

Other key management personnel remuneration consists of: base salary, fees, superannuation contributions, short term discretionary performance bonuses and Long-Term Incentive Plan (LTIP). Under LTIP, performance rights were issued for a vesting period of three years. The vesting conditions include achievement of a target growth in Total Securityholder Return (TSR) or Return on Assets (ROA).

EDC does not have a remuneration committee with the remuneration of the non-executive directors determined by the Board of the Company. The remuneration of key management personnel other than the Managing Director are determined following discussion with the Board of the Company.

Short term discretionary performance bonuses permit EDC to reward individuals for superior personal performance or contribution towards components of EDC's performance for which they have direct responsibility and are determined at the end of the financial year.

Executive contractual arrangements
It is EDC's policy that service contracts for key management personnel are unlimited in term but capable of termination as per the relevant period of notice and that EDC retains the right to terminate the contract immediately, by making payment that is commensurate with pay in lieu of notice.

The service contract outlines the components of remuneration paid to the key management personnel but does not prescribe how remuneration levels are modified year to year. Remuneration levels are reviewed each year to take into account any change in the scope of the role performed by the key management personnel and any changes to the principles of the remuneration policy.

Standard key management personnel termination payment provisions apply to all other key management personnel. The standard key management personnel provisions are as follows:

Details	Notice Period	Payment in lieu of notice	Treatment of STI on termination	Treatment of LTI on termination
Employer initiated termination	1 month	1 month	Unvested awards forfeited	Unvested awards determined by Directors' discretion
Termination for serious misconduct	None	None	Unvested awards forfeited	Unvested awards forfeited
Employee initiated termination	1 month	1 month	Unvested awards forfeited	Unvested awards determined by Directors' discretion

Directors' Report
For the Year Ended 30 June 2021

Remuneration Report (Audited) (Con't)

Remuneration of Key management personnel
The following table provides details of the remuneration expense of EDC's key management personnel for the current and previous financial year measured in accordance with the requirements of applicable accounting standards.

		Short-term employee benefits		Post-Employ't Benefits	Share-based Payment		
		Base Salary $	**Bonus (g) $**	**Super'n $**	**(h) $**	**Total $**	**Base % (i)**
Directors							
Mark Avery (a)	**2021**	**-**	**-**	**-**	**-**	**-**	**-**
(Managing Director)	2020	-	-	-	-	-	-
James Davies	**2021**	**64,688**	**-**	**6,145**	**-**	**70,833**	**100%**
(Non-Executive Chairman)	2020	45,662	-	4,338	-	50,000	100%
Michelle Harpur	**2021**	**53,653**	**-**	**5,097**	**-**	**58,750**	**100%**
(Non-Executive Director)	2020	38,052	-	3,615	-	41,667	100%
Craig Treasure (b)	**2021**	**53,653**	**-**	**5,097**	**-**	**58,750**	**100%**
(Non-Executive Director)	2020	6,088	-	578	-	6,666	100%
Jonathan Sim (c)	**2021**	**-**	**-**	**-**	**-**	**-**	**-**
(Executive Director of EFM)	2020	-	-	-	-	-	-
Other Key Management Personnel							
Tiffany McLean (d)	**2021**	**-**	**-**	**-**	**-**	**-**	**-**
(Company Secretary)	2020	-	-	-	-	-	-
John Hunter (e)	**2021**	**-**	**-**	**-**	**-**	**-**	**-**
(Chief Financial Officer)	2020	-	-	-	-	-	-
Laurence Parisi (f)	**2021**	**147,945**	**85,000**	**14,055**	**16,603**	**263,603**	**61%**
(Chief Operating Officer)	2020	-	-	-	-	-	-
	2021	**319,939**	**85,000**	**30,394**	**16,603**	**451,936**	
	2020	89,802	-	8,531	-	98,333	

Notes:

(a) The remuneration of Mr Avery is paid by CVC Managers Pty Limited, a subsidiary of CVC Limited which is the ultimate parent of EDC.
(b) Mr Treasure resigned from the board of the Company and Eildon Funds Management Limited on 29 June 2021.
(c) Mr Sim resigned from the board of Eildon Funds Management Limited on 17 November 2020 when the internalisation of EFM was completed. Disclosure of remuneration is not required for periods of 1 July 2020 to 17 November 2020 and the 2020 financial year when Eildon Funds Management Limited was a Responsible Entity of the Trust but not a subsidiary of EDC.
(d) Ms McLean was appointed as company secretary on 14 January 2021. The remuneration of Ms McLean is paid by CVC Managers Pty Limited, a subsidiary of CVC Limited which is the ultimate parent of EDC.
(e) Mr Hunter resigned as the director of Eildon Funds Management Limited on 17 November 2020 and resigned as the company secretary of the Company and Eildon Funds Management Limited on 29 June 2021. Following the resignation of Mr Hunter as company secretary, he is no longer considered to be a key management personnel of EDC. The remuneration of Mr Hunter is paid by CVC Managers Pty Limited, a subsidiary of CVC Limited which is the ultimate parent of EDC.
(f) Mr Parisi became a key management personnel of EDC on 17 November 2020 when the internalisation of EFM was finalised. The amount paid to Mr Parisi in 2021 relates to the period of 17 November 2020 to 30 June 2021.
(g) The Short Term Incentive Bonus represents discretionary bonuses as determined by the Directors of EDC, based on their performance during the year.
(h) Share-based payment is in relation to performance rights issued. Refer note 19.
(i) Base % reflects the amount of base level remuneration that is not dependent on individual or EDC's performance.

Remuneration Report (Audited) (Con't)

Key management personnel holding of stapled securities
The relevant security holding interests of key management personnel in the capital of EDC as at 30 June 2021 is as follows:

Stapled securities	Opening	Purchases	Sales	Other changes during the year	Closing
Mr M. A. Avery	41,285	12,117	-	-	53,402
Mr J. R. Davies	27,016	-	-	-	27,016
Ms M. E. Harpur	19,523	-	-	-	19,523
Mr C. G. Treasure (a)	40,570	-	-	(40,570)	-
Ms T. McLean (b)	-	-	-	-	-
Mr J. A. H. Hunter (c)	8,300	10,000	-	(18,300)	-
Mr L. B. Parisi (d)	-	5,000	-	20,810	25,810
Mr J. T. M. Sim (e)	-	-	-	-	-

Notes:
(a) Mr Treasure resigned from the board of the Company and Eildon Funds Management Limited on 29 June 2021.
(b) Ms McLean was appointed as a company secretary of the Company and Eildon Funds Management Limited on 14 January 2021.
(c) Mr Hunter resigned as the director of Eildon Funds Management Limited on 17 November 2020 and resigned as the company secretary of the Company and Eildon Funds Management Limited on 29 June 2021.
(d) Mr Parisi became a key management personnel of EDC on 17 November 2020 when the internalisation of EFM was finalised.
(e) Mr Sim resigned from the board of Eildon Funds Management Limited on 17 November 2020. Disclosure is not required for the period of 1 July 2020 to 17 November 2020 when Eildon Funds Management Limited was a Responsible Entity of the Trust but not a subsidiary of EDC.

Share option
There were no options issued by the Company during the year or to the date of this report.

Performance rights
On 1 February 2021, EDC issued employees performance rights under the Employee Incentive Plan for a vesting period of 3 years. The rights deliver ordinary stapled securities to employees (at no cost) where the performance hurdles in relation to those performance rights are met. Performance rights carry no dividend or voting rights or rights to participate in any other share issue of EDC or any other entity. When exercisable, each performance right is entitled to receive one stapled security. If an employee is determined to be a Good leaver then unvested securities continue to be unvested until the end of vesting period with Board discretion. If an employee is determined to be a Bad leaver, unvested securities are forfeited. A total of 409,300 performance rights have been issued with a three year term with the terms summarised as follows:

50% subject to a Total Security Holders Return hurdle		50% subject to a Return on Assets hurdle	
Return (p.a.)	**Vesting Amount**	**Return**	**Vesting Amount**
< 8%	nil	< 12%	nil
8% - 10%	50%	12%	50%
10% - 12%	75%	12% - 13.5%	50% - 100%
>12%	100%	>13.5%	100%

The fair value of the rights at grant date was based on the following inputs:
- Share price of $1.09 at grant date;
- Share price of $1.03 which is based on placement in March 2021;
- 2 cps distribution paid on a quarterly basis;
- Net assets of $1.11 as at 31 January 2021; and
- Vesting date of 31 January 2024.

Directors' Report
For the Year Ended 30 June 2021

Remuneration Report (Audited) (Con't)

Performance rights (Cont.)
The table below provides a reconciliation of performance rights held by Laurence Parisi. No performance rights have been issued to other key management personnel.

Year ended 30 June 2021

Grant Date	Vesting Date	Exercise Price (cents)	Balance at start of the year	Granted during the year	Balance at end of the year	Value per right
1 Feb 2021	31 Jan 2024	-	-	139,800	139,800	0.87

Consequences of performance on stapled security holder wealth
In considering EDC's performance and benefits for stapled security holder wealth, the Directors have regard to the following indicators in respect of the current financial year and previous financial years.

	2021 **$**	2020 $	2019 $	2018 $	2017 $
Net profit after tax attributable to ordinary securityholders of EDC (a)	**4,894,024**	4,730,453	4,386,508	3,006,055	3,659,218
Total comprehensive income attributable to ordinary securityholders of EDC (a)	**4,894,024**	4,730,453	4,386,508	3,006,055	3,610,914
Dividends and distributions paid	**3,500,555**	9,445,158	3,525,499	3,197,311	2,012,822
Securities issued/(bought back) on market	**5,984,375**	1,124,089	(609,994)	-	-
Security price	**1.08**	1.00	1.02	1.04	1.05
Net assets per security (b)	**1.11**	1.09	1.06	1.04	1.05
Change in net assets per security (b)	**0.02**	0.03	0.02	(0.01)	0.06
Total KMP incentives as percentage of profit for the year (%)	**0.99%**	-	-	-	-

(a) Although net profit and total comprehensive income of Eildon Capital Trust, the stapled entity, and its subsidiaries are identified as net profit and total comprehensive income attributable to non-controlling interest, the shareholders of Eildon Capital Limited are also the unitholders of Eildon Capital Trust by virtue of the stapling arrangement dated 18 March 2020. As such net profit after tax and total comprehensive income attributable to ordinary securityholders of EDC for the 30 June 2021 and 30 June 2020 financial years refer to profit after tax and total comprehensive income attributable to owners of the Company and owners of the Trust which represents the actual earnings for the stapled security holders of EDC.

(b) Although a non-controlling interest has been identified the shareholders of Eildon Capital Limited are also the unitholders of Eildon Capital Trust by virtue of the stapling arrangement dated 18 March 2020. As such net assets per security for the 30 June 2021 and 30 June 2020 financial years refers to net assets attributable to owners of the Company and owners of the Trust which represents the actual value attributable to stapled security holders of EDC. Refer note 17.

We aim to align executive remuneration to our business objectives and the creation of security holder wealth. Although the Directors have regard to the financial performance when setting remuneration, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to key management personnel. As a consequence, there may not be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

This concludes the remuneration report, which has been audited.

Directors' Report
For the Year Ended 30 June 2021

Significant changes in the state of affairs

On 17 November 2020, the Company completed the acquisition of Eildon Funds Management Limited and its controlled entities ("EFM") for a consideration of $4,000,000, resulting in the internalisation of its investment management function. EFM is a leading arranger, investor and manager of real estate credit and equity investments, and currently has approximately $267 million of Assets Under Management ("AUM").

There were no other significant changes in the state of affairs of EDC that occurred during the year not otherwise disclosed in this report or in the financial statements.

Likely developments and future expectations

EDC will continue to assess Australian property investment opportunities. As an investment group, the results of EDC are dependent on the timing of and opportunities for the realisation of investments. Accordingly, it is not possible at this stage to predict the future results.

Environmental Regulation

EDC's operations are not subject to environmental regulations.

Events subsequent to reporting date

The COVID-19 pandemic is still on-going, with asset markets experiencing significant volatility, as well as creating significant uncertainty regarding its economic impact. The increase in property prices have had a positive impact on the existing investment portfolio. EDC is pleased to report all investments are performing as expected and are forecast to deliver returns consistent with original investment assumptions. There are currently no investments in the loan portfolio in arrears and all covenants are being maintained. However, we are cognisant that the overall impact of Covid-19 is still unknown at this point.

Other than as set out above, there are no matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations, the results of those operations or the state of affairs of EDC in financial periods subsequent to 30 June 2021.

ECT disclosures

Units issued in ECT during the year are set out in note 17. There were 47,075,102 (2020: 40,935,102) issued units in ECT at balance date.

Fees paid to the Responsible Entity and its associates from the Trust during the financial year are disclosed in note 22(d) to the financial statements.

The Responsible Entity or its associates do not hold any units in the Trust as at the end of the financial year.

The total carrying value of ECT's assets as at year end was $44,287,542 (2020: $38,181,204). Net assets attributable to unitholders of ECT were $43,123,127 (2020: $37,287,469) equalling to $0.92 per unit (2020: $0.91)

Rounding of amounts

EDC is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar unless otherwise stated.

Directors' Report
For the Year Ended 30 June 2021

Indemnity and insurance of officers

a) Indemnification
During and since the end of the financial period EDC and ECT have provided an indemnity and entered into an agreement to indemnify Directors and Company Secretaries for liabilities that may arise from their position, except where the liability arises out of conduct involving a lack of good faith.

b) Insurance Premiums
EDC and ECT have not, during the year or since the end of the financial year, paid or agreed to pay a premium for insuring any person who is or has been an auditor of the Company or a related body corporate for the costs or expenses of defending legal proceedings.

The Company has paid insurance premiums in respect of Directors' and Officers' liability and legal expense insurance for Directors and Officers of the Company.

In accordance with s. 300(9) of the Corporations Act 2001 further details have not been disclosed due to confidentiality provisions contained in the insurance contract.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Auditor independence and non-audit services
EDC appointed Pitcher Partners Sydney as the auditors for the 2021 financial year. Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the financial year are disclosed in note 4.

The directors are satisfied that the provision of non-audit services by the auditor did not compromise the audit independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- Non of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

A copy of the Independence Declaration is included on page 60.

Signed in accordance with a resolution of Directors.

