



Australian Equities, Enhanced Yield

Appendix 4E Statement for the Full-Year Ending 30 June 2024

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These documents comprise the preliminary final report given to ASX under listing rule 4.3A

This announcement was authorised for release by the Board of Djerriwarrh Investments Limited
ABN 38 006 862 693



Results for Announcement to the Market

The reporting period is the year ended 30 June 2024, with the prior corresponding period being the year ended 30 June 2023.

This report is based on financial statements that are in the process of being audited.

Results for Announcement to the Market

- > The final dividend has been increased to 8.0 cents per share fully franked, up 0.25 cents or 3.2% from last year. Total dividends for the year ending 30 June 2024 are 15.25 cents per share, up from 15.0 cents per share last year.
- > Based on the final dividend declared and the interim dividend paid, the dividend yield including franking on the net asset backing is 6.5%. This represents an enhanced yield of 1.8 percentage points higher than that available from the S&P/ASX 200 Index when franking is included.
- > The final dividend will be paid on 26 August 2024 to ordinary shareholders on the register on 12 August 2024. Shares are expected to trade ex-dividend from 9 August 2024. There is no foreign conduit income of the dividend and no LIC gains are attached to the dividend.
- > Portfolio performance for the year, including the benefit of franking credits for those that can fully utilise them, was 13.6%, compared to the S&P/ASX 200 Accumulation Index on the same basis, which was 13.5%.
- > A Dividend Reinvestment Plan (DRP) and Dividend Substitution Share Plan (DSSP) are available. The price for both will be set at a nil discount to the Volume Weighted Average Price of the Company's shares traded on the ASX and Cboe automated trading systems over the five trading days after the shares trade ex-dividend. Notices of participation in the DRP and the DSSP need to be received by the share registry by 5 pm (AEST) on 13 August 2024. All shares issued under the DRP and DSSP will rank equally with existing shares.
- > Net Operating Result (which excludes the impact of open option positions, is considered a better measure of the Company's income from its investment activities and is the figure Directors have considered when setting the dividend) was \$40.3 million. The figure for the Net Operating Result for the prior corresponding period last year was \$39.0 million.
- > Net Operating Result per share was 15.4 cents per share, up from 15.2 cents per share last year.
- > Net Profit attributable to members was \$39.0 million, down 0.3% on the previous corresponding period, equivalent to 14.9 cents per share (2023:15.2 cents)
- > Revenue from operating activities was \$36.8 million, up 2.9% from \$35.7 million in the previous corresponding period.
- > The interim dividend for the 2024 financial year was 7.25 cents per share fully franked (the same as last year), and it was paid to shareholders on 22 February 2024.
- > Net tangible assets per share before any provision for deferred tax on the unrealised gains on the long-term investment portfolio as at 30 June 2024 were \$3.36 (before allowing for the final dividend), up from \$3.16 (also before allowing for the final dividend) at the end of the previous corresponding period.
- > The Company will be providing an update on these results via a webcast for shareholders on 25 July 2024 at 1pm (AEST). Details are on the website at djerri.com.au.
- > The 2024 AGM will be held at 1.30pm on Tuesday 8 October 2024. Further details on how to participate will be sent to shareholders.



Increase in Final Dividend – Enhanced Fully Franked Dividend Yield Remains Well Ahead of the ASX 200 Index

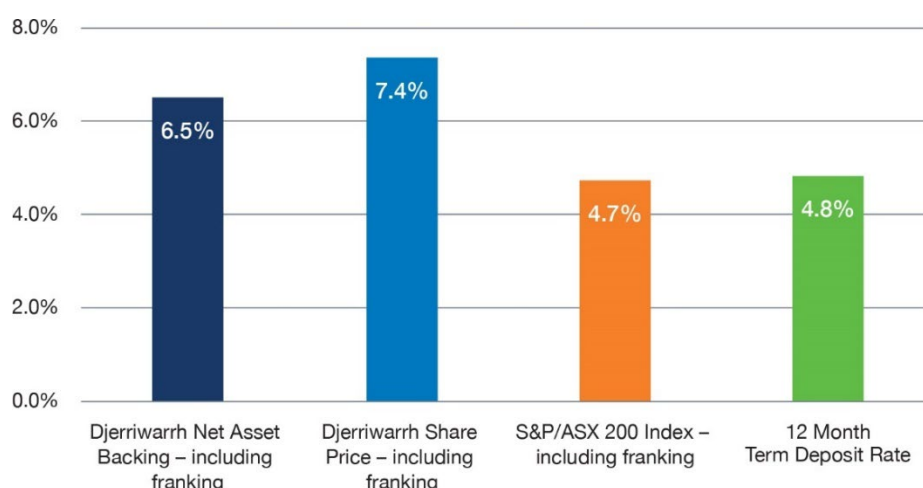
Full Year Report to 30 June 2024

Djerriwarrh seeks to provide shareholders with a total return comprising an enhanced level of fully franked income that is higher than is available from the S&P/ASX 200 together with long-term capital growth, delivered at a low cost. The enhanced yield is achieved through a bias to investing in companies with higher dividend income, produced over the short and long term, as well as using option strategies to generate additional income.

The final dividend has been increased to 8.0 cents per share fully franked, up from 7.75 cents per share fully franked for the corresponding period last year. We have been able to increase the final dividend primarily due to another strong result from our option writing activities.

Total dividends for the year are 15.25 cents per share. This has produced a fully franked dividend yield 1.8 percentage points higher on the net asset backing than that available from the S&P/ASX 200 Index when franking is included. Last financial year total dividends were 15.0 cents per share fully franked.

Yield at 30 June 2024 (based on the final dividend declared and interim dividend for the year)



The use of options will typically reshape the profile of returns producing more immediate income at the expense of potential capital growth. Notwithstanding this, despite the strong market over the financial year, Djerriwarrh produced capital growth ahead of the Index with total return including franking over the 12 months to 30 June 2024 at 13.6%. The S&P/ASX 200 Accumulation Index return including franking over the corresponding period was 13.5%.

The Full Year Profit was \$39.0 million, largely in line with the previous corresponding period.

Key components of this result were:

- > income from investments was \$36.8 million, up from \$35.7 million last year; and
- > income from option activity was \$16.6 million, well ahead of the corresponding period last year of \$14.8 million.

Net Operating Result (which excludes the impact of open option positions and is considered a better measure of the Company's income from its investment activities) was \$40.3 million. The figure for the corresponding period last year was \$39.0 million.



Profit and Final Dividend

The level of dividend declared each period is determined by taking into consideration the Net Operating Result (which is made up of the dividends received from the companies that Djerriwarrh invests in, as well as the income generated from option strategies) and a prudent distribution of realised capital gains when available. The Company believes the Net Operating Result, which excludes the valuation impact of open option positions, is a better measure of Djerriwarrh's income from its investment activities.

The Net Operating Result per share for the year to 30 June 2024 was 15.4 cents per share.

In the financial year to 30 June 2024 there was a continuation of the significant improvement in the amount of option income generated over recent years with option income at \$16.6 million versus \$14.8 million in the corresponding period last year.

Dividend income increased marginally to \$36.3 million up from \$35.6 million in the previous financial year.

