

# ASX announcement

## 2022 Half Year Financial Results ASX announcement

22 February 2022: Eildon Capital Group (EDC) provides the attached 2022 Half Year Financial Results ASX Announcement for the half year ended 31 December 2021

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### Contact Details

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Eildon Capital Group  
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The release of this announcement was authorised to be released by Laurence Parisi,  
Joint Company Secretary

## Appendix 4D

### Half-Yearly Report

### Results for announcement to the market

Eildon Capital Group	
Half-Year ended ('Reporting Period')	Previous Half-Year ended ('Corresponding period')
31 December 2021	31 December 2020

#### Results

Income from ordinary activities	Up	37.1%	to	5,941,710
Profit before tax	Up	18.6%	to	3,031,990
Profit after tax attributable to members	Up	9.3%	to	2,688,176
Net profit attributable to members	Up	9.3%	to	2,688,176

The preliminary half-yearly report is based on accounts which have been reviewed.

#### Dividends (distributions)

	Amount per share/unit	Franked amount per share/unit
December 2021 distribution	2.000 cents	nil
September 2021 distribution	2.000 cents	nil
June 2021 distribution	2.023 cents	nil
March 2021 distribution	2.000 cents	nil
December 2020 distribution	2.000 cents	nil
September 2020 distribution	1.925 cents	nil
<p>Information on dividends (distributions):</p> <p>A distribution in respect of the quarter ended 31 December 2021 of 2 cents per stapled security was paid on 24 January 2022.</p> <p>The Dividend Reinvestment Plan is in operation in relation to the payment of the dividend.</p>		
Ex-Distribution date for the purpose of receiving the distribution	04 January 2022	
Record date for determining entitlements to the distribution	05 January 2022	
Payment Date	24 January 2022	

#### Commentary

Brief explanation of any of the figures reported above:

Please refer to the attached commentary for a detailed review.

#### Net tangible assets

	31 December 2021	31 December 2020
Net tangible assets per ordinary stapled security	\$1.04	\$1.02

#### Audit qualification or review

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

## **RESULTS ANNOUNCEMENT**

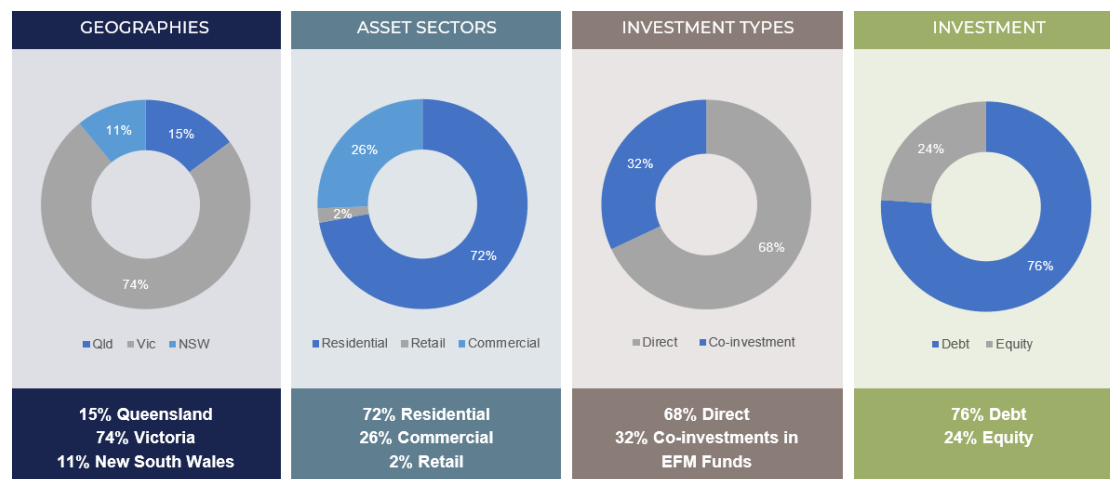
### **FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

Eildon Capital Group (ASX: EDC) delivered a net profit after tax (NPAT) of \$2.7 million or 5.6 cents per stapled security (cps) for the six months ended 31 December 2021, which is higher than the prior comparative period (pcp) result of \$2.5 million.

The group generated income of \$5.7 million derived by a combination of interest from debt investments, rental income, revaluation of property investments and management fees during the period. Distributions totalling 4.0 cps were declared, representing an annualised yield of approximately 7.6% on the closing security price of \$1.05 as at 31 December 2021. Net assets (NAV) per stapled security was \$1.12 as at 31 December 2021, up over the 30 June 2021 NAV of \$1.11.

### **Investment Portfolio**

Eildon Capital's investment portfolio totalled \$45.2 million in addition to a cash balance of \$5.3 million. The current portfolio includes 14 investments comprised of 8 debt and 6 equity positions. Debt investments represent 76% of the portfolio and 24% in equity by value. The investments are diversified across Victoria, Queensland and New South Wales. Eildon's Balance Sheet investments continue to generate income supporting quarterly distributions. We outline Eildon's Balance Sheet Investment portfolio key metrics below.



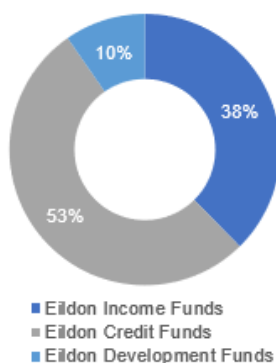
## Eildon Funds Management (EFM)

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.

