

EXCELSIOR CAPITAL LIMITED

# Annual Report

2024

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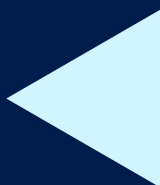
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# Message from the Chairman

## DEAR FELLOW SHAREHOLDERS,

I am pleased to present the Annual Report for FY24 for Excelsior Capital Limited ('ECL' or the 'Company') and its related entities ('Group').

The Group recorded a statutory net profit after tax of \$50.4 million, up from the prior comparative period ('PCP') (FY23, \$10.4 million) by 385%. Included in the results for FY24 was the gain on sale of CMI Operations Pty Ltd ('CMI Electrical') of \$47.2 million, before taxes.

We successfully divested the Group's largest investment within the investment portfolio. IPD Group Limited ('IPD', ASX:IPG) acquired the CMI Electrical business during the FY24 period.

The ECL board would like to acknowledge the hard work of the management and all employees of CMI Electrical, notably Mr Jim Johnson, its former General Manager.

IPD is a market leader in the electrical industry, and is an excellent custodian of CMI Electrical. The board wishes IPD and the CMI Electrical team every success in the future.

The final sale price achieved by ECL was circa \$93.8 million.

The Group has recorded Net Tangible Assets (NTA) of \$116.8 million (as at end of FY24) that includes the sale proceeds of the divestment of CMI Electrical.

The Board resolved to pay a final dividend of 3.5 cents per share, and a special dividend of 7 cents per share following the successful completion of the sale of the electrical business.

The combined annual dividend for FY24 (now fully paid to shareholders) totals 14 cents per share.

## FY24 Financial Results

The Group achieved total revenues of \$110.5 million, with a pre-tax profit of \$57.4 million (FY23, \$14.6 million), up \$42.8 million on the PCP. As noted, this included the gain on sale of CMI Electrical of \$47.2 million before tax. Net Profit After Tax was \$50.4 million (FY23, \$10.4 million), representing a 385% increase to FY23.

NTA for the Group increased to \$116.8 million, compared to \$59.7 million, (after tax) in FY23.

## FY25 Outlook

FY25, ECL remains committed to enhancing its diversified investment strategy. Our focus will continue to be on direct and indirect investments that offer low volatility and deliver positive absolute returns. The board will also continue to review both listed and unlisted opportunities.

## AGM

The FY24 AGM will be held in November 2024. The Company will release a Notice of Meeting with AGM details shortly.

Yours faithfully,



**Danny Herceg,**  
Chairman

Excelsior Capital Limited

# Appendix 4E (rule 4.3A) | Preliminary final report

For the year ended 30 June 2024

## RESULTS FOR ANNOUNCEMENT TO THE MARKET

(All comparisons to year ended 30 June 2023)	Up/ (down)	2024 \$'000	Movement from 2023 %
Revenue from continued ordinary activities*	Up	3,409	383%
Revenue from disposal of operating business	Up	47,190	100%
Revenue from discontinued ordinary activities**	Up	59,740	3.1%
Profit from ordinary activities after tax attributable to members***	Up	50,417	386%
Net comprehensive income for the period attributable to members	Up	50,417	386%

\* Excludes the gain on sale of CMI Operations Pty Ltd of \$47.2 million and includes other investment income (refer **Note 3** of Financial Statements)

\*\* ECL disposed of CMI Operations Pty Ltd (CMI Electrical) on 31 January 2024 and the revenue recorded above of \$59.8 million represents the 7 months of sales only from 1 July 2023 to 31 January 2024, compared to prior comparative 7-month period. (FY23, \$57.9 million).

\*\*\* Amount includes the gain on the sale of CMI Electrical of \$47.2 million.

Dividends Current Year	Amount per share (cents)	Franked amount per security (cents)
Interim FY24 dividend paid	3.50	3.50
Final FY24 dividend declared	3.50	3.50
Special dividend declared	7.00	7.00
	14.00	14.00
Previous corresponding period:		
Interim FY23 dividend paid	3.00	3.00
Final FY23 dividend declared, paid in FY24	3.50	3.50
	6.50	6.50

Record date for determining entitlements to the dividends

6 September 2024

Date the final dividends are payable

20 September 2024

# Appendix 4E (rule 4.3A) | Preliminary final report

For the year ended 30 June 2024

## 1) Previous corresponding period

The previous corresponding period is the year ended 30 June 2023.

## 2) Net tangible assets per security

Net tangible assets per security is \$4.03 (2023: \$2.06).

## 3) Explanation of results

This information should be read in conjunction with any public announcements made in the period by the Group in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

The information provided in this report contains all the information required by ASX Listing Rule 4.3A.

## 4) Details of entities over which control has been gained or lost during the year

Excelsior Capital Limited ('Parent') disposed of CMI Operations Pty Ltd ('CMI Electrical') a wholly owned subsidiary of the Parent on 31 January 2024.

## 5) Details of associates and joint venture entities

Not applicable

## 6) Set of accounting standards used for foreign entities in compiling this report

Not applicable

## 7) Any other significant information

Not applicable

## 8) Audit

This report is based on the consolidated 30 June 2024 financial report which has been subject to an audit by our auditors, Hall Chadwick.

## 9) Commentary on results for the year

Consolidated group profit after tax for the year was \$50.4 million (2023: \$10.4 million).

Revenue (net of rebates) from continuing and discontinued operations for the year was \$110.5 million (2023: \$105.0 million) and includes the gain on sale of CMI Electrical business of \$47.2 million. Sales revenue is also down on the prior year mostly due to the fact that the Company sold CMI Electrical on 31 January 2024 and there is only seven (7) months of operational revenues from that business recorded.



**D. Herceg**

Chairman

Sydney

30 August 2024

# Directors' report

Your directors submit their report for the year ended 30 June 2024.

## Directors

The names and details of the Company's directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

## Names, qualifications, experience and special responsibilities

### D. Herceg, LL.B (Chairman and Non-executive Director)

Danny re-joined the Board in April 2021 having previously served as a Director of the company from 2007 to 2014 and again from 2019. Danny stepped down as Chairman and Director on the 9 March 2021 for a short period of time due to commitments before re-joining the Board on the 9 April 2021 as a Non-Executive Director and again later as Chairman of Excelsior Capital Limited.

Danny is a senior corporate and commercial lawyer. Danny's practice is focused on initial public offerings, secondary market capital raisings, capital market divestments, public and private M&A, strategic divestments and restructures, demergers / spin-offs, takeover defences and commercial negotiations. He has been advising Australian and international enterprises for over 34 years.

Danny has been a partner in several major Australian law firms, as well as working as a foreign lawyer in the head office of an international law firm in Chicago, gaining experience in US capital markets. He now leads his own boutique firm. Danny has been on the board of several ASX listed companies.

### L.J. Catelan (Executive Director)

Ms Catelan is a member of the Australian Institute of Company Directors. She is an experienced company director with exposure to both listed and private companies. Ms Catelan is also a director of Catelan Securities Pty Ltd.

Ms Catelan has experience in property development and mezzanine debt financing. She has been involved in several asset sales, corporate restructuring, and a range of activities within private and public companies.

### R. Mount (Non-executive Director)

Mr Mount joined the Board in April 2022 as Non-Executive Director and Chairs the Audit, Remuneration, and Investment Committee's. Mr Mount is an experienced company director with expertise in domestic and international capital markets along with operational experience in industrial and mining industries.

Mr Mount is a member of the Australian Institute of Company Directors.

## Company Secretary

### R. Mount

## Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of Excelsior Capital Limited were:

	Number of ordinary shares	Number of options over ordinary shares
D. Herceg	60,702	Nil
L.J. Catelan	14,883,395	Nil
R. Mount	Nil	Nil

## Principal activities

The principal activities for discontinuing and continuing operations during the year of entities within the consolidated group were:

### Discontinued Activities:

- CMI Operations Pty Ltd<sup>1</sup>; -Design and distribution of electrical cables, connectors and associated components for industrial, mining, infrastructure, commercial, petrochemical and information technology applications throughout South East Asia and Oceania; and

### Continuing Activities:

- Management of an investment portfolio.

As disclosed in an announcement to the ASX on 1 February 2024, the Company sold CMI Operations Pty Ltd (CMI), a wholly owned subsidiary of ECL, to IPD Group Limited (IPD), (ASX:IPG) on 31 January 2024.

## Operating and financial review

The purpose of this section is to:

- Provide an overview of our business model;
- Discuss our strategy (including the risks associated with our strategy);
- Outline any significant changes in the state of affairs; and
- Provide a review of our financial condition.

<sup>1</sup> CMI Operations Pty Ltd (commonly referred to as CMI Electrical) was sold to IPD Group Limited on 31 January 2024.



# Directors' report

## Excelsior Capital Limited

### CMI Operations Pty Limited (CMI Electrical)

CMI Operations Pty Limited, a wholly owned subsidiary of Excelsior Capital Limited has a long and proud history of providing innovative electrical cables, connectors and components was sold to IPD for circa \$93.8 million sale consideration including working capital adjustments. ECL had owned this business from its beginnings in 1991, as a local supplier of electrical cable serving the Australian and overseas markets, and had expanded to supply a range of innovative electrical products to customers around the globe serving and supplying the industrial, mining, infrastructure, commercial, petrochemical and information technology sectors with electrical solutions.

### Investment portfolio

The Group's primary investment strategy focuses on achieving long-term growth and capital appreciation while effectively managing risk through a diversified portfolio approach. Capital may be allocated to direct and indirect investments in managed investment schemes, as well as in both listed and unlisted companies, through equity, debt, or a combination of both. The Group may also invest in a broad range of businesses, providing both capital and strategic guidance to generate sustainable long-term returns and capital growth.

### Significant changes in the state of affairs

ECL disclosed to shareholders on the 1 February 2024 that it had sold CMI Electrical to IPD at close of business on 31 January 2024. The financial results from CMI are recorded in these financial statements as discontinued operations up to the period ended 31 January 2024 along with working capital and completion adjustments received upon completion of the sale.

### Significant matters for attention

#### Federal Court Application lodged to Wind-up Excelsior Capital Limited

On 26 April 2024 the Company announced it had been served with an application by a shareholder, London City Equities Limited, (ASX:LCE) to place the Company into Liquidation. The application was filed in the New South Wales registry of the Federal Court of Australia.

The application is brought under the Corporations Act and alleges that it is just and equitable to wind up ECL, or alternatively the Company should be wound up on the grounds that the affairs of the Company have been conducted in a manner that is unfairly prejudicial to shareholders.

## Review of financial condition

### *Profit from discontinuing and continuing operations*

The Group reported a profit before tax (PBIT) of \$57.4 million for the year ended 30 June 2024, (\$14.6 million, FY23), an increase of 293% from the prior comparative year.

The increase in profit before tax was a combination of a result of the realised profit on the sale of CMI Electrical to IPD for \$47.2 million, net profit from CMI sales for seven months to 31 January 2024 of \$8.2 million along with the returns on the Investment Fund and other income of \$3.4 million. The Investment Fund continued to maintain a conservative position with only a minor recorded loss in one investment (Alium Market Neutral Fund) and increased its holdings in selected managed investment funds in May and June 2024 with part of the proceeds of the sale of CMI Electrical. The fund continues to adopt a non-market correlated strategy and had provided the necessary working capital to fund the growth of the Electrical Business up to its point of sale with the additional capital required to build the sales or order book and inventory.

### Discontinued Operations:

Profit before tax from the Electrical Components division was \$8.2 million for the 7 months to 31 January 2024 in comparison to the full 7 months results of \$8.2 million, to 31 January 2023, and \$15.4 million, to 30 June 2023.

### *Liquidity and capital resources*

The consolidated cash flow statement illustrates that there was an increase in cash and cash equivalents in the year ended 30 June 2024 of \$67.8 million (2023: \$4.9 million). Operating activities generated \$8.6 million (2023: \$10.4 million) of net cash flows, down mostly due to the fact only seven months of sales from CMI Electrical was recorded.

The increase in cash inflow is largely due to the sale of CMI Electrical an investment of the fund along with an increase in returns from the investment portfolios managed investment funds. The total funds increased in May and June 2024 allocating with part of the proceeds of sale of CMI.

Cash inflows from investing activities were \$63.1 million (2023: (\$2.3) million outflows). This reflects the proceeds received by the investment portfolio on the sale of its operating business, CMI Electrical, net of costs, along with the increased allocation of investments into strategic managed funds of circa \$25.5 million.

There was also \$3.9 million in cash outflows (2023: \$3.2 million cash outflow) from financing activities, during the current period relating mostly to lease and dividend payments.

### Business divisions

#### *Electrical Business (discontinued activities)*

The Group continued to own CMI Electrical until its sale on 31 January 2024. Revenue in the electrical component segment for the 7 months to 31 January 2024 was \$59.7 million (net of rebates) in comparison to \$57.9 million for the same comparative 7-month period to 31 January 2023.

# Directors' report

## Investment portfolio (continuing activities)

The investment portfolio earned revenue of \$3.4 million (excluding the profit on sale of CMI Electrical of \$47.2 million) and produced a pre-tax profit of \$2.1 million and post-tax net profit of \$1.7 million, with the inclusion of all corporate, and administration costs of the business, and tax of the parent entity, respectively, (2023: \$0.7 million and \$0.7 million).