The portfolio benefitted this year from large increases in dividend income received from Telstra Group, Woodside Energy Group, National Australia Bank, Transurban and Rio Tinto because of our increased holdings in these companies. We also benefitted from higher dividends paid by Computershare, as well as Auckland Airport which resumed paying a dividend.

These contributions helped offset the expected fall in dividend provided by BHP and JB Hi-Fi.

There were no realised capital gains distributed during the year.

A final dividend of 8.0 cents per share fully franked has been declared, up from 7.75 cents per share fully franked in the corresponding period last year, and ahead of the interim dividend of 7.25 cents per share declared in respect of the 2023/24 financial year.

Based on the final dividend declared and interim dividend paid, the dividend yield on the current net asset backing is 4.5%, and 6.5% grossed up for franking credits (assuming a shareholder can take

full advantage of the franking credits). Based on the net asset backing and including franking this represents an enhanced yield of 1.8 percentage points higher than that available from the S&P/ASX 200 Index.

Portfolio Performance

The use of options will typically reshape the profile of returns producing more immediate income at the expense of potential capital growth. In the context of the strong market over the financial year, Djerriwarrh produced good capital growth, in addition to the enhanced income from the portfolio.

Djerriwarrh's total portfolio return for the 12 months to 30 June 2024 was 13.6% after including the benefit of franking credits. The S&P/ASX 200 Accumulation Index return including franking was 13.5%.

The more significant contributors (including dividends and option income) to Djerriwarrh's portfolio performance over the 12-month period were National Australia Bank, Westpac Banking Group, Commonwealth Bank of Australia, Wesfarmers, Macquarie Group and JB Hi-Fi. In addition, the underweight position in the Resources sector particularly iron ore and lithium companies also had a positive impact on relative performance over the 12-month period.

Option Activity

In terms of our overall option strategy, our goal remains to write single stock options against companies held in the portfolio to generate additional income. This is a key contributor to Djerriwarrh's ability to meet its enhanced yield objective. We also limit our overall call option coverage of the portfolio in order to achieve long term capital growth.

Option income increased 12% to \$16.6 million for the financial year. This was a very pleasing result, especially given the portfolio's average call option coverage for the financial year was 34%, slightly below the mid-point of our target range of 30% to 40%. This meant that we generated a significant amount of option income while still benefiting from the majority of the capital growth produced by the market.

Call option positions were actively managed through the financial year. The portfolio's call option



coverage began the year at 32%, towards the bottom end of our normal range of 30% to 40%.

As the market strengthened, call option coverage was increased, taking it to 40% by mid-September 2023.

The subsequent fall in the overall market from the start of August to the end of October enabled us to lock in a significant amount of call option income. We chose not to re-write call options given the value we saw in the market at this point, with many share prices having returned to very attractive levels. As such, call option coverage at the end of October fell to 28%. Around this time, we also took the opportunity to write put options in several of our portfolio holdings including companies such as CSL and Telstra Group, given the value that was on offer.

The portfolio's positioning at the end of October with the lower-than-average call option coverage and the put option positions proved highly beneficial as the market ran strongly between the end of October until the beginning of April. During this time, we increased our option coverage, which peaked at 42% in mid-March.

In late March, a significant amount of our call options written against banks (Commonwealth Bank, Westpac, Macquarie Group) and consumer discretionary companies (JB Hi-Fi, Wesfarmers) were exercised. This resulted in our option coverage falling to 32%, which following April's call option exercises and expiries, fell further to 27%.

We finished the financial year with a portfolio call option coverage of 29%. Overall, call options contributed \$16.3 million of option income for the financial year.

Put options were also selectively written throughout the period when we saw good value. Overall, \$0.3 million of income was generated from put options, and we were not exercised on any of these positions.

Portfolio Adjustments

We continue to focus on constructing a portfolio that will deliver a suitable balance between short term income yield and long-term growth in capital and income.

In the financial year a portion of our holdings in several companies were sold as a result of call option exercises because of share price strength. Key

exercises were across major banks - National Australia Bank, Westpac and Commonwealth Bank of Australia and consumer discretionary companies JB Hi-Fi and Wesfarmers. The majority of these sales occurred in late March and April following the market's strong run. In most cases, we chose not to buy back these stocks given they were trading at elevated share prices.

We were also active sellers of our small remaining holdings in James Hardie Industries, Temple & Webster, IAG and AMP.

The capital realised from these sales was used to invest in what we consider to be high-quality companies trading at attractive prices.

The largest purchase for the 12-month period was Telstra Group. Market concerns about Telstra's pricing power in mobile plans drove a fall in the share price, which allowed us to substantially increase our holding at very attractive prices.

We also significantly increased our position in Woodside Energy on share price weakness. The company gives us exposure to a globally unique portfolio of high-quality liquefied natural gas (LNG) and oil assets, which underpins solid cash flows and fully franked dividends.

We chose to add to our holding in Woolworths as it faced intense regulatory scrutiny during the financial year with multiple inquiries reviewing the company's conduct and grocery pricing. Although this headwind is ongoing, we believe the large fall in Woolworths' share price underappreciated the defensive nature of the company's earnings, superior store network and leading online offering.

We added three new holdings during the period – Newmont Corporation, Mineral Resources and IDP Education.

Our position in Newmont resulted from its takeover of Newcrest Mining in October 2023. We purchased Newcrest prior to the deal being completed, which enabled us to benefit from the large special dividend that was paid to Newcrest shareholders as part of the takeover. Newmont is a diversified gold and copper mining company that owns high-quality assets in attractive jurisdictions. We think Newmont offers a good mix of income and growth along with some extra diversification for our portfolio given its gold exposure.



Mineral Resources is a diversified mining company. Its largest commodity exposure is lithium, but it also has operations in iron ore, energy and mining services. We rate the management team highly and back it to deliver strong earnings growth, which is underpinned by the company's iron ore and lithium production growth.

IDP Education is the leading global provider of English language testing and student placements to tertiary institutions. We are attracted to the company's long-term outlook for earnings growth given there is a significant opportunity to gain market share in large addressable markets. The company's share price has more than halved in the past 18 months as a result of regulatory changes aimed at curtailing the number of international students across IDP's key markets. Despite this we believe the sector still has potential for strong structural growth, with the share price providing an attractive entry point.

At 30 June 2024, the Investment portfolio comprised holdings in 47 ASX and NZX listed companies with a total market value of \$845 million. We finished the year with a net cash position of \$33 million.

Outlook

Despite concerns around inflation, interest rates and geopolitical events, the market was incredibly strong over the financial year hitting an all-time high level in early April. In this context the market continues to look moderately expensive, especially against long term averages for the market's price to earnings ratio and dividend yield.

As a result, we enter this financial year with a net cash position and high option coverage against companies that outperformed strongly during the year, in particular the major banks and consumer discretionary companies.

The overall positioning of the options book is encouraging. We finished the financial year with call option coverage of portfolio at 29%, which is below our target range of 30% to 40%. This was primarily due to low coverage in companies we recently increased our holdings, in particular, Telstra Group, Woolworths, Woodside and CSL.

The current positioning of the option book gives us flexibility to generate more option income over the next 12 months, while still maintaining exposure to

potential capital growth in these companies, which we believe continue to trade at attractive valuations.

Our capacity to match or slightly improve on last year's option income result will largely be a function of our ability to write more call option coverage in the latter part of this calendar year. In addition, option income will continue to be influenced by volatility levels across the broader share market, which can vary depending on investor sentiment.