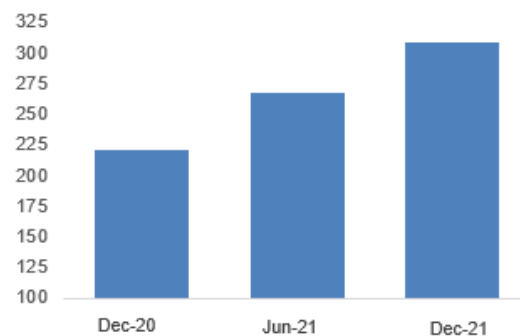
Group Assets Under Management (AUM) totalled \$310 million as at 31 December 2021, which included balance sheet and third-party assets. A strong pipeline of opportunities in place should see the AUM of the Group continue to grow through FY2022.

EFM delivered a pre-tax contribution of \$0.93 million to the Group's result since completion of the Internalisation of Eildon Funds Management Limited (EFM) at a cost of \$4.0 million, in November 2020. In addition to the \$0.93 million pre-tax contribution, an internally generated fee received by EFM totalled \$0.9 million for the management of Eildon Capital Trust.

**EFM AUM Diversification**



**Eildon Funds Management AUM Growth (\$m)**



## 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 an additional unlisted property fund in the period, the EAM Caboolture Property Fund, valued at \$56 million, \$31.4 million of equity was raised. Assets Under Management for the Property Income Funds totalled \$108 million as at 31 December 2021.

An identified pipeline for a further \$94 million of community essential real estate assets are available for syndication, with a potential launch date in CY22. An unlisted Health and Education wholesale fund is under investigation for potential launch in CY22; seed assets have been identified. 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 \$150 million across 14 projects which includes the Group's balance sheet co- investment of circa \$21 million. EFM continues to review lending opportunities, with in excess of \$80 million of loan opportunities currently under due diligence. 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 \$23 million across two projects in two development funds. Both projects comprise community essential real estate 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 \$94 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.
- Development of a 14,042 sqm Bunnings Warehouse, construction underway.
- Construction of Caboolture Shopping Village is underway, anchored by Coles the projects end value is expected to be in excess of \$56 million.

### Capital Management

The Group remains fully deployed /committed. A distribution of 2.0 cents per stapled security was paid on 24 January 2022. The anticipated distribution/dividend payment calendar for the next 12 months is outlined below:

Distribution Period	Payment Date
March 2022	22 April 2022
June 2022	22 July 2022
September 2022	21 October 2022
December 2022	January 2023

### Market Conditions and Outlook

Eildon Capital Group provides exposure to an alternative asset funds management and investment platform which covers both debt and equity investment. Balance Sheet investments that derive income will continue to support quarterly distributions while revenue generated from the funds management platform provide opportunity for earnings growth.

The Group capitalised on positive momentum and delivering its strategic objectives with Assets Under Management (AUM) increasing to \$310 million as at 31 December 2021, up from \$220 million at time of internalisation. The Group is targeting AUM growth in CY22 through a number of identified opportunities.

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  
22 February 2022



## Half-Year Financial Report

Eildon Capital Group

For the half-year ended 31 December 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)

## 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 Phillips

### SECRETARY:

#### *Eildon Capital Limited*

Tiffany L McLean  
Laurence Parisi (appointed 15 December 2021)

#### *Eildon Funds Management Limited as Responsible Entity for Eildon Capital Trust*

Mark A Avery (Managing Director)  
James R Davies  
Michelle E Phillips

#### *Eildon Funds Management Limited as Responsible Entity for Eildon Capital Trust*

Tiffany L McLean  
Laurence Parisi (appointed 15 December 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



# Contents

Page

Directors' report	1
<b>FINANCIAL REPORT</b>	
Condensed Consolidated Statement of Profit or Loss	3
Condensed Consolidated Statement of Other Comprehensive Income	4
Condensed Consolidated Statement of Financial Position	5
Condensed Consolidated Statement of Changes in Equity	6
Condensed Consolidated Statement of Cash Flows	8
Notes to the Financial Statements	9
Directors' declaration	23
Auditors' independence declaration	24
Independent review report	25

# Directors' Report

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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 condensed financial statements for the half-year ended 31 December 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").

## Directors

The Directors in office throughout the period and to the date of this report are:

### ***Eildon Capital Limited***

Mark A Avery (Managing Director)  
James R Davies  
Michelle E Phillips

### ***Eildon Funds Management Limited as Responsible Entity for Eildon Capital Trust***

Mark A Avery (Managing Director)  
James R Davies  
Michelle E Phillips

## 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.

## Review and results of operations

EDC recorded an after-tax profit of \$2,688,176 (2021: \$2,460,494). The profit for the half year is calculated as follows:

	Dec 2021 \$	Dec 2020 \$
Net profit after income tax attributable to:		
- Eildon Capital Limited	788,551	400,980
- Eildon Capital Trust	1,872,228	2,059,734
Net profit to securityholders	2,660,779	2,460,714
Non-controlling interest	27,397	(220)
Net profit after income tax	2,688,176	2,460,494

# Directors' Report

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## Distributions

Distributions proposed or paid during the half year and included within the statement of changes in equity are:

	Cents Per Unit	Total \$	Date of Payment
2021 December quarter distribution on ordinary units	2.000	942,250	24-Jan-22
2021 September quarter distribution on ordinary units	2.000	941,502	22-Oct-21
2021 June quarter distribution on ordinary units	2.023	952,329	23-Jul-21
2021 Mar quarter distribution on ordinary units	2.000	941,502	23-Apr-21
2020 December quarter distribution on ordinary units	2.000	818,702	22-Jan-21

## Events subsequent to balance date

A distribution of 2 cents per stapled security amounting to \$942,250 was declared on 15 December 2021 and paid on 24 January 2022.