## Environmental regulation and performance

The Group held licences issued by the relevant environmental protection authorities in Australia up to the sale of CMI Electrical. These licences specify the conditions imposed by the licence or regulation. The Group had an Environmental Management System at the CMI's operations certified to AS-NZS ISO 14001:2004.

There had been no known breaches of the consolidated entity's licence conditions or any environmental regulations to which it is subject.

## Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Hall Chadwick, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Hall Chadwick during or since the financial year.

## Share Options

There were no share options on issue at balance date or since year end.

## Indemnification and insurance of directors and officers

During or since the financial year, the Company has paid premiums in respect of a contract insuring all the directors of Excelsior Capital Limited against legal costs incurred in defending proceedings for conduct other than:

- (a) A wilful breach of duty; or
- (b) A contravention of sections 182 or 183 of the *Corporations Act 2001*, as permitted by section 199B of the *Corporations Act 2001*.
- (c) To the extent permitted by law, the Group has agreed to indemnify its Directors against a liability incurred as such a director to the extent permitted by the *Corporations Act 2001 (Cth)*.

No payment has been made in relation to that indemnity during or since the financial year.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

## Significant events after the balance date

### Final dividend declared

On 30 August 2024, the directors of Excelsior Capital Limited declared a final dividend on ordinary shares in respect of the 2024 financial year. The total amount of the dividend is approximately \$1,015,000 which represents a fully franked dividend of 3.5 cents per share. The dividend has not been provided for in the 30 June 2024 financial statements.

### Special dividend declared

On 30 August 2024, the directors of Excelsior Capital Limited declared a special dividend on ordinary shares in respect of the 2024 financial year. The total amount of the dividend is approximately \$2,030,000 which represents a fully franked dividend of 7.0 cents per share. The dividend has not been provided for in the 30 June 2024 financial statements.

## Likely developments and expected results

Information on the strategy, prospects and risks of the Group is included in the Operating and Financial review.

## Rounding off of amounts

The amounts contained in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) where noted (\$000) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

# Directors' report

## Directors' meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Directors' meetings	Meetings of committees		
		Audit	Remuneration	Investment
Number of meetings held:	11	2	1	8
Number of meetings attended:				
L.J. Catelan	11	2	1	8
D. Herceg	11	2	1	8
R. Mount	11	2	1	8

All directors attended meetings set by the Company where they were eligible to attend.

## Committee membership

As at the date of this report, the Company had an:

- audit committee, and
- a remuneration committee, and
- an investment committee of the board of directors.

Members acting on the committees of the board during the year were:

Audit	Remuneration	Investment
D. Herceg	D. Herceg	D. Herceg
L.J. Catelan	L.J. Catelan	L.J. Catelan
R. Mount (c)*	R. Mount (c)	R. Mount (c)

Notes

(c) Designates the chair of the committee during the year

## Dividends

	Cents	\$'000
Final dividend recommended for 2024:		
Ordinary shares	3.50	1,015
Special dividend recommended for 2024:		
Ordinary shares	7.00	2,030
Dividends paid in the year:		
Interim for the year		
• on ordinary shares	3.50	1,015
Final for 2023 shown as recommended in the 2023 financial report		
on ordinary shares	3.50	1,015

# Directors' report

## Auditor's independence declaration and non-audit services

The directors received the following declaration from the auditor of Excelsior Capital Limited.



**EXCELSIOR CAPITAL LIMITED  
ABN 98 050 542 553  
AND ITS CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF EXCELSIOR CAPITAL LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Excelsior Capital Limited. As the lead audit partner for the audit of the financial report of Excelsior Capital Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

HALL CHADWICK (NSW)  
Level 40, 2 Park Street  
Sydney NSW 2000

DREW TOWNSEND  
Partner  
Dated: 30 August 2024

ADELAIDE	BRISBANE	DARWIN	MELBOURNE	PERTH	SYDNEY
Level 9 50 Pirie Street Adelaide SA 5000 +61 8 7093 8283	Level 4 240 Queen Street Brisbane QLD 4000 +61 7 2111 7000	Level 1 48-50 Smith Street Darwin NT 0800 +61 8 8943 0645	Level 14 440 Collins Street Melbourne VIC 3000 +61 3 9820 6400	Level 11 77 St Georges Tce Perth WA 6000 +61 8 6557 6200	Level 40 2 Park Street Sydney NSW 2000 +61 2 9263 2600
Liability limited by a scheme approved under Professional Standards Legislation. Hall Chadwick (NSW) Pty Ltd ABN: 32 103 221 352					<a href="http://www.hallchadwick.com.au">www.hallchadwick.com.au</a>

## Non-audit services

The following non-audit services were provided by the entity's auditors. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Auditors received or are due to receive the following amounts for the provision of non-audit services:

As at 30 June		\$
Tax compliance services		13,878
Tax consulting		6,000
Total Non-audit services		19,878

# Remuneration report

## Contents

Section	Details	Page
1	Remuneration report overview	11
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3	Performance and executive remuneration outcomes in FY24	14
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## 1. Remuneration report overview

The Directors of Excelsior Capital Limited (Excelsior) present the Remuneration Report (the Report) for the Company and its controlled entities (the Group) for the year ended 30 June 2024. This Report forms part of the Directors' Report and has been audited in accordance with section 300A of the *Corporations Act 2001*. The Report details the remuneration arrangements for Excelsior Capital Limited's key management personnel (KMP):

- Non-executive directors (NEDs); and
- Executive directors and senior executives and management (collectively the executives).

KMP are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Company and Group.

The table below outlines the KMP of the Group and their movements during FY24:

Name	Position	Term as KMP
<b>Non-Executive directors</b>		
D. Herceg	Non-Executive Director / Chairman	Full financial year
R. Mount	Non-Executive Director	Full financial year
<b>Executive director</b>		
L.J. Catelan	Executive Director	Full financial year
<b>Senior executives and management / Company Secretary</b>		
J.E. Johnson	Chairman of CMI Electrical Operations Pty Ltd	Ceased 31 January 2024
Z. Zaharia	Chief Operating Officer – CMI Electrical Operations Pty Ltd	Ceased 31 January 2024
R. Mount	Company Secretary	Full financial year
T. Easterbrook	Chief Investment Officer	Full financial year
B. Hofman	Chief Financial Officer	Full financial year

## 2. Overview of executive and management remuneration

### 2A. How we determine executive and management remuneration policies and structures

Four principles guide our decisions about executive remuneration at Excelsior Capital:

- **Fairness:** provide a fair level of reward to all employees and consultants;
- **Transparency:** build a culture of achievement by transparent links between reward and performance; and
- **Alignment:** promote mutually beneficial outcomes by aligning employee, stakeholder and shareholder interests
- **The Excelsior Capital Culture:** drive leadership performance and behaviours that create a culture that promotes safety, diversity and employee satisfaction.

### 2B. Our executive and management remuneration policies and structures

We reward executives and management with a level and mix of remuneration appropriate to their position, responsibilities and performance, in a way that aligns with the business strategy.

Executives and management receive fixed remuneration and variable remuneration consisting of short-term incentive opportunities. Executive remuneration levels are reviewed annually by the Remuneration Committee with reference to the remuneration guiding principles and market movements.

### 2C. Elements of remuneration

#### *Fixed remuneration*

Fixed remuneration consists of base salary, superannuation and other non-monetary benefits and is designed to reward for:

- The scope of the executive's and management's role;
- The executive's and management's skills, experience and qualifications; and
- Individual performance.

It is set with reference to comparable roles in similar companies.

# Remuneration report

## 2. Overview of executive and management remuneration (continuation)

### 2C. Elements of remuneration (continuation)

#### Short-term incentive (STI)

Under the STI, the senior management of the Electrical division has the opportunity to earn an annual incentive award which is delivered in cash. The STI recognises and rewards annual performance<sup>2</sup>.

Executives and senior management were also entitled to earn a bonus upon the successful facilitation and completion of the sale of CMI Electrical to IPD.

How is it paid?	100% of any STI award is paid in cash after the assessment of annual performance or part year where appropriate.												
How much can the executives earn?	A maximum STI opportunity of 20% of fixed remuneration for management employed directly with CMI Electrical which related to the performance of CMI Electrical results.  Target STI is awarded for achieving the challenging objectives set prior to the beginning of each year.												
Sale completion bonus	Certain key executives and management involved in the sale of CMI Electrical to IPD Group Limited were entitled to earn a one of bonus upon the successful sale completion.The maximum earned by any particular executive or management capped at \$250,000. Bonuses paid ranged from \$10,000 to \$250,000.												
How is performance measured?	<p>The STI performance measures were chosen as they reflect the core drivers of short-term performance of the business and also provide a framework for delivering sustainable value and successful outcomes for the Group, its shareholders and customers.</p> <p>We measure four key performance indicators (KPIs) covering financial and non-financial, Group and business unit measures of performance. For each KPI, a target and stretch objective is set. A summary of the measures and weightings are set out in the table below:</p> <table><tr><th></th><th colspan="2">Financial</th><th>Non- Financial</th></tr><tr><th></th><th>Business Unit PBT</th><th>Growth<sup>1</sup></th><th>Business unit KPIs</th></tr><tr><td>Business unit leader</td><td>50%</td><td>25%</td><td>25%</td></tr></table> <p><i>1 Net revenue and gross margin</i></p>		Financial		Non- Financial		Business Unit PBT	Growth <sup>1</sup>	Business unit KPIs	Business unit leader	50%	25%	25%
	Financial		Non- Financial										
	Business Unit PBT	Growth <sup>1</sup>	Business unit KPIs										
Business unit leader	50%	25%	25%										
When is it paid?	The STI award is determined after the end of the financial year following a review of performance over the year against the STI performance measures by the Board.The Board approves the final STI award based on this assessment of performance and 100% is paid in cash three months after the end of the performance period.												
What happens if the executive leaves?	If an executive resigns or is terminated for cause before the end of the financial year, no STI is awarded for that year.  If an executive ceases employment during the performance period by reason of redundancy, ill health, death, or other circumstances approved by the Board, the executive will be entitled to a pro-rata cash payment based on assessment of performance up to the date of ceasing employment for that year (subject to Board discretion).												
What happens if there is a change of control?	In the event of a change of control, a pro-rata cash payment will be made based on assessment of performance up to the date of the change of control.												

#### Long-term incentives (LTI)

The LTI is an equity arrangement of either options or performance shares and an allocation is considered each year. The aim of the LTI is both:

- Retention; and
- To align to long term company performance.

No LTI were provided with respect to the full year ended 30 June 2024 (2023: nil).

<sup>2</sup> STI payable to senior management of the CMI Electrical business were only accessible for the 7 months to 31 January 2024.

# Remuneration report

## 2. Overview of executive and management remuneration (continuation)

### 2D. Changes for FY24

The Board does not anticipate any changes to the STI and LTI Plans for FY24.

Further details are provided in the FY24 remuneration report.

## 3. Performance of executive and management remuneration outcomes in FY24

### 3A. Actual remuneration earned by executives and management in FY24

The actual remuneration earned by executives and management in FY24 is set out in section 6 of this Remuneration report. This provides shareholders with a view of the remuneration actually paid to executives for performance in FY24.

### 3B. Performance against STI measures

A combination of financial and non-financial measures is used to measure performance for STI awards.

Business unit performance against those measures is as follows for FY24:

	Financial		Non- Financial	
	Business Unit PBT	Growth	Safety	Discretionary
Electrical Business	◆	◆	◆	◆
Below threshold hurdle	✖			
At target	○			
Between threshold and target	●			
Between target and stretch	◆			

### 3C. One off performance bonus

In addition, certain key executives and management directly involved in the sale of CMI Electrical to IPD were entitled to earn a one-off bonus which ranged from \$10,000 to \$250,000 and depended directly on the persons level of involvement in the sale process.

The bonus was only payable upon the successful sale completion to CMI Operations Pty Ltd which included the signing of the Share Sale and Purchase Agreement, receipt of sale consideration, completion of sale requirements and in some circumstances their commitment, support and retention with CMI Electrical business for a period of time post sale to ensure sale transition to IPD Group Limited was a success.

### 3D. Overview of company performance

The table below sets out information about Excelsior Capital's earnings and movements in shareholder wealth for the past five years up to and including the current financial year.