Dated at Sydney 24 August 2021

Mark Avery	**James Davies**
Director	**Director**

Eildon Capital Group

Consolidated Statement of Profit or Loss

For the Year Ended 30 June 2021

	Notes	EDC 2021 $	EDC 2020 $	ECT 2021 $	ECT 2020 $
INCOME					
Interest income		**4,358,780**	4,530,468	**4,503,580**	755,159
Fee income		**3,422,941**	95,976	**13,967**	-
Distribution income		**212,097**	1,513,573	**212,097**	25,717
Total income		**7,993,818**	6,140,017	**4,729,644**	780,876
Share of net profit of associate accounted for using the equity method	**12**	**2,633,008**	1,653,058	**-**	**-**
EXPENSES					
Accountancy		**340,147**	10,411	**11,509**	-
Employee and director costs	**6**	**1,508,025**	98,333	**40,373**	-
Insurance		**79,126**	47,046	**-**	-
Interest expenses		**42,119**	-	**1,559**	-
Net loss on financial assets at fair value through profit or loss		**1,351,145**	-	**5,000**	-
Legal fees		**49,218**	10,329	**15,694**	7,500
Management and consultancy fees		**1,311,401**	797,416	**610,537**	102,516
Restructure cost		**138,354**	136,031	**-**	-
Share registry		**64,950**	62,876	**55,062**	3,403
Other expenses		**354,931**	146,605	**102,067**	28,676
Total expenses		**5,239,416**	1,309,047	**841,801**	142,095
Profit before income tax		**5,387,410**	6,484,028	**3,887,843**	638,781
Income tax expense	**5**	**460,227**	1,753,575	**-**	-
Net profit after tax		**4,927,183**	4,730,453	**3,887,843**	638,781
Net profit after tax attributable to:					
Owners of the Company		**1,006,181**	4,091,672	**-**	-
Owners of the Trust		**3,887,843**	638,781	**3,887,843**	638,781
Non-controlling interests		**33,159**	-	**-**	-
Net profit after tax		**4,927,183**	4,730,453	**3,887,843**	638,781
Basic earnings per company share/ trust unit (cents)	**7(a)**	**2.36**	9.09	**9.13**	8.11
Diluted earnings per company share/ trust unit (cents)	**7(a)**	**2.35**	9.09	**9.10**	8.11
Basic earnings per stapled security (cents)	**7(b)**	**11.49**	10.50		
Diluted earnings per stapled security (cents)	**7(b)**	**11.45**	10.50		

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

Eildon Capital Group

Consolidated Statement of Other Comprehensive Income
For the Year Ended 30 June 2021

	EDC		ECT	
	2021 **$**	2020 $	**2021** **$**	2020 $
Profit for the year	**4,927,183**	4,730,453	**3,887,843**	638,781
Other comprehensive income	**-**	-	**-**	-
Total comprehensive income for the year	**4,927,183**	4,730,453	**3,887,843**	638,781
Total comprehensive income attributable to:				
Owners of the Company	**1,006,181**	4,091,672	**-**	-
Owners of the Trust	**3,887,843**	638,781	**3,887,843**	638,781
Non-controlling interests	**33,159**	-	-	-
Total comprehensive income for the year	**4,927,183**	4,730,453	**3,887,843**	638,781

The above consolidated statement of other comprehensive income should be read in conjunction with the accompanying notes.

Eildon Capital Group

Consolidated Statement of Financial Position

As at 30 June 2021

	Notes	EDC 2021 $	EDC 2020 $	ECT 2021 $	ECT 2020 $
CURRENT ASSETS					
Cash and cash equivalents	9	**11,100,354**	8,486,029	**8,527,689**	7,308,276
Financial assets at amortised cost	10	**27,659,310**	19,967,106	**26,929,545**	19,923,488
Financial assets at fair value through profit or loss	11	**1,133,708**	-	**1,133,708**	-
Other assets		**65,540**	-	**-**	-
Total current assets		**39,958,912**	28,453,135	**36,590,942**	27,231,764
NON-CURRENT ASSETS					
Financial assets at amortised cost	10	**911,096**	10,949,440	**5,112,638**	10,949,440
Financial assets at fair value through profit or loss	11	**3,559,954**	2,144,638	**2,583,962**	-
Investments accounted for using the equity method	12	**6,669,865**	4,338,592	**-**	-
Intangible assets	13	**3,460,077**	-	**-**	-
Right-of-use asses	14	**281,857**	-	**-**	-
Plant & Equipment		**14,070**	-	**-**	-
Deferred tax assets	5	**763,656**	284,282	**-**	-
Total non-current assets		**15,660,575**	17,716,952	**7,696,600**	10,949,440
TOTAL ASSETS		**55,619,487**	46,170,087	**44,287,542**	38,181,204
CURRENT LIABILITIES					
Trade and other payables	16	**1,764,215**	1,066,817	**1,027,369**	893,735
Lease liabilities	14	**82,686**	-	**-**	-
Provisions		**84,099**	-	**-**	-
Current tax liabilities	5	**111,000**	31,667	**-**	-
Total current liabilities		**2,042,000**	1,098,484	**1,027,369**	893,735
NON-CURRENT LIABILITIES					
Other liabilities	15	**137,046**	-	**137,046**	-
Lease liabilities	14	**201,595**	-	**-**	-
Deferred tax liabilities	5	**1,217,535**	476,649	**-**	-
Total non-current liabilities		**1,556,176**	476,649	**137,046**	-
TOTAL LIABILITIES		**3,598,176**	1,575,133	**1,164,415**	893,735
NET ASSETS		**52,021,311**	44,594,954	**43,123,127**	37,287,469
EQUITY					
Contributed equity	17	**8,210,699**	7,634,321	**42,693,983**	37,285,986
Retained earnings/(Accumulated losses)		**679,345**	(326,836)	**388,771**	1,483
Other reserves	18	**8,237**	-	**40,373**	-
Equity attributable to shareholders/unitholders		**8,898,281**	7,307,485	**43,123,127**	37,287,469
Non-controlling interests					
Trust unitholders		**43,123,127**	37,287,469	**-**	-
Other non-controlling interests		**(97)**	-	**-**	-
		43,123,030	37,287,469	**-**	-
TOTAL EQUITY		**52,021,311**	44,594,954	**43,123,127**	37,287,469

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

Eildon Capital Group

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2021

EDC	Contributed equity $	Retained earnings $	Other reserves $	Owners of the parent $	Non-controlling interest $	Total $
At 1 July 2020	**7,634,321**	**(326,836)**	**-**	**7,307,485**	**37,287,469**	**44,594,954**
Profit for the year	**-**	**1,006,181**	**-**	**1,006,181**	**3,921,002**	**4,927,183**
Total comprehensive income for the year	**-**	**1,006,181**	**-**	**1,006,181**	**3,921,002**	**4,927,183**
Transactions with stapled security holders:						
Stapled securities issued	**600,166**	**-**	**-**	**600,166**	**5,724,033**	**6,324,199**
Transaction costs on stapled securities issued	**(33,807)**	**-**	**-**	**(33,807)**	**(315,136)**	**(348,943)**
Tax on stapled securities issued transaction costs	**10,142**	**-**	**-**	**10,142**	**-**	**10,142**
Transaction costs on stapled securities buyback	**(176)**	**-**	**-**	**(176)**	**(900)**	**(1,076)**
Tax on stapled securities buyback transaction costs	**53**	**-**	**-**	**53**	**-**	**53**
Acquisition of non-controlling interests	**-**	**-**	**-**	**-**	**(7,992)**	**(7,992)**
Dividends provided or paid	**-**	**-**	**-**	**-**	**(3,525,819)**	**(3,525,819)**
Share-based payment expenses	**-**	**-**	**8,237**	**8,237**	**40,373**	**48,610**
At 30 June 2021	**8,210,699**	**679,345**	**8,237**	**8,898,281**	**43,123,030**	**52,021,311**
At 1 July 2019	43,796,218	(5,483,508)	9,872,860	48,185,570	-	48,185,570
Profit for the year	-	4,091,672	-	4,091,672	638,781	4,730,453
Total comprehensive income for the year	-	4,091,672	-	4,091,672	638,781	4,730,453
Transactions with stapled security holders:						
Units issued	-	-	-	-	41,530,887	41,530,887
Transaction costs on units issued	-	-	-	-	(35,943)	(35,943)
Stapled securities bought back	(804,593)	-	-	(804,593)	(4,153,043)	(4,957,636)
Transaction costs on stapled securities buyback	(10,873)	-	-	(10,873)	(55,915)	(66,788)
Tax on stapled securities buyback transaction costs	3,262	-	-	3,262	-	3,262
Return of capital	(35,349,693)	-	-	(35,349,693)	-	(35,349,693)
Dividends/distributions provided or paid	-	-	(8,807,860)	(8,807,860)	(637,298)	(9,445,158)
Transfers (to)/from reserve	-	1,065,000	(1,065,000)	-	-	-
At 30 June 2020	7,634,321	(326,836)	-	7,307,485	37,287,469	44,594,954

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

Eildon Capital Group

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2021

ECT	**Contributed equity $**	**Retained earnings $**	**Other reserves $**	**Total $**
At 1 July 2020	**37,285,986**	**1,483**	**-**	**37,287,469**
Profit for the year	**-**	**3,887,843**	**-**	**3,887,843**
Total comprehensive income for the year	**-**	**3,887,843**	**-**	**3,887,843**
Transactions with unitholders:				
Units issued	**5,724,033**	**-**	**-**	**5,724,033**
Transaction costs on units issued	**(315,136)**	**-**	**-**	**(315,136)**
Transaction costs on units buyback	**(900)**	**-**	**-**	**(900)**
Distributions provided or paid		**(3,500,555)**	**-**	**(3,500,555)**
Share-based payment expenses	**-**	**-**	**40,373**	**40,373**
At 30 June 2021	**42,693,983**	**388,771**	**40,373**	**43,123,127**
At 1 July 2019	-	-	-	-
Profit for the year	-	638,781	-	638,781
Total comprehensive income for the year	-	638,781	-	638,781
Transactions with unitholders:				
Units issued	41,530,887	-	-	41,530,887
Transaction costs on units issued	(35,943)	-	-	(35,943)
Units bought back	(4,153,043)	-	-	(4,153,043)
Transaction costs on units buyback	(55,915)	-	-	(55,915)
Distributions provided or paid	-	(637,298)	-	(637,298)
At 30 June 2020	37,285,986	1,483	-	37,287,469

The above consolidated statement of changes in equity should be read in conjunction with accompanying notes.

Eildon Capital Group

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2021

		EDC		ECT	
	Notes	**2021**	2020	**2021**	2020
		$	$	**$**	$
Cash flows from operating activities					
Cash receipts in the course of operations		**4,033,187**	104,251	**116,514**	-
Cash payments in the course of operations		**(4,251,478)**	(1,125,639)	**(1,083,265)**	91,652
Distribution received		**311,612**	520,994	**148,223**	-
Loans repaid		**8,402,908**	5,841,865	**7,080,408**	120,000
Loans provided		**(2,511,034)**	(6,341,524)	**(6,511,034)**	(37,500)
Interest and fee income received		**2,951,099**	2,138,002	**2,793,872**	27,391
Interest paid		**(108,361)**	-	**-**	-
Income tax paid		**(70,119)**	(1,663,322)	**-**	-
Net cash provided by/(used in) operating activities	**9(b)**	**8,757,814**	(525,373)	**2,544,718**	201,543
Cash flows from investing activities					
Payments for financial assets at fair value through profit or loss		**(6,042,500)**	(6,210,147)	**(5,865,000)**	(33,148,381)
Proceeds from financial assets at fair value through profit or loss		**2,320,171**	16,842,355	**2,181,735**	2,969,128
Payments for plant and equipment		**(14,787)**	-	**-**	-
Payments for acquisition of subsidiary, net of cash acquired	**2**	**(3,877,681)**	-	**-**	-
Net cash (used in)/provided by investing activities		**(7,614,797)**	10,632,208	**(3,683,265)**	(30,179,253)
Cash flows from financing activities					
Dividends paid		**(3,187,117)**	(3,497,284)	**(3,185,524)**	-
Proceeds for stapled security/unit issued		**6,324,199**	-	**5,724,033**	41,530,887
Payment for stapled security/unit issue transaction costs		**(348,943)**	(35,943)	**(315,136)**	(35,943)
Payment for stapled security/unit buyback		**-**	(4,957,636)	**-**	(4,153,043)
Payment for stapled security/unit buyback transaction costs		**(1,076)**	(66,788)	**(900)**	(55,915)
Proceeds from borrowings		**135,487**	-	**135,487**	-
Payment of borrowings		**(1,451,242)**	-	**-**	-
Net cash provided by/(used in) financing activities		**1,471,308**	(8,557,651)	**2,357,960**	37,285,986
Net increase in cash and cash equivalents		**2,614,325**	1,549,184	**1,219,413**	7,308,276
Cash and cash equivalents at the beginning of the financial year		**8,486,029**	6,936,845	**7,308,276**	-
Cash and cash equivalents at the end of the financial year	**9(a)**	**11,100,354**	8,486,029	**8,527,689**	7,308,276

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

Notes to the Financial Statements
For the Year Ended 30 June 2021

Note 1: Statement of Accounting Policies

The significant policies which have been adopted in the preparation of this financial report are:

1.1 Basis of Preparation

Eildon Capital Group (EDC) was formed by the stapling of Eildon Capital Limited (the "Company") and its controlled entities, and Eildon Capital Trust (the "Trust") and its controlled entities.

The financial reports are general-purpose financial reports, which have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards (including Australian Accounting Interpretations). The financial reports of Eildon Capital Group ("EDC") and the Trust and its controlled entities ("ECT") have been presented jointly in accordance with ASIC Corporations (Stapled Group Reports) instrument 2015/838 relating to combining accounts under stapling and for the purpose of fulfilling the requirements of the Australian Securities Exchange. The financial report has been prepared on a historical cost basis, except for the measurement at fair value of selected financial assets.

EDC and ECT are for-profit entities for the purpose of preparing the financial report. These accounting policies have been consistently applied by each entity in EDC and are consistent with those of the previous year.

1.2 Current and non-current classification

EDC and ECT present assets and liabilities in the statement of financial position as current or non-current.

- Current assets include assets held primarily for trading purposes, cash and cash equivalents, and assets expected to be realised in, or intended for sale or use in, the course of EDC's and ECT's operating cycle and within one year from the reporting date. All other assets are classified as non-current.
- Current liabilities include liabilities held primarily for trading purposes, liabilities expected to be settled in the course of EDC's and ECT's operating cycle and those liabilities due within one year from the reporting date. All other liabilities are classified as non-current liabilities.