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 31 December 2021.

## Rounding of amounts

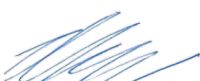
EDC is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar unless otherwise stated.

## Auditors' independence declaration

A copy of the independence declaration given to the Directors by the auditor for the review undertaken by Pitcher Partners is included on page 24.

Dated at Melbourne 22 February 2022.

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



**Mark Avery**  
Director



**James Davies**  
Director

# Eildon Capital Group

## Condensed Consolidated Statement of Profit or Loss For the Half-Year Ended 31 December 2021

		EDC		ECT	
	Notes	Dec-21 \$	Dec-20 \$	Dec-21 \$	Dec-20 \$
<b>INCOME</b>					
Interest income		2,088,057	2,378,199	2,259,981	2,403,481
Fee income		2,722,821	1,710,589	101,033	7,041
Distribution income		232,790	41,843	232,789	41,843
Gain on financial assets at fair value through profit or loss		662,844	-	5,000	-
<b>Total income</b>		<b>5,706,512</b>	<b>4,130,631</b>	<b>2,598,803</b>	<b>2,452,365</b>
<b>Share of net profit of associate accounted for using the equity method</b>		<b>135,198</b>	<b>203,226</b>	<b>-</b>	<b>-</b>
<b>EXPENSES</b>					
Accountancy		206,518	51,015	3,747	-
Audit fees		33,497	20,000	19,998	10,000
Employee and director costs		1,368,165	197,366	58,315	-
Insurance		85,495	4,480	-	-
Interest expenses		210,044	8,856	207,060	-
Legal fees		16,993	15,558	-	-
Management and consultancy fees		577,900	1,361,778	355,538	306,971
Trustee fees		12,736	11,735	12,736	11,735
Share registry		48,987	33,246	40,825	28,304
Other expenses		249,385	73,246	28,356	35,621
<b>Total expenses</b>		<b>2,809,720</b>	<b>1,777,280</b>	<b>726,575</b>	<b>392,631</b>
<b>Profit before income tax</b>		<b>3,031,990</b>	<b>2,556,577</b>	<b>1,872,228</b>	<b>2,059,734</b>
Income tax expense		343,814	96,083	-	-
<b>Net profit after tax</b>		<b>2,688,176</b>	<b>2,460,494</b>	<b>1,872,228</b>	<b>2,059,734</b>
<b>Net profit after tax attributable to:</b>					
Owners of the Company		788,551	400,980	-	-
Owners of the Trust		1,872,228	2,059,734	1,872,228	2,059,734
Non-controlling interests		27,397	(220)	-	-
<b>Net profit after tax</b>		<b>2,688,176</b>	<b>2,460,494</b>	<b>1,872,228</b>	<b>2,059,734</b>
<b>Basic earnings per company share/ trust unit (cents)</b>	5	<b>1.67</b>	0.98	<b>3.98</b>	5.03
<b>Diluted earnings per company share/ trust unit (cents)</b>	5	<b>1.66</b>	0.98	<b>3.95</b>	5.03
<b>Basic earnings per stapled security (cents)</b>	5	<b>5.65</b>	6.01		
<b>Diluted earnings per stapled security (cents)</b>	5	<b>5.61</b>	6.01		

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

# Eildon Capital Group

## Condensed Consolidated Statement of Other Comprehensive Income

For the Half-Year Ended 31 December 2021

	EDC		ECT	
	Dec-21	Dec-20	Dec-21	Dec-20
	\$	\$	\$	\$
<b>Profit for the year</b>	<b>2,688,176</b>	2,460,494	<b>1,872,228</b>	2,059,734
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>2,688,176</b>	2,460,494	<b>1,872,228</b>	2,059,734
<b><i>Total comprehensive income attributable to:</i></b>				
Owners of the Company	788,551	400,980	-	-
Owners of the Trust	1,872,229	2,059,734	1,872,228	2,059,734
Non-controlling interests	27,396	(220)	-	-
<b>Total comprehensive income for the year</b>	<b>2,688,176</b>	2,460,494	<b>1,872,229</b>	2,059,734

