



Annual Report 2024

Generating enduring success





Important dates

Final dividend

Record date: 16 October 2024

Payment date: 8 November 2024

Annual General Meeting

Date: 22 November 2024

Registration commences: 11:00 am AEDT

AGM commences: 12:00 pm AEDT



FOR MORE INFORMATION VISIT OUR WEBSITE
www.soulpattinson.com.au/investor-centre/key-dates

Washington H. Soul Pattinson
and Company Limited

ABN 49 000 002 728
ASX Code: SOL

About this report

The 2024 Annual Report is our primary report to shareholders. It brings together key information on our financial, strategic, and operational performance for the financial year ended 31 July 2024 (**FY24**). Previous corresponding year (**pcp**) relates to the financial year ended 31 July 2023. This year we have changed our reporting to better reflect feedback from our stakeholders and best practice.

Washington H. Soul Pattinson & Company Limited is the parent entity referred to as 'Soul Patts' or the 'Company' throughout this report. The 'Soul Patts Group' or the 'Group' refers to the group that is Washington H. Soul Pattinson & Company Limited and its controlled subsidiaries.

The Global Industry Classification Standards (**GICS**) categorises Washington H. Soul Pattinson & Company Limited within the Financials sector, specifically under the Diversified Financials industry group.

FY24 reporting suite



2024 ANNUAL REPORT



2024 CORPORATE GOVERNANCE STATEMENT



2024 SUSTAINABILITY REPORT



2023 MODERN SLAVERY STATEMENT



FY24 REPORTING SUITE IS AVAILABLE ON OUR WEBSITE

www.soulpatts.com.au/investor-centre/reports

Contents

About Soul Patts	2
FY24 highlights	3
Performance overview	4
How we create long-term value	6
Chairman and Managing Director & CEO's review	8
Strategy	10
Portfolio Performance	11
Strategic Portfolio	14
Large Caps Portfolio	15
Private Equity Portfolio	16
Emerging Companies Portfolio	17
Credit Portfolio	18
Property Portfolio	19
Net Working Capital	20
Investment Portfolio Financial Information	21
Directors' Report	26
Remuneration Report	43
Auditor's Independence Declaration	66
Financial Report	67
Consolidated entity disclosure statement	133
Directors' Declaration	137
Independent Auditor's Report	138
Glossary of terms	144
ASX additional information	147

About Soul Patts

A diversified investment house that is unique in Australia

With origins in owning and operating Australian pharmacies, Soul Patts has evolved into a diversified investment house with investments across a range of industries and asset classes, including listed equities, private equity, credit and property.

Today, Soul Patts is unique in the Australian market, offering our shareholders exposure to investments that perform throughout economic cycles. We are proud to have never missed a dividend payment since listing in 1903, and have increased dividend payments in each of the past 24 years.

Our commitment to long-term investing is anchored by our purpose of generating enduring success for our shareholders. This has remained the same since our listing in 1903.

Our evolution

At the time of our public listing in 1903, Soul Patts had 21 pharmacy stores. By the 1950s, it dominated the retail pharmacy market nationwide.

The 1960s and 1970s marked our diversification into building materials and resources, which included the investments in Brickworks Ltd and the purchase of what is now New Hope Corporation.

The 1980s saw us expand into media with the purchase of NBN Television, which over time grew into TPG Telecom, the third largest telco in Australia.

In 2021, we acquired one of Australia's largest listed investment companies, Milton Corporation. This transformed our scale and liquidity, allowing us to pursue a wider range of investment opportunities.

Our investment portfolio is designed to pivot to where we identify superior risk-adjusted returns. Our belief in being purposefully diversified – by industry and asset class – has enabled Soul Patts to weather market cycles and generate sustainable shareholder returns over the longer term.

Our current portfolio houses more than 200 individual investments in private, public and real assets. We are disciplined in our approach and active when opportunities arise, supported by our strong balance sheet and our reputation as trusted stewards of our shareholders' capital.

While Soul Patts no longer owns Australian pharmacies, many of the investments made decades ago remain large positions in today's portfolio.

Our journey



TO FIND OUT MORE ABOUT OUR JOURNEY, PLEASE VISIT
www.soulpatts.com.au/about/our-company

Our people, values and culture

We are proud of our values-based culture that has been developed over many generations and continues to be the core driver of our success. Our people embody our values of integrity, initiative and accountability.

Our culture is our competitive advantage. It underpins and drives our investment approach. All members of Soul Patts' small, close-knit investment team, led by the MD & CEO, are actively involved in decisions. This encourages robust debate and peer review, ensuring capital is deployed where we believe it will generate enduring value. For more information about our people, values and culture, please refer to the 2024 Sustainability Report.

At Soul Patts we pride ourselves on fostering a diverse and inclusive workforce of 56 dedicated people. Our employee value proposition (**EVP**) is designed to attract and retain the best talent who drive our purpose of generating enduring success and contribute to a strong workplace culture.

FY24 highlights

This year, Soul Patts delivered a strong performance and continued our track record of generating enduring returns for our shareholders, while also investing in our people and benefiting the communities we partner with and operate in.

Shareholders



Total ordinary dividends
fully franked

95c

▲ up 9.2% on FY23

Compound dividend growth

15%

3-year compound
annual growth

Dividend reinvestment plan

introduced for the first time
in September 2024

20-year Total
Shareholder Return

+820%

Soul Patts



+434%

All Ordinaries
Accumulation Index



FOR MORE INFORMATION ON OUR
PERFORMANCE OVERVIEW REFER TO
PAGE 4 OF OUR 2024 ANNUAL REPORT.

People



Engagement
**outperformed the
financial services
industry benchmark
by 11%**

90% employee participation

95%

of employees proud
to work for Soul Patts

Paid intern program

investing in the future leaders
of the financial services sector

48%

women employed with

43%

represented
on the Board

43%

in senior
management roles

Industry leadership

Soul Patts CFO recognised
in the AFR Top 25 CFO Index
and COO winner of the AFR
Women in Leadership Awards
(Financial Services Non-banking)



FOR MORE INFORMATION ON OUR
PEOPLE, VALUES AND CULTURE REFER TO
OUR 2024 SUSTAINABILITY REPORT.

Communities



\$735k

raised and donated to
Royal Flying Doctor Service
to improve rural, regional
and remote primary
healthcare services

84-year

partnership with
Royal Flying Doctor Service

Soul Patts Foundation refreshed strategy

supporting mental health,
communities, and breaking
down barriers for women

Partnerships established with

**Black Dog Institute
and The George
Institute**

Volunteer paid leave introduced



FOR MORE INFORMATION ON OUR
COMMUNITY INVESTMENTS REFER TO
OUR 2024 SUSTAINABILITY REPORT.

Performance overview

Statutory report¹

Group Statutory NPAT

\$498.8m

▼ down 27.8% on FY23

Group Regular NPAT

\$487.6m

▼ down 35.8% on FY23

Key performance indicators

Net Cash Flow From Investments

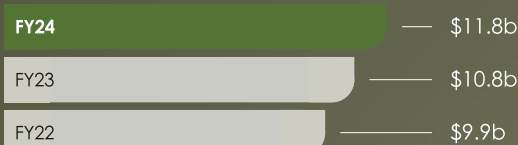
\$468.0m

▲ up 10.3% on FY23

Net Asset Value (pre-tax)

\$11.8b

▲ up 8.7% on FY23



Ordinary dividend history

Total Ordinary Dividends fully franked

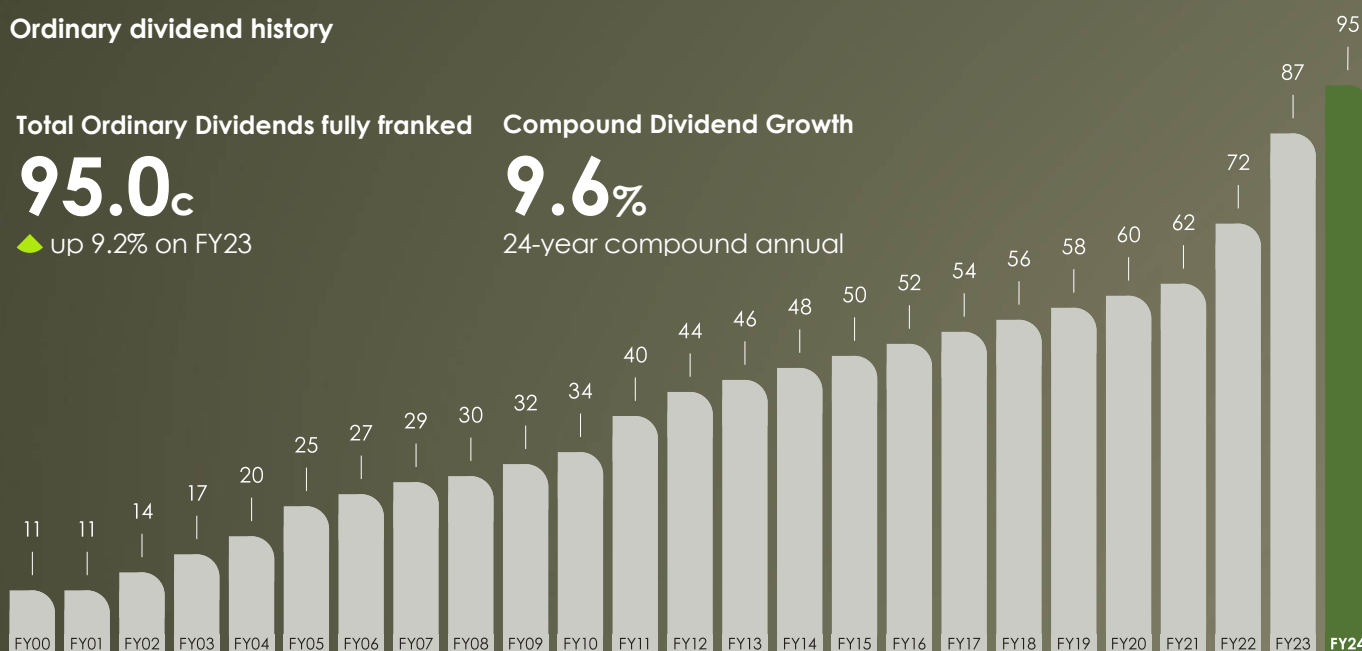
95.0c

▲ up 9.2% on FY23

Compound Dividend Growth

9.6%

24-year compound annual



¹ Refer to the Review of operations on page 28 for a detailed explanation of Statutory Consolidated Net Profit After Tax results.

Operational highlights

Transaction turnover

\$4.7_b

in buying and selling

Additional investment

\$2.8_b

invested across public equities,
private investments and new loans

FY24 cash

\$214_m

available with a further \$450m raised in
August 2024 to support ongoing investment

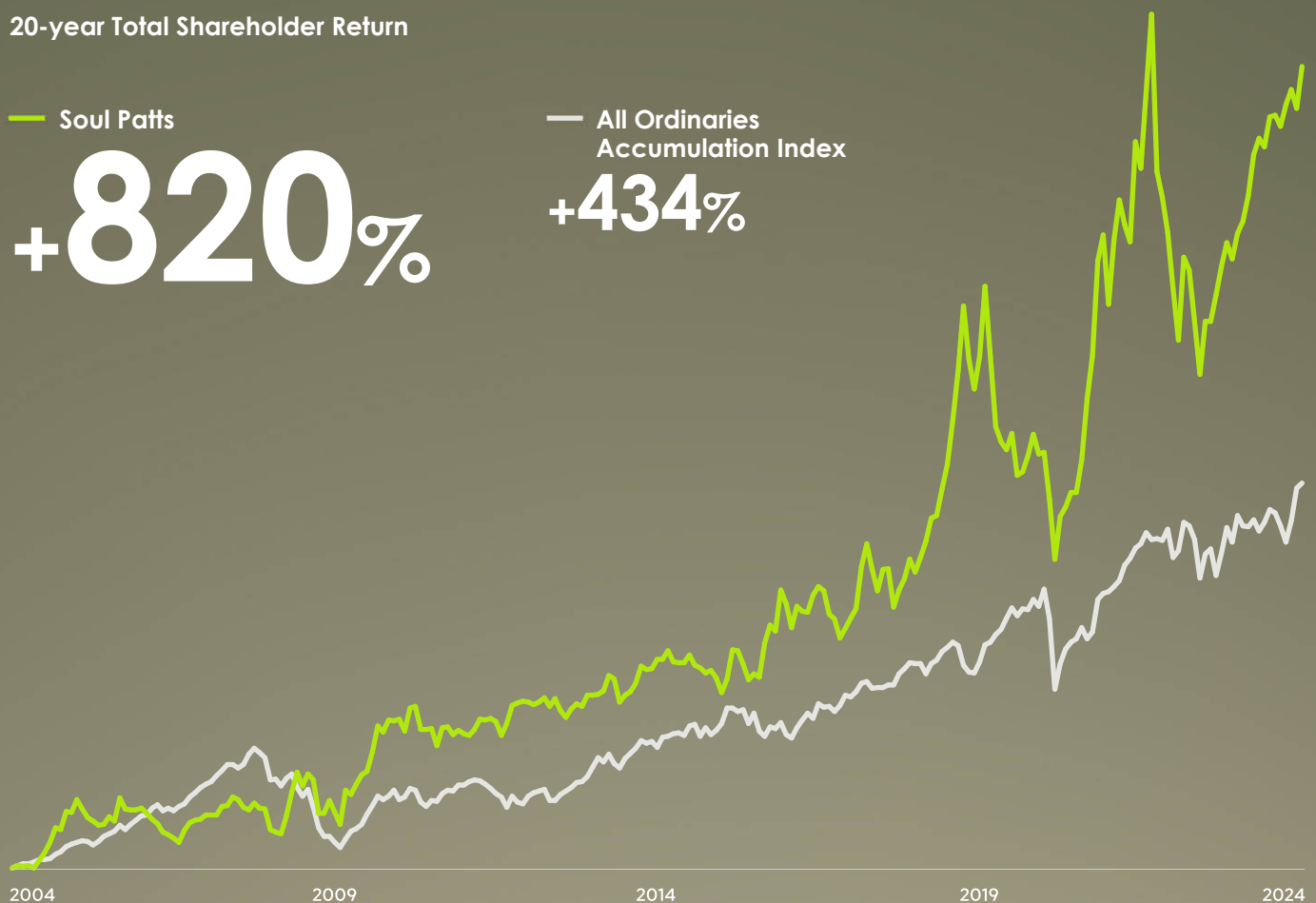
20-year Total Shareholder Return

— Soul Patts

+820%

— All Ordinaries
Accumulation Index

+434%



Annualised return	1-year	5-year	10-year	15-year	20-year
Soul Patts	10.7%	12.2%	12.0%	11.4%	11.7%
All Ords Index	13.4%	7.8%	8.2%	8.9%	8.7%
	▼ 2.7%	▲ 4.4%	▲ 3.8%	▲ 2.5%	▲ 3.0%

How we create long-term value

Our stakeholders



Shareholders

62k+

shareholders look to us to generate sustainable long-term returns and growing dividends.



People

A high-performing and engaged workforce motivated to deliver on our purpose of generating enduring success.



Communities

Long-term and mutually beneficial relationships with our strategic community partners and local communities.

What we do

Listed in 1903, we are a diversified investment house with investments across a range of industries and asset classes including listed equities, private equity, credit and property.

We actively manage our portfolio of 200+ investments and can adjust the portfolio mix to extract the highest quality risk-adjusted returns.



Strategic

49% of Group



Large Caps

20% of Group



Private Equity

13% of Group



Emerging Companies

9% of Group



Credit

9% of Group



Property

1% of Group

For information relating to Net Working Capital not included above, please refer to page 20.



FOR MORE
REFER TO PAGE 11

What makes us unique

Our aim

To grow shareholder wealth through a diversified range of investments that perform throughout market cycles.



REFER TO PORTFOLIO
PERFORMANCE
ON PAGE 11

Our purpose

Our commitment to long-term investing is anchored by our purpose:

Generating enduring success

Our strategy and investment approach



Long-term
commitment



Strength of
conviction



Unconstrained
mandate



REFER TO STRATEGY
ON PAGE 10

Our measure of success

1

Increase cash
generation

2

Grow the
portfolio

3

Manage
investment risk

Our values



Integrity



Initiative



Accountability



FOR MORE
REFER TO PAGE 10

The value we create

Shareholders



REFER TO
PAGE 4

- Diversified investment portfolio helps mitigate risk and capture opportunities in different market cycles
- Long-term investment approach focusing on businesses and asset classes with strong tailwinds
- Financial discipline and strong balance sheet with access to permanent capital
- Consistent track record in delivering increasing dividend returns
- Strong corporate governance supports sustainable value creation

People



REFER TO 2024
SUSTAINABILITY
REPORT

- Engagement top quartile of finance organisations in Australia with 90% employee participation
- As at 31 July 2024, 48% of women employed with 43% represented on the Board and 43% in senior management roles
- Continuous learning and development opportunities
- Investing in emerging leaders through paid intern program
- Uplift in EVP programs to attract, retain and engage our people
- Activities and policies to support health and wellbeing

Communities



REFER TO 2024
SUSTAINABILITY
REPORT

- Long-term community partnerships provides certainty in delivering essential services to communities
- Employee-driven community investment strategy with a focus on mental health, communities and breaking down barriers for women
- Employment and economic opportunities in communities where our controlled subsidiaries operate in

Chairman and Managing Director & CEO's review

"Our strategy of long-term commitment to building value, strength of conviction when making investment decisions, and unconstrained mandate to invest where we can extract the highest quality returns, continues to deliver for our shareholders."

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the 2024 Annual Report for Washington H. Soul Pattinson and Company Limited (**Soul Patts**).

As a diversified investment house, our aim is to grow shareholder wealth. We are proud to have never missed a dividend payment to our shareholders since listing in 1903, and this financial year is no different. With more than 200 individual investments in private, public and real assets, we are disciplined in our approach and active when opportunities arise. This is supported by our strong balance sheet and reputation as trusted stewards of our shareholders' capital.

Creating enduring value

Our key strength is our ability to make smart, long-term investment decisions and adjust our portfolio to benefit from the changing economic landscape. We believe Total Shareholder Returns (**TSR**) is one of the best measures of success over the long term because it offers a holistic view of a company's ability to generate value for its shareholders and includes the reinvestment of dividends. In the year to 31 July 2024 we delivered a TSR of 10.7% compared to the All Ordinaries Accumulation Index of 13.4%. While the one-year TSR can be subject to market fluctuations, our long-term performance is a better measure of value. Over the past 20 years we have delivered an annualised TSR of 11.7%, an outperformance of 3.0% to the All Ordinaries Accumulation Index.

Financial performance

Our strategy of long-term commitment to building value, strength in conviction when making investment decisions, and unconstrained mandate to invest where we can extract the highest quality returns, continues to deliver for our shareholders.

Pleasingly, in 2024 we performed well against our three key investment measures of success – increase cash generation, grow the portfolio and manage investment risk.

We increased cash generation, which has enabled the Board to declare a fully franked dividend of 55.0 cents, bringing the total FY24 dividend to 95.0 cents, an increase of 9.2% on the prior year. Net Cash Flow From Investments (**NCFI**) increased 10.3% on the previous corresponding period to \$468.0 million, driven by increased cash generation from our private equity, emerging companies and credit portfolios.

In 2024, our portfolio grew by 8.7% on the previous corresponding period to a Net Asset Value (NAV) (pre-tax) of \$11.8 billion. Adjusted for dividends, this represents a return of 12.0% compared to the All Ordinaries Accumulation Index return of 13.4%.

During the financial year, we managed risk by strengthening our capital position and actively maintaining a portfolio of defensive, uncorrelated assets.

24 years of consecutive dividend growth

We are proud to continue our exceptional track record as the only company in the All Ordinaries Index to pay increasing ordinary dividends every year since 2000, at a compound annual growth rate of 9.6%.

In September 2024, we introduced a Dividend Reinvestment Plan (**DRP**) for eligible shareholders to reinvest all or part of their final dividend and potentially future dividends into additional fully paid Soul Patts shares.

The record date for the final dividend will be 16 October 2024, with payment due on 8 November 2024. The last day to purchase shares and be eligible to receive the final dividend is 14 October 2024.

Increasing momentum

The acquisition of Milton Corporation in October 2021 has been transformative for Soul Patts and has delivered significant strategic and financial momentum in our investment activities.

Over the past three years, NAV has increased at a 13.5% Compound Annual Growth Rate (**CAGR**) including reinvestment of dividends, outperforming the market by 6.4% per annum.

NCFI growth at a 20.0% CAGR has facilitated dividend growth of 15.3% per annum for three years.

The portfolio has also successfully repositioned into a variety of uncorrelated asset classes which, in our view, has made the portfolio more resilient and higher performing.

Portfolio activity

The 2024 financial year was one of changing portfolio mix as we actively managed investments and pursued opportunities in private equity, credit, and emerging companies. We saw strong performance across all portfolios. Our largest investments in the Strategic Portfolio continue to generate strong cash, accompanied by our growing Credit Portfolio. The decline in Net Working Capital reflects a highly active period of capital allocation to new investments, dominated by ongoing growth in our private equity, emerging companies and credit portfolios.

Throughout 2024, we invested \$2.8 billion in a diversified portfolio of high-quality, resilient and growing businesses. Total transactions of \$4.7 billion are indicative of an active investment period that has aligned the portfolio more closely with our long term strategy.

Our people, our culture, our competitive advantage

Our culture is our competitive edge, driving our investment approach. Our close-knit investment team actively participates in decisions, fostering robust debate and peer review. This ensures capital is deployed where we believe it will generate lasting value.

This year we completed our second culture and engagement survey with a strong participation rate of 90%. Our overall engagement score outperformed the top quartile of finance organisations in Australia by 11%. Most importantly, 95% of our people are proud to work for Soul Patts, demonstrating continued strength in the culture we have built over the past 120 years.

Sustainable value creation

We believe sustainability encompasses the financial and non-financial factors that drive enduring value. As such, sustainability is embedded in our purpose to create lasting value for our shareholders, employees and the communities we serve.

In our 2024 Sustainability Report, we provide an overview of our sustainability approach in our direct operations and profile the sustainable practices of three of our private equity portfolio companies.

