

Landsdowne Investment Company Limited
2023 Annual Report

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Directors' Report

The Directors of Landsdowne Investment Company present their Directors' Report together with the Financial Report for the period 1 April 2022 to 30 June 2023 and the auditor's report thereon.

Directors

The Directors of the Company at any time during or since the end of period are:

Steven Shane Pritchard B Com, CPA, F Fin

Steven is a director of Rees Pritchard Pty Limited, a firm of Certified Practising Accountants, and a director of Pritchard & Partners Pty Limited, a financial adviser and stockbroker. He is also a director of a number of public and private investment companies.

Steven was previously the Newcastle Branch Chairman of CPA Australia, where he received the President's Award for Service to CPA Australia. As a past member, director, chief executive officer and chairman of the Stock Exchange of Newcastle Limited (now the National Stock Exchange of Australia Limited), Steven developed and implemented a plan for the renaissance of NSX as an active stock exchange.

From 2002 to 2012, he was Executive Chairman of Cameron Stockbrokers Limited (an ASX Participant). Steven has been providing investment advice to a wide range of private and corporate clients for over 30 years.

Steven is a current director of the following listed entities: Australian & International Holdings Limited (since 17 November 2021), Florin Mining Investment Company Limited (since 29 September 2004), Illuminator Investment Company Limited (since 22 December 2003), Pritchard Equity Limited (since 10 May 2002), and Winpar Holdings Limited (since 4 July 2004).

Steven has not been a Director of any other listed company in the last 3 years.

Enzo Pirillo B.Com, CPA, F. Fin

Enzo is a director of Rees Pritchard Pty Limited, a firm of Certified Practising Accountants, and a director of Pritchard & Partners Pty Limited, a stockbroker and financial adviser. He is also a director of a number of public and private investment companies.

Enzo was instrumental in the establishment of Australian Derivative Registries Pty Limited and built the business up until it became the second largest provider of registry services to warrant issuers listed on ASX, before the sale of the business to Link Market Services Limited in 2015.

Enzo was previously a director and chief financial officer of Cameron Stockbrokers Limited.

Enzo is a current director of the following listed entities: Florin Mining Investment Company Limited (since 30 November 2015), Illuminator Investment Company Limited (since 21 November 2018), and Pritchard Equity Limited (since 14 September 2005).

Enzo has not been a Director of any other listed company in the last 3 years.

Directors' Report

Brett Andrew Hall B. Com, FCPA

Brett is a director of Rees Pritchard Pty Limited a firm of Certified Practising Accountants, and a director of Pritchard & Partners Pty Limited, a stockbroker and financial adviser. Brett has been the Company Secretary of Florin Mining Investment Company Limited since 2007.

Brett was previously the Newcastle Branch Chairman of CPA Australia, where he received the President's Award for Service to CPA Australia.

Brett has not been a Director of any other listed company in the last 3 years.

Company Secretary

Enzo Pirillo B.Com, CPA, F. Fin held the position of Company Secretary during and since the end of the period.

Operating and Financial Review

Landsdowne Investment Company Limited (the 'Company') is a for-profit Company domiciled in Australia.

The company was incorporated on 1 April 2022. Accordingly this financial report reflects the financial performance of the company between incorporation and 30 June 2023.

The principal activity of the Company is that of an investment company which seeks, through a portfolio of securities, predominantly of managed funds, to provide income and capital appreciation over the long term.

The Company successfully issued 2,500,000 Class A ordinary shares, 1,200 Class B ordinary shares, and 151,070 Class A redeemable preference shares during the period raising a total of \$17,608,200.

The Company purchased investments in the RAM Australia Diversified Property Fund (\$15,096,300) and the RAM Australia Credit Fund (\$2,010,700) consistent with the prospectus for the issue of the Class A redeemable preference shares.

For the period, profit after income tax was \$3,165. Earnings per share for the period was 0.1 cents per share.

As at 30 June 2023, the Company's investment portfolio had a market value of \$15,875,244. A list of the Company's investments is set out in Note 7 to the Financial Statements.