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

# Eildon Capital Group

## Condensed Consolidated Statement of Financial Position

As at 31 December 2021

		EDC		ECT	
	Notes	Dec-21 \$	Jun-21 \$	Dec-21 \$	Jun-21 \$
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		5,312,828	11,100,354	2,870,395	8,527,689
Financial assets at amortised cost	9	19,381,124	27,659,310	18,501,949	26,929,545
Financial assets at fair value through profit or loss		1,138,342	1,133,708	1,138,342	1,133,708
Other assets		184,103	65,540	16,459	-
Current tax assets		85,341	-	-	-
<b>Total current assets</b>		<b>26,101,738</b>	<b>39,958,912</b>	<b>22,527,145</b>	<b>36,590,942</b>
<b>NON-CURRENT ASSETS</b>					
Financial assets at amortised cost	9	21,490,644	911,096	25,857,329	5,112,638
Financial assets at fair value through profit or loss		7,451,336	3,559,954	5,620,901	2,583,962
Investments accounted for using the equity method	7	6,675,213	6,669,865	-	-
Intangible assets		3,460,077	3,460,077	-	-
Right-of-use asses		240,272	281,857	-	-
Plant & Equipment		16,295	14,070	-	-
Deferred tax assets		556,233	763,656	-	-
<b>Total non-current assets</b>		<b>39,890,070</b>	<b>15,660,575</b>	<b>31,478,230</b>	<b>7,696,600</b>
<b>TOTAL ASSETS</b>		<b>65,991,808</b>	<b>55,619,487</b>	<b>54,005,375</b>	<b>44,287,542</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables		1,636,390	1,764,215	998,415	1,027,369
Other liabilities	6	518,060	-	518,060	-
Lease liabilities		83,226	82,686	-	-
Provisions		118,045	84,099	-	-
Current tax liabilities		-	111,000	-	-
<b>Total current liabilities</b>		<b>2,355,721</b>	<b>2,042,000</b>	<b>1,516,475</b>	<b>1,027,369</b>
<b>NON-CURRENT LIABILITIES</b>					
Other liabilities	6	9,288,228	137,046	9,288,228	137,046
Lease liabilities		160,129	201,595	-	-
Provisions		25,382	-	-	-
Deferred tax liabilities		1,255,978	1,217,535	-	-
<b>Total non-current liabilities</b>		<b>10,729,717</b>	<b>1,556,176</b>	<b>9,288,228</b>	<b>137,046</b>
<b>TOTAL LIABILITIES</b>		<b>13,085,438</b>	<b>3,598,176</b>	<b>10,804,703</b>	<b>1,164,415</b>
<b>NET ASSETS</b>		<b>52,906,370</b>	<b>52,021,311</b>	<b>43,200,672</b>	<b>43,123,127</b>
<b>EQUITY</b>					
Contributed equity	4	8,217,764	8,210,699	42,724,737	42,693,983
Retained earnings		1,467,896	679,345	377,247	388,771
Other reserves		20,135	8,237	98,688	40,373
Equity attributable to shareholders/unitholders		<b>9,705,795</b>	<b>8,898,281</b>	<b>43,200,672</b>	<b>43,123,127</b>
<i>Non-controlling interests</i>					
Trust unitholders		43,200,672	43,123,127	-	-
Other non-controlling interests		(97)	(97)	-	-
		<b>43,200,575</b>	<b>43,123,030</b>		
<b>TOTAL EQUITY</b>		<b>52,906,370</b>	<b>52,021,311</b>	<b>43,200,672</b>	<b>43,123,127</b>

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

# Eildon Capital Group

## Condensed Consolidated Statement of Changes in Equity For the Half-Year Ended 31 December 2021

EDC	Contributed equity \$	Retained earnings \$	Other reserves \$	Owners of the parent \$	Non-controlling interest \$	Total \$
<b>As at 1 July 2021</b>	<b>8,210,699</b>	<b>679,345</b>	<b>8,237</b>	<b>8,898,281</b>	<b>43,123,030</b>	<b>52,021,311</b>
Profit for the period	-	788,551	-	788,551	1,899,625	2,688,176
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>788,551</b>	<b>-</b>	<b>788,551</b>	<b>1,899,625</b>	<b>2,688,176</b>
<i>Transactions with stapled security holders:</i>						
Shares/units/stapled securities issued	7,065	-	-	7,065	30,754	37,819
Share based payment expenses	-	-	11,898	11,898	58,315	70,213
Distribution provided or paid	-	-	-	-	(1,911,149)	(1,911,149)
<b>As at 31 December 2021</b>	<b>8,217,764</b>	<b>1,467,896</b>	<b>20,135</b>	<b>9,705,795</b>	<b>43,200,575</b>	<b>52,906,370</b>
<b>As at 1 July 2020</b>	<b>7,634,321</b>	<b>(326,836)</b>	<b>-</b>	<b>7,307,485</b>	<b>37,287,469</b>	<b>44,594,954</b>
Profit for the period	-	400,980	-	400,980	2,059,514	2,460,494
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>400,980</b>	<b>-</b>	<b>400,980</b>	<b>2,059,514</b>	<b>2,460,494</b>
<i>Transactions with stapled security holders:</i>						
Transaction with non-controlling interest	-	-	-	-	(7,992)	(7,992)
Transaction costs from stapled security buyback	(176)	-	-	(176)	(900)	(1,076)
Tax on stapled security buyback transaction costs	52	-	-	52	-	52
Distribution provided or paid	-	-	-	-	(1,606,723)	(1,606,723)
<b>As at 31 December 2020</b>	<b>7,634,197</b>	<b>74,144</b>	<b>-</b>	<b>7,708,341</b>	<b>37,731,368</b>	<b>45,439,709</b>