Ampcontrol is leading industry decarbonisation by developing and manufacturing innovative energy solutions at scale. Our Agriculture portfolio is at the forefront of innovation, implementing farm practices that advance sustainable food production in an industry where Australia has a global competitive advantage. The Aquatic Achievers Group is enriching communities by delivering an average of 50,000 swimming lessons weekly across 29 locations, providing vital water safety for Australia's growing population. To find out more you can view the 2024 Sustainability Report on our website.

Community legacy

We are committed to leveraging our time, services and philanthropy to support not-for-profit organisations and build resilience in our communities. Our long-term partnership with the Royal Flying Doctor Service (RFDS) began with our founder, Lewy Pattinson, a devoted philanthropist donated the first plane to the organisation. This legacy continues 84 years later as we lend our expertise in areas that matter including advice on strategic sustainability, emissions and fundraising activities.

The Soul Patts Foundation, formerly the Milton Foundation, was established in 1988 to support disadvantaged community members. Following a review of our community strategy, and with input from our Soul Patts employees, we identified three thematic pillars: mental health, communities, and breaking down barriers for women.

Aligned with these pillars, in 2024 we have established two new partnerships with the Black Dog Institute and The George Institute.

Governance

Our governance structure fosters a culture of ethical behaviour. It recognises that informed risk-taking and effective risk management are vital to achieving Soul Patts' core investment principles. Our Board members are the stewards of our long standing culture and approach to governance.

The Board remains committed to maintaining diversity across gender, skills and experience. As at 31 July 2024, our Board was made up of six Non-Executive Directors and one Executive Director with a gender diversity of 43% (three) female directors. On 31 December 2023, Thomas Millner retired from the Board after serving 13 years as a Non-Executive Director. On 1 August 2024, Soul Patts welcomed Bruce MacDiarmid who was appointed as Non-Executive Director and in November 2024, Michael Hawker will retire from the Board after serving 12 years as a Non-Executive Director. We would like to thank both Thomas and Michael for their valuable contribution to the Soul Patts Board and committees.

Outlook

Although the Australian economy has shown surprising strength, we expect monetary policy to remain restrictive with inflation above the Reserve Bank's target range of 2% to 3%. The investing environment remains volatile and there is material risk in the outlook with public market valuations elevated in the context of a higher interest rate environment. Soul Patts continues to invest in a diverse range of assets in order to build a resilient, cash-generating portfolio.

In August 2024, we successfully raised low-cost long-term capital through the issue of a new \$450 million convertible bond, the concurrent repurchase of \$223.2 million of our existing \$225 million convertible notes, funded by a \$225 million equity placement. This will further strengthen our capital position for deployment into new investment opportunities. Our portfolio is well positioned to withstand expected volatility in markets with a diversified spread of asset classes and strong cash-generation prospects.

On behalf of the Board and management, we extend our appreciation to our people for their commitment and significant contribution to this year's results. Importantly, we thank you, our shareholders for your continued investment in Soul Patts and we look forward to continuing to deliver long-term value.



Robert Millner AO
Chairman

26 September 2024



Todd Barlow
Managing Director
& CEO

26 September 2024



Strategy


Soul Patts aims to grow shareholder wealth through a diversified range of investments that can perform throughout market cycles.

Our purpose

Generating enduring success

Our commitment to long-term investing continues to generate enduring value for our shareholders.

Our strategy and investment approach



Long-term commitment
to building value and not being distracted by short-term events



Strength of conviction
when making investment decisions



Unconstrained mandate
to invest where we can extract sustainable returns

Where we invest

We invest in all asset classes, industries and capital structures. We actively manage our portfolio mix to achieve our investment objectives to grow the portfolio, increase cash generation, and manage investment risk.



Strategic

Significant long-term investments in listed companies that generate reliable income



Large Caps

Actively managed listed equities generating long-term total returns



Private Equity

Long-term investments in unlisted companies with growth opportunities



Emerging Companies

Exposure to fast growing companies leveraging structural changes and global trends



Credit

Growing portfolio targeting income and strong risk-adjusted returns



Property

Actively managed Australian property investments

Our measure of success

Increase cash generation
from our portfolio of investments to underpin dividend growth

FY24 dividends of 95 cps

▲ **9.2%** vs pcip
ordinary dividend growth

NCFI

▲ **10.3%** vs pcip
to \$468.0m

Grow the portfolio
and outperform the market over the long-term

NAV (pre-tax) per share

▲ **12.0%** return
All Ords Accumulation Index 13.4%

NAV (pre-tax)

▲ **\$0.9b** vs pcip
to \$11.8b

Actively manage investment risk
and protect shareholder capital

Transaction activity


\$4.7b
\$2.8b invested

Cash deployed in FY24

\$0.8b
available cash \$664m post raise


Our values

Our people are at the heart of what we do and are driven by our values-based culture




Integrity

- Doing the right thing
- Being respectful
- Showing resilience



Initiative

- Staying connected
- Making a difference
- Out of the box thinking



Accountability

- Doing hard things
- Continuing to learn
- Thoughtful actions

Portfolio Performance

Contents

Overview	12
Strategic Portfolio	14
Large Caps Portfolio	15
Private Equity Portfolio	16
Emerging Companies Portfolio	17
Credit Portfolio	18
Property Portfolio	19
Net Working Capital	20
Investment Portfolio Financial Information	21



Portfolio Performance

Overview

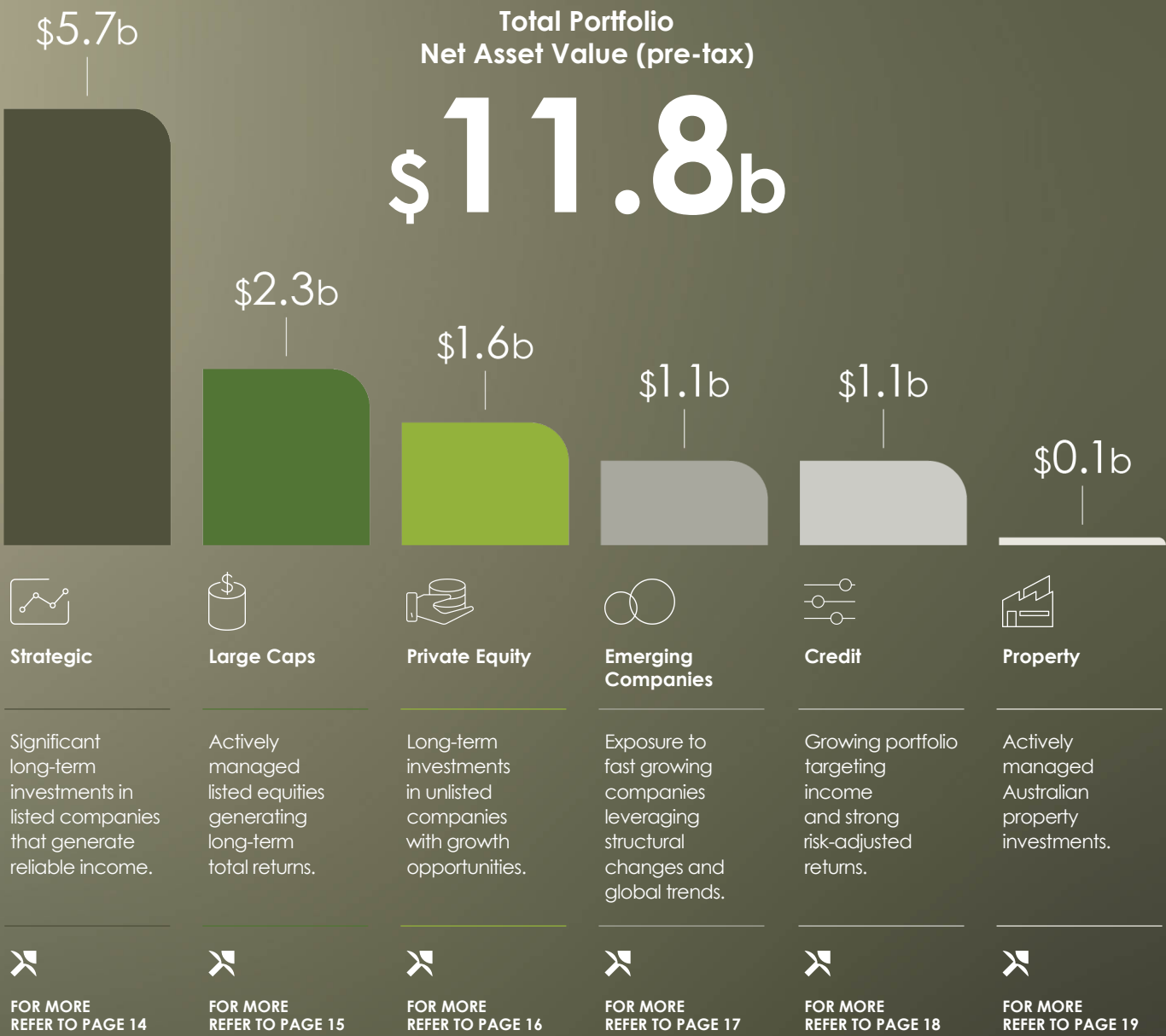
Soul Patts aims to build a portfolio of robust, diverse businesses in segments with economic or structural tailwinds. The portfolio is managed on an aggregate basis but is divided by asset class to reflect the key drivers of portfolio strategy and returns.

The 2024 financial year was one of changing portfolio mix as we pursued opportunities in private equity, credit and emerging companies. We saw strong performance with all portfolios, excluding the Strategic Portfolio, outperforming their benchmarks. The Strategic Portfolio remained a significant contributor to cash, despite its performance relative to the share market.

Portfolio Net Asset Value

The Net Asset Value summarised in the illustration below does not reflect portfolio performance but rather the changes in portfolio allocation or mix and market movements during FY24. For total return performance, refer to page 5 in the Performance overview section of this report.

For information about the valuation basis used for each portfolio, refer to page 21 of this report. For information relating to Net Working Capital not included below, please refer to page 20.



Investment environment and outlook

FY24 was a strong year for equity markets with the All Ordinaries Accumulation Index returning 13.4%, well above long-term return averages. The surprising strength in markets occurred against the backdrop of higher interest rates settings by Central Banks in order to control inflationary pressures.

In Australia, the official cash rate is below comparable rates in other developed markets. The cash rate is expected to remain at 4.35%, with inflation persistent at 3.8% for the June quarter 2024, and employment data strong. More prolonged inflation leaves Australia out of step with other developed markets which have seen inflationary pressures moderate as higher interest rates reduce aggregate demand.

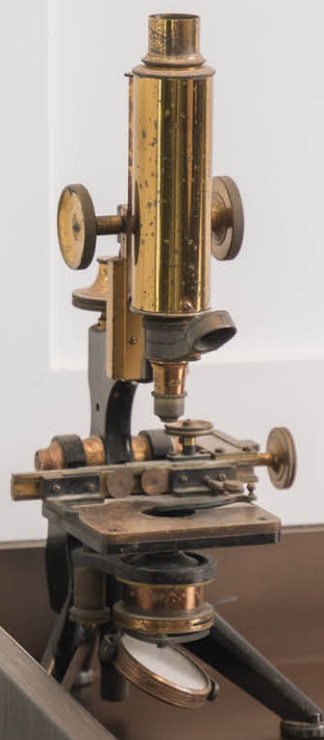
Despite our preference for defensive portfolios we produced robust returns in FY24 and performed broadly in line with equity indices. In FY24, the value of Soul Patts' total portfolio increased 8.7% to \$11.8 billion. Over the past 12 months, the portfolio returned 12.0% on a Total Return basis, which includes dividends paid. In comparison the All Ordinaries Accumulation Index returned 13.4%. Looking at the 3-year performance, the portfolio achieved an annualised return of 13.5%, outperforming the All Ordinaries Accumulation Index by 6.4%. Strong returns from our Large Caps, Credit, Emerging Companies and Private Equity Portfolios were a feature, while our Strategic Portfolio performed well but lagged the index.

We generated strong cash from the portfolio with Net Cash Flow From Investments increasing by 10.3% to \$468.0 million as our credit investments begin to contribute.

It was an active period for capital allocation, dominated by purposeful growth in our Private Equity, Credit and Emerging portfolios. We believe the overall portfolio is well positioned to withstand expected volatility in markets with a diversified spread of asset classes and strong cash generation.

The Australian economy has shown surprising resilience in the face of higher rates. We expect monetary policy to remain restrictive with inflation above the Reserve Bank's mandated target range of 2% to 3%. This is likely to keep pressure on households and slow GDP growth. The investing environment remains volatile and there is material risk in the outlook with public market valuations elevated in the context of the higher rate environment.

Soul Patts continues to invest in a diverse range of assets in order to build a resilient and cash generative portfolio. The availability of and access to liquidity ensures our team can move quickly on new investment opportunities and benefit from periods of market volatility.



Portfolio Performance continued



Strategic Portfolio

Net Asset Value

\$5,710.8m

% of Group

49%



Net Cash Flow From Investments

\$269.0m

▼ down 9.1% on the pcip

Portfolio composition

Interests in TPG, New Hope, Brickworks, Tuas, Apex, Pengana, Aeris Resources, Perpetual

Strategy

Significant investments in largely uncorrelated listed companies, generally with board representation

Background

Soul Patts holds large shareholdings, mostly over the long term, across a diverse range of industries with low historical correlations.

Performance and activity

In FY24, the portfolio delivered a Total Return of 11.0%, an underperformance of 2.4% compared to the All Ordinaries Accumulation Index, which delivered a Total Return of 13.4%. TUAS was a strong contributor to the portfolio return over the period.

New Hope Corporation Limited (ASX: NHC)

For FY24, New Hope announced a Net Profit After Tax of \$475.9 million (FY23: \$1,087.4 million) off the back of its third highest EBITDA result on record. The average realised thermal coal price was A\$183.25 per tonne for the year, which although down from the previous year, is above historical long-term averages. New Hope increased saleable coal production by 26% to 9.1 million tonnes thanks to a strong performance from the Bengalla mine plus the successful ramp up of activities at New Acland. Soul Patts received total dividends of 47 cents per share in FY24 from New Hope, down 51% on the previous corresponding period.

Source: www.newhopegroup.com.au/results-and-reports/

Brickworks Limited (ASX: BKW)

For FY24, Brickworks announced a Statutory Net Loss After Tax of \$118.9 million, compared to a Statutory Net Profit After Tax of \$394.7 million in the previous corresponding period. The loss was largely due to non-cash impairments in the building products business and devaluations in the property business. Soul Patts received total dividends of 66 cents per share for FY24 from BKW, an increase of 3% from the previous corresponding period.

Source: investors.brickworks.com.au/reports/

TPG Telecom Limited (ASX: TPG)

For its 30 June 2024 half year, TPG's adjusted Net Profit After Tax was \$264 million (HY23: \$304 million); EBITDA increased 3.5% to \$974 million (HY23: \$941 million), driven by growth in consumer mobile and broadband revenue. TPG declared a dividend of 9 cents per share payable in October 2024, unchanged from the previous corresponding period. TPG also reconfirmed FY24 EBITDA guidance of \$1,950 million to \$2,025 million.

Source: www.tpgtelecom.com.au/investor-relations/financial-results

Contribution to Soul Patts

The Strategic Portfolio contributed Net Cash Flow From Investments of \$269.0 million, down 9.1% on the previous corresponding period primarily due to reduced dividend income related to New Hope.

Outlook

The Strategic Portfolio is a strong contributor to Soul Patts' cash generation, with the goal to develop other investments within the broader group portfolio that could build on our strong strategic portfolio returns in the future.



Large Caps Portfolio

Net Asset Value

\$2,326.9m

% of Group

20%



Net Cash Flow From Investments

\$88.8m

◆ down 25.0% on the pcip

Portfolio composition

Companies generally within the ASX200 Index

Strategy

Actively managed listed equities generating consistent income and capital growth over the long term

Background

The Large Caps Portfolio is an actively managed portfolio designed to generate capital and income growth over the long term, while also acting as a store of liquidity for the broader Group.

Performance and activity

The Large Caps Portfolio delivered a Total Return of 14.1% during the period, an outperformance of 0.6% compared to the benchmark ASX200 Accumulation Index return of 13.5%.

Soul Patts sold \$1.0 billion and purchased \$0.8 billion of new or increased investments during the year, with the portfolio closing the period with 35 positions.

The portfolio was increasingly active in FY24, reflective of a market that was volatile in the face of rising interest rates and requiring rebalancing to extract performance.

Sector concentrations of note are our over weights in Healthcare, Industrials and Consumer Discretionary which we believe deliver strong medium-term earnings profiles.

Sector under weights include Retail Banks and Materials. Retail Banks are underweight due to valuation concerns, while Materials are underweight due to concerns related to China's growth.

The three largest positions by size are Macquarie Group, BHP and Wesfarmers.

Contribution to Soul Patts

The Large Caps Portfolio contributed Net Cash Flow from Investments of \$88.8 million, down 25.0% on the previous corresponding period attributable to the reduced size of the portfolio following significant net selling late in FY23.

Outlook

The Large Caps Portfolio is actively managed and maintains a preference for companies that can deliver reliable earnings growth, and/or sustainable dividend yield at a reasonable price.

Our ongoing reduction in our portfolio allocation reflects caution in public market valuations and the availability of better risk-adjusted returns in other parts of the broader Soul Patts portfolio.

Portfolio Performance continued




Private Equity Portfolio

Net Asset Value

\$1,584.2m

% of Group

13%



Net Cash Flow From Investments

\$29.7m

▲ up 97.9% on the pcip

Portfolio composition

Ampcontrol, Aquatic Achievers, Soul Patts Agriculture, Ironbark, plus other smaller investments

Strategy

Long-term investments in unlisted companies to support their growth

Background

The Private Equity Portfolio comprises established growing businesses with strong demand tailwinds, aligning with our investment themes of education, financial services, food security & agriculture, and energy transition.

Soul Patts is attracted to growth companies where we can be a supportive, long-term capital partner. Our open mandate and flexible approach means these investments may be wholly or partially owned.

Performance and activity

During FY24, Soul Patts was focused on integrating the series of strategic acquisitions made during FY23 across our largest private equity investments in Agriculture, Aquatic Achievers, Ampcontrol, and Ironbark.

During the period, Soul Patts Agriculture completed the acquisition of Redland Premium Fruit. This acquisition includes key processing infrastructure that vertically integrates operations across southern New South Wales and Victoria. Controlling processing and sales (domestic and export channels) will enable us to manage market risk and target opportunities more effectively.

Ironbark, our growing investment in wealth management, completed a merger with Invest Blue giving the combined group scale to target more opportunities.

Contribution to Soul Patts

Aquatic Achievers now operates 30 swim schools across Australia and continues to see opportunities for further organic growth.

Ampcontrol, which has direct exposure to the rapidly growing market for decarbonisation, continues to perform strongly and is looking to expand its innovative approach outside of its core markets.

Performance was strong across the portfolio in FY24 with a return¹ of 15.9%.

Outlook

The Private Equity Portfolio contributed Net Cash Flow From Investments of \$29.7 million, an increase of 97.9% on the previous corresponding period reflecting the improved cash generating as our investments mature.

Soul Patts continues to assess acquisition opportunities on a selective and disciplined basis and believes there are strong organic growth opportunities across its Private Equity Portfolio.

Soul Patts takes a differentiated approach to private equity investment as we look to partner with growing businesses to deliver results over the long term.

Footnote

1 Internal rate of return, refer to Glossary of terms on page 146.



Emerging Companies Portfolio

Net Asset Value

\$1,057.5m

% of Group

9%



Net Cash Flow From Investments

\$46.4m

▲ up 192.3% on the pcip

Portfolio composition

Listed companies generally outside the ASX100 and structured equity investments which may be unlisted.

Strategy

Exposure to faster growing companies often benefitting from structural changes and trends in the domestic and global economy

Background

The Emerging Companies Portfolio comprises high-growth equities and structured equity investments.

The portfolio has exposure to profitable businesses with developed business models operating in attractive industries in addition to earlier stage companies with strong growth prospects.

Performance and activity

The Emerging Companies Portfolio delivered a Total Return of 16.0% in FY24, an outperformance of 6.7% compared to the ASX Small Ordinaries Accumulation Index, which returned 9.3% over the same period.

The portfolio benefited from positive developments in the uranium market during the year as prices rose due to supply constraints.

Our Emerging Companies Portfolio has been actively investing in uranium opportunities since 2018, with current investments in Paladin Energy, Boss Energy and NexGen Energy increasing in value in the period and driving strong returns for the overall portfolio.

During the period the portfolio invested in NexGen Energy, a Canadian-based uranium opportunity through direct equity and convertible notes.

Strong performance was also seen in our investments in ZIP, Life360 and Ventia.

Contribution to Soul Patts

The Emerging Companies Portfolio contributed Net Cash Flow From Investments of \$46.4 million, up 192.3% on the previous corresponding period, reflecting higher realised trading gains compared to the previous corresponding period.

Outlook

Although the higher interest rate environment broadly represents a headwind for smaller companies, Soul Patts remains broadly positive on the outlook for the existing portfolio and actively trades to protect long term value. We expect that the market will continue to present opportunities in small and emerging companies.

The portfolio is currently highly concentrated in the energy sector. Our direct access to deal flow supports the ability to target unique opportunities.

Portfolio Performance continued




Credit Portfolio

Net Asset Value

\$1,076.9m

% of Group

9%



Net Cash Flow From Investments

\$108.4m

▲ up 161.3% on the pcg

Portfolio composition

Corporate loans, bonds, and structured credit investments

Strategy

Investments in different types of credit related financial instruments across an investee's capital structure aimed at optimising the portfolio's risk adjusted returns

Background

The Credit Portfolio comprises investments in corporate loans, bonds, and structured credit instruments targeting the following characteristics:

- ongoing cash yield
- strong asset backing
- security and seniority to equity investors
- in some cases upside exposure to be gained through equity warrants or conversion rights.

We preference transactions that are bilateral in nature and that can benefit from our structured, long term and multi-asset approach to investing.

Contribution to Soul Patts

The portfolio contributed Net Cash Flow From Investments of \$108.4 million up 161.3% on the previous corresponding period, reflecting the growth of the portfolio over the past 18 months.

Outlook

The Credit Portfolio has a pipeline of further opportunities that continue to be explored, in addition to undrawn but committed funds totalling \$269.1 million at 31 July 2024.