	2024	2023	2022	2021	2020
NPAT (\$'000)	50,417	10,369	7,722	5,377	2,920
Share price at year end (\$)	3.07	2.31	1.88	1.63	1.18
Basic EPS (cents)	173.89	35.76	26.63	18.55	10.07
Total dividends (cents per share)	14.00	6.50	5.00	4.00	5.00

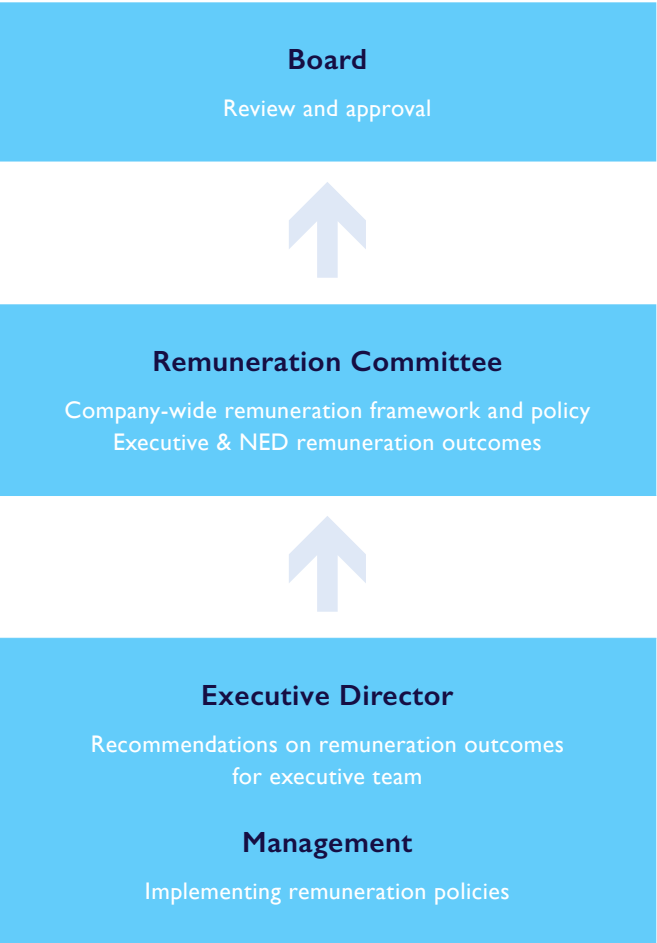


# Remuneration report

## 4. How remuneration is governed

### 4A. Remuneration decision making

The following diagram represents the Group's remuneration decision making framework:



The composition of the Remuneration Committee is set out on page 9 of this Remuneration report. Further information on the Remuneration Committee's role, responsibilities and membership can be seen at [www.excelsiorcapital.com.au](http://www.excelsiorcapital.com.au) and included in the Company's Statement of Corporate Governance.

### 4B. Use of remuneration advisors

The Remuneration Committee may engage external advisers to provide remuneration recommendations regarding the remuneration mix and quantum for executives and management.

Any remuneration recommendations are provided to the Committee as an input into decision making only. The Remuneration Committee considers the recommendations, along with other factors, in making its remuneration decisions.

There were no fees paid during the year to remuneration advisers during 2024, (2023: \$nil).

### 4C. Clawback of remuneration

In the event of serious misconduct or a material misstatement in the Group's financial statements, the Board has the discretion to reduce, cancel or clawback any unvested STI.

### 4D. Share trading policy

The Group securities trading policy applies to all NEDs and executives. The policy prohibits employees from dealing in Excelsior Capital Limited securities while in possession of material non-public information relevant to the Group.

The Group would consider a breach of this policy as gross misconduct, which may lead to disciplinary action and potential dismissal.

### 4E. Executive and management employment agreements

Remuneration arrangements for executives and management are formalised in employment agreements. The following outlines the details of contracts with executives:

*Chief Operating Officer – CMI Electrical Business (ceased employment with ECL Group on 31 January 2024)*

The Chief Operating Officer of CMI Electrical is employed on an individual open-ended employment contract which can be terminated with notice by either the Group.

Under the terms of the contract:

- Received fixed remuneration of up to \$250,000 per annum (gross, inclusive of superannuation); and
- Maximum STI opportunity is 20% of fixed remuneration.

### Termination provisions

	Resignation	Termination for cause	Termination in case of death, disablement, redundancy or notice without cause	Termination payment
Chief Operating Officer	3 months	None	6 months	3 months

# Remuneration report

## 5. Overview of non-executive director remuneration

Excelsior Capital's NED fee policy is designed to attract and retain high calibre directors who can discharge the roles and responsibilities required in terms of good governance, strong oversight, independence and objectivity. NEDs receive fees only and do not participate in any performance-related incentive awards. NED fees reflect the demands and responsibilities of the directors.

The Remuneration Committee reviews NED remuneration annually against comparable companies. The Board also considers advice from external advisors when undertaking the review process.

NED fees consist of base fees and committee fees. The chair of the Board attends all committee meetings but does not receive any additional committee fees in addition to base fees.

The table below summarises Board and Committee fees payable to the Chairman and NEDs for FY24 (inclusive of superannuation):

Board fees		2024	2023
Chair <sup>1</sup>		317,307	91,575
NEDs (total)		387,307	162,742
Committee fees			
Audit <sup>2</sup>	Chair	N/A	N/A
	Member	N/A	N/A
Remuneration <sup>2</sup>	Chair	N/A	N/A
	Member	N/A	N/A
Investment <sup>2</sup>	Chair	N/A	N/A
	Member	N/A	N/A

1. Danny Herceg remuneration was adjusted from \$90,000 (plus super) to \$90,000, (inclusive of super) per annum from August 2022. Danny also received \$227,273 for additional services provided for the sale of CMI Operations Pty Ltd to IPD.

2. Non-executive Directors (NEDs) do not receive additional fees for participation in the Audit, Remuneration, or Investment Committees.

NEDs may be reimbursed for expenses reasonably incurred in attending to the Group's affairs.

The Board has confirmed there will be no increases in Board or committee fees for FY24.

### Maximum aggregate NED fee pool

NED fees are determined within an aggregate NED fee pool limit, which is periodically approved by shareholders. The maximum aggregate amount that may be paid to NEDs for their services is \$390,000 during any financial year, as approved by shareholders at a general meeting.

The Board will not seek an increase to the aggregate NED fee pool limit at the 2024 AGM.

# Remuneration report

## 6. Statutory reporting

### 6A. Executive and management KMP remuneration for the years ended 30 June 2024 and 30 June 2023

	Short-term benefits			Post-employment	Long-term benefits			
	Salary & fees	Short-term incentive	Other	Super-annuation	Employee Entitlement	Termination payments	Total remuneration	Performance related
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(%)
<b>T. Easterbrook<sup>1</sup></b>								
2024	67,500	-	-	7,425	-	-	74,925	-
2023	22,709	-	-	2,384	-	-	25,093	-
<b>B. Hofman<sup>2</sup></b>								
2024	94,378	10,000	-	10,382	-	-	114,760	9%
2023	93,436	-	-	10,126	-	-	103,562	-
<b>L.J. Catelan</b>								
2024	150,000	-	-	16,500	-	-	166,500	-
2023	150,000	-	-	15,750	-	-	165,750	-
<b>J.E. Johnson<sup>3</sup></b>								
2024	44,068	250,000	1,566	9,475	-	-	305,109	82%
2023	238,751	76,491	18,446	32,836	8,778	-	375,302	20%
<b>Z. Zaharia<sup>4</sup></b>								
2024	123,380	-	4,616	15,399	-	-	143,395	-
2023	73,843	-	5,591	7,754	-	-	87,188	-
<b>Totals</b>								
2024	479,326	260,000	6,182	59,181	-	-	804,689	-
2023	578,739	76,491	24,037	68,850	8,778	-	756,895	-

<sup>1</sup> T. Easterbrook provides CIO services on a contract basis for the Company. His base salary was increased in May 2024 to \$90,000 plus GST.

<sup>2</sup> B. Hofman provides CFO services on a contract basis for the Company and earned a one-off bonus of \$10,000 facilitating the completion of CMI sale to IPD.

<sup>3</sup> J. Johnson ceased as Chairman of CMI as part of the ECL Group at the time CMI was sold to IPD on 31 January 2024. He also earned a one-off bonus of \$250,000 upon the successful completion of the sale of CMI to IPD.

<sup>4</sup> Z. Zaharia ceased as Chief Operating Officer (COO) of CMI as part of the ECL Group at the time CMI was sold to IPD on 31 January 2024.

# Remuneration report

## 6. Statutory reporting (continuation)

### 6A. Executive and management KMP remuneration for the years ended 30 June 2024 and 30 June 2023 (continuation)

The following table outlines the proportion of maximum STI in relation to the FY24 financial year.

	Maximum STI opportunity (% of fixed remuneration)	% of maximum earned
Z. Zaharia <sup>5</sup>	20%	100%

<sup>5</sup> Z. Zaharia ceased employment as part of the ECL Group on 31 January 2024 and was not entitled to any STI amount.

### 6B. NED remuneration for the years ended 30 June 2024 and 30 June 2023

	Short-term benefits		Post-employment	
	Board and committee fees	Payment for additional services	Super-annuation	Total
	\$	\$	\$	\$
<b>D. Herceg<sup>1</sup></b>				
2024	81,112	227,273	8,922	317,307
2023	82,873	-	8,702	91,575
<b>R. Mount<sup>2</sup></b>				
2024	63,063	-	6,937	70,000
2023	64,457	-	6,710	71,167
<b>Total</b>				
2024	144,175	227,273	15,859	387,307
2023	147,330	-	15,412	162,742

<sup>1</sup> D. Herceg received \$227,273 for consulting and advisory services with respect to the completion of the sale of CMI to IPD.

<sup>2</sup> R. Mount was appointed on 28 April 2022 as Non-Executive Director and also serves as Company Secretary.

### 6C. Options awarded, vested and lapsed during the year

No options were awarded or vested during the year.

### 6D. Option holdings of KMP

There are no option holdings of any KMP.

# Remuneration report

## 6. Statutory reporting (continuation)

### 6E. Shareholdings of KMP<sup>1</sup>

Shares held in Excelsior Capital Limited (number) at 30 June 2024

	Balance at 1 July 2023	Net change other <sup>2</sup>	Held nominally 30 June 2024
<b>NEDs and KMPs</b>			
D. Herceg	60,702	-	60,702
<b>Executive director</b>			
L.J. Catelan	14,561,102	322,293	14,883,395
Total	14,621,804	322,293	14,944,097

<sup>1</sup> Includes share and options held directly, indirectly and beneficially by KMP.

<sup>2</sup> All equity transactions with KMP other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

### 6F. Loans from KMP and their related parties

(i) Details of aggregate of loans from KMP and their related parties:

Name	Balance at 1 July 2023	Interest charged during the year	Balance at end of period	Highest balance during period
	\$	\$	\$	\$
Nil	-	-	-	-

(i) Terms and conditions of other transactions with KMP and their related parties:

Nil loans were provided to KMP or their related parties during the year.

### 6G. Other transactions and balances with KMP and their related parties

(i) Details and terms and conditions of other transactions with KMP and their related parties:

#### Purchases

During the year ended 30 June 2024, the Company paid to Danny Herceg \$227,273 in consulting and advisory fees for additional services provided relating to the sale of CMI Electrical to IPD.

No other management or performance fees were paid to KMP and their related parties other than those amounts disclosed elsewhere in the directors' remuneration report.

Signed in accordance with a resolution of the directors



**D. Herceg**  
Chairman

Sydney  
30 August 2024

# Consolidated statement of profit or loss

For the year ended 30 June 2024

	Note	2024 \$'000	2023* \$'000
<b>Continuing operations</b>			
Investment income	3	2,571	583
Gain on sale of investments and assets	3	47,160	-
Fair value changes on financial assets	3, 19.5	868	123
<b>Revenue from continuing operations</b>		<b>50,599</b>	<b>706</b>
Employee benefits expense	5	(390)	(417)
Occupancy expense	5	(108)	(97)
Travel and communication expense		(59)	(41)
Depreciation and amortisation expense	5	(11)	(9)
Investment portfolio management and administration expenses		(27)	(23)
Other expenses	5	(759)	(822)
<b>Profit (loss) before tax from continuing operations</b>		<b>49,245</b>	<b>(703)</b>
Income tax expense	6	(4,547)	266
<b>Profit (loss) after tax from continuing operations</b>		<b>44,698</b>	<b>(437)</b>
<b>Profit before tax from discontinued operations</b>		<b>8,170</b>	<b>15,361</b>
Income tax expense	6	(2,451)	(4,555)
<b>Profit after tax from discontinued operations</b>		<b>5,719</b>	<b>10,806</b>
<b>PROFIT FROM THE PERIOD AFTER TAX</b>		<b>50,417</b>	<b>10,369</b>

\* Refer to **Note 27** for details.

The accompanying notes form part of these financial statements.

# Consolidated statement of comprehensive income

For the year ended 30 June 2024

	Note	2024 \$'000	2023* \$'000
PROFIT FOR THE YEAR		50,417	10,369
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME, NET OF TAX		50,417	10,369
Total comprehensive income (loss) for the period from			
Continuing operations		44,698	(437)
Discontinued operations		5,719	10,806
		50,417	10,369

		2024 cents per share	2023* cents per share
Earnings per share			
Basic and diluted earnings per share – continuing operations	18	154.2	(1.5)
Basic and diluted earnings per share – discontinued operations	18	19.7	37.3
		173.9	35.8

\* Refer to **Note 27** for details.

The accompanying notes form part of these financial statements.

# Consolidated statement of financial position

for the year ended 30 June 2024

	Note	2024 \$'000	2023* \$'000
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	7	90,551	22,796
Trade and other receivables	8	730	20,756
Inventories	9	-	23,316
		91,281	66,868
<b>Non-current assets</b>			
Financial assets	19	30,246	4,842
Plant and equipment	10	43	3,051
Goodwill	11	-	6,850
Intangible assets	11	-	1,900
Deferred tax assets	6	490	214
		30,779	16,857
<b>TOTAL ASSETS</b>		<b>122,060</b>	<b>83,725</b>
<b>LIABILITIES</b>			
Current liabilities			
Trade and other payables	12	91	9,663
Current tax liabilities		5,089	1,694
Lease liabilities	13	-	1,743
Provisions	14	-	1,127
		5,180	14,227
Non-current liabilities			
Lease liabilities	13	-	933
Provisions	14	-	72
		-	1,005
<b>TOTAL LIABILITIES</b>		<b>5,180</b>	<b>15,232</b>
<b>NET ASSETS</b>		<b>116,880</b>	<b>68,493</b>
<b>EQUITY</b>			
Issued capital	17	28,270	28,270
Retained earnings		88,610	40,223
<b>TOTAL EQUITY</b>		<b>116,880</b>	<b>68,493</b>

Note: Net assets shown above represents the carrying value of net assets for continuing operations and excludes the net assets of CMI Operations Pty Ltd sold on 31 January 2024.