Dividends

The Company paid or declared preference dividends of \$292,453 during the period. These have been included in finance expenses in the Company's Statement of Profit or Loss in accordance with the relevant accounting standard.

There were no dividends paid or declared on the ordinary shares.

Directors' Report

Remuneration Report

This report details the nature and amount of remuneration for each director of Landsdowne Investment Company Limited, and for the executives receiving the highest remuneration.

Remuneration policy

A managing Director or an executive Director may be provided with remuneration as determined by the Directors from time to time and, subject to the listing rules, including as a salary, commission on or participation in profits and/or by the issue of shares, options to acquire shares or performance rights or other incentives.

The Company in general meeting may from time to time determine the maximum aggregate remuneration to be provided to or for the benefit of the non-executive Directors for services rendered as Directors, which may be divided among the Directors in any proportions and in any manner as they may from time to time determine.

Details of remuneration for period ended 30 June 2023

The Company has only two executives, Steven Pritchard and Enzo Pirillo both of whom are Directors of the Company.

Details of the remuneration for each Director of the Company was as follows:

2023	Salary & Fees	Superannuation Contributions	Other	Total
	\$	\$	\$	\$
Brett Hall	9,050	950	-	10,000
Enzo Pirillo	9,050	950	-	10,000
Steven Pritchard	9,050	950	-	10,000
	27,150	2,850	-	30,000

Directors' Meetings

The number of Director's meetings (including Committees) and number of meetings attended by each of the Directors of the Company during the financial year are:

	DIRECTORS MEETINGS		AUDIT COMMITTEE MEETINGS	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Brett Hall	5	5	-	-
Enzo Pirillo	5	5	-	-
Steven Shane Pritchard	5	5	-	-

Directors' Report

Directors' Interests

The relevant interest of each Director in the issued capital of the Company at the date of this report is as follows:

Number of A Ordinary Shares Held by Directors

	Balance 1.4.2022	Received as Remuneration	Options Exercised	Net Change Other	Balance 30.6.2023
Enzo Pirillo	-	-	-	2,500,000	2,500,000
Steven Pritchard	-	-	-	2,500,000	2,500,000

All A Ordinary Shares are held indirectly

Number of B Ordinary Shares Held by Directors

	Balance 1.4.2022	Received as Remuneration	Options Exercised	Net Change Other	Balance 30.6.2023
Enzo Pirillo	-	-	-	1,200	1,200
Steven Pritchard	-	-	-	1,200	1,200

All B Ordinary Shares are held indirectly

Number of A Class Redeemable Preference Shares Held by Directors

	Balance 1.4.2022	Received as Remuneration	Options Exercised	Net Change Other	Balance 30.6.2023
Brett Hall	-	-	-	40	40
Enzo Pirillo	-	-	-	40	40
Steven Pritchard	-	-	-	40	40

All A Class Redeemable Preference Shares are held indirectly

Indemnification of Directors and Officers

The Company has indemnified each current Director and the Company Secretary against any liability incurred as a director, secretary or public officer of the Company or a relevant subsidiary, other than any liability against which the Company is prohibited by law from indemnifying the officer.

The Company has not paid any insurance premiums in respect of Directors' and Officers' indemnity.

State of Affairs

Except as otherwise disclosed in this report, in the opinion of the Directors, there were no significant changes in the state of affairs of the Company that occurred during the period under review.

Directors' Report

Corporate Governance Statement

The Company's most recent Corporate Governance Statements can be found on the Company's website at www.landsdowneinvestment.au.

Environment Regulation

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

Events Subsequent to Balance Date

Other than the above and as disclosed in the Financial Statements, there has not arisen in the interval between the end of the period and the date of this report any item, transaction or event of a material nature, likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company in future financial years.

Likely Developments

Other than as disclosed in this report, the Directors do not anticipate any particular developments in the operation of the Company that will affect the results of future financial years.

Non-Audit Services

Details of the auditor's remuneration are set out in note 12 to the financial statements. No amounts have been paid or are payable to the auditors for non-audit services.