The broader credit market remains strong and Soul Patts continues to approach opportunities in a differentiated and highly structured manner in order to generate superior returns.

Performance and activity

During FY24, \$644 million of additional capital was deployed into new loans across various structures which included public and private companies operating across sectors including consumer discretionary, industrials and energy and resources.

During the period, \$184 million of loans were repaid across the portfolio.

Our net investing activity in the Credit Portfolio in FY24 represented the largest allocation of new capital to a strategy in the overall Soul Patts portfolio.

The portfolio generated a return¹ of 14.9% over FY24.

Footnote

1 Internal rate of return, refer to Glossary of terms on page 146.



Property Portfolio

Net Asset Value

\$146.8m

% of Group

1%



Net Cash Flow From Investments

\$12.0m

▲ increased from nil in the pcp

Portfolio composition

Direct property and equity accounted joint ventures

Strategy

Actively managed Australian property investments

Background

Soul Patts' direct Property Portfolio comprises nine assets with a combined value of \$146.8 million.

Largely concentrated in the Sydney region, these assets are positioned towards development opportunities.

From a broader portfolio perspective, we are mindful of our look-through exposure to industrial property in Brickworks which holds a large portfolio of premium industrial property.

Performance and activity

The portfolio earned a return¹ of 20.1% in FY24 which included the valuation uplift of a completed luxury retirement development in Cronulla as well as cash income generated by the portfolio.

Strong cash returns were generated from our investment in the Ellenbrook Joint Venture in Western Australia and the sale of lots in Kirrawee.


The portfolio performance included a \$3.4 million loss on the sale of our Pennant Hills, NSW property.

Outlook

Soul Patts continues to look for development and value adding opportunities across all sectors in a market that has been disrupted by rapid interest rate increases.

¹ Internal rate of return, refer to Glossary of terms on page 146.

Portfolio Performance continued

<div></div> <div>Net Working Capital</div>				
<div>Net Asset Value</div> <div>\$(131.1)m</div> <div>% of Group</div> <div>(1)%</div> <div>Net Cash Flow From Investments</div> <div>\$(86.4)m</div> <div>▼ down 38.3% on the pcg</div> <div>Portfolio composition</div> <div>Intersegment/unallocated assets and liabilities e.g. cash, interest-bearing liabilities, other assets and liabilities</div> <div>Strategy</div> <div>Provides portfolio liquidity</div>		<div>Background</div> <p>Soul Patts maintains cash reserves, and has access to short and long-term debt.</p> <p>This provides us flexibility to invest in opportunities without the need to liquidate existing investments.</p> <p>Cash may be held at call, on term deposit or in managed formats with asset managers to optimise yield.</p> <p>Debt is currently held via equity financing facilities and longer term via convertible bonds.</p> <p>Soul Patts maintains a conservative approach to net debt.</p> <div>Update and performance</div> <p>As at 31 July 2024, the Net Working Capital Portfolio included a net debt position of \$160 million, a decrease of \$846 million from 31 July 2023 following an active investment period which has prioritised investments in credit and private equity.</p> <p>The net debt position comprises:</p> <ul style="list-style-type: none">• cash of \$214 million at an average yield of 4.4%• gross interest-bearing debt of \$374 million at an average cost of debt of 2.4%. <p>Net Cash Flow From Investments from Net Working Capital was down 38% on the previous corresponding period reflecting higher income tax and reduced net interest income earned on cash and term deposits following the deployment of capital during the year.</p>		<div>Activity</div> <p>Subsequent to year-end Soul Patts increased its access to low-cost long-term capital through:</p> <ul style="list-style-type: none">• the issue of a new \$450 million convertible bond, concurrently with• the repurchase of most of our existing \$225 million convertible notes, funded by• an equity placement of \$225 million. <p>These transactions provide flexibility and significant cash for new investments.</p> <div>Outlook</div> <p>Soul Patts maintains significant unutilised borrowing facilities which, when combined with current cash balances, ensures we are able to quickly deploy substantial amounts of capital into new investment opportunities.</p>

Investment Portfolio Financial Information

Soul Patts is a diversified investment entity that manages its investments on a portfolio basis. In contrast to the consolidated financial report, the portfolio information reflects the entity's activities as an 'investor' and provides details of its investments (subsidiaries, associate entities and other investments), which in some cases will differ from the statutory accounting treatment.

The Directors have presented this information (unaudited, non-International Financial Reporting Standards (**non-IFRS**)) as they believe the disclosure enhances the understanding of the financial position and results attributable to members and users of the financial statements.

The NAV on page 22 is grouped according to the relevant valuation bases that apply to each individual portfolio. Assets are valued at Cost, Market Value, External Fair Value, or Directors' Fair Value as shown in the NAV statement included in the Portfolio Review on page 12.

The values in the NAV statement differ to the Parent Entity Statement of Financial Position on page 24 and the Consolidated Statement of Financial Position on page 71 due to the following accounting methodologies:

	NAV statement	Parent entity statement	Consolidated financial statements
Investments in controlled entities	Market Value, External Fair Value, or Directors' Fair Value	Cost, less accumulated impairment if applicable	Consolidated into the group financial position and results
Investment in associates	Market Value, External Fair Value, or Directors' Fair Value	Cost, less accumulated impairment if applicable	Equity accounted with the balance in the statement of financial position increasing by the Group's share of each associate's result and decreasing by any dividends received

The Net Cash Flow From Investments reflects the dividend income, interest income and realised gains on trading assets received by the parent entity (rather than consolidated cash flows of the Group), after deducting corporate costs, income tax and excluding Non-Regular cash flows. The Directors declare dividends having regard to Net Cash Flow From Investments.

Investment Portfolio Financial Information continued

Net Asset Value Statement

as at 31 July 2024

1

Strategic Portfolio	Valuation Basis ¹	Holding	\$m
Brickworks Limited	MV	43.0%	1,892
New Hope Corporation Limited	MV	39.2%	1,615
TPG Telecom Limited	MV	12.8%	1,128
Tuas Limited	MV	25.3%	528
Apex Healthcare Berhad	MV	29.6%	200
Pengana Capital Group Limited	MV	36.6%	35
Aeris Resources Limited	MV	31.4%	59
Other Strategic investments at MV			205
Other Strategic investments at EFV			49
Total value of Strategic Portfolio			5,711

2

Large Caps Portfolio	Valuation Basis ¹	\$m
BHP Group Limited	MV	218
Macquarie Group Limited	MV	159
Wesfarmers Limited	MV	139
Westpac Banking Corporation	MV	122
CSL Limited	MV	115
Other Large Cap investments at MV		1,552
Other Large Cap investments at DFV		19
Other Large Cap investments at EFV		3
Total value of Large Caps Portfolio		2,327

3

Private Equity Portfolio	\$m
Private Equity investments at EFV	90
Private Equity investments at DFV	1,494
Total value of Private Equity Portfolio	1,584

4

Credit Portfolio	\$m
Credit investments at Cost	883
Credit investments at DFV	194
Total value of Credit Portfolio	1,077

5

Emerging Companies Portfolio	\$m
Emerging Companies investments at MV	838
Emerging Companies investments at DFV	169
Emerging Companies investments at EFV	51
Total value of Emerging Companies Portfolio	1,058

6

Property Portfolio	\$m
Property investments at EFV	24
Property investments at DFV	100
Property investments at Cost	23
Total value of Property Portfolio	147

Working Capital	\$m
Cash	214
Convertible Notes	(225)
Other interest bearing liability	(149)
Other working capital	29
Total Working Capital	(131)

Consolidated Net Asset Value pre-tax	11,773
Estimated net capital gains tax liability ²	(1,284)
Consolidated Net Asset Value post-tax	10,489
Fully paid ordinary shares (millions)	361
NAV per share (pre-tax)	32.61
NAV per share (post-tax)	29.06

1 Refer to the glossary of terms on pages 145 and 146 for the definitions of MV (Market Value), DFV (Directors' Fair Value), EFV (External Fair Value) and Cost.

2 A net deferred tax liability of \$7 million has been recognised in the Parent Entity Statement of Financial Position at 31 July 2024. In the Parent Entity Statement of Financial Position, investments in subsidiaries and associates are carried at the lower of cost or impaired cost, and the tax recognised reflects the theoretical tax payable if investments were sold at these values, rather than market values.

Parent Entity Net Cash Flow From Investments

for the year ended 31 July 2024

	Dividend and distribution income	\$m
1	Brickworks Limited	43
	New Hope Corporation Limited	156
	TPG Telecom Limited	43
	Perpetual Limited	6
	Apex Healthcare Berhad	3
	Pengana Capital Group Limited	1
2	BHP Group Limited	11
	Macquarie Group Limited	6
	Wesfarmers Limited	4
	Westpac Banking Corporation	4
	CSL Limited	2
	Other Large Cap investments	50
3	Private Equity investments	27
4	Credit investments	17
5	Emerging Company investments	12
6	Property investments	12
	Total dividend and distribution income	397
4	Interest income (from cash and Credit investments)	115
	Other revenue	8
	Realised and Unrealised fair value gains	203
	Corporate costs	(55)
	Other expenses	(18)
	Finance costs	(18)
	Regular profit before income tax expense	632
	Income tax expense	(85)
	Regular profit after income tax expense	547

Regular profit after income tax expense	547
--	------------

Adjusted for:

Non-cash fair value gains	(139)
Non-cash tax expense	32
Expected credit loss	13
Other	15

Net Cash Flow From Investments	468
---------------------------------------	------------

Net Cash Flow From Investments (cents per share)	129.6
---	--------------

Dividends paid/payable

- Interim of 40 cents per share payable 10 May 2024	144
- Final of 55 cents per share payable 8 November 2024	202

Total dividends paid/payable	346
-------------------------------------	------------

Payout ratio

Total dividends as a percentage of Net Cash Flow From Investments	73.9 %
---	--------

The Board declares dividends having regard to Net Cash Flow From Investments. The above demonstrates the underlying support Net Cash Flow From Investments currently provides to dividends declared.

Investment Portfolio Financial Information continued

Parent Entity Statement of Financial Position

for the year ended 31 July 2024

	2024 \$m
Current and Non-current Assets	
Strategic Portfolio	1,655
Large Caps Portfolio	2,327
Private Equity Portfolio	1,186
Credit Portfolio	1,051
Emerging Companies Portfolio	1,058
Property Portfolio	121
Cash	214
Other Working Capital	205
Total Assets	7,817
Current and Non-current Liabilities	
Large Caps Portfolio	1
Emerging Companies Portfolio	5
Interest Bearing Liabilities	371
Net Deferred Tax ¹	7
Other Working Capital	167
Total Liabilities	551
Net Assets	7,266
Equity	
Share Capital	4,690
Reserves	(93)
Retained Profits	2,669
Total Equity	7,266

¹ A net deferred tax liability of \$7 million has been recognised in the Parent Entity Statement of Financial Position at 31 July 2024. In the Parent Entity Statement of Financial Position, investments in subsidiaries and associates are carried at the lower of cost or impaired cost, and the tax recognised reflects the theoretical tax payable if investments were sold at these values, rather than market values.

The following tables reconcile key performance measures (non-IFRS) to the most comparable statutory measures.

Reconciliation of Parent Regular NPAT to Parent Statutory Profit

for the year ended 31 July 2024

	2024 \$m
Regular profit after income tax expense	547
Adjusted for Non-regular items after tax:	
Impairment expense related to subsidiaries and associates	(23)
Change in unrecognised deferred tax assets	24
Non-regular dividend income	13
Non-cash intercompany gain on subsidiary restructure ¹	200
Other	(4)
Profit after income tax expense	757

Reconciliation of Consolidated net assets to NAV

for the year ended 31 July 2024

	2024 \$m
Consolidated net assets (Statutory)	8,999
Increase listed associates to their Market Value	1,872
Increase unlisted associates and subsidiaries to their Directors' Fair Value	487
Remove statutory deferred tax liability	427
Include capital gains tax liability based on NAV values ²	(1,284)
Remove non-controlling interest	(10)
Other adjustments to Fair Value	(2)
Consolidated Net Asset Value post-tax	10,489

1 Non-cash gain on return of capital/dividends relating to the transfer of Ampcontrol from wholly-owned subsidiary Souls Private Equity Limited to the Parent Entity. This transfer has no impact at a Group level.

2 The NAV reflects the tax liability payable if investments were sold at their market or fair values, which is higher than the statutory deferred tax liability.

Directors' Report

Contents

Introduction	27
Operating and financial review	28
Directors and officers	34
Governance and risk	37
Other matters	41



Directors' Report

Introduction

The Directors of Soul Patts present their report for the reporting period ended 31 July 2024. This Directors' Report has been prepared in accordance with the requirements of Division 1 of Part 2M.3 of the *Corporations Act 2001*.

Directors

The following individuals served as Directors of Soul Patts throughout the entire reporting year and up to the date of this Directors' Report, unless otherwise noted:

- **Robert Millner AO** (Chairman)
- **Todd Barlow** (MD & CEO)
- **Michael Hawker AM** (Lead Independent Director)
- **Tiffany Fuller**
- **Josephine Sukkar AM**
- **Joanne (Joe) Pollard**
- **David Baxby**
- **Bruce MacDiarmid** (from 1 August 2024)
- **Thomas Millner** (until 31 December 2023)

Principal activities

Soul Patts is an investment house with a diversified and uncorrelated portfolio of assets across multiple industries. There were no significant changes to the Group's principal investing activities during the year.

Dividends

Total dividends as a percentage of Net Cash Flow From Investments for the year ended 31 July 2024 was 73.9% (2023: 74.1%). Dividends paid or declared by Soul Patts since the end of the previous financial year were:

	Cents per share cents	Total amount \$'000	Franking %	Date of payment
Declared and paid during the year				
Final ordinary dividend 2023	51	184,094	100 %	12 December 2023
Interim ordinary dividend 2024	40	144,387	100 %	10 May 2024
Total dividends paid	91	328,481		
Resolved to pay after the end of the year				
Final ordinary dividend 2024	55	202,100	100 %	8 November 2024

In September 2024, Soul Patts announced the introduction of a Dividend Reinvestment Plan (**DRP**). The **DRP** allows eligible shareholders to reinvest all or part of their eligible dividends to receive additional fully paid SOL shares instead of a cash payment. The **DRP** Rules are available on the Soul Patts website.

The **DRP** is in operation for the 2024 final dividend, which is payable on 8 November 2024. The **DRP** will operate without a discount for the final dividend and is anticipated to be satisfied through a new issue of shares.

To participate in the **DRP** for the final dividend, eligible shareholders must return a completed Participation Notice to our share registry, Computershare Investor Services by 5:00 pm (AEDT) on 17 October 2024. Shareholders who do not wish to participate in the **DRP** do not need to take any action and will continue to receive dividends in cash.

The Board will determine whether the **DRP** will apply with respect to each future dividend at the time it considers the declaration of that dividend.

Directors' Report

Operating and financial review

Review of operations

Revenue from continuing operations (revenue from ordinary activities)

Revenue from continuing operations of \$831.9 million was up \$202.4 million or 32% on the previous corresponding period (**pcp**).

Key variances were:

	\$m
<ul style="list-style-type: none"> Higher Revenue from contracts with customers arising from growth in Ampcontrol (\$132.4 million), including \$107.2 million from existing operations and \$25.2 million from Androck (acquired 2H23), Aquatic Achievers (\$42.2 million) driven by Kirby and Carlile (acquired 2H23) as well as five other new swim centres, and Soul Patts Agriculture (\$19.7 million) following the Redlands acquisition in 1H24. 	194.7
<ul style="list-style-type: none"> Higher Interest revenue arising from growth in the Credit Portfolio. 	37.8
<ul style="list-style-type: none"> Higher Other revenue. 	2.1

Partly offset by:

<ul style="list-style-type: none"> Lower Dividend and distribution income following a repositioning of the Large Caps Portfolio. 	(32.2)
---	--------

Total increase in Revenue from continuing operations	202.4
---	--------------

Profit after tax attributable to members

The Group Statutory Net Profit After Tax attributable to members for the reporting period ended 31 July 2024 was \$498.8 million compared with a net profit of \$690.7 million in the previous corresponding period, a decrease of \$191.9 million or 28%.

The drivers of the decrease in Group Statutory Net Profit After Tax were:

	\$m
<ul style="list-style-type: none"> Lower current year Regular Net Profit After Tax of \$487.6 million, compared with \$759.3 million in the pcp, primarily resulting from lower contributions from the Strategic Portfolio, offset partly by higher trading income in the Emerging Companies Portfolio and interest income in the Credit Portfolio. Further explanations of these variances are provided in this report. 	(271.7)

Partly offset by:

<ul style="list-style-type: none"> Higher Non-Regular Profit After Tax primarily attributed to the Strategic Portfolio driven by a higher deferred tax benefit on equity accounted associates as further described on page 29. Non-Regular items are further detailed in the Reconciliation between Consolidated Regular Profit After Tax and Consolidated Net Profit After Tax on pages 31 and 32. 	79.8
--	------

Total decrease in Group Statutory Net Profit After Tax attributable to members	(191.9)
---	----------------

The following table sets out reported Group Statutory Net Profit After Tax attributable to members on a Regular and Non-Regular basis, by portfolio.

Group Profit After Tax attributable to members	Regular 31 July 24 \$m	Regular 31 July 23 \$m	Non-Regular 31 July 24 \$m	Non-Regular 31 July 23 \$m	Statutory 31 July 24 \$m	Statutory 31 July 23 \$m
Portfolio						
Strategic	240.1	588.9	3.1	(80.4)	243.2	508.5
Large Caps	80.4	108.2	–	1.4	80.4	109.6
Private Equity	9.0	10.3	(7.2)	(15.8)	1.8	(5.5)
Credit	69.7	47.2	–	–	69.7	47.2
Emerging Companies	93.7	13.0	0.1	16.4	93.8	29.4
Property	20.9	(2.9)	(5.1)	(0.5)	15.8	(3.4)
Intersegment/unallocated	(26.2)	(5.4)	20.3	10.3	(5.9)	4.9
Profit/(loss) after income tax for the year attributable to members	487.6	759.3	11.2	(68.6)	498.8	690.7

Regular Net Profit After Tax and Non-Regular Net Profit After Tax are defined in the Glossary on page 146.

Portfolio performance

The following section contains a brief analysis of how each portfolio performed compared to the previous corresponding period on a Consolidated Statutory Net Profit After Tax basis.

Strategic Portfolio

The Group Statutory Net Profit After Tax contribution from the Strategic Portfolio was \$243.2 million, down \$265.3 million or 52%.

The primary reasons for the decrease were:	\$m
<ul style="list-style-type: none"> Lower current year Regular Net Profit After Tax of \$240.1 million, compared to \$588.9 million in the pcpc as a result of lower share of profits from Brickworks and New Hope, partially offset by increased income from other trading activities. Share of Regular profit from Brickworks decreased \$180.7 million predominantly as a result of lower property contributions compared to FY23. Share of Regular profit from New Hope decreased \$227.0 million as the pcpc was driven by record thermal coal prices. 	(348.8)
<ul style="list-style-type: none"> Non-Regular Profit After Tax of \$3.1 million, compared to a loss of \$80.4 million in the pcpc, resulting primarily from a \$75.4 million increase in deferred tax benefit on associate investments and the pcpc included a \$52.4 million non-cash loss on deemed disposal of associates. These were partially offset by a \$48.8 million increase in share of Non-Regular expenses from associates, driven by increased non-cash impairment at Brickworks in the current year. Deferred tax benefit on associates increased due to Brickworks loss for the period as well as an increased franking balance of New Hope as a result of taxes paid. 	83.5
Total	(265.3)

Large Caps Portfolio

The Large Caps Portfolio Statutory Net Profit After Tax contribution of \$80.4 million was \$29.2 million lower when compared to the previous corresponding period.

Regular Net Profit After Tax decreased by \$27.8 million from lower ordinary dividend income in the current reporting period, following a reduced portfolio size after rebalancing of the portfolio in the prior year.

Directors' Report

Operating and financial review continued

Private Equity Portfolio

The Private Equity Portfolio made a Statutory Net Profit After Tax of \$1.8 million, compared to a loss of \$5.5 million in the previous corresponding period.

The primary reasons for the higher contribution were:		\$m
<ul style="list-style-type: none"> Regular Net Profit After Tax decreased with growth in Ampcontrol (\$13.2 million), Aquatic Achievers (\$2.5 million), and other investments (\$15.3 million), offset by higher losses at Soul Patts Agriculture (\$32.3 million) during a period of high investment during its growth phase. 		(1.3)
<ul style="list-style-type: none"> Non-Regular Profit After Tax increased driven by a one-off gain on bargain purchase of Redlands of \$34.9 million, offset by a decrease in the Group's share of Non-Regular items from associates of \$30.1 million primarily related to a one-off gain recognised in the pcg. Refer to pages 31 and 32 for additional detail of Non-Regular items in the respective periods. 		8.6
Total		7.3

Credit Portfolio

The Statutory Net Profit After Tax contribution from the Credit Portfolio was \$69.7 million, up \$22.5 million on the previous corresponding period. The increased contribution was due to growth in the size of the portfolio generating higher interest income and loan fees, offset by higher expected credit losses of \$4.4 million.

Emerging Companies Portfolio

The Emerging Companies Portfolio Statutory Net Profit After Tax contribution of \$93.8 million was \$64.4 million higher compared to the previous corresponding period.

Regular Net Profit After Tax increased by \$80.7 million to \$93.7 million from higher realised and unrealised mark-to-market gains on the trading portfolio compared with the previous corresponding period.

The movement in the Non-Regular profit (loss) after tax was primarily the result of a gain on derecognition of an equity accounted associated (Clover Corporation) of \$22.7 million in the prior year.

Property Portfolio

The Property Portfolio Statutory Net Profit After Tax contribution of \$15.8 million was \$19.2 million higher compared to the previous corresponding period due mainly to current year development profit recognised from a completed luxury retirement development in Cronulla.

Intersegment and unallocated

Intersegment and unallocated represents unallocated corporate cost, tax and net financing expenses incurred to support the investment portfolio. In the current reporting period, the Statutory Net (Loss) After Tax from intersegment and unallocated items was \$(5.9) million compared with a profit of \$4.9 million in the previous corresponding period.

Regular Net (Loss) After Tax increased by \$20.8 million, primarily as a result of lower mark-to-market revaluation gains of \$18.1 million.