In terms of the other key component of our earnings, dividend income, we believe the portfolio is well positioned in the coming financial year. Increased holdings in high dividend yielding stocks Telstra Group, Transurban Group, Woodside Energy and BHP should be a positive contributor to our dividend income.

Overall, we expect modest growth in dividends for the market. In the case of resources, after a significant, albeit expected fall in the dividends paid by BHP and Rio Tinto in the financial year 2024, expectations are for modest dividend growth for financial year 2025.

The financial health of Australian households will have a large influence on the profitability of retail businesses such as Woolworths, Coles, JB Hi-Fi and Wesfarmers. The outlook for consumer spending remains uncertain. Rising cost of living pressures as well as a risk of a rate hike or deferral of interest rate cuts might further soften consumer sentiment, which is already low.

We remain confident about the strength of these companies' balance sheets and the sustainability of dividend payout ratios, but we will monitor their outlook statements in the upcoming August profit reporting season.

Despite the short-term uncertainties about the direction of economies and financial markets, we continue to believe Djerriwarrh, with its diversified portfolio of high-quality companies is well positioned to meet its enhanced yield objective, as well as delivering capital growth over the long term.

Please direct any enquiries to:

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25 July 2024



Major Transactions in the Investment Portfolio

Acquisitions	Cost (\$m)
Telstra Group	46.2
Woodside Energy	26.2
Woolworths Group	22.0
BHP	21.0
CSL	15.0

Disposals*	Proceeds (\$m)
National Australia Bank	42.2
Commonwealth Bank of Australia	36.2
Westpac Banking Corporation	34.6
Wesfarmers	31.3
JB Hi-Fi	26.6

* Because of the exercise of call options.

New Companies Added to the Portfolio

IDP Education

Newmont Corporation (converted from Newcrest due to takeover)

Mineral Resources

Top 20 Investments at 30 June 2024

Includes investments held in both the investment and trading portfolios.

Value at Closing Prices at 28 June 2024

		Total Value \$ Million	% of the Portfolio
1	BHP*	78.0	9.3%
2	CSL*	68.5	8.1%
3	Telstra Group*	59.8	7.1%
4	Macquarie Group*	51.5	6.1%
5	Transurban Group*	50.9	6.1%
6	Woolworths Group*	48.4	5.8%
7	Woodside Energy Group	39.2	4.7%
8	EQT Holdings	32.1	3.8%
9	Commonwealth Bank of Australia*	30.2	3.6%
10	Westpac Banking Corporation*	27.9	3.3%
11	Coles Group*	24.5	2.9%
12	National Australia Bank*	22.8	2.7%
13	Region Group*	20.9	2.5%
14	ASX*	19.0	2.3%
15	Wesfarmers*	18.4	2.2%
16	Mirvac Group*	16.6	2.0%
17	Mainfreight	15.3	1.8%
18	Rio Tinto*	14.6	1.7%
19	Auckland International Airport*	14.2	1.7%
20	Mirrabooka Investments	13.4	1.6%
Total		666.1	

As percentage of total portfolio value (excludes cash)

79.2%

* Indicates that options were outstanding against part of the holding.



Portfolio Performance to 30 June 2024

Performance Measures to 30 June 2024	1 Year	3 Years % pa	5 Years % pa	10 Years % pa
Portfolio Return – Net Asset Backing Return Including Dividends Reinvested	11.4%	4.7%	4.9%	4.7%
S&P/ASX 200 Accumulation Index	12.1%	6.4%	7.3%	8.1%
Portfolio Return – Net Asset Backing Gross Return Including Dividends Reinvested*	13.6%	6.6%	6.8%	7.3%
S&P/ASX 200 Gross Accumulation Index*	13.5%	7.9%	8.7%	9.6%

* Incorporates the benefit of franking credits for those who can fully utilise them.

Past performance is not indicative of future performance.

Djerriwarrh Investments Limited

Annual Financial Statements

30 June 2024

Financial statements

Income Statement for the Year Ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Dividends and distributions	A3	36,294	35,613
Revenue from deposits and bank bills		476	118
Total revenue		36,770	35,731
Net gains on trading portfolio	A3	32	93
Income from options written portfolio	A3	16,579	14,829
Income from operating activities		53,381	50,653
Finance Costs	D2	(4,242)	(3,541)
Administration expenses	B1	(4,110)	(4,095)
Share of net profit from Associate	B1	343	642
Operating result before income tax expense		45,372	43,659
Income tax expense*	B2, E2	(5,090)	(4,633)
Net operating result for the year		40,282	39,026
Net gains/(losses) on open options positions		(1,892)	44
Deferred tax on open options positions*	B2, E2	568	(13)
		(1,324)	31
Profit for the year		38,958	39,057
		Cents	Cents
Basic earnings per share	A5	14.85	15.18
		2024 \$'000	2023 \$'000
* Total Tax Expense	B2, E2	(4,522)	(4,646)

This Income Statement should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income for the Year Ended 30 June 2024

	Year to 30 June 2024			Year to 30 June 2023		
	Revenue ¹	Capital ¹	Total	Revenue ¹	Capital ¹	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Profit for the year	40,282	(1,324)	38,958	39,026	31	39,057
Other Comprehensive Income						
<i>Items that will not be recycled through the Income Statement</i>						
Gains/(Losses) for the period	-	56,181	56,181	-	57,500	57,500
Tax on above	-	(17,532)	(17,532)	-	(17,587)	(17,587)
Total Other Comprehensive Income	-	38,649	38,649	-	39,913	39,913
Total Comprehensive Income	40,282	37,325	77,607	39,026	39,944	78,970

¹ 'Capital' includes realised or unrealised gains or losses (and the tax on those) on securities in the investment portfolio and unrealised gains or losses (and the tax thereon) on options in the options written portfolio. Income in the form of distributions and dividends and realised gains or losses on options is recorded as 'Revenue'. All other items, including expenses, are included in 'Net Operating Result', which is categorised under 'Revenue'.

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Balance Sheet as at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Current assets			
Cash	D1	43,132	789
Receivables		9,755	6,093
Trading portfolio		289	256
Total current assets		53,176	7,138
Non-current assets			
Investment portfolio	A2	844,729	913,798
Deferred tax assets – investment portfolio	B2	-	368
Deferred tax assets - other	E2	-	1,113
Shares in associate	F5	1,773	1,534
Total non-current assets		846,502	916,813
Total assets		899,678	923,951
Current liabilities			
Payables		72	768
Borrowings – bank debt	D2	10,000	93,500
Tax payable		2,378	414
Options Sold	A2	3,915	3,864
Total current liabilities		16,365	98,546
Non-current liabilities			
Deferred tax liabilities – investment portfolio	B2	14,923	-
Deferred tax liabilities – other	E2	234	-
Total non-current liabilities		15,157	-
Total liabilities		31,522	98,546
Net Assets		868,156	825,405
Shareholders' equity			
Share capital	A1, D6	760,610	756,573
Revaluation reserve	A1, D3	54,411	47,673
Realised capital gains reserve	A1, D4	(37,690)	(69,601)
Retained profits	A1, D5	90,825	90,760
Total shareholders' equity		868,156	825,405

This Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the Year Ended 30 June 2024

Year Ended 30 June 2024						
	Note	Share Capital \$'000	Revaluation Reserve \$'000	Realised Capital Gains \$'000	Retained Profits \$'000	Total \$'000
Total equity at the beginning of the year		756,573	47,673	(69,601)	90,760	825,405
Dividends paid	A4	-	-	-	(38,893)	(38,893)
Shares issued under Dividend Reinvestment Plan	D6	4,057	-	-	-	4,057
Share Issue Costs	D6	(20)	-	-	-	(20)
Total transactions with shareholders		4,037	-	-	(38,893)	(34,856)
Profit for the year		-	-	-	38,958	38,958
Other Comprehensive Income (net of tax)						
Net gains for the period on investments ¹		-	38,649	-	-	38,649
Other Comprehensive Income for the year		-	38,649	-	-	38,649
Transfer to Realised Capital Gains Reserve of cumulative gains on investments sold		-	(31,911)	31,911	-	-
Total equity at the end of the year		760,610	54,411	(37,690)²	90,825	868,156

¹ Consists of an unrealised gain on investments held at the year-end of \$6.7 million (after-tax) plus cumulative gains on investments sold during the year of \$31.9 million (after tax).

² See Note D4

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the Year Ended 30 June 2024 (continued)

Year Ended 30 June 2023

	Note	Share Capital \$'000	Revaluation Reserve \$'000	Realised Capital Gains \$'000	Retained Profits \$'000	Total \$'000
Total equity at the beginning of the year		689,325	9,167	(71,008)	86,880	714,364
Dividends paid	A4	-	-	-	(35,177)	(35,177)
Shares issued under Dividend Reinvestment Plan	D6	3,872	-	-	-	3,872
Shares issued under Share Purchase Plan	D6	63,508	-	-	-	63,508
Share Issue Costs	D6	(132)	-	-	-	(132)
Total transactions with shareholders		67,248	-	-	(35,177)	32,071
Profit for the year		-	-	-	39,057	39,057
Other Comprehensive Income (net of tax)						
Net gains for the period on investments ¹		-	39,913	-	-	39,913
Other Comprehensive Income for the year		-	39,913	-	-	39,913
Transfer to Realised Capital Gains Reserve of cumulative gains on investments sold		-	(1,407)	1,407	-	-
Total equity at the end of the year		756,573	47,673	(69,601)²	90,760	825,405

¹ Consists of an unrealised gain on investments held at the year-end of \$38.5 million (after-tax) plus cumulative gains on investments sold during the year of \$1.4 million (after tax).

² See Note D4

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Cash Flow Statement for the Year Ended 30 June 2024

		2024 \$'000	2023 \$'000
	Note	Inflows/ (Outflows)	Inflows/ (Outflows)
Cash flows from operating activities			
Sales from trading portfolio		-	3,230
Purchases for trading portfolio		-	(1,979)
Interest received		476	118
Proceeds from entering into options in options written portfolio		15,671	18,444
Payment to close out options in options written portfolio		(933)	(3,058)
Dividends and distributions received		36,861	33,272
		52,075	50,027
Administration expenses		(4,163)	(4,076)
Finance costs paid		(4,341)	(3,461)
Income taxes paid		(3,358)	(5,297)
Net cash inflow/(outflow) from operating activities	E1	40,213	37,193
Cash flows from investing activities			
Sales from investment portfolio		343,034	161,631
Purchases for investment portfolio		(222,548)	(236,060)
Net cash inflow/(outflow) from investing activities		120,486	(74,429)
Cash flows from financing activities			
Drawing down/(repayment) of bank debt		(83,500)	4,500
Shares issued under SPP		-	63,508
Share issue costs		(20)	(132)
Dividends paid		(34,836)	(31,305)
Net cash inflow/(outflow) from financing activities		(118,356)	36,571
Net increase/(decrease) in cash held		42,343	(665)
Cash at the beginning of the year		789	1,454
Cash at the end of the year	D1	43,132	789

For the purpose of the cash flow statement, 'cash' includes cash and deposits held at call.

This Cash Flow Statement should be read in conjunction with the accompanying notes.

Notes to the financial statements

A. Understanding Djerriwarrh's financial performance

A1. How Djerriwarrh manages its capital

Djerriwarrh's objective is to provide shareholders with attractive total returns including capital growth over the medium to long term and to pay an enhanced level of fully-franked dividends.

Djerriwarrh recognises that its capital will fluctuate with market conditions. In order to manage those fluctuations, the Board may adjust the amount of dividends paid, issue new shares, buy back the Company's shares or, where applicable, sell assets to settle any debt.

Djerriwarrh's capital consists of its shareholders' equity plus any net borrowings. A summary of the balances in equity is provided below:

	2024	2023
	\$'000	\$'000
Share capital	760,610	756,573
Revaluation reserve	54,411	47,673
Realised capital gains reserve	(37,690)	(69,601)
Retained profits	90,825	90,760
	868,156	825,405

Refer to notes D3-D6 for a reconciliation of movement for each equity account from period to period.

A2. Investments held and how they are measured

Djerriwarrh has three portfolios of securities: the investment portfolio, the options written portfolio and the trading portfolio. Details of all holdings (except for the specific option holdings) as at the end of the reporting period can be found at the end of the Annual Report.

The investment portfolio holds securities which the company intends to retain on a long-term basis. The options written portfolio and trading portfolio are held for short-term trading only. The latter is relatively small in size when utilised. The Company predominantly writes call options but a small number of put options are also written at times (see below). Call options are only written over securities held in the investment portfolio whilst put options are fully backed by cash, cash equivalents or access to liquidity facilities.

The balance and composition of the investment portfolio was:

	2024 \$'000	2023 \$'000
Equity instruments (at market value)	844,729	913,798
	844,729	913,798

The fair value (the price at which the option may be bought) at 30 June of the securities in the options written portfolio was:

Call options	(3,784)	(3,776)
Put options	(131)	(88)
	(3,915)	(3,864)

If all call options were exercised, this would lead to the sale of \$263.9 million worth of securities at an agreed price – the 'exposure' (2023: \$320.4 million). If all put options were exercised, this would lead to the purchase of \$11.9 million of securities at an agreed price (2023 : \$12.1 million).

\$95.8 million of shares are lodged with ASX Clear Pty Ltd as collateral for sold option positions written by the Company (2023: \$93.6 million). These shares are lodged with ASX Clear under the terms of ASX Clear Pty Ltd which require participants in the Exchange Traded Option market to lodge collateral, and are recorded as part of the Company's investment portfolio.

How investments are shown in the financial statements

The accounting standards set out the following hierarchy for fair value measurement:

Level 1: quoted prices in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices, which can be observed either directly (as prices) or indirectly (derived from prices)

Level 3: inputs for the asset or liabilities that are not based on observable market data

All financial instruments held by Djerriwarrh are classified as Level 1 (other than options which are Level 2). Their fair values are initially measured at the costs of acquisition and then remeasured based on quoted market prices at the end of the reporting period. Options are valued daily using an independent third-party data provider. OTC options are valued internally using external data reference points.