\* Refer to **Note 27** for details.

The accompanying notes form part of these financial statements.



# Consolidated statement of changes in equity

for the year ended 30 June 2024

	Issued capital	Retained earnings	Reserves	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2022</b>	28,270	32,068	(474)	59,864
Adjustment on change of accounting policy*	-	(474)	474	-
<b>Restated total equity at beginning of the year</b>	28,270	31,594	-	59,864
Profit after tax for the period as previously reported	-	10,246	-	10,246
Adjustment on change of accounting policy*	-	123	-	123
Restated profit after tax for the period	-	10,369	-	10,369
Other comprehensive income as previously reported	-	-	123	123
Adjustment on change of accounting policy*	-	-	(123)	(123)
Restated other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	10,369	-	10,369
Dividends paid ( <b>Note 16</b> )	-	(1,740)	-	(1,740)
<b>At 30 June 2023</b>	28,270	40,223	-	68,493
Profit after tax for the period	-	50,417	-	50,417
Other comprehensive income	-	-	-	-
Total comprehensive income	-	50,417	-	50,417
Dividends paid ( <b>Note 16</b> )	-	(2,030)	-	(2,030)
<b>At 30 June 2024</b>	28,270	88,610	-	116,880

\* Refer to **Note 27** for details.

The accompanying notes form part of these financial statements.

# Consolidated statement of cash flows

for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>Operating activities</b>			
Receipts from customers		61,615	102,327
Payments to suppliers		(53,838)	(88,215)
Interest received		2,571	583
Interest and other costs of finance paid		(107)	(5)
Income tax paid		(1,638)	(4,336)
<b>Net cash from operating activities</b>	7	<b>8,603</b>	<b>10,354</b>
<b>Investing activities</b>			
Payment for plant and equipment		(526)	(355)
Purchase of financial instruments		(25,536)	(1,515)
Proceeds from sale of equity financial instruments		970	-
Proceeds from the sale of CMI Operations Pty Ltd	1.4	88,285	-
Development expenditures	11	(103)	(394)
<b>Net cash used in investing activities</b>		<b>63,090</b>	<b>(2,264)</b>
<b>Financing activities</b>			
Lease payments		(1,908)	(1,461)
Dividends paid to equity holders of the parent	16	(2,030)	(1,740)
<b>Net cash used in financing activities</b>		<b>(3,938)</b>	<b>(3,201)</b>
<b>Net increase in cash and cash equivalents</b>		<b>67,755</b>	<b>4,889</b>
Cash and cash equivalents at beginning of the year		22,796	17,907
<b>Cash and cash equivalents at end of the year</b>	7	<b>90,551</b>	<b>22,796</b>

The accompanying notes form part of these financial statements.

# Notes to the consolidated financial statements

for the year ended 30 June 2024

## ABOUT THIS REPORT

### 1. Corporate information

The consolidated financial statements of Excelsior Capital Limited and its subsidiaries (collectively, the Group) for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the directors on 30 August 2024.

Excelsior Capital Limited (the Company or the parent) is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange (ASX:ECL).

The Group was principally engaged in the management of an investment portfolio which also included CMI Operations Pty Ltd (CMI Electrical) an operating business which activities included the design and distribution of electrical components and cables for resource infrastructure applications up until it was sold on 31 January 2024 to IPD Group Limited (IPD). (see segment information note).

The registered office is located at Level 57, 25 Martin Place, Sydney, NSW, Australia.

Further information on the nature of the operations and principal activities of the Group is provided in the directors' report. Information on the Group's structure is provided in **Note 21**. Information on other related party relationships of the Group is provided in **Note 25**.

### 2. Basis of preparation

The financial report is a general purpose financial report which:

- Has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board;
- Has been prepared on a historical cost basis, except for debt and equity financial instruments which have been measured at fair value;
- Is presented in Australian dollars and all values are rounded to the nearest thousand (\$000), except when otherwise indicated under the option available to the company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies and

#### Compliance with International Financial Reporting Standards (IFRS)

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

### 3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Financial instruments risk management and policies (**Note 20.5**)
- Sensitivity analyses disclosures (**Note 20.5**)

#### Judgements, estimates and assumptions

In the process of applying the Group's accounting policies, management has made judgements, estimates and assumptions which have the most significant effect on the amounts recognised in the consolidated financial statements.

#### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described in the disclosures below.

- Taxes (**Note 6**)
- Fair value measurement of financial instruments (**Note 19.4**)

The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2024. Control is achieved when the Group 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, the Group controls an investee if, and only if, the Group 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.

# Notes to the consolidated financial statements

for the year ended 30 June 2024

## ABOUT THIS REPORT (CONTINUATION)

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

The Group re-assesses 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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

### Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where 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 costs of acquisition of the asset or as part 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 is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

### Other accounting policies

Significant and other accounting policies that summarise the measurement basis used are relevant to an understanding of the financial statements and are provided throughout the notes to the financial statements.

### The notes to the financial statements

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the Group. Information is considered material and relevant if, for example:

- the amount in question is significant because of its size or nature;
- it is important for understanding the results of the Group;
- it helps to explain the impact of significant changes in the Group's business – for example, acquisitions and impairment write-downs; or
- it relates to an aspect of the Group's operations that is important to its future performance.

# Notes to the consolidated financial statements

## for the year ended 30 June 2024

### ABOUT THIS REPORT (CONTINUATION)

The notes are organised into the following sections:

**Key numbers:** provides a breakdown of individual line items in the financial statements that the Directors consider most relevant and summarises the accounting policies, judgements and estimates relevant to understanding these line items;

**Capital:** provides information about the capital management practices of the Group and shareholder returns for the year;

**Risk:** discusses the Group's exposure to various financial risks, explains how these affect the Group's financial position and performance and what the Group does to manage these risks;

**Group structure:** explains aspects of the Group structure and how changes have affected the financial position and performance of the Group;

**Unrecognised items:** provides information about items that are not recognised in the financial statements but could potentially have an impact on the Group's financial position and performance; and

**Other disclosures:** provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements however, are not considered critical in understanding the financial performance or position of the Group.

### SEGMENT INFORMATION

For management purposes, the Group was organised into business units based on its products and services and had two reportable segments, as follows:

- The electrical segment up until 31 January 2024 when CMI Operations Pty Ltd was sold, which was a supplier of electronic equipment for defence, aviation, electrical safety markets and consumer electronic equipment for home use. It offered products and services in the areas of electronics, safety, thermal and electrical architecture; and
- The investment portfolio segment, which invests in direct and indirect investments and listed and unlisted instruments.

No operating segments have been aggregated to form the above reportable operating segments.

The Group's reportable segments under AASB 114 are therefore as follows:

#### Electrical components<sup>3</sup>

Represents the design and distribution of electrical components and cables. The business is divided into two key areas:

##### 1) Electrical cables

This was captured under the following primary brands:

- XLPE Cables;
- Hartland Cables; and
- Aflex Cables.

##### 2) Minto Industrial Products

This specialises in couplers and receptacle products in the mining and construction industry.

#### Investment portfolio

Represents direct and indirect investing in listed and unlisted equity instruments, hybrid notes, quoted debt instruments and or investment trusts to achieve long term dividend returns and capital appreciation. The investment fund had also provided funding to the Electrical business for growth in inventory as sales and order book increased prior to its sale on 31 January 2024 to IPD.

Investments are acquired for long-term holding for dividends and short term holding for capital growth and for revenue generation.

The Board of Directors is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

3 Refer to ASX released dated 1 February 2024 titled, "ECL completes sale of CMI Operations Pty Ltd to IPD Group".

# Notes to the consolidated financial statements

for the year ended 30 June 2024

## SEGMENT INFORMATION (CONTINUATION)

The following table presents revenue and results information for the Group's operating segments at 30 June 2024 and 30 June 2023, respectively:

	Electrical components		Investment portfolio		Corporate office		Adjustments and eliminations		Consolidated	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Revenue</b>										
External customers	59,740	104,028	-	-	-	-	-	-	59,740	104,028
Other income	132	297	50,599	707	-	-	-	-	50,731	1,004
<b>Total revenue and other income</b>	<b>59,872</b>	<b>104,325</b>	<b>50,599</b>	<b>707</b>	<b>-</b>				<b>110,471</b>	<b>105,032</b>
<b>Segment profit (loss) before tax</b>	<b>8,170</b>	<b>15,361</b>	<b>50,572<sup>2</sup></b>	<b>683</b>	<b>(1,327)<sup>1</sup></b>	<b>(1,386)</b>	<b>-</b>	<b>-</b>	<b>57,415</b>	<b>14,658</b>

The following table presents assets and liabilities information for the Group's operating segments at 30 June 2024 and 30 June 2023, respectively:

	Electrical components		Investment portfolio		Corporate office		Adjustments and eliminations		Consolidated	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Total assets	-	61,247	122,017	27,576	43	48	-	(5,146)	122,060	83,725
Total liabilities	-	(13,504)	(5,089)	(6,823)	(91)	(51)	-	5,146	(5,180)	(15,232)

### Corporate and Administration Costs

1. Finance costs, corporate administration and certain employee and consultants' fees totalling \$1,327,000, (FY23, \$1,386,000) which have not been allocated to other segments of the group are included in the loss before tax for the Corporate Office.
2. Profit before tax for the investment portfolio is made up of \$47.2 million gain on sale of CMI Electrical, (net of selling costs), plus, \$3.4 million of investment income, unrealised and realised gains / (losses) from managed funds, and is net of \$27,000 of management fees, (FY23, \$23,000).

# Notes to the consolidated financial statements: Key numbers

## for the year ended 30 June 2024

### 1. Asset and liabilities sold and statement of profit or loss from discontinued operations

#### 1.1 Assets and liabilities relating to CMI Operations Pty Ltd sold as part of the sale

The Company announced on 28 November 2023 that it had entered into a Share Sale and Purchase Agreement ("SSPA") with IPD Group Limited ("IPD", ASX: IPG) in relation to the sale by ECL of 100% of the issued capital of CMI Operations Pty Ltd ("CMI Electrical"), a wholly owned subsidiary of ECL ("the Transaction").

Under the terms of the Transaction, IPD would acquire CMI Electrical for a purchase price of up to \$101 million<sup>4</sup> which implied a multiple of 6.6x CMI Electricals' FY23A EBIT<sup>5</sup>. Shareholders voted in favour of the sale in a general meeting held on 25 January 2024.

Consequently, assets and liabilities allocable to CMI Operations Pty Ltd have been classified as assets and liabilities disposed. Assets and liabilities, revenue and expenses, relating to the discontinuation of CMI Operations Pty Ltd have been separately disclosed in the consolidated statement of profit and loss and are shown as a single line item in the consolidated statement of profit and loss.

On 1 February 2024, the Company announced it had completed the sale of CMI Operations Pty Ltd to IPD. The Company received circa \$93.8 million by way of upfront cash proceeds and minor post-completion working capital and other adjustments. As previously announced, the transaction is subject to a deferred cash consideration of up to \$8.9 million<sup>6</sup> which is not known as at the date of signing this report and is also subject to further review by Excelsior Capital Limited under the provisions of the SSPA.

#### 1.2 Statement of profit and loss for discontinued operations

	2024* \$'000	2023 \$'000
Revenue from contracts with customers	59,740	104,028
Raw materials and consumables used	(43,378)	(75,491)
<b>Gross profit</b>	<b>16,362</b>	<b>28,537</b>
Other income	132	297
Employee benefits expense	(4,454)	(7,635)
Repairs, maintenance and consumables expense	(245)	(366)
Occupancy expense	(487)	(789)
Travel and communication expense	(285)	(384)
Freight and cartage expense	(1,010)	(1,736)
Depreciation and amortisation expense	(1,138)	(1,615)
Finance costs	(107)	(124)
Other expenses	(598)	(824)
Profit before tax from discontinued operations	8,170	15,361
Income tax expense	(2,451)	(4,555)
<b>PROFIT FOR THE PERIOD</b>	<b>5,719</b>	<b>10,806</b>

\* Note: Relates for the 7 months period 1 July 2023 to 31 January 2024.

4 Prior to any purchase price adjustments pertaining to net debt and working capital adjustments. In addition, up to \$8.9 million of the purchase price is deferred and is subject to CMI Electricals' FY24 results.

5 CMI Electricals' FY23A EBIT was \$15.4 million, per ECL's FY23 annual report.

6 Under the terms of the Transaction the Earn-out amount equals \$6 for every \$1 of FY24 EBIT CMI achieves over \$15.4 million (being CMI's FY23 EBIT) and is capped at a maximum of \$8.9 million.