Leads Auditors Independence Declaration

The lead auditor's independence declaration is set out on page 6 and forms part of the Director's reports for the period end 30 June 2023.



Steven Shane Pritchard

Director

28 September 2023



Firm Name

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Landsdowne Investment Company Limited
ACN: 003 035 523

Auditor's Independence Declaration under section 307C of the Corporations Act 2001

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as auditor for the audit of Landsdowne Investment Company Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

A stylized, handwritten signature of 'PKF' in black ink.

PKF

A handwritten signature in black ink that reads 'Martin Matthews'.

MARTIN MATTHEWS
PARTNER

28 SEPTEMBER 2023
NEWCASTLE, NSW

Statement of Profit or Loss and Other Comprehensive Income for the Financial Period Ended 30 June 2023

		Year ended 30 June 2023		
	Note	Revenue \$	Capital \$	Total \$
Income from investment portfolio	2(a)	393,884	-	393,884
Income from deposits	2(a)	5,574	-	5,574
Total income from ordinary activities		399,458	-	399,458
Administration and other expenses	2(b)	83,381	-	83,381
Finance expenses	2(b)	311,556	-	311,556
Total Expenses		394,937	-	394,937
Operating profit before income tax		4,521	-	4,521
Income tax expense	3(a)	1,356	-	1,356
Operating profit after income tax		3,165	-	3,165
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Net revaluation of non-current assets		-	(1,231,756)	(1,231,756)
Provision for tax benefit / (expense) on revaluation of non-current assets		-	369,527	369,527
Total other comprehensive income/(loss) for the period		-	(862,229)	(862,229)
Total comprehensive income/(loss) for the period		3,165	(862,229)	(859,064)
Overall Operations				
Basic and diluted earnings per share (cents per share)	4			0.1

The accompanying notes form part of these financial statements.

Statement of Changes in Equity for the Financial Period Ended 30 June 2023

	Issued capital	Reserves	Retained earnings	Total
	\$	\$	\$	\$
Balance as at 1 April 2022	1,200	-	-	1,200
Operating profit after income tax	-	-	3,165	3,165
Revaluation of non-current assets	-	(1,231,756)	-	(1,231,756)
Tax benefit on the above	-	369,527	-	369,527
Total comprehensive income	-	(862,229)	3,165	(859,064)
Issue of shares	2,500,000	-	-	2,500,000
Balance as at 30 June 2023	2,501,200	(862,229)	3,165	1,642,136

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2023

	Note	2023 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	5	164,416
Trade and other receivables	6	214,519
TOTAL CURRENT ASSETS		378,935
NON-CURRENT ASSETS		
Deferred tax assets	3	371,777
Investment portfolio	7	15,875,244
TOTAL NON-CURRENT ASSETS		16,247,021
TOTAL ASSETS		16,625,956
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	8	190,143
Provision for income tax	3	168
TOTAL CURRENT LIABILITIES		190,311
NON-CURRENT LIABILITIES		
Borrowings	9	14,790,070
Deferred tax liability	3	3,439
TOTAL NON-CURRENT LIABILITIES		14,793,509
TOTAL LIABILITIES		14,983,820
NET ASSETS		1,642,136
EQUITY		
Issued capital	10(a)	2,501,200
Retained earnings		3,165
Reserves	10(c)	(862,229)
TOTAL EQUITY		1,642,136

The accompanying notes form part of these financial statements.

Statement of Cash Flows

for the Financial Period Ended 30 June 2023

	Note	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received		5,574
Distributions received		183,082
		188,656
Administration expenses		(68,524)
Other receipts		2,948
Net cash provided by operating activities	14	123,080
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases for investment portfolio		(17,107,000)
Net cash used in investing activities		(17,107,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of preference shares		15,107,000
Payments from issue of preference shares		(338,658)
Payment of Preference share dividend		(131,919)
Proceeds from borrowings		10,713
Proceeds from issue of Class A ordinary shares		2,500,000
Proceeds from issue of Class B ordinary shares		1,200
Net cash provided by financing activities		17,148,336
Net increase in cash held		164,416
Cash at beginning of financial year		-
Cash at end of financial year		164,416

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

1. Statement of Significant Accounting Policies

Landsdowne Investment Company Limited (the 'Company') is a for-profit Company domiciled in Australia.