The financial report is presented in Australian dollars.

1.3 Critical accounting estimates and judgements

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying EDC's and ECT's accounting policies.

The key estimates and judgements that have a significant risk of causing a material adjustment to the carrying amount of certain assets and liabilities are:

- Valuation of investments accounted for using the equity method (refer below);
- Impairment of intangible assets (refer note 13);
- Fair value of financial assets at amortised cost (refer note 10);
- Fair value of financial assets at fair value through profit or loss (refer note 11); and
- Fair value of performance rights (refer note 19).

Valuation of investments accounted for using the equity method

The carrying value of investments have been valued based on the net asset backing methodology, using the most recent reports provided by the entity.

Notes to the Financial Statements (Continued)
For the Year Ended 30 June 2021

Note 1: Statement of Accounting Policies (Cont.)

1.3 Critical accounting estimates and judgements (Cont.)

Valuation of investments accounted for using the equity method (Cont.)

Net asset backing methodology
The net asset backing methodology considers that the net assets of an entity reflects the future value of the business. This is because:

- the underlying value of the business operations may be focused specifically on increasing the value of its assets base; or
- there is insufficient repetitive income or profits to justify the use of different valuation techniques such as discounted cashflows or multiple of earnings.

1.4 Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). The financial report also complies with International Financial Reporting Standards (IFRS).

EDC and ECT have adopted all of the applicable new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Adoption of the applicable new or amended standards does not have a material impact on EDC and ECT.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods and have not been early adopted by EDC and ECT. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

1.5 Coronavirus (COVID-19) Impact

The World Health Organisation declared a global pandemic in March 2020 as a result of COVID-19. The impact of the crisis has had a significant economic impact. The critical accounting estimates and judgements of EDC and ECT have required additional consideration and analysis due to the impact of COVID-19. Given the uncertainty of the extent of the impact of the pandemic, changes to the estimates and outcomes that have been applied in the measurement of EDC's and ECT's assets and liabilities may arise in the future. Other than adjusting events that provide evidence of conditions that existed at the end of the financial year, the impact of events that arise after the reporting period will be accounted for in future reporting periods.

The effect on the operations of EDC and ECT will be dependent on the severity and duration of the pandemic, as well as any further economic support provided by the government. The processes applied in the preparation of this Financial Report included a review of:

- all financial assets at amortised cost and associated underlying security to determine if there has been a significant increase in credit risk and determined the expected credit loss on each financial asset. Refer note 10;
- unlisted financial assets at fair value through profit or loss to determine if the investments' carrying value included a consideration of the impact of COVID-19. Refer note 11; and
- impairment of the carrying amount of associates, by comparing the investment's recoverable amount with its carrying value. Refer note 12.

Note 1: Statement of Accounting Policies (Cont.)

1.6 Principles of consolidation

Controlled entities

The consolidated financial statements comprise the financial statements for the year ended 30 June 2021 for both:

- Eildon Capital Limited (the "Company") and its controlled entities, Eildon Capital Trust (the "Trust") and its controlled entities, together being the stapled entity, Eildon Capital Group ("EDC"); and
- The Trust and its controlled entities ("ECT").

The financial statements of controlled entities are included in the results only from the date control commences until the date control ceases.

Control is achieved when EDC/ECT is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, EDC/ECT controls an investee if and only if EDC/ECT has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When EDC/ECT has less than a majority of the voting or similar rights of an investee, EDC/ECT considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- EDC's and ECT's voting rights and potential voting rights.

EDC and ECT re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profits and losses resulting from intra-group transactions have been eliminated in full and the reporting period and accounting policies of subsidiaries are consistent with those of the parent entity.

The acquisition of subsidiaries is accounted for using the purchase method of accounting which allocates the cost of the business combination to the fair value of the assets acquired and the liabilities assumed at the date of acquisition.

Non-controlling interests not held by EDC/ECT are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from parent shareholders' equity. Increases in investments in existing controlled entities are recognised by EDC/ECT in equity with no impact on goodwill and the statement of financial performance. The difference between the consideration paid by EDC/ECT and the carrying amount of non-controlling interest has been included in asset revaluation reserve.

The reporting date of the Company, the Trust and their subsidiaries is 30 June. The accounting policies have been consistently applied by each entity in EDC and ECT.

Stapled Entities

An agreement was signed on 18 March 2020 that has the effect of stapling the shares of the Company to the units of Eildon Capital Trust, and although the two entities are separate legal entities, their shares/units are not able to be separately traded. Although Eildon Capital Limited does not have an ownership interest in Eildon Capital Trust, in accordance with *AASB 3 Business Combinations*, Eildon Capital Limited has been identified as the acquirer and the parent entity for the purpose of preparing the consolidated financial statements and Eildon Capital Trust is deemed to be the acquiree.

Note 1: Statement of Accounting Policies (Cont.)

1.6 Principles of consolidation (Cont.)

Stapled Entities (Cont.)
The net assets held by Eildon Capital Trust and its controlled entities are identified as non-controlling interests and presented in EDC's consolidated statement of financial position within equity, separately from the Company's equity holders' equity. The profit of Eildon Capital Trust and its controlled entities is also separately disclosed as a non-controlling interest in the profit of EDC. Although a non-controlling interest has been identified the shareholders of Eildon Capital Limited are also the unitholders of Eildon Capital Trust by virtue of the stapling arrangement dated 18 March 2020.

Associates
Associates are those entities, other than partnerships, over which EDC exercises significant influence but not control. In the consolidated financial statements investments in associates are accounted for using equity accounting principles. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment. Investments in associates are carried at the lower of the equity accounted amount and recoverable amount. EDC's equity accounted share of the associates' net profit or loss is recognised in the consolidated statement of profit or loss and other comprehensive income from the date significant influence commences until the date significant influence ceases.

Parent entity information
The financial information of the Company and the Trust is disclosed in note 3 and has been prepared on the same basis as the consolidated financial statements with the exception of investments in associates and controlled entities which are accounted for as "fair value through profit or loss" investments.

Goodwill
Goodwill on acquisition of businesses is included in intangible assets. Goodwill is considered to have an indefinite life and represents the excess of the purchase consideration over the fair value of identifiable net assets acquired at the time of acquisition of a business or shares in a controlled entity. Following initial recognition goodwill is measured at cost less any accumulated impairment losses. Impairment losses on goodwill are taken to the statement of financial performance and are not subsequently reversed.

1.7 Impairment

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit. Non-financial assets other than goodwill that suffered impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

Note 1: Statement of Accounting Policies (Cont.)

1.8 Income Tax and Other Taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities on the current period's taxable income at the tax rates enacted by the reporting date. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry-forward of unused tax credits and tax losses can be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Income taxes relating to items recognised directly in equity are recognised in equity and not in comprehensive income.

Under current Australian income tax legislation, the Trust and its subsidiaries are not liable for income tax on their taxable income (including assessable realised capital gains) provided that the unitholders are presently entitled to the income of the Trust.

Tax Consolidation Legislation
The 100% owned subsidiaries of the Company formed a tax consolidation group on 17 November 2020. The entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The entities in the tax consolidated group have applied the "stand-alone taxpayer" approach in determining the appropriate amount of current taxes and deferred taxes to be allocated to members of the tax consolidated group. The Company recognises the current tax liabilities (or assets) from controlled entities in the tax consolidated group. To the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised the Company recognises the deferred tax assets from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Members of the tax consolidated group have entered into a tax funding agreement. Under the funding agreement the allocation of tax within the group is calculated as if each entity was an individual entity for tax purposes. Unless agreed between the members the tax funding agreement requires payment as a result of the transfer of tax amounts.

Note 1: Statement of Accounting Policies (Cont.)

1.8 Income Tax and Other Taxes (Cont.)

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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

1.9 Business Combination

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

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

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

The excess of the:

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

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

1.10 Cash and Cash Equivalents

Cash includes cash on hand and short-term deposits with an original maturity of three months or less.

1.11 Trade and Other Receivables

Trade and other receivables are stated at their amortised cost less any allowance for expected credit losses. Individual debts that are known to be uncollectible are written off when identified. EDC and ECT apply the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade and other receivables. The measurement of expected loss is based on EDC's and ECT's historical credit losses experienced and then adjusted for current and forward-looking information affecting EDC's debtors.

Note 1: Statement of Accounting Policies (Cont.)

1.12 Plant and Equipment

Items of plant and equipment are recorded at cost less depreciation and impairment.

Depreciation

Plant and equipment are depreciated using the straight line method over the estimated useful lives. Depreciation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only.

The current depreciation rates are as follows:

Plant and equipment	33%

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amounts being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

1.13 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by EDC.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by EDC under residual value guarantees; and
- payments of penalties for terminating the lease, if the lease term reflects EDC exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

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

Lease payments are allocated between principal and finance cost. The finance cost is charged to the statement of financial performance over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Note 1: Statement of Accounting Policies (Cont.)

1.14 Financial Assets

(i) Classification

Financial assets in the scope of *AASB 9 Financial Instruments* are classified in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI), or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on EDC's and ECT's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in financial performance or OCI. EDC and ECT reclassify debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

Initial measurement

At initial recognition, EDC and ECT measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

Financial assets at amortised cost

Financial assets at amortised cost are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in financial performance and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income.

Financial asset at fair value through profit or loss (FVPL)

Equity investments that do not meet the criteria for amortised cost or have not been elected to present as financial assets at fair value through other comprehensive income are measured at FVPL. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss and other comprehensive income as applicable.

(iii) Impairment

EDC and ECT assess on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The expected credit loss is determined based on changes in the financial asset's underlying credit risk and includes forward-looking information. Where there has been a significant increase in credit risk since initial recognition, the expected credit loss is determined with reference to the probability of default. EDC and ECT apply its judgement in determining whether there has been a significant increase in credit risk since initial recognition based on qualitative, quantitative, and reasonable and supportable information that includes forward-looking information.

Expected credit loss is generally determined based on the contractual maturity of the financial asset and an assessment of the underlying security provided by the counterparty. The expected credit loss is measured as the product of probability of default, loss given default and exposure at default, with increases and decreases in the measured expected credit loss from the date of origination being recognised in the consolidated statement of profit or loss and other comprehensive income as either an impairment loss or gain.

Outcomes within the next financial period that are different from assumptions and estimates could result in changes to the timing and amount of expected credit losses to be recognised.

The loss allowances for expected credit loss are presented in the statement of financial position as a deduction to the gross carrying amount.

Note 1: Statement of Accounting Policies (Cont.)

1.15 Trade and Other Payables

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to EDC/ECT prior to the end of the financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

1.16 Other Liabilities

Other liabilities relate to non-controlling interests in contributory investment trusts that EDC/ECT has assessed that it controls and the units issued by these funds meet the definition of a liability in accordance with AASB 132 *Financial Instruments: Presentation* rather than classified as equity.

1.17 Revenue and Revenue Recognition

Interest Income
Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount as at the end of the financial year.

Fee Income
Fee income is recognised in respect to the following types of service contracts with customer:

- Loan administration, fund administration and development administration services: these services are provided to customers as a series of distinct goods or services that are substantially the same and transferred over time, either separately or in combination as an integrated offering, and are treated as a single performance obligation.
- Equity raising, loan establishment, acquisition and project management services: due to the specialised nature of these services, the customer does not benefit from the process undertaken, but rather the outcome. EDC is only entitled to payment for services upon the successful completion of the contract. Hence, revenue is recognised at a point in time, upon completion of the service.

Dividends and distribution income
Revenue from dividends and distributions is recognised when the right to receive payment is established. Dividends received out of pre-acquisition reserves are recognised in revenue and the investment is also assessed for impairment.

1.18 Employee Entitlements

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be wholly settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled including "on-costs".

Share-based payments
EDC provides benefits to employees in the form of share-based payments, whereby employees render services in exchange for rights over securities (equity-settled transactions).

The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. In respect of share-based payments that are dependent on the satisfaction of performance conditions, the number of shares expected to vest is reviewed and adjusted at each reporting date. The amount recognised for services received as consideration for these equity instruments granted is adjusted to reflect the best estimate of the number of equity instruments that eventually vest.

Note 1: Statement of Accounting Policies (Cont.)

1.19 Contributed Equity

Issued capital is recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue or cancellation of shares are shown in equity as a deduction, net of tax, from proceeds.

1.20 Dividends and Distributions

Provision is made for the amount of any dividend and distribution declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

1.21 Earnings Per Share/Unit

Basic earnings per share/unit is calculated as net profit/(loss) attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends and distributions) and preference share dividends and distributions, divided by the weighted average number of ordinary shares/units, adjusted for any bonus element.

1.22 Comparative Figures

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

1.23 Segment Reporting

A business segment is a distinguishable component of the entity that is engaged in providing differentiated products or services. Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

1.24 Profit distribution reserve

Profits transferred to the profit distribution reserve are segregated to facilitate potential future dividend payments that may be declared by the directors.

1.25 Rounding of amount

EDC and ECT of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to ‘rounding-off’. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar unless otherwise stated.

Note 2: Controlled Entities

2.1 Composition of Consolidated Group

The consolidated financial statements include the following controlled entities, the stapled entity, Eildon Capital Trust and its controlled entities. The financial years of all controlled entities, stapled entity and its controlled entities are the same as that of the parent entity.

Companies incorporated in Australia:

	Interest Held by Consolidated Entity		Interest held by non-controlling interests	
	Jun 2021	Jun 2020	**Jun 2021**	Jun 2020
	%	%	**%**	%
Eildon Capital Limited				
Direct Controlled Entities:				
Eildon Funds Management Limited (a)	**100**	-	**-**	-

(a) Eildon Funds Management Limited is the Responsible Entity of Eildon Capital Trust.

Controlled Entities owned by Eildon Funds Management Limited:				
Eildon Investments Services Pty Limited	**100**	-	**-**	-
Eildon Asset Management Pty Limited	**50**	-	**50**	-
Eildon Asset Management Trust	**50**	-	**50**	-
EFM Nominee Services Pty Limited	**100**	-	**-**	-
Controlled Entities owned by stapled entity, Eildon Capital Trust:				
Eildon Debt Fund (b)				
- P Class	**85**	-	**15**	-
- U Class	**100**	-	**-**	-

(b) Units issued in the fund meet the definition of a liability under AASB 132 *Financial Instruments: Presentation* rather than equity. As such, the units in the funds not eliminated on consolidation are recognised as Other Liabilities in the statement of financial position. Refer note 15.