# Notes to the consolidated financial statements: Key numbers

for the year ended 30 June 2024

## 1. Asset and liabilities sold and statement of profit or loss from discontinued operations (continuation)

### 1.2 Statement of profit and loss for discontinued operations (continuation)

The Company announced it had sold the assets and liabilities of CMI Electrical to IPD Group Limited on 31 January 2024. The assets and liabilities that were sold as part of the sale are set out below.

The carrying amounts of assets and liabilities in this disposal group are summarised as follows:

	31 Jan 2024 \$'000
<b>ASSETS</b>	
Cash and cash equivalents	1,891
Trade and other receivables	18,283
Inventories	28,504
Property, plant and equipment	3,009
Deferred tax assets	305
Goodwill	6,850
Intangible assets	1,775
<b>TOTAL ASSETS</b>	<b>60,617</b>
<b>LIABILITIES</b>	
Trade and other payables	13,901
Lease liabilities	2,566
Provisions	1,164
<b>TOTAL LIABILITIES</b>	<b>17,631</b>
<b>NET ASSETS</b>	<b>42,986</b>

### 1.3 Reconciliation of gain on disposal of CMI Operations Pty Ltd

	30 Jun 2024 \$'000
Sale consideration	92,100
Add:	
Working capital adjustments	1,694
	<b>93,794</b>
Less:	
Cost incurred on disposal	(3,249)
Completion adjustments	(369)
Net assets of CMI Operations Pty Ltd	(42,986)
<b>Gain on sale</b>	<b>47,190</b>



# Notes to the consolidated financial statements: Key numbers

for the year ended 30 June 2024

## 1. Asset and liabilities sold and statement of profit or loss from discontinued operations (continuation)

### 1.4 Proceeds from disposal of CMI Operations Pty Ltd

	30 Jun 24 \$'000
Proceeds on sale, net of working capital adjustments, completion adjustments and costs incurred on disposal	90,176
Less: cash disposed	(1,891)
<b>Net proceeds from disposal of CMI Operations Pty Ltd</b>	<b>88,285</b>

## 2. Revenue from contracts with customers

### Disaggregated revenue information – discontinued operations

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Segments:	Electrical components	
	2024 \$'000	2023 \$'000
Type of goods or service		
Sale of electrical components and cables <sup>7</sup>	59,740	104,028
<b>Total revenue from contracts with customers</b>	<b>59,740</b>	<b>104,028</b>
Timing of revenue recognition		
Goods transferred at point in time	59,740	104,028
<b>Total revenue from contracts with customers</b>	<b>59,740</b>	<b>104,028</b>

### Recognition and measurement

The Group's contracts with customers for the sale of electrical components generally include one performance obligation. Revenue from sale of equipment is recognised at the point in time when control of the asset is transferred to the customer, on delivery of the components. Any earned but unbilled amount is recognised as a contract asset rather than a trade receivable.

## 3. Investment income – continuing operations

	2024 \$'000	2023 \$'000
Realised (losses) on financial assets	(30)	-
Realised gain on sale of operating assets	47,190	-
Interest received	2,571	583
Fair value changes on financial assets	868	123
<b>Total investment income</b>	<b>50,599</b>	<b>706</b>

<sup>7</sup> Includes revenue from sales to customers of CMI Operations Pty Ltd for the 7 months to 31 January 2024 subsequent to the sale to IPD as announced on 1 February 2024.

# Notes to the consolidated financial statements: Key numbers

## for the year ended 30 June 2024

### 4. Other income – discontinued operations

	2024 \$'000	2023 \$'000
Gain on foreign exchange	-	3
Sale of off-cuts (operations)	51	115
Interest income	5	-
Other	76	179
	132	297

#### Recognition and measurement

##### *Interest received*

Interest received is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

##### **Dividends income from equity instruments**

Dividend income is recorded when the Group's right to receive the dividend is established.

##### **Gain on sale of debt and equity instruments**

Net gain on financial assets held at fair value through profit and loss are calculated as the difference between the fair value at the end of the reporting period and the fair value at the previous valuation point. Net gains do not include interest or dividend / distribution income.

# Notes to the consolidated financial statements: Key numbers

for the year ended 30 June 2024

## 5. Expenses

### Expenses – continuing operations

	Note	2024 \$'000	2023 \$'000
<b>Employee benefits</b>			
Wages and salaries		340	360
Superannuation costs		50	57
		390	417
<b>Occupancy expense</b>			
Short-term and low value asset leases expense		108	97
Variable lease payment expense		-	-
		108	97
<b>Depreciation and amortisation</b>			
Depreciation of plant and equipment	10	11	9
		11	9
<b>Other</b>			
Legal expenses		190	15
Insurances, professional services and IT		361	321
Management and performance fees		27	23
Other administrative expenses <sup>1</sup>		181	463
		759	822

# Notes to the consolidated financial statements: Key numbers

for the year ended 30 June 2024

## 5. Expenses (continuation)

### Expenses – discontinued operations

		7 months	12 months
	Note	2024 \$'000	2023 \$'000
<b>Employee benefits</b>			
Wages and salaries		4,231	7,244
Superannuation costs		223	391
		<b>4,454</b>	<b>7,635</b>
<b>Occupancy expense</b>			
Short-term and low value asset leases expense		234	316
Variable lease payment expense		253	473
		<b>487</b>	<b>789</b>
<b>Depreciation and amortisation</b>			
Depreciation of plant and equipment	10	911	1,390
Amortisation of intangible assets	11	227	225
		<b>1,138</b>	<b>1,615</b>
<b>Other</b>			
Legal expenses		2	17
Insurances, professional services and IT		335	385
Repairs, maintenance and consumables		245	366
Freight and cartage		1,010	1,736
Other administrative expenses		902	930
		<b>2,494</b>	<b>3,434</b>

### Recognition and measurement

#### Employee benefits

Employee benefits expenses includes wages and salaries including bonuses, annual and long service leave and associated on-costs as incurred, superannuation costs, and termination benefits.

#### Occupancy expense

Occupancy expenses includes premises operating leases and other occupancy expenses (e.g. utilities, cleaning and security) which are expensed as incurred.

### Other administrative expenses

This mainly comprises:

- bank fees;
- licence fees and permits;
- custodian fees;
- travel and communication;
- ASX listing fees, ASIC and share registry expenses; and
- general administration expenses.

These items are expensed when incurred.

# Notes to the consolidated financial statements: Key numbers for the year ended 30 June 2024

## 6. Income tax

The major components of income tax expense for the years ended 30 June 2024 and 2023 are:

Consolidated profit or loss	2024 \$'000	2023 \$'000
<i>Current income tax:</i>		
Current income tax charge	7,503	4,359
Adjustments in respect of current income tax of previous year	40	(49)
<i>Deferred tax:</i>		
Relating to origination and reversal of temporary differences	(545)	(51)
Adjustments in respect of deferred tax of prior year	-	30
<b>Income tax expense reported in the statement of profit or loss</b>	<b>6,998</b>	<b>4,289</b>
Reconciliation of tax expense and the accounting profit multiplied by Australia's domestic tax rate for 2024 and 2023:		
Accounting profit before tax	57,415	14,658
At Australia's statutory income tax rate of 30% (2023: 30%)	17,225	4,397
Adjustments in respect of current income tax and deferred tax of prior year	(224)	(85)
Utilisation of capital losses previously not recognised	(10,007)	-
Other items	4	(23)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>6,998</b>	<b>4,289</b>

# Notes to the consolidated financial statements: Key numbers

for the year ended 30 June 2024

## 6. Income tax (continuation)

### Deferred tax

Deferred tax relates to the following:

	Opening balance	Current year recognised in profit or loss	Reverse of DTA/DTL	Closing balance
2024	\$'000	\$'000	\$'000	\$'000
DTA in relation to:				
Receivables	(22)	(75)	-	(97)
Plant and equipment	102	2	(103)	1
Provisions	548	7	(555)	-
Accrued expenses	43	(12)	(17)	14
Inventories	57	564	(49)	572
	728	486	(724)	490
DTL in relation to:				
Intangible assets	(514)	59	455	-
	(514)	59	455	-
Net deferred tax balances assets (liabilities)	214	545	(269)	490
	Opening balance	Current year recognised in profit or loss	Charged to OCI	Closing balance
2023	\$'000	\$'000	\$'000	\$'000
DTA in relation to:				
Receivables	(11)	(11)	-	(22)
Plant and equipment	99	3	-	102
Provisions	491	57	-	548
Accrued expenses	40	3	-	43
Inventories	-	57	-	57
	619	109	-	728
DTL in relation to:				
Intangible assets	(456)	(58)	-	(514)
	(456)	(58)	-	(514)
Net deferred tax balances assets (liabilities)	163	51	-	214

# Notes to the consolidated financial statements: Key numbers

## for the year ended 30 June 2024

### 6. Income tax (continuation)

Reflected in the statement of financial position as follows:

	2024 \$'000	2023 \$'000
Deferred tax assets	490	728
Deferred tax liabilities	-	(514)
<b>Net deferred tax assets (liabilities)</b>	<b>490</b>	<b>214</b>

#### Recognition and measurement

##### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change.

# Notes to the consolidated financial statements: Key numbers for the year ended 30 June 2024

## 6. Income tax (continuation)

The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it reflects new information obtained about facts and circumstances that exist at the acquisition date that, if known, would have affected the amount recognised at that date where recognised during the measurement period.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### *Tax consolidation*

#### (i) Members of the tax consolidated group and the tax sharing arrangement

Excelsior Capital Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 1 July 2003. Excelsior Capital Limited is the head entity of the tax consolidated group. Members of the tax consolidated group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

#### (ii) Tax effect accounting by members of the tax consolidated group

### *Measurement method adopted under AASB Interpretation 1052 Tax Consolidation Accounting*

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 Income Taxes. The nature of the tax funding agreement is discussed further below.

In addition to its own current and deferred tax amounts, the head entity also recognises current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

### **Nature of the tax funding agreement**

Members of the tax consolidated group have entered into a tax funding agreement. Under the funding agreement, the funding of tax within the Group is based on accounting profit. The tax funding agreement requires payments to/from the head entity to be recognised via an inter-entity receivable (payable) which is at call. To the extent that there is a difference between the amount charged under the tax funding agreement and the allocation under AASB Interpretation 1052, the head entity accounts for these as equity transactions with the subsidiaries.

The amounts receivable or payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

### **Key estimates and assumptions – Available Tax Losses**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group utilised \$33.3 million of previously unrecognised capital losses carried forward from prior years against the taxable profit generated from the sale of CMI Operations Pty Ltd. The sale of CMI Operations Pty Ltd generated a capital gain of \$49.4m, which was reduced to a taxable gain of \$16.1m after recoupment of the capital losses carried forward. The Group does not have any tax losses to carry forward at the end of the 2024 financial year.



# Notes to the consolidated financial statements: Key numbers

## for the year ended 30 June 2024

### 7. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 30 June:

	2024 \$'000	2023 \$'000
Cash at bank and on hand	52,808	4,121
Investment trading account	37,743	18,675
	90,551	22,796

Cash at bank earns interest at floating rates based on daily bank deposit rates.

At 30 June 2024, the Group had available \$1,085,000 (FY23: \$1,124,000) of undrawn committed borrowing facilities.

	Note	2024 \$'000	2023 \$'000
<b>Cash flow reconciliation</b>			
<b>Reconciliation of profit after tax to net cash flows from operations</b>			
Profit after tax		50,417	10,369
<b>Adjustments to reconcile profit after tax to net cash flows</b>			
Depreciation of plant and equipment	10	921	1,400
Amortisation of intangible assets	11	228	224
Fair value changes on financial assets		(868)	(123)
Realised losses on financial assets		30	-
Realised gain on sale of operating assets		(47,190)	-
Finance costs		-	119
Loss on disposal of plant and equipment		-	5
<b>Changes in assets and liabilities:</b>			
Deferred tax assets and liabilities		(581)	(51)
Current tax assets and liabilities		5,961	5
Provisions		(1,199)	21
<b>Working capital adjustments:</b>			
Trade and other receivables and prepayments		1,743	(1,234)
Inventories		(5,188)	3,954
Trade and other payables		4,329	(4,335)
<b>Net cash flows from operating activities</b>		<b>8,603</b>	<b>10,354</b>

# Notes to the consolidated financial statements: Key numbers

for the year ended 30 June 2024

## 8. Trade and other receivables

	2024 \$'000	2023 \$'000
<b>Current</b>		
Trade and other receivables	690	20,630
Allowance for expected credit losses	-	(109)
	690	20,521
Prepayments	40	235
	730	20,756

### Recognition and measurement

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in **Note 20** Financial instruments – initial recognition and subsequent measurement.

### Terms and conditions relating to the above

As at 30 June 2024, the Group has trade receivables of \$690,000 (2023: \$20,521,000) which is net of any allowance for expected credit losses of nil (2023: \$109,000).

Set out below is the movement in the allowance for expected credit losses of trade receivables:

	2024 \$'000	2023 \$'000
As at 1 July	-	146
Provision for expected credit losses	-	79
Utilisation of provision	-	(116)
<b>As at 30 June</b>	-	109

The significant changes in the balances of trade receivables are disclosed in **Note 20.1** while the information about the credit exposures are disclosed in **Note 20.5**.

### Past due but not impaired

There was no past due balance greater than 90 days at 30 June 2024.

