



# 2024 Annual Report

**EILDON CAPITAL GROUP**

Consolidated Financial Reports of Eildon Capital Limited  
(ABN 11 059 092 198) and Eildon Capital Trust (ARSN 635 077 753)





# ASX-listed specialist real estate investor and fund manager

EILDON CAPITAL GROUP (EDC) IS AN ASX-LISTED REAL ESTATE INVESTMENT AND FUNDS MANAGEMENT BUSINESS.

THE GROUP CREATES INVESTMENT OPPORTUNITIES FOR SOPHISTICATED INVESTORS WHICH STRIVE TO DELIVER ENHANCED RETURNS AND CAPITAL PROTECTION.

EILDON CO-INVESTS ALONGSIDE ITS INVESTORS UTILISING ITS \$51 MILLION BALANCE SHEET CAPABILITY DEMONSTRATING STRONG ALIGNMENT OF INTEREST.





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# Our Values



S

**Stakeholders** – we work for our Stakeholders with Speed and a Solutions-driven approach

P

**Passion** – we are Proud and Passionate about our work, colleagues and stakeholders

I

**Integrity** – we are Honest and Trustworthy in all our dealings

R

**Responsibility** – we are Accountable for our actions and the actions of our team

I

**Inclusiveness** – we Respect our peers from all backgrounds and work as a team

T

**Transparent** – we are Open and Transparent with our work and communication



# Group Particulars

## REGISTERED OFFICE

Suite 4, Level 6, 330 Collins Street  
Melbourne VIC 3000  
Tel: (03) 7003 7622

## RESPONSIBLE ENTITY

**Eildon Funds Management Limited**  
ABN 72 066 092 028 | AFSL 229 809  
Suite 4, Level 6, 330 Collins Street  
Melbourne VIC 3000

## DIRECTORS

### **Eildon Capital Limited -**

Mark A Avery  
James R Davies  
Michelle E Phillips (*Resigned 27 November 2023*)  
Matthew W Reid  
Frederick R Woollard

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

Mark A Avery  
James R Davies  
Michelle E Phillips (*Resigned 27 November 2023*)  
Matthew W Reid  
Frederick R Woollard

## SECRETARY

### **Eildon Capital Limited -**

Tiffany L McLean  
Laurence B Parisi (*Resigned 30 June 2024*)

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

Tiffany L McLean  
Laurence B Parisi (*Resigned 30 June 2024*)

## BANKERS

Westpac Banking Corporation Limited

## AUDITORS

### **Pitcher Partners Sydney**

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

## SHARE REGISTRY

### **Computershare Investor Services Pty Limited**

Level 4, 60 Carrington Street  
Sydney NSW 2000

## DOMICILE

Australia

## STOCK EXCHANGE LISTING

ASX Limited

# Chairman's Report



Dear Securityholder,

I am pleased to introduce Eildon Capital Group's (**Eildon or Group**) 2024 annual report.

## HIGHLIGHTS

### Financial Result

The Group delivered a net profit after tax (**NPAT**) of \$2.3 million or 4.1 cents per stapled security (**cps**) for the financial year ended 30 June 2024. The net profit after tax to securityholders was impacted by the write down in carrying value of goodwill and co-investments in property income funds which have been divested to the Trilogy Group (**Transaction**). Without these expenses (i.e. one-off expenses), the net profit after tax to securityholders is \$3.6 million (30 June 2023: \$3.3 million).

The Group generated income of \$7.9 million (2023: \$7.2 million) derived from a combination of interest from credit investments and management fees from funds management activities during the period. Distributions for the financial year ended 30 June 2024 totalled 7.5 cents per stapled security. Distributions were paid from Eildon Capital Trust.

Net Asset Value (**NAV**) per stapled security was \$1.09 as at 30 June 2024, down from the 30 June 2023 NAV of \$1.11. Net Tangible Assets (**NTA**) per stapled security was \$1.05 as at 30 June 2024, up from the 30 June 2023 NTA of \$1.04. Both NAV and NTA were negatively impacted by reduction in the carrying value of goodwill and the write down of the units sold as a result of the Transaction and NTA was positively impacted by the sale of a portion of the management rights.

### Eildon Funds Management Limited (EFM)

EFM is a specialist real estate fund manager within Australia's Commercial Real Estate market. EFM operates across real estate equity and credit sectors, creating investment opportunities which strive to deliver:

- Enhanced returns; and
- Capital protection.

Eildon can co-invest alongside its investor clients utilising its balance sheet capacity, demonstrating strong alignment of interest.

Group Assets Under Management (**AUM**) was \$387 million as at 30 June 2024, up 10% compared to 30 June 2023 AUM of \$352 million. Post completion of the Transaction with Trilogy, AUM has reduced to \$179 million.





### Eildon Direct Property Funds

As part of the strategic review undertaken by the Board, post period end, on 30 July 2024 the Group entered into a binding sale agreement with Trilogy Group for the sale of its management rights and direct co-investment stakes in the following property income funds:

- EAM Berwick Motor Trust;
- EAM Elara Village Property Fund;
- EAM Caboolture Property Fund<sup>1</sup>; and
- EFM Harpley Town Centre Property Trust.

The Transaction was completed on 26 September 2024 and a total consideration of \$3.63 million was received. The Board determined that the Transaction would unlock value for the Group's securityholders over time, as the Group simplifies its core operations and business.

### Eildon Debt Fund (EDF)

As part of operational measures to improve cost efficiencies, on 15 July 2024, the Group sub-contracted the investment management services of Eildon Debt Fund to Benchmark Property Group (**Benchmark**). As part of the sub-contracting agreement, Benchmark will receive a monthly management fee and have also taken on employee costs and associated

overhead with the management of this operation. The fee paid by Eildon, as measured against the savings in costs is profit neutral. This management arrangement can be cancelled should Eildon choose to cease the outsourcing of this function.

### GROUP OUTLOOK

The Group will continue to focus on reallocating cash to higher returning debt and equity investments as well as look for opportunities to partner with investors and asset owners to leverage our funds management platform and track record.

The corporate expense in running Eildon Capital Group has been materially reduced and the business is now in a position to explore options to optimise securityholders value.

I would like to acknowledge and thank my fellow Directors Fred Woollard, Mark Avery and Matt Reid for their hard work and insight during the year.

Finally, on behalf of the Board, we would like to thank you, our securityholders, for your continued investment in Eildon Capital Group.




**James Davies**  
Chairman

<sup>1</sup> The Group did not hold a co-investment stake in EAM Caboolture Property Fund.



# The Year in Review



NET PROFIT AFTER  
TAX BEFORE ONE-OFF  
ADJUSTMENTS

\$3.6m

NET TANGIBLE  
ASSETS PER  
STAPLED SECURITY

\$1.05m

DISTRIBUTIONS  
(DPU) PER STAPLED  
SECURITY

7.5dps

## INTRODUCTION

Eildon Capital Group (**ASX: EDC** or **Group**) delivered a net profit after tax (**NPAT**) of \$2.3 million or 4.1 cents per stapled security (**cps**) for the financial year ended 30 June 2024.

The net profit after tax to securityholders was impacted by the write down in carrying value of goodwill and co-investments in property income funds to Trilogy (**Transaction**). Without these expenses (i.e. one-off expenses), the net profit after tax to securityholders is \$3.6 million (30 June 2023: \$3.3 million).

The Group generated income of \$7.9 million (2023: \$7.2 million) derived from a combination of interest from credit investments, and management fees from funds management activities during the period. Distributions for the financial year ended 30 June 2024 totalled 7.5 cents per stapled security. Distributions were paid from Eildon Capital Trust.

Net Asset Value (**NAV**) per stapled security was \$1.09 as at 30 June 2024, down from the 30 June 2023 NAV of \$1.11.

Net Tangible Assets (**NTA**) per stapled security was \$1.05 as at 30 June 2024, up from the 30 June 2023 NTA of \$1.04.

Both NAV and NTA were negatively impacted by reduction in the carrying value of goodwill and the write down of units sold as a result of the Transaction and NTA was positively impacted by the sale of a portion of the management rights.

## STAPLED STRUCTURE

EDC is a stapled group comprising Eildon Capital Trust (**ECT**) and Eildon Capital Limited (**ECL**). The combined value of net assets of ECT and ECL was \$51.4 million as at 30 June 2024.

Outlined below is a summary of the asset and earnings base of ECT and ECL.

## EILDON CAPITAL TRUST

ECT's investment portfolio totalled \$44.6 million which included cash reserves of \$7.8 million, representing 87% of the Group's net assets or \$0.94 of NAV. ECT's investment portfolio before the Transaction comprised of 11 investments being 7 debt and 4 equity investments, valued at \$36.8 million.

These investments comprise the following:

- Investments in Eildon Debt Fund (\$31.5m); and
- Investments in Eildon Direct Property Funds (\$5.3m);

The weighted average loan-to-value ratio (LVR) on the Eildon Debt Fund co-investments was 71%. The weighted average yield on the credit investments was 13.8% as at 30 June 2024. Given there are no loans in default and the relatively low LVR, the Group is cautiously optimistic about the loan book moving forward and will continue to evaluate investment into similar opportunities when they become available.





**\$1.09**

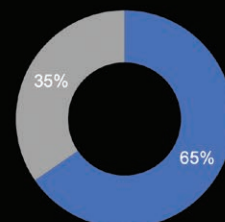
**Net Asset Value  
per security**  
(FY23: \$1.11)



**Zero**

**Balance Sheet  
Gearing**

**EDC Group Revenue**



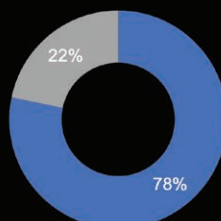
■ Property Investments ■ Funds Management



**\$9.9m**

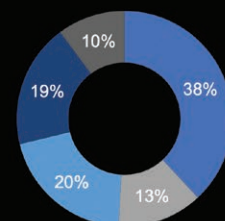
**Cash Balance**

**Eildon Balance  
Sheet Investments**



■ Real Estate Credit ■ Real Estate Equity

**Funds Management (EFM)  
Revenue Mix**



■ Fund Management Fees ■ Fund Establishment Fees  
■ Facility Fees ■ Project Management Fees  
■ Admin & Other



# The Year in Review



## 8 Funds

ACROSS CREDIT, EQUITY  
AND DEVELOPMENT

## \$387m

ASSETS UNDER  
MANAGEMENT (AUM)

## Diverse

CAPITAL SOURCES -  
WHOLESALE, FAMILY  
OFFICES, INSTITUTIONS

### EILDON CAPITAL LIMITED

ECL represents the balance of the investment portfolio of \$6.9m or \$0.15 of NAV of the Group. The NAV is comprised of two direct equity investments, described below, and goodwill associated with 100% ownership of Eildon Funds Management Limited (**EFM**) which has a balance sheet value of \$2.0m or \$0.04 of NAV following the Transaction..

### DIRECT EQUITY INVESTMENTS

The two direct equity investments owned within ECL are:

- **Burnley Maltings** - the investment in Burnley Maltings has a book value of \$1.8 million and was a legacy investment when the Group was focussed on pursuing a pure LIC strategy. On 28 June 2024, the Group entered into a Heads of Agreement for the disposal of its investment. The transaction remains in due diligence. The transaction is in line with the Group's strategy of recycling non-core investments and deploying its balance sheet capital into higher returning investments.
- **Officer South** - the investment in Officer South was undertaken in February 2024 with EDC committing to co-invest 15% of the capital over the next 4 years. EDC has earned an acquisition fee and an ongoing management fee through this investment. The initial investment was \$1.98 million with a further commitment of \$9.9 million.

### FUNDS MANAGEMENT (EFM)

EFM is a specialist real estate fund manager within Australia's Commercial Real Estate market. EFM operates across real estate equity and credit sectors, creating investment opportunities which strive to deliver:

- Enhanced returns; and
- Capital protection.

Eildon can co-invest alongside its investor clients utilising its balance sheet capacity, demonstrating strong alignment of interest.

Group Assets Under Management (**AUM**) was \$387 million as at 30 June 2024, up 10% compared to 30 June 2023 AUM of \$352 million. Post completion of the Transaction with Trilogy, AUM has reduced to \$179 million.

#### 1. Eildon Direct Property Funds

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- EAM Elara Village Property Fund;
- EAM Caboolture Property Fund; and
- EFM Harpley Town Centre Property Trust.



## REAL ESTATE INVESTOR AND FUND MANAGER

	Real Estate Credit	Direct & Indirect Property	Opportunistic & Development	Funds Management
<b>Description</b>	<ul style="list-style-type: none"> <li>Portfolio of commercial loans secured by registered first and second mortgages via the Eildon Debt Fund (EDF)</li> </ul>	<ul style="list-style-type: none"> <li>Direct property investments</li> <li>Indirect investments in EFM unlisted direct property funds</li> </ul>	<ul style="list-style-type: none"> <li>Agnostic multi sector strategies which include core-plus, value-add, development and repositioning</li> </ul>	<ul style="list-style-type: none"> <li>Utilising third-party capital to enhance Group ROE</li> <li>HNW / Family Office / Institutional capital sources</li> </ul>
<b>Balance Sheet Investment</b>	\$32.5 million	\$7.0 million	\$2.0 million	\$9.7 million
<b>Project Name</b>	Eildon Debt Fund	BMW, Elara, Harpley, MNL PT & Burnley Maltings	Officer South Joint Venture	Balance Sheet Cash and Net Assets
<b>ESTABLISHED PLATFORM IN PLACE FOR REAL ESTATE CREDIT &amp; EQUITY INVESTMENT AND FUNDS MANAGEMENT</b>				
<div> AFSL LICENCE ASX LISTED STAPLED STRUCTURE TRACK RECORD ESTABLISHED GOVERNANCE PROCESSES </div>				

The Transaction was completed on 26 September 2024 and a total consideration of \$3.63 million was received. The Board determined that the Transaction would unlock value for the Group's securityholders over time, as the Group simplifies its core operations and business.

### 2. Eildon Debt Fund (EDF)

As part of operational measures to improve cost efficiencies, on 15 July 2024, the Group sub-contracted the investment management services of Eildon Debt Fund to Benchmark Property Group (**Benchmark**). As part of the sub-contracting agreement, Benchmark will receive a monthly management fee and have also taken on employee costs and associated overhead with the management of this operation. The fee paid by Eildon, as measured against the savings in costs is profit neutral. This management arrangement can be cancelled should Eildon choose to cease the outsourcing of this function.

EDC had \$33 million co-invested in the Eildon Debt Fund as at 30 June 2024.

## DISTRIBUTIONS

Total distributions of 7.5 cents per stapled security was paid for the period ended 30 June 2024. The Distribution/ Dividend Reinvestment Plan is currently suspended.

## GROUP KEY FOCUS AND OUTLOOK

The Group will continue to focus on reallocating cash to higher returning debt and equity investments as well as look for opportunities to partner with investors and asset owners to leverage our funds management platform and track record.

The corporate expense in running Eildon Capital Group has been materially reduced and the business is now in a position to explore how to optimise securityholders value.

The Group will not be providing earnings or distribution guidance for FY2025.