Although the net assets and profit of Eildon Capital Trust and its controlled entities have been identified as non-controlling interest, the shareholders of Eildon Capital Limited are also the unitholders of Eildon Capital Trust by virtue of the stapling arrangement dated 18 March 2020.

Note 2: Controlled Entities (Cont.)

2.2 Business Combination

On 17 November 2020, the Company acquired 100% of Eildon Funds Management Limited and its controlled entities ("EFM") for a consideration of $4,000,000 at which time it became a 100% subsidiary of EDC. EFM is a fund manager and the holder of a financial services licence which provides management services to a range of funds.

A summary of the acquisition is as follows:

	$
Purchase consideration:	
Cash paid	4,000,000
Total purchase consideration	4,000,000
Fair value of Assets and Liabilities of EFM at Acquisition:	
Cash	122,319
Trade and other receivables (a)	851,550
Other assets	1,708
Plant and equipment	2,287
Financial assets at amortised cost	1,422,985
Deferred tax asset	35,782
Trade and other payables	(345,125)
Employee benefits	(34,199)
Borrowings	(1,507,605)
Current tax liability	(17,771)
Total identifiable net assets at fair value	531,931
Less: non-controlling interests	7,992
Add: goodwill (b)	3,460,077
Consideration for acquisition	4,000,000
Cash outflow:	
Cash consideration	4,000,000
Less: balances acquired	
Cash	(122,319)
Net outflow of cash – investing activities	3,877,681

(a) The fair value of acquired trade and other receivables is the gross contractual amount.
(b) The goodwill is attributable to the value of EFM's funds management business. It will not be deductible for tax purpose.

For the period from acquisition to the end of the period, EFM recorded revenues of $3,869,910 and profit after tax of $691,436. If the acquisition had occurred on 1 July 2020, consolidated pro-forma revenue would have been $5,175,958 and profit after tax would have been $935,885.

Notes to the Financial Statements (Continued)

For the Year Ended 30 June 2021

Note 3: Parent Entity Disclosure

3.1 Summary financial information

The financial information for the Company and the Trust has been prepared on the same basis as the consolidated financial statements.

	Company		Trust	
	2021	2020	**2021**	2020
	$	$	**$**	$
Balance Sheet				
Current assets	**1,187,522**	1,325,284	**36,550,638**	27,231,764
Total assets	**13,957,808**	8,092,796	**44,109,452**	38,181,204
Current liabilities	**299,448**	308,663	**986,325**	893,735
Total liabilities	**5,718,525**	785,311	**986,325**	893,735
Shareholders' equity				
Issued capital	**8,210,699**	7,634,321	**42,693,983**	37,285,986
Retained earnings	**20,347**	(326,836)	**388,771**	1,483
Other reserve	**8,237**	-	**40,373**	-
Total Equity	**8,239,283**	7,307,485	**43,123,127**	37,287,469
Profit for the period	**347,183**	4,091,672	**3,887,843**	638,781
Total comprehensive income	**347,183**	4,091,672	**3,887,843**	638,781

3.2 Commitments and financial guarantees

Amounts available to be called by investees for partially paid shares and units:

Unrelated entity	**1,235,654**	-	**1,983,487**	-

Refer note 23(b) for information about guarantees given by the Company.

Note 4: Auditor's Remuneration

The auditor of EDC is Pitcher Partners Sydney (2020: HLB Mann Judd).
Amounts received or due and receivable by the auditors for:

	EDC		ECT	
	2021	2020	**2021**	2020
	$	$	**$**	$
Audit and review of financial report				
Pitcher Partners Sydney	**74,624**	-	**29,312**	-
HLB Mann Judd	**9,931**	51,894	**1,940**	10,000
	84,557	51,894	**31,252**	10,000
Other assurance services				
Pitcher Partners Sydney	**1,000**	-	-	-

Note 5: Income Tax

Under current Australian income tax legislation, the Trust and its subsidiaries are not liable for income tax on their taxable income (including assessable realised capital gains) provided that the unitholders are presently entitled to the income of the Trust.

Details of income tax of EDC have disclosed below:

(a) Income tax expense

	EDC	
	2021	2020
	$	$
Accounting profit before income tax	**5,387,410**	6,484,028
Income tax expense at the statutory income tax rate of 30%	**1,616,223**	1,945,208
Trust profit not assessable	**(1,147,689)**	(191,633)
Sundry items	**3,338**	-
Adjustment recognised for prior year	**(11,645)**	
Income tax expense	**460,227**	1,753,575
The major components of income tax expense are:		
- Current income tax charge	**166,152**	1,216,625
- Deferred income tax	**305,720**	536,950
- Prior year provision	**(11,645)**	-
Income tax expense reported in the statement of profit or loss and other comprehensive income	**460,227**	1,753,575
Deferred tax benefit relating to items credited directly to equity	**10,195**	3,262

Notes to the Financial Statements (Continued)
For the Year Ended 30 June 2021

Note 5: Income Tax (Cont.)

(b) Deferred income tax

Deferred income tax balances at 30 June relates to the following:

EDC	**2021** Included in income $	**2021** Included in equity $	**2021** Total $	2020 Included in income $	2020 Included in equity $	2020 Total $
Deferred tax assets						
Provisions and accrued expenses	**119,865**	**-**	**119,865**	12,150	-	12,150
Financial assets	**445,350**	**-**	**445,350**	-	-	-
Tax losses	**89,354**	**-**	**89,354**	106,001	-	106,001
Other	**44,325**	**64,762**	**109,087**	69,291	96,840	166,131
	698,894	**64,762**	**763,656**	187,442	96,840	284,282
Deferred tax liabilities						
Equity accounting income	**1,217,535**	**-**	**1,217,535**	476,649	-	476,649

(c) Current Tax Liabilities

	EDC **2021** $	EDC 2020 $
Income tax payable		
Balance at the end of the year	**111,000**	31,667

Note 6: Employee and Director Costs

	EDC **2021** $	EDC 2020 $	ECT **2021** $	ECT 2020 $
Superannuation	**55,513**	-	**-**	-
Share-based payments	**48,610**	-	**40,373**	-
Non-executive director costs	**188,333**	98,333	**-**	-
Other employee costs	**1,215,569**	-	**-**	-
	1,508,025	98,333	**40,373**	-

Note 7: Earnings Per Share/Unit/Stapled Security

(a) Earnings per share/unit	Company		Trust	
	2021	2020	**2021**	2020
Basic earnings per share/unit (cents)	**2.36**	9.09	**9.13**	8.11
Diluted earnings per share/unit (cents)	**2.35**	9.09	**9.10**	8.11
Net profit attributable to ordinary equity holders of the Company/Trust ($)	**1,006,181**	4,091,672	**3,887,843**	638,781
Weighted average number of shares/units				
Weighted average number of shares/units used in calculating basic earnings per company share/trust unit (number)	**42,592,902**	45,036,019	**42,592,902**	7,878,822
Adjustment for calculation of diluted earnings per company share/trust unit: Performance rights (number)	**134,250**	-	**134,250**	-
Weighted average number of ordinary shares/units and potential ordinary shares/units used in calculating earnings per company share/trust unit (number)	**42,727,152**	45,036,019	**42,727,152**	7,878,822

(b) Earnings per stapled security	EDC	
The total earning per stapled security for EDC is as follows:	**2021**	2020
Basic earnings per stapled security (cents)	**11.49**	10.50
Diluted earnings per stapled security (cents)	**11.45**	10.50
Net profit attributable to securityholders of EDC ($)	**4,894,024**	4,730,453
Weighted average number of securities		
Weighted average number of securities used in calculating basic earnings per stapled security (number)	**42,592,902**	45,036,019
Adjustment for calculation of diluted earnings per stapled security: Performance rights (number)	**134,250**	-
Weighted average number of ordinary securities and potential ordinary securities used in calculating earnings per stapled security (number)	**42,727,152**	45,036,019

Although net profit of Eildon Capital Trust, the stapled entity, and its controlled entities is identified as net profit attributable to non-controlling interests, the shareholders of Eildon Capital Limited are also the unitholders of Eildon Capital Trust by virtue of the stapling arrangement dated 18 March 2020. As such earnings per stapled security refers to net profit after tax attributable to owners of both the Company and the Trust which represents the actual earnings for the stapled security holders of EDC.

Note 8: Dividends and Distributions

(a) Dividends and distributions

Dividends and distributions proposed or paid in current and previous year and included within the statement of changes in equity by EDC and ECT are:

	Company dividend paid (cents)	Trust distribution paid (cents)	Total Per Security (cents)	Total $	Date of Payment	Tax rate for Franking Credit	Percentage Franked
2021 June quarter	-	2.023	2.023	952,329	23-Jul-21	0%	0%
2021 March quarter	-	2.000	2.000	941,502	23-Apr-21	0%	0%
2020 December quarter	-	2.000	2.000	818,702	22-Jan-21	0%	0%
2020 September quarter	-	1.925	1.925	788,021	23-Oct-20	0%	0%
2020 June quarter	-	1.5569	1.5569	637,298	24-Jul-20	0%	0%
Special dividend	13.59	-	13.59	6,181,195	24-Apr-20	30%	100%
2020 March quarter	1.925	-	1.925	875,555	24-Apr-20	30%	100%
2019 December quarter	1.925	-	1.925	875,555	24-Jan-20	30%	100%
2019 September quarter	1.925	-	1.925	875,555	24-Oct-19	30%	100%

(b) Franking credits

Distributions paid by ECT do not attract franking credits. Franking credits are only available for future dividends paid by the Company. The Company's franking account balance as at 30 Jun 2021 is $191,998 (2020: $37,879).

The franking account is stated on a tax paid basis. The balance comprises the franking account at year end adjusted for:

(a) franking credits that will arise from the payment of the amount of the provision for income tax;
(b) franking debits that will arise from the refund of overpaid tax instalments paid;
(c) franking debits that will arise from the payment of dividends recognised as a liability at year end;
(d) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date; and
(e) franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available equity to declare dividends.

Note 9: Notes to the Statement of Cash Flows

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following at the end of the financial year:

	EDC		ECT	
	2021 $	2020 $	**2021 $**	2020 $
Cash at bank	**11,100,354**	8,486,029	**8,527,689**	7,308,276

Cash at bank earns interest at floating rates based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

Notes to the Financial Statements (Continued)

For the Year Ended 30 June 2021

Note 9: Notes to the Statement of Cash Flows (Cont.)

(b) Reconciliation of profit after income tax to net cash from operations

	EDC		ECT	
	2021	2020	**2021**	2020
	$	$	$	$
Net profit after tax	**4,927,183**	4,730,453	**3,887,843**	638,781
Adjustments for:				
Share of equity accounted profit	**(2,633,008)**	(1,653,058)	**-**	-
Depreciation and amortisation	**16,864**	-	**-**	-
Performance rights	**48,610**	-	**40,373**	-
Impairment of financial assets	**1,351,145**	-	**5,000**	-
Facility fee	**(831,952)**	-	**(13,967)**	-
Change in operating assets and liabilities:				
Decrease/(Increase) in financial assets at amortised cost	**4,571,708**	(3,884,704)	**(1,204,208), 208)**	(670,986)
Increase in other assets	**(28,223)**	(7,900)	**-**	-
Increase in leave provisions	**49,900**	-	**-**	-
Increase/(decrease) in payables	**916,536**	199,583	**(170,323)**	233,748
Increase in deferred tax assets and liabilities	**307,489**	552,347	**-**	-
Increase/(decrease) in tax payable	**61,562**	(462,094)	**-**	-
Net cash provided by/(used in) operating activities	**8,757,814**	(525,373)	**2,544,718**	201,543

(c) Changes in liabilities arising from financing activities

	Other Liabilities		Borrowings		Leases		Total	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
	$	$	**$**	$	**$**	$	**$**	$
EDC								
At the beginning of the year	**-**	-	**-**	-	**-**	-	**-**	-
Acquisition of subsidiary	**-**	-	**1,439,804**	-	**297,941**	-	**1,737,745**	-
Cash flows	**135,487**	-	**(1,439,804)**	-	**(11,438)**	-	**(1,315,755)**	-
Other changes	**1,559**	-	**-**	-	**(2,222)**	-	**(663)**	-
At the end of the year	**137,046**	-	**-**	-	**284,281**	-	**421,327**	-
ECT								
At the beginning of the year	-	**-**	**-**	-	**-**	-	**-**	-
Cash flows	**135,487**	**-**	**-**	-	**-**	-	**135,487**	-
Other changes	**1,559**	**-**	**-**	-	**-**	-	**1,559**	-
At the end of the year	**137,046**	**-**	**-**	-	**-**	-	**137,046**	-

Notes to the Financial Statements (Continued)
For the Year Ended 30 June 2021

Note 10: Financial Assets at Amortised Cost

	EDC		ECT	
	2021	2020	**2021**	2020
	$	$	**$**	$
Current:				
Trade and other receivables	**766,376**	51,307	**36,611**	7,689
Secured loans to other entities	**26,892,934**	19,915,799	**26,892,934**	19,915,799
	27,659,310	19,967,106	**26,929,545**	19,923,488
Non-Current:				
Secured loans to other entities	**911,096**	10,949,440	**911,096**	10,949,440
Secured loan to stapled entity	**-**	-	**4,201,542**	-
	911,096	10,949,440	**5,112,638**	10,949,440

Trade and other receivables
Trade receivables are mainly related to management of relevant loans to various entities. EDC/ECT applies the AASB 9 simplified approach to measure expected credit losses using a lifetime expected credit loss provision for trade and other receivables. The measurement of expected loss is based on EDC's and ECT's historical credit losses experienced and then adjusted for current and forward-looking information affecting the customers.

Secured loans
In the event that a counterparty defaults on a loan, EDC and ECT may take possession of security provided. EDC and ECT have not repossessed any assets that have been provided as security.

Expected credit loss on loans are disclosed as a deduction against the gross carrying amount. EDC and ECT regularly review loans to determine if there is a significant increase in credit risk, which may be evidenced by either qualitative or quantitative factors. These factors include if a counterparty does not pay a scheduled payment of principal and interest, requests a variation to the repayment terms, or management consider that there has been an adverse change in the underlying value of assets securing the loan. The significant increase in credit risk methodology is based on an actual credit risk review approach which considers changes in a counterparty's credit risk since origination. The outcome of the review identifies the probability of default and the loss given default of the loan, which are used to determine the impairment required to be made in relation to a loan.