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

# Eildon Capital Group

## Condensed Consolidated Statement of Changes in Equity For the Half-Year Ended 31 December 2021

ECT	Contributed equity \$	Retained earnings \$	Other reserves \$	Total \$
<b>At 1 July 2021</b>	<b>42,693,983</b>	<b>388,771</b>	<b>40,373</b>	<b>43,123,127</b>
Profit for the period	-	1,872,228	-	1,872,228
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>1,872,228</b>	<b>-</b>	<b>1,872,228</b>
<i>Transactions with unitholders:</i>				
Units issued	30,754	-	-	30,754
Distribution provided or paid	-	(1,883,752)	-	(1,883,752)
Share based payment expenses	-	-	58,315	58,315
<b>At 31 December 2021</b>	<b>42,724,737</b>	<b>377,247</b>	<b>98,688</b>	<b>43,200,672</b>
<b>At 1 July 2020</b>	<b>37,285,986</b>	<b>1,483</b>	<b>-</b>	<b>37,287,469</b>
Profit for the period	-	2,059,734	-	2,059,734
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>2,059,734</b>	<b>-</b>	<b>2,059,734</b>
<i>Transactions with unitholders:</i>				
Distribution provided or paid	-	(1,606,723)	-	(1,606,723)
Transaction costs on unit buyback	(900)	-	-	(900)
<b>At 31 December 2020</b>	<b>37,285,086</b>	<b>454,494</b>	<b>-</b>	<b>37,739,580</b>

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



# Eildon Capital Group

## Condensed Consolidated Statement of Cash Flows

### For the Half-Year Ended 31 December 2021

	Notes	EDC		ECT	
		Dec-21 \$	Dec-20 \$	Dec-21 \$	Dec-20 \$
<b>Cash flows from operating activities</b>					
Cash receipts in the course of operations		3,560,316	1,562,562	104,902	37,575
Cash payments in the course of operations		(3,649,704)	(1,970,416)	(513,374)	(587,125)
Distribution received		186,773	15,705	186,773	-
Loans repaid		8,416,546	4,341,200	8,416,546	4,341,200
Loans provided		(23,583,153)	(135,000)	(23,583,153)	(4,135,000)
Interest and fee income received		5,117,365	2,112,946	5,124,146	2,128,574
Interest paid		(58,392)	-	(55,409)	-
Income tax paid		(294,289)	(140,700)	-	-
<b>Net cash (used in)/provided by operating activities</b>		<b>(10,304,538)</b>	<b>5,786,297</b>	<b>(10,319,569)</b>	<b>1,785,224</b>
<b>Cash flows from investing activities</b>					
Payments for financial assets at fair value through profit or loss		(4,487,099)	(3,624,927)	(4,290,500)	(3,489,427)
Proceeds from financial assets at fair value through profit or loss		1,428,115	1,324,425	1,298,265	1,211,250
Payments for plant and equipment		(5,572)	(3,658)	-	-
Payments for acquisition of subsidiary, net of cash acquired	12	-	(3,877,681)	-	-
<b>Net cash used in investing activities</b>		<b>(3,064,556)</b>	<b>(6,181,841)</b>	<b>(2,992,235)</b>	<b>(2,278,177)</b>
<b>Cash flows from financing activities</b>					
Distributions paid		(1,932,914)	(1,426,413)	(1,893,831)	(1,425,319)
Proceeds for stapled security/unit issued		37,819	-	30,754	-
Payment for stapled security/unit buyback transaction costs		-	(1,076)	-	(900)
Proceeds from borrowings		9,517,588	6,251	9,517,587	-
Payment of borrowings		(40,925)	-	-	-
<b>Net cash provided by/(used in) financing activities</b>		<b>7,581,568</b>	<b>(1,421,238)</b>	<b>7,654,510</b>	<b>(1,426,219)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(5,787,526)</b>	<b>(1,816,782)</b>	<b>(5,657,294)</b>	<b>(1,919,172)</b>
<b>Cash and cash equivalents at the beginning of the half-year</b>		<b>11,100,354</b>	<b>8,486,029</b>	<b>8,527,689</b>	<b>7,308,276</b>
<b>Cash and cash equivalents at the end of half-year</b>		<b>5,312,828</b>	<b>6,669,247</b>	<b>2,870,395</b>	<b>5,389,104</b>

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

# Eildon Capital Group

## Notes to the Financial Statements For the Half-Year Ended 31 December 2021

### Note 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 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.

The half-year financial reports are a condensed financial report, which have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*. Compliance with this standard ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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 financial report for the year ended 30 June 2021. Amounts in this report have been rounded off in accordance with the Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, to the nearest dollar unless otherwise stated.

### Note 2: Subsequent events

A distribution of 2 cents per stapled security amounting to \$942,250 was declared on 15 December 2021 and paid on 24 January 2022.

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 and ECT, the results of those operations or the state of affairs of EDC and ECT in financial periods subsequent to 31 December 2021.

### Note 3: Segment 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 & ECT operate predominantly within the jurisdiction of Australia.