The increase in Non-Regular Profit after Tax by \$10.0 million was largely driven by \$24.3 million of previously unrecognised deferred tax assets which have been recognised in the current period.

Reconciliation between Consolidated Regular Profit After Tax and Consolidated Net Profit After Tax

A reconciliation between Consolidated Regular Net Profit After Tax attributable to members and Consolidated Net Profit After Tax attributable to members is set out below. The Directors consider that disclosing this will enhance shareholders' and other readers' understanding of the financial results.

The allocation of revenue and expense items between Regular and Non-Regular Net Profit After Tax is consistent with the previous corresponding period. Transactions between business segments are on an arm's length basis in a manner similar to transactions with third parties.

Year ended 31 July 2024	Strategic Portfolio \$m	Large Caps Portfolio \$m	Private Equity Portfolio \$m	Credit Portfolio \$m	Emerging Companies Portfolio \$m	Property Portfolio \$m	Intersegment/unallocated ¹ \$m	Consolidated \$m
Consolidated Regular Profit/(loss) After Tax attributable to members	240.1	80.4	9.0	69.7	93.7	20.9	(26.2)	487.6
Consolidated Non-Regular items after tax								
Share of Non-Regular items from equity accounted associates	(80.0)	–	1.1	–	–	–	–	(78.9)
(Loss)/gain on deemed disposal of equity accounted associates	(1.8)	–	8.0	–	–	–	–	6.2
Deferred tax benefit/(expense) recognised on equity accounted associates	93.6	–	(1.1)	–	0.1	(5.1)	–	87.5
Changes in unrecognised deferred tax assets	–	–	(8.9)	–	–	–	24.3	15.4
Impairment expense on equity accounted associates	(8.7)	–	(19.4)	–	–	–	–	(28.1)
Impairment expense on property plant and equipment	–	–	(10.6)	–	–	–	–	(10.6)
Gain on bargain purchase	–	–	34.9	–	–	–	–	34.9
Acquisition costs expensed	–	–	(4.5)	–	–	–	(4.0)	(8.5)
Other items	–	–	(6.7)	–	–	–	–	(6.7)
Total Consolidated Non-Regular items after tax	3.1	–	(7.2)	–	0.1	(5.1)	20.3	11.2
Consolidated Profit/(loss) After Tax attributable to members	243.2	80.4	1.8	69.7	93.8	15.8	(5.9)	498.8
(Loss)/profit attributable to non-controlling interests	–	–	(0.9)	0.4	–	–	(2.2)	(2.7)
Consolidated Profit/(loss) after tax	243.2	80.4	0.9	70.1	93.8	15.8	(8.1)	496.1

1 Intersegment/unallocated represents Soul Patts revenue and corporate costs that are not allocated to individual segments.

Directors' Report

Operating and financial review continued

Year ended 31 July 2023	Strategic Portfolio \$m	Large Caps Portfolio \$m	Private Equity Portfolio \$m	Credit Portfolio \$m	Emerging Companies Portfolio \$m	Property Portfolio \$m	Intersegment/unallocated ¹ \$m	Consolidated \$m
Consolidated Regular Profit/(loss) After Tax attributable to members	588.9	108.2	10.3	47.2	13.0	(2.9)	(5.4)	759.3
Consolidated Non-Regular items after tax								
Share of Non-Regular items from equity accounted associates	(31.2)	–	31.2	–	–	–	–	–
Loss on deemed disposal of equity accounted associates	(52.4)	–	–	–	–	–	–	(52.4)
Gain on derecognition of equity accounted associates	–	–	–	–	22.7	–	–	22.7
Deferred tax benefit/(expense) recognised on equity accounted associates	18.2	–	(5.9)	–	(8.1)	–	–	4.2
Changes in unrecognised deferred tax assets	–	–	–	–	–	–	12.0	12.0
Impairment expense on equity accounted associates	(18.6)	–	(8.4)	–	–	–	–	(27.0)
Impairment expense on property plant and equipment	–	–	(22.1)	–	–	–	–	(22.1)
Deferred consideration adjustment on the sale price of Round Oak	–	–	(9.1)	–	–	–	–	(9.1)
Acquisition costs expensed	–	–	(1.5)	–	–	–	–	(1.5)
In-specie dividend income	–	1.4	–	–	–	–	–	1.4
Other deferred tax adjustments	3.6	–	–	–	1.8	(0.5)	–	4.9
Other items	–	–	–	–	–	–	(1.7)	(1.7)
Total Consolidated Non-Regular items after tax	(80.4)	1.4	(15.8)	–	16.4	(0.5)	10.3	(68.6)
Consolidated Profit/(loss) After Tax attributable to members	508.5	109.6	(5.5)	47.2	29.4	(3.4)	4.9	690.7
(Loss)/profit attributable to non-controlling interests	–	–	(1.3)	–	–	–	0.1	(1.2)
Consolidated Profit/(loss) after tax	508.5	109.6	(6.8)	47.2	29.4	(3.4)	5.0	689.5

¹ Intersegment/unallocated represents Soul Patts revenue and corporate costs that are not allocated to individual segments.

Financial position

The Soul Patts Group balance sheet remains strong, holding a substantial balance of liquid assets with low levels of borrowing. Statutory net assets grew from \$8,735.0 million to \$8,998.8 million as a result of profits during the year less dividends returned to shareholders. The Group maintains a high net current asset position of \$809.7 million, which reduced from the prior year following an active period of deploying cash and term deposits into the portfolio. These amounts do not consider the Market and Fair Value of subsidiaries and associates, which are materially higher than statutory carrying values.

Details of financial risk and capital management is described in Note 20.

At 31 July 2024, the Group had access to \$764.7 million in available financing facilities, of which \$94.9 million was unutilised. This excludes the capacity to further draw on equity finance facilities, where the amount of future capacity is a function of the prevailing value of the pool of investments used as security at the time of borrowing. Details of existing financing arrangements are set out in Note 18.

Subsequent to the reporting date, Soul Patts raised additional liquidity to pursue new investment opportunities and support the Group's growth strategy (refer to page 42).

Business strategies and prospects

State of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of Soul Patts Group that occurred during the reporting period not otherwise disclosed in this report or the Financial Report.

Likely developments

Looking ahead, Soul Patts has significant liquidity available for deployment in new opportunities across our portfolios. Future results will depend primarily on the performance of our investee companies, including changes in valuations, dividends, and interest income. Results may be affected by a variety of risks and economic conditions in the future. While the effects of such conditions on the portfolio are difficult to predict, Soul Patts mitigates risk by holding a diversified portfolio of uncorrelated investments with a material allocation to liquid assets.

The Soul Patts Group continues to support its portfolio entities to explore opportunities for growth, both organically and through strategic acquisitions. In addition, the Group continues to deploy capital in to new investments through the provision of funding at varying levels of the capital structure. Some of these transactions may be material to the Group. Portfolio companies are also supported by the Group's transaction and advisory capabilities.

Directors' Report

Directors and officers

Directors

Information regarding each Director's qualifications, experience and special responsibilities are set out below.



Robert Millner AO

FAICD

Chairman

Non-Executive Director since 1984



Robert Millner AO has extensive experience in the investment industry. He brings to the Board broad corporate, investment, portfolio and asset management experience gained across diverse sectors including telecommunications, mining, manufacturing, health, finance, energy, industrial and property investment in Australia and overseas. Robert was awarded an Officer of the Order of Australia in 2023.

Other current listed company directorships:

- Aeris Resources Limited – appointed 2022
- Apex Healthcare Berhad – appointed 2000
- BKI Investment Company Limited – appointed Chairman 2003
- Brickworks Limited – appointed 1997 and Chairman since 1999
- New Hope Corporation Limited – appointed 1995 and Chairman since 1998
- TPG Telecom Limited – appointed 2020
- Tuas Limited – appointed May 2020 and listed on ASX on 30 June 2020

Former listed company

directorships in the past 3 years:

- Milton Corporation Limited – appointed 1998 and delisted from ASX on 5 October 2021



Todd Barlow

B.Bus, LLB(Hons)

Managing Director and

Chief Executive Officer since 2015



Todd Barlow has extensive experience in mergers and acquisitions, equity capital markets and investing and has been responsible for a number of Soul Patts' investments since joining the Group in 2004. His career has spanned positions in law and investment banking in Sydney and Hong Kong. Todd has a Bachelor of Business and Bachelor of Laws (Honours) from the University of Technology, Sydney.

Other current listed company directorships:

- Brickworks Limited – appointed 2024

Former listed company directorships in the past 3 years:

- New Hope Corporation Limited – appointed 2015 and resigned June 2024



Michael Hawker AM

B.Sc, FAICD, SFFin

Lead Independent Director

Non-Executive Director since 2012



Michael Hawker AM is a professional company director with over 40 years' experience in financial services and investment. He was Chief Executive Officer and Managing Director of Insurance Australia Group from 2001 to 2008. From 1995 to 2001, Michael held a range of positions at Westpac, including Group Executive of Business and Consumer Banking and General Manager of Financial Markets. Prior to this, he held a number of positions at Citibank, including Deputy Managing Director for Australia and subsequently Executive Director, Head of Derivatives, Europe. Michael is a Non-Executive Director of BUPA (Global UK based board), Deputy Chairman of BUPA (Australian boards), and a Non-Executive Director of Allianz Australia. Michael has been Chairman of the Insurance Council of Australia, Chairman of the Australian Financial Markets Association, a member of the Australian Governments Financial Sector Advisory Committee, and a member of the Business Council of Australia. Michael was awarded a Member of the Order of Australia in 2010.

Other current listed company directorships:

- Vicinity Centres – appointed 2022

Former listed company

directorships in the past 3 years:

- Altium Limited – appointed 2023 and delisted from ASX on 2 August 2024
- Westpac Banking Corporation – appointed 2020 and resigned July 2023



Tiffany Fuller

B.Com, CA, GAICD

Non-Executive Director since 2017



Tiffany Fuller is an experienced public company director with a background in chartered accounting, private equity and investment banking. Her experience includes financial advisory, investment management, mergers and acquisitions and management consulting. Tiffany holds a Bachelor of Commerce Degree from the University of Melbourne. Tiffany is a member of Chartered Accountants Australia and New Zealand, a member of Chief Executive Women and a graduate of the Australian Institute of Company Directors.

Other current listed company directorships:

- Computershare Limited – appointed 2014
- Vicinity Centres – appointed 2022



Josephine Sukkar AM

BSc, GradDipEd

Non-Executive Director since 2020



Josephine Sukkar AM is co-owner and Principal of construction company Buildcorp, founded 34 years ago. She is a director of Growthpoint Properties Australia, the Green Building Council of Australia, the Australian Museum and the Buildcorp Foundation. Josephine was formerly the Chair of the Australian Sports Commission, Chair of the Sport Diplomacy Advisory Council (DFAT), a non-executive director of The Trust Company, the Property Council of Australia, Opera Australia, the Centenary Institute of Medical Research, the Parramatta Park Trust and the YWCA NSW. She is a Fellow of the University of Sydney and in 2017 was made a Member of the Order of Australia.

Other current listed company directorships:

- Growthpoint Properties Australia Limited – appointed 2017



Joe Pollard

MAICD

Non-Executive Director since 2022



Joe Pollard has held various non-executive director roles since 2012. Joe has over 30 years' experience in sales, marketing, media and digital technology in both senior management and director roles. In her executive career, she was Group Executive of Media and Marketing at Telstra and Chief Executive of Ninemsn and Publicis Mojo. Joe also held executive leadership roles at Mindshare in Australia, Hong Kong and London, Nine Entertainment and Nike Inc in the USA and Japan. Joe is a non-executive director at Greencross Limited, a member of Chief Executive Women and a member of the Australian Institute of Company Directors.

Other current listed company directorships:

- Endeavour Group – appointed 2021
- oOh! Media – appointed 2021



David Baxby

B.Com, LLB(Hons)

Non-Executive Director since 2023



David Baxby is an experienced senior executive, investor, and public company director. Before co-founding his investment firm Coogee Capital, David was the managing director of the Industrials division of Wesfarmers and CEO of travel software firm Global Blue. David also held various roles at Virgin Group, including as Co-CEO of the Group's \$6 billion family office with responsibility for all investment activities with associated directorships in Europe, USA and Australia.

Former listed company directorships in the past 3 years:

- Nearmap Limited – Appointed 2021 and resigned December 2022



Bruce MacDiarmid

B.Com, LLB, SFFin, GAICD

Non-Executive Director since 2024



Bruce MacDiarmid has had a 30-year international career in the financial services industry working for several major investment banks. Bruce's most recent role was Chairman of Investment Banking at Goldman Sachs, Australia & New Zealand from 2018 to 2023. Bruce's previous leadership roles include Co-Head of Corporate Finance, Australia & New Zealand, Asia Pacific Head of Natural Resources for Deutsche Bank, and Co-Head of Rothschild Australia. Bruce is Deputy Chair of Sydney Children's Hospitals Network, a non-executive director of Sydney Children's Hospital Foundation and a member of the University of NSW's Law Advisory Council. Bruce holds degrees in Commerce and Law from the University of NSW, is a Senior Fellow of the Financial Services Institute of Australia and a graduate of the Australian Institute of Company Directors.

Key to Committee membership



Committee chair



Committee member



Audit



Risk & Continuous Disclosure



People, Culture & Remuneration



Nomination

Directors' Report

Directors' and officers continued

Company Secretaries

Pamela Longstaff

LLB(Hon), Global Exec MBA (USyd), GAICD, FGIA

Company Secretary since 28 August 2023

Pamela Longstaff is a commercial lawyer with 25 years' experience spanning corporate governance, sustainability, regulatory affairs and legal advisory. She started her career at leading law firm Allens (Senior Associate), and was most recently Head of Sustainability, previously Company Secretary and Head of Corporate Governance at the Australian Broadcasting Corporation. She is a Non-Executive Director of not-for-profit parenting organisation, Tresillian, and previously MediaHub Australia Pty Ltd. Pamela holds a Bachelor of Economics, Bachelor of Laws (Honours) and a Global Executive MBA from the University of Sydney. She is a Graduate of the Australian Institute of Company Directors, a Fellow of the Governance Institute of Australia, holds a NSW Law Society Practising Certificate and has completed Business Sustainability Management at Cambridge University Institute for Sustainability Management.

David Grbin

BEC(Hon), CA

Company Secretary since 16 August 2023

David Grbin is the Chief Financial Officer of Soul Patts since April 2018. He is a chartered accountant with over 20 years' experience as an ASX listed CFO operating in high growth or turnaround situations across industries as diverse as e-commerce, financial services and transport/logistics. David has also been a divisional chief executive leading a corporate trust business operating in Australia, New Zealand and Singapore. David is a member of Chartered Accountants Australia and New Zealand and holds a Bachelor of Economics (Honours) from the University of Adelaide. He has attended the Insead Advanced Management Program.

Directors' meetings

The number of meetings of Soul Patts' Board of Directors and of each Board committee held during the year ended 31 July 2024, and the number of meetings attended by each Director were:

Director	Committee membership	Board of Directors		Audit Committee		Risk & Continuous Disclosure Committee		People, Culture & Remuneration Committee		Nomination Committee	
		Eligible to attend	Number attended	Eligible to attend	Number attended	Eligible to attend	Number attended	Eligible to attend	Number attended	Eligible to attend	Number attended
Robert Millner AO	(R) (P) (N)	19	18	—	—	4	3	5	5	6	5
Todd Barlow	(R)	19	19	—	—	4	4	—	—	—	—
Michael Hawker AM	(A) (R) (P) (N)	19	18	8	8	4	4	5	5	6	6
Tiffany Fuller	(A) (R) (P) (N)	19	19	8	8	4	4	5	5	6	6
Josephine Sukkar AM	(R) (P) (N)	19	19	—	—	4	4	5	5	6	6
Joe Pollard	(A) (R) (P) (N)	19	19	8	8	4	4	5	5	6	5
David Baxby	(R) (P) (N)	19	19	—	—	4	4	5	5	6	6
Thomas Millner ¹	(R) (P) (N)	7	7	—	—	2	2	2	2	3	3

¹ Thomas Millner resigned as a Non-Executive Director on 31 December 2023.

Key to Committee membership

● Committee chair	(A) Audit	(P) People, Culture & Remuneration
○ Committee member	(R) Risk & Continuous Disclosure	(N) Nomination

Directors' interests

As at the date of this Directors' Report the interests of the Directors in shares and options of the Company are:

Director	Ordinary shares	Share rights	Director	Ordinary shares	Share rights
Robert Millner AO ¹	23,440,768	—	Joe Pollard	600	—
Todd Barlow	381,030	431,578	David Baxby	—	—
Michael Hawker AM	35,300	—	Bruce MacDiamid	—	—
Tiffany Fuller	1,800	—	Thomas Millner ^{1,2}	21,975,464	—
Josephine Sukkar AM	16,607	—			

¹ 21,957,053 shares are held by the same entities in which Robert Millner AO and Thomas Millner have an interest.

² Thomas Millner resigned as a Non-Executive Director on 31 December 2023. He held these shares on 31 December 2023 when he ceased to be a director.

Governance and risk

Corporate governance

Corporate governance statement

The Directors are committed to good corporate governance, recognising its essential role in the performance and sustainability of the Soul Patts Group. The Directors have considered the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (the **ASX Principles**), which provide a valuable framework for these practices. The Board has approved Soul Patts' 2024 Corporate Governance Statement. This is available on our website.

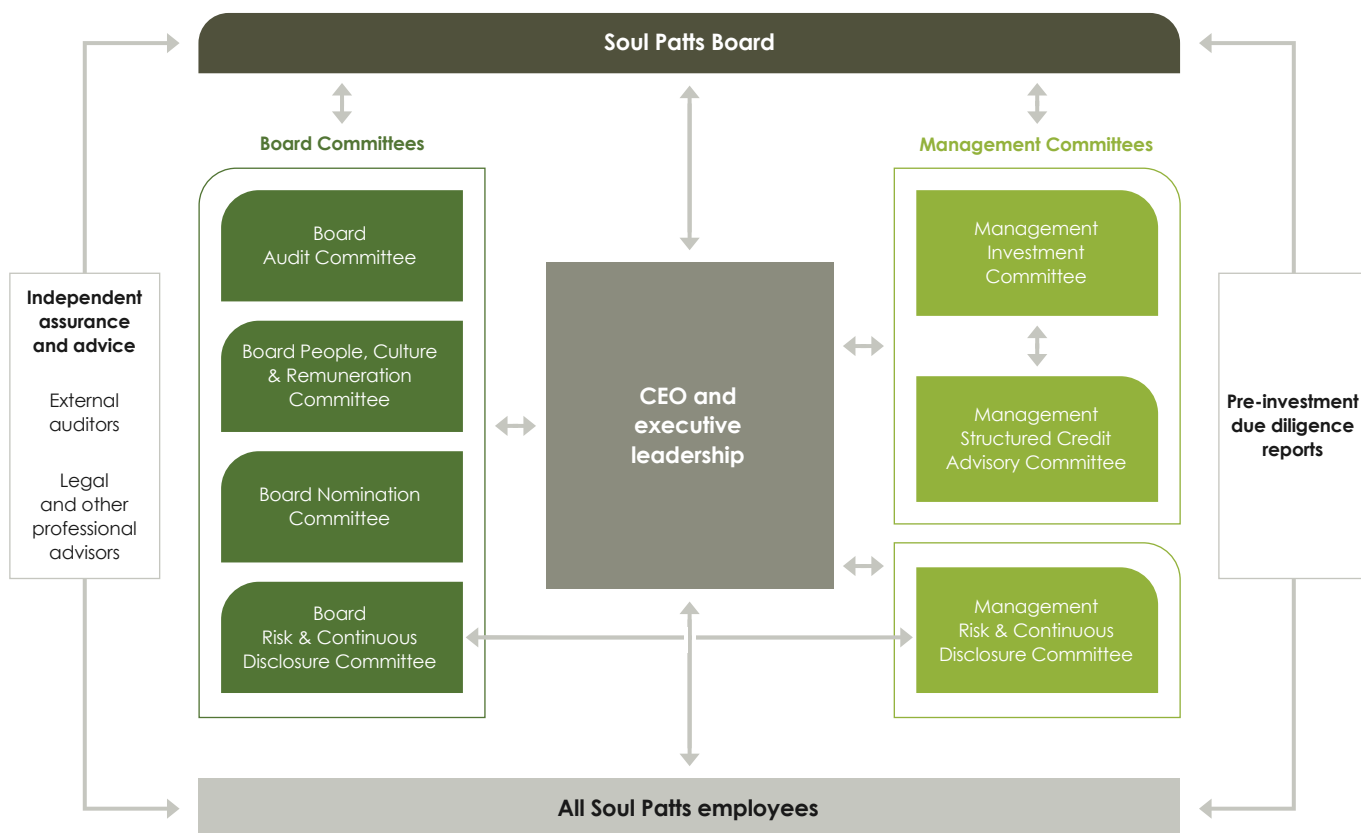
Governance structure

Soul Patts' governance structure ensures alignment with strategic initiatives, provides effective oversight, facilitates decision-making and manages risk. Our governance structure fosters a culture of ethical behaviour and recognises that informed risk-taking and effective risk management are vital to achieving Soul Patts' core investment principles.

The Board provides leadership and strategic guidance, oversees performance and conduct, and represents and reports to the shareholders. Several committees assist the Board, playing crucial roles in maintaining robust corporate governance and risk management frameworks. All Board committees are chaired by an independent Director. The roles and responsibilities of the Board and its committees are detailed in Soul Patts' 2024 Corporate Governance Statement.

Management, led by the MD & CEO, implements the Board's directives and policies, manages the day-to-day operations of Soul Patts, and ensures effective risk management. Management provides leadership and guidance to achieve the Group's strategic objectives while maintaining accountability to the Board. Additionally, management is supported by various committees and frequently seeks independent assurance and advice to enhance decision-making and uphold governance standards.

Our governance framework is set out below.



Directors' Report

Governance and risk continued

Board composition

The Board comprises of Directors with an appropriate mix of skills, knowledge and experience necessary to effectively guide the Soul Patts Group. This collective expertise, assessed through a comprehensive skills matrix, ensures that the Board can exercise independent judgement, address current and emerging business issues, and develop and support Soul Patts' strategy. The matrix, detailed in our 2024 Corporate Governance Statement, supports succession planning and highlights the competencies and perspectives that add value to the Board's effectiveness.