A loss allowance is identified at the time that there is a significant increase in credit risk of the borrower, and the loan is impaired once it is determined that an amount is not recoverable.

EDC and ECT regularly review their loans for a significant increase in credit risk and expected credit loss. The review considers the counterparty credit quality, the security held, exposure at default and the effect of repayment terms as at reporting date. The directors are of the opinion that securities provided are sufficient to cover relevant outstanding loans. As such no expected loss allowance on loan assets has been provided as at 30 June 2021 and 30 June 2020.

For the majority of the non-current financial assets at amortised cost, the fair values are not significantly different from their carrying amounts as interest charged are at market rates.

Notes to the Financial Statements (Continued)
For the Year Ended 30 June 2021

Note 11: Financial Assets at Fair Value through Profit or Loss

	EDC		ECT	
	2021	2020	**2021**	2020
	$	$	**$**	$
Current:				
Investments in unlisted entities	**1,133,708**	-	**1,133,708**	-
Non-Current:				
Investments in unlisted entities	**3,559,954**	2,144,638	**2,583,962**	-

The carrying value of investments in unlisted entities has been determined by using valuation techniques. Such techniques include using recent arm's length market transactions; net asset backing; reference to the current market value of another instrument that is substantially the same and discounted cash flow analysis.

Unlisted investments for the current financial year comprise holdings in entities that hold property assets or hold property assets as security. A review has been undertaken of the underlying property assets held by the entities and the directors are of the opinion that the carrying value of the investment is reflective of the current underlying value of the property held.

Note 12: Investments Accounted for Using the Equity Method

Associates of the Company have been disclosed below:

	EDC			
	Ownership Interest		**Investment Carrying Amount**	
	2021	2020	**2021**	2020
	%	%	**$**	$
Interest in ordinary shares of associate				
79 Logan Road Trust (a)	**35**	35	**6,669,865**	4,338,557
79 Logan Road Pty Limited (b)	**35**	35	**-**	35
			6,669,865	4,338,592

(a) 79 Logan Road Trust is a commercial property in Woolloongabba, Queensland with a long term lease to an ASX listed entity, with residential development approval. The carrying value of 79 Logan Road Trust has been calculated as $6,669,865 based on the net asset backing methodology, using the most recent financial reports provided by the company.

(b) 79 Logan Road Pty Limited is the trustee of 79 Logan Road Trust.

Notes to the Financial Statements (Continued)

For the Year Ended 30 June 2021

Note 12: Investments Accounted for Using the Equity Method (Cont.)

Summarised financial information

The following table illustrates summarised financial information relating to EDC's associate:

	79 Logan Road Trust	
	2021	2020
	$	$
Summarised balance sheet		
Current assets	**138,578**	123,356
Current liabilities	**159,227**	85,122
Current net assets	**(20,649)**	38,234
Non-current assets	**32,500,000**	23,847,641
Non-current liabilities	**11,490,000**	11,490,000
Non-current net assets	**21,010,000**	12,357,641
Net assets	**20,989,351**	12,395,875
Reconciliation to carrying amounts:		
Opening net assets 1 July	**12,395,875**	8,266,854
Profit for the period	**9,455,476**	4,723,021
Return of capital	**(395,174)**	(410,490)
Dividend paid	**(466,826)**	(183,510)
Closing net assets	**20,989,351**	12,395,875
EDC's share – percentage (a)	**32%**	35%
EDC's share - dollars	**6,669,865**	4,338,557
Carrying amount	**6,669,865**	4,338,557
Summarised statement of comprehensive income		
Revenue	**10,372,206**	5,676,177
Net profit	**9,455,476**	4,723,021
Total comprehensive income	**9,455,476**	4,723,021
Dividends received	**163,389**	64,229

(a) EDC has a unitholding of 35% in 79 Logan Road Trust. The unitholding entitles EDC to share 35% of lease income and 30% of the increase in value of the property. As such, EDC had a holding equivalent to 32% of the net assets of the trust as at 30 June 2021.

Note 13: Intangible Assets

	EDC	
	2021 **$**	2020 $
Goodwill	**3,460,077**	-
Reconciliations:		
Carrying amount at the beginning of the year	**-**	-
Acquisition of subsidiary	**3,460,077**	-
Carrying amount at the end of the year	**3,460,077**	-

The goodwill is attributable to the acquisition of the funds management business of Eildon Funds Management Limited on 17 November 2020. The acquisition price was based on an independent valuation prepared by Grant Thornton Australia Ltd on 8 October 2020. The recoverable amount of goodwill has been determined using the same metrics as the valuation report as following:

- Discount cash flow model: growth rate 2.5% and discount rate 9.5% – 10.5%;
- Earnings before interest and taxes multiple: 4.3 – 4.7x; and
- Asset under management multiple: 1.7% – 2.3%.

Directors are of the opinion that the relevant metrics are prudent and justified, given there was no significant change since the date of the valuation report.

Goodwill is not deductible for tax purpose.

Note 14: Leases

EDC currently leases the office it occupies. The lease agreement is for a fixed period of three and a half years, without any extension options. The lease agreement does not impose any covenants other than the security interest in the leased asset that is held by the lessor and the bank guarantee of $73,914 provided by EDC to the lender. Lease assets may not be used as security for borrowing purposes.

Right-of-use assets		
Office lease	**281,857**	-
Lease liabilities		
Current	**82,686**	-
Non-current	**201,595**	-
	284,281	-

Additions to the right-of-use assets during the year ended 30 June 2021 were $295,719 and the total cash outflow for leases was $14,473.

Depreciation charge of right-of-use assets		
Office lease	**13,862**	-

No modification has been made to the lease for financial year 2021.

Notes to the Financial Statements (Continued)
For the Year Ended 30 June 2021

Note 15: Other Liabilities

	EDC		ECT	
	2021	2020	**2021**	2020
	$	$	**$**	$
Non-Current	**137,046**	-	**137,046**	-

The above liabilities relate to non-controlling interests in contributory investment trusts that EDC/ECT has assessed that they control and that the units issued in these funds meet the definition of a liability under AASB 132 *Financial Instruments: Presentation* rather than equity.

Note 16: Trade and Other Payables

Current:				
Trade payables	**21,086**	161,233	**793**	216,937
Sundry creditors and accruals	**609,558**	110,717	**74,247**	39,500
Distribution payable	**1,133,571**	794,867	**952,329**	637,298
	1,764,215	1,066,817	**1,027,369**	893,735

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

Notes to the Financial Statements (Continued)
For the Year Ended 30 June 2021

Note 17: Contributed Equity

An agreement was signed on 18 March 2020 with the effect of stapling the shares of the Company to the units of Eildon Capital Trust, and although the two entities are separate legal entities, their shares/units are not able to be separately traded. Although Eildon Capital Limited does not have an ownership interest in Eildon Capital Trust, in accordance with *AASB 3 Business Combinations*, Eildon Capital Limited has been identified as the acquirer and the parent entity for the purpose of preparing the consolidated financial statements and Eildon Capital Trust is deemed to be the acquiree.

	2021		2020	
Company	**Number of shares**	**$**	Number of shares	$
Issued and paid up share capital:				
Ordinary shares fully paid	**47,075,102**	**8,210,699**	40,935,102	7,634,321
Reconciliation:				
Balance at the beginning of the year	**40,935,102**	**7,634,321**	45,483,392	43,796,218
Return of capital	**-**	**-**	-	(35,349,693)
Issue of shares	**6,140,000**	**600,166**	-	-
Transaction costs on share issued	**-**	**(33,807)**	-	-
Shares bought back	**-**	**-**	(4,548,290)	(804,593)
Transaction costs on share buyback	**-**	**(176)**	-	(10,873)
Income tax on share transaction costs	**-**	**10,195**	-	3,262
Balance at the end of the year	**47,075,102**	**8,210,699**	40,935,102	7,634,321

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up the company in proportion to the number of shares held.

	2021		2020	
Trust	**Number of units**	**$**	Number of units	$
Issued and paid up capital:				
Ordinary units fully paid	**47,075,102**	**42,693,983**	40,935,102	37,285,986
Reconciliation:				
Balance at the beginning of the year	**40,935,102**	**37,285,986**	-	-
Issue of units	**6,140,000**	**5,724,033**	45,483,392	41,530,887
Transaction costs on units issued	**-**	**(315,136)**	-	(35,943)
Units bought back	**-**	**-**	(4,548,290)	(4,153,043)
Transaction costs on unit buyback	**-**	**(900)**	-	(55,915)
Balance at the end of the year	**47,075,102**	**42,693,983**	40,935,102	37,285,986

The Trust was incorporated on 6 May 2019. Foundation units were issued to Eildon Capital Limited for the purpose of settling the Trust, and were redeemed on 24 April 2020 as part of the restructure of the Trust.

Ordinary units entitle the holder to participate in distributions and the proceeds on winding up the trust in proportion to the number of units held.

Notes to the Financial Statements (Continued)
For the Year Ended 30 June 2021

Note 17: Contributed Equity (Cont.)

	Company		Trust	
	2021 $	2020 $	**2021 $**	2020 $
Net assets attributed to ordinary equity holder of the Company/Trust	**8,898,281**	7,307,485	**43,123,127**	37,287,469
Net assets per share attributed to ordinary equity holder of the Company/Trust	**0.19**	0.18	**0.92**	0.91

	EDC	
	2021 $	2020 $
Net assets attributed to stapled securityholders of EDC	**52,021,408**	44,594,954
Net assets per stapled security attributed to stapled securityholders of EDC (a)	**1.11**	1.09

(a) Although a non-controlling interest has been identified, the shareholders of Eildon Capital Limited are also the unitholders of Eildon Capital Trust by virtue of the stapling arrangement dated 18 March 2020. As such net assets per stapled security for the 2021 financial year refers to net assets attributable to owners of the Company and owners of the Trust which represents the actual value attributable to stapled security holders of EDC.

EDC and ECT are not subject to any externally imposed capital requirements. Management's objective is to achieve returns for stapled security holders commensurate with the risks associated with making investments in Australia.

Capital risk management

EDC's and ECT's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for securityholders/unitholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, EDC and ECT may adjust the amount of dividends/distributions paid to securityholders/unitholders, return capital to securityholders/unitholders, issue new stapled securities/units or sell assets to reduce debt.

The capital risk management policy remains unchanged from the 30 June 2020 Annual Report.

Note 18: Other Reserves

	Profit Distribution Reserve		Share-based Payment Reserve		Total	
	Company $	Trust $	Company $	Trust $	Company $	Trust $
Balance as at 1 July 2019	9,872,860	-	-	-	9,872,860	-
Transfers (to)/from retained earnings	(1,065,000)	-	-	-	(1,065,000)	-
Dividends/distributions paid	(8,807,860)	-	-	-	(8,807,860)	-
Balance at 30 June 2020	-	-	-	-	-	-
Share-based payment expenses	-	**-**	**8,237**	**40,373**	**8,237**	**40,373**
Balance at 30 June 2021	-	**-**	**8,237**	**40,373**	**8,237**	**40,373**

Profit Distribution Reserve
Profits transferred to the profit distribution reserve are segregated to facilitate potential future dividend payments that may be declared by the directors.

Share-based Payment Reserve
Share-based payment reserve is used to recognise the value of equity settled share-based payments.

Note 19: Share-based Payments

On 1 February 2021, EDC issued employees performance rights under the EDC Employee Incentive Plan. The Employee Incentive Plan was approved by shareholders at the 2020 annual general meeting, and is designed to provide long-term incentives for senior managers and above to deliver long-term securityholder returns. Under the plan, participants are granted rights that deliver ordinary stapled securities to employees (at no cost) which only vest if certain performance hurdles are met. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Performance rights carry no dividend or voting rights or rights to participate in any other share/unit issue of EDC or any other entity. When exercisable, each performance right is entitled to receive one stapled security.

The number of rights that vest depends on achieving certain performance hurdles in relation to:

- Total Shareholder Return (TSR)
  TSR is calculated based on a combination of share price growth, dividends and distributions to securityholders. The percentage of Performance Rights subject to the TSR Hurdle that vest, if any, will be determined by the Director's with reference to the below table.

50% subject to a Total Security Holders Return hurdle

Return (p.a.)	Vesting Amount
< 8%	nil
8% - 10%	50%
10% - 12%	75%
>12%	100%

Note 19: Share-based Payments (Cont.)

- Return on Assets (ROA)
  ROA is calculated on an annual basis, as earnings before interest and tax generated on average assets deployed. The percentage of Performance Rights subject to the TSR Hurdle that vest, if any, will be determined by the Director's with reference to the below table.

50% subject to a Return on Assets hurdle

Return	Vesting Amount
< 12%	nil
12%	50%
12% - 13.5%	50% - 100%
>13.5%	100%

The following table illustrates movements in the number of performance rights on issue during the year.

Grant Date	Vesting Date	Exercise Price	Balance at start of the year	Granted during the year	Balance at end of the year	Value per right
Year ended 30 June 2021						
1 Feb 2021	31 Jan 2024	-	-	409,300	409,300	$0.87

The fair value of the rights at grant date was based on the following inputs:

- Share price of $1.09 at grant date;
- Share price of $1.03 which is based on placement in March 2021;
- 2 cps distribution paid on a quarterly basis;
- Net assets of $1.11 as at 31 January 2021; and
- Vesting date of 31 January 2024.

Note 20: Financial Risk Management

EDC's and ECT's activities expose it to a variety of financial risks: interest rate risk, credit risk and liquidity risk. EDC's and ECT's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance.

EDC and ECT use different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk.

The responsibility for operational risk management resides with the Board of Directors who seeks to manage the exposure of EDC and ECT. There have been no significant changes in the types of financial risks or EDC's and ECT's risk Management program (including methods used to measure the risks) since the prior year.

Notes to the Financial Statements (Continued)
For the Year Ended 30 June 2021

Note 20: Financial Risk Management (Cont.)