The company was incorporated on 1 April 2022. Accordingly this financial report reflects the financial performance of the company between incorporation and 30 June 2023.

The Financial Report was authorised for issue by the Directors on 28 September 2023.

(a) Statement of compliance

This Financial Report is a General Purpose Financial Report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The Financial Report of the Company complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

(b) Basis of preparation

The Financial Report is presented in Australian dollars. The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements.

The Company has prepared an assessment of its ability to continue as a going concern, taking into account all available information for a period of 12 months from the date of these Financial Statements. It is the view of the Directors that the Company will be able to pay its debts as and when they become due and payable and as such these Financial Statements are prepared on a going concern basis.

The Company has not applied any Australian Accounting Standards that have been issued as at balance date but are not yet operative at 30 June 2023 ("the inoperative standards"). The inoperative standards have been assessed as having no impact.

The Financial Report is prepared on a historical cost basis except that the investment portfolio is stated at its fair value.

The preparation of financial statements requires management to make judgements, estimates and assumptions that effect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

(c) Investments

The Company is a long-term investor. Under Australian Accounting Standards, the Company has elected to classify equity investments at fair value through other comprehensive income, as they are not held for trading. After initial recognition at fair value (being cost), investments are measured at fair value.

Unrealised gains or losses on equity investments are recognised as a separate component of equity in the Investment Revaluation Reserve until the investment is sold or otherwise disposed of, at which time the cumulative gain or loss is transferred to the Asset Realisation Reserve.

The Company derecognises an investment when it is sold, or it transfers the investment and the transfer qualifies for derecognition in accordance with AASB 9. Upon derecognition, unrealised gains/losses net of tax relating to the investment are transferred from the Investment Revaluation Reserve to the Asset Realisation Reserve.

Interest bearing investments are recognised at fair value and then measured at amortised cost. Amortised cost is calculated with any difference between cost and redemption value being recognised in the income statement over the period of the investment on an effective interest basis.

Notes to the Financial Statements

(d) Revenue from investment portfolio

The activity of the Company is that of an investment company, returns being in the form of dividends, interest, trust income and option premiums. Dividend income is recognised in the income statement at ex-dividend date and all other income is recognised on an accrual basis.

The managed funds in which the Company may invest may distribute realised capital gains from time to time and these would be included in operating revenue, as required under accounting standards.

(e) Taxation

The income tax expense or revenue for the period is the tax payable or receivable on the current period's taxable income based on the company tax rate adjusted by changes in deferred tax assets and liabilities which arise from items being brought to account in different periods for income tax and accounting purposes.

The expected tax on disposal of equity securities in the investment portfolio is recognised directly in the Investment revaluation reserve and as a deferred tax liability. Where the Company disposes of such securities, tax is calculated on gains made according to the particular parcels allocated to the sale for tax purposes and offset against any capital losses carried forward. At this time, the tax recognised directly in the Investment revaluation reserve is transferred to the Realisation Reserve. The associated deferred tax liability is similarly adjusted and transferred to current tax payable.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(f) Interest bearing borrowings

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. After initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowing on an effective interest basis.

(g) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Notes to the Financial Statements

2023

\$

2. Revenue and Expenses

(a) Revenue

Distributions received or receivable	393,884
Interest received or receivable	5,574
Total revenue	399,458

(b) Expenses

Administration and other expenses

ASIC fees	1,856
Auditor's remuneration	8,450
Directors fees	30,000
Listing fees	21,659
Share registry fees	6,975
Other	14,441

Finance expenses

Amortisation of transaction costs	19,103
Preference share interest payments	292,453
Total expenses	394,937

3. Taxation

(a) Income tax expense

Current tax expense

Current year tax liability	168
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Deferred tax expense