Director independence

Soul Patts' Board comprises a majority of independent, professional, and highly experienced and credentialed Directors. The independence of Non-Executive Directors is assessed upon appointment and annually. While all Directors, except for the MD & CEO, Todd Barlow, are non-executive, a majority are also considered independent. The Board has reviewed the independence of its members against the ASX Principles and considers Michael Hawker AM (Lead Independent Director), Tiffany Fuller, Josephine Sukkar AM, Joe Pollard, David Baxby and Bruce MacDiarmid as independent Directors.

Despite potential factors affecting the independence of some Non-Executive Directors, such as Robert Millner AO and Thomas Millner's (who retired in December 2023) substantial shareholdings, and Robert Millner AO's directorship at Brickworks Limited, the Board believes these factors do not compromise their ability to act independently. The Board has mechanisms in place, such as appointing a lead independent Director and establishing an Independent Board Committee, to manage any actual or perceived conflicts of interest. Additionally, the Board maintains formal guidelines for dealing with conflicts of interest, ensuring robust and independent decision-making.

Risk management

Risk management framework

At Soul Patts, our commitment to robust risk management is integral to our ability to create and protect value for our shareholders. Our risk management framework is designed to strengthen our resilience against uncertainties, ensuring that we can adapt and thrive in the ever-evolving risk landscape.

The Board approves our risk management strategy, risk appetite statement and delegations of authority. The risk management strategy formalises the guiding principles for risk management at Soul Patts and the systems in place to proactively manage risk on an ongoing basis. The risk appetite statement defines the level of risk that Soul Patts is, or is not, willing to accept in pursuit of its strategic objectives.

Soul Patts has identified five risk pillars that provide the foundation of our risk management framework. These pillars reflect Soul Patts' approach to managing risks in its daily operations. These risk pillars are:

- investment
- regulatory and compliance
- sustainability
- brand and reputation
- strategic and operational.

Soul Patts' risk management framework is supplemented by other policies and procedures that help us identify, analyse, evaluate, treat, monitor and report risk. Effectively communicating and implementing these policies and procedures ensures a consistent approach to risk-based decision-making.

Soul Patts is a diversified investment house investing across a range of industries and asset classes, including listed equities, private equity, credit, and property. The operations, along with the associated risks and opportunities of each company we invest in, are managed by, or under the direction of, the directors of each portfolio company. The level of our governance and risk oversight across our investment portfolio is commensurate with the size and nature of our ownership. This can include:

- appointing nominee directors and voting in relation to Soul Patts' holdings
- setting and communicating standards and expectations
- engaging with investee company boards and their senior management
- monitoring the performance of each investment, industry trends and macroeconomic factors.

Material business risks

Soul Patts acknowledges that diverse risks exist within our investment portfolio. By proactively identifying and addressing risks, we are well-positioned to mitigate potential threats, plan for contingencies and capitalise on opportunities that deliver value to our shareholders. This approach ensures we continue to deliver shareholder returns and safeguard capital during periods of market volatility.



Set out below are Soul Patts' material risk pillars, example risk types and the measures we undertake to manage them. The risks discussed should not be considered an exhaustive list of every possible risk associated with the Group, nor are they listed in order of significance.

For further information about Soul Patts' approach to financial risk management, refer to Note 20 of the Financial Report.

Risk pillar	Example risk types	How we manage and mitigate
 <p>Investment</p> <p>Failure to invest in a diversified portfolio in accordance with Soul Patts' Sustainable Investment Policy, resulting in an inability to generate enduring success for shareholders over the long term.</p>	<ul style="list-style-type: none"> – Concentration risk – Credit risk – Exit risk – Integration risk – Liquidity risk – Market volatility risk – Sector and industry risk – Sustained underperformance risk – Valuation risk 	<ul style="list-style-type: none"> + Long-term investment approach + Rebalancing of portfolio construction (e.g., sector diversification) + Individual coverage of material investments + Due diligence procedures + Risk analysis and stress testing + Nominee director appointments + Shareholder engagement with investee companies + Derivative Trading & Financial Hedging Policy
 <p>Regulatory and compliance</p> <p>Failure to effectively respond to and comply with laws and regulations, or any action or inaction, resulting in unacceptable monetary, financial statement or reputational exposure.</p>	<ul style="list-style-type: none"> – Conflict of interest risk – Financial reporting risk – Licence and permit risk – Regulatory development risk – Regulatory obligation risk – Tax compliance risk 	<ul style="list-style-type: none"> + Formal governance structures + Dedicated Risk & Compliance function + Policies, procedures and compliance programs + Tax governance framework + Attestations, declarations and approval mechanisms + Verification processes + Continuous disclosure regime + Training and development + Outsourced subject-matter expertise and external reviews as required
 <p>Sustainability</p> <p>Failure to acknowledge and respond adequately to long-term factors adversely impacting the sustainability and performance of the investment portfolio, resulting in regulatory breaches, reputational damage and financial loss.</p>	<ul style="list-style-type: none"> – Energy transition risk – Human rights risk – Social responsibility risk – Supply chain sustainability risk – Sustainability reporting risk 	<ul style="list-style-type: none"> + Sustainability strategic roadmap + Reporting to future mandatory climate-related financial disclosure + Due diligence procedures including sustainability considerations + Modern slavery and procurement analysis + Training and development + Outsourced subject-matter expertise and external reviews as required + Increased internal resources, capacity and skills

Directors' Report

Governance and risk continued

Risk pillar	Example risk types	How we manage and mitigate
 <p>Brand and reputation</p> <p>Failure to create a culture which supports and reinforces behaviours that reflect the core values and principles set out in Soul Patts' Code of Conduct, resulting in reputational damage.</p>	<ul style="list-style-type: none"> – Corporate governance risk – Crisis management risk – Diversity and inclusion risk – Ethical misconduct risk – Media perception risk – Risk culture risk – Shareholder trust risk – Whistleblower risk 	<ul style="list-style-type: none"> + Formal governance structures + Dedicated Corporate Affairs function + Proxy and shareholder engagement + Risk Management Strategy with an embedded risk culture + Code of Conduct with mandatory employee training + Whistleblower Policy + Tone set from the top + Business Continuity Plan + Performance reviews, development plans and benchmarking + Skills assessments + Employee culture and engagement surveys
 <p>Strategic and operational</p> <p>Failure to achieve strategic objectives, including payment of fully franked dividends to shareholders, and respond adequately to operational risks, resulting in a disruption to core business activities.</p>	<ul style="list-style-type: none"> – Cash flow risk – Cyber, data and information security risk – Geopolitical risk – Global macroeconomic risk – Health and safety risk – Human resources including key person risk – Outsourcing risk – Succession planning risk – Technology risk 	<ul style="list-style-type: none"> + Trend analysis, scenario planning and stress testing + Board delegations + Segregation of duties + Supplier and service provider governance processes + Cyber Security Incident Response Plan and playbooks + Desktop exercises and simulations + Monitoring and testing technology infrastructure and systems + Data back-up processes + Performance reviews, development plans and benchmarking + Succession planning + Training and development + Outsourced subject-matter expertise and external reviews as required

Other matters

Shares under option

Soul Patts did not issue any options over unissued shares during the financial year or in the period to the date of this report. As at the date of this Report, there are no unissued ordinary shares of the Company under option.

Environmental regulation

Soul Patts is an investment company and is not subject to any particular or significant environmental regulations, other than as disclosed below. Subsidiaries within the Soul Patts Group are subject to various state and federal regulations in Australia.

The Directors are not aware of any material non-compliance with environmental regulations pertaining to the Group's operations or activities during the period covered by this report unless otherwise disclosed.

Soul Patts is registered under the requirements of the *National Greenhouse and Energy Reporting Act 2007*, under which it is required to report energy consumption and greenhouse gas emissions (refer to page 24 of our 2024 Sustainability Report).

Indemnification and insurance of officers

Indemnification

Soul Patts' Constitution provides that the Company will indemnify directors, alternate directors and secretaries (each an officer), on a full indemnity basis and to the full extent permitted by law, against all losses or liabilities (including all reasonable legal costs and expenses) incurred by the officer in their capacity as an officer of the Company or any related body corporate.

Soul Patts has entered into Deeds of Indemnity, Insurance and Access with each of its officers which set out the terms of this indemnity.

Insurance

In accordance with the provisions of the *Corporations Act 2001*, Soul Patts has a Directors and Officers Liability policy covering Directors and Officers of Soul Patts and some of its controlled entities. The insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium.

Auditors

No indemnities have been given or insurance premiums paid during or since the end of the financial year in respect of any person who is or has been an auditor of Soul Patts or its controlled entities.

Proceedings on behalf of the Company

No person has applied to the court for leave to bring proceedings on behalf of Soul Patts or to intervene in any proceedings to which Soul Patts is a party, for the purpose of taking responsibility on behalf of Soul Patts for all or part of those proceedings. Soul Patts was not a party to any such proceedings during the year.

Auditor's independence

Non-audit services

During the year, Ernst & Young, Soul Patts' auditor, performed certain other services in addition to its statutory audit duties. The Audit Committee has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- the value of non-audit services of \$1.8 million provided by Ernst & Young during the period represented 46% of the total services
- all non-audit services were subject to the corporate governance procedures adopted by Soul Patts and have been reviewed by the Audit Committee to ensure they do not affect the integrity and objectivity of the auditor
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in Professional Statement APES 110: *Code of Ethics for Professional Accountants* (including Independence Standards), as they did not involve the reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

For further information, refer to Note 28 of the Financial Report.

Auditor independence declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 66.

Directors' Report

Other matters continued

Rounding

The Parent Entity and the Soul Patts Group have applied the relief available under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. In accordance with that legislative instrument, amounts in the Directors' Report and the Financial Report have been rounded to the nearest million dollars, unless otherwise stated.

Events subsequent to the reporting date

On 21 August 2024, Soul Patts announced the launch of a \$450 million senior unsecured convertible notes offering, due on 29 August 2030, and a concurrent capital raising through a placement of up to \$225 million at an issue price of \$34.23 per share. The funds raised through the placement were used to repurchase \$223.2 million of the outstanding \$225 million convertible notes which were due in 29 January 2026. The settlement for the new notes, the repurchase and the placement occurred on 29 August 2024. The net proceeds from the new notes provide Soul Patts with additional liquidity to pursue new investment opportunities and support the Group's growth strategy. The issuance of the new convertible notes and the repurchase of existing notes are a significant subsequent event that will further enhance the Group's financial flexibility and strengthen its capital position.

No other events or circumstances have occurred subsequent to the reporting period that have significantly affected, or may significantly affect, the operations of the Soul Patts Group, the results of those operations, or the state of affairs of the Soul Patts Group subsequent reporting periods.

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



Robert Millner AO

Chairman

26 September 2024



Todd Barlow

Managing Director & CEO

26 September 2024

Remuneration Report

Contents

Letter from the Chair of the People, Culture & Remuneration Committee	44
Introduction and remuneration snapshot	46
Remuneration strategy and framework	48
Remuneration governance	49
Executive remuneration in detail	52
Performance and remuneration outcomes	57
Non-Executive Director arrangements	63
Other transactions with KMP	65



Remuneration Report

Letter from the Chair of the People, Culture & Remuneration Committee

"Our emphasis on variable at-risk remuneration underscores Soul Patts' commitment to performance-based compensation. This aligns the interests of our team with those of our shareholders."

Dear Shareholders,

On behalf of the Board, I am pleased to present Soul Patts' FY24 Remuneration Report. Our unwavering commitment to building lasting value for our shareholders has once again empowered our team to achieve strong results. Through their dedication to optimising our portfolios, increasing cash generation, and managing investment risk, we have again delivered for our shareholders.

Remuneration philosophy

The People, Culture & Remuneration Committee (**PCR Committee**) was established by the Board to assist with the oversight of the people, culture and remuneration strategies of Soul Patts. Guided by our core values of integrity, initiative, and accountability, the PCR Committee is dedicated to a remuneration strategy that rewards for Company performance, the generation of shareholder value and operational excellence.

Our remuneration framework is designed to attract and retain top talent essential for driving long-term success and delivering sustained value to our shareholders. Our emphasis on variable at-risk remuneration underscores Soul Patts' commitment to performance-based compensation. This aligns the interests of our team with those of our shareholders.

This year, for the first time since the appointments of our Executive KMP, we undertook an external benchmarking process. We engaged the Godfrey Remuneration Group (**GRG**) to provide comprehensive benchmarking, market insights and remuneration recommendations to ensure that our framework remains competitive for an ASX50 company, and is aligned with market practices. The insights and recommendations from GRG have been instrumental in refining our remuneration structure effective from 1 August 2024 (refer to page 48).

Alongside refining our remuneration practices, over the past year, we have consistently invested in enhancing our team's capabilities. We have improved our performance framework to support employee development to drive even higher performance, engagement and retention.

FY24 performance and remuneration outcomes

Soul Patts achieved its investment objectives in FY24, and in doing so, delivered substantial value for shareholders. Soul Patts' Net Asset Value increased from \$10.8 billion to \$11.8 billion, representing a Total Return of 12.0%. Additionally, our portfolios generated Net Cash Flow From Investments of \$468.0 million, an increase of 10.3% on last year (refer to page 4).

This performance enabled the Board to declare a fully franked final dividend of 55 cents per share, resulting in total fully franked dividends of 95 cents per share in FY24, an increase of 9.2% over FY23 and continuing our track record of 24 years of consecutive dividend growth.

As an investment company with a diversified portfolio, our executive key management personnel (**KMP**) are evaluated not only on the Company's financial performance, but also on how the individual achieves non-financial measures, including upholding our core values (refer to page 55). The Board commends management's adeptness in navigating complex macroeconomic conditions and effectively managing investment risk to protect shareholder capital.

Our remuneration framework includes fixed remuneration, at-risk short-term incentives (**STI**) and at-risk long-term incentives (**LTI**), each designed to reward operational excellence and long-term value creation (refer to page 48).

For FY24, the STI outcomes demonstrated the Company's strong performance. The STI award assessment considers both financial and non-financial measures. As noted above, delivery on financial metrics were strong. Similarly, delivery on non-financial metrics such as strategy, capital allocation, risk and people and culture was also strong (refer to page 58). As a result, the PCR Committee determined an STI award for the MD & CEO and the CFO of 93% and 96% of stretch respectively due to their exceptional leadership and contributions to our strategic objectives.

The LTI plan is a cornerstone of our remuneration strategy, promoting substantial share ownership among Executive KMP. This aligns their interests with those of our shareholders and ensures a focus on long-term growth and success. Shares under the LTI plan are subject to market performance and potential clawback provisions. The FY22 LTI grant for Executive KMP concluded its 3-year performance period in July 2024. Following an evaluation of the performance metrics, which included the Total Shareholder Return (**TSR**) hurdle and the Net Asset Per Share Growth (**NAPSG**) hurdle, the vesting outcome was determined to be 50% of the LTI performance rights granted. As with all previous LTI grants, these rights were issued with a 15-year disposal restriction. We believe this restriction is among the most rigorous in the market, underscoring our strong alignment between executive rewards and the long-term interests of our shareholders.

Stakeholder engagement and feedback

In the lead up to Soul Patts' most recent annual general meeting (**AGM**), we engaged extensively with a range of stakeholders. Although our FY23 Remuneration Report received strong support from our shareholders with a 76% vote in favour, key feedback concerned the additional rights granted in FY23 to MD & CEO, Todd Barlow. We clarified that these Profit Share Rights were awarded in lieu of a contractual cash profit share due to him by virtue of his previous role 9 years ago as Managing Director of a Soul Patts subsidiary. This legacy arrangement was structured to ensure strong alignment with Soul Patts' shareholders, delivering the award only in the event substantial outperformance of a property investment was realised. These Profit Share Rights are contingent not only on continued employment at the time of vesting but were also granted with a 15-year disposal restriction (refer to page 50). There are no other legacy arrangements of this nature.

Notwithstanding the 15-year disposal restriction on LTI grants provides one of the strongest alignments of executive rewards with long-term shareholder interests in the market, we also received feedback relating to the absence of an equity-based deferral component within our STI plan. The feedback highlighted a preference for a portion of STI awards to be deferred as rights, aligning the remuneration framework to contemporary remuneration practices and expectations. We value this input and recognise the importance of aligning our remuneration framework with shareholder expectations.

In addition to shareholder engagement, we prioritise listening to our employees' perspectives on working at Soul Patts by inviting feedback through our annual employee culture and engagement survey. This year, 90% of our workforce participated, providing insights on various topics such as leadership, company confidence, collaboration, innovation, enablement, risk culture and Soul Patts' values. The 2024 survey yielded another strong result with engagement levels 11% higher than our benchmark, Finance Australia (as defined by Culture Amp).

Each member of our executive leadership team reviews their results to establish meaningful engagement objectives and action plans for the new financial year. Additionally, we work with our leaders to help them interpret team results and identify strengths and areas for improvement.

This highlights we have taken significant steps to address all stakeholder feedback by further enhancing our transparency and demonstrating the strong alignment of our remuneration framework to shareholder value. We continue to prioritise stakeholder engagement into FY25, consulting on significant changes to people, culture and remuneration arrangements.

Looking ahead

Following feedback from stakeholders and the advice and recommendations from GRG, the Board has committed to several key changes to our remuneration framework. These changes are designed to be market-competitive, attract and retain talent and align with best practices and shareholder expectations of an ASX50 company. Effective from 1 August 2024, these changes include the following:

- Review of Executive KMP fixed remuneration:** Soul Patts comprehensive benchmarking exercise revealed that Executive KMP's fixed remuneration for FY24 was below the 50th percentile, with the MD & CEO's fixed remuneration identified as \$300,000 less than the market median. The benchmarking process considered proxy advisor peer groups, as well as factors such as market capitalisation, portfolio composition, and the complexity, diversity, and breadth of the sectors in which Soul Patts operates. As a result, and following GRG's recommendation, the PCR Committee and the Board approved an increase in fixed remuneration for the MD & CEO to \$1,990,000, and an increase in fixed remuneration for the CFO to \$976,000. These adjustments bring Executive KMP fixed remuneration in line with our framework and closer to the market median of peer group companies (refer to page 54).
- STI deferrals:** During the year, the PCR Committee and the Board reviewed the executive remuneration framework and delivery timeline. Previously, 100% of STIs were delivered in cash immediately following the announcement of the Company's annual financial results. Moving forward, 75% of the STI will be delivered in cash after the performance year, with the remaining 25% deferred as rights into the second year. The deferred rights are subject to a service condition and malus, reinforcing our commitment to sustainable growth and ensuring continued alignment with the interests of our shareholders (refer to page 53).
- Minimum shareholding requirement:** The Board believes that the interests of Executive KMP should be closely aligned to those of shareholders through exposure to the Company's share price and dividends. Executive KMP are now required to maintain a minimum holding of shares in the Company that is equal to 200% of annual fixed remuneration for the MD & CEO and 100% for other KMP. All Executive KMP have exceeded these requirements in FY24 (refer to page 51).
- LTI disposal restrictions:** For LTIs granted from 1 August 2024, the disposal restriction will be decreased from 15 years to 9 years post grant. This adjustment reflects our commitment to providing a balanced remuneration framework that continues to promote long-term value creation while also offering a more competitive and reasonable timeframe for our executives. Despite reducing the share disposal restriction from 15 years to 9 years, we believe our policy remains one of the most rigorous in the market (refer to page 51).

These key changes, along with our existing LTI disposal restrictions and significant portion of at-risk variable compensation, have led the PCR Committee and the Board to conclude that we have strong and appropriate alignment with shareholder interests.

In closing, I want to express my sincere thanks to all Soul Patts' employees for their dedication and exceptional contribution throughout FY24. Our focus for the year ahead continues to be investing in our people's capability and competitiveness, which ensures that we are identifying the best investments and generating sustainable returns for our shareholders.

We are committed to fair and transparent remuneration practices, and I invite you to read our report, which provides further details on the remuneration structures and outcomes for FY24. We look forward to receiving your views and continued support at our 2024 AGM.



Josephine Sukkar AM

Non-Executive Director

People, Culture & Remuneration Committee Chair



Remuneration Report

Introduction and remuneration snapshot

This Remuneration Report provides shareholders with an understanding of our remuneration strategy and outcomes for our KMP for the year ended 31 July 2024. It also highlights key structural changes to be introduced in FY25, designed to be market and industry competitive for an ASX50 company, and to better align with contemporary practices and market expectations.

This report is presented in accordance with the requirements of the *Corporations Act 2001* and its regulations. The information provided in this Remuneration Report has been audited by Ernst & Young. Their report can be found on page 138.

Key management personnel

Soul Patts' KMP comprises of:

- Non-Executive Directors
- the MD & CEO and other members of Soul Patts' executive management who have authority and responsibility for planning, directing and controlling the activities of the Group (collectively, **Executive KMP**).

The table below sets out the details of those persons who were KMP during FY24.

Name	Position	Term as KMP
Non-Executive Directors		
Robert Millner AO	Chairman and Non-Executive Director	Full financial year
Michael Hawker AM	Non-Executive Director	Full financial year
Tiffany Fuller	Non-Executive Director	Full financial year
Josephine Sukkar AM	Non-Executive Director	Full financial year
Joe Pollard	Non-Executive Director	Full financial year
David Baxby	Non-Executive Director	Full financial year
Thomas Millner	Non-Executive Director	Until 31 December 2023
Executive KMP		
Todd Barlow	MD & CEO	Full financial year
David Grbin	Chief Financial Officer (CFO)	Full financial year

On 1 August 2024, Soul Patts welcomed Bruce MacDiarmid who was appointed as a Non-Executive Director. Bruce will become a KMP in FY25 and all remuneration details will be presented in Soul Patts FY25 Remuneration Report. In November 2024, Michael Hawker AM will retire from the Board after serving 12 years as a Non-Executive Director.

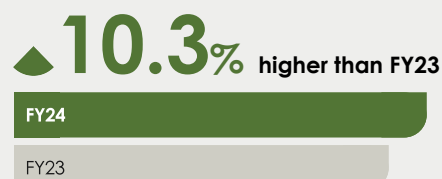
There are no other changes to KMP after the reporting date and before the date the Directors' Report was authorised for issue.