# Directors' Report

## For the Year Ended 30 June 2024

The Directors of Eildon Capital Limited and Eildon Funds Management Limited as Responsible Entity for Eildon Capital Trust (collectively referred to as the Directors) present their report together with the consolidated financial statements for the year ended 30 June 2024 for both:

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

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

### DIRECTORS

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

<b>Name:</b>	<b>MARK A AVERY</b>
<b>Title:</b>	Non-independent Director of Eildon Capital Limited Non-independent Director of Eildon Funds Management Limited Member of the audit committee. Managing Director of Eildon Capital Limited and Eildon Funds Management Limited until 30 April 2022
<b>Qualifications:</b>	<i>B.Com.Pl.Ds. (UOM)</i>
<b>Experience and expertise:</b>	Mr Avery is an experienced property executive with over 20 years of experience gained across private and listed property development and investment groups. He served as Managing Director of Eildon Capital Limited and Eildon Funds Management Limited from September 2016 to April 2022 before transitioning to a non-independent director in April 2022. He holds bachelor's degrees in Commerce and Planning & Design from the University of Melbourne and an MBA from the University of New South Wales
<b>Listed company directorships: (held within the last three years)</b>	Managing Director and CEO of CVC Limited (Since July 2019)
<b>Interests as at the date of this report:</b>	Stapled securities: 64,285 Performance rights: None

<b>Name:</b>	<b>JAMES R DAVIES</b>
<b>Title:</b>	Non-Executive Chairman of Eildon Capital Limited Director of Eildon Funds Management Limited Member of the audit committee
<b>Qualifications:</b>	<i>BSC (Comp) (UNE), MBA (LBS), GAICD</i>
<b>Experience and expertise:</b>	Mr Davies has over 30 years' experience in investment management across real estate, private equity, infrastructure, natural resources and distressed asset management. Most recently he was Head of Funds Management at New Forests Asset Management. Prior to that he held Director roles at Hastings Funds Management Limited and Royal Bank of Scotland's Strategic Investments Group. He has been appointed on numerous Investment Committees and Boards including as Chairman of Timberlink Australia, Forico and Airport Rail Link
<b>Listed company directorships: (held within the last three years)</b>	Independent non-executive director of Namoi Cotton (Since Nov-22) Independent non-executive director of Kiland Ltd (Since July-21)
<b>Interests as at the date of this report:</b>	Stapled securities: 50,000 Performance rights: None



<b>Name:</b>	<b>MICHELLE E PHILLIPS</b> <i>(Resigned 27 November 2023)</i>
<b>Title:</b>	Non-Executive Director of Eildon Capital Limited Director of Eildon Funds Management Limited Member of the audit committee
<b>Qualifications:</b>	B.A. (UNSW), L.L.B. (UNSW), GAICD
<b>Experience and expertise:</b>	Ms Phillips has been a partner in mid-size, large and international law firms since 1992, and is principal of Harpur Phillips. She was admitted as a solicitor in 1986. Over many years, her clients have included listed public companies and private companies involved in property development, in addition to governance and risk management. She is a director of lifeline Australia and sits on its Governance and People Committee
<b>Listed company directorships:</b> (held within the last three years)	None
<b>Interests as at the date of this report:</b>	Stapled securities: None Performance rights: None

<b>Name:</b>	<b>MATTHEW W REID</b>
<b>Title:</b>	Non-executive Director of Eildon Capital Limited Non-executive Director of Eildon Funds Management Limited Chairman of the audit committee
<b>Qualifications:</b>	BEC (Monash), CA ANZ
<b>Experience and expertise:</b>	Mr Reid has had a 30-year career spanning across a number of industries both in Australia and overseas. His key fields of specialty are corporate finance and property. He spent many years at PwC in both Corporate Finance and as Partner in Real Estate Advisory. His experience also includes working on many corporate and private equity transactions for global clients, at PwC and as a Director of Corporate Finance for Austock and later for Becton Property Group managing end to end equity raising, IPOs and M&A processes. Mr Reid has over 10 years Board of Directors experience working with small and emerging businesses such as Grill'd Group, Arrow Funds Management, Bayley Stuart Capital and now Eildon Capital Group. Both Arrow and Bayley Stuart are unlisted fund managers that manage unlisted property funds in the agri-infrastructure and office sectors, respectively. He is also a member of the Brighton Grammar School property sub-committee
<b>Listed company directorships:</b> (held within the last three years)	None
<b>Interests as at the date of this report:</b>	Stapled securities: 6,029 Performance rights: None



# Directors' Report

For the Year Ended 30 June 2024

## DIRECTORS (CONT.)

<b>Name:</b>	<b>FREDERICK R WOOLLARD</b>
<b>Title:</b>	Non-independent, Non-executive Director of Eildon Capital Limited Non-independent, Non-executive Director of Eildon Funds Management Limited
<b>Qualifications:</b>	BEC (USYD)
<b>Experience and expertise:</b>	Mr Woollard has worked in financial markets since 1981. Prior to founding Samuel Terry Asset Management in 2003, Fred worked for Hunter Hall International Limited, a European family office and various stockbroking firms in Australia and the UK
<b>Listed company directorships: (held within the last three years)</b>	None
<b>Interests as at the date of this report:</b>	Stapled securities: Fred is the Managing Director and controlling shareholder of Samuel Terry Asset Management which owns 27,210,422 stapled securities Performance rights: None

<b>Name:</b>	<b>LAURENCE B PARISI</b> <i>(Resigned 30 June 2024)</i>
<b>Title:</b>	Joint Company Secretary of Eildon Capital Limited and Eildon Funds Management Limited Chief Executive Officer of Eildon Capital Limited and Eildon Funds Management Limited Chief Operating Officer of Eildon Capital Limited and Eildon Funds Management Limited until 30 April 2022
<b>Qualifications:</b>	Diploma of Business Accounting, Diploma of Financial Markets and a Graduate Diploma of Applied Finance and Investments
<b>Experience and expertise:</b>	Mr Parisi has over 22 years' experience in various senior roles within the property investment industry, covering both direct and listed real estate. He was previously an Executive Director at Goldman Sachs and Fund Manager of Industria REIT (ADI.AX), an ASX listed commercial and industrial focused AREIT. He has also worked for Credit Suisse and Citi covering the AREIT sector and spent several years at APN as the Head of Private Funds responsible for managing four direct retail property funds and two wholesale direct property funds with a combined value of more than \$400 million

<b>Name:</b>	<b>TIFFANY L MCLEAN</b>
<b>Title:</b>	Joint Company Secretary of Eildon Capital Limited and Eildon Funds Management Limited General Counsel of Eildon Capital Limited and Eildon Funds Management Limited
<b>Qualifications:</b>	L.L.B (Bond University), GDLP (GU)
<b>Experience and expertise:</b>	Ms McLean is a corporate lawyer with 15 years' experience in corporate governance, compliance and capital raisings and has held roles in private practice in Australia and in-house legal in the UK. She has provided legal services to EDC since 2018, including investments made by EDC and the successful implementation of the internalisation of Eildon Funds Management Limited



## KEY MANAGEMENT PERSONNEL

Key management personnel during the financial year includes the directors, company secretaries and the Chief Financial Officer of the Group.

## MEETINGS OF DIRECTORS

The numbers of meetings of EDC's board of directors and of each board committee held during the year ended 30 June 2024, and the numbers of meetings attended by each director were:

	Full Board		Audit Committee	
	No. of meetings attended	No. of meetings eligible to attend	No. of meetings attended	No. of meetings eligible to attend
M A Avery	5	6	2	2
J R Davies	6	6	1	2
M E Phillips	2	2	1	1
M W Reid	6	6	2	2
F R Woollard	6	6	2	2

## SHARE OPTION

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

## PRINCIPAL ACTIVITIES

EDC is an ASX listed funds management business and specialist real estate investor. The Group's investment activities cover both credit and equity in real estate. EDC co-invests alongside its investor client utilising its balance sheet capability demonstrating strong alignment of interest.

## DIVIDENDS AND DISTRIBUTIONS

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

	Company Dividend (cents)	Trust Distribution (cents)	Total Per Security (cents)	Total \$	Date of Payment	Franked Amount per Security
2024 June Final distribution	-	4.000	4.000	1,889,261	24-Jul-24	-
2023 December Interim distribution	-	3.500	3.500	1,656,387	22-Jan-24	-
2023 June quarter distribution	-	1.600	1.600	782,674	21-Jul-23	-



# Directors' Report

For the Year Ended 30 June 2024

## REVIEW OF OPERATIONS

EDC recorded an after-tax profit to securityholders of \$1,953,647 (2023: \$1,805,877). The profit for the year is comprised as follows:

	2024 \$	2023 \$
Net profit after income tax attributable to:		
- Eildon Capital Limited	(694,141)	(874,973)
- Eildon Capital Trust	2,647,788	2,680,850
Net profit to securityholders	1,953,647	1,805,877
Non-controlling interest	364,856	276,798
Net profit after income tax	2,318,503	2,082,675

EDC's investment portfolio totalled \$41.5 million as at 30 June 2024. In addition, the group has \$9.9 million of cash reserves, representing 19% of net assets. The investment portfolio includes 9 debt positions and 6 equity investments diversified across Queensland, Victoria and New South Wales. The investment portfolio remains 78% invested in debt positions and 22% in equity by value. During the financial year, EDC generated \$6.7 million (2023: \$4.8 million) of interest income from property loans.

## REMUNERATION REPORT (AUDITED)

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

### Remuneration philosophy

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

### Remuneration structure

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

Non-Executive Director's remuneration is solely in the form of fees and has been set by stapled security holders at a maximum aggregate amount of \$400,000, which was approved at the Annual General Meeting held on 17 November 2022, to be allocated amongst the Directors.

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

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

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

### Executive contractual arrangements

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

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

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

Details	Notice Period	Payment in Lieu of Notice	Treatment of STI on Termination
CEO/CFO	6 months	6 months	Unvested awards forfeited
Joint Co. Secretary	1 month	1 month	Unvested awards forfeited
Employer initiated termination	1 month	1 month	Unvested awards forfeited
Termination for serious misconduct	None	None	Unvested awards forfeited
Employee initiated termination	1 month	1 month	Unvested awards forfeited

### Key management personnel holding of stapled securities

The relevant security holding interests of key management personnel in the capital of EDC as at 30 June 2024 is as follows:

Stapled Securities	Opening	Purchases	Sales	Other Changes During the Year	Closing
Mr M. A. Avery	64,285	-	-	-	64,285
Mr J. R. Davies	29,076	20,924	-	-	50,000
Ms M. E. Phillips (a)	19,523	-	-	-	19,523
Mr M. W. Reid	6,029	-	-	-	6,029
Mr F. R Woollard	-	-	-	-	-
Mr L. B. Parisi (b)	155,800	-	125,400	-	30,400
Mr V. Sachdev	5,000	-	-	-	5,000
Ms T. McLean	-	-	-	-	-

Notes:

- (a) Ms Phillips resigned from the Board of the Company and Eildon Funds Management Limited on 27 November 2023.
- (b) Mr Parisi resigned as the Chief Executive Officer and company secretary of the Company and Eildon Funds Management Limited on 30 June 2024.

### Share option

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



# Directors' Report

For the Year Ended 30 June 2024

## REMUNERATION REPORT (AUDITED) (CONT.)

### Remuneration of key management personnel

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

		Short-term Employee Benefits		Post-Employment Benefits	Share-based Payment	Total	Base %
		Base Salary	Bonus (e)	Superannuation	(f)		(g)
		\$	\$	\$	\$	\$	
<b>Directors</b>							
Mark Avery (Non-Independent Director)	2024	86,164	-	-	-	86,164	100
	2023	83,738	-	2,038	-	85,776	100
James Davies (Non-Executive Chairman)	2024	91,324	-	10,046	-	101,370	100
	2023	91,324	-	9,589	-	100,913	100
Michelle Phillips (a) (Non-Executive Director)	2024	32,344	-	3,558	-	35,902	100
	2023	77,625	-	8,151	-	85,776	100
Matthew Reid (Non-Executive Director)	2024	77,625	-	8,539	-	86,164	100
	2023	77,625	-	8,151	-	85,776	100
Frederick Woollard (b) (Non-Independent, Non-Executive Director)	2024	86,164	-	-	-	86,164	100
	2023	943	-	-	-	943	-
<b>Other Key Management Personnel</b>							
Laurence Parisi (c) (Joint Company Secretary /Chief Executive Officer)	2024	331,643	223,200	27,399	-	582,242	62
	2023	306,208	86,190	25,292	195,012	612,702	54
Varun Sachdev (Chief Financial Officer)	2024	246,667	72,000	27,316	-	345,983	79
	2023	240,000	66,277	25,223	113,750	445,250	60
Tiffany McLean (d) (Joint Company Secretary/ General Counsel)	2024	193,542	57,000	22,914	-	273,456	79
	2023	168,718	22,624	20,091	-	211,433	89
		2024	1,145,473	352,200	99,772	1,597,445	
		2023	1,046,181	175,091	98,535	1,628,569	

#### Notes:

- Ms Phillips resigned from the Board of the Company and Eildon Funds Management Limited on 27 November 2023.
- Mr Woollard was appointed as a Non-Independent, Non-Executive director on 27 June 2023. According to the consultant fee letter between Samuel Terry Asset Management and EDC, the director fee for Mr Woollard was paid to Samuel Terry Asset Management Pty Ltd. The director fee for FY2023 has been re-presented to show the fee for period from 27 June to 30 June 2023 which was paid in FY24. Refer note 20.
- Mr Parisi resigned as the Chief Executive Officer and company secretary of the Company and Eildon Funds Management Limited on 30 June 2024.
- Ms McLean is employed on a permanent part-time basis working 3 days a week.
- The Short-Term Incentive Bonus represents discretionary bonuses as determined by the Directors of EDC, based on the performance of the individual and the Group's performance during the year. FY24 bonuses were based on the Group's performance on a sliding scale ranging from 15% - 30%. Bonuses are paid in July each year.
- Share-based payment is in relation to performance rights issued.
- Base % reflects the amount of base level remuneration that is not dependent on individual or EDC's performance.

### Consequences of performance on stapled securityholder wealth

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

	2024 \$	2023 \$	2022 \$	2021 \$	2020 \$
Net profit after tax attributable to ordinary securityholders of EDC (a)	<b>1,953,647</b>	1,805,877	6,082,200	4,894,024	4,730,453
Total comprehensive income attributable to ordinary securityholders of EDC (a)	<b>1,953,647</b>	1,805,877	6,082,200	4,894,024	4,730,453
Dividends and distributions paid	<b>3,545,648</b>	2,861,262	3,534,930	3,500,555	9,445,158
Securities issued/(bought back) on market	<b>(1,685,599)</b>	1,714,290	127,725	5,984,375	1,124,089
Security price	<b>0.88</b>	0.92	1.00	1.08	1.00
Net assets per security (b)	<b>1.09</b>	1.11	1.16	1.11	1.09
Change in net assets per security (b)	<b>(0.02)</b>	(0.05)	0.05	0.02	0.03

#### Notes:

- (a) Although net profit and total comprehensive income of Eildon Capital Trust, the stapled entity, and its subsidiaries are identified as net profit and total comprehensive income attributable to non-controlling interest, the shareholders of Eildon Capital Limited are also the unitholders of Eildon Capital Trust by virtue of the stapling arrangement dated 18 March 2020. As such net profit after tax and total comprehensive income attributable to ordinary securityholders of EDC for the 30 June 2024 and 30 June 2023 financial years refer to profit after tax and total comprehensive income attributable to owners of the Company and owners of the Trust which represents the actual earnings for the stapled security holders of EDC.
- (b) Although a non-controlling interest has been identified the shareholders of Eildon Capital Limited are also the unitholders of Eildon Capital Trust by virtue of the stapling arrangement dated 18 March 2020. As such net assets per security for the 30 June 2024 and 30 June 2023 financial years refers to net assets attributable to owners of the Company and owners of the Trust which represents the actual value attributable to stapled security holders of EDC.