Temporary differences	1,188
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Total income tax expense recognised in the income statement	1,356
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Notes to the Financial Statements

	2023
	\$
Reconciliation between pre-tax net profit and income tax expense	
Profit before tax	4,521
Prima facie income tax expense calculated at 30%	1,356
Total income tax expense recognised in the income statement	1,356
Deferred tax recognised directly in equity	
b) Deferred tax assets and liabilities	
Recognised deferred tax assets and liabilities	
Provision for tax on unrealised losses on the investment portfolio	369,527
Tax effect of sundry items	2,250
Tax effect of amortisation of transaction costs	(3,439)
Net deferred tax assets	368,338
c) Current tax payable / (receivable)	
Current year tax liability	168
Current tax payable / (receivable)	168

	2023
	cents

4. Earnings Per Share

Basic and diluted earnings per share 0.1

There were no factors that caused diluted earnings per share to be different from basic earnings per share.

Notes to the Financial Statements

2023

\$

5. Cash and cash equivalents

Cash at bank and in hand	164,416
	164,416

6. Trade and other receivables

Trust distributions receivable	210,803
GST receivable	3,716
	214,519

7. Investment Portfolio

The following is a list of the Company's investments as at 30 June 2023. All investments are valued at fair value through Other Comprehensive Income

Units in RAM Australian Credit Fund	2,010,700
Units in RAM Australia Diversified Property Fund	13,864,544
	15,875,244

8. Trade and other payables

Trade creditors	418
Other creditors	10,713
Accrued charges	178,990
Withholding tax payable	22
	190,143

Notes to the Financial Statements

	Number of Shares	2023 \$
9. Borrowings		
Issued Preference Shares	151,070	15,107,000
Movements in issued Preference Shares		
At the beginning of the period	-	-
Shares issued during the year	151,070	15,107,000
	151,070	15,107,000
A class redeemable preference shares issued		15,107,000
Transaction costs		(336,033)
Accumulated amortisation		19,103
		\$14,790,070

A class redeemable preference shares (“Preference Shares”) have been issued with a fixed term of 8 years and interest paid of 4.25% p.a. accruing at a rate of 1.0625% for each 3 month period.

Preference shareholders the right to receive notices, reports and accounts and to attend general meetings of the Company and the right to vote in each of the following circumstances and in no others:

- During a period during which a dividend (or part of a dividend) is in arrears:
- On a proposal to reduce the Company’s Share capital:
- On a resolution to approve the terms of a buy-back agreement;;
- On a proposal that affects rights attached to the Share;
- On a proposal to wind up the Company;
- On a proposal for the disposal of the whole of the Company’s property, business and undertaking; and
- During the ending up of the company.

In circumstances where the Preference Shareholders are entitled to vote, they may cast one vote for each Preference Share held. For such resolutions, Ordinary Shareholders and Preference Shareholders will have the same voting rights.

In addition, under the Corporations Act, any proposal that might affect the rights attached to Preference Shares must be approved by special resolution of both Ordinary shareholders and Preference Shareholders.

Notes to the Financial Statements

	Number of Shares	2023 \$
10. Equity		
a) Issued Capital		
i. A Class ordinary shares	2,500,000	2,500,000
ii. B Class ordinary shares	1,200	1,200
	2,501,200	2,501,200
b) Movements in issued capital		
i. A Class ordinary shares		
At the beginning of the period	-	-
Shares issued during the year	2,500,000	2,500,000
	2,500,000	2,500,000
ii. B Class ordinary shares		
At the beginning of the period	-	-
Shares issued during the year	1,200	1,200
	1,200	1,200
<p>All ordinary shares rank equally inter se for the purposes of participation in profits or capital of the Company.</p> <p>A Class Ordinary shares confer on their holder the right to receive notices, reports and accounts, and to attend and speak, but not vote at general meetings of the Company.</p> <p>B Class Ordinary Shares confer on their holder the right to receive notices, reports and accounts, and to attend, speak, and vote at general meetings of the Company.</p>		
c) Reserves		
Investment revaluation reserve		
Opening balance		-
Revaluation of investments (net of tax)		(862,229)
Closing balance		(862,229)