# Notes to the consolidated financial statements: Key numbers

## for the year ended 30 June 2024

### 9. Inventories

	2024 \$'000	2023 \$'000
Raw materials	-	1,831
Work in progress	-	231
Finished goods	-	21,254
Total inventories at the lower of cost and net realisable value	-	23,316

#### Recognition and measurement

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- **Raw materials:** purchase cost on a first-in/first-out basis; and
- **Finished goods and work in progress:** cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the costs necessary to make the sale.

There was no write down of net realisable value during the year but a provision was provided for any stock obsolescence of approximately \$150,000 had been booked in CMI Operations Pty Ltd which was sold on 31 January 2024 to IPD.

# Notes to the consolidated financial statements: Key numbers

for the year ended 30 June 2024

## 10. Plant and equipment

	Plant and equipment \$'000	Right-of-use assets \$'000	Total \$'000
<b>Cost</b>			
At 1 July 2022	3,002	5,303	8,305
Additions	355	1,739	2,094
Disposals	(1,096)	(1,324)	(2,420)
At 30 June 2023	2,261	5,718	7,979
Additions	922	-	922
Disposals – discontinued operations <sup>8</sup>	(3,088)	(5,718)	(8,806)
At 30 June 2024	95	-	95
<b>Depreciation and impairment</b>			
At 1 July 2022	2,801	3,142	5,943
Depreciation charge for the year	79	1,321	1,400
Disposals – discontinued operations	(1,090)	(1,325)	(2,415)
At 30 June 2023	1,790	3,138	4,928
Depreciation charge for the year	67	854	921
Disposals – discontinued operations	(1,805)	(3,992)	(5,797)
At 30 June 2024	52	-	52
<b>Net book value</b>			
At 30 June 2024	43	-	43
At 30 June 2023	471	2,580	3,051

8 Disposals are primarily as a result of the sale of CMI Operations Pty Ltd to IPD Group Limited on 31 January 2024.

### Recognition and measurement

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

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

*Plant and machinery* 3-20 years

An item of plant and equipment is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

# Notes to the consolidated financial statements: Key numbers

for the year ended 30 June 2024

## 11. Intangible assets

	Development costs \$'000	Goodwill \$'000	Total \$'000
<b>Carrying value</b>			
At 1 July 2022	4,575	8,660	13,235
Additions – internally developed	394	-	394
At 30 June 2023	4,969	8,660	13,629
Additions – internally developed	103	-	103
Disposals – discontinued operations <sup>9</sup>	(5,072)	(8,660)	(13,732)
At 30 June 2024	-	-	-
<b>Amortisation and impairment</b>			
At 1 July 2022	2,845	1,810	4,655
Amortisation	224	-	224
At 30 June 2023	3,069	1,810	4,879
Amortisation	228	-	228
Disposals – discontinued operations	(3,297)	(1,810)	(5,107)
At 30 June 2024	-	-	-
<b>Net book value</b>			
At 30 June 2024	-	-	-
At 30 June 2023	1,900	6,850	8,750

<sup>9</sup> The carrying value of intangible assets has been written down to nil following the sale of CMI Operations Pty Ltd to IPD Group Limited on 31 January 2024.

### Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

### The useful lives of intangible assets are assessed as either finite or indefinite

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at

the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

# Notes to the consolidated financial statements: Key numbers

## for the year ended 30 June 2024

### 11. Intangible assets (continuation)

#### Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

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

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit.

#### Key estimates and assumptions – Development costs

The Group capitalises costs for product development projects. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model.

Following the sale of CMI Operations Pty Ltd, no additional capitalised development costs were booked in the financial year ended 30 June 2024.

At 30 June 2024, the carrying amount of capitalised development costs was \$nil (2023: \$1,900,000).

The remaining amortisation period is:

- Within one year – \$nil
- After one year but not more than five years – \$nil
- Under development and not completed – \$nil

#### Goodwill

For impairment testing, goodwill acquired through business combinations were allocated to the electronics components CGU, which is also an operating and reportable segment.

#### Carrying amount of goodwill allocated to the CGU:

	Electrical components	
	2024 \$'000	2023 \$'000
Goodwill – discontinued operations <sup>10</sup>	-	6,850

<sup>10</sup> Carrying value of Goodwill allocated to CMI Electrical as a CGU has been written down to nil on 31 January 2024 following the sale of CMI to IPD.

# Notes to the consolidated financial statements: Key numbers

for the year ended 30 June 2024

## 12. Trade and other payables

	Note	2024 \$'000	2023 \$'000
Trade payables		47	4,172
Creditors and accruals		44	5,491
	20	91	9,663
Current		91	9,663

### Recognition and measurement

Trade and other payables and other accounts payable are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

### Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30-60 day terms; and
- For explanations on the Group's liquidity risk management processes, refer to **Note 20.5**.

## 13. Lease liabilities

	2024 \$'000	2023 \$'000
Current – discontinued operations	-	1,743
Non-current – discontinued operations	-	933
	-	2,676

### Recognition and measurement

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

# Notes to the consolidated financial statements: Key numbers

for the year ended 30 June 2024

## 14. Provisions

	Annual and long service leave \$'000
At 1 July 2023	1,199
Arising during the year – discontinued operations	28
Utilised – discontinued operations	(63)
Disposals – discontinued operations	(1,164)
At 30 June 2024	-
Current	-
Non-current	-
At 1 July 2022	1,178
Arising during the year	611
Utilised	(590)
At 30 June 2023	1,199
Current	1,127
Non-current	72

## Recognition and measurement

### General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### Long service leave and annual leave

The Group recognises a liability for long service leave and annual leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service.

Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.



# Notes to the consolidated financial statements: Capital

## for the year ended 30 June 2024

### 15. Capital management

#### The Group's capital management objectives

For the purpose of the Group's capital management, capital includes issued capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

To maintain or adjust the capital structure, the Group may adjust:

- the dividend payment to shareholders;
- return capital to shareholders; or
- issue new shares.

The Group is not subject to any externally imposed capital requirements.

The Board is responsible for monitoring and approving the capital management framework within which management operates. The purpose of the framework is to prudently manage capital whilst optimising the debt and equity structure.

	2024 \$'000	2023 \$'000
Bank guarantees – discontinued operations	-	676
<b>Net debt</b>	-	676
Equity	116,880	68,493
<b>Total capital</b>	<b>116,880</b>	68,493
<b>Capital and net debt</b>	<b>116,880</b>	69,169

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants that define capital structure requirements. There have been no breaches of the financial covenants in the current period.

No changes were made in the objectives, policies, or processes for managing capital during the years ended 30 June 2024 and 2023.

# Notes to the consolidated financial statements: Capital

for the year ended 30 June 2024

## 16. Dividends

	2024 \$'000	2023 \$'000
<b>Cash dividends on ordinary shares declared and paid:</b>		
Final dividend for 2023: 3.5 cents per share (2022: 3.0 cents per share)	1,015	870
Interim dividend for 2024: 3.5 cents per share (2023: 3.0 cents per share)	1,015	870
	2,030	1,740
<b>Proposed dividends on ordinary shares</b>		
Final cash dividend for 2024: 3.5 cents per share (2023: 3.5 cents per share)	1,015	1,015
Special dividend for 2024: 7 cents per share (2023: nil)	2,030	-
	3,045	1,015
<b>Franking credit balance</b>		
The amount of franking credits available for the subsequent financial year are:		
• Franking account balance as at the end of the financial year at 30% (2023: 30%)	35,403	31,724
• Franking debits that will arise from the payment of dividends as at the end of the financial year	1,305	435

# Notes to the consolidated financial statements: Capital

for the year ended 30 June 2024

## 17. Issued capital and reserves

### 17.1 Issued shares

	2024	2023
	Thousands	Thousands
Ordinary shares as at 30 June 2024	28,994	28,994
	28,994	28,994
	Thousands	\$'000
Ordinary shares and dollar value as at 30 June 2024	28,994	28,270
At 30 June 2024	28,994	28,270

### 17.2 Reserves

The disaggregation of changes of OCI by each type of reserve in equity:

	Fair value reserve of financial assets at FVOCI
	\$'000
As at 1 July 2022	(474)
Adjustment on change of accounting policy*	474
As at 1 July 2022 (restated)	-
Other comprehensive income as previously reported	123
Adjustment on change of accounting policy*	(123)
Restated other comprehensive income	-
At 30 June 2023	-
Other comprehensive income	-
At 30 June 2024	-

\* Refer to **Note 27** for details.

# Notes to the consolidated financial statements: Capital

## for the year ended 30 June 2024

### 18. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	2024 \$'000	2023 \$'000
Profit attributable to ordinary equity holders of the parent	50,417	10,369
Profit attributable to ordinary equity holders of the parent for basic earnings	50,417	10,369
Profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution	50,417	10,369

	2024 Thousands	2023 Thousands
Weighted average number of ordinary shares for basic EPS	28,994	28,994
Weighted average number of ordinary shares adjusted for the effect of dilution	28,994	28,994

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

# Notes to the consolidated financial statements: Risk

## for the year ended 30 June 2024

### 19. Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

#### 19.1 Fair value measurement hierarchy for assets as at 30 June 2024:

		Fair value measurement using			
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant un-observable inputs (Level 3)
		\$'000	\$'000	\$'000	\$'000
<b>Assets measured at fair value</b>					
Quoted equity shares (Note 20)	30 June 2024	-	-	-	-
Unquoted equity shares (Note 20)	30 June 2024	575	-	575	-
Unlisted investment unit trusts (Note 20)	30 June 2024	29,400	-	29,400	-
Unlisted hybrid notes (Note 20)	30 June 2024	271	-	271	-

The Company held units in the following unlisted investment managed funds at 30 June 2024:

- Regal Resources Long Short Fund
- Regal Private Partners Fund
- Fortlake Real Income Fund
- Merricks Capital Partners Fund
- Elliott Investment Management Fund
- AIPX Global Investment Fund
- Coolabah Smarter Money Long Short Credit Fund
- Coolabah Active Sovereign Bond Fund
- BlackRock Global Alternatives Access Fund
- New Holland Tactical Alpha Fund
- Dexu Property Fund
- BFMG Notes
- CAIS Millennium International Commitment Fund Limited, and
- Catalyst FM Global Opportunities Fund.

These Funds are registered managed investment schemes in unlisted Australian and International unit trusts. Unit prices vary depending on the underlying asset investments.

The company held shares in unlisted Company, Local Agent Finder Limited, and

The Company also held shares in Invigor Group Limited a company which has been delisted from the ASX as code ASX:IVO and was subsequently written down to nil.

The Company redeemed its investment in Alium Market Neutral Fund in July 2023 on the basis that the fund was underperforming. As a result the investment portfolio realised a minor loss of \$30,000 on disposal.

There were no transfers between Level 1, Level 2 or Level 3 during 2024.

# Notes to the consolidated financial statements: Risk

for the year ended 30 June 2024

## 19. Fair value measurement (continuation)

### 19.2 Fair value measurement hierarchy for assets as at 30 June 2023:

		Fair value measurement using			
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant un-observable inputs (Level 3)
		\$'000	\$'000	\$'000	\$'000
<b>Assets measured at fair value</b>					
Quoted equity shares ( <b>Note 20</b> )	30 June 2023	23	23	-	-
Unquoted equity shares ( <b>Note 20</b> )	30 June 2023	280	-	280	-
Unlisted unit trust ( <b>Note 20</b> )	30 June 2023	4,255	-	4,255	-
Unlisted hybrid notes ( <b>Note 20</b> )	30 June 2023	284	-	284	-

There was no transfer between Level 1, Level 2 or from Level 3 during 2023.

### 19.3 Fair value measurement

The Company held units in the following unlisted investment managed funds at 30 June 2023:

- Regal Resources Long Short Fund.
- CAIS Millennium International Commitment Fund Limited.
- Arrow (Alium) Market Neutral Fund – Platform Class (redeemed in July 2023), and
- Catalyst FM Global Opportunities Fund.

These Funds are registered managed investment schemes in unlisted Australian and International unit trusts. Unit prices vary depending on the underlying asset investments.

The Company also held shares in Invigor Group Limited a company listed on the ASX as code ASX:IVO.

### 19.4 Fair value measurement hierarchy for liabilities

There are no liabilities in the Group that are subject to fair value measurement for 30 June 2024 and 2023.

# Notes to the consolidated financial statements: Risk

## for the year ended 30 June 2024

### 19. Fair value measurement (continuation)

#### 19.5 Summary of financial assets at FVTPL held and changes in fair value

	2024 \$'000	2023 \$'000
Local Agent Finder Limited	575	280
CAIS Millennium International Commitment Fund Limited	2,002	1,238
Blackrock Global Alternative Fund	1,563	-
Arrow (Alium) Market Neutral Fund – Platform Class	-	982
Regal Resources Long Short Fund	1,189	1,012
Regal Resources Long Short Fund – Class A	994	-
Regal Private Partners Fund	3,062	-
Catalyst FM Global Opportunities Fund	938	926
New Holland Tactical Alpha Fund	3,081	-
Fortlake Real Income Fund	3,047	-
Coolabah Smarter Money Long Short Credit Fund	4,048	-
Coolabah Active Sovereign Bond Fund	2,992	-
AIPX Global Investment Fund	3,000	-
Merricks Capital Partners Fund	3,021	-
Elliott Investment Management Fund	303	-
BFMG Notes	271	284
Dexus Real Estate Partnership I Fund	160	97
Invigor Group Limited	-	23
<b>Total financial assets at FVTPL</b>	<b>30,246</b>	<b>4,842</b>
	2024 \$'000	2023 \$'000
Opening	4,842	3,204
Additions	25,536	1,515
Disposals	(1,000)	-
Revaluation of financial assets	868	123
Closing	30,246	4,842

During the year, brokerage fees amounting to \$nil (2023: Nil) on purchase and sale of debt, equity, hybrid securities and or investment trust units were netted off against the cost base or sale consideration received. The Company also incurred \$27,000 (2023: \$23,000) in management fees paid to Macquarie Private Bank and LGT Crestone.