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

*This concludes the remuneration report, which has been audited.*



# Directors' Report

For the Year Ended 30 June 2024

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

## LIKELY DEVELOPMENTS AND FUTURE EXPECTATIONS

EDC will continue to assess Australian property investment opportunities. As an investment group, the results of EDC are dependent on the timing of and opportunities for the realisation of investments. Accordingly, it is not possible at this stage to predict the future results however details around business strategies and risks are outlined in the ASX report attached at the start of this report.

## ENVIRONMENTAL REGULATION

To the best of their knowledge and belief, the Directors have determined that the Group has complied with all significant environmental regulations applicable to its operations in the jurisdictions in which it operates.

## EVENTS SUBSEQUENT TO REPORTING DATE

A distribution of 4 cents per unit amounting to \$1,889,261 was declared on 24 June 2024 and paid on 24 July 2024.

On 30 May 2024, EDC entered into a non-binding indicative proposal with Trilogy Group for the sale of its property income funds and the management rights associated with those income funds for \$3,630,000. Subsequently, on 30 July 2024, a binding agreement was signed with Completion expected to occur in early September, subject to satisfaction of certain CPs.

On 11 July 2024, Eildon Investment Services Pty Ltd (EIS) entered into a sub-contractor agreement with Benchmark Investment Management Pty Ltd (Benchmark) to manage and administer the existing loan book for Eildon Debt Fund. EIS will pay Benchmark a fee of \$25,000 per month capped at \$400,000 as consideration for providing its services.

Varun Sachdev was appointed as the Chief Executive Officer and Joint Company Secretary from 01 July 2024.

Other than the events set out above, there are no matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations, the results of those operations or the state of affairs of EDC in financial periods subsequent to 30 June 2024.

## ECT DISCLOSURES

Units issued in ECT during the year are set out in note 16. There were 47,231,518 (2023: 48,917,117) issued units in ECT at balance date.

Fees paid to the Responsible Entity and its associates from the Trust during the financial year are disclosed in note 21(c) to the financial statements.

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

The total carrying value of ECT's assets as at year end was \$51,060,600 (2023: \$54,802,794). Net assets attributable to unitholders of ECT were \$41,856,394 (2023: \$43,976,888).

## ROUNDING OF AMOUNTS

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

## INDEMNITY AND INSURANCE OF OFFICERS

### a) Indemnification

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

### b) Insurance Premiums

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

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

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

## PROCEEDINGS ON BEHALF OF THE COMPANY

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

## AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

EDC appointed Pitcher Partners Sydney as the auditors for the 2024 financial year. Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the financial year are disclosed in note 4.

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

- All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

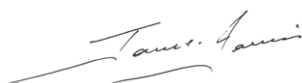
A copy of the Independence Declaration is included on page 20.

Signed in accordance with a resolution of Directors.

Dated at Melbourne 26 August 2024.



**Matt Reid**  
Director



**James Davies**  
Director



# Auditor's Independence Declaration

**For the Year Ended 30 June 2024**

***To the Directors of Eildon Capital Limited and Eildon Capital Trust, together Eildon Capital Group***

In relation to the independent audit for the year ended 30 June 2024, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code").

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



**John Gavljak**  
*Partner*



**Pitch Partners**  
*Sydney*

26 August 2024

# Consolidated Statement of Profit or Loss

		EDC		ECT	
	Notes	2024 \$	2023* \$	2024 \$	2023* \$
CONTINUING OPERATIONS					
INCOME					
Interest income		6,689,956	4,788,437	6,582,027	5,159,616
Fee income		1,115,787	1,928,337	-	-
Distribution income		182,744	510,040	151,951	510,039
Net (loss)/gain on financial assets at fair value through profit or loss		(48,170)	(72,047)	(473)	40,191
Total income		7,940,317	7,154,767	6,733,505	5,709,846
Share of net profit of associate accounted for using the equity method		-	230,525	-	-
EXPENSES					
Accountancy		38,853	30,154	14,300	10,450
Commission		66,828	114,847	-	-
Employee and director costs	6	1,808,076	3,033,987	334,942	578,092
Insurance		203,733	200,223	-	-
Interest expenses		1,424,125	918,222	1,410,271	907,918
Impairment on financial assets at amortised cost	10	431,429	-	431,429	-
Legal fees		97,096	107,021	20,396	25,591
Publications and subscriptions		121,588	105,735	-	-
Management and consultancy fees		235,724	88,921	1,298,689	916,346
Takeover cost		3,250	492,086	2,600	393,686
Share registry		70,220	111,390	56,439	88,815
Other expenses		594,829	642,127	206,477	196,554
Total expenses		5,095,751	5,844,713	3,775,543	3,117,452
Profit before income tax		2,844,566	1,540,579	2,957,962	2,592,394
Income tax (benefit)	5	(296,061)	(128,332)	-	-
Profit from continuing operations		3,140,627	1,668,911	2,957,962	2,592,394
DISCONTINUED OPERATIONS					
(Loss)/profit from discontinued operations	22	(822,124)	413,764	(310,174)	88,456
Profit for the year		2,318,503	2,082,675	2,647,788	2,680,850
Profit/(loss) for the year attributable to:					
Owners of the Company		(694,141)	(874,973)	-	-
Owners of the Trust		2,647,788	2,680,850	2,647,788	2,680,850
Non-controlling interests		364,856	276,798	-	-
Profit for the year		2,318,503	2,082,675	2,647,788	2,680,850
Basic and diluted (loss)/earnings per company share/trust unit from continuing operations (cents)	7(a)	(0.38)	(2.54)	6.17	5.48
Total basic and diluted (loss)/earnings per share/unit (cents)	7(a)	(1.45)	(1.85)	5.52	5.66
Basic and diluted earnings per stapled security from continuing operations (cents)	7(b)	5.79	2.94		
Total basic and diluted earnings per stapled security (cents)	7(b)	4.08	3.81		

\*Certain amounts have been re-presented to separately show those operations classified as discontinued in the current year as detailed in note 22 Discontinued operations.

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



# Consolidated Statement of Other Comprehensive Income

For the Year Ended 30 June 2024

	EDC		ECT	
	2024 \$	2023 \$	2024 \$	2023 \$
Profit for the year	2,318,503	2,082,675	2,647,788	2,680,850
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>2,318,503</b>	<b>2,082,675</b>	<b>2,647,788</b>	<b>2,680,850</b>
<i><b>Total comprehensive income attributable to:</b></i>				
Owners of the Company	(694,141)	(874,973)	-	-
Owners of the Trust	2,647,788	2,680,850	2,647,788	2,680,850
Non-controlling interests	364,856	276,798	-	-
<b>Total comprehensive income for the year</b>	<b>2,318,503</b>	<b>2,082,675</b>	<b>2,647,788</b>	<b>2,680,850</b>

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

# Consolidated Statement of Financial Position

As at 30 June 2024

		EDC		ECT	
	Notes	2024 \$	2023 \$	2024 \$	2023 \$
CURRENT ASSETS					
Cash and cash equivalents	9	9,916,873	6,639,807	7,785,493	2,904,464
Financial assets at amortised cost	10	23,294,337	20,857,955	22,854,806	20,644,767
Financial assets at fair value through profit or loss	11	1,130,000	4,589,593	550,000	4,589,593
Other assets		86,697	96,462	-	-
Current tax assets	5	-	40,023	-	-
Assets classified as held for sale	17	5,396,945	8,536,058	2,930,000	-
Total current assets		39,824,852	40,759,898	34,120,299	28,138,824
NON-CURRENT ASSETS					
Financial assets at amortised cost	10	14,986,215	16,502,282	14,577,635	21,391,589
Financial assets at fair value through profit or loss	11	4,343,514	7,085,773	2,362,666	5,272,381
Intangible assets	12	1,960,077	3,460,077	-	-
Right-of-use assets		32,344	115,515	-	-
Plant & Equipment		4,442	16,250	-	-
Deferred tax assets	5	148,358	187,740	-	-
Total non-current assets		21,474,950	27,367,637	16,940,301	26,663,970
TOTAL ASSETS		61,299,802	68,127,535	51,060,600	54,802,794
CURRENT LIABILITIES					
Trade and other payables	14	3,353,504	2,269,987	2,851,862	1,185,950
Lease liabilities		32,813	84,990	-	-
Provisions		125,690	136,167	-	-
Other liabilities	13	453,762	9,639,956	453,762	9,639,956
Current tax liabilities	5	-	-	-	-
Total current liabilities		3,965,769	12,131,100	3,305,624	10,825,906
NON-CURRENT LIABILITIES					
Lease liabilities		-	32,812	-	-
Provisions		70,845	32,828	-	-
Other liabilities	13	5,898,582	-	5,898,582	-
Deferred tax liabilities	5	-	1,463,490	-	-
Total non-current liabilities		5,969,427	1,529,130	5,898,582	-
TOTAL LIABILITIES		9,935,196	13,660,230	9,204,206	10,825,906
NET ASSETS		51,364,606	54,467,305	41,856,394	43,976,888
EQUITY					
Contributed equity	15	8,155,826	8,443,890	42,240,877	43,463,511
Retained earnings		1,352,483	2,046,624	(384,483)	513,377
Equity attributable to shareholders/unitholders		9,508,309	10,490,514	41,856,394	43,976,888
Non-controlling interests					
Trust unitholders		41,856,394	43,976,888	-	-
Other non-controlling interests		(97)	(97)	-	-
		41,856,297	43,976,791	-	-
TOTAL EQUITY		51,364,606	54,467,305	41,856,394	43,976,888

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



# Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2024

EDC	Contributed Equity \$	Retained Earnings \$	Share Based Payments Reserve \$	Owners of the Parent \$	Non-controlling Interest \$	Total Equity \$
<b>At 1 July 2023</b>	<b>8,443,890</b>	<b>2,046,624</b>	<b>-</b>	<b>10,490,514</b>	<b>43,976,791</b>	<b>54,467,305</b>
Profit for the year	-	(694,141)	-	(694,141)	3,012,644	2,318,503
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(694,141)</b>	<b>-</b>	<b>(694,141)</b>	<b>3,012,644</b>	<b>2,318,503</b>
<i>Transactions with stapled security holders:</i>						
Stapled securities bought back	(287,095)	-	-	(287,095)	(1,218,508)	(1,505,603)
Transaction costs on stapled securities buyback	(969)	-	-	(969)	(4,126)	(5,095)
Dividends provided or paid	-	-	-	-	(3,910,504)	(3,910,504)
<b>At 30 June 2024</b>	<b>8,155,826</b>	<b>1,352,483</b>	<b>-</b>	<b>9,508,309</b>	<b>41,856,297</b>	<b>51,364,606</b>
<b>At 1 July 2022</b>	<b>8,237,201</b>	<b>2,921,597</b>	<b>12,050</b>	<b>11,170,848</b>	<b>43,551,127</b>	<b>54,721,975</b>
Profit for the year	-	(874,973)	-	(874,973)	2,957,648	2,082,675
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(874,973)</b>	<b>-</b>	<b>(874,973)</b>	<b>2,957,648</b>	<b>2,082,675</b>
<i>Transactions with stapled security holders:</i>						
Stapled securities issued	8,325	-	-	8,325	665,133	673,458
Dividends provided or paid	-	-	-	-	(3,138,060)	(3,138,060)
Share-based payment expenses	-	-	186,314	186,314	578,092	764,406
Transfers to and from reserves	198,364	-	(198,364)	-	(637,149)	(637,149)
<b>At 30 June 2023</b>	<b>8,443,890</b>	<b>2,046,624</b>	<b>-</b>	<b>10,490,514</b>	<b>43,976,791</b>	<b>54,467,305</b>

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

# Consolidated Statement of Changes in Equity

ECT	Contributed Equity \$	Retained Earnings/ Losses \$	Share Based Payments Reserve \$	Total \$
<b>At 1 July 2023</b>	<b>43,463,511</b>	<b>513,377</b>	<b>-</b>	<b>43,976,888</b>
Profit for the year	-	<b>2,647,788</b>	-	<b>2,647,788</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>2,647,788</b>	<b>-</b>	<b>2,647,788</b>
<i>Transactions with unitholders:</i>				
Units bought back	<b>(1,218,508)</b>	-	-	<b>(1,218,508)</b>
Transaction costs on unit buyback	<b>(4,126)</b>	-	-	<b>(4,126)</b>
Distributions provided or paid	-	<b>(3,545,648)</b>	-	<b>(3,545,648)</b>
<b>At 30 June 2024</b>	<b>42,240,877</b>	<b>(384,483)</b>	<b>-</b>	<b>41,856,394</b>
<b>At 1 July 2022</b>	<b>42,798,378</b>	<b>693,789</b>	<b>59,057</b>	<b>43,551,224</b>
Profit for the year	-	<b>2,680,850</b>	-	<b>2,680,850</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>2,680,850</b>	<b>-</b>	<b>2,680,850</b>
<i>Transactions with unitholders:</i>				
Units issued	<b>27,984</b>	-	-	<b>27,984</b>
Distributions provided or paid	-	<b>(2,861,262)</b>	-	<b>(2,861,262)</b>
Share-based payment expenses	-	-	<b>578,092</b>	<b>578,092</b>
Transfers to and from reserves	<b>637,149</b>	-	<b>(637,149)</b>	<b>-</b>
<b>At 30 June 2023</b>	<b>43,463,511</b>	<b>513,377</b>	<b>-</b>	<b>43,976,888</b>

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



# Consolidated Statement of Cash Flows

For the Year Ended 30 June 2024

		EDC		ECT	
	Notes	2024 \$	2023 \$	2024 \$	2023 \$
<b>Cash flows from operating activities</b>					
Cash receipts in the course of operations		2,679,624	5,233,157	150,057	154,416
Cash payments in the course of operations		(4,567,472)	(5,729,303)	(1,683,957)	(1,465,434)
Distribution received		228,130	586,572	202,633	586,573
Loans repaid		30,918,874	24,351,433	36,990,874	16,069,576
Loans provided		(30,851,721)	(42,551,507)	(32,523,721)	(34,291,507)
Interest and fee income received		5,678,008	8,374,020	6,467,964	8,378,777
Interest paid		(1,710,581)	(557,505)	(1,696,727)	(547,201)
Income tax refund/(paid)		(1,211,726)	778,536	(631)	-
<b>Net cash provided by/(used in) operating activities</b>	9(b)	<b>1,163,136</b>	<b>(9,514,597)</b>	<b>7,906,492</b>	<b>(11,114,800)</b>
<b>Cash flows from investing activities</b>					
Payments for financial assets at fair value through profit or loss		(3,912,098)	(2,930,187)	(1,350,000)	(2,221,814)
Proceeds from financial assets at fair value through profit or loss		13,523,448	5,243,530	4,987,390	4,493,906
Payments for plant and equipment		-	(7,097)	-	-
<b>Net cash provided by investing activities</b>		<b>9,611,350</b>	<b>2,306,246</b>	<b>3,637,390</b>	<b>2,272,092</b>
<b>Cash flows from financing activities</b>					
Dividends paid		(2,900,576)	(3,008,954)	(2,439,062)	(2,786,630)
Proceeds for stapled security/unit issued		-	36,309	-	27,984
Payments for stapled security/unit buyback	15	(1,505,603)	-	(1,218,508)	-
Payments for transaction costs for stapled security/unit buyback		(5,095)	-	(4,126)	-
Principal elements of lease payments		(84,989)	(83,794)	-	-
Proceeds from borrowings		12,005,843	19,311,155	12,005,843	13,111,157
Payment of borrowings		(15,007,000)	(10,587,000)	(15,007,000)	(4,387,000)
<b>Net cash (used in)/provided by financing activities</b>		<b>(7,497,420)</b>	<b>5,667,716</b>	<b>(6,662,853)</b>	<b>5,965,511</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>3,277,066</b>	<b>(1,540,635)</b>	<b>4,881,029</b>	<b>(2,877,197)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>6,639,807</b>	<b>8,180,442</b>	<b>2,904,464</b>	<b>5,781,661</b>
<b>Cash and cash equivalents at the end of the financial year</b>	9(a)	<b>9,916,873</b>	<b>6,639,807</b>	<b>7,785,493</b>	<b>2,904,464</b>

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

# Notes to the Financial Statements

For the Year Ended 30 June 2024

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## NOTE 1: STATEMENT OF ACCOUNTING POLICIES

### Corporate information

Eildon Capital Limited is a company limited by share, incorporated and domiciled in Australia.