Notes to the Financial Statements

2023

\$

11. Related Party Transactions

Transactions with related parties:

Underwriting costs paid to Henley Underwriting and Investment Company Pty Limited	150,000
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Enzo Pirillo and Steven Pritchard are interested in the above transaction as directors and beneficial shareholders of Henley Underwriting and Investment Company Pty Limited

Share registry costs paid to Newcastle Capital Markets Registries Pty Limited	6,975
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Enzo Pirillo and Steven Pritchard are interested in the above transaction as directors and beneficial shareholders of Newcastle Capital Markets Registries Pty Limited

Nominated advisor fees paid to Pritchard & Partners Pty Limited	9,000
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Brett Hall, Enzo Pirillo and Steven Pritchard are interested in the above transaction as directors and beneficial shareholders of Pritchard & Partners Pty Limited

Rees Pritchard Pty Limited for accounting services	12,500
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Brett Hall, Enzo Pirillo and Steven Pritchard are interested in the above transaction as directors and beneficial shareholders of Rees Pritchard Pty Limited

Director's fees paid to Brett Hall, Enzo Pirillo, and Steven Pritchard	30,000
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A company associated with the Director's provided a short term working capital facility which is included in other creditors and was repaid on 2 August 2023	10,713
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Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

12. Auditor's Remuneration

During the year the company auditor received the following remuneration

Audit and review of financial reports	8,450
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8,450

Notes to the Financial Statements

2023

\$

13. Segment Reporting

The Company operates as an investment company in Australia

14. Notes to statement of cash flows

Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash includes cash at bank. Cash as at the end of financial year is shown in the Statement of Cash Flows and the Statement of Financial Position as follows:

164,416

Profit	3,165
Cash flows excluded from profit attributable to operating activities	
Amortisation	19,103
Interest payment under financing activities	131,919
Changes in assets and liabilities	
Increase in trade and other receivables	(211,894)
Increase in deferred taxes	1,189
Increase in payables and provisions	179,430
Increase in income taxes payable	168
Net cash flow from operating activities	123,080

15. Capital Management

The Company's objective in managing capital is to continue to provide shareholders with dividends and capital appreciation over the longer term.

The Company's assets will fluctuate in accordance with prevailing market movements, and it may adjust the dividend amount paid, issue new shares or sell assets to reduce debt.

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

Notes to the Financial Statements

16. Financial Risk Management

AASB 7 – Financial Instruments: Disclosures identifies three types of risk associated with financial instruments (i.e. investments, receivables, payables and borrowings).

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

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.

The credit risk exposure of the Company lies principally in its cash and receivables to the extent of their carrying values and any accrued unpaid interest.

Cash

All cash deposits are held with Australian banks.

Receivables

Receivables are non-interest bearing and represent dividends, proceeds of sales and distributions yet to be received.

The credit risk exposure of the Company in relation to receivables is the carrying amount.

Given the nature of the counterparties with which the Company deals, management does not expect any counterparty to fail to meet its obligations. Additionally, none of these assets are overdue or considered to be impaired.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities as they fall due. The Company monitors its cash flow requirements and ensures that it has cash or access to sufficient borrowing facilities or liquid securities to meet all its financial obligations as they fall due.

The Company's significant cash inflows are derived from distributions and dividends received from its investment. Its major cash outflows include the purchase of securities, finance expenses, borrowing repayments and dividends paid to shareholders, which are managed by the Company.

Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income and the value of its holdings of financial instruments.

Inherently, the Company is not free of market risk as it invests in securities whose market prices can fluctuate.

Based on a tax rate of 30%, a general movement in market prices of 5% and 10% would lead to a change in the Company's equity of \$555,634 or 34.0% and \$1,111,267 or 67.9% respectively, after tax.

Notes to the Financial Statements

87.3% of the Company's investment portfolio is invested in RAM Australia Diversified Property Fund which invests in retail and commercial property. Any movement in the values of retail and commercial property will result in a corresponding movement in the RAM Australia Diversified Property Fund.