# Notes to the consolidated financial statements: Risk

## for the year ended 30 June 2024

### 19. Fair value measurement (continuation)

#### 19.5 Summary of financial assets at FVTPL held and changes in fair value (continuation)

The Group measures financial instruments such as investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- **Level 2** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- **Level 3** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

The Board determines the policies and procedures for recurring fair value measurement, such as unquoted financial assets.

At each reporting date, the Board analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Board verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Board also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

The Manager of the Group's investment portfolio presents the valuation results to the Audit Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.



# Notes to the consolidated financial statements: Risk

for the year ended 30 June 2024

## 20. Financial assets and financial liabilities

### 20.1 Financial assets

	Note	2024 \$'000	2023 \$'000
<b>Financial assets at fair value through profit or loss</b>			
Quoted equity shares	19	-	23
Unquoted equity shares	19	575	280
Unlisted unit trusts	19	29,400	4,255
Unlisted hybrid notes	19	271	284
		30,246	4,842
<b>Financial assets at amortised cost</b>			
Cash and cash equivalents	7	90,551	22,796
Trade and other receivables	8	730	20,756
<b>Total financial assets</b>		<b>121,527</b>	<b>48,394</b>
Total current		90,281	43,552
<b>Total non-current</b>		<b>30,246</b>	<b>4,842</b>

### Recognition and measurement

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss inclusive of transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss (quoted hybrid securities); and
- Trade receivables at amortised cost.

The Group has determined to classify all the investment assets (equity instruments and quoted hybrid securities as fair value through profit or loss. Refer to **Note 27** for details.

# Notes to the consolidated financial statements: Risk

## for the year ended 30 June 2024

### 20. Financial assets and financial liabilities (continuation)

#### 20.1 Financial assets (continuation)

##### *Financial assets at fair value through profit or loss (equity instruments and quoted hybrid securities)*

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes quoted hybrid debt securities which the Group had irrevocably elected to classify at fair value through profit or loss.

Interest received on quoted hybrid securities is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Fair values of the quoted hybrid securities are determined by reference to published price quotations in an active market.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

#### Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Trade receivables (**Note 8**)

##### *Trade receivables*

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. This was based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

# Notes to the consolidated financial statements: Risk

for the year ended 30 June 2024

## 20. Financial assets and financial liabilities (continuation)

### 20.2 Financial liabilities

	Note	2024 \$'000	2023 \$'000
<b>Financial liabilities at amortised cost</b>			
Trade and other payables	12	91	9,663
Lease liabilities – discontinued operations	13	-	2,676
<b>Total financial liabilities</b>		<b>91</b>	<b>12,339</b>
<b>Total current</b>		<b>91</b>	<b>11,406</b>
<b>Total non-current</b>		<b>-</b>	<b>933</b>

### Recognition and measurement

#### Initial recognition and measurement

The Group's financial liabilities include trade and other payables only. These are classified, at initial recognition as payables, net of directly attributable transaction costs as appropriate.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

# Notes to the consolidated financial statements: Risk

for the year ended 30 June 2024

## 20. Financial assets and financial liabilities (continuation)

### 20.3 Fair values

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments:

	2024		2023	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
<b>Financial assets</b>				
Unquoted equity shares	575	575	280	280
Unlisted unit trusts	29,400	29,400	4,255	4,255
Unlisted hybrid notes	271	271	284	284
Quoted equity shares	-	-	23	23
	<b>30,246</b>	<b>30,246</b>	<b>4,842</b>	<b>4,842</b>

### 20.4 Fair values measurements and valuation processes

Management assessed that the fair values of:

- cash deposits;
- trade receivables; and
- trade payables

approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

- The fair values of the unlisted investment unit trust securities are based on the value of the trust's net assets per redeemable unit at each reporting date. Investment positions are valued based on the last traded market price, net of transaction costs, for the purpose of determining the trust's net asset value for unit pricing purpose.
- In addition to being sensitive to a change in the forecast cash flows or the discount rate, the fair value of the unquoted equity instruments and unlisted trust units is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- There is an active market for the Group's quoted equity shares and unlisted managed investment unit trust assets.

# Notes to the consolidated financial statements: Risk

## for the year ended 30 June 2024

### 20. Financial assets and financial liabilities (continuation)

#### 20.5 Financial instruments risk management objectives and policies

The Group's principal financial liabilities comprise trade and other payables only. The Group's principal financial assets include trade receivables, and cash that derives directly from its operations. The Group also holds investments in managed funds via unit trust and unquoted equity instruments.

The Group is exposed through its asset investments to:

- market risk,
- currency risk,
- credit risk; and
- liquidity risk.

The Board of Directors oversees the management of these risks along with guidance from independent financial advisers. The Board of Directors advises on financial risks and the appropriate financial risk governance framework for the Group. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

##### *Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the overall performance of financial market prices. Market risk comprises three types of risk:

- interest rate risk;
- currency risk; and
- other price risk, such as equity price risk.

Financial instruments affected by market risk include deposits and debt, equity and unit trust investments.

##### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in financial market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash as well as its investment in unit trusts. The risk that changes in interest rates may have an adverse impact on the capital value or income of a security.

##### *Foreign currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to its investment in unit trusts.

Some securities held by the trust may be denominated in a currency different to Australian Dollars. A change in the value of these currencies relative to the Australian dollar can affect the value of unit trusts.

The Group does not have a defined policy on foreign currency derivatives; however, the Board assesses the risk of individual transactions as they arise for the requirement to use currency derivative instruments.

##### *Equity price risk*

The Group's listed and non-listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's Board of Directors on a regular basis. The Group's Board of Directors reviews and approves all equity and hybrid investment decisions.

At the reporting date, the company held \$nil (FY 23, \$23,000) in listed equity investments. Its exposure to non-listed equity, unit trust and hybrid notes investments at fair value were \$30,246,000 (2023: \$4,819,000).

Given that the changes in fair values of the equity and certain unlisted investments held are strongly positively correlated with changes to the variables such as ASX market index, the broader financial markets and the underlying assets held by the investment trust, the Group has determined that an increase/ (decrease) of 10% in these market variables could have an impact of approximately \$3,025,000 (2023: \$339,000) increase/ (decrease) on the income and equity attributable to the Group.

##### *Credit risk*

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument, fixed income security or customer contract, leading to a financial loss. The Group is exposed to credit risk from its deposits with banks and financial institutions, foreign exchange transactions and investments in unit trusts.

# Notes to the consolidated financial statements: Risk

## for the year ended 30 June 2024

### 20. Financial assets and financial liabilities (continuation)

#### 20.5 Financial instruments risk management objectives and policies (continuation)

##### Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and contract assets are regularly monitored and any shipments to major customers are generally covered by letters of credit.

At 30 June 2024, the Group had nil customers (2023: 35) that owned the Group more than \$100,000, following the completion of the Sale of CMI Operations Pty Ltd, (2023: 85%) of all the receivables outstanding.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in **Note 8**. The Group does not hold collateral as security. The letters of credit are considered integral part of trade receivables and considered in the calculation of impairment.

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Days past due				Total
	Current	<30 days	30-60 days	61-90 days	
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>30 June 2024</b>					
Expected credit loss rate	0.00%	0.00%	0.00%	100%	
Estimated total gross carrying amount at default	690	-	-	-	690
Expected credit loss	-	-	-	-	-
<b>30 June 2023</b>					
Expected credit loss rate	0.10%	0.05%	2.5%	100%	
Estimated total gross carrying amount at default	10,301	8,359	1,923	47	20,630
Expected credit loss	10	4	48	47	109

# Notes to the consolidated financial statements: Risk

for the year ended 30 June 2024

## 20. Financial assets and financial liabilities (continuation)

### 20.5 Financial instruments risk management objectives and policies (continuation)

#### Liquidity risk

The Group monitors its risk of a shortage of funds using a liquidity planning tool.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank guarantees and a finance lease facility. The Group has access to a sufficient variety of sources of funding that borrowing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Financial liabilities	On demand \$'000	< 3 months \$'000	3-12 months \$'000	1-5 years \$'000	>5 years \$'000	Total \$'000
<b>2024</b>						
<b>Non-derivatives</b>						
Trade and other payables	91	-	-	-	-	91
	91	-	-	-	-	91
<b>2023</b>						
<b>Non-derivatives</b>						
Trade and other payables	9,663	-	-	-	-	9,663
Lease liabilities	-	281	1,462	933	-	2,676
	9,663	281	1,462	933	-	12,339

#### Financing facilities

	2024 \$'000	2023 \$'000
<b>Finance lease facility which may be extended by mutual agreement annually</b>		
• Amount unused	-	1,500
	-	1,500
<b>Bank guarantee facility which may be extended by mutual agreement annually</b>		
• Amount used	-	676
• Amount unused	1,085	1,124
	1,085	1,800

# Notes to the consolidated financial statements:

## Group structure

for the year ended 30 June 2024

### 21. Group information

#### 21.1 Information about subsidiaries

The consolidated financial statements of the Group include:

			% equity interest	
			2024	2023
Name	Principal activities	Country of incorporation	%	%
<b>Parent</b>				
Excelsior Capital Limited		Australia		
<b>Subsidiaries</b>				
CMI Operations Pty Ltd <sup>11</sup>	Electrical components	Australia	-	100

<sup>11</sup> The Company announced on 1 February 2024 that it had sold CMI Operations Pty Ltd, a wholly owned subsidiary of ECL to IPD Group Limited.



# Notes to the consolidated financial statements:

## Unrecognised items

for the year ended 30 June 2024

### 22. Commitments and contingencies

#### 22.1 Commitments

At 30 June 2024, the Group had no commitments (2023: Nil).

#### 22.2 Guarantees

The Group has provided the following guarantee:

- Leases over several of its premises of \$nil for 2024 (2023: \$676,000)

#### 22.3 Contingent liabilities

The Company has no guarantees issued as at 30 June 2024 following the sale of CMI Operations Pty Ltd as the guarantees related to leased properties for the Electrical business operations.

As at 30 June 2023 the following guarantees in relation to the debts of its subsidiaries were in place:

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, Excelsior Capital Limited has entered into a deed of cross guarantee. The effect of the deed is that Excelsior Capital Limited has guaranteed to pay any deficiency in the event of winding up of any controlled entity if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.

The controlled entities have also given a similar guarantee in the event that Excelsior Capital Limited is wound up or if it does not meet its obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.

#### *Guarantees on lease of premises*

The company has no contingent liability arising as a result of guarantees made directly for lease of premises as at 30 June 2024 following the sale of CMI Electrical. The amount disclosed as at 30 June 2023 represents the aggregate amount of such guarantees in place for the prior year. The extent to which an outflow of funds will be required is dependent on the satisfaction of the obligations under the terms of the leases.

### 23. Events after the reporting period

#### 23.1 Final and special dividends declared

On 30 August 2024, the directors of Excelsior Capital Limited declared a final dividend on ordinary shares in respect of the 2024 financial year. The total amount of the dividend is \$1,015,000 which represents a fully franked dividend of 3.5 cents per share. The dividend has not been provided for in the 30 June 2024 financial statements.

In addition, the Company further announced it would pay a one off special dividend to shareholders amounting to \$2,030,000 which represents a fully franked dividend of 7 cents per share. The dividend has not been provided for in the 30 June 2024 financial statements.

# Notes to the consolidated financial statements:

## Other disclosures

for the year ended 30 June 2024

### 24. Auditor's remuneration

The auditor of Excelsior Capital Limited is Hall Chadwick.

	2024 \$	2023 \$
<b>Amounts received or due and receivable by Hall Chadwick for:</b>		
An audit and review of the financial report of the entity and any other entity in the consolidated group	91,000	86,000
Other services in relation to the entity and any other entity in the consolidated group:		
• Tax compliance	13,878	8,418
• Tax consulting	6,000	-
	110,878	94,418
<b>Amounts received or due and receivable by Ernst &amp; Young Australia for:</b>	-	-
Other services in relation to the entity and any other entity in the consolidated group:		
• Tax compliance	-	-
• Tax consulting	22,088	8,000
• Other	-	-
	22,088	8,000
<b>Total paid / payable to auditors and advisors</b>	<b>132,966</b>	<b>102,418</b>

# Notes to the consolidated financial statements:

## Other disclosures

for the year ended 30 June 2024

### 25. Related party disclosures

**Note 21** provides information about the Group's structure, including details of the subsidiaries and the holding company. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

		Sales to related parties	Purchases from related parties	Amounts owed to related parties
		\$	\$	\$
Key management personnel of the Group:				
Other directors' interests	2024	-	227,273	-
Key management personnel of the Group:				
Other directors' interests	2023	-	-	-

#### 25.1 Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

#### 25.2 Other directors' interests

##### *Professional Services – Purchases*

During the year Chairman and Non-Executive director Danny Herceg provided consulting and advisory services amounting to \$227,273 during the year.