# Eildon Capital Group

## Notes to the Financial Statements For the Half-Year Ended 31 December 2021

### Note 3: Segment information (cont.)

EDC	Direct Property Investment \$	Funds Management \$	Property Backed Lending \$	Eliminations \$	Total \$
<b>31 December 2021</b>					
<b>Revenue</b>					
Segment revenue	815,140	2,666,362	2,322,521	-	5,804,023
Inter-Segment revenue	-	404,099	-	(404,099)	-
	815,140	3,070,461	2,322,521	(404,099)	5,804,023
Corporate interest income					2,489
					5,806,512
Share of profit of equity accounted associate	135,198	-	-	-	135,198
<b>Results</b>					
Segment profit	850,338	362,690	2,115,461	-	3,328,489
Inter-Segment profit	-	404,099	-	(404,099)	-
Sub-total	850,338	766,789	2,115,461	(404,099)	3,328,489
Corporate expenses					(296,499)
Income tax expenses					(343,814)
Consolidated profit after tax					2,688,176
<b>Disaggregation of revenue</b>					
Timing of revenue recognition					
At a point in time	-	1,650,300	50,000	-	1,700,300
Over time	-	1,015,800	6,721	-	1,022,521
Revenue from contracts with customers	-	2,666,100	56,721	-	2,722,821
Other revenue	815,140	262	2,265,800	-	3,081,202
Segment revenue	815,140	2,666,362	2,322,521	-	5,804,023

# Eildon Capital Group

## Notes to the Financial Statements For the Half-Year Ended 31 December 2021

### Note 3: Segment information (cont.)

EDC	Direct Property Investment \$	Funds Management \$	Property Backed Lending \$	Eliminations \$	Total \$
<b>31 December 2020</b>					
<b>Revenue</b>					
Total revenue for reportable segments	-	1,689,860	2,435,159	-	4,125,019
Inter-Segment revenue	-	65,291	-	(65,291)	-
Sub-total	-	1,755,151	2,435,159	(65,291)	4,125,019
Corporate interest income					5,612
					4,130,631
Share of profit of equity accounted associate	203,226	-	-	-	203,226
<b>Results</b>					
Total profit before tax for reportable segments	203,226	458,518	2,435,159	-	3,096,903
Inter-segment profit	-	65,291	-	-	65,291
Corporate expenses	203,226	523,809	2,435,159	-	3,162,194 (701,700)
Consolidated profit after tax					2,460,494
<b>Disaggregation of revenue</b>					
Timing of revenue recognition					
At a point in time	-	1,524,000	-	-	1,524,000
Over time	-	152,523	34,066	-	186,589
Revenue from contracts with customers	-	1,676,523	34,066	-	1,710,589
Other revenue		13,337	2,401,093		2,414,430
Segment revenue	-	1,689,860	2,435,159	-	4,125,019

# Eildon Capital Group

## Notes to the Financial Statements For the Half-Year Ended 31 December 2021

### Note 3: Segment information (Cont.)

EDC	Direct Property Investment \$	Funds Management \$	Property Backed Lending \$	Total \$
<b>31 December 2021</b>				
<b>Assets</b>				
Segment assets	10,010,648	3,460,077	45,206,573	58,677,298
Unallocated amounts:				
Cash and cash equivalents				5,312,828
Other assets				2,001,682
Total assets				65,991,808
<b>Liabilities</b>				
Segment liabilities	-	-	9,806,288	9,806,288
Unallocated amounts:				
Other liabilities				3,279,150
Total liabilities				13,085,438
<b>30 June 2021</b>				
<b>Assets</b>				
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
<b>Liabilities</b>				
Segment liabilities	-	-	137,046	137,046
Unallocated amounts:				
Other liabilities				3,461,130
Total liabilities				3,598,176

# Eildon Capital Group

## Notes to the Financial Statements For the Half-Year Ended 31 December 2021

### Note 3: Segment information (Cont.)

ECT	Direct Property Investment \$	Property Backed Lending \$	Total \$
<b>31 December 2021</b>			
<b>Revenue</b>			
Segment revenue	57,296	2,366,833	2,424,129
Corporate interest income			174,674
			2,598,803
<b>Results</b>			
Segment profit	57,296	2,159,773	2,217,069
Corporate expenses			(344,841)
<b>Profit after tax</b>			1,872,228

Revenue from contracts with customers was \$101,033 (2020: nil) for the half year ended 31 December 2021, of which \$100,000 (2020: nil) was recognised at a point in time and \$1,033 (2020: nil) was recognised over time.

For the half-year ended 31 December 2020, ECT operated in one business segment being an investment trust and in one geographical location.

# Eildon Capital Group

## Notes to the Financial Statements For the Half-Year Ended 31 December 2021

### Note 3: Segment information (cont.)

ECT	Direct Property Investment \$	Property Backed Lending \$	Total \$
<b>31 December 2021</b>			
<b>Assets</b>			
Segment assets	1,505,000	45,206,573	46,711,573
Unallocated amounts:			
Cash and cash equivalents			2,870,395
Other assets			4,423,407
Total assets			54,005,375
<b>Liabilities</b>			
Segment liabilities	-	9,806,288	9,806,288
Unallocated amounts:			
Other liabilities			998,415
Total liabilities			10,804,703
<b>30 June 2021</b>			
<b>Assets</b>			
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
<b>Liabilities</b>			
Segment liabilities	-	137,046	137,046
Unallocated amounts:			
Other liabilities			1,027,369
Total liabilities			1,164,415