Net tangible asset backing per share

The Board regularly reviews the net asset backing per share both before and after provision for deferred tax on the unrealised gains or losses in Djerriwarrh's long-term investment portfolio. Deferred tax is calculated as set out in note B2. The relevant amounts as at 30 June 2024 and 30 June 2023 were as follows:

	30 June 2024	30 June 2023
Net tangible asset backing per share	\$	\$
Before tax	3.36	3.16
After tax	3.30	3.16

Equity investments

The shares in the investment portfolio are designated under the accounting standards as financial assets measured at fair value through 'other comprehensive income' ("OCI"), because they are equity instruments held for long-term capital growth and dividend income, rather than to solely make a profit from their sale. This means that changes in the value of these shares during the reporting period are included in OCI in the statement of comprehensive income. The cumulative change in value of the shares over time is then recorded in the Revaluation Reserve. On disposal, the amounts recorded in the revaluation reserve are transferred to the realised capital gains reserve.

Options

Options are classified as financial assets or liabilities at fair value through profit and loss and usually have an expiry date within twelve months from the date that they are sold. Options written are initially brought to account at the amount received upfront for entering into the contract (the premium) and subsequently revalued to current market value.

Securities sold and how they are measured

During the period \$347.8 million (2023 : \$161.7 million) of equity securities were sold from the investment portfolio. The cumulative gain (after tax) on the sale of securities was \$31.9 million for the period (2023: \$1.4 million), both after tax. This has been transferred from the revaluation reserve to the realised capital gains reserve (see Statement of Changes in Equity). These sales were accounted for at the date of trade.

Where securities are sold from the investment portfolio, any difference between the sale price and the cost is transferred from the Revaluation Reserve to the Realised Capital Gains Reserve and the amounts noted in the Statement of Changes in Equity. This means the Company is able to identify the realised gains out of which it can pay a 'Listed Investment Company' (LIC) gain as part of the dividend, which conveys certain taxation benefits to many of Djerriwarrh's shareholders.

The realised gain or loss on options written is not recognised until the option expires, is exercised or is closed out. All unrealised gains or losses which represent movements in the Market Value of the options are recognised through the Income Statement.

A3. Operating income

The total income received from Djerriwarrh's investments in 2024 is set out below.

	2024 \$'000	2023 \$'000
Dividends and distributions		
Dividends from securities held in investment portfolio at 30 June	27,594	31,336
Dividends from investment securities sold during the year	8,691	4,253
Dividends from securities held in trading portfolio at 30 June	9	6
Dividends from trading securities sold during the year	-	18
	36,294	35,613

Dividend Income

Dividends from listed securities are recognised as income when those securities are quoted in the market on an ex-distribution basis. Dividends from unlisted securities are recognised as income when they are received. Capital returns on ordinary shares are treated as an adjustment to the carrying value of the shares.

Trading income & non-equity investments

Net gains on the trading and options portfolio are set out below.

Net gains		
Net realised gains from securities in the trading portfolio	-	107
Net unrealised gains/(losses) from securities in the trading portfolio	32	(14)
Net Trading Portfolio	32	93
Realised gains on options written portfolio	16,579	14,829
	16,611	14,922

Including the realised gain on options written above, plus the unrealised gain or loss on open options, a total of \$14.7 million before tax was recorded through the Income Statement from options in the options written portfolio (2023 : \$14.9 million).

A4. Dividends paid and franking credits

The dividends paid and payable for the year ended 30 June 2024 are shown below:

	2024 \$'000	2023 \$'000
(a) Dividends paid during the year		
Final dividend for the year ended 30 June 2023 of 7.75 cents fully franked at 30% paid 25 August 2023 (2023: 7.0 cents fully franked at 30% paid on 26 August 2022).	20,064	16,456
Interim dividend for the year ended 30 June 2024 of 7.25 cents per share fully franked at 30%, paid 22 February 2024 (2023: 7.25 cents fully franked at 30% paid 22 February 2023)	18,829	18,721
	38,893	35,177
(b) Franking credits		
Balance on the franking account after allowing for tax payable in respect of the current year's profits and the receipt of dividends recognised as receivables	32,031	32,562
Impact on the franking account of dividends declared but not recognised as a liability at the end of the financial year:	(9,017)	(8,684)
Net available	23,014	23,878

These franking account balances would allow Djerriwarrh to frank additional dividend payments up to an amount of:	53,699	55,715
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Djerriwarrh's ability to continue to pay franked dividends is dependent upon the receipt of franked dividends from the trading and investment portfolios and on Djerriwarrh paying tax on its other operating activities and on any capital gain.

(c) Dividends declared after balance date

Since the end of the year Directors have declared a final dividend of 8.0 cents per share fully franked at 30%. The aggregate amount of the final dividend for the year to 30 June 2024 to be paid on 26 August 2024, but not recognised as a liability at the end of the financial year is \$21.0 million.

	2024 \$'000	2023 \$'000
(d) Listed Investment Company capital gain account		
Balance of the Listed Investment Company (LIC) capital gain account	4,093	2,266
This equates to an attributable amount	5,847	3,237

Distributed LIC capital gains may entitle certain shareholders to a deduction in their tax return, as set out in the dividend statement. LIC capital gains available for distribution are dependent on the disposal of investment portfolio holdings that qualify for LIC capital gains or the receipt of LIC distributions from LIC securities held in the portfolios.

A5. Earnings per share

The table below shows the earnings per share based on the profit for the year:

Basic Earnings per share	2024 Number	2023 Number
Weighted average number of ordinary shares used as the denominator	262,401,260	257,353,859
	\$'000	\$'000
Profit for the year	38,958	39,057
	Cents	Cents
Basic earnings per share	14.85	15.18
Basic net operating result per share	\$'000	\$'000
Net operating result	40,282	39,026
	Cents	Cents
Basic net operating result per share	15.35	15.16

Dilution

As there are no options, convertible notes or other dilutive instruments on issue, diluted earnings per share is the same as basic earnings per share. This also applies to diluted net operating result per share.

B. Costs, Tax and Risk

B1. Management Costs

The total management expenses for the period are as follows:

	2024 \$'000	2023 \$'000
Administration fees paid to AICS	(2,566)	(2,442)
Share of net profit from AICS as an Associate	343	642
Other administration expenses	(1,544)	(1,653)

Administration fees paid to AICS

Australian Investment Company Services Limited ("AICS") undertakes the day-to-day administration of Djerriwarrh's investments and its operations, including financial reporting. Djerriwarrh has a 25% shareholding in AICS and has 1 Director on the AICS Board who is also involved (as part of the Company's Board) in approving the annual expenses budget of the Company (Djerriwarrh), amongst other duties which include oversight of risk management and compliance.

A large proportion of the Administration fee paid consists of remuneration payments to the AICS staff. See the Remuneration Report for more details.

Other administration expenses

A major component of other administration expenses is Directors' remuneration. This has been summarised below:

	Short Term Benefits \$	Post- Employment Benefits \$	Total \$
2024			
Directors	660,340	46,938	707,278
2023			
Directors	664,759	44,409	709,168

Detailed remuneration disclosures are provided in the Remuneration Report.

The Company does not make loans to Directors.

B2. Tax

Djerriwarrh's tax position, and how it accounts for tax, is explained here. Detailed reconciliations of tax accounting to the financial statements can be found in note E2.