Eildon Capital Trust is a registered managed investment scheme, established in Australia. Eildon Funds Management Limited incorporated in Australia is the responsible entity. Both the trust and the responsible entity are domiciled in Australia.

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

### 1.1 Basis of Preparation

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

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

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

The financial report is presented in Australian dollars.

### 1.2 Critical accounting estimates and judgements

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

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

# Notes to the Financial Statements

For the Year Ended 30 June 2024

## NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONT.)

### 1.2 Critical Accounting Estimates and Judgements (Cont.)

- Impairment of intangible assets (refer note 12);
- Assessment of recoverable amount of financial assets at amortised cost (refer note 10); and
- Fair value of financial assets at fair value through profit or loss (refer note 11).

### 1.3 Statement of Compliance

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

EDC and ECT have adopted AASB 2021 – 2 *Amendments to Australian Accounting Standards* for the first time for the annual reporting period commencing 1 July 2024. However, there is no impact on the numbers of the adoption of the standard.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2024 reporting periods and have not been early adopted by EDC and ECT. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

### 1.4 Principles of consolidation

#### Controlled entities

The consolidated financial statements comprise the financial statements for the year ended 30 June 2024 for both:

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

#### Stapled Entities

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

financial statements and Eildon Capital Trust is deemed to be the acquiree.

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

#### Parent entity information

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

### 1.5 Impairment

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset’s fair value less costs of disposal and value-in-use.

### 1.6 Income Tax and Other Taxes

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

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry-



# Notes to the Financial Statements

forward of unused tax credits and tax losses can be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

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

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

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

## Tax Consolidation Legislation

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

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

## 1.7 Cash and Cash Equivalents

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

## 1.8 Trade and Other Receivables

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

## 1.9 Financial Assets

### (i) Classification

Financial assets in the scope of AASB 9 *Financial Instruments* are classified into the measurement categories at either amortised cost or fair value, subject to their classification criteria.

The classification depends on EDC's and ECT's business model for managing the financial assets and the contractual terms of the cash flows.

### (ii) Measurement

#### Initial measurement

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

#### Subsequent measurement

##### Financial assets at amortised cost

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

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

Equity investments that do not meet the criteria for amortised cost are measured at FVPL. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss.

### (iii) Impairment

EDC and ECT assess on a forward-looking basis the expected credit losses associated with secured loans are carried at amortised cost. The expected credit loss is determined based

# Notes to the Financial Statements

For the Year Ended 30 June 2024

## NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONT.)

### 1.9 Financial Assets (Cont.)

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

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

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

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

### 1.10 Trade and Other Payables

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

### 1.11 Other Liabilities

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

### 1.12 Revenue Recognition

#### Interest Income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest

income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount as at the end of the financial year.

#### Fee Income

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

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

### 1.13 Non-current assets and disposal groups held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amounts and fair value less costs of disposal.

### 1.14 Dividends and Distributions

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

### 1.15 Rounding of amounts

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

# Notes to the Financial Statements

## NOTE 2: CONTROLLED ENTITIES

### Composition of Consolidated Group

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

#### Companies incorporated in Australia:

	Interest Held by Consolidated Entity		Interest Held by Non-controlling Interests	
	Jun 2024 %	Jun 2023 %	Jun 2024 %	Jun 2023 %
<b>Eildon Capital Limited</b>				
<b>Direct Controlled Entities:</b>				
Eildon Funds Management Limited (a)	100	100	-	-
Eildon Equity Management Pty Ltd	100	-	-	-
(a) Eildon Funds Management Limited is the Responsible Entity of Eildon Capital Trust.				
<b>Controlled Entities owned by Eildon Funds Management Limited:</b>				
Eildon Investments Services Pty Limited	100	100	-	-
Eildon Asset Management Pty Limited	50	50	50	50
Eildon Asset Management Trust	50	50	50	50
EFM Nominee Services Pty Limited	100	100	-	-
<b>Controlled Entities owned by stapled entity, Eildon Capital Trust:</b>				
Eildon Health and Education Fund	100	100	100	100
Eildon Debt Fund (b)				
- AC Class	100	100	-	-
- AF Class	-	27	-	73
- AG Class	-	100	-	-
- AH Class	-	29	-	71
- AI Class	100	100	-	-
- AJ Class	-	26	-	74
- AK Class	-	87	-	13
- AM Class	100	-	-	-
- AN Class	100	-	-	-
- AO Class	77	-	23	-
- AV Class	30	-	70	-

(b) Units issued in the fund meet the definition of a liability under AASB 132 *Financial Instruments: Presentation* rather than equity. As such, the units in the funds not eliminated on consolidation are recognised as Other Liabilities in the statement of financial position. Refer note 13.

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



# Notes to the Financial Statements

For the Year Ended 30 June 2024

## NOTE 3: PARENT ENTITY DISCLOSURE

### 3.1 Summary Financial Information

	Company		Trust	
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Balance sheet</b>				
Current assets	1,492,103	8,844,442	32,802,784	18,169,595
Total assets	8,447,866	10,405,624	44,246,794	44,833,566
Current liabilities	180,799	149,652	1,958,969	856,678
Total liabilities	180,799	1,613,142	1,958,969	856,678
<b>Shareholders' equity</b>				
Issued capital	8,155,828	8,443,890	42,240,878	43,463,511
Retained earnings	111,239	348,592	46,947	513,377
<b>Total Equity</b>	<b>8,267,067</b>	<b>8,792,482</b>	<b>42,287,825</b>	<b>43,976,888</b>
<b>(Loss)/Profit for the period</b>	<b>(237,351)</b>	<b>(1,177,173)</b>	<b>3,079,221</b>	<b>2,680,850</b>
<b>Total comprehensive income</b>	<b>(237,351)</b>	<b>(1,177,173)</b>	<b>3,079,221</b>	<b>2,680,850</b>

### 3.2 Commitments and Financial Guarantees

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

Unrelated entity	11,064,457	1,889,055	-	96,000
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Refer note 21(b) for information about guarantees given by the Company.

## NOTE 4: AUDITOR'S REMUNERATION

The auditor of EDC is Pitcher Partners Sydney.

Amounts received or due and receivable by the auditors for:

	EDC		ECT	
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Audit and review of financial report</b>				
Pitcher Partners Sydney	97,951	98,046	54,515	59,500
	97,951	98,046	54,515	59,500

# Notes to the Financial Statements

## NOTE 5: INCOME TAX

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

Details of income tax of EDC have been disclosed below:

	EDC	
	2024	2023
	\$	\$
<b>(a) Income tax expense</b>		
Accounting profit before income tax	2,092,264	6,866,779
Income tax expense at the statutory income tax rate of 25%	535,554	523,066
Trust profit not assessable	(568,717)	(719,958)
Sundry items	(143,125)	47,507
Adjustment to reflect change in tax rate	-	-
Carry back tax loss offset	-	158,974
Income tax (benefit)/expense	(176,288)	9,589
<i>The major components of income tax expense are:</i>		
- Current income tax	(198,977)	(145,576)
- Deferred income tax	22,689	155,165
Income tax (benefit)/expense reported in the statement of profit or loss and other comprehensive income	(176,288)	9,589
Deferred tax benefit relating to items credited directly to equity	-	-
<i>Income tax expense attributable to:</i>		
Profit/(loss) from continuing operations	(296,061)	(128,332)
Profit/(loss) from discontinued operations	119,773	137,921
Aggregate income tax expense	(176,288)	9,589

# Notes to the Financial Statements

For the Year Ended 30 June 2024

## NOTE 5: INCOME TAX (CONT.)

### (b) Deferred income tax

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

	2024			2023		
	Included in Income \$	Included in Equity \$	Total \$	Included in Income \$	Included in Equity \$	Total \$
<b>Deferred tax assets</b>						
Provisions and accrued expenses	62,340	-	62,340	43,998	-	43,998
Financial assets		-		28,060	-	28,060
Tax losses	46,513	-	46,513	74,462	-	74,462
Other	32,708	6,797	39,505	25,452	15,768	41,220
	141,561	6,797	148,358	171,972	15,768	187,740
<b>Deferred tax liabilities</b>						
Equity accounting income	-	-	-	1,463,490	-	1,463,490

	EDC	
	2024 \$	2023 \$

### (c) Current Tax Assets

*Income tax receivable (payable)*

Balance at the end of the year - 40,023

	EDC		ECT	
	2024 \$	2023 \$	2024 \$	2023 \$

## NOTE 6: EMPLOYEE AND DIRECTOR COSTS

Superannuation	136,558	139,068	21,332	-
Share-based payments	-	764,406	-	578,092
Non-executive director costs	374,566	330,312	313,610	-
Other employee costs	1,296,952	1,800,201	-	-
Discontinued operations expenses	926,842	1,058,344	-	-
	2,734,918	4,092,331	334,942	578,092



# Notes to the Financial Statements

	Company		Trust	
	2024	2023	2024	2023
	\$	\$	\$	\$

## NOTE 7: EARNINGS PER SHARE/UNIT/STAPLED SECURITY

### (a) Earnings per share/unit

Basic and diluted (loss)/earnings per share/unit from continuing operations (cents)

(0.38)	(2.54)	6.17	5.48
--------	--------	------	------

Basic and diluted (loss)/earnings per share/unit from discontinued operations (cents)

(1.07)	0.69	(0.65)	0.18
--------	------	--------	------

Total basic and diluted (loss)/earnings per share/unit (cents)

(1.45)	(1.85)	5.52	5.66
--------	--------	------	------

Net (loss)/profit attributable to ordinary equity holders of the Company/Trust (\$)

From continuing operations

(182,191)	(1,200,281)	2,957,962	2,592,394
-----------	-------------	-----------	-----------

From discontinued operations

(511,950)	325,308	(310,174)	88,456
-----------	---------	-----------	--------

694,141	(874,973)	2,647,788	2,680,850
---------	-----------	-----------	-----------

### Weighted average number of shares/units

Weighted average number of shares/units used in calculating basic earnings per company share/trust unit (number)

47,975,365	47,338,940	47,975,365	47,338,940
------------	------------	------------	------------

Weighted average number of ordinary shares/units and potential ordinary shares/units used in calculating earnings per company share/trust unit (number)

47,975,365	47,338,940	47,975,365	47,338,940
------------	------------	------------	------------

# Notes to the Financial Statements

For the Year Ended 30 June 2024

	EDC	
	2024	2023
	\$	\$

## NOTE 7: EARNINGS PER SHARE/UNIT/STAPLED SECURITY (CONT.)

### (b) Earnings per stapled security

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

Basic and diluted earnings/(loss) per stapled security from continuing operations (cents)	5.79	2.94
Basic and diluted (loss)/earnings per stapled security from discontinued operations (cents)	(1.71)	0.87
Total basic and diluted earnings per stapled security (cents)	4.08	3.81
Net profit/(loss) attributable to securityholders of EDC (\$)		
From continuing operations	2,775,771	1,392,113
From discontinued operations	(822,124)	413,764
	1,953,647	1,805,877

### Weighted average number of securities

Weighted average number of securities used in calculating basic earnings per stapled security (number)	47,975,365	47,338,940
Weighted average number of ordinary securities and potential ordinary securities used in calculating earnings per stapled security (number)	47,975,365	47,338,940

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

# Notes to the Financial Statements

## NOTE 8: DIVIDENDS AND DISTRIBUTIONS

### (a) Dividends and distributions

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

	Company Dividend Paid (cents)	Trust Distribution Paid (cents)	Total Per Security (cents)	Total \$	Date of Payment	Tax Rate for Franking Credit	Percentage Franked
<b>2024</b>							
2024 June Final	-	4.000	4.000	1,889,261	24-Jul-24	0%	0%
2023 December Interim	-	3.500	3.500	1,656,387	22-Jan-24	0%	0%
	-	<b>7.500</b>	<b>7.500</b>	<b>3,545,648</b>	-	-	-
<b>2023</b>							
2023 June quarter	-	1.600	1.600	782,674	21-Jul-23	0%	0%
2023 March quarter	-	1.500	1.500	708,610	21-Apr-23	0%	0%
2022 December quarter	-	1.500	1.500	708,610	24-Jan-23	0%	0%
2022 September quarter	-	1.400	1.400	661,368	21-Oct-22	0%	0%
	-	<b>6.000</b>	<b>6.000</b>	<b>2,861,262</b>	-	-	-

### (b) Franking credits

Distributions paid by ECT do not attract franking credits. Franking credits are only available for future dividends paid by the Company. The Company's franking account balance as at 30 June 2024 is \$1,290,128 (2023: \$82,962).