### Note 4: Contributed equity

EDC	31 Dec 2021		31 Dec 2020	
	Number	\$	Number	\$
Fully paid ordinary shares	47,112,512	8,217,764	40,935,102	7,634,197
<b>Reconciliation:</b>				
Balance at the beginning of the half-year	47,075,102	8,210,699	40,935,102	7,634,321
Issue of shares	37,410	7,065	-	-
Transaction costs from share buyback	-	-	-	(176)
Income tax on share transaction costs	-	-	-	52
<b>Balance at the end of the half-year</b>	<b>47,112,512</b>	<b>8,217,764</b>	<b>40,935,102</b>	<b>7,634,197</b>

# Eildon Capital Group

## Notes to the Financial Statements

For the Half-Year Ended 31 December 2021

### Note 4: Contributed equity (cont.)

ECT	31 Dec 2021		31 Dec 2020	
	Number	\$	Number	\$
Fully paid ordinary shares	47,112,512	42,724,737	40,935,102	37,285,086
<b>Reconciliation:</b>				
Balance at the beginning of the half-year	47,075,102	42,693,983	40,935,102	37,285,986
Units issued	37,410	30,754	-	-
Transaction costs on unit buyback	-	-	-	(900)
<b>Balance at the end of the half-year</b>	<b>47,112,512</b>	<b>42,724,737</b>	<b>40,935,102</b>	<b>37,285,086</b>

### Note 5: Earnings per share/unit/stapled security

#### 5.1 Earnings per share/unit

	Company		Trust	
	Dec-21	Dec-20	Dec-21	Dec-20
Basic earnings per share/unit (cents)	1.67	0.98	3.98	5.03
Diluted earnings per share/unit (cents)	1.66	0.98	3.95	5.03
Net profit attributable to ordinary equity holders of the Company/Trust (\$)	788,551	400,980	1,872,229	2,059,734
<b>Weighted average number of shares/units</b>				
Weighted average number of shares/units used in calculating basic earnings per company share/trust unit (number)	47,089,318	40,935,102	47,089,318	40,935,102
Adjustment for calculation of diluted earnings per company share/trust unit: Performance rights (number)	358,138	-	358,138	-
Weighted average number of ordinary shares/units and potential ordinary shares/units used in calculating earnings per company share/trust unit (number)	47,447,456	40,935,102	47,447,456	40,935,102



# Eildon Capital Group

## Notes to the Financial Statements For the Half-Year Ended 31 December 2021

### Note 5: Earnings per share/unit/stapled security (Cont.)

#### 5.2 Earnings per stapled security (a)

The total earning per stapled security for EDC is as follows:

	EDC	
	Dec-21	Dec-20
Basic earnings per stapled security (cents)	5.65	6.01
Diluted earnings per stapled security (cents)	5.61	6.01
Net profit attributable to securityholders of EDC (\$)	2,660,780	2,460,494
<b>Weighted average number of securities</b>		
Weighted average number of securities used in calculating basic earnings per stapled security (number)	47,089,318	40,935,102
Adjustment for calculation of diluted earnings per stapled security: Performance rights (number)	358,138	-
Weighted average number of ordinary securities and potential ordinary securities used in calculating earnings per stapled security (number)	47,447,456	40,935,102

(a) 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 6: Other Liabilities

	EDC		ECT	
	Dec-21 \$	Jun-21 \$	Dec-21 \$	Jun-21 \$
Current	518,060	-	518,060	-
Non-Current	9,288,228	137,046	9,288,228	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.

# Eildon Capital Group

## Notes to the Financial Statements For the Half-Year Ended 31 December 2021

### Note 7: Investments accounted for using the equity method

Associates of the Company have been disclosed below:

	EDC			
	Ownership Interest		Investment Carrying Amount	
	Dec-21 %	Jun-21 %	Dec-21 \$	Jun-21 \$
<b>Interest in ordinary shares of associate</b>				
79 Logan Road Pty Ltd (a)	35	35	-	-
79 Logan Road Trust (b)	35	35	6,675,213	6,669,865
Toorak Projects Pty Ltd (c)	40	-	-	-
Toorak Projects Unit Trust (d)	40	-	-	-
			<u>6,675,213</u>	<u>6,669,865</u>

- (a) 79 Logan Road Pty Ltd is the trustee of 79 Logan Road Trust.  
 (b) 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.  
 (c) Toorak Road Projects Pty Ltd is the trustee of Toorak Projects Pty Ltd.  
 (d) Toorak Projects Unit Trust was established to provide a preferred equity funding for the development and completion of the apartment development at 763 Malvern Road, Toorak, Vic.

### Note 8: 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 December quarter	-	2.000	2.000	942,250	24-Jan-22	0%	0%
2021 September quarter	-	2.000	2.000	941,502	22-Oct-21	0%	0%
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%

# Eildon Capital Group

## Notes to the Financial Statements For the Half-Year Ended 31 December 2021

### Note 9: Financial Assets at Amortised Cost

	EDC		ECT	
	Dec-21	Jun-21	Dec-21	Jun-21
	\$	\$	\$	\$
Current:				
Trade and other receivables	919,438	766,376	40,263	36,611
Secured loans to other entities	18,461,686	26,892,934	18,461,686	26,892,934
	<b>19,381,124</b>	<b>27,659,310</b>	<b>18,501,949</b>	<b>26,929,545</b>
Non-Current:				
Secured loans to other entities	21,490,644	911,096	21,490,644	911,096
Secured loan to stapled entity	-	-	4,366,685	4,201,542
	<b>21,490,644</b>	<b>911,096</b>	<b>25,857,329</b>	<b>5,112,638</b>

#### 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 31 December 2021 and 30 June 2021.

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.