The income tax expense for the period is the tax payable on this financial year's taxable income, adjusted for any changes in deferred tax assets and liabilities attributable to temporary differences and for any unused tax losses. Deferred tax assets and liabilities (except for those related to the unrealised gains or losses in the investment portfolio) are offset, as all current and deferred taxes relate to the Australian Taxation Office and can legally be settled on a net basis.

A provision has been made for taxes on any unrealised gains or losses on securities valued at fair value through the Income Statement – i.e. the trading portfolio, puttable instruments, convertible notes that are classified as debt and the options written portfolio.

A provision has also been made for any taxes that could arise on sale of securities in the investment portfolio, even though there is no intention to dispose of them. Where Djerriwarrh disposes of such securities, tax is

calculated according to the particular parcels allocated to the sale for tax purposes, offset against any capital losses carried forward.

Tax expense

The income tax expense for the period is shown below:

(a) Reconciliation of income tax expense to prima facie tax payable

	2024 \$'000	2023 \$'000
Operating result before income tax expense	45,372	43,659
Tax at the rate of 30% (2023 – 30%)	13,612	13,098
Tax offset for franked dividends received	(8,034)	(7,685)
Tax effect of sundry items not taxable in calculating taxable income or taxable in current year but not included in income	184	(309)
	5,762	5,104
Over provision in prior years	(672)	(471)
Income tax expense on operating result before net gains on investments	5,090	4,633
Net gains (losses) on open options positions	(1,892)	44
Tax at the rate of 30% (2023 – 30%)	(568)	13
Tax expense (credit) on net gains on open options positions	(568)	13
Total tax expense	4,522	4,646

Deferred tax – investment portfolio

	2024 \$'000	2023 \$'000
Deferred tax (assets)/liabilities on unrealised gains or losses in the investment portfolio	14,923	(368)
Opening balance at 1 July	(368)	(15,415)
Tax on realised gains or losses	(2,241)	(2,540)
Charged to OCI for ordinary securities on gains or losses for the period	17,532	17,587
	14,923	(368)

B3. Risk

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

As a Listed Investment Company that invests in tradeable securities, Djerriwarrh will always be subject to market risk as it invests its capital in securities which are not risk free – the market price of these securities will fluctuate.

A general fall in market prices of 5% and 10% on values at 30 June, if spread equally over all assets in the investment portfolio, would have led to the following reductions (after tax) :

	2024		2023	
	\$'000		\$'000	
	5%	10%	5%	10%
Profit after Tax	-	-	-	-
Other Comprehensive Income	(29,565)	(59,131)	(31,983)	(63,966)

An general fall in market prices of 5% and 10% would have impacted the Options Written Portfolio and Trading Portfolio and led to the following increases (after tax) 30 June :

	2024		2023	
	\$'000		\$'000	
	5%	10%	5%	10%
Profit after Tax	127	254	126	253
Other Comprehensive Income	-	-	-	-

Djerriwarrh seeks to reduce market risk at the investment portfolio level by ensuring that it is not, in the opinion of the Investment Committee, overly exposed to one company or one particular sector of the market. The relative weightings of the individual securities and the relevant market sectors are reviewed by the Investment Committee (normally fortnightly) and risk can be managed by reducing exposure where necessary. Djerriwarrh does not have a minimum or maximum amount of the portfolio that can be invested in a single company or sector.

Djerriwarrh's investment exposures by sector is as below:

	2024	2023
Energy	5.62%	3.19%
Materials	11.88%	10.80%
Industrials	11.57%	11.59%
Consumer Discretionary	6.02%	10.43%
Consumer Staples	8.24%	6.19%
Banks	9.91%	18.81%
Other Financials (incl. real estate)	21.65%	22.95%
Telecommunications	8.74%	6.61%
Healthcare	10.48%	9.01%
Other – incl. Info Technology & Utilities	1.01%	0.33%
Cash	4.88%	0.09%

Securities representing over 5% of the combined investment and trading portfolio (including options) at 30 June were :

2024

BHP	9.3%
CSL	8.1%
Telstra	7.1%
Macquarie Group	6.1%
Transurban	6.1%
Woolworths	5.8%

2023

BHP	7.4%
CBA	6.4%
Westpac	5.7%
CSL	5.7%
National Australia Bank	5.5%
Macquarie Group	5.3%
Transurban	5.2%

No other security represents over 5% of the Company's investment and trading portfolios.

The writing of call options provides some protection against a fall in market prices as it generates income to partially compensate for a fall in capital values. Options are only written against securities that are held in the trading or investment portfolios although stock may be purchased on-market to meet call obligations.

Djerriwarrh is also not directly exposed to material currency risk as most of its investments are quoted in Australian dollars.

Interest Rate Risk

Djerriwarrh is not currently materially exposed to interest rate risk as all its cash investments and borrowings are short term (1 to 3 months) for a fixed interest rate.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Djerriwarrh is exposed to credit risk from cash, receivables and securities in the investment portfolio respectively. None of these assets are overdue. The risk in relation to each of these items is set out below.

Cash

All cash investments not held in a transactional account are invested in at-call deposits with the Commonwealth Bank of Australia.

In the unlikely event of a bank default or default on the underlying securities in the cash trust, there is a risk of losing the cash deposits and any accrued unpaid interest.

Receivables

Outstanding settlements are on the terms operating in the securities industry, which usually require settlement within two days of the date of a transaction. Receivables are non-interest bearing and unsecured. In the event of a payment default, there is a risk of losing any difference between the price of the securities sold and the price of the recovered securities from the discontinued sale. Receivables also include dividends from securities that have passed the record date for the distribution but have not paid as at balance date.

Trading and investment portfolios

Interest-bearing securities that are not equity securities carry credit risk to the extent of their carrying value. This risk would be realised in the event of a shortfall on winding-up of the issuing companies. As at 30 June 2024, no such investments are held (2023 : Nil).

Liquidity risk

Liquidity risk is the risk that an entity will not be able to meet its financial liabilities.

Djerriwarrh monitors its cash-flow requirements daily. The Investment Committee also monitors the level of contingent payments on a regular basis by reference to known sales and purchases of securities, dividends and distributions to be paid or received, put options that may require Djerriwarrh to purchase securities, and facilities that need to be repaid. Djerriwarrh ensures that it has either cash or access to short-term borrowing facilities sufficient to meet these contingent payments.

Djerriwarrh's inward cash flows depend upon the dividends received. Should these drop by a material amount, Djerriwarrh would amend its outward cash-flows accordingly or draw down on more debt. Djerriwarrh's major cash outflows are the purchase of securities and dividends paid to shareholders, and both of these can be adjusted by the Board and management. Furthermore, the assets of Djerriwarrh are largely in the form of readily tradeable securities which can be sold on-market if necessary.

The table below analyses Djerriwarrh's financial liabilities into relevant maturity groupings. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 6 months	6-12 months	Greater than 1 year	Total contractual cash flows	Carrying amount
30 June 2024	\$'000	\$'000	\$'000	\$'000	\$'000
Non-derivatives					
Payables	72	-	-	72	72
Borrowings	10,000	-	-	10,000	10,000
	10,072	-	-	10,072	10,072
Derivatives					
Options written*	11,917	-	-	11,917	3,915
	11,917	-	-	11,917	3,915
30 June 2023					
Non-derivatives					
Payables	768	-	-	768	768
Borrowings	93,500	-	-	93,500	93,500
	94,268	-	-	94,268	94,268
Derivatives					
Options written*	12,074	-	-	12,074	3,864
	12,074	-	-	12,074	3,864

* In the case of call options, there are no contractual cash flows as if the option is exercised the contract will be settled in the securities over which the option is written. The contractual cash flows for put options written are the cash sums the Company will pay to acquire securities over which the options have been written, and it is assumed for the purpose of the above disclosure that all options will be exercised (i.e. maximum cash outflow)

C. Unrecognised items

Directors are not aware of any material contingent liabilities or contingent assets other than those already disclosed elsewhere in the financial report.