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

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

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



# Notes to the Financial Statements

For the Year Ended 30 June 2024

	EDC		ECT	
	2024	2023	2024	2023
	\$	\$	\$	\$

## NOTE 9: NOTES TO THE STATEMENT OF CASH FLOWS

### (a) Reconciliation of cash and cash equivalents

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

Cash at bank	9,916,873	6,639,807	7,785,493	2,904,464
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Cash at bank earns interest at floating rates based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

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

Net profit after tax	2,318,503	2,082,675	2,647,788	2,680,850
<i>Adjustments for:</i>				
Share of equity accounted profit	-	(230,525)	-	-
Depreciation and amortisation	94,979	94,257	-	-
Performance rights	-	764,406	-	578,092
Net loss/(gain) on financial assets at fair value through profit or loss	48,170	72,047	476	(40,191)
Impairment on financial assets at amortised cost	431,429	-	431,429	-
Net loss from discontinued operations	1,181,444	-	381,444	-
Facility fee	(501,921)	(823,997)	-	-
<i>Change in operating assets and liabilities:</i>				
Decrease in financial assets at amortised cost	(1,269,103)	(13,652,250)	4,332,502	(15,014,691)
Increase in other assets	(72,875)	(70,600)	-	-
Increase in leave provisions	27,541	31,208	-	-
Increase in payables	292,982	1,430,057	112,853	681,140
(Decrease)/increase in deferred tax assets and liabilities	(1,428,036)	155,165	-	-
Increase in tax payable	40,023	632,960	-	-
Net cash provided by/(used in) operating activities	1,163,136	(9,514,597)	7,906,492	(11,114,800)

# Notes to the Financial Statements

## (c) Changes in liabilities arising from financing activities

	Other Liabilities		Leases		Total	
	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$
<b>EDC</b>						
At the beginning of the year	<b>9,639,956</b>	555,082	<b>117,802</b>	201,596	<b>9,757,758</b>	756,678
Cash flows	<b>(3,001,157)</b>	8,724,157	<b>(84,989)</b>	(83,794)	<b>(3,086,146)</b>	8,640,363
Other changes	<b>(286,455)</b>	360,717	-	-	<b>(286,455)</b>	360,717
At the end of the year	<b>6,352,344</b>	9,639,956	<b>32,813</b>	117,802	<b>6,385,157</b>	9,757,758
<b>ECT</b>						
At the beginning of the year	<b>9,639,956</b>	555,082	-	-	<b>9,639,956</b>	555,082
Cash flows	<b>(3,001,157)</b>	8,724,157	-	-	<b>(3,001,157)</b>	8,724,157
Other changes	<b>(286,455)</b>	360,717	-	-	<b>(286,455)</b>	360,717
At the end of the year	<b>6,352,344</b>	9,639,956	-	-	<b>6,352,344</b>	9,639,956

	EDC		ECT	
	2024 \$	2023 \$	2024 \$	2023 \$

## (d) Non-cash investing and financing activities

During the financial year, EDC issued nil (FY23: 37,790) stapled securities as its Dividend and Distribution Reinvestment Plan has been suspended.

Stapled securities/units issued	-	36,309	-	27,984
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# Notes to the Financial Statements

For the Year Ended 30 June 2024

	EDC		ECT	
	2024	2023	2024	2023
	\$	\$	\$	\$

## NOTE 10: FINANCIAL ASSETS AT AMORTISED COST

### Current:

Trade and other receivables	692,292	285,343	252,761	72,155
Secured loans to other entities	22,602,045	20,572,612	22,602,045	20,572,612
	23,294,337	20,857,955	22,854,806	20,644,767

### Non-Current:

Secured loans to other entities	15,417,644	16,502,282	15,009,064	16,502,282
Expected credit loss for loans to other entities	(431,429)	-	(431,429)	-
Secured loan to stapled entity	-	-	-	4,889,307
	14,986,215	16,502,282	14,577,635	21,391,589

### Secured loans

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

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

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

To assess whether there is a significant increase in credit risk, EDC compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and forward-looking information. These include if any adverse change in the underlying value of the assets securing the loan or when the carrying value is expected to be lower than the recoverable value of the assets securing the loan.

Accordingly, the Directors have assessed that in relation to EDC's loan in Malvern Road, Toorak, there is a risk that the carrying value of the loan would be lower than the recoverable value upon maturity of the loan facility and an expected credit loss provision of \$431,429 was booked at 30 June 2024.

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

# Notes to the Financial Statements

	EDC		ECT	
	2024	2023	2024	2023
	\$	\$	\$	\$

## NOTE 11: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

### Current:

Investments in unlisted entities	1,130,000	4,589,593	550,000	4,589,593
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### Non-Current:

Investments in unlisted entities	4,343,514	7,085,773	2,362,666	5,272,381
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The carrying value of investments in unlisted entities has been determined by using valuation techniques. Such techniques include using recent arm's length market transactions and net asset backing.

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

	EDC	
	2024	2023
	\$	\$

## NOTE 12: INTANGIBLE ASSETS

Goodwill	2,660,077	3,460,077
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### Reconciliations:

Carrying amount at the beginning of the year	3,460,077	3,460,077
Impairment of goodwill associated with property income Funds	(800,000)	-
Transfer to asset held for sale	(700,000)	
Carrying amount at the end of the year	1,960,077	3,460,077

The goodwill is attributable to the acquisition of the funds management business of Eildon Funds Management Limited (EFM) on 17 November 2020. The acquisition price was based on an independent valuation prepared by Grant Thornton Australia Ltd on 8 October 2020.

The carrying value of goodwill included \$1,500,000 relating to the Property income funds management business. This was reclassified as assets held for sale as the sale of the property income funds management and related co-investments was deemed to be a disposal group. Prior to transfer, the carrying value of this element of goodwill was written down to its fair value less costs to sell, being \$700,000 as outlined in the non-binding proposal entered into on 30 May 2024 with Trilogy Group. Subsequently, on 30 July 2024, a binding agreement was signed with the Trilogy Group for the sale of its property income funds and the associated funds management business. The impairment of goodwill associated with property income funds was included in the calculation for profit/loss from discontinued operations. Refer note 22.

In addition, the carrying value of the remaining goodwill was assessed using a multi-scenario discounted cash flow model.

The key assumptions used in the model were:

- Discount rate: 10%, 12.5% and 15%
- Funds under management growth: no growth, \$25m growth and \$40m growth
- Terminal growth rate: 2%

Other valuations methods (EBIT multiple and Assets Under Management multiple) were used as a cross check.

Goodwill is not deductible for tax purposes.



# Notes to the Financial Statements

For the Year Ended 30 June 2024

	EDC		ECT	
	2024	2023	2024	2023
	\$	\$	\$	\$

## NOTE 13: OTHER LIABILITIES

Current	453,762	9,639,956	453,762	9,639,956
Non-current	5,898,582	-	5,898,582	-

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

## NOTE 14: TRADE AND OTHER PAYABLES

### Current:

Sundry creditors	270,865	198,810	270,765	198,710
Trade payables and accruals	1,155,708	1,164,691	691,836	204,566
Distribution payable	1,926,931	906,486	1,889,261	782,674
	3,353,504	2,269,987	2,851,862	1,185,950

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

# Notes to the Financial Statements

Company	2024		2023	
	Number of shares	\$	Number of shares	\$

## NOTE 15: CONTRIBUTED EQUITY

### *Issued and paid-up share capital:*

Ordinary shares fully paid	47,231,518	8,155,826	48,917,117	8,443,890
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### **Reconciliation:**

Balance at the beginning of the year	48,917,117	8,443,890	47,202,827	8,237,201
Shares bought back	(1,685,599)	(287,095)	-	-
Transaction costs on share buyback	-	(969)	-	-
Issue of shares under DRP	-	-	37,790	8,325
Issue of shares under EIP	-	-	1,676,500	-
Transfer from share based payments reserve	-	-	-	198,364
Balance at the end of the year	47,231,518	8,155,826	48,917,117	8,443,890

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

Trust	2024		2023	
	Number of units	\$	Number of units	\$

### *Issued and paid-up capital:*

Ordinary units fully paid	47,231,518	42,240,877	48,917,117	43,463,511
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### **Reconciliation:**

Balance at the beginning of the year	48,917,117	43,463,511	47,202,827	42,798,378
Units bought back	(1,685,599)	(1,218,508)	-	-
Transaction costs on unit buyback	-	(4,126)	-	-
Issue of units under DRP	-	-	37,790	27,984
Issue of units under EIP	-	-	1,676,500	-
Transfer from share based payments reserve	-	-	-	637,149
Balance at the end of the year	47,231,518	42,240,877	48,917,117	43,463,511

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

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

# Notes to the Financial Statements

For the Year Ended 30 June 2024

## NOTE 15: CONTRIBUTED EQUITY (CONT.)

### Capital risk management

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

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

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

The capital risk management policy remains unchanged from the prior year.

Share-based Payment Reserve		
	Company	Trust
	\$	\$

## NOTE 16: OTHER RESERVES

Balance at 30 June 2022	12,050	59,057
Share-based payment expenses	186,314	578,092
Transfer to contributed equity	(198,364)	(637,149)
Balance at 30 June 2023	-	-
Balance at 30 June 2024	-	-

### Share-based Payment Reserve

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

EDC		ECT	
2024	2023	2024	2023
\$	\$	\$	\$

## NOTE 17: ASSETS CLASSIFIED AS HELD FOR SALE

### Assets held for sale

Interest in unlisted corporation	-	8,536,058	-	-
Financial assets at fair value through profit or loss (a)	1,766,945	-	-	-
Assets of discontinued operations classified as held for sale (b)	3,630,000	-	2,930,000	-
	5,396,945	8,536,058	2,930,000	-

- (a) On 28 June 2024, EDC entered into a sale heads of agreement to dispose of its shares in Burnley Maltings Pty Ltd. As such, the investment was reclassified from Financial assets at fair value to Assets classified as held for sale.
- (b) On 30 May 2024, EDC entered into a non-binding indicative proposal with Trilogy Group for the sale of its property income funds and the management rights associated with those income funds for \$3,630,000. Subsequently, on 30 July 2024, a binding agreement was signed with Completion expected to occur in early September 2024. Refer note 22.

# Notes to the Financial Statements

## NOTE 18: FINANCIAL RISK MANAGEMENT

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

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

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

EDC and ECT holds the following financial instruments:

EDC	ECT
<b>Financial assets</b> <b>Amortised costs:</b> <ul style="list-style-type: none"> <li>- Cash and cash equivalents (note 9)</li> <li>- Trade and other receivables (note 10)</li> <li>- Secured loans to other entities (note 10)</li> </ul>	<b>Financial assets</b> <b>Amortised costs:</b> <ul style="list-style-type: none"> <li>- Cash and cash equivalents (note 9)</li> <li>- Trade and other receivables (note 10)</li> <li>- Secured loans to other entities (note 10)</li> <li>- Secured loan to stapled entity (note 10)</li> </ul>
<b>Fair value through profit or loss:</b> <ul style="list-style-type: none"> <li>- Investments in unlisted entities (note 11)</li> </ul>	<b>Fair value through profit or loss:</b> <ul style="list-style-type: none"> <li>- Investments in unlisted entities (note 11)</li> </ul>
<b>Financial liabilities</b> <b>Amortised costs:</b> <ul style="list-style-type: none"> <li>- Trade and other payables (note 14)</li> <li>- Other liabilities (note 13)</li> </ul>	<b>Financial liabilities</b> <b>Amortised costs:</b> <ul style="list-style-type: none"> <li>- Trade and other payables (note 14)</li> <li>- Other liabilities (note 15)</li> </ul>



# Notes to the Financial Statements

For the Year Ended 30 June 2024

## NOTE 18: FINANCIAL RISK MANAGEMENT (CONT.)

### (a) Interest Rate Risk

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

EDC	Note	Weighted Average Interest Rate	Floating Interest Rate \$	Fixed Interest Rate 1 Year or Less \$	Fixed Interest Rate 1 to 5 Years \$	Non- interest Bearing \$	Total \$
<b>2024</b>							
<b>Financial assets</b>							
Cash and cash equivalents	9	3.6%	9,916,873	-	-	-	9,916,873
Financial assets at amortised cost	10	14.6%	3,281,127	19,414,832	14,986,215	598,378	38,280,552
			13,198,000	19,414,832	14,986,215	598,378	48,197,425
<b>Financial liabilities</b>							
Trade and other payables	14	-	-	-	-	3,353,504	3,353,504
Other liabilities	13	9.6%	453,762	-	5,898,582	-	6,352,344
Lease liabilities			-	32,813	-	-	32,813
			453,762	32,813	5,898,582	3,353,504	9,738,661
<b>2023</b>							
<b>Financial assets</b>							
Cash and cash equivalents	9	1.2%	6,639,807	-	-	-	6,639,807
Financial assets at amortised cost	10	13.1%	7,440,227	13,226,299	16,502,282	191,429	37,360,237
			14,080,034	13,226,299	16,502,282	191,429	44,000,044
<b>Financial liabilities</b>							
Trade and other payables	14	-	-	-	-	2,269,987	2,269,987
Other liabilities	13	10.5%	4,649,650	4,990,306	-	-	9,639,956
Lease liabilities			-	84,990	32,812	-	117,802
			4,649,650	5,075,296	32,812	2,269,987	12,027,745

# Notes to the Financial Statements

ECT	Note	Weighted Average Interest Rate	Floating Interest Rate \$	Fixed Interest Rate 1 Year or Less \$	Fixed Interest Rate 1 to 5 Years \$	Non- interest Bearing \$	Total \$
<b>2024</b>							
<b>Financial assets</b>							
Cash and cash equivalents	9	4.1%	7,785,493	-	-	-	7,785,493
Financial assets at amortised cost	10	14.5%	3,281,127	19,320,918	14,577,635	252,761	37,432,441
			11,066,620	19,320,918	14,577,635	252,761	45,217,934
<b>Financial liabilities</b>							
Trade and other payables	14	-	-	-	-	2,851,862	2,851,862
Other liabilities	13	9.6%	453,762	-	5,898,582	-	6,352,344
			453,762	-	5,898,582	2,851,862	9,204,206
<b>2023</b>							
<b>Financial assets</b>							
Cash and cash equivalents	9	2.6%	2,904,464	-	-	-	2,904,464
Financial assets at amortised cost	10	12.5%	7,440,227	13,132,385	21,391,589	72,155	42,036,356
			10,344,691	13,132,385	21,391,589	72,155	44,940,820
<b>Financial liabilities</b>							
Trade and other payables	14	-	-	-	-	1,185,950	1,185,950
Other liabilities	13	10.5%	4,649,650	4,990,306	-	-	9,639,956
			4,649,650	4,990,306	-	1,185,950	10,825,906

EDC and ECT hold a significant amount of cash balances which are exposed to movements in interest rates. Given the high interest rate environment and the short-term funding requirements for investment opportunities, maintaining a high cash balance provides a steady rate of return while EDC/ECT awaits deployment opportunities. EDC/ECT typically deposits uncommitted cash with financial institutions with an "investment grade" credit rating of BBB or higher to maintain liquidity for any investment opportunity arises.

## Sensitivity

EDC and ECT expect that the Bank Bill Swap Rates (BBSW) to decrease during the 2025 financial year by 0.75%. The impact at reporting date if interest rates decrease by 0.75% (2023: increase by 0.5%), whilst all other variables are held constant, is as follows:

	EDC Decrease of 75 bp \$	ECT Increase of 50 bp \$
<b>2024</b>		
Net profit	(83,747)	(17,985)
Equity movement	(83,747)	(17,985)

# Notes to the Financial Statements

For the Year Ended 30 June 2024

## NOTE 18: FINANCIAL RISK MANAGEMENT (CONT.)

### (b) Credit Risk Exposure

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

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

#### i) Cash deposits:

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

#### ii) Loans made to various entities:

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

#### iii) Trade receivables:

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

### (c) Liquidity Risk

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

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

	EDC				ECT			
	Less than 6 Months \$	6 Months to 1 Year \$	1 Year to 5 Years \$	Total \$	Less than 6 Months \$	6 Months to 1 Year \$	1 Year to 5 Years \$	Total \$
<b>2024</b>								
Trade and other payables	3,353,504	-	-	3,353,504	2,851,862	-	-	2,851,862
Lease liabilities	32,813	-	-	32,813	-	-	-	-
Other liabilities (a)	453,762	-	5,898,582	6,352,344	453,762	-	5,898,582	6,352,344
<b>2023</b>								
Trade and other payables	2,269,987	-	-	2,269,987	1,185,950	-	-	1,185,950
Lease liabilities	42,053	42,937	32,812	117,802	-	-	-	-
Other liabilities (a)	4,649,650	4,990,306	-	9,639,956	4,649,650	4,990,306	-	9,639,956

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

### (d) Fair Value of Financial Assets and Liabilities

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

# Notes to the Financial Statements

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

Judgements and estimates were made in determining the fair values of certain financial instruments and non-financial assets that are recognised and measured at fair value in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, EDC and ECT have classified its financial instruments and non-financial assets into three levels prescribed under the accounting standards.