# Eildon Capital Group

## Notes to the Financial Statements

For the Half-Year Ended 31 December 2021

### Note 10: Fair Value Measurement

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) \$
<b>Year ending 31 December 2021</b>		
<b>Financial assets</b>		
<b><i>Financial assets at fair value through profit or loss</i></b>		
Investments in unlisted entities	<u>8,589,678</u>	<u>6,759,243</u>
<b>Year ending 30 June 2021</b>		
<b>Financial assets</b>		
<b><i>Financial assets at fair value through profit or loss</i></b>		
Investments in unlisted entities	<u>4,693,662</u>	<u>3,717,670</u>

# Eildon Capital Group

## Notes to the Financial Statements For the Half-Year Ended 31 December 2021

### Note 10: Fair Value Measurement (Cont.)

Reconciliation of Level 3 fair value movements:

	EDC		ECT	
	Dec-21 \$	Dec-20 \$	Dec-21 \$	Dec-20 \$
<b>Balance at the beginning of the period</b>	<b>4,693,662</b>	2,144,638	<b>3,717,670</b>	-
Purchases	<b>4,487,099</b>	3,624,927	<b>4,290,500</b>	3,489,427
Sales	<b>(1,298,264)</b>	(1,226,955)	<b>(1,298,265)</b>	(1,211,250)
Fair value movement	<b>707,181</b>	41,842	<b>49,337</b>	26,138
<b>Balance at the end of the period</b>	<b>8,589,678</b>	4,584,452	<b>6,759,242</b>	2,304,315

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.

#### 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)	
	Dec-21 \$	Dec-20 \$	Dec-21 \$	Dec-20 \$
<b>Investments in unlisted entities</b>				
<b>EDC</b>				
Favourable changes	<b>858,968</b>	458,446	<b>858,968</b>	458,446
Unfavourable changes	<b>(858,968)</b>	(458,446)	<b>(858,968)</b>	(458,446)
<b>ECT</b>				
Favourable changes	<b>675,924</b>	230,432	<b>675,924</b>	230,432
Unfavourable changes	<b>(675,924)</b>	(230,432)	<b>(675,924)</b>	(230,432)

#### 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%

# Eildon Capital Group

## Notes to the Financial Statements For the Half-Year Ended 31 December 2021

### Note 11: 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	
	Dec 2021 %	Jun 2021 %	Dec 2021 %	Jun 2021 %
<b>Eildon Capital Limited</b>				
<b>Direct Controlled Entities:</b>				
Eildon Funds Management Limited (a)	100	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	100	-	-
Eildon Asset Management Pty Limited	50	50	50	50
Eildon Asset Management Trust	50	50	50	50
EFM Nominee Services Pty Limited	100	100	-	-

#### Controlled Entities owned by stapled entity, Eildon Capital Trust:

Eildon Debt Fund (b)				
- AA Class	50	-	50	-
- AC Class	100	-	-	-
- P Class	85	85	15	15
- U Class	100	100	-	-
- Z Class	64	-	36	-

(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.

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.

# Eildon Capital Group

## Notes to the Financial Statements For the Half-Year Ended 31 December 2021

### Note 12: 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:

	\$
<b>Purchase consideration:</b>	
Cash paid	4,000,000
	<hr/>
Total purchase consideration	4,000,000
	<hr/>
<b>Fair value of Assets and Liabilities of EFM at Acquisition:</b>	
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)
	<hr/>
Total identifiable net assets at fair value	531,931
Less: non-controlling interests	7,992
Add: goodwill (b)	3,460,077
	<hr/>
Consideration for acquisition	4,000,000
	<hr/>
<b>Cash outflow:</b>	
Cash consideration	4,000,000
Less: balances acquired	
Cash	(122,319)
	<hr/>
Net outflow of cash – investing activities	3,877,681
	<hr/>

(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 ending on 31 December 2020, EFM recorded revenue of \$1,755,151 and profit after tax of \$378,129. If the acquisition had occurred on 01 July 2020, consolidated pro-forma revenue for the period ending 31 December 2020 would have been \$3,061,199 and profit after tax would have been \$622,579.

# Eildon Capital Group

## Directors' Declaration

In the opinion 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"):

- a) the financial statements and notes, set out on pages 3 to 22, are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date; and
- b) there are reasonable grounds to believe that Eildon Capital Limited and Eildon Capital Trust will be able to pay its debts as and when they become due and payable.

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

Dated at Melbourne 22 February 2022.



**Mark Avery**  
Director



**James Davies**  
Director



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**Auditor's Independence Declaration  
to the Directors of Eildon Capital Limited and Eildon Funds Management Limited,  
together Eildon Capital Group**

In relation to the independent auditor's review for the half-year ended 31 December 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.



**J S Gavljak**  
Partner

**Pitcher Partners**  
Sydney

22 February 2022

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

**Report on the Half-Year Financial Report**

**Conclusion**

We have reviewed the half-year 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 condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration on behalf of the Group.

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

- (a) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

**Basis for Conclusion**

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

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


**Responsibility of the Directors for the Financial Report**

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

### **Auditor's Responsibility for the Review of the Financial Report**

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

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



**J S Gavljak**  
Partner



**Pitcher Partners**  
Sydney

22 February 2022