(a) Interest Rate Risk

EDC's and ECT's exposure to interest rate risks and the effective interest rates of financial assets and liabilities at the reporting date are as follows:

EDC	Note	Weighted average interest rate	Floating interest rate $	Fixed interest rate 1 year or less $	Fixed interest rate 1 to 5 years $	Non-interest rate $	Total $
2021							
Financial assets							
Cash and cash equivalents	9	**0.1%**	**11,100,354**	**-**	**-**	**-**	**11,100,354**
Financial assets at amortised cost	10	**14.4%**	**-**	**26,966,848**	**911,096**	**692,462**	**28,570,406**
			11,100,354	**26,966,848**	**911,096**	**692,462**	**39,670,760**
Financial liabilities							
Trade and other payables	16	**-**	**-**	**-**	**-**	**1,764,215**	**1,764,215**
Other liabilities	15	**14%**	**-**	**-**	**137,046**	**-**	**137,046**
			-	**-**	**137,046**	**1,764,215**	**1,901,261**
2020							
Financial assets							
Cash and cash equivalents	9	0.3%	8,486,029	-	-	-	8,486,029
Financial assets at amortised cost	10	14.4%	-	19,915,799	10,949,440	51,307	30,916,546
			8,486,029	19,915,799	10,949,440	51,307	39,402,575
Financial liabilities							
Trade and other payables	16	-	-	-	-	1,066,817	1,066,817

Note 20: Financial Risk Management (Cont.)

(a) Interest Rate Risk (Cont.)

ECT	Note	Weighted average interest rate	Floating interest rate $	Fixed interest rate 1 year or less $	Fixed interest rate 1 to 5 years $	Non-interest bearing $	Total $
2021							
Financial assets							
Cash and cash equivalents	9	**0.1%**	**8,527,689**	**-**	**-**	**-**	**8,527,689**
Financial assets at amortised cost	10	**13.6%**	**-**	**26,892,934**	**5,112,638**	**36,611**	**32,042,183**
			8,527,689	**26,892,934**	**5,112,638**	**36,611**	**40,569,872**
Financial liabilities							
Trade and other payables	16	**-**	**-**	**-**	**-**	**1,027,369**	**1,027,369**
Other liabilities	15	**14%**	**-**	**-**	**137,046**	**-**	**137,046**
			-	**-**	**137,046**	**1,027,369**	**1,164,415**
2020							
Financial assets							
Cash and cash equivalents	9	0.3%	7,308,276	-	-	-	7,308,276
Financial assets at amortised cost	10	14.4%	-	19,915,799	10,949,440	7,689	30,872,928
			7,308,276	19,915,799	10,949,440	7,689	38,181,204
Financial liabilities							
Trade and other payables	16	-	-	-	-	893,735	893,735

EDC and ECT hold a significant amount of cash balances which are exposed to movements in interest rates. Given the low interest rate environment and the short-term funding requirements for investment opportunities, EDC/ECT accepts lower rates of interest in exchange for liquidity in relation to cash deposits. EDC/ECT typically deposits uncommitted cash with financial institutions with an “investment grade” credit rating of BBB or higher to maintain liquidity for any investment opportunity arises.

EDC and ECT are not charged interest on outstanding trade and other payable balances.

Sensitivity

EDC and ECT expect that the Bank Bill Swap Rates (BBSW) to increase during the 2022 financial year by 0.5%. The impact at reporting date if interest rates increase by 0.5% (2021: interest rates stayed the same), whilst all other variables are held constant, is as follows:

	EDC Increase of 50 bp $	ECT Increase of 50 bp $
2021		
Net profit	**34,296**	**29,523**
Equity movement	**34,296**	**29,523**

Note 20: Financial Risk Management (Cont.)

(b) Credit Risk Exposure

Credit risk refers to the loss that EDC and ECT would incur if a debtor or counterparty fails to perform under its obligations. EDC and ECT are exposed to credit risk from financial assets including cash and cash equivalents held at banks, trade and other receivables and loans to various entities. The carrying amounts of financial assets recognised in the statement of financial position best represent EDC's and ECT's maximum exposure to credit risk at reporting date.

EDC and ECT have a material credit risk exposure to the borrowers of funds, that represent the counterparties to financial instruments entered into by EDC and ECT. EDC and ECT manage the credit risk as follows:

i) *Cash deposits:*
This is mitigated by the requirement that deposits are only held with institutions with an "investment grade" credit rating of BBB or above.

ii) *Loans made to various entities*:
This is mitigated by collateral held with a value in excess of the counterparty's obligations to EDC and ECT, providing a "margin of safety" against loss. In addition to mortgages being held, collateral includes guarantees, security deeds and undertakings which can be called if the counterparty is in default under the terms of the agreement.

iii) *Trade receivables:*
Trade receivables are mainly related to management of relevant loans to various entities. This is mitigated by collateral held with a value in excess of the counterparty's obligations to EDC and ECT, providing a "margin of safety" against loss.

(c) Liquidity Risk

Liquidity risk is the risk that EDC and ECT might be unable to meet its obligations. EDC and ECT manage liquidity risk by maintaining sufficient cash balances and holding liquid investments that could be realised to meet commitments. EDC and ECT continuously monitor actual and forecast cash flows and matches the maturity profiles of financial assets and liabilities.

The following table details maturity profiles of EDC's and ECT's contractual liabilities.

	EDC				**ECT**			
	Less than 6 months $	**6 months to 1 year $**	**1 year to 5 years $**	**Total $**	**Less than 6 months $**	**6 months to 1 year $**	**1 year to 5 years $**	**Total $**
2021								
Trade and other payables	**1,764,215**	**-**	**-**	**1,764,215**	**1,027,369**	**-**	**-**	**1,027,369**
Lease liabilities	**40,926**	**41,760**	**201,595**	**284,281**	**-**	**-**	**-**	**-**
Other liabilities (a)	**-**	**-**	**137,046**	**137,046**	**-**	**-**	**137,046**	**137,046**
2020								
Trade and other payables	1,066,817	-	-	1,066,817	893,735	-	-	893,735

(a) Payments to unitholders of Eildon Debt Fund are matched with the cashflows of the repayment of specific loans classified as "Financial assets classified at amortised cost".

Notes to the Financial Statements (Continued)
For the Year Ended 30 June 2021

Note 20: Financial Risk Management (Cont.)

(d) Fair Value of Financial Assets and Liabilities

Fair value reflects the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When an active market does not exist, fair values are estimated using valuation techniques, based on market conditions prevailing at the measurement date. Such techniques include using recent arm's length market transactions; net asset backing and reference to current market value of another instrument that is substantially the same.

The fair value of liquid assets maturing within three months are approximate to their carrying amounts. This assumption is applied to liquid assets and the short-term portion of all other financial assets and financial liabilities.

Judgements and estimates were made in determining the fair values of certain financial instruments and non-financial assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, EDC and ECT have classified its financial instruments and non-financial assets into three levels prescribed under the accounting standards.

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

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

	EDC	ECT
	Valuation technique – non market observable inputs (Level 3) $	**Valuation technique – non market observable inputs (Level 3) $**
Year ending 30 June 2021		
Financial assets		
Financial assets at fair value through profit or loss		
Investments in unlisted entities	**4,693,662**	**3,717,670**
Year ending 30 June 2020		
Financial assets		
Financial assets at fair value through profit or loss		
Investments in unlisted entities	2,144,638	-

Note 20: Financial Risk Management (Cont.)

(d) Fair Value of Financial Assets and Liabilities (Cont.)

Reconciliation of Level 3 fair value movements:

	EDC		ECT	
	2021 $	2020 $	**2021 $**	2020 $
Balance at the beginning of the year	**2,144,638**	12,487,808	**-**	-
Purchases	**6,042,500**	6,201,397	**5,865,000**	2,969,128
Sales	**(2,181,736)**	(16,626,055)	**(2,181,735)**	(2,994,845)
Fair value movement	**(1,311,740)**	81,488	**34,405**	25,717
Balance at the end of the year	**4,693,662**	2,144,638	**3,717,670**	-
Fair value movement attributable to assets held at the end of reporting period	**(1,311,740)**	81,488	**34,405**	-

The fair value of Level 3 Financial assets at fair value through profit or loss has been determined with reference to valuation techniques being net asset backing and recent arm's length market transactions. Refer note 11.

Sensitivity analysis
The table below shows the pre-tax sensitivity to reasonable possible alternative assumptions for Level 3 assets whose fair values are determined in whole or in part using unobservable inputs.

	Net profit/(loss)		Equity increase/(decrease)	
Investments in unlisted entities	**2021 $**	2020 $	**2021 $**	2020 $
EDC				
Favourable changes	**469,366**	214,464	**469,366**	214,464
Unfavourable changes	**(469,366)**	(214,464)	**(469,366)**	(214,464)
ECT				
Favourable changes	**371,767**	-	**371,767**	-
Unfavourable changes	**(371,767)**	-	**(371,767)**	-

Significant unobservable inputs
The following table contains information about the significant unobservable inputs used in Level 3 valuations, and the valuation techniques used to measure fair value. The range of values represent the highest and lowest input used in the valuation techniques. Therefore, the range does not reflect the level of uncertainty regarding a particular input, but rather the different underlying characteristics of the relevant assets.

	Valuation Techniques	**Significant Unobservable Inputs**	**Range of Inputs**	
			Minimum	**Maximum**
Investments in unlisted entities	Net asset backing	Value per security	Down 10%	Up 10%
Investments in unlisted entities	Recent transactions	Value per security	Down 10%	Up 10%

Notes to the Financial Statements (Continued)
For the Year Ended 30 June 2021

Note 21: Segmental Information

Information for each business segment of EDC and ECT is shown in the following tables. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Description of each business segment is as follows:
- Direct Property Investment involves direct exposure, including ordinary equity, preference equity, options to acquire an interest in direct property subject to planning outcomes;
- Property backed lending comprises loans backed by underlying property assets; and
- Funds Management includes activities that relate to the management of property investments, debt and unlisted funds.

EDC and ECT operates predominantly in Australia.

EDC	Direct Property Investment $	Funds Management $	Property Backed Lending $	Eliminations $	Total $
30 June 2021					
Revenue					
Segment revenue	**41,918**	**3,438,642**	**4,504,720**	**-**	**7,985,280**
Inter-Segment revenue	**-**	**431,268**	**-**	**(431,268)**	**-**
	41,918	**3,869,910**	**4,504,720**	**(431,268)**	**7,985,280**
Corporate interest income					**8,538**
					7,993,818
Share of profit of equity accounted associate	**2,633,008**	**-**	**-**	**-**	**2,633,008**
Results					
Segment profit	**1,323,781**	**568,037**	**4,503,161**	**-**	**6,394,979**
Inter-Segment profit	**-**	**431,268**	**-**	**(431,268)**	**-**
	1,323,781	**999,305**	**4,503,161**	**(431,268)**	**6,394,979**
Corporate expenses					**(1,007,569)**
Income tax expenses					**(460,227)**
Consolidated profit after tax					**4,927,183**
Disaggregation of revenue					
Timing of revenue recognition					
At a point in time	**-**	**2,548,393**	**-**	**-**	**2,548,393**
Over time	**-**	**833,556**	**40,992**	**-**	**874,548**
Revenue from contracts with customers	**-**	**3,381,949**	**40,992**	**-**	**3,422,941**
Other revenues	**41,918**	**56,693**	**4,463,728**	**-**	**4,562,339**
Segment revenue	**41,918**	**3,438,642**	**4,504,720**	**-**	**7,985,280**

Notes to the Financial Statements (Continued)

For the Year Ended 30 June 2021

Note 21: Segmental Information (Cont.)

EDC	Direct Property Investment $	Funds Management $	Property Backed Lending $	Total $
30 June 2020				
Revenue				
Segment revenue	520,994	-	5,546,525	6,067,519
Corporate interest income				72,498
				6,140,017
Share of profit of equity accounted associate	1,653,058	-	-	1,653,058
Results				
Segment profit	2,174,052	-	5,546,525	7,720,577
Corporate expenses				(1,236,549)
Income tax expenses				(1,753,575)
Profit after tax				4,730,453

Revenue from contracts with customers was $95,976 for 2020 financial year and all of them were recognized over time.

Notes to the Financial Statements (Continued)
For the Year Ended 30 June 2021

Note 21: Segmental Information (Cont.)

EDC	Direct Property Investment $	Funds Management $	Property Backed Lending $	Total $
30 June 2021				
Assets				
Segment assets	**9,145,857**	**3,460,077**	**30,021,700**	**42,627,634**
Unallocated amounts:				
Cash and cash equivalents				**11,100,354**
Other assets				**1,891,499**
Total assets				**55,619,487**
Liabilities				
Segment liabilities	**-**	**-**	**137,046**	**137,046**
Unallocated amounts:				
Other liabilities				**3,461,130**
Total liabilities				**3,598,176**
30 June 2020				
Assets				
Segment assets	6,483,229	-	30,865,238	37,348,467
Unallocated amounts:				
Cash and cash equivalents				8,486,029
Other assets				335,591
				46,170,087
Liabilities				
Unallocated amounts:				
Other liabilities				1,575,133
Total liabilities				1,575,133

Notes to the Financial Statements (Continued)
For the Year Ended 30 June 2021

Note 21: Segmental Information (Cont.)

ECT	Direct Property Investment $	Property Backed Lending $	Total $
30 June 2021			
Revenue			
Segment revenue	**41,918**	**4,477,695**	**4,519,613**
Corporate interest income			**210,031**
			4,729,644
Results			
Segment profit	**36,918**	**4,476,136**	**4,513,054**
Corporate expenses			**(625,211)**
Profit after tax			**3,887,843**
Assets			
Segment assets	**1,500,000**	**30,021,700**	**31,521,700**
Unallocated amounts:			
Cash and cash equivalents			**8,527,689**
Other assets			**4,238,153**
Total assets			**44,287,542**
Liabilities			
Segment liabilities	**-**	**137,046**	**137,046**
Unallocated amounts:			
Other liabilities			**1,027,369**
Total liabilities			**1,164,415**

Revenue from contracts with customers was $13,967 for 2021 financial year and all of them were recognized over time.

ECT operates in one business segment being property backed lending and in one geographical location being Australia during 2020 financial year. There was no revenue from contracts with customers during 2020 financial year.

Note 22: Related Party Information

Parent entity
CVC Limited is the ultimate parent entity.

Subsidiaries
Interest in subsidiaries are set out in note 2.

Associates
Interest in associates are set out in note 12.

(a) Key management personnel

	EDC	
	2021	2020
	$	$
Short-term employee benefits	**496,994**	89,802
Post-employment benefits	**39,139**	8,531
Share-based payments	**16,603**	-
	552,736	98,333

Details of remuneration disclosures are provided in the remuneration report.