Level 1 – the fair value is calculated using quoted prices in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset that are not based on observable market data.

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

	EDC	ECT
	Valuation Technique - Non-market Observable Inputs (Level 3) \$	Valuation Technique - Non-market Observable Inputs (Level 3) \$

## Year ending 30 June 2024

### Financial assets

#### Financial assets at fair value through profit or loss

Investments in unlisted entities	5,473,514	2,912,666
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## Year ending 30 June 2023

### Financial assets

#### Financial assets at fair value through profit or loss

Investments in unlisted entities	11,675,366	9,861,974
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	2024 \$	2023 \$	2024 \$	2023 \$
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Reconciliation of Level 3 fair value movements:

<b>Balance at the beginning of the year</b>	<b>11,675,366</b>	11,355,739	<b>9,861,974</b>	9,555,109
Purchases	<b>3,862,098</b>	2,930,188	<b>1,300,000</b>	2,805,188
Sales	<b>(4,937,390)</b>	(2,535,780)	<b>(4,937,390)</b>	(2,535,780)
Fair value movement	<b>(383,168)</b>	(74,781)	<b>(381,918)</b>	37,457
Transfer to asset held-for-sale	<b>(4,743,392)</b>	-	<b>(2,930,000)</b>	-
<b>Balance at the end of the year</b>	<b>5,473,514</b>	11,675,366	<b>2,912,666</b>	9,861,974

Fair value movement attributable to assets held at the end of reporting period

	<b>(383,168)</b>	(74,781)	<b>(381,918)</b>	37,457
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# Notes to the Financial Statements

For the Year Ended 30 June 2024

## NOTE 18: FINANCIAL RISK MANAGEMENT (CONT.)

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

The fair value of Level 3 Financial assets at fair value through profit or loss has been determined with reference to valuation techniques being net asset backing and recent arm's length market transactions. The Group has a panel of highly experienced valuers that are used to prepare valuation reports to support the purchase price of assets being acquired. In addition, the Group also updates the valuation every three years or earlier as part of the covenant testing with the banking facilities however the Directors also use their discretion in the interim if they are of the opinion that there is a material change in the underlying carrying value of the asset based on market conditions.

#### Sensitivity analysis

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

	Net Profit/(Loss)		Equity Increase/(Decrease)	
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Investments in unlisted entities</b>				
<b>EDC</b>				
Favourable changes	547,352	1,167,537	547,352	1,167,537
Unfavourable changes	(547,352)	(1,167,537)	(547,352)	(1,167,537)
<b>ECT</b>				
Favourable changes	291,267	986,198	291,267	986,198
Unfavourable changes	(291,267)	(986,198)	(291,267)	(986,198)

#### Significant unobservable inputs

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

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

# Notes to the Financial Statements

## NOTE 19: SEGMENTAL INFORMATION

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

Description of each business segment is as follows:

- Direct Property Investment involves direct exposure, including ordinary equity, preference equity, options to acquire an interest in direct property subject to planning outcomes.
- Property backed lending comprises loans backed by underlying property assets; and
- Funds Management activities relate to management of property investments, debt and unlisted funds.

EDC and ECT operate predominantly in Australia.

EDC	Direct Property Investment \$	Funds Management \$	Property Backed Lending \$	Eliminations \$	Total \$
<b>30 June 2024</b>					
<b>CONTINUING OPERATIONS</b>					
<b>Revenue</b>					
Segment revenue	1,307	1,115,787	6,412,022	-	7,529,116
Inter-Segment revenue	-	825,763	-	(825,763)	-
Corporate interest income					411,201
					7,940,317
<b>Results</b>					
Segment profit	1,307	1,048,959	4,570,322	-	5,620,588
Inter-Segment profit	-	825,763	-	(825,763)	-
Corporate expenses					(2,776,022)
Income tax benefit					296,061
Consolidated profit after tax from continuing operations					3,140,627
<b>Disaggregation of revenue</b>					
Timing of revenue recognition					
At a point in time	-	352,965	-	-	352,965
Over time	-	762,822	-	-	762,822
Revenue from contracts with customers	-	1,115,787	-	-	1,115,787
Other revenues	1,307	-	6,412,022	-	6,413,329
Segment revenue	1,307	1,115,787	6,412,022	-	7,529,116

# Notes to the Financial Statements

For the Year Ended 30 June 2024

## NOTE 19: SEGMENTAL INFORMATION (CONT.)

EDC	Direct Property Investment \$	Funds Management \$	Property Backed Lending \$	Eliminations \$	Total \$
<b>30 June 2023</b>					
<b>CONTINUING OPERATIONS</b>					
<b>Revenue</b>					
Segment revenue	(72,047)	1,928,337	5,206,569	-	7,062,859
Inter-Segment revenue	-	883,328	-	(883,328)	-
Corporate interest income					91,908
					7,154,767
Share of profit of equity accounted associate	230,525	-	-	-	230,525
<b>Results</b>					
Segment profit	158,478	1,813,490	4,298,651	-	6,270,619
Inter-Segment profit	-	883,328	-	(883,328)	-
Corporate expenses					(4,730,040)
Income tax benefit					128,332
Consolidated profit after tax from continuing operations					1,668,911
<b>Disaggregation of revenue</b>					
Timing of revenue recognition					
At a point in time	-	901,759	-	-	901,759
Over time	-	1,026,578	-	-	1,026,578
Revenue from contracts with customers	-	1,928,337	-	-	1,928,337
Other revenues	(72,047)	-	5,206,569	-	5,134,522
Segment revenue	(72,047)	1,928,337	5,206,569	-	7,062,859

# Notes to the Financial Statements

EDC	Direct Property Investment \$	Funds Management \$	Property Backed Lending \$	Total \$
<b>30 June 2024</b>				
<b>Assets</b>				
Segment assets	4,343,514	1,960,077	38,718,260	45,021,851
Assets classified as held for sale	5,396,945	-	-	5,396,945
<i>Unallocated amounts:</i>				
Cash and cash equivalents				9,916,873
Other assets				964,133
Total assets				61,299,802
<b>Liabilities</b>				
Segment liabilities	-	-	6,352,344	6,352,344
<i>Unallocated amounts:</i>				
Other liabilities				3,582,852
Total liabilities				9,935,196
<b>30 June 2023</b>				
<b>Assets</b>				
Segment assets	15,621,831	3,460,077	41,664,487	60,746,395
<i>Unallocated amounts:</i>				
Cash and cash equivalents				6,639,807
Other assets				741,333
Total assets				68,127,535
<b>Liabilities</b>				
Segment liabilities	-	-	9,639,956	9,639,956
<i>Unallocated amounts:</i>				
Other liabilities				4,020,274
Total liabilities				13,660,230



# Notes to the Financial Statements

For the Year Ended 30 June 2024

## NOTE 19: SEGMENTAL INFORMATION (CONT.)

ECT	Direct Property Investment \$	Property Backed Lending \$	Total \$
<b>30 June 2024</b>			
<b>CONTINUING OPERATIONS</b>			
<b>Revenue</b>			
Segment revenue	50,105	6,371,548	6,421,653
Corporate interest income			311,852
			6,733,505
<b>Results</b>			
Segment profit	50,105	4,529,848	4,579,953
Corporate expenses			(1,621,991)
Profit after tax from continuing operations			2,957,962
<b>Disaggregation of revenue</b>			
Timing of revenue recognition			
Over time	-	-	-
Revenue from contracts with customers	-	-	-
Other revenues	50,105	6,371,548	6,421,653
Segment revenue	50,105	6,371,548	6,421,653
<b>30 June 2023</b>			
<b>CONTINUING OPERATIONS</b>			
<b>Revenue</b>			
Segment revenue	40,191	5,206,569	5,246,760
Corporate interest income			463,086
			5,709,846
<b>Results</b>			
Segment profit	40,191	4,298,651	4,338,842
Corporate expenses			(1,746,448)
Profit after tax from continuing operations			2,592,394
<b>Disaggregation of revenue</b>			
Timing of revenue recognition			
Over time	-	-	-
Revenue from contracts with customers	-	-	-
Other revenues	40,191	5,206,569	5,246,760
Segment revenue	40,191	5,206,569	5,246,760

# Notes to the Financial Statements

ECT	Direct Property Investment \$	Property Backed Lending \$	Total \$
<b>30 June 2024</b>			
<b>Assets</b>			
Segment assets	2,362,666	37,729,680	40,092,346
Assets classified as held for sale	2,930,000	-	2,930,000
<i>Unallocated amounts:</i>			
Cash and cash equivalents			7,785,493
Other assets			252,761
Total assets			51,060,600
<b>Liabilities</b>			
Segment liabilities	-	6,352,344	6,352,344
<i>Unallocated amounts:</i>			
Other liabilities			2,851,862
Total liabilities			9,204,206
<b>30 June 2023</b>			
<b>Assets</b>			
Segment assets	5,272,381	41,664,487	46,936,868
<i>Unallocated amounts:</i>			
Cash and cash equivalents			2,904,464
Other assets			4,961,462
Total assets			54,802,794
<b>Liabilities</b>			
Segment liabilities	-	9,639,956	9,639,956
<i>Unallocated amounts:</i>			
Other liabilities			1,185,950
Total liabilities			10,825,906

There was no revenue from contracts with customers for 2024 and 2023 financial year.

# Notes to the Financial Statements

For the Year Ended 30 June 2024

## NOTE 20: RELATED PARTY INFORMATION

### Parent entity

Eildon Capital Group is the head entity as at 30 June 2024.

Samuel Terry Asset Management Pty Ltd as trustee for Samuel Terry Absolute Return Active Fund (STAM) is the ultimate parent entity of the group. However, both the companies operate independent to each other.

### Subsidiaries

Interest in subsidiaries is set out in note 2.

	EDC	
	2024 \$	2023 \$
<b>(a) Key management personnel</b>		
Short-term employee benefits	1,497,673	1,221,272
Post-employment benefits	99,772	98,535
Share-based payments	-	308,762
	<b>1,597,445</b>	<b>1,628,569</b>

Details of remuneration disclosures are provided in the remuneration report.

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

	Company		Trust	
	2024 \$	2023 \$	2024 \$	2023 \$
<b>(b) Unsecured loan from/to stapled entity</b>				
<b>Loan from/(to) stapled entity</b>				
Beginning of the year	4,889,307	4,522,884	(4,889,307)	(4,522,884)
Interest charged	116,748	366,423	(116,748)	(366,423)
Loan repaid	(5,006,055)	-	5,006,055	-
End of the year	-	4,889,307	-	(4,889,307)

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

# Notes to the Financial Statements

	EDC		ECT	
	2024	2023	2024	2023
	\$	\$	\$	\$

## (c) Transactions with related parties

The following transactions occurred with related parties:

Payment for management services provided by EFM and EIS (a)

-	-	1,298,689	916,345
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Payment for directorship services

- Director fee paid to related party (b)

-	-	334,941	-
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Received for services provided to subsidiaries of the ultimate parent/related party

- Loan management services

-	24,691	-	-
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- Project management services

-	200,000	-	-
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Distribution/Dividend paid to ultimate parent/related party

2,040,781	773,035	2,040,781	773,035
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(a) EFM: Eildon Funds Management Limited; EIS: Eildon Investments Services Pty Limited.

(b) Amount disclosed relates to director fees recharged by Eildon Capital Limited.

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

### Current payables:

Trade payables to related party

-	-	27,630	-
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## (d) Performance fee

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

No performance fee is payable for 2024 and 2023 financial years.

## NOTE 21: COMMITMENTS AND CONTINGENT LIABILITIES

### (a) Loans and other investments

Amounts available to be drawn by borrowers under existing loan facility agreements:

Unrelated entities	-	96,000	-	96,000
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Amounts available to be called by investees for partially paid shares and units:

Unrelated entities (i)	11,064,457	1,889,055	-	-
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(i) On 06 February 2024, EDC entered into a Joint Venture Agreement in relation to the acquisition of a property located at 90 Handford Lane, Officer for \$62 million (excluding stamp duty, fees and costs) on deferred terms with settlement scheduled for February 2028. EDC will co-invest 15% of the capital for the transaction over the next 4 years alongside its Joint Venture partners. As at reporting date, Eildon has invested \$1,980,848 into the transaction with the balance \$9,925,402 to be paid over the next 4 years. Additionally, on 30 June 2024, Eildon entered into a binding Heads of Agreement for the sale of 2,906,000 shares in Burnley Maltings Pty Ltd for a consideration of \$1,766,944.61 subject to satisfactory due diligence.

# Notes to the Financial Statements

For the Year Ended 30 June 2024

## NOTE 21: COMMITMENTS AND CONTINGENT LIABILITIES (CONT.)

### (b) Financial Guarantees

#### Guarantees

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

	EDC	
	2024 \$	2023 \$
Guarantee (i)	869,400	869,400
Bank Guarantee (ii)	93,914	93,914

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

(ii) Bank guarantee provided by a subsidiary of EDC to landlord for office lease as well as for a corporate credit card facility.

## NOTE 22: DISCONTINUED OPERATIONS

### (a) Description

On 30 May 2024, EDC entered into a non-binding indicative proposal with Trilogy Group for the sale of its property income funds and the management rights associated with those income funds. Subsequently, on 30 July 2024, a binding agreement was signed with Completion expected to occur in early September. The transaction relates to the funds management segment of the business.

The sale agreement is for a consideration of \$3,630,000 comprising:

- \$2,930,000 for the co-investment holdings by the Group in the following income funds:
  - EAM Berwick Motor Trust,
  - EAM Elara Village Property Fund and
  - EFM Harpley Town Centre Property Trust; and
- \$700,000 for the management rights in respect of the following:
  - EAM Berwick Motor Trust,
  - EAM Elara Village Property Fund,
  - EFM Harpley Town Centre Property Trust and
  - EAM Caboolture Property Fund
  - 50% holding in Eildon Asset Management Pty Ltd and Eildon Asset Management Trust



# Notes to the Financial Statements

## (b) Financial Performance and Cash Flow Information

Results of discontinued operations for the financial year are presented below:

	EDC		ECT	
	2024	2023	2024	2023
	\$	\$	\$	\$
Revenue	1,405,935	1,610,029	71,270	88,456
Expenses	(926,842)	(1,058,344)	-	-
Profit before income tax	479,093	551,685	71,270	88,456
Income tax expense	119,773	137,921	-	-
Profit after income tax of discontinued operations	359,320	413,764	71,270	88,456
(Loss) on sale of discontinued operations before income tax	(1,181,444)	-	(381,444)	-
Income tax expense	-	-	-	-
(Loss) on sale of discontinued operations after income tax	(1,181,444)	-	(381,444)	-
(Loss)/profit from discontinued operations	(822,124)	413,764	(310,174)	88,456
<b>Cash flow from discontinued operation</b>				
Net cash inflow from operation activities	479,093	551,685	71,270	88,456
Net increase in cash and cash equivalents	479,093	551,685	71,270	88,456

The major classes of assets and liabilities of discontinued operations classified as held for sale as at 30 June 2024 are presented below:

	EDC	ECT
	\$	\$
Financial assets at fair value through profit or loss	2,930,000	2,930,000
Goodwill	700,000	-
Net assets of discontinued operations classified as held for sale	3,630,000	2,930,000

## NOTE 23: SUBSEQUENT EVENTS

A distribution of 4 cents per unit amounting to \$1,889,261 was declared on 24 June 2024 and paid on 24 July 2024.