Remuneration snapshot

FY24 short-term incentive performance outcomes

Our STI's financial performance hurdles are some of the most ambitious in the market. To achieve our target, NAV performance hurdle requires us to outperform the ASX200 Accumulation Index by 2% to 3% year in, year out, in contrast to most market participants who are typically rewarded for meeting this benchmark (refer to page 58). Our Net Cash Flow From Investments hurdle is equally demanding, and consistently achieving this has enabled a 15.3% compound annual growth in dividends over the past 3 years. In FY24, we have again delivered strongly on these metrics, recording the following results.

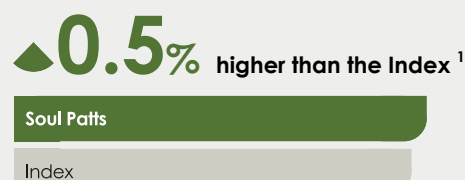
Net Cash Flow From Investments Per Share



Stretch performance achieved
≥ 9% higher than previous year

150% multiplier

Adjusted Net Asset Value (post-tax) Per Share



Threshold achieved
> 0% to < 2% higher than the Index ¹

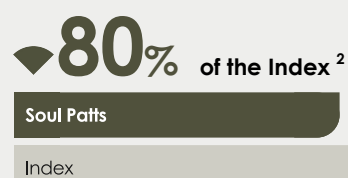
80% multiplier

¹ ASX200 Accumulation Index (adjusted for tax)

FY24 long-term incentive performance outcomes

The vesting of LTI awards are subject to company performance requirements being met over a 3 year measurement period. Our cumulative NAV outperformance has added more than \$2 billion in value above market performance over the last 3 years. While significant value has been delivered to shareholders since the Milton Corporation acquisition 3 years ago, it is not reflected in the TSR metric below. This is due to the elevated share price at the time of the Milton merger which coincided with the commencement of the TSR performance period. As a result, 50% of the performance rights granted in April 2022 will vest and the remainder that are linked to TSR will not currently vest but will be subject to legacy retesting at 31 July 2025.

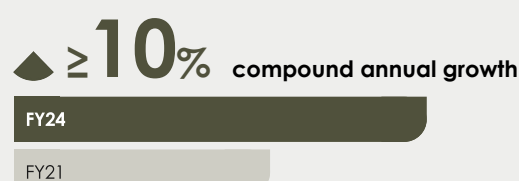
3-year Total Shareholder Return



Threshold not met
< 100% of the Index ²

0% vested ³

3-year Net Asset Per Share Growth



Stretch performance achieved
≥ 10% compound annual growth

100% vested

² All Ordinaries Accumulation Index

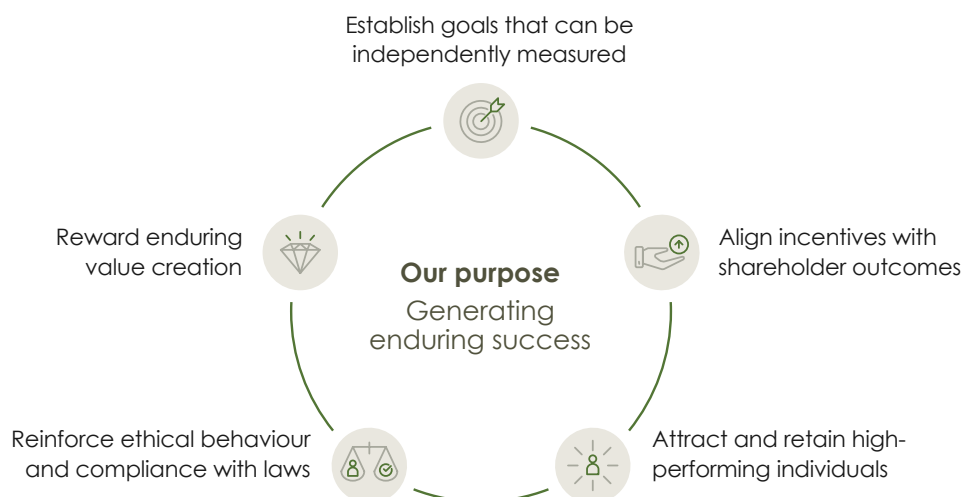
³ Subject to re-testing at 31 July 2025

Remuneration Report

Remuneration strategy and framework

Remuneration strategy

Soul Patts' remuneration strategy and principles are aligned with our purpose and guided by our values of integrity, initiative and accountability.



Remuneration framework

Our remuneration framework is designed to attract and retain top talent essential for driving long-term success and delivering sustained value to our shareholders. Our emphasis on variable remuneration underscores Soul Patts' commitment to performance-based compensation, which aligns the interests of our team with those of our shareholders.

Delivery today for our shareholders		Sustained delivery tomorrow for our shareholders
Fixed remuneration (FR)	Short-term incentive (STI)	Long-term incentive (LTI)
Attract and retain talent <ul style="list-style-type: none"> Set with reference to market benchmarks, considering the role and responsibilities, the organisation's size and complexity, and the necessary skills and experience Market remunerated roles are generally benchmarked between the 50th (P50) and to 75th (P75) percentiles of similar positions in organisations with comparable activity and scale, with which Soul Patts competes for talent Reviewed annually – individual performance impacts fixed remuneration adjustments Delivered in cash salary, salary sacrificed items and statutory superannuation contributions Effective from 1 August 2024, Soul Patts has introduced a minimum shareholding requirement for Executive KMP, including maintaining Soul Patts shares equal to 200% of fixed remuneration for the MD & CEO and 100% for other Executive KMP (refer page 51) 	Earned for delivery of annual goals <ul style="list-style-type: none"> Ensure a portion of remuneration is variable, at-risk and aligned to Soul Patts strategic priorities Target allocation set with reference to market benchmarks for role Outcomes vary depending on individual performance, including demonstrated values and behaviours STI calculated with reference to our investment approach: <ul style="list-style-type: none"> + Increase in Net Cash Flow From Investments Per Share + Outperformance of Adjusted Net Asset Value (post-tax) Per Share compared with the ASX200 Accumulation Index Board retains discretion to increase or decrease the STI outcome Delivered in cash following the announcement of the Company's annual financial results Effective from 1 August 2024, Soul Patts has introduced a 25% deferral in rights (refer page 53) 	Earned for long-term value creation <ul style="list-style-type: none"> Align accountability and remuneration with the long-term interests of shareholders by rewarding the delivery of sustained above-market performance Target allocation set with reference to market benchmarks for role Award vesting is subject to minimum company performance requirements being met: <ul style="list-style-type: none"> + Outperformance of 3-Year Total Shareholder Return (TSR) compared with All Ordinaries Accumulation Index + 3-Year Net Asset Per Share Growth (NAPSG) Board retains discretion including malus and clawback Delivered as performance rights which are subject to a 15-year disposal restriction post grant For LTIs granted from 1 August 2024, Soul Patts has decreased the disposal restriction from 15 years to 9 years post grant (refer page 51)
Performance year (Year 1)		Vesting subject to performance (Year 3)
		At-risk portion

Remuneration governance

Remuneration governance structure

Strong governance is essential in delivering remuneration outcomes, which effectively attracts and retains talent, and fairly rewards performance that creates sustainable value aligned with the long-term interests of shareholders.

The Board established the PCR Committee, which comprises a majority of independent Non-Executive Directors and is chaired by Independent Non-Executive Director, Josephine Sukkar AM. The PCR Committee meets throughout the year, as necessary, to review and provide recommendations to the Board in line with its charter. The PCR Committee ensures that the remuneration strategy and framework is suitable for all employees and aligned with Soul Patts' performance and values.

The following diagram illustrates Soul Patts' remuneration governance structure. Further information on the Board and PCR Committee charters is available on our website.

Board

The Board provides leadership and strategic guidance, oversees performance and conduct, and represents and reports to the shareholders. In relation to remuneration governance, the Board:

- + approves policies relating to culture, conduct and diversity
- + approves Soul Patts' remuneration framework
- + appoints the MD & CEO
- + reviews the performance of and approves the remuneration for Executive KMP
- + approves the remuneration of Directors within limits approved by shareholders.



People, Culture & Remuneration Committee

The PCR Committee assists the Board with oversight of the people, culture and remuneration strategies, ensuring remuneration aligns with company performance and Soul Patts' values.

The PCR Committee reviews, and where appropriate, makes recommendations to the Board on:

- + people and culture policies and practices including Soul Patts Code of conduct
- + remuneration strategy and framework, including the remuneration packages and performance outcomes for Executive KMP and remuneration of Directors
- + executive and employee incentive programs
- + independent advice including benchmarking as necessary
- + employee engagement and retention strategies
- + succession planning and talent development for the MD & CEO and senior executives.

The views of the Board Risk & Continuous Disclosure Committee are considered when determining Executive KMP remuneration, including any material risk matters or compliance breaches.

Stakeholder engagement

Consultation with shareholders and other stakeholders.

Independent external remuneration advisors

The Board and/or the PCR Committee may, from time to time, appoint and engage advisors directly in relation to remuneration matters. These advisors may:

- + review, provide analysis and recommendations on the appropriateness of KMP remuneration including benchmarking
- + provide advice, information and recommendations relevant to remuneration strategy and framework
- + provide the fair value of equity rights.

Advice provided by external advisors to assist the Board or PCR Committee is not a substitute for the Board and PCR Committee procedures. Protocols are in place to ensure independent external remuneration advisors provide recommendations free from management influence.

Management

Management implements strategies set by the Board and the PCR Committee and:

- + provides analysis and recommendations on the remuneration strategy and framework
- + obtains remuneration information from external advisors to assist the PCR Committee (i.e., market data, accounting advice)
- + implements people and culture policies and procedures.

Remuneration Report

Remuneration governance continued

Stakeholder engagement

In the lead up to Soul Patts' most recent AGM, we engaged extensively with a range of stakeholders. Although our FY23 Remuneration Report received strong support from our shareholders with a 76% of vote in favour, key feedback concerned the additional rights granted in FY23 to MD & CEO, Todd Barlow.

We clarified that these rights, referred to as Profit Share Rights, were awarded in lieu of a contractual cash profit share due to him by virtue of his previous role 9 years ago as Managing Director of a Soul Patts subsidiary. This legacy arrangement was structured to ensure strong alignment with Soul Patts' shareholders, delivering the award only in the event substantial outperformance of a property investment was realised. These Profit Share Rights are contingent not only on continued employment at the time of vesting but were also granted with a 15-year disposal restriction. These rights were disclosed in FY23 and were effectively approved by shareholders through the approval of the Remuneration Report at the 2023 AGM. Although these rights were issued in FY23, the 3-year service condition results in a share-based payment expense of \$1,466,789 being recognised in Todd Barlow's FY24 statutory remuneration (refer to page 60). The share-based payments expense associated with these rights will cease in FY27 upon completion of the service period. There are no other legacy arrangements of this nature.

The Board is always mindful of the focus on overall remuneration levels and spends considerable time each year determining remuneration outcomes in the context of our operations. We recognise the need to attract, retain, and incentivise our employees while also meeting a range of shareholder expectations. As part of our ongoing stakeholder engagement, we have also met with proxy advisors to explain our remuneration strategy and framework, and discuss our governance practices.

The PCR Committee remains committed to fostering open and constructive dialogue with shareholders and their representative bodies and will continue to consult with major stakeholders on any significant changes to remuneration arrangements and their implementation.

Independent external remuneration advisors

This year, for the first time since our Executive KMP were appointed, we conducted a comprehensive external benchmarking process, which has shaped our remuneration framework and enhanced our ability to articulate it effectively. The PCR Committee engaged GRG as an external remuneration consultant to provide advice on benchmarking, market insights and assistance with the remuneration framework review. GRG conducted a thorough review of remuneration and at-risk reward benchmarking within the industry and proxy adviser defined peer groups, and provided recommendations on the Executive KMP remuneration framework. Additionally, GRG provided insights into contemporary remuneration practices and expectations. GRG was paid \$68,400 (excluding GST) for these services.

GRG's advice did not substitute for the thorough consideration of our remuneration framework and strategy by the PCR Committee or the Board. GRG's report was delivered directly to the PCR Committee and recommendations served as an input for remuneration decisions and adjustments to the Executive KMP remuneration framework. The Board and the PCR Committee are satisfied that the advice provided by GRG was free from undue influence.

In addition, Soul Patts engaged valuation specialists, Loneragan Edwards & Associates Limited to independently determine the fair value of Executive KMP rights issued during the year.

People and culture

Soul Patts' performance and reward framework sets performance expectations, facilitates feedback and provides support for personal and career development. The framework ensures that performance reviews uphold our culture and values, identifies opportunities, and addresses employees needing additional support or performance management.

At the beginning of the performance year, team members collaborate with their leaders to discuss, set, and agree on goals, establishing measurable key performance indicators (**KPIs**) within their key responsibility areas (**KRAs**). At Soul Patts, employee performance is assessed on these goals and KPIs, as well as their demonstrated behaviours, ensuring evaluations align with our values.

During the year, our performance and reward framework has placed greater emphasis on individually tailored development plans and succession planning to drive better outcomes and foster continuous growth.

Other governance practices

Soul Patts' remuneration practices demonstrate good governance and are important features of our remuneration arrangements. Below are key governance provisions that ensure accountability, promote ethical practices, and align remuneration outcomes with long-term shareholder value creation.

Governance provisions	Detail
Board discretion	<p>The Board and the PCR Committee consider it essential to be able to exercise discretion regarding Executive KMP remuneration outcomes so that they appropriately reflect both the individual and Soul Patts' performance while aligning with the experience of our shareholders. The Board retains the discretion to increase, reduce, defer or cancel variable awards in exceptional circumstances, including reducing variable outcomes to nil.</p> <p>The Board has the discretion to set the terms and conditions on which it will grant rights under Soul Patts' Rights Plan (LTI plan), including the vesting conditions and modification of the terms and conditions as appropriate to ensure the plan operates as intended.</p>
Specified disposal restrictions	<p>A key feature of Soul Patts' remuneration framework is the LTI plan, which has significantly contributed to the strong alignment between Executive KMP awards and shareholder interests. At the time of grant, these rights to deferred shares are restricted (and so unable to be disposed of) for 15 years or until the Executive KMP's departure.</p> <p>As part of our ongoing efforts to align executive incentives with shareholder interests and market best practices, for LTIs granted from 1 August 2024, Soul Patts has decreased the disposal restriction from 15 years to 9 years post grant. This adjustment reflects our commitment to providing a balanced remuneration framework that continues to promote long-term value creation while also offering a more competitive and reasonable timeframe for our executives. The revised disposal restriction period is designed to maintain strong alignment with our strategic goals, encourage sustained performance, and support retention of key talent. By shortening the disposal restriction, we aim to enhance the attractiveness of our remuneration framework and ensure it remains effective in motivating and retaining our executives.</p>
Malus and clawback	<p>Malus and clawback terms and conditions are incorporated in Soul Patts' remuneration framework. These provisions allow the Board to withhold or reclaim bonuses and incentives in cases of fraud, defalcation, gross misconduct or material financial misstatement. These clauses ensure accountability and protect Soul Patts and our shareholders from potential financial and reputational damage. The Board may cancel variable remuneration or recover variable remuneration awarded in previous financial years. This includes unvested or vested rights and restricted shares. During the year, there have been no enactment of these provisions.</p>
Minimum shareholding requirement	<p>Following advice from GRG and effective from 1 August 2024, Soul Patts has introduced a minimum shareholding requirement for Executive KMP. The Board believes that the interests of Executive KMP should be closely aligned to those of shareholders through exposure to the Company's share price and dividends. Executive KMP are now required to maintain a minimum holding of shares in the Company that is equal to 200% of fixed remuneration for the MD & CEO, and 100% for other Executive KMP. Unvested performance rights are not included in the calculation of the minimum shareholding requirement and a 3-year transitional period in which to acquire the required shareholding applies. The Board retains discretion to allow Executive KMP to vary from this requirement.</p> <p>At the end of FY24, the MD & CEO shareholding was 809% fixed remuneration, and the CFO was 227%, far exceeding their respective minimum shareholding requirement. These shares are also subject to the specified disposal restrictions as outlined above. Refer to page 61 for Executive KMP shareholdings.</p> <p>The Board encourages Non-Executive Directors to own shares in the Company. However, the Company neither awards shares to Non-Executive Directors nor requires them to maintain a minimum shareholding.</p>
Share trading policy	<p>The Company's Share Trading Policy prohibits Directors, KMP, employees and their associates from trading in the Company's securities while in possession of material non-public information. This prohibition extends to the Company and those of its controlled and associated entities. In addition, Directors, KMP and employees are prohibited from trading in the Company's securities outside prescribed trading periods.</p> <p>This policy ensures compliance with insider trading laws, protects Soul Patts' reputation and maintains confidence in trading the Company's securities.</p>

Remuneration Report

Executive remuneration in detail

Soul Patts' Executive KMP remuneration framework comprises of fixed remuneration and variable at-risk rewards in the form of short-term and long-term incentives. Each of these components is guided by the principles outlined in our remuneration strategy and framework.

Remuneration composition and pay mix

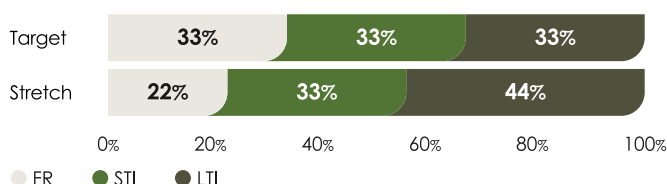
Remuneration levels are reviewed annually by the PCR Committee to reflect the overall performance of Soul Patts, appropriate remuneration outcomes and prevailing employment market conditions.

Executive KMP	Fixed remuneration ¹	Short-term incentives	Long-term incentives
Todd Barlow	\$1,672,000	Target 100.0% of fixed remuneration Stretch 150.0% of fixed remuneration	Target 100.0% of fixed remuneration Stretch 200.0% of fixed remuneration
David Grbin	\$836,000	Target 75.0% of fixed remuneration Stretch 112.5% of fixed remuneration	Target 75.0% of fixed remuneration Stretch 150.0% of fixed remuneration

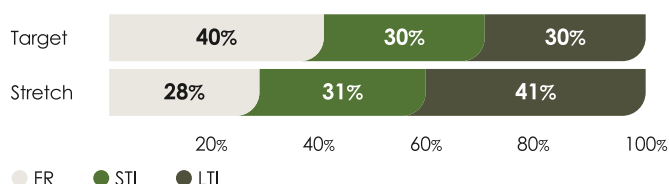
¹ Base remuneration including superannuation as at 31 July 2024.

The following diagrams illustrate the target and stretch remuneration opportunities for each Executive KMP. The actual remuneration received by Executive KMP each year depends on both Company and individual performance. Each component is calculated as a percentage of the total remuneration package, with the stretch opportunity representing the highest level of the financial performance measures.

MD & CEO



CFO



The pay mix for Executive KMP has been determined based on careful consideration to ensure it remains competitive with our peer group and aligns the interests of our team with those of our shareholders. In FY23, the pay mix was revised to increase the proportion of variable at-risk rewards. As shown above, the total target at-risk compensation ranges between 60% to 67% for Executive KMP. Given the changes made in FY23 to the pay mix, which increased the proportion of variable at-risk rewards, we do not anticipate any adjustments to this structure in FY25.

The diagram above does not include the Profit Share Rights granted to MD & CEO, Todd Barlow in FY23. These Profit Share Rights were awarded in lieu of a contractual cash profit share due to him by virtue of his previous role 9 years ago as Managing Director of a Soul Patts subsidiary. These rights are subject to a service condition and vesting dates are between FY25 and FY27 (refer to page 62).

Executive contractual arrangements

Executive KMP are employed on individual service contracts that contain a range of terms and conditions. The following table outlines the summary terms of employment.

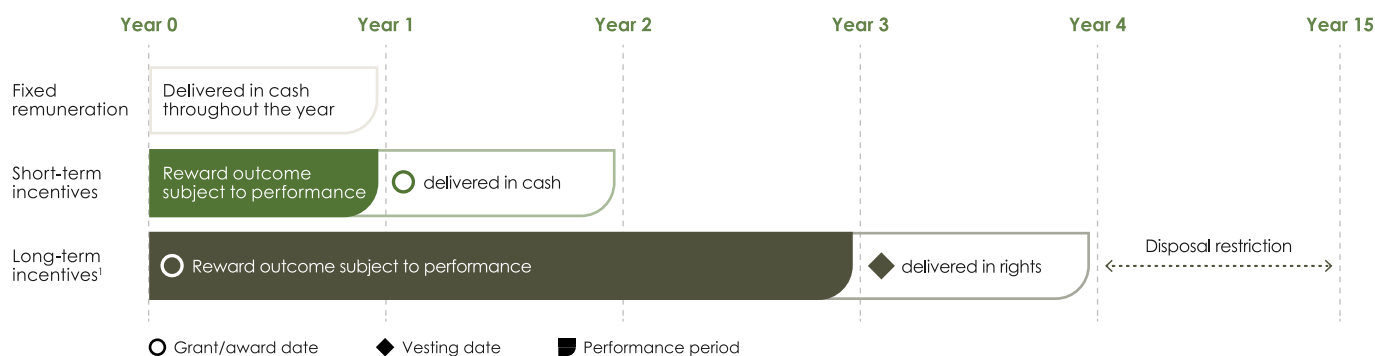
Executive KMP	Term of agreement	Notice period by executive	Notice period by Soul Patts	Termination payment ¹
Todd Barlow	Ongoing	6 months	6 months	Nil
David Grbin	Ongoing	3 months	3 months	Nil

¹ Base salary payable if the Company terminates the executive with notice and without cause. In the event of gross negligence or gross misconduct, the Company may terminate the executive agreement immediately by notice in writing and without payment in lieu of notice.

Executive KMP are also subject to restraints which will apply upon cessation of employment to protect the interests of Soul Patts. No separate amount is payable in relation to these restraints over and above the contractual entitlements outlined above.

FY24 – Remuneration delivery

Remuneration is structured to be realised over an extended period, demonstrating our long-term alignment with shareholders. The following diagram illustrates the current delivery of Executive KMP remuneration components.