Key management personnel of ECT includes persons who were directors of Eildon Funds Management Limited at any time during the financial year. No remuneration was paid by ECT directly to key management personnel.

(b) Performance rights

On 1 February 2021, EDC issued employees performance rights under the Employee Incentive Plan. Refer note 19. The table below provides a reconciliation of performance rights held by Laurence Parisi. No performance rights have been issued to other key management personnel.

Year ended 30 June 2021

Grant Date	Vesting Date	Exercise Price (cents)	Balance at start of the year	Granted during the year	Balance at end of the year	Value per right
1 Feb 2021	31 Jan 2024	-	-	139,800	139,800	0.87

(c) Unsecured loan from/to stapled entity

	Company		Trust	
	2021	2020	**2021**	2020
	$	$	**$**	$
Loan from/(to) stapled entity				
Beginning of the year	**-**	-	**-**	-
Loans advanced	**4,000,000**	-	**(4,000,000)**	-
Interest charged	**201,542**	-	**(201,542)**	-
End of the year	**4,201,542**	-	**(4,201,542)**	-

The loan from/to stapled entity is for a period of 4 years. The loan attracts an interest rate of 8% per annum and is secured by all assets in the Company.

Notes to the Financial Statements (Continued)

For the Year Ended 30 June 2021

Note 22: Related Party Information (Cont.)

(d) Transactions with related parties

The following transactions occurred with related parties:

	EDC		ECT	
	2021	2020	**2021**	2020
	$	$	**$**	$
Payment for management services provided by investment manager (a)	**301,578**	783,116	**610,537**	102,516
Payment for services provided by subsidiary of the ultimate parent				
- Accounting fees	**310,597**	-	**-**	-
- Key management personnel management fees (b)	**201,771**	-	**-**	-
Received for services provided to subsidiaries of the ultimate parent				
- Loan management services	**478,398**	-	**-**	-
- Project management services	**140,000**	-	**-**	-
Distribution/Dividend paid to parent entity	**1,481,425**	4,252,098	**1,481,425**	290,190

(a) On 17 November 2020, the Company acquired 100% of Eildon Funds Management Limited, the investment manager, and its controlled entities at which time it became a 100% subsidiary of EDC. Amounts disclosed for EDC 2021 financial year relates to the period of 1 July 2020 to 17 November 2020.

(b) This relates to key management personnel services provided by Messer Avery, Hunter and Ms McLean.

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Current receivables:				
Trade receivables from subsidiaries of the ultimate parent	**248,108**	-	**-**	-
Current payables:				
Trade payables to investment manager (a)	**-**	135,128	**-**	102,516
Distribution/dividend payables to parent entity	**377,066**	290,190	**377,066**	290,190

(e) Performance fee

Commencing 1 January 2016, a performance fee is payable to Eildon Funds Management Limited where EDC achieves an annual return during the calculation period of greater than the hurdle rate of 9% per annum. The performance fee payable is calculated as 20% of the total return to securityholders of EDC in excess of the 9% hurdle rate, after factoring in dividends and other distributions. Following the internalisation of Eildon Funds Management Limited on 17 November 2020, the performance fee (if any) is eliminated on consolidation.

No performance fee is payable for 2021 and 2020 financial years.

Notes to the Financial Statements (Continued)

For the Year Ended 30 June 2021

Note 23: Commitments and Contingent Liabilities

(a) Loans and other investments

	EDC		ECT	
	2021	2020	**2021**	2020
Amounts available to be drawn by borrowers under existing loan facility agreements:				
Unrelated entities	**2,335,000**	107,500	**2,335,000**	107,500
Amounts available to be called by investees for partially paid shares and units:				
Unrelated entities	**1,235,654**	1,235,654	**-**	-

(b) Financial Guarantees

Guarantees

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	EDC	
	2021	2020
	$	$
Guarantee (i)	**869,400**	869,400
Bank Guarantee (ii)	**73.914**	-

(i) Guarantee provided by the Company to Australia and New Zealand Banking Group Limited as security for a loan facility in relation to a property held by one of the Company's investment.

(ii) Bank guarantee provided by a subsidiary of EDC to landlord for office lease.

Note 24: Subsequent Events

The COVID-19 pandemic is still on-going, with asset markets experiencing significant volatility, as well as creating significant uncertainty regarding its economic impact. The increase in property prices have had a positive impact on the existing investment portfolio. EDC is pleased to report all investments are performing as expected and are forecast to deliver returns consistent with original investment assumptions. There are currently no investments in the loan portfolio in arrears and all covenants are being maintained. However, we are cognisant that the overall impact of Covid-19 is still unknown at this point.

Other than as set out above, there are no matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations of EDC, the results of those operations or the state of affairs of EDC in financial periods subsequent to 30 June 2021.

Directors' Declaration

In accordance with a resolution of the directors of Eildon Capital Limited and Eildon Funds Management Limited as Responsible Entity for Eildon Capital Trust (collectively referred to as the Directors), we state that:

In the opinion of the Directors:

(a) the financial statements and notes are in accordance with *Corporations Act 2001*, including:

(i) giving a true and fair view of EDC's and ECT's financial position as at 30 June 2021 and of their performance for the year ended on that date; and

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

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1; and

(c) there are reasonable grounds to believe that EDC and ECT will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with s. 295A of the Corporations Act 2001 for the financial year ended 30 June 2021.

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

Dated at Sydney 24 August 2021.

Mark Avery
Director

James Davies
Director

Level 16, Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000

Postal Address
GPO Box 1615
Sydney NSW 2001

p. +61 2 9221 2099
e. sydneypartners@pitcher.com.au

Auditor's Independence Declaration
To the Directors of Eildon Capital Limited and Eildon Capital Trust, together Eildon Capital Group

In relation to the independent audit for the year ended 30 June 2021, to the best of my knowledge and belief there have been:

(i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code").

This declaration is in respect of Eildon Capital Limited and Eildon Capital Trust, together Eildon Capital Group.

John Gavljak
Partner

24 August 2021

Pitcher Partners

Pitcher Partners
Sydney

Level 16, Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000

Postal Address
GPO Box 1615
Sydney NSW 2001

p. +61 2 9221 2099
e. sydneypartners@pitcher.com.au

Independent Auditor's Report
To the Stapled Security holders of Eildon Capital Limited and Eildon Capital Trust, together Eildon Capital Group

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the stapled entity Eildon Capital Group ("EDC" or the "Group"), comprised of Eildon Capital Limited "the Company" and Eildon Capital Trust "the Trust" and the entities they controlled, which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the director's declaration on behalf of the Group.

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

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

Basis for Opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those that, in our professional judgement, were of more significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Valuation of Financial Assets at Amortised Cost (Refer to Note 10 Financial Assets at Amortised Cost)</td></tr>
<tr><td>
We focused our audit effort on the valuation of the Group’s Financial Assets at Amortised Cost as it is the largest asset of the Group and the assessment of recoverability requires significant judgement.
As at 30 June 2021, the Group had Financial Assets at Amortised Cost of $28.6 million, including an allowance for expected credit losses of $nil.
A significant portion of the balance relates to loans receivable provided to corporate entities associated with property development activities and asset backed finance lending.
The Group applies the Expected Credit Loss (“ECL”) model under AASB 9 Financial Instruments.
The assessment to determine the ECL for impairment of Financial Assets at Amortised Cost involves significant estimates and judgements by management, including both qualitative and quantitative assumptions. These include an assessment of the credit worthiness of the relevant counterparties, expected future collections, historical impairments and consideration of the estimated value of any secured assets provided as collateral.
</td><td>
Our procedures included, amongst others:

Obtaining and reviewing loan agreements and other supporting documentation to gain an understanding of the loans provided and any related secured assets provided as collateral;
Assessing compliance of management’s methodology for determining the provision for the allowance for expected credit losses with AASB 9;
Reviewing and challenging the key assumptions and significant estimates and judgements used by management in determining the recoverability of financial assets; and
Assessing the adequacy of disclosures in the financial statements.

</td></tr>
</table>

Acquisition of Eildon Funds Management (Refer to Note 2.2 Business Combination)	
During the year the Group acquired Eildon Funds Management (EFM) for an aggregate consideration of $4.0m. This was considered a significant transaction for the Group. Accounting for this transaction is a complex and judgemental exercise, requiring management to determine the fair value of acquired assets and liabilities, in particular determining the allocation of purchase consideration to goodwill and separately identifiable intangible assets. It is due to the relative size of the acquisition and the estimation process involved in accounting for it that this is a key audit matter.	Our procedures included, amongst others: • Obtaining and reading the sale and purchase agreement to understand the key terms and conditions; • Assessing the scope, competence and objectivity of external valuation experts and management's valuation assessments; • Assessing the accounting treatment of the transactions for compliance with AASB 3 *Business Combinations*; • Evaluating the appropriateness of assumptions and methodology in management's calculations, including expert reports, used to determine the value of EFM's identifiable intangible assets; and • Assessing the adequacy of disclosures in the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibility of Directors' for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 10 of the Directors' Report for the year ended 30 June 2021. In our opinion, the Remuneration Report of Eildon Capital Group, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Pitcher Partners

John Gavljak	**Pitcher Partners**
Partner	Sydney

24 August 2021

Corporate Governance Statement

Eildon Capital Group

This Corporate Governance Statement, which has been approved by the Board, describes the corporate governance policies, framework and practices of Eildon Capital Group (ASX: EDC) (**Group**), which consists of Eildon Capital Limited (**Company**) and Eildon Capital Trust (**Trust**). Eildon Funds Management Limited (**Manager**) is a wholly-owned subsidiary of the Company and the responsible entity for the Trust.

This Corporate Governance Statement is current as at 30 June 2021.

ASX CG Principles	Compliance by Group
Principle 1 – Lay solid foundations for management and oversight. A listed entity should establish and disclose the respective roles and responsibilities of board and management and how their performance is monitored and evaluated.	
Recommendation 1.1 A listed entity should disclose the respective roles and responsibilities of its board and management, and those matters expressly reserved to the board and those delegated to management.	The business of the Group is managed under the direction of the boards of the Company and the Manager (**Board**) which are responsible for its corporate governance. The Board comprises Mr Mark Avery, Mr James Davies and Ms Michelle Harpur. Mr Craig Treasure resigned from the Board on 29 June 2021. The Board meets on a regular basis and is required to discuss pertinent business developments, investment decisions and issues, and review the operations and performance of the Group. The Board will seek to ensure that the investment strategy is aligned with the expectations of Securityholders and the Group is effectively managed in a manner that is properly focused on its investment strategy as well as conforming to regulatory and ethical requirements. Provision is made at each regular meeting of the Board for the consideration of critical compliance and risk management issues as they arise. The primary objectives of the Board will be to: • Set and review the strategic direction of the Group; • Approve all material transactions; • Approve and monitor financial policies and financial statements; • Establish, promote and maintain proper processes and controls to maintain the integrity of financial accounting, financial records and reporting; • Develop and implement key corporate policies, procedures and controls as necessary to ensure appropriate standards of accountability, risk management and corporate governance and responsibility; • Ensure Securityholders receive high quality, relevant and accurate information on a timely manner;

ASX CG Principles	Compliance by Group
	The Board has delegated responsibility for day-to-day management of the Group to the Managing Director and the Manager.
Recommendation 1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Prior to appointing a director or putting forward a new candidate for election, screening checks are undertaken as to the person's experience, education, criminal history and bankruptcy history. When presenting a director for re-election, the Group provides Securityholders with details of the directors skills and experience, independence and current term served by the director in office and whether the Board supports the re-election.
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	The Group's Non-Executive Directors have been engaged according to Letters of Appointment.
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	The Company Secretary is accountable to the Board, through the Chairperson, for all governance matters. Each Director has access to the Company Secretary. The appointment and removal of the Company Secretary must be determined by the Board as a whole.
Recommendation 1.5 A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; (c) disclose in relation to each reporting period: (i) the measurable objectives set for that period to achieve gender diversity; (ii) the entity's progress towards achieving those objectives; and (iii) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality	The Group's approach to business promotes a culture of equal opportunity and has the core principles of meritocracy based on ability, fairness and equality. The Group does not discriminate on gender, race, religion or cultural grounds. The Board has adopted a diversity policy. The Board aims to: • promote the principles of merit and fairness when considering Board member appointments; and • recruit from a diverse pool of qualified candidates, seeking a diversity of skills and qualifications. The Board's composition is reviewed on an annual basis. In the event a vacancy exists, the Board will include diversity in its selection process. The Board intends to set measurable objectives annually for achieving gender diversity, and will each year report the Group's progress toward achieving them. Currently, 33% of the Board of EDC is represented by women. Further, EDC does not have any women appointed in senior management roles, and currently represent 14% of employees of the company.

ASX CG Principles	Compliance by Group
Indicators", as defined in and published under that Act.	
Recommendation 1.6 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken period in accordance with that process during or in respect of that period.	The Board of Directors' Charter requires: • the Board to review its performance (at least annually) against previously agreed measurable and qualitative indicators; • the Chairperson of the Board to review each Director's performance; • a nominated Director to review the Chairperson's performance; and • the Board to undertake a formal annual review of its overall effectiveness. The Board reviews its performance in terms of the Group's objectives, results and achievements. The Board ensures each Director has the necessary skills, experience and expertise, and the mix remains appropriate for the Board to function effectively. As a result of these performance reviews, the Board may implement changes to improve the effectiveness of the Board and corporate governance structures. Independent professional advice may be sought as part of this process. The Board undertook a review of its performance, skills, experience and expertise during the year, including as a result of the internalisation of the Manager and the additional responsibilities of the Board.
Recommendation 1.7 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in accordance with that process during or in respect of that period.	Performance reviews for senior executives will take place at least annually. The Board intends to ensure the appropriate disclosures in the remuneration report are made in relation to each reporting period as to the performance evaluations that were undertaken and the process that was followed.
Principle 2 – Structure the board to add value ***The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.***	
Recommendation 2.1 The board of a listed entity should: (a) have a nomination committee which: (i) has at least three members, a majority of whom are independent directors; and	Given the size, scale and nature of the Group, there is not a separate nomination committee. The full Board considers the issues that would otherwise be a function of a separate nomination committee. The Group's policy is that the Board considers an appropriate mix of skills, experience, expertise and diversity (including gender diversity).