Further notes to the financial statements are included here. These are grouped into grouped into three sections:

- D Balance sheet reconciliations
- E Income statement reconciliations
- F Further information

D. Balance sheet reconciliations

This section provides information about the basis of calculation of line items in the financial statements.

D1. Current assets – cash

	2024	2023
	\$'000	\$'000
Cash at bank and in hand (including on-call)	43,132	789

Cash holdings yielded an average floating interest rate of 4.30% (2023: 2.97%). All cash investments are held in a transactional account or a deposit account with the Commonwealth Bank of Australia.

D2. Credit Facilities

The Company was party to agreements under which Commonwealth Bank of Australia and National Australia Bank would extend cash advance facilities. Details of the facilities are given below.

	2024	2023
	\$'000	\$'000
Commonwealth Bank of Australia – cash advance facility	130,000	130,000
Amount drawn down at 30 June	-	83,500
Undrawn facilities at 30 June	130,000	46,500
National Australia Bank- cash advance facility	20,000	20,000
Amount drawn down at 30 June	10,000	10,000
Undrawn facilities at 30 June	10,000	10,000
Total short-term loan facilities	150,000	150,000
Total drawn down at 30 June	10,000	93,500
Total undrawn facilities at 30 June	140,000	56,500

The above borrowings, with the exception of the NAB facility, are unsecured. Repayment of facilities is done either through the use of cash received from distributions or the sale of securities, or by rolling existing facilities into new ones. Facilities are usually drawn down for no more than three months and hence are classified as current liabilities when drawn.

The current debt facilities are as follows :

Facility Provider	Amount	Expiry Date
Commonwealth Bank	\$30 million	31 December 2024
Commonwealth Bank	\$30 million	29 June 2025
Commonwealth Bank	\$40 million	29 October 2025
Commonwealth Bank	\$30 million	31 December 2025
National Australia Bank	\$20 million	25 July 2024
Total Facilities	\$150 million	

The debt facility with National Australia Bank is structured in the form of a securities lending arrangement. The terms of the agreement require that securities be pledged as collateral for the drawn secured borrowings under that facility and that such securities satisfy a minimum value of \$11 million (110% of the total drawn facility). These securities are held by the National Australia Bank but included as part of the Company's investment portfolio. As at 30 June 2024 the market value of the securities pledged as collateral was \$17.1 million (2023 : \$15.9 million).

D3. Revaluation reserve

	2024 \$'000	2023 \$'000
Opening balance at 1 July	47,673	9,167
Gains/(losses) on investment portfolio	56,181	57,500
Deferred tax on above	(17,532)	(17,587)
Cumulative taxable realised (gains)/losses (net of tax)	(31,911)	(1,407)
	54,411	47,673

This reserve is used to record increments and decrements on the revaluation of the investment portfolio as described in accounting policy note A2.

D4. Realised capital gains reserve

		2024 \$'000			2023 \$'000	
	Taxable realised gains (net of tax)	Difference between tax and accounting costs	Total	Taxable realised gains (net of tax)	Difference between tax and accounting costs	Total
Opening balance at 1 July	(4,715)	(64,886)	(69,601)	(10,321)	(60,687)	(71,008)
Dividends paid	-	-	-	-	-	-
Cumulative taxable realised (losses)/gains for period	7,471	26,681	34,152	8,146	(4,199)	3,947
Tax on realised gains/(losses)	(2,241)	-	(2,241)	(2,540)	-	(2,540)
	515	(38,205)	(37,690)	(4,715)	(64,886)	(69,601)

This reserve records gains or losses after applicable taxation arising from disposal of securities in the investment portfolio as described in Note A2. The difference between tax and accounting costs is a result of realised gains or losses being accounted for on an average cost basis, whilst taxable gains or losses are made based on the specific cost of the actual stock sold – i.e. on a parcel selection basis. These differences also include non-taxable realised gains or losses, e.g. losses under off-market buy-backs.

Note that LIC gains paid to shareholders also include the LIC gains received from other LICs that Djerriwarrh invests in.

Since inception, the Company has paid out approximately \$170 million of fully-franked dividends from the realised capital gains reserve. No dividends have been paid from the realised capital gains reserve during the current year or the previous year.

D5. Retained profits

	2024 \$'000	2023 \$'000
Opening balance at 1 July	90,760	86,880
Dividends paid	(38,893)	(35,177)
Profit for the year	38,958	39,057
	90,825	90,760

This reserve reflects cumulative profits less cumulative dividends paid.

D6. Share capital

Date	Details	Notes	Number of shares '000	Issue Price \$	Paid-up Capital \$'000
1/7/2022	Balance		237,160		689,325
25/8/2022	Share Purchase Plan	(iii)	22,842	2.78	63,508
26/8/2022	Dividend Reinvestment Plan	(i)	645	2.85	1,838
26/8/2022	Dividend Substitution Share Plan	(ii)	51	2.85	n/a
22/2/2023	Dividend Reinvestment Plan	(i)	704	2.89	2,034
22/2/2023	Dividend Substitution Share Plan	(ii)	62	2.89	n/a
	Costs of issue		-	-	(132)
30/6/2023	Balance		261,464		756,573
25/8/2023	Dividend Reinvestment Plan	(i)	736	2.87	2,112
25/8/2023	Dividend Substitution Share Plan	(ii)	70	2.87	n/a
22/2/2024	Dividend Reinvestment Plan	(i)	659	2.95	1,945
22/2/2024	Dividend Substitution Share Plan	(ii)	63	2.95	n/a
	Costs of issue		-	-	(20)
30/6/2024	Balance		262,992		760,610

- (i) Shareholders elect to have all or part of their dividend payment reinvested in new ordinary shares under the Dividend Reinvestment Plan (DRP). The price of the new DRP shares is based on the average selling price of shares traded on the Australian Securities Exchange & Cboe in the five days after the shares begin trading on an ex-dividend basis.
- (ii) The Company has a Dividend Substitution Share Plan (DSSP) whereby shareholders may elect to forgo a dividend and receive shares instead. Pricing for the DSSP shares is done as per the DRP shares.
- (iii) The Company had a Share Purchase Plan ("SPP") during the previous year. Shareholders could apply for up to \$30,000 worth of new securities. Shares were issued at a 2.5% discount to the 5-day VWAP calculated prior to the day on which the SPP was announced, being the 19 July 2022. Shares issued under the SPP were not entitled to the final dividend paid on 26 August 2022.

All shares have been fully paid, rank pari passu (except as related to dividends as noted above) and have no par value.

The Company has an on-market buyback plan in place. No shares were purchased under this plan during the year.