All of the Company's investments are quoted in Australian dollars therefore avoiding any direct exposure to currency risk.

17. Financial Instruments Disclosure

Interest Rate Risk

The Company's exposure to interest rate risk as at 30 June 2023 and the effective weighted average interest rate for classes of financial assets which bear interest is set out below.

	Note	Floating Interest Rate
Cash	5	164,416
Weighted Average Interest Rate		4.10%

Interest Income

The Company is exposed to interest rate risk through its cash accounts and short-term deposits. Interest bearing investments are not core to the Company's investment strategy, therefore the exposure to interest rate risk on interest income is not material.

Interest Paid

The interest rate attached to the Class A Redeemable Preference Shares is a fixed rate of 4.25% per annum for 8 years, being the term of issue.

Net Fair Values of Financial Assets and Liabilities

Valuation Approach

Net fair values of financial assets and liabilities are determined by the Company on the following basis:

Recognised Financial Instruments

Listed securities included in "Investments" are readily traded on organised markets in a standardised form. The net fair value of listed securities is determined by valuing them at the last quoted market price as at balance date. In accordance with Australian Accounting Standards, this is considered "Level 1" under the fair value measurement hierarchy, which is defined as quoted prices (unadjusted) in active markets for identical assets or liabilities.

The net fair value of any unlisted managed funds is determined by reference to the redemption value provided by the fund manager at balance date. Unlisted managed funds included in "Investments" are considered "Level 2" under the fair value measurement hierarchy, which is defined as inputs other than quoted prices, which can be observed either directly (as prices) or indirectly (derived from prices).

At 30 June 2023, The Company did not hold any level 1 investments and held level 2 investments totalling \$15,875,244.

Fixed Interest Borrowings

At 30 June 2023, the fair value of the Company's fixed interest rate borrowings was \$15,107,000.

Director's Declaration

1. In the opinion of the Directors of Landsdowne Investment Company Limited:
 - a. The financial statements and notes as set out on pages 11 to 21 are in accordance with the Corporations Act 2001, including:
 - (i) Giving a true and fair view of its financial position as at 30 June 2023 and of its performance for the financial period ended on that date; and
 - (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - b. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
2. The financial statements comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors.



Steven Shane Pritchard

Director

28 September 2023

**Firm Name**

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANDSDOWNE INVESTMENT COMPANY LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Landsdowne Investment Company Limited (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

- a) In our opinion the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:
 - i) Giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the period ended on that date; and
 - ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

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

Independence

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 Independent 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.

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. For the matters below, our description of how our audit addressed each matter is provided in that context.

Key Audit Matters (cont'd)

1. Valuation & Existence of Investment Portfolio

Why significant

As at 30 June 2023, a significant proportion of the Company's assets (95%) comprised of investment securities. The fair value of the investment portfolio as at 30 June 2023 was \$15.875m as disclosed in Note 7 of the financial report.

The total investment portfolio is made up of two unlisted investments in the RAM Australia Credit Fund and RAM Australia Diversified Property Fund which are classified as 'level 2' financial instruments in accordance with Australian Accounting Standards. Refer to Note 1(c) for details of these assets and Note 17 for the level 1 and 2 classification.

Based on the above, we have considered the valuation and existence of financial assets to be a Key Audit Matter.

How our audit addressed the key audit matter

We performed the following substantive testing on the Investment Portfolio:

- agreeing the quantity of units held and recognised in the financial report to external independent unit registers;
- confirming the fair values of the level 2 financial assets as at 30 June 2023 are reasonable;
- reviewing reconciliations prepared by management and supporting documentation to confirm market movements. This included agreeing the gain/loss incurred throughout the period to transaction reports; and
- we also assessed the appropriateness of the related disclosures in Notes 1(c), 7 and 17.

2. Redeemable Preference Shares

Why significant

During the financial period, the Company issued 151,070 A Class Redeemable Preference Shares (Preference shares) for a total face value of \$15,107,000 (\$14,790,070 net of transaction costs and amortisation).