ASX CG Principles	Compliance by Group
(ii) is chaired by an independent director, and disclose: (A) the charter of the committee; (B) the members of the committee; and (C) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	When evaluating, selecting and appointing Directors, the Board considers: • the candidate's competencies, qualifications and expertise, addition to diversity of the Board and his/her fit with the current membership of the Board; • the candidate's knowledge of the industry in which the Group operates; • directorships previously held by the candidate and his/her current commitments to other boards and companies; • existing and previous relationships with the Group and Directors; • the candidate's independence status, including the term of office currently served by the director; • criminal record and bankruptcy history (for new candidates); • the need for a majority or equal balance on the Board; and • requirements of the *Corporations Act 2001*, ASX Listing Rules, the Constitutions of the Company and the Trust and Board Charter. The Board seeks to ensure that: • its membership represents an appropriate balance between Directors with investment management and real estate industry experience and Directors with an alternative strategic perspective; and • the size of the Board is conducive to effective discussion and efficient decision-making. Under the terms of the Company's Constitution: • an election of Directors must be held at each Annual General Meeting and at least one Director must retire from office; and • each Director must retire from office at the third Annual General Meeting following his/her last election. Where eligible, a Director may stand for re-election.

Recommendation 2.2

A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

The board skills matrix for the Board is set out below:

	Skill, Experience and Expertise										
	Finance							Industry Knowledge			
Directors	Financial Accounting & Audit	Audit Committee Experience	Risk Management	Legal	Strategy	Public Board Experience	Regulatory / Public Policy	Property Transactions	Property Management	Legal Compliance	Statutory Compliance
	67%	67%	100%	100%	100%	100%	67%	100%	33%	100%	100%

ASX CG Principles	Compliance by Group
Recommendation 2.3 A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	The Board currently comprises two Independent Directors: • James Davies; and • Michelle Harpur. James Davies and Michelle Harpur were appointed to the Board on 18 October 2016. Until his resignation on 29 June 2021, the Board had a third Independent Director, Mr Craig Treasure, who was appointed to the Board on 1 May 2020. Directors must disclose any material personal or family contract or relationship in accordance with the *Corporations Act 2001*. Directors also adhere to constraints on their participation and voting in relation to matters in which they may have an interest in accordance with the *Corporations Act 2001* and the Group's policies. Details of offices held by Directors with other organisations are set out in the Directors' Report. Full details of related party dealings are set out in notes to the Group's accounts as required by law. If a Director's independence status changes, this will be disclosed and explained to the market in a timely manner.
Recommendation 2.4 A majority of the board of a listed entity should be independent directors.	The composition of the Board is as follows: • James Davies – Independent Director; • Michelle Harpur – Independent Director; and • Mark Avery – Managing Director. The Board is currently considering future board composition and further recruitment in the short term, in light of the recent resignation of Independent Director, Mr Craig Treasure, on 29 June 2021. However, the Board continues to function with the current members, which comprises a majority of independent directors.
Recommendation 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	The Chairperson of the Board is an Independent Director. James Davies has been appointed as Chairperson of the Group.

<table>
<tr><th>ASX CG Principles</th><th>Compliance by Group</th></tr>
<tr><td>Recommendation 2.6

A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</td><td>The annual performance assessment provides an opportunity for all directors to identify required training although directors can request professional development opportunities at any time.</td></tr>
<tr><td colspan="2">Principle 3 – Instil a culture of acting lawfully, ethically and responsibly
A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly</td></tr>
<tr><td>Recommendation 3.1

A listed entity should articulate and disclose its values.</td><td>The Group’s values are:

• integrity;
• respect;
• safe and non-discriminatory work environment; and
• acting in a manner consistent with community standards.

These values are set out in the Group’s Code of Conduct.</td></tr>
<tr><td>Recommendation 3.2

A listed entity should:

(a) have and disclose a code of conduct for its directors, senior executives and employees; and

(b) ensure that the board or a committee of the board is informed of any material breaches of that code.</td><td>The Board has adopted a Code of Conduct which is disclosed on the Group’s website. It requires officers, employees, contractors, representatives, consultants and associates, and other persons that act on behalf of the Group to act honestly, in good faith, and in the best interests of the Group as a whole, whilst in accordance with the letter (and spirit) of the law.</td></tr>
<tr><td>Recommendation 3.3

A listed entity should:

(a) have and disclose a whistleblower policy; and

(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</td><td>The Board has adopted a whistleblower policy which is disclosed on the Group’s website.</td></tr>
<tr><td>Recommendation 3.4

A listed entity should:

(a) have and disclose an anti-bribery and corruption policy; and

(b) ensure that the board or a committee of the board is informed of any material breaches of that policy</td><td>The Board has adopted an anti-bribery and corruption policy which is disclosed on the Group’s website.</td></tr>
</table>

ASX CG Principles	Compliance by Group
Principle 4 – Safeguard the integrity of corporate reports ***A listed entity should have appropriate processes to verify the integrity of its corporate reports.***	
Recommendation 4.1 The board of a listed entity should: (a) have an audit committee which: (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose: (A) the charter of the committee; (B) the relevant qualifications and experience of the members of the committee; and (C) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	The Board has established an Audit and Risk Committee. The Audit and Risk Committee has three members: Ms Michelle Harpur (Chairperson), Mr James Davies and Mr Mark Avery. The majority of the Audit and Risk Committee are Non-Executive Independent Directors, as is the Chairperson. The Audit and Risk Committee operates under an approved charter. The Audit and Risk Committee has authority (within the scope of its responsibilities) to seek any information it requires from Group employees or external party. Members may also meet with auditors (internal and/or external) without management present and consult independent experts, where the Audit and Risk Committee considers it necessary to carry out its duties. All matters determined by the Audit and Risk Committee are submitted to the full Board as recommendations for Board decisions. Minutes of an Audit and Risk Committee meeting are tabled at a subsequent Board meeting. Additional requirements for specific reporting by the Audit and Risk Committee to the Board are addressed in the Charter. The purpose of the Audit and Risk Committee is to assist the Board in fulfilling its responsibilities relating to the financial reporting and accounting practices of the Group. Its key responsibilities are to: • review and recommend to the Board the financial statements (including key financial and accounting principles adopted by the Group); • review and monitor risks and the implementation of mitigation measures for those risks as appropriate; • assess and recommend to the Board the appointment of external auditors and monitor the conduct of audits; • monitor the Group's compliance with its statutory obligations; • review and monitor the adequacy of management information and internal control systems; and • ensure that any shareholder queries relating to such matters are dealt with expeditiously. Attendance is recorded at Audit and Risk Committee meetings and the experience of the members is provided in the Directors' Report.
Recommendation 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of	Before the Board approves the Group's financial statements, it receives declarations of the Managing Director and the CFO of the Manager that, in their opinion, the financial records of the Group have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the company, and that their opinion has been formed on the basis of a sound risk management system and internal controls which are operating effectively.

ASX CG Principles	Compliance by Group
the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	
Recommendation 4.3 A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	The Group will disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.
Principle 5 – Make timely and balanced disclosure ***A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.***	
Recommendation 5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	The Board has adopted a Disclosure and Communications Policy which is disclosed on the Group's website. The Board is committed to: • the promotion of investor confidence by ensuring that trading in the Group's securities takes place in an efficient, competitive and informed market; • complying with the Group's disclosure obligations under the ASX Listing Rules and the *Corporations Act 2001*; and • ensuring the stakeholders have the opportunity to access externally available information issued by the Group. The Company Secretary is responsible for coordinating the disclosure of information to Regulators and securityholders and ensuring that any notifications/reports to the ASX are promptly posted on the Group's website.
Recommendation 5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	The Group ensures that all Directors receive copies of all material market announcements promptly after they have been made.
Recommendation 5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	The Group will ensure that if it gives a new and substantive investor or analyst presentation it will release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.
Principle 6 – Respect the rights of security holders ***A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively***	
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	Information about the Group and its corporate governance items are posted on its website at www.eildoncapital.com.

ASX CG Principles	Compliance by Group
Recommendation 6.2 A listed entity should have an investor relations program to facilitate effective two-way communication with investors.	The Board has adopted a Disclosure and Communication Policy that describes the Board's policy for ensuring shareholders and potential investors of the Group receive or obtain access to information publicly released. The Group's primary portals are its website, Annual Report, Annual General Meeting, Half-Yearly Report, and notices to the ASX. The Board, with the assistance of the Company Secretary, oversees and coordinates the distribution of all information by the Group to the ASX, shareholders, the media and the public. All securityholders have the opportunity to attend the Annual General Meeting and ask questions of the Board.
Recommendation 6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	The Company holds an Annual General Meeting ("AGM") of securityholders in November each year. The date, time and venue of the AGM are notified to the ASX when the notice of the AGM is circulated to securityholders and lodged with the ASX each year. The Board will choose a date, venue and time considered convenient to the greatest number of its shareholders. A notice of meeting will be accompanied by explanatory notes on the items of business and together they will seek to clearly and accurately explain the nature of the business of the meeting. Securityholders are encouraged to attend the meeting, or if unable to attend, to vote on the motions proposed by appointing a proxy. The proxy form included with the Notice of Meeting will seek to explain clearly how the proxy form is to be completed and submitted.
Recommendation 6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands	The Group will ensure that all substantive securityholder resolutions are decided by poll.
Recommendation 6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	The Group provides its security holders with an electronic communication option.
Principle 7 – Recognise and manage risk ***A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.***	
Recommendation 7.1 The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, all of whom are independent directors; and	The Board of the Group, through the Audit and Risk Committee, is responsible for ensuring that: • there are adequate policies for the oversight and management of material business risks; • there are effective systems in place to identify, assess, monitor and manage the risks and to identify material changes to the risk profile; and

ASX CG Principles	Compliance by Group
(ii) is chaired by an independent director, and disclose: (A) the charter of the committee; (B) the members of the committee; (C) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	• arrangements are adequate for monitoring compliance with laws and regulations applicable to the Group.
Recommendation 7.2 The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	The Audit and Risk Committee reviews the Group's risk management framework at least annually.
Recommendation 7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Given the size, scale and nature of the Group, it does not have an internal audit function. The Group has an Audit and Risk Committee which considers material business risks.
Recommendation 7.4	The Board has adopted a Risk Management Statement which outlines the process for identifying, monitoring and mitigating risks as well as generic sources of risk. This is reviewed on an annual basis.

ASX CG Principles	Compliance by Group
A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	
Principle 8 – Remunerate fairly and responsibly ***A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives to align their interests with the creation of value for security holders.***	
Recommendation 8.1 The board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (A) the charter of the committee; (B) the members of the committee; and (C) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Given the size, scale and nature of the Group, there is not a separate remuneration committee. The full Board considers the issues that would otherwise be a function of a separate remuneration committee. Remuneration for the Independent Directors is set at market rates commensurate with the responsibilities borne by the Independent Directors. Independent professional advice may be sought. The Managing Director is not remunerated by the Group. The Board also regularly considers the level and composition of remuneration of the Group's employees.
Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Remuneration for the Independent Directors is set at market rates commensurate with the responsibilities borne by the Independent Directors. Independent professional advice may be sought. The Managing Director is not remunerated by the Group. Further information is provided in the Remuneration Report set out in the Directors' Report.
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should:	The Group adopted an employee incentive plan at its 2020 annual general meeting.

ASX CG Principles	Compliance by Group
(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	The Board has adopted a securities trading policy which restricts all directors, officers and employees of the Group from entering into hedging arrangements.

Eildon Capital Group

Additional Information

The following information was current as at 18 August 2021.

Distribution schedule
The distribution of stapled security holders and their security holdings was as follows:

Category (size of holding)	Number of ordinary stapled security holders
1 - 1,000	53
1,001 - 5,000	121
5,001 - 10,000	89
10,001 - 100,000	230
100,001 - over	41
Total	534

Unmarketable parcels

	Minimum parcel size	Number of stapled security holders
Minimum $500.00 parcel at $1.040 per stapled security	481	32

Substantial holders
The names of the Company's substantial holders and the number of ordinary stapled securities in which each has a relevant interest as disclosed in substantial holder notices given to the Company are as follows:

Stapled security holder	Number of ordinary stapled securities in which interest held
CVC Limited	18,638,972
First Samuel Limited	3,199,499
Chemical Overseas Limited	3,069,377

Eildon Capital Limited

Additional Information (Continued)

20 largest stapled security holders - ordinary stapled securities

As at 18 August 2021, the top 20 stapled security holders and their holdings were as follows:

Stapled security holder	Stapled securities held	% of issued capital held
CVC Limited	18,638,972	39.59
First Samuel Limited <ANF Its Mda Clients A/C>	3,199,499	6.80
Chemical Overseas Limited	3,069,377	6.52
JKM Securities Pty Ltd <LJK Noms P/L Pen Fund A/C>	2,046,500	4.35
Rubi Holdings Pty Ltd <John Rubino S/F A/C>	2,000,000	4.25
Miss Kate Imogen Leaver	662,026	1.41
Fordholm Consultants Pty Ltd <Diana Boehme Super Fund A/C>	500,000	1.06
Buduva Pty Ltd <Baskerville S/F No 2 A/C>	490,000	1.04
Mr Hugh John Cameron + Mrs Heather Margaret Cameron <The Yanko Super Fund A/C>	484,861	1.03
Fifty-second Celebration Pty Ltd <Mcbain Family A/C>	450,000	0.96
Geat Incorporated <Geat-Preservation Fund A/C>	400,000	0.85
Buduva Pty Ltd <Baskerville Super Fund A/C>	350,000	0.74
Mr Robert Velletri + Mrs Francine Velletri <Robert Velletri S/F A/C>	337,676	0.72
Tyroc Pty Ltd <Beard Pension Fund A/C>	324,570	0.69
JPR Holdings Pty Ltd <JPR Holdings Pension A/C>	308,144	0.65
Wilbow Group Pty Ltd <Wilbow Group A/C>	300,000	0.64
Equitas Nominees Pty Limited <Pb-600755 A/C>	297,753	0.63
Thirty-Fifth Celebration Pty Ltd <JC Mcbain Super Fund A/C>	295,395	0.63
T & M Properties Pty Limited <T & M Properties Pension A/C>	288,144	0.61
Delta Asset Management Pty Ltd < Super Fund A/C>	260,000	0.55
	34,702,917	**73.72**

Voting Rights

The Company's constitution details the voting rights of members and states that every member, present in person or by proxy, shall have one vote for every ordinary stapled security registered in his or her name.

Registered Office

The Company is registered and domiciled in Australia. Its registered office and principal place of business are at Suite 4, Level 6, 330 Collins Street, MELBOURNE VIC 3000