There were no other fees or services provided to or made from related parties.

##### *Amounts owed to related parties*

During the year there have been no amounts loaned by related parties.

# Notes to the consolidated financial statements:

## Other disclosures

for the year ended 30 June 2024

### 25. Related party disclosures (continuation)

#### 25.3 Compensation of key management personnel of the Group

	2024 \$	2023 \$
Short-term employee benefits	1,116,956	826,597
Post-employment benefits	75,040	93,040
Termination benefits	-	-
<b>Total compensation paid to key management personnel</b>	<b>1,191,996</b>	<b>919,637</b>
<b>Reconciliation to Remuneration report</b>		
Executives	804,689	756,895
NED's	387,307	162,742
<b>Total compensation paid to key management personnel</b>	<b>1,191,996</b>	<b>919,637</b>

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

# Notes to the consolidated financial statements:

## Other disclosures

for the year ended 30 June 2024

### 26. Information relating to Excelsior Capital Limited (the Parent)

The table represents the legal parent entity, which is Excelsior Capital Limited.

	2024 \$	2023 \$
Current assets	91,281	22,749
Total assets	122,060	27,624
Current liabilities	(5,180)	(6,891)
Total liabilities	(5,180)	(6,874)
<b>Net assets</b>	<b>116,880</b>	<b>20,750</b>
Issued capital	28,270	28,270
Retained earnings	88,610	(7,520)
<b>Equity attributable to equity holders of the parent</b>	<b>116,880</b>	<b>20,750</b>
Loss after tax	96,130	(2,176)
Total comprehensive income	96,130	(2,176)

Refer to **Note 22** for guarantees that the Parent has issued in relation to the debts of its subsidiaries.

### 27. Change of accounting policy

The financial report has been prepared on the basis of a retrospective application of a voluntary change in accounting policy relating to investment portfolio financial assets in accordance with AASB 9: Financial Instruments.

As disclosed in the previous annual report, the group accounted for the investment portfolio financial assets in accordance with their contractual cash flow characteristics and business model, specifically:

- For equity instruments, the group has elected to classify its equity investments at fair value through OCI with subsequent changes in fair value recorded in other comprehensive income.
- For hybrid securities, the group classified its financial assets at fair value through profit or loss with subsequent changes in fair value recorded in profit or loss.

Following the disposal of electrical business, the group will account for all investment assets held in the portfolio (equity and hybrid securities) at fair value through profit or loss. The Board determined that the change in accounting policy will result in more relevant to the current activities and financial performance of the group.

The effects on the affected financial statement line items for the prior period on application of the new accounting policy, were as follows.

# Notes to the consolidated financial statements:

## Other disclosures

for the year ended 30 June 2024

### 27. Change of accounting policy (continuation)

#### 27.1 Statement of financial position

	Retained earnings \$'000	Reserves \$'000	Total equity \$'000
Balances at 30 June 2022, as previously reported	32,068	(474)	59,864
Impact on the change in accounting policy	(474)	474	-
<b>Restated balances at 30 June 2022</b>	<b>31,594</b>	<b>-</b>	<b>59,864</b>
Balances at 30 June 2023, as previously reported	40,574	(351)	68,493
Impact on the change in accounting policy	(351)	351	-
<b>Restated balances at 30 June 2023</b>	<b>40,223</b>	<b>-</b>	<b>68,493</b>

#### 27.2 Statement of financial position

	30 June 2023 \$'000	Impact on the change in accounting policy \$'000	Restated 30 June 2023 \$'000
Fair value changes on financial assets	-	123	123
<b>Loss before income tax from continuing operations</b>	<b>(826)</b>	<b>123</b>	<b>(703)</b>
Income tax benefit	266	-	266
Profit after income tax from discontinued operations	10,806	-	10,806
<b>Loss after income tax from continuing operations</b>	<b>10,246</b>	<b>123</b>	<b>10,369</b>

#### 27.3 Statement of other comprehensive income

	30 June 2023 \$'000	Impact on the change in accounting policy \$'000	Restated 30 June 2023 \$'000
<b>Profit after income tax from continuing and discontinued operations</b>	<b>10,246</b>	<b>123</b>	<b>10,369</b>
Net gain on investments designated at fair value, net of tax	123	(123)	-
Other comprehensive income	123	(123)	-
<b>Total comprehensive income</b>	<b>10,369</b>	<b>-</b>	<b>10,369</b>

# Consolidated entity disclosure statement

as at 30 June 2024

				% equity interest	
				2024	2023
Name	Principal activities	Tax residency	Country of incorporation	%	%
Subsidiaries					
CMI Operations Pty Ltd <sup>12</sup>	Electrical components	Australia	Australia	-	100

\* Excelsior Capital Limited (the 'head entity') and its wholly-owned Australian subsidiary (CMI Operations Pty Ltd, which was sold on 31 January 2024) had formed a tax consolidated group under the tax consolidation regime. CMI Operations Pty Ltd will no longer form part of the tax consolidated group post 31 January 2024 following its sale to IPD Group Limited.

12 The Company announced on 1 February 2024 that it had sold CMI Operations Pty Ltd, a wholly owned subsidiary of ECL to IPD Group Limited.

# Directors' declaration

In accordance with a resolution of the directors of Excelsior Capital Limited, I state that:

- I. In the opinion of the directors:
  - (a) the financial statements and notes of Excelsior Capital Limited for the financial year ended 30 June 2024 are in accordance with the *Corporations Act 2001*, including:
    - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
    - (ii) complying with Accounting Standards and the *Corporations Regulations 2001*.
  - (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in **Note 2** to the financial statements; and
  - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
  - (d) the information disclosed in the attached consolidated entity disclosure statement is true and correct.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2024.

On behalf of the board



**D. Herceg**  
**Chairman**

30 August 2024





EXCELSIOR CAPITAL LIMITED  
ABN 98 050 542 553  
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
EXCELSIOR CAPITAL LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Excelsior Capital Limited (the company) and its controlled entities (the group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information, consolidated entity disclosure statement and the director's declaration.

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

- (i) giving a true and fair view of the group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (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 matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2024. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters.

ADELAIDE	BRISBANE	DARWIN	MELBOURNE	PERTH	SYDNEY
Level 9	Level 4	Level 1	Level 14	Level 11	Level 40
50 Pirie Street	240 Queen Street	48-50 Smith Street	440 Collins Street	77 St Georges Tce	2 Park Street
Adelaide SA 5000	Brisbane QLD 4000	Darwin NT 0800	Melbourne VIC 3000	Perth WA 6000	Sydney NSW 2000
+61 8 7093 8283	+61 7 2111 7000	+61 8 8943 0845	+61 3 9820 6400	+61 8 6557 6200	+61 2 9263 2800

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**EXCELSIOR CAPITAL LIMITED  
ABN 98 050 542 553  
AND ITS CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
EXCELSIOR CAPITAL LIMITED**

<b>Key Audit Matter</b>	<b>How Our Audit Addressed the Key Audit Matter</b>
<b>Sale of CMI Operations Pty Ltd</b> <i>Refer to Note 1 "Asset and liabilities sold and statement of profit or loss from discontinued operations"</i>	
<p>On 1 February 2024, the group announced it had completed the sale of its wholly owned subsidiary CMI Operations Pty Ltd at close of business on 31 January 2024.</p> <p>The group received \$91.7 million in cash proceeds, after completion adjustments. The purchase price cash consideration is subject to a minor post-completion working capital adjustment. The transaction is also subject to a deferred cash consideration of up to \$8.9 million.</p> <p>We focused on this area as a key audit matter due to the significant effect of the transaction of the group's financial position and performance and the significant judgements required in determining the appropriate level of consideration to be applied.</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"><li>• We obtained an understanding of the nature and the structure of sale of business.</li><li>• We evaluated terms and conditions with respect to the business sale and related agreements.</li><li>• We agreed consideration to cash received in bank and tested the disposal balance sheet to the trial balance to assess completeness and recalculated gain on sale.</li><li>• We involved our tax experts to review the associated tax implications relating to the sale transaction.</li><li>• We reviewed the consolidation worksheet reflecting the disposal of the CMI Operations Pty Ltd and reconciled the elimination entries.</li><li>• We assessed the adequacy of disclosures included in the financial statements.</li></ul>

***Information Other than the Financial Report and Auditor's Report Thereon***

The directors are responsible for the other information. The other information comprises the information included in the group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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

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



**EXCELSIOR CAPITAL LIMITED  
ABN 98 050 542 553  
AND ITS CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
EXCELSIOR CAPITAL LIMITED**

***Responsibilities of the Directors for the Financial Report***

The directors of the group 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional 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.
- 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.



**EXCELSIOR CAPITAL LIMITED  
ABN 98 050 542 553  
AND ITS CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
EXCELSIOR CAPITAL LIMITED**

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 compiled 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 communication with the directors, we determined those matters that were of most significant in the audit of the financial report for the current period and are therefore the key audit matters. We have described these matters in our auditor's report unless laws or regulations precludes public disclosure about the matter, or when in extremely rare circumstances, we determined 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**

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of Excelsior Capital Limited for the year ended 30 June 2024 complies with s 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 s 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.

A handwritten signature in dark ink, appearing to read 'Hall Chadwick', written in a cursive style.

HALL CHADWICK (NSW)  
Level 40, 2 Park Street  
Sydney, NSW 2000

A handwritten signature in dark ink, appearing to read 'Drew Townsend', written in a cursive style.

**DREW TOWNSEND**  
Partner  
Dated: 30 August 2024

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows.  
The information is current as of 12 September 2024.

## (a) Distribution of equity securities

### (i) Ordinary share capital

- 28,994,469 fully paid ordinary shares are held by 567 individual shareholders.

All issued ordinary shares carry one vote per share and carry the rights to dividends.

### (ii) Unquoted securities

Nil

### (iii) Options

Nil

The number of shareholders, by size of holding, in each class are:

	Fully paid ordinary shares
1 – 1,000	169
1,001 – 5,000	193
5,001 – 10,000	77
10,001 – 50,000	82
50,001 – 100,000	16
100,001 and over	30
	<b>567</b>
Holding less than a marketable parcel	54

## (b) Substantial shareholders

	Fully paid	
Ordinary shareholders	Number	Percentage
L. J. Catelan	14,883,395	51.33
P.E.J. Murray	3,740,689	12.90
	<b>18,624,084</b>	<b>64.23</b>

Includes ordinary shareholders holdings and those of any related associated entities.

## (c) Twenty largest holders of quoted equity securities

		Fully paid	
Ordinary shareholders		Number	Percentage
1.	Catelan Securities Pty Ltd	12,670,484	43.70
2.	Leanne Catelan Superannuation Fund Pty Ltd	2,212,911	7.63
3.	London City Equities Limited	1,513,368	5.22
4.	Baauer Pty Ltd	1,099,529	3.79
5.	London City Equities Limited	802,367	2.77
6.	Mr Philip Gordon Greenham	650,000	2.24
7.	HSBC Custody Nominees (Australia) Limited	581,428	2.01
8.	Mr Benjamin Youngman Graham & Mrs Cara Janine Graham	555,000	1.91
9.	Moat Investments Pty Ltd	404,492	1.40
10.	Kalabric Family Super Pty Ltd	380,000	1.31
11.	Mast Financial Pty Ltd	350,000	1.21
12.	Mr Peter Edward John Murray	299,306	1.03
13.	Mr Peter Edward John Murray	273,831	0.94
14.	Mr Benjamin Youngman Graham & Mrs Katerina Graham	245,000	0.84
15.	Mr Kim Bee Tan & Mrs Verna Suat Wah Tan	235,742	0.81
16.	BNP Paribas Noms Pty Ltd	231,980	0.80
17.	IOOF Investment Services Limited	223,545	0.77
18.	Baauer Pty Ltd	209,400	0.72
19.	Capel Court Corporation Pty Limited	203,975	0.70
20.	Imperial Pacific Limited	180,295	0.62
		<b>23,322,653</b>	<b>80.44</b>

# Corporate information

ABN 98 050 542 553

## Directors

D. Herceg, Non-Executive Director/Chairman  
L.J. Catelan, Executive Director  
R. Mount, Non-Executive Director

## Company Secretary

R. Mount

## Registered office

Level 57,  
25 Martin Place  
Sydney, NSW, 2000

## Principal place of business

Level 57,  
25 Martin Place  
Sydney, NSW, 2000

Phone: +61 2 9807 6155

## Share register

### Link Market Services Limited

Locked Bag A14  
Sydney South  
Australia

Phone: +61 2 8280 7454

Excelsior Capital Limited shares are listed on the  
Australian Stock Exchange (ASX:ECL)

## Solicitors

### Nicholson Ryan Lawyers

Level 7  
420 Collins Street  
Melbourne, VIC, 3000  
Australia

## Bankers

### National Australia Bank

Level 20  
100 Creek Street  
Brisbane, QLD, 4000  
Australia

## Auditors

### Hall Chadwick (NSW)

Level 40, Citi Bank Building  
2 Park Street  
Sydney, NSW, 2000  
Australia