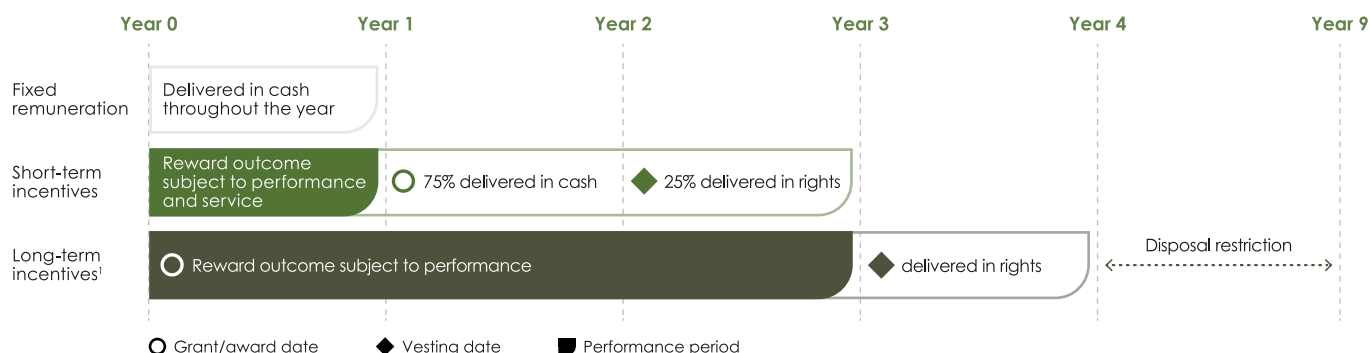
¹ To ensure strong alignment between Executive KMP awards and shareholder interests, LTIs granted are subject to a 15-year disposal restriction post grant. Refer to page 51 for further details.

FY25 – Changes to remuneration delivery

During the year, the PCR Committee and the Board reviewed the executive remuneration framework and delivery timeline. Effective from 1 August 2024, the Board approved changes to our remuneration delivery method and timeline.

Previously, 100% of STIs were delivered in cash immediately following the announcement of the Company's annual financial results. Moving forward, 75% of the STI will be delivered in cash after the performance year, with the remaining 25% awarded as deferred rights. The rights vest in the second year and are subject to a continued service condition, reinforcing our commitment to sustainable growth and ensuring continued alignment with the interests of our shareholders. There are no disposal restrictions on the deferred rights issued under the STI plan.

The following diagram illustrates the future delivery of Executive KMP remuneration components.



¹ To ensure strong alignment between Executive KMP awards and shareholder interests, LTIs granted are subject to a 9-year disposal restriction post grant. Refer to page 51 for further details.

As outlined on page 51 and effective from 1 August 2024, Soul Patts has introduced a minimum shareholding requirement for Executive KMP. Executive KMP's restricted shareholdings and the introduction of a minimum shareholding has led the Board to decrease the disposal restriction from 15 years to 9 years post grant.

Remuneration Report

Executive remuneration in detail continued

Fixed remuneration

Soul Patts' fixed remuneration strategy is to offer market-competitive salaries to attract and retain our experienced and accomplished management team. For Executive KMP, the fixed remuneration component is reviewed annually by the PCR Committee and the Board. This review considers the role and responsibilities, the organisation's size and complexity, and the necessary skills and experience.

During the year, for the first time since the appointments of our Executive KMP, Soul Patts completed its first comprehensive benchmarking exercise, which included reviewing fixed remuneration using independent and externally sourced benchmark data. This thorough benchmarking process revealed that Executive KMP's fixed remuneration for FY24 was materially below the 50th percentile, indicating a significant misalignment with Soul Patts' remuneration strategy. Soul Patts' framework is to remunerate Executive KMP's fixed remuneration between the 50th (**P50**) and to 75th (**P75**) percentiles of similar positions in organisations with comparable activity and scale. As a result of this benchmarking exercise, the PCR Committee has recommended, and the Board has approved, the below fixed remuneration increases for FY25.

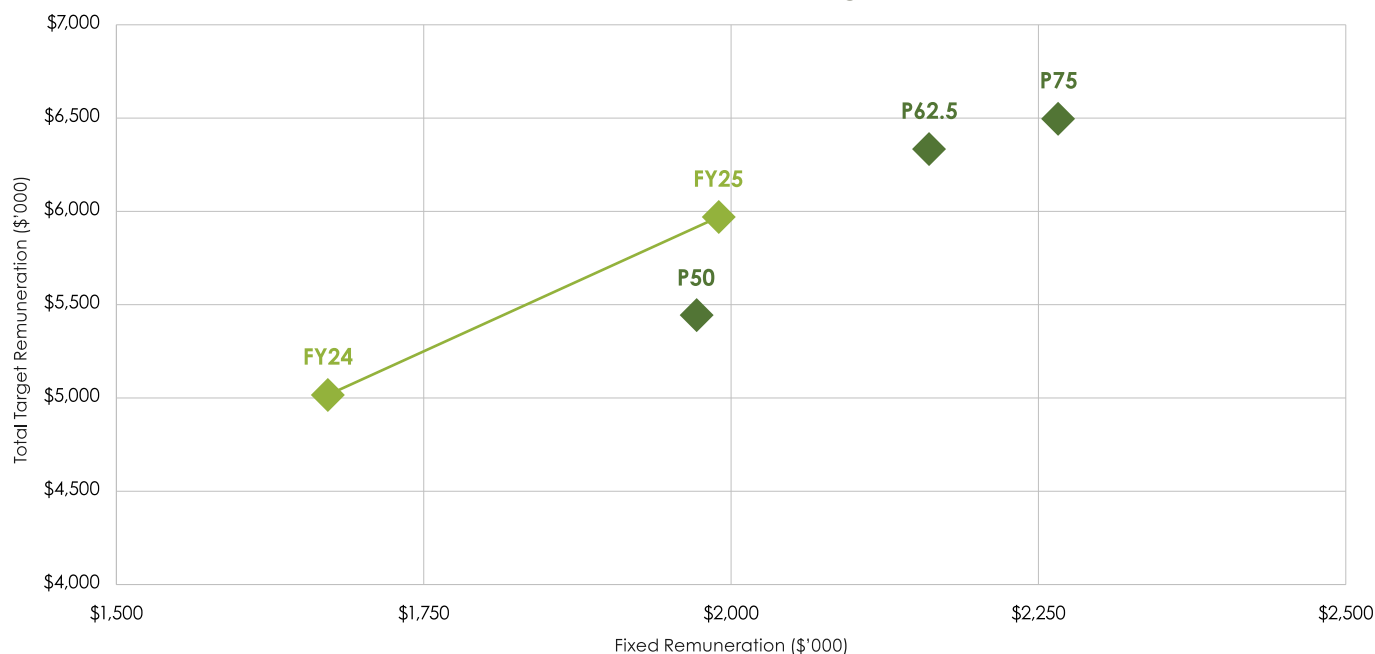
Executive KMP	2024 fixed remuneration	2025 fixed remuneration	Increase	
	\$	\$	\$	%
Todd Barlow	1,672,000	1,990,000	318,000	19.0%
David Grbin	836,000	976,000	140,000	16.7%

These adjustments, based on recommendations from GRG, align Executive KMP remuneration closer to the market median of peer companies of similar size and complexity, including those included in the S&P/ASX 50 Index. The benchmarking process took into account proxy advisor peer groups, as well as factors such as market capitalisation, portfolio composition, and the complexity, diversity, and breadth of the sectors in which Soul Patts operates.

These increases are an essential step in securing and retaining the high calibre of our management team, continuing to drive Soul Patts' long-term success and sustained value for our shareholders. The FY25 increases become particularly important as they support our remuneration strategy of aligning fixed remuneration towards the upper quartile of similar positions in organisations with comparable activity and scale.

To illustrate our approach to benchmarking, we set out data below for the MD & CEO, Todd Barlow against the GRG comparator group (20 companies). The diagram below does not include the Profit Share Rights granted to MD & CEO, Todd Barlow in FY23.







MD & CEO benchmarking



Source: Godfrey Remuneration Group.

Short-term incentives

The STI is a performance-based component of the remuneration framework, designed to drive results without encouraging undue risk-taking. It is evaluated based on the achievement of minimum Group performance hurdles, along with annual goals and KPIs. The below table summarises the key features of the STI plan that applied in FY24.







Feature	Description																																						
Purpose	Short-term incentives are designed to award for the delivery of annual goals.																																						
Eligibility	Includes all Executive KMP disclosed in this report and other employees.																																						
Opportunity	Target and stretch opportunity, as a percentage of fixed remuneration, is shown below. <table><tr><th>Executive KMP</th><th>Target %</th><th>Stretch %</th></tr><tr><td>MD & CEO</td><td>100.0%</td><td>150.0%</td></tr><tr><td>CFO</td><td>75.0%</td><td>112.5%</td></tr></table>	Executive KMP	Target %	Stretch %	MD & CEO	100.0%	150.0%	CFO	75.0%	112.5%																													
Executive KMP	Target %	Stretch %																																					
MD & CEO	100.0%	150.0%																																					
CFO	75.0%	112.5%																																					
Instrument and delivery	In respect of the FY24 award, 100% of the STI awarded is paid in cash following the announcement of the Company's annual financial results.																																						
Award calculation and assessment	<p>The STI is calculated with reference to two Group performance hurdles that best drive alignment with shareholder outcomes, including Net Cash Flow From Investments and growth in Net Asset Value per share.</p> <p>Once the Group's performance hurdles are calculated, the PCR Committee determines each Executive KMP's STI award based on an assessment of individual performance. The STI award is capped at the stretch opportunity.</p> <p>The STI award calculation is set out below:</p> <div><div>STI award (\$)</div><div>=</div><div>Fixed remuneration (\$)</div><div>x</div><div>Target opportunity (%)</div><div>x</div><div>Group performance (%)</div><div>x</div><div>Individual performance (%)</div></div>																																						
Group performance hurdles	<p>The Group's performance hurdles align with Soul Patts' investment approach and are designed to maximise shareholders' returns.</p> <table><tr><th>Weighting</th><th>Metric</th><th>Performance level</th><th>% Higher than previous year</th><th>Multiplier</th></tr><tr><td rowspan="4"></td><td rowspan="4">Net Cash Flow From Investments per share Higher than previous year</td><td>Threshold</td><td>> 0% to < 4%</td><td>80%</td></tr><tr><td>Target</td><td>4% to < 5%</td><td>100%</td></tr><tr><td>Between target and stretch</td><td>5% to < 9%</td><td>Pro-rata ¹</td></tr><tr><td>Stretch</td><td>≥ 9%</td><td>150%</td></tr></table> <p>¹ Pro-rata outcomes are rounded up to the nearest 10% increment.</p> <table><tr><th>Weighting</th><th>Metric</th><th>Performance level</th><th>% Higher than the Index</th><th>Multiplier</th></tr><tr><td rowspan="4"></td><td rowspan="4">Adjusted Net Asset Value (post-tax) per share Higher than ASX200 Accumulation Index (adjusted for tax)</td><td>Threshold</td><td>> 0% to < 2%</td><td>80%</td></tr><tr><td>Target</td><td>2% to < 3%</td><td>100%</td></tr><tr><td>Between target and stretch</td><td>3% to < 7%</td><td>Pro-rata ²</td></tr><tr><td>Stretch</td><td>≥ 7%</td><td>150%</td></tr></table> <p>² Pro-rata outcomes are rounded up to the nearest 10% increment.</p>	Weighting	Metric	Performance level	% Higher than previous year	Multiplier		Net Cash Flow From Investments per share Higher than previous year	Threshold	> 0% to < 4%	80%	Target	4% to < 5%	100%	Between target and stretch	5% to < 9%	Pro-rata ¹	Stretch	≥ 9%	150%	Weighting	Metric	Performance level	% Higher than the Index	Multiplier		Adjusted Net Asset Value (post-tax) per share Higher than ASX200 Accumulation Index (adjusted for tax)	Threshold	> 0% to < 2%	80%	Target	2% to < 3%	100%	Between target and stretch	3% to < 7%	Pro-rata ²	Stretch	≥ 7%	150%
Weighting	Metric	Performance level	% Higher than previous year	Multiplier																																			
	Net Cash Flow From Investments per share Higher than previous year	Threshold	> 0% to < 4%	80%																																			
		Target	4% to < 5%	100%																																			
		Between target and stretch	5% to < 9%	Pro-rata ¹																																			
		Stretch	≥ 9%	150%																																			
Weighting	Metric	Performance level	% Higher than the Index	Multiplier																																			
	Adjusted Net Asset Value (post-tax) per share Higher than ASX200 Accumulation Index (adjusted for tax)	Threshold	> 0% to < 2%	80%																																			
		Target	2% to < 3%	100%																																			
		Between target and stretch	3% to < 7%	Pro-rata ²																																			
		Stretch	≥ 7%	150%																																			
Individual performance measures	<p>Once the Group's performance hurdles have been calculated, the STI award for Executive KMP is determined with reference to the assessment of individual performance measures. The PCR Committee and the Board carefully set individual performance measures, ensuring they are aligned to Soul Patts' purpose and strategy. Set out below are the performance measures in respect of FY24. While each measure is considered individually, the PCR Committee review the total STI award with the Group's overall performance to ensure alignment with the experience of Soul Patts' shareholders.</p> <table><tr><th>Executive KMP</th><th>Measures</th></tr><tr><td>MD & CEO</td><td><ul style="list-style-type: none">+ Investing and capital allocation, including guiding organisational decision-making+ Cashflow growth and dividends, including diversification and long-term outlook+ Risk management, including corporate governance, compliance and risk culture+ Investor relations, including brand and market presence+ Strategic growth, including key mergers and acquisitions+ People and culture, including employee engagement and development</td></tr><tr><td>CFO</td><td><ul style="list-style-type: none">+ Financial reporting, including key insights, analysis and efficiencies+ Financial controls and risk management, including compliance and effectiveness+ Cashflow and NAV growth, including optimisation strategies across the portfolios+ Treasury and funding, including liquidity management and capital structure+ Strategic growth, including mergers and acquisitions+ People and culture, including employee engagement and development</td></tr></table>	Executive KMP	Measures	MD & CEO	<ul style="list-style-type: none">+ Investing and capital allocation, including guiding organisational decision-making+ Cashflow growth and dividends, including diversification and long-term outlook+ Risk management, including corporate governance, compliance and risk culture+ Investor relations, including brand and market presence+ Strategic growth, including key mergers and acquisitions+ People and culture, including employee engagement and development	CFO	<ul style="list-style-type: none">+ Financial reporting, including key insights, analysis and efficiencies+ Financial controls and risk management, including compliance and effectiveness+ Cashflow and NAV growth, including optimisation strategies across the portfolios+ Treasury and funding, including liquidity management and capital structure+ Strategic growth, including mergers and acquisitions+ People and culture, including employee engagement and development																																
Executive KMP	Measures																																						
MD & CEO	<ul style="list-style-type: none">+ Investing and capital allocation, including guiding organisational decision-making+ Cashflow growth and dividends, including diversification and long-term outlook+ Risk management, including corporate governance, compliance and risk culture+ Investor relations, including brand and market presence+ Strategic growth, including key mergers and acquisitions+ People and culture, including employee engagement and development																																						
CFO	<ul style="list-style-type: none">+ Financial reporting, including key insights, analysis and efficiencies+ Financial controls and risk management, including compliance and effectiveness+ Cashflow and NAV growth, including optimisation strategies across the portfolios+ Treasury and funding, including liquidity management and capital structure+ Strategic growth, including mergers and acquisitions+ People and culture, including employee engagement and development																																						
Other terms	The Board retains discretion to adjust STI outcomes up or down (including to zero) as described on page 51.																																						

Remuneration Report

Executive remuneration in detail continued

Long-term incentives

The LTI is a performance-based component of the remuneration framework, designed to reward participants for achieving sustained above market performance. LTIs are granted as performance rights, in accordance with the LTI plan approved by shareholders at the 2017 AGM. The table below summarises the key features of the LTI plan that applied in FY24.

Feature	Description																											
Purpose	Long-term incentives are designed to award for the delivery of long-term value creation.																											
Eligibility	Includes all Executive KMP disclosed in this report and other employees.																											
Instrument and delivery	Upon the satisfaction of the vesting conditions, the value of performance rights that vest will be evaluated and will be settled in ordinary shares, cash or a combination of cash and ordinary shares based on the then share price. No dividends are payable on performance rights and no amount is payable by participants on exercise.																											
Opportunity and allocation value	The allocation of LTIs is based on face value. The number of performance rights granted is based on the stretch opportunity divided by the right value. The stretch opportunity is determined by dividing the target opportunity by the target vesting percentage. As outlined in the vesting schedule below, if target is achieved, only 50% of the performance rights would vest. The target opportunity, as a percentage of fixed remuneration, is shown below.																											
	<table><tr><th>Executive KMP</th><th>Target %</th></tr><tr><td>MD & CEO</td><td>100.0%</td></tr><tr><td>CFO</td><td>75.0%</td></tr></table>	Executive KMP	Target %	MD & CEO	100.0%	CFO	75.0%																					
	Executive KMP	Target %																										
	MD & CEO	100.0%																										
	CFO	75.0%																										
The right value is equal to the VWAP over the 10 trading days following the announcement of the Company's previous financial year results, taking into account dividends over the performance period.																												
Vesting conditions	The performance rights are subject to vesting conditions intended to be challenging and linked to shareholder value.																											
	The vesting of the Total Shareholder Return (TSR) performance rights will be determined by comparing the Company's TSR over the measurement period with the movement in the All Ordinaries Accumulation Index over the measurement period. The vesting of the TSR performance rights will be determined as set out below.																											
	<table><tr><th>Weighting</th><th>Metric</th><th>Performance level</th><th>% of the Index</th><th>Vesting</th></tr><tr><td rowspan="4"></td><td rowspan="4">Total Shareholder Return (TSR) as compared to the All Ordinaries Accumulation Index at the end of the measurement period</td><td>Below threshold</td><td>< 100%</td><td>0%</td></tr><tr><td>Target and threshold</td><td>100%</td><td>50%</td></tr><tr><td>Between target and stretch</td><td>> 100% to < 100% + 3% CAGR</td><td>Pro-rata</td></tr><tr><td>Stretch</td><td>≥ 100% + 3% CAGR</td><td>100%</td></tr></table>	Weighting	Metric	Performance level	% of the Index	Vesting		Total Shareholder Return (TSR) as compared to the All Ordinaries Accumulation Index at the end of the measurement period	Below threshold	< 100%	0%	Target and threshold	100%	50%	Between target and stretch	> 100% to < 100% + 3% CAGR	Pro-rata	Stretch	≥ 100% + 3% CAGR	100%								
Weighting	Metric	Performance level	% of the Index	Vesting																								
	Total Shareholder Return (TSR) as compared to the All Ordinaries Accumulation Index at the end of the measurement period	Below threshold	< 100%	0%																								
		Target and threshold	100%	50%																								
		Between target and stretch	> 100% to < 100% + 3% CAGR	Pro-rata																								
		Stretch	≥ 100% + 3% CAGR	100%																								
	TSR is the sum of share price appreciation and dividends (assumed to be reinvested in shares) during the measurement period expressed as a growth percentage.																											
	The vesting of the Net Asset Per Share Growth (NAPSG) performance rights will be determined as set out below.																											
	<table><tr><th>Weighting</th><th>Metric</th><th>Performance level</th><th>CAGR %</th><th>Vesting</th></tr><tr><td rowspan="5"></td><td rowspan="5">Net Asset Per Share Growth (NAPSG), calculated with reference to its Compound Annual Growth Rate (CAGR) during the measurement period</td><td>Below threshold</td><td>< 3%</td><td>0%</td></tr><tr><td>Threshold</td><td>3%</td><td>25%</td></tr><tr><td>Between threshold and target</td><td>> 3% to < 5%</td><td>Pro-rata</td></tr><tr><td>Target</td><td>5%</td><td>50%</td></tr><tr><td>Between target and stretch</td><td>> 5% to < 10%</td><td>Pro-rata</td></tr><tr><td></td><td></td><td>Stretch</td><td>≥ 10%</td><td>100%</td></tr></table>	Weighting	Metric	Performance level	CAGR %	Vesting		Net Asset Per Share Growth (NAPSG), calculated with reference to its Compound Annual Growth Rate (CAGR) during the measurement period	Below threshold	< 3%	0%	Threshold	3%	25%	Between threshold and target	> 3% to < 5%	Pro-rata	Target	5%	50%	Between target and stretch	> 5% to < 10%	Pro-rata			Stretch	≥ 10%	100%
Weighting	Metric	Performance level	CAGR %	Vesting																								
	Net Asset Per Share Growth (NAPSG), calculated with reference to its Compound Annual Growth Rate (CAGR) during the measurement period	Below threshold	< 3%	0%																								
		Threshold	3%	25%																								
		Between threshold and target	> 3% to < 5%	Pro-rata																								
		Target	5%	50%																								
		Between target and stretch	> 5% to < 10%	Pro-rata																								
		Stretch	≥ 10%	100%																								
	Net Assets Per Share at the end of the measurement period will be calculated by adding all dividends paid during the measurement period to the closing Net Assets of the Company at the end of the measurement period and then dividing by the number of issued shares at the end of the measurement period.																											
Measurement period	The measurement period will be the 3 financial years from 1 August of the relevant year of the allocation. Performance rights will lapse if the prescribed vesting conditions are not satisfied within the prescribed measurement period, subject to re-testing. During FY23, the PCR Committee reviewed its approach to the measurement period and removed the ability to re-test performance 12 months following a year in which the performance rights did not vest. LTIs granted from FY24 are not eligible for re-testing.																											
Specified disposal restrictions	LTIs granted to date include a 15-year disposal restriction as well as malus and clawback, providing significant alignment with long-term shareholder outcomes (refer to page 61).																											
Cessation of employment	On cessation of employment, all unvested performance rights subject to a service condition are forfeited. For performance rights not subject to a service condition, a portion of the rights granted in the financial year in which the cessation occurs will be forfeited. The proportion forfeited corresponds to the remainder of the financial year following the cessation as a percentage of the full financial year. This provision recognises that grants of performance rights are part of the remuneration for the year of grant and that if part of the year is not served then some of the performance rights will not have been earned.																											
Other terms	The terms and conditions of the LTI plan include those aspects legally required as well as a method for calculating the appropriate number to vest in the circumstances of a change of control, a major return of capital to shareholders and the treatment of rights in the circumstances of various forms of cessation. Further details on malus and clawback provisions are described on page 51. The Board has the discretion to establish the terms and conditions for granting rights under the LTI plan, including setting vesting conditions. Additionally, the Board can modify these terms to ensure the plan operates as intended, provided such modifications comply with ASX Listing Rules.																											