On 30 May 2024, EDC entered into a non-binding indicative proposal with Trilogy Group for the sale of its property income funds and the management rights associated with those income funds for \$3,630,000. Subsequently, on 30 July 2024, a binding agreement was signed with Completion expected to occur in early September.

On 11 July 2024, Eildon Investment Services Pty Ltd (EIS) entered into a sub-contractor agreement with Benchmark Investment Management Pty Ltd (Benchmark) to manage and administer the existing loan book for Eildon Debt Fund. EIS will pay Benchmark a fee of \$25,000 per month capped at \$400,000 as consideration for providing its services.

Varun Sachdev was appointed as the Chief Executive Officer and Joint Company Secretary from 01 July 2024.

Other than the events set out above, there are no matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations, the results of those operations or the state of affairs of EDC in financial periods subsequent to 30 June 2024.

# Consolidated Entity Disclosure Statement

**For the Year Ended 30 June 2024**

Eildon Capital Limited is required by Australian Accounting Standards to prepare consolidated financial statements in relation to the Company and its controlled entities.

In accordance with subsection 295(3A) of the *Corporations Act 2001*, this consolidated entity disclosure statement provides information about each entity that was part of the consolidated entity at the end of the financial year.

Entity Name	Entity Type	Place formed or incorporated	Percentage of share capital held (if applicable)	Australian Tax resident or foreign tax resident	Foreign tax jurisdiction (if applicable)
Eildon Capital Limited	Body Corporate	Australia	N/A	Australia	N/A
Eildon Funds Management Limited	Body Corporate	Australia	100%	Australia	N/A
EFM Nominee Services Pty Limited	Body Corporate	Australia	100%	Australia	N/A
Eildon Asset Management Pty Limited	Body Corporate	Australia	50%	Australia	N/A
Eildon Investments Services Pty Limited	Body Corporate	Australia	100%	Australia	N/A
Eildon Equity Management Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
Eildon Health and Education Fund	Trust	Australia	100%	Australia	N/A
Eildon Asset Management Trust	Trust	Australia	50%	Australia	N/A
Eildon Capital Trust	Trust	Australia	N/A	Australia	N/A
Eildon Debt Fund	Trust	Australia	N/A	Australia	N/A

At the end of the financial year, Eildon Funds Management Limited was the trustee of Eildon Capital Trust and Eildon Debt Fund; EFM Nominee Services Pty Limited was the trustee of Eildon Health and Education Fund; Eildon Asset Management Pty Limited was the trustee of Eildon Asset Management Trust.

At the end of the financial year, no other entity within the consolidated entity was a trustee of a trust within the consolidated entity, a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity.

# Directors' Declaration

## For the Year Ended 30 June 2024

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

1. In the directors' opinion, the consolidated financial statements and notes thereto, are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;
  - (b) as stated in Note 1, the consolidated financial statements also comply with International Financial Reporting Standards; and
  - (c) giving a true and fair view of EDC's and ECT's financial position as at 30 June 2024 and of their performance for the year ended on that date.
2. In the directors' opinion, the consolidated entity disclosure statement for Eildon Capital Limited required by subsection 295(3A) of the *Corporations Act 2001* is true and correct.
3. In the directors' opinion there are reasonable grounds, at the date of this declaration, to believe that EDC and ECT will be able to pay its debts as and when they become due and payable.

In the directors' opinion there are reasonable grounds, at the date of this declaration, to believe that Eildon Capital Limited and Eildon Capital Trust and the other parties to the deed of cross guarantee (as disclosed in note 21 to the consolidated financial statements) will, as a group, be able to meet any liabilities to which they are, or may become, subject because of the deed of cross guarantee.

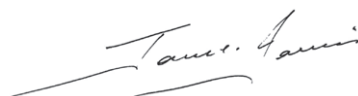
This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2024.

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

Dated at Melbourne 26 August 2024.



**Matt Reid**  
Director



**James Davies**  
Director

# Independent Auditor's Report

For the Year Ended 30 June 2024

To the Stapled Securityholders of Eildon Capital Limited and Eildon Capital Trust, together Eildon Capital Group

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of the stapled entity Eildon Capital Group "the Group", comprised of Eildon Capital Limited "the Company" and Eildon Capital Trust "the Trust" and the entities they controlled, which comprises the consolidated statements of financial position as at 30 June 2024, the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

- Giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- 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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) "the Code" that are relevant to our audit of the 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 of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
<b>Valuation of Financial Assets at Amortised Cost (Refer to Note 10 Financial Assets at Amortised Cost)</b>	
<p>We focused our audit effort on the valuation of the Group's Financial Assets at Amortised Cost as it is the largest asset of the Group, and the assessment of recoverability requires significant judgement.</p> <p>As at 30 June 2024, the Group had Financial Assets at Amortised Cost of \$38.3m, including an allowance for expected credit losses of \$0.4m.</p> <p>A significant portion of the balance relates to loans receivable provided to corporate entities associated with property development activities and asset backed finance lending.</p> <p>The Group applies the Expected Credit Loss ("ECL") model under AASB 9 Financial Instruments.</p> <p>The assessment to determine the ECL for impairment of Financial Assets at Amortised Cost involves significant estimates and judgements made by management. These include an assessment of the credit worthiness of the relevant counterparties, expected future collections, historical impairments, and consideration of the estimated value of any secured assets provided as collateral.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"><li>Obtaining an understanding of and evaluating the design and implementation of controls surrounding asset backed finance lending;</li><li>Obtaining and reviewing loan agreements and other supporting documentation to gain an understanding of the loans provided and any related secured assets provided as collateral, including their fair value;</li><li>Evaluating compliance of management's methodology for determining the provision for the allowance for expected credit losses with AASB 9;</li><li>Testing the model used to calculate the allowance for expected credit losses, including the testing of mathematical accuracy and the completeness and accuracy of critical data as well as reviewing and challenging the assumptions used by management;</li><li>Reviewing and challenging significant estimates and judgements made by management in determining the recoverability of financial assets; and</li><li>Assessing the adequacy of disclosures in the financial statements.</li></ul>

**Key Audit Matter****How our audit addressed the key audit matter****Impairment of Goodwill** (Refer to note 12 Intangible Assets and note 17 Assets classified as Held for Sale)**Note 12: Intangible Assets**

We focused our audit effort on the impairment of goodwill due to the estimation of the recoverable amount of goodwill involving significant estimates and judgements, including management's judgement of key assumptions such as future operating cash flows and the discount rate applied to these forecasted future cash flows. These estimates and judgements may be effected by unexpected changes in future market conditions or economic conditions, or the discount rate applied.

Goodwill and indefinite life intangible assets are required to be tested for impairment annually.

For the purpose of performing impairment assessments, intangible assets including goodwill, are allocated to cash generating units ("CGUs"). The recoverable amount of the underlying CGU is supported by value-in-use calculations which are based on discounted future cash flows.

Included in the statement of financial position of Eildon Capital Group is a \$2.0m intangible asset balance which relates to goodwill arising from the acquisition of Eildon Funds Management Limited in October 2020.

Following management's assessment, no impairment was required to be recognised in relation to this goodwill.

**Note 17: Assets classified as Held for Sale**

Included within the \$3.6m balance of assets of discontinued operations classified as held for sale is an element of goodwill in the amount of \$0.7m which forms part of this disposal group. Upon its transfer to assets held for sale, this element of goodwill was impaired by \$0.8m to ensure its carrying value is aligned with its fair value less costs to sell.

Our procedures included, amongst others:

- Obtaining an understanding of and evaluating the design and implementation of controls surrounding management's impairment assessment process;
- Working with valuation experts to:
  - Evaluate the appropriateness and mathematical accuracy of the model used by management to calculate the value-in-use of the CGU and;
  - Assess and challenge the reasonableness of the key assumptions used by management, such as future operating cash flows and the discount rate.
- Analysing the future projected cash flows used in the model to determine whether they are reasonable and supportable given the current economic climate and the expected future performance of the CGU;
- Obtaining and evaluating the supporting documentation for the fair value less costs to sell for the element of goodwill contained within assets held for sale; and
- Assessing the appropriateness of the related disclosures included in notes 12 and 17 to the consolidated financial report.



# Independent Auditor's Report

For the Year Ended 30 June 2024

## Other Information

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.

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

## Responsibilities of Directors' for the Financial Report

The directors of the Group are responsible for the preparation of:

- a. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and
- b. The consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001; and

for such internal control as the directors determine is necessary to enable the preparation of:

- i. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability 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.

- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

## REPORT ON THE REMUNERATION REPORT

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 17 of the Directors' Report for the year ended 30 June 2024. In our opinion, the Remuneration Report of Eildon Capital Group, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

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



**John Gavljak**  
Partner



**Pitch Partners**  
Sydney

26 August 2024

# Corporate Governance Statement

For the Year Ended 30 June 2024

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

This Corporate Governance Statement is current as at 30 June 2024.

## Principle 1 – Lay solid foundations for management and oversight.

**A listed entity should establish and disclose the respective roles and responsibilities of board and management and how their performance is monitored and evaluated.**

**Recommendation 1.1 – A listed entity should disclose the respective roles and responsibilities of its board and management, and those matters expressly reserved to the board and those delegated to management.**

The business of the Group is managed under the direction of the boards of the Company and the Manager (Board) which are responsible for its corporate governance. The Board comprises Mr James Davies, Mr Mark Avery, Mr Matthew Reid and Mr Frederick Woollard.

The Board meets on a regular basis and is required to discuss pertinent business developments, investment decisions and issues, and review the operations and performance of the Group. The Board will seek to ensure that the investment strategy is aligned with the expectations of Securityholders and the Group is effectively managed in a manner that is properly focused on its investment strategy as well as conforming to regulatory and ethical requirements.

Provision is made at each regular meeting of the Board for the consideration of critical compliance and risk management issues as they arise.

The primary objectives of the Board will be to:

- Set and review the strategic direction of the Group;
- Approve all material transactions;
- Approve and monitor financial policies and financial statements;
- Establish, promote and maintain proper processes and controls to maintain the integrity of financial accounting, financial records and reporting;
- Set the risk appetite;
- Develop and implement key corporate policies, procedures and controls as necessary to ensure appropriate standards of accountability, risk management and corporate governance and responsibility; and
- Ensure Securityholders receive high quality, relevant and accurate information in a timely manner.

The Board has delegated responsibility for day-to-day management of the Group to the Chief Executive Officer and the Manager.

**Recommendation 1.2 – A listed entity should:**

- (a) undertake appropriate checks before appointing a person, or putting forward to securityholders a candidate for election as a director; and
- (b) provide securityholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

Prior to appointing a director or putting forward a new candidate for election, screening checks are undertaken as to the person's experience, education, criminal history and bankruptcy history.

When presenting a director for re-election, the Group provides Securityholders with details of the directors' skills and experience, independence and current term served by the director in office and whether the Board supports the re-election.

**Recommendation 1.3 – A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.**

The Group's Non-Executive Directors have been engaged according to Letters of Appointment.

**Recommendation 1.4 – The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.**

The Joint Company Secretaries are accountable to the Board, through the Chairperson, for all governance matters.

Each Director has access to the Joint Company Secretaries.

The appointment and removal of each Joint Company Secretary must be determined by the Board as a whole.

**Recommendation 1.5 – A listed entity should:**

- (a) have and disclose a diversity policy;
- (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally;
- (c) disclose in relation to each reporting period:
  - (i) the measurable objectives set for that period to achieve gender diversity;
  - (ii) the entity's progress towards achieving those objectives; and
  - (iii) either:
    - (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the

entity has defined “senior executive” for these purposes); or

- (B) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.

The Group’s approach to business promotes a culture of equal opportunity and has the core principles of meritocracy based on ability, fairness and equality. The Group does not discriminate on gender, race, religion or cultural grounds.

The Board has adopted a diversity policy. However, given the size, nature and scale of the Group, it has not yet set out measurable objectives to achieve specific diversity targets. Instead, the Board aims to:

- promote the principles of merit and fairness when considering Board member appointments; and
- recruit from a diverse pool of qualified candidates, seeking a diversity of skills and qualifications.

The Board’s composition is reviewed on an annual basis. In the event a vacancy exists, the Board will include diversity in its selection process.

Currently, none of the Board of EDC is represented by women (following the resignation of Ms Phillips on 27 November 2023). Further, women represent 50% of employees of the company.

**Recommendation 1.6 – A listed entity should:**

- (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
- (b) disclose for each reporting period whether a performance evaluation has been undertaken period in accordance with that process during or in respect of that period.

The Board Charter requires the Board to undertake a performance evaluation of the Board collectively and each Director individually on an annual basis, as well as for each committee of the Board.

The Board reviews its performance in terms of the Group’s objectives, results and achievements. The Board ensures each Director has the necessary skills, experience and expertise, and the mix remains appropriate for the Board to function effectively.

As a result of these performance reviews, the Board may implement changes to improve the effectiveness of the Board and corporate governance structures.

Independent professional advice may be sought as part of this process.

The Board did not undertake a formal performance evaluation during the year given the strategic review which was undertaken by the Board following the close of the takeover bid for the Group in June 2023, the appointment of Mr

Woollard as a Non-Executive Director, and the resignation of Ms Phillips as a Non-Executive Director. The Board intends to undertake this review during FY25.

**Recommendation 1.7 – A listed entity should:**

- (a) have and disclose a process for periodically evaluating the performance of its senior executives; and
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in accordance with that process during or in respect of that period.

Performance reviews for senior executives will take place at least annually. Going forward, the Board intends to ensure the appropriate disclosures in the remuneration report are made in relation to each reporting period as to the performance evaluations that were undertaken and the process that was followed.

**Principle 2 – Structure the board to add value**

**The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.**

**Recommendation 2.1 – The board of a listed entity should:**

- (a) have a nomination committee which:
  - (i) has at least three members, a majority of whom are independent directors; and
  - (ii) is chaired by an independent director, and disclose:
    - (A) the charter of the committee;
    - (B) the members of the committee; and
    - (C) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

Given the size, scale and nature of the Group, there is not a separate nomination committee. The full Board considers the issues that would otherwise be a function of a separate nomination committee.

The Group’s policy is that the Board considers an appropriate mix of skills, experience, expertise and diversity (including gender diversity).



# Corporate Governance Statement

For the Year Ended 30 June 2024

When evaluating, selecting and appointing Directors, the Board considers:

- the candidate's competencies, qualifications and expertise, in addition to diversity of the Board and his/her fit with the current membership of the Board;
- the candidate's knowledge of the industry in which the Group operates;
- directorships previously held by the candidate and his/her current commitments to other boards and companies;
- existing and previous relationships with the Group and Directors;
- the candidate's independence status, including the term of office currently served by the director;
- criminal record and bankruptcy history (for new candidates);
- the need for a majority or equal balance on the Board; and
- requirements of the *Corporations Act 2001*, ASX Listing Rules, the Constitutions of the Company and the Trust and the Board Charter.