E. Income statement reconciliations

E1. Reconciliation of net cash flows from operating activities to profit

	2024 \$'000	2023 \$'000
Profit for the year	38,958	39,057
Net profit from Associate	(239)	(448)
(Increase) decrease in trading portfolio	(33)	718
Increase (decrease) in options sold portfolio	51	512
Dividends received as securities under DRP investments	-	-
Decrease (increase) in current receivables	(3,662)	(2,416)
- Less increase (decrease) in receivables for investment portfolio	4,764	19
Increase (decrease) in deferred tax	16,638	17,680
- Less (increase) decrease in deferred tax on investment portfolio	(15,291)	(15,047)
- Add increase (decrease) in CGT losses carried forward	(1,911)	(2,540)
Increase (decrease) in current payables	(696)	(1,412)
- Less decrease (increase) in payables for investment portfolio	-	2,000
Increase (decrease) in provision for tax payable	1,964	(930)
- Less CGT provision	(330)	-
Net cash flows from operating activities	40,213	37,193

E2. Tax reconciliations

Tax expense composition

Charge for tax payable relating to the current year	4,630	5,024
Over provision in prior years	(672)	(471)
Decrease (increase) in deferred tax assets (excl. capital losses)	564	93
	4,522	4,646

Amounts recognised directly through Other Comprehensive Income

Capital gains absorbed by brought-forward losses	(1,911)	(2,540)
Tax on capital gains	(330)	-
Net increase in deferred tax assets/liabilities relating to capital gains tax on the movement in gains or losses in the investment portfolio	(15,291)	(15,047)
	(17,532)	(17,587)

Deferred tax assets and liabilities - other

The deferred tax balances are attributable to:

	2024 \$'000	2023 \$'000
(a) Tax on unrealised (gains)/losses in the options written portfolio	32	(536)
(b) Tax on unrealised (gains)/losses in the trading portfolio	(42)	(31)
(c) Provisions and expenses charged to the accounting profit which are not yet tax deductible	2	21
(d) Interest and dividend income receivable which is not assessable for tax until receipt	(226)	(252)
(e) Capital Losses	-	1,911
	(234)	1,113

Movements:

Opening balance at 1 July	1,113	3,746
Credited/charged to Income statement	564	(93)
Credited/charged to other comprehensive income	(1,911)	(2,540)
	(234)	1,113

Deferred tax assets arise when provisions and expenses have been charged but are not yet tax deductible or where the Company has carried forward capital losses. These assets are realised when the relevant items become tax deductible, as long as enough taxable income has been generated to claim the assets against, and as long as there are no changes to the tax legislation that affect Djerriwarrh's ability to claim the deduction.

E3. Reconciliation of profit before tax

The Board considers Djerriwarrh's operating result after tax to be a key measure of Djerriwarrh's performance. This amount excludes the impact of unrealised gains/losses on options and any gains or losses on Djerriwarrh's investment portfolio. It reconciles to Djerriwarrh's profit before tax as follows:

	2024 \$'000	2023 \$'000
Operating result after income tax expense	40,282	39,026
Add back income tax expense	5,090	4,633
Net gains (losses) on open options positions	(1,892)	44
Profit for the year before tax	43,480	43,703

F. Further information

This section covers information that is not directly related to specific line items in the financial statements, including information about related party transactions and other statutory information.

F1. Related parties

All transactions with related parties were made on normal commercial terms and conditions and approved by independent Directors. The only such transactions were in connection with the services provided by AICS (see B1 and F5).

F2. Remuneration of auditors

During the year the auditor earned the following remuneration including GST:

	2024 \$	2023 \$
PricewaterhouseCoopers		
Audit or review of financial reports	107,473	105,870
<u>Permitted Non-Audit Services</u>		
CGT compliance review	67,760	63,702
Taxation compliance services	21,036	20,116
Total remuneration	196,269	189,688

F3. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Board, through its sub-committees, has been identified as the chief operating decision-maker, as it is responsible for allocating resources and assessing performance of the operating segments.

Description of segments

The Board makes the strategic resource allocations for Djerriwarrh. Djerriwarrh has therefore determined the operating segments based on the structure of the reports reviewed by the Board, which are used to make strategic decisions.

The Board is responsible for Djerriwarrh's entire portfolio of investments and considers the business to have a single operating segment. The Board's asset allocation decisions are based on a single, integrated investment strategy, and Djerriwarrh's performance is evaluated on an overall basis.

Segment information provided to the Board

The internal reporting provided to the Board for Djerriwarrh's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of Australian Accounting Standards, except that net assets are reviewed both before and after the effects of unrealised capital gains tax on investments (as reported in Djerriwarrh's Net Tangible Asset announcements to the ASX).

Other segment information

Revenues from external parties are derived from the receipt of dividend, distribution and interest income, and income arising on the trading portfolio and realised income from the options portfolio.

Djerriwarrh is domiciled in Australia and most of Djerriwarrh's income is derived from Australian entities or entities that maintain a listing in Australia. Djerriwarrh has a diversified portfolio of investments, with only one investment comprising more than 10% of Djerriwarrh's income from operating activities – BHP 10.7% (2023 : BHP (12.9%)).

F4. Summary of other accounting policies

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. This financial report has been authorised for issue on 25 July 2024 in accordance with a resolution of the Board and is presented in the Australian currency. The directors of Djerriwarrh have the power to amend and reissue the financial report.

Djerriwarrh has attempted to improve the transparency of its reporting by adopting 'plain English' where possible. Key 'plain English' phrases and their equivalent AASB terminology are as follows:

Phrase	AASB Terminology
Market Value	Fair Value for Actively Traded Securities
Cash	Cash & Cash Equivalents
Share Capital	Contributed Equity
Options	Derivatives written over equity instruments that are valued at fair value through Profit or Loss

Other terminology used in the report is defined as follows:

Phrase	Definition
Net Operating Result	Total operating income after operating expenses and income tax are deducted

Djerriwarrh complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB"). Djerriwarrh is a 'for profit' entity.

Djerriwarrh has not applied any Australian Accounting Standards or AASB Interpretations that have been issued as at balance date but are not yet operative for the year ended 30 June 2024 (“the inoperative standards”). The impact of the inoperative standards has been assessed and the impact has been identified as not being material. Djerriwarrh only intends to adopt other inoperative standards at the date at which their adoption becomes mandatory.

Basis of accounting

The financial statements are prepared using the valuation methods described in A2. All other items have been treated in accordance with the historical cost convention.

Fair value of financial assets and liabilities

The fair value of cash and non-interest bearing monetary financial assets and liabilities of Djerriwarrh approximates their carrying value.

Rounding of amounts

Djerriwarrh is a company of the kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Instrument, to the nearest thousand dollars, or in certain cases, to the nearest dollar.

F5. Associate Accounting

Associates are entities over which the Company has significant influence but not control, generally accompanied by a shareholding of between 20 and 50 per cent of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost, in the Company's financial statements.

The Company has one associate - Australian Investment Company Services (AICS), incorporated in Australia, in which it has a 25 per cent shareholding. AICS provides investment and administrative services to the Company and to other Listed Investment Companies, including its Parent, Australian Foundation Investment Company Limited (AFIC) which holds the other 75 per cent.

The Company's share of its associate's post-acquisition profits or losses is recognised in the Income Statement, and its share of post-acquisition movements in reserves is recognised in Net Income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.