The Preference shares have a fixed term of eight years and incur an interest rate of 4.25% per annum as disclosed in Note 9 of the financial report.

As at 30 June 2023, the Preference shares have been classified as "Borrowings" representing 99% of total liabilities in the Statement of Financial Position in accordance with AASB 132 Financial Instruments: Presentation.

Refer to Notes 1(g), 9 and 17 for details of borrowings.

Based on the above, we considered the valuation classification of Preference shares as a financial liability to be a Key Audit Matter.

How our audit addressed the key audit matter

We performed the following substantive testing on Preference shares issued:

- agreeing the quantity of shares issued and share proceeds received to external unit registers and bank statements respectively;
- reviewing the classification of Preference shares as a financial liability in accordance with AASB 132 Financial Instruments: Presentation;
- reviewing the validity of transaction costs recognised and the accuracy of amortisation expensed; and
- we also assessed the appropriateness of the related disclosures in Notes 1(g), 9 and 17.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the company's Annual Report for the period ended 30 June 2023 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 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.

Directors' Responsibilities for the Financial Report

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

In preparing the financial report, the Directors are responsible for assessing the entity'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 entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 entity'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 entity 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.

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.

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

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

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

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the Directors' report for the period ended 30 June 2023.

In our opinion, the Remuneration Report of the Company for the period ended 30 June 2023, 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.



PKF



MARTIN MATTHEWS
PARTNER

28 SEPTEMBER 2023
NEWCASTLE, NSW

Additional Information

Distribution of Class A Redeemable Preference Shareholders as at 30 June 2023

Category Holders	Preference Shares	No of Holders	% Held
1-1000	1,070	28	0.71
1001-5,000	3,500	1	2.32
5,001-10,000	-	-	-
10,101-100,000	146,500	2	96.98
100,001 and over	-	-	-
	151,070	31	100.00

Top 20 Shareholders as at 30 June 2023

Shareholder	Class A Redeemable Preference Shares	% Held
Certane CT Pty Ltd	96,500	63.88
Trusts & Nominees Pty Ltd	50,000	33.10
Certane CT Pty Ltd	3,500	2.32
EQT Responsible Entity	300	0.20
Equity Trustees Limited	250	0.17
Antares Fishing Co Pty Ltd	20	0.01
BCK Pty Ltd	20	0.01
Boomerang Heights Pty Ltd	20	0.01
Dr Gordon Bradley Elkington	20	0.01
Miss Margaret Elizabeth	20	0.01
Mrs Milly Elkington	20	0.01
Miss Rosemary Isabel Elkington	20	0.01
Mr Ronald Anthony Evans	20	0.01
Mr Michael Frearson	20	0.01
Hall Nominee Company	20	0.01
Henley Underwriting	20	0.01
Ms Suzanne Hutchinson	20	0.01
Mrs Nicola Jean Kelly	20	0.01
Mr Scott Charles Kelly	20	0.01
M R Nettleton Nominees Pty Ltd	20	0.01
	150,850	99.89

Voting Rights

Refer to Note 9 of the Financial Statements for the voting rights attached to Class A Redeemable Preference Shares.

Corporate Directory

Directors	Steven Pritchard Enzo Pirillo Brett Hall
Company Secretary	Enzo Pirillo
Registered Office	10 Murray Street Hamilton NSW 2303 Telephone 02 4920 2877
Website	www.landsdowneinvestment.au
Share Registry	Newcastle Capital Markets Registries Pty Limited 10 Murray Street Hamilton NSW 2303 Telephone 02 4920 2877
Auditors	PKF Newcastle & Sydney 755 Hunter Street Newcastle West NSW 2302 Telephone 02 4962 2688
Solicitors	Baker & McKenzie Tower One – International Towers Sydney Level 46, 100 Barangaroo Avenue Sydney NSW 2000
Bankers	National Australia Bank Limited 31 Beaumont Street Hamilton NSW 2303