The Board seeks to ensure that:

- its membership represents an appropriate balance between Directors with investment management and real estate industry experience and Directors with an alternative strategic perspective; and
- the size of the Board is conducive to effective discussion and efficient decision-making.

Under the terms of the Company's Constitution:

- an election of Directors must be held at each Annual General Meeting and at least one Director must retire from office; and
- each Director must retire from office at the third Annual General Meeting following his/her last election.

Where eligible, a Director may stand for re-election.

**Recommendation 2.2 - A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.**

## Board of Directors' Matrix

	Skill, Experience and Expertise								Diversity			
	Finance			Legal	Strategy	Public Board Experience	Regulatory/Public Policy	Industry Knowledge				Gender
Directors	Financial Accounting & Audit	Audit Committee Experience	Risk Management					Property Transactions	Property Management	Legal Compliance	Statutory Compliance	
	100%	75%	100%	100%	100%	100%	50%	100%	50%	100%	100%	100%M   0%F

**Recommendation 2.3 - A listed entity should disclose:**

- the names of the directors considered by the board to be independent directors;**
- if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and**
- the length of service of each director.**

The Board currently comprises two Independent Directors: Mr James Davies and Mr Matthew Reid.

Mr Davies was appointed to the Board on 18 October 2016. Mr Reid was appointed to the Board on 26 April 2022.

Directors must disclose any material personal or family contract or relationship in accordance with the *Corporations Act 2001*. Directors also adhere to constraints on their participation and voting in relation to matters in which they may have an interest in accordance with the *Corporations Act 2001* and the Group's policies.

The Group undertakes annual searches of Directors' officeholder positions. Details of offices held by Directors with other organisations are set out in the Directors' Report. Full details of related party dealings are set out in notes to the Group's accounts as required by law.

If a Director's independence status changes, this will be disclosed and explained to the market in a timely manner.



**Recommendation 2.4 – A majority of the board of a listed entity should be independent directors.**

The composition of the Board is as follows:

- Mr James Davies – Independent Director;
- Mr Mark Avery – Non-Independent Director;
- Mr Matthew Reid – Independent Director; and
- Mr Frederick Woollard – Non-Independent Director.

The Board does not comprise a majority of independent directors, following the resignation of Ms Phillips on 27 November 2024. Given the size, scale and nature of the Group's operations, the Board does not consider it necessary to appoint another director. The Board believes that the current structure operates effectively and efficiently without the need for the appointment of additional independent directors at this time.

**Recommendation 2.5 – The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.**

The Chairperson of the Board is an Independent Director. Mr Davies acts as Chair of the Group.

**Recommendation 2.6 – A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.**

The annual performance assessment (not undertaken in FY24) provides an opportunity for all directors to identify required training although directors can request professional development opportunities at any time.

Periodically, the directors are offered professional development training provided by internal and external presenters along with employees.

**Principle 3 – Instil a culture of acting lawfully, ethically and responsibly**

**A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.**

**Recommendation 3.1 – A listed entity should articulate and disclose its values.**

The Group's values are:

- Stakeholders;
- Passion;
- Integrity;
- Responsibility;
- Inclusiveness; and
- Transparency.

These values are set out in the Group's Code of Conduct.

**Recommendation 3.2 – A listed entity should:**

- (a) have and disclose a code of conduct for its directors, senior executives and employees; and
- (b) ensure that the board or a committee of the board is informed of any material breaches of that code.

The Board has adopted a Code of Conduct which is disclosed on the Group's website. It requires officers, employees, contractors, representatives, consultants and associates, and other persons that act on behalf of the Group to act honestly, in good faith, and in the best interests of the Group as a whole, whilst in accordance with the letter (and spirit) of the law.

**Recommendation 3.3 – A listed entity should:**

- (a) have and disclose a whistleblower policy; and
- (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.

The Board has adopted a whistleblower policy which is disclosed on the Group's website.

**Recommendation 3.4 – A listed entity should:**

- (a) have and disclose an anti-bribery and corruption policy; and
- (b) ensure that the board or a committee of the board is informed of any material breaches of that policy.

The Board has adopted an anti-bribery and corruption policy which is disclosed on the Group's website.

**Principle 4 – Safeguard the integrity of corporate reports**

**A listed entity should have appropriate processes to verify the integrity of its corporate reports.**

**Recommendation 4.1 – The board of a listed entity should:**

- (a) have an audit committee which:
  - (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
  - (ii) is chaired by an independent director, who is not the chair of the board, and disclose:
    - (A) the charter of the committee;
    - (B) the relevant qualifications and experience of the members of the committee; and
    - (C) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently

# Corporate Governance Statement

For the Year Ended 30 June 2024

**verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.**

The Board has established an Audit and Risk Committee.

The Audit and Risk Committee has four members: Mr Matthew Reid (Chairperson), Mr James Davies, Mr Mark Avery and Mr Frederick Woollard.

The Audit and Risk Committee does not have a majority of Non-Executive Independent Directors, however the Chairperson is Independent. Given the size, scale and nature of the Group's operations the Committee believes that the current structure operates effectively and efficiently without the need for the appointment of additional independent directors at this time.

The Audit and Risk Committee operates under an approved charter.

The Audit and Risk Committee has authority (within the scope of its responsibilities) to seek any information it requires from Group employees or an external party. Members may also meet with auditors (internal and/or external) without management present and consult independent experts, where the Audit and Risk Committee considers it necessary to carry out its duties.

All matters determined by the Audit and Risk Committee are submitted to the full Board as recommendations for Board decisions. Minutes of an Audit and Risk Committee meeting are tabled at a subsequent Board meeting. Additional requirements for specific reporting by the Audit and Risk Committee to the Board are addressed in the Charter.

The purpose of the Audit and Risk Committee is to assist the Board in fulfilling its responsibilities relating to the financial reporting and accounting practices of the Group.

Its key responsibilities are to:

- review and recommend to the Board the financial statements (including key financial and accounting principles adopted by the Group);
- review and monitor risks and the implementation of mitigation measures for those risks as appropriate;
- assess and recommend to the Board the appointment of external auditors and monitor the conduct of audits;
- monitor the Group's compliance with its statutory obligations;
- review and monitor the adequacy of management information and internal control systems; and
- ensure that any shareholder queries relating to such matters are dealt with expeditiously.

Attendance is recorded at Audit and Risk Committee meetings and the experience of the members is provided in the Directors' Report.

**Recommendation 4.2 - The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.**

Before the Board approves the Group's financial statements, it receives declarations of the Chief Executive Officer and the Chief Financial Officer of the Company that, in their opinion, the financial records of the Group have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the company, and that their opinion has been formed on the basis of a sound risk management system and internal controls which are operating effectively.

**Recommendation 4.3 - A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.**

The Group will disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

**Principle 5 - Make timely and balanced disclosure**  
**A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.**

**Recommendation 5.1 - A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.**

The Board has adopted a Disclosure and Communications Policy which is disclosed on the Group's website.

The Board is committed to:

- the promotion of investor confidence by ensuring that trading in the Group's securities takes place in an efficient, competitive and informed market;
- complying with the Group's disclosure obligations under the ASX Listing Rules and the *Corporations Act 2001*; and
- ensuring the stakeholders have the opportunity to access externally available information issued by the Group.

The Joint Company Secretaries are responsible for coordinating the disclosure of information to Regulators and securityholders and ensuring that any notifications/reports to the ASX are promptly posted on the Group's website.

**Recommendation 5.2 – A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.**

The Group ensures that all Directors receive copies of all material market announcements promptly after they have been made.

**Recommendation 5.3 – A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.**

The Group will ensure that if it gives a new and substantive investor or analyst presentation it will release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

**Principle 6 – Respect the rights of securityholders**

**A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.**

**Recommendation 6.1 – A listed entity should provide information about itself and its governance to investors via its website.**

Information about the Group and its corporate governance items are posted on its website at [www.eildoncapital.com](http://www.eildoncapital.com).

**Recommendation 6.2 – A listed entity should have an investor relations program to facilitate effective two-way communication with investors.**

The Board has adopted a Disclosure and Communication Policy that describes the Board's policy for ensuring shareholders and potential investors of the Group receive or obtain access to information publicly released.

The Group's primary portals are its website, Annual Report, Annual General Meeting, Half-Yearly Report, and notices to the ASX.

The Board, with the assistance of the Joint Company Secretaries, oversees and coordinates the distribution of all information by the Group to the ASX, shareholders, the media and the public.

All securityholders have the opportunity to attend the Annual General Meeting and ask questions of the Board.

**Recommendation 6.3 – A listed entity should disclose how it facilitates and encourages participation at meetings of security holders. The Company holds an Annual General Meeting ("AGM") of securityholders in November each year. The date, time and venue of the AGM are notified to the ASX when the notice of the AGM is circulated to securityholders and lodged with the ASX each year.**

The Board will choose a date, venue and time considered convenient to the greatest number of its securityholders.

A notice of meeting will be accompanied by explanatory notes on the items of business and together they will seek to clearly and accurately explain the nature of the business of the meeting.

Securityholders are encouraged to attend the meeting, or if unable to attend, to vote on the motions proposed by appointing a proxy. The proxy form included with the Notice of Meeting will seek to explain clearly how the proxy form is to be completed and submitted.

**Recommendation 6.4 – A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.**

The Group will ensure that all substantive securityholder resolutions are decided by poll.

**Recommendation 6.5 – A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.**

The Group provides its securityholders with an electronic communication option.

**Principle 7 – Recognise and manage risk**

**A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.**

**Recommendation 7.1 – The board of a listed entity should:**

- (a) have a committee or committees to oversee risk, each of which:
  - (i) has at least three members, all of whom are independent directors; and
  - (ii) is chaired by an independent director, and disclose:
    - (A) the charter of the committee;
    - (B) the members of the committee;
    - (C) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

The Board, through the Audit and Risk Committee, is responsible for ensuring that:

- there are adequate policies for the oversight and management of material business risks;
- there are effective systems in place to identify, assess,

# Corporate Governance Statement

## Eildon Capital Group

monitor and manage the risks and to identify material changes to the risk profile; and

- arrangements are adequate for monitoring compliance with laws and regulations applicable to the Group.

The Audit and Risk Committee has 4 members, 2 of whom are independent. The Chair is independent. Given the size, scale and nature of the Group's operations the Committee believes that the current structure operates effectively and efficiently without the need for the appointment of additional independent directors at this time.

**Recommendation 7.2 – The board or a committee of the board should:**

- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and
- (b) disclose, in relation to each reporting period, whether such a review has taken place.

The Audit and Risk Committee reviews the Group's risk management framework periodically.

**Recommendation 7.3 – A listed entity should disclose:**

- (a) if it has an internal audit function, how the function is structured and what role it performs; or
- (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

Given the size, scale and nature of the Group, it does not have an internal audit function. The Group has an Audit and Risk Committee which considers material business risks.

**Recommendation 7.4 – A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.**

The Board has adopted a Risk Management Statement which outlines the process for identifying, monitoring and mitigating risks as well as generic sources of risk.

## Principle 8 – Remunerate fairly and responsibly

**A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives to align their interests with the creation of value for security holders.**

**Recommendation 8.1 – The board of a listed entity should:**

- (a) have a remuneration committee which:
  - (i) has at least three members, a majority of whom are independent directors; and

- (ii) is chaired by an independent director, and disclose:

- (A) the charter of the committee;
- (B) the members of the committee; and
- (C) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

- (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

Given the size, scale and nature of the Group, there is not a separate remuneration committee. The full Board considers the issues that would otherwise be a function of a separate remuneration committee.

Remuneration for the Independent Directors is set at market rates commensurate with the responsibilities borne by the Independent Directors. Independent professional advice may be sought.

The Board also regularly considers the level and composition of remuneration of the Group's employees.

**Recommendation 8.2 – A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.**

Remuneration for the Independent Directors is set at market rates commensurate with the responsibilities borne by the Independent Directors. Independent professional advice may be sought.

Further information is provided in the Remuneration Report set out in the Directors' Report.

**Recommendation 8.3 – A listed entity which has an equity-based remuneration scheme should:**

- (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
- (b) disclose that policy or a summary of it.

The Group adopted an employee incentive plan at its 2020 annual general meeting.

The Board has adopted a securities trading policy which restricts all directors, officers and employees of the Group from entering into hedging arrangements.

# Additional Information

## Eildon Capital Group

The following information was current as at 13 August 2024.

### Distribution schedule

The distribution of stapled securityholders and their security holdings was as follows:

Category (Size of Holding)	Number of Ordinary Stapled Securityholders
1 - 1,000	40
1,001 - 5,000	85
5,001 - 10,000	63
10,001 - 100,000	94
100,001 - over	33
<b>Total</b>	<b>315</b>

	Minimum Parcel Size	Number of Stapled Securityholders
<b>Unmarketable parcels</b>		
Minimum \$500.00 parcel at \$0.9800 per stapled security	511	30

### Substantial holders

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

Stapled Securityholder	Number of Ordinary Stapled Securities in which Interest Held
J P Morgan Nominees Australia Pty Limited	27,763,932
Chemical Overseas Limited	3,069,377
H&G High Conviction Limited	2,876,338



# Additional Information

## For the Year Ended 30 June 2024

### 20 largest stapled securityholders - ordinary stapled securities

As at 13 August 2024, the top 20 stapled security holders and their holdings were as follows:

Stapled Securityholder	Stapled Securities Held	% of Issued Capital Held
J P Morgan Nominees Australia Pty Limited	27,763,932	58.78
Chemical Overseas Limited	3,069,377	6.50
H&G High Conviction Limited	2,876,338	6.09
Kaluki Pty Ltd <The Pinczewski Super A/C>	2,350,320	4.98
Buduva Pty Ltd <Baskerville Super Fund A/C>	550,000	1.16
Maxlek Pty Ltd <Jims And Joels Super A/C>	550,000	1.16
H&G High Conviction Limited	500,000	1.06
Buduva Pty Ltd <Baskerville S/F No 2 A/C>	490,000	1.04
Geat Incorporated <Geat-Preservation Fund A/C>	400,000	0.85
Oxley Super Pty Ltd <Pinczewski Superfund A/C>	330,000	0.70
Hsbc Custody Nominees (Australia) Limited	326,379	0.69
Tyroc Pty Ltd <Beard Pension Fund A/C>	324,570	0.69
Delta Asset Management Pty Ltd <Super Fund A/C>	300,000	0.64
Jpr Holdings Pty Ltd <Jpr Holdings Pension A/C>	300,000	0.64
Tully Superannuation Pty Ltd <Tully Investments Sf A/C>	297,753	0.63
T & M Properties Pty Limited <T & M Properties Pension A/C>	288,144	0.61
Mr Michael Jefferies + Mrs Julie Jefferies <Jefferies Super Fund A/C>	240,000	0.51
H&G High Conviction Limited	212,765	0.45
Geer Provident Pty Ltd <Geer Provident Fund A/C>	195,000	0.41
Longbourne Pty Ltd	185,341	0.39
	<b>41,549,919</b>	<b>87.97</b>

### Voting Rights

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

### Registered Office

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



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**DESIGN - KETTLE OF FISH DESIGN**



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