Remuneration Report

Performance and remuneration outcomes

Company performance

The remuneration outcomes for Executive KMP are designed to align to short-term and long-term Company performance. The table below summarises the Company's performance against a range of indicators for 2024 and the previous 4 years.

Performance metrics	2020	2021	2022	2023	2024
Closing share price at 31 July (\$)	\$19.55	\$32.65	\$25.69	\$32.95	\$35.50
Regular earnings per share (\$)	\$0.71	\$1.65	\$2.80	\$2.37	\$1.52
Total dividends (cents per share)	60c	62c	87c	87c	95c
Annualised TSR (%)	(11.4)%	70.4%	(19.6)%	32.4%	10.7%
Post-tax NAV per share (\$)	\$17.90	\$19.57	\$25.14	\$27.08	\$29.08
Performance against benchmark (%)	10.0%	(15.9)%	34.0%	2.3%	0.5%
Net Cash Flow From Investments per share (\$)	\$1.05	\$0.75	\$0.96	\$1.18	\$1.30
Net Cash Flow from Investments per share (% increase)	48.8%	(28.5)%	27.9%	22.0%	10.3%
MD & CEO's STI outcome (% of stretch)	96%	—%	101%	83%	93%
CFO's STI outcome (% of stretch)	113%	—%	103%	84%	96%

One of the guiding principles of our executive remuneration framework is to align reward with our strategic objectives and the experience of our shareholders. The following graph illustrates the share price over the past 5 years. In relation to the LTI vesting conditions, 50% of the LTI award is based on Soul Patts' TSR, which is directly influenced by the Company's share price performance. This structure ensures that Executive KMP remuneration is closely aligned with shareholder outcomes.

Long-term TSR generated by Soul Patts over 10, 15 and 20 year periods have consistently outperformed the All Ordinaries Accumulation Index (refer to page 5). However, it is important to acknowledge that the share price at the beginning of the FY22 LTI measurement period was elevated due to the Milton merger, providing a unique context to the comparison with Soul Patts sustained outperformance.



Remuneration Report

Performance and remuneration outcomes continued

STI outcomes for Executive KMP

When determining outcomes for Executive KMP, the PCR Committee and the Board reviewed the Group's overall performance to ensure alignment with the experiences of Soul Patts' shareholders. The current metrics are designed to reward only exceptional performance and set a high bar in maintaining alignment between Executive KMP incentives and Soul Patts' strategic objectives.

The STI award is contingent upon some of the most ambitious financial performance hurdles in the market. Specifically, the STI calculation is dependent on the Company's performance against two key metrics:

- Net Cash Flow From Investments per share, targeting 4% to 5% increase year-on-year
- Adjusted Net Asset Value (post-tax) per share, targeting 2% to 3% higher than the ASX200 Accumulation Index (adjusted for tax).

Since their respective appointments, Soul Patts' Executive KMP have consistently grown cash flows, resulting in a 7.1% compound dividend growth for shareholders over the past decade and extending our 24-year track record of consecutive dividend increases. Soul Patts' historical performance and target metrics compare favourably to the All Ordinaries Accumulation Index, which has delivered just 2.2% compound annual growth rate in dividends over the past decade.

Similarly, delivering 12.0% total shareholder return over the past decade of 3.8% above the All Ordinaries Accumulation Index is a significant achievement for a diversified investment company with \$11.8 billion in assets that protects capital and does not employ high-risk strategies.



To put this performance in perspective, S&P analysed the funds management industry and compiled a report (SPIVA Australia Year-End 2023) which found:

- 77% of active fund managers underperformed the ASX200 index in the 12 months ended 31 December 2023
- over a 15 year period, 85% of funds underperformed this same benchmark
- the average of upper quartile fund managers in 2023 was also below the ASX200 index performance.

Soul Patts' incentive arrangements require delivery of 2% to 3% higher than the benchmark in order to receive target STI outcomes, despite these results placing it in the top decile. Acknowledging this misalignment to the market, the PCR Committee is considering a review of the performance thresholds going forward.

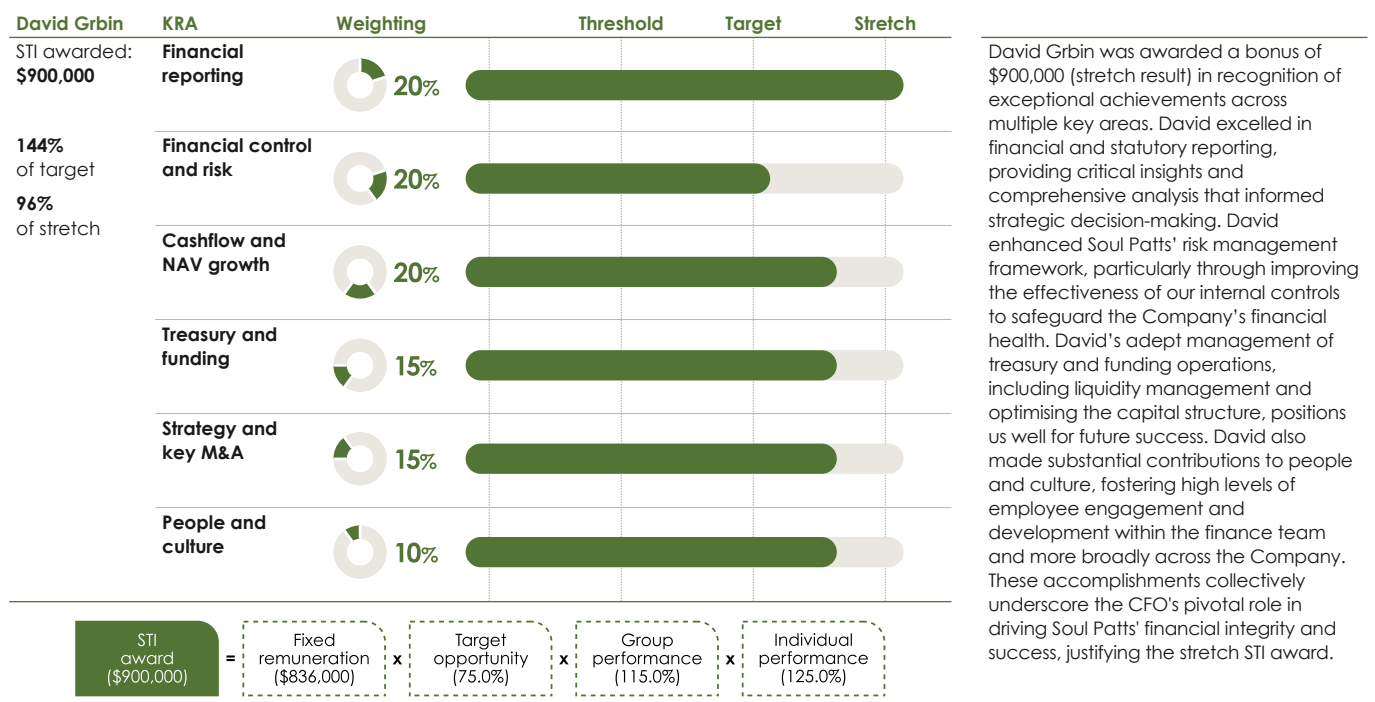
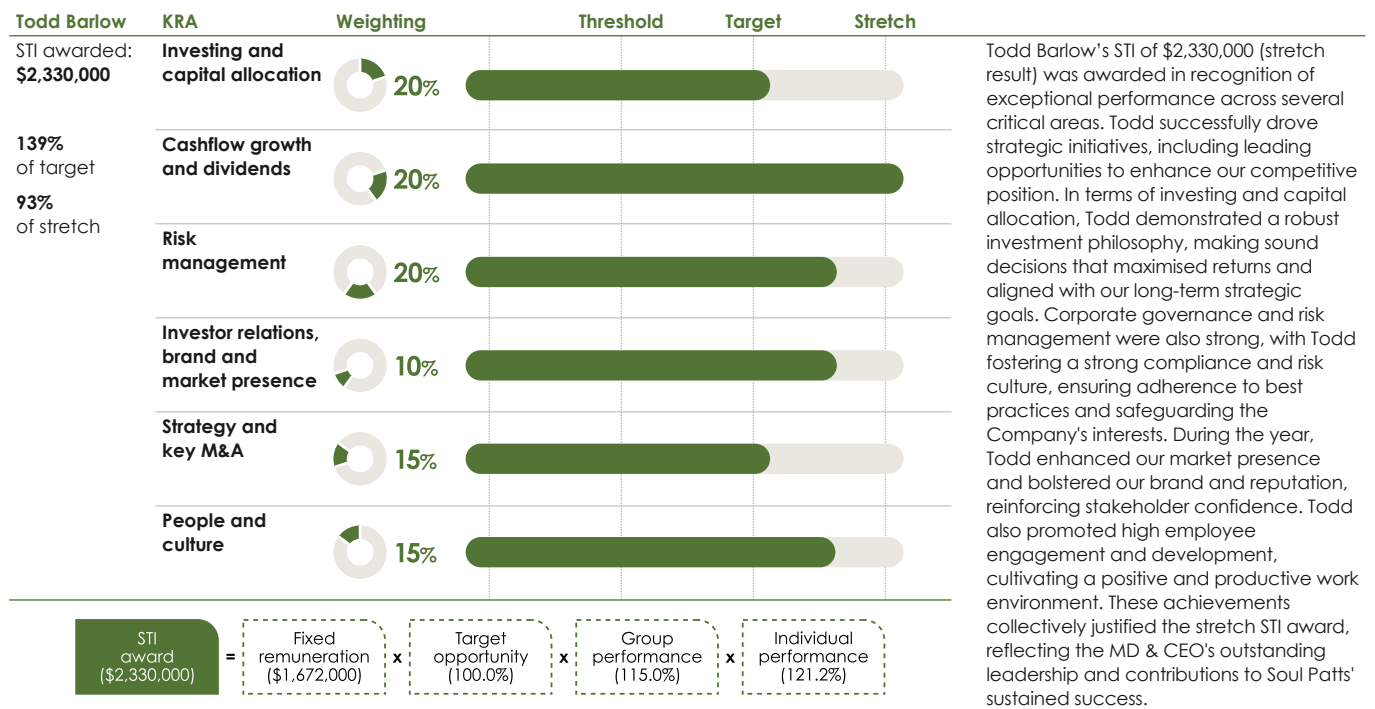
Non-financial measures have also contributed significantly to the success of Soul Patts over the past decade including outstanding achievements in diversity and inclusion, with strong growth in female representation to around 50% of Soul Patts' workforce. Driving engagement of Soul Patts' workforce has also been a significant achievement, with upper quartile engagement scores since the introduction of its employee culture and engagement survey. Our Executive KMP have successfully implemented process improvements and automation that enhanced operational efficiency and employee engagement. Their proactive approach to risk management and robust governance practices has also played a critical role in navigating complex regulatory landscapes and maintaining Soul Patts' strong reputation.

Results of the Group's performance hurdles are set out below.

Metric	Performance	Weighting	Threshold	Target	Stretch
Net Cash Flow From Investments per share	Stretch performance achieved ≥ 9% higher than previous year	 50%			150%
Adjusted Net Asset Value (post-tax) per share	Threshold achieved > 0% to < 2% higher than ASX200 Accumulation Index (adjusted for tax)	 50%	80%		
Group performance	Calculated			115%	

The individual STI outcomes for Executive KMP reflect the Board's commitment to ensuring that performance is aligned with Soul Patts' strategic goals. Each year, the PCR Committee and the Board assess KPIs for each Executive KMP to ensure they remain relevant and effective in driving the right outcomes. The KPIs within each KRA are crucial for executing on Soul Patts' strategy and often involve navigating significant challenges or delivering on transformative initiatives.

The FY24 STI outcomes for Executive KMP are outlined below, demonstrating performance against their KRA.



Remuneration Report


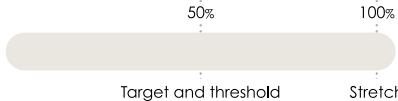

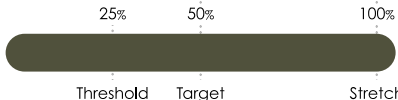
Performance and remuneration outcomes continued

LTI outcomes for Executive KMP

After the end of the financial year, the performance rights granted in April 2022, with a measurement period from 1 August 2021 to 31 July 2024 were tested. The TSR tranche is designed to focus participants on delivering sustainable long-term shareholder returns. The NAPSG is designed to focus participants on growing the value of Soul Patts' assets, which increases shareholder wealth.

Despite our consistent outperformance against the All Ordinaries Accumulation Index (refer to page 5), for FY24, the 3-year TSR vesting condition was not met. This was primarily due to the elevated share price resulting from the Milton merger (refer to page 57). As a result, 50% of the performance rights granted in April 2022 will vest and the remainder 50% will not currently vest and will be subject to retesting on 31 July 2025. In respect of the 3-year NAPSG, Soul Patts achieved $\geq 10\%$ CAGR, resulting in the stretch performance being achieved. The Board did not exercise discretion in the vesting of these performance rights.

The table below sets out the performance assessment and vesting outcomes.

Metric	Performance	Weighting	Vesting	
3-year	Threshold not met			
Total Shareholder Return	< 100% compared to the All Ordinaries Accumulation Index at the end of the measurement period	 50%	0% ¹	TSR 
3-year	Stretch performance achieved			
Net Asset Per Share Growth	$\geq 10\%$ CAGR during the measurement period	 50%	100%	NAPSG 

¹ Performance rights granted in April 2022 are subject to legacy re-testing provisions. Re-testing applies if nil vesting occurs at the end of the initial 3-year measurement period. During FY23, the Board removed the ability to re-test performance 12 months following a year in which LTI did not vest. This applies to any LTI granted from FY24.

Executive KMP statutory remuneration

The table below sets out the statutory remuneration of the Executive KMP. Removing for the impact of Profit Share Rights³, the total remuneration for the MD & CEO and CFO increased by 2.1% in 2024.

Name	Year	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		Total	Performance related %
		Salary \$	STI awarded \$	Non-monetary ¹ \$	Super-annuation \$	Long service leave \$	LTI rights ² \$	Profit Share Rights ³ \$		
Todd Barlow	2024	1,644,075	2,330,000	(48,995)	27,785	45,388	1,821,552	1,466,789	7,286,594	77%
	2023	1,574,661	1,989,950	30,223	25,292	51,927	2,025,632	308,587	6,006,272	72%
David Grbin	2024	808,075	900,000	22,857	27,785	15,794	683,088	—	2,457,599	64%
	2023	774,690	760,050	34,657	25,292	52,747	759,614	—	2,407,050	63%
Total	2024	2,452,150	3,230,000	(26,138)	55,570	61,182	2,504,640	1,466,789	9,744,193	74%
	2023	2,349,351	2,750,000	64,880	50,584	104,674	2,785,246	308,587	8,413,322	69%

¹ Non-monetary remuneration includes fringe benefits provided and movements in the annual leave provision. When annual leave provided for in prior years exceeds the current year expense, and that leave is utilised or paid out upon resignation, a negative non-monetary amount will result.

² The LTI remuneration is determined by expensing the fair value of the rights as set out on page 62 of this Remuneration Report over the relevant accounting periods.

³ In FY23, the MD & CEO was granted Profit Share Rights in lieu of a contractual cash profit share due to him by virtue of his previous role 9 years ago as Managing Director of a wholly-owned subsidiary of Soul Patts (refer to page 50).

Executive KMP realised pay

The table below sets out the remuneration received by Executive KMP, providing additional voluntary disclosure to the statutory remuneration table above. Unlike the statutory table, it excludes accruals and estimations, offering a closer measure of 'take-home pay' for the year.

The realised pay includes fixed remuneration which consists of base salary, superannuation and fringe benefits paid or provided during the year. It also includes the STI paid during the year which is in respect of performance in the previous year. Lastly, it includes the realised value of LTI awards which is based on the value of shares received upon vesting of performance rights during the year in respect of performance in previous years.

Name	Year	Fixed remuneration \$	STI paid \$	Total take home pay \$	LTI vested ¹ \$	Total realised pay \$
Todd Barlow	2024	1,671,860	1,989,950	3,661,810	2,984,076	6,645,886
	2023	1,603,907	1,133,900	2,737,807	2,296,381	5,034,188
David Grbin	2024	835,860	760,050	1,595,910	612,125	2,208,035
	2023	799,982	431,705	1,231,687	510,322	1,742,009
Total	2024	2,507,720	2,750,000	5,257,720	3,596,201	8,853,921
	2023	2,403,889	1,565,605	3,969,494	2,806,703	6,776,197

¹ Despite vesting into shares, these shares are restricted (and unable to be disposed) for 15 years post grant or until the Executive KMP's departure.

Executive KMP shareholdings

The table below sets out the number of shares in Soul Patts that were held during the financial year by Executive KMP, including their personally related parties.

Name	Opening balance	Acquired / (disposed)	Received on the vesting of LTI rights	Other changes during the year ¹	Closing balance	Percentage fixed remuneration ²
Todd Barlow	292,427	—	86,696	1,907	381,030	809%
David Grbin	35,237	—	17,784	392	53,413	227%

¹ Other changes during the year consists of ordinary shares bought on-market to satisfy an agreed payment in lieu of a dividend missed on 12 December 2023 (ex-date 17 November 2023). Due to share trading restrictions, shareholder approved rights that vested in September 2023 were only settled by an on-market purchase of shares on 16 April 2024.

² Calculated based on fixed remuneration and closing share price as at 31 July 2024.

Remuneration Report

Performance and remuneration outcomes continued

Executive KMP performance rights

Rights to deferred shares are granted in accordance with terms and conditions in the LTI plan. Performance and service conditions applicable to each issue of rights are determined by the Board at the time of grant. Rights granted under the plan carry no dividend or voting rights and upon vesting, the rights are automatically exercised for a nil exercise price.

For the purposes of Executive KMP disclosure, the amounts expensed in a particular year are included in the statutory remuneration tables at page 60. The following table summarises each grant of performance rights affecting remuneration in the current or a future reporting period.

Grant type	Grant date	Performance period start date	Performance period end date	Vesting date ¹	Fair value ² TSR rights	Fair value ² NAPSG rights	Fair value ² Profit Share rights
LTI Plan FY21	Feb 2021	Aug 2020	Jul 2023	Sep 2023	\$21.70	\$13.10	Not applicable
LTI Plan FY22	Apr 2022	Aug 2021	Jul 2024	Sep 2024	\$7.90	\$18.94	Not applicable
LTI Plan FY23	Dec 2022	Aug 2022	Jul 2025	Sep 2025	\$16.59	\$14.63	Not applicable
Profit Share Rights FY23	May 2023	May 2023	Jul 2027	50% Jul 2025	Not applicable	Not applicable	\$31.47
				25% Jul 2026			\$30.70
				25% Jul 2027			\$29.94
LTI Plan FY24	Dec 2023	Aug 2023	Jul 2026	Sep 2026	\$17.16	\$16.09	Not applicable

¹ Performance rights issued in respect of the LTI plan for FY21 to FY23 are subject to 12 months re-testing if nil rights vest on the original vesting date. The ability to re-test was removed in FY23 and applied to LTIs granted from FY24.

² The fair value of rights issued are independently determined by valuation specialists based on the performance and service conditions. This can include the market price of Soul Patts' shares at the grant date, with an adjustment made to consider the vesting period, expected dividends during that period that will not be received by the participants and the probability that the market performance conditions will be met. The fair value of rights issued during the year are expensed in the grant year or over multiple years for rights subject to service conditions. For further information, refer to Note 27 of the Financial Report.

The table below summarises the movements during the reporting period in the number of rights to deferred shares in Soul Patts held by each Executive KMP.

Grant type	Grant date	Balance at start of year Number	Granted during the year Number	Vested during the year Number %	Forfeited during the year Number %	Balance at end of year Number	Fair value of rights yet to be expensed \$
Todd Barlow							
LTI Plan FY21	Feb 2021	86,696	—	86,696 100%	— —	—	—
LTI Plan FY22	Apr 2022	62,481	—	— —	— —	62,481	—
LTI Plan FY23	Dec 2022	129,765	—	— —	— —	129,765	—
Profit Share Rights FY23	May 2023	129,765	—	— —	— —	129,765	2,233,713
LTI Plan FY24	Dec 2023	—	109,567	— —	— —	109,567	—
David Grbin							
LTI Plan FY21	Feb 2021	17,784	—	17,784 100%	— —	—	—
LTI Plan FY22	Apr 2022	15,551	—	— —	— —	15,551	—
LTI Plan FY23	Dec 2022	48,662	—	— —	— —	48,662	—
LTI Plan FY24	Dec 2023	—	41,088	— —	— —	41,088	—

Non-Executive Director arrangements

Policy and approach

Our remuneration policy for Non-Executive Directors aims to attract and retain skilled, experienced, and committed individuals by appropriately compensating them for their time and expertise. Our policy considers the Group's size and scope, the responsibilities and liabilities of Directors, and the demands placed upon them.

Non-Executive Directors receive a base fee for their role on the Board, with additional fees for chairing or being a member of a Board committee. These remuneration levels, which are not subject to performance-based incentives, are reviewed annually by the PCR Committee. Non-Executive Directors are remunerated at competitive market rates, funded from the maximum aggregate amount approved by shareholders, currently set at \$2.75 million per annum, as approved at the 2023 AGM. Non-Executive Directors are not entitled to receive performance or equity-based remuneration.

The Board encourages Non-Executive Directors to own shares in the Company. However, the Company neither awards shares to Non-Executive Directors nor requires them to maintain a minimum shareholding.

Fee structure

Non-Executive Director fees are inclusive of superannuation. Directors are entitled to reimbursement for reasonable business-related expenses and are covered by Soul Patts' Directors and Officers liability insurance policy.

Looking ahead to the coming year, the Board will review the structure of its committees and the fees for Non-Executive Directors and Board committee members to ensure they remain competitive within the market in which Soul Patts operates. In the interim, fees will increase by around 3.5% to reflect broad wage inflation, in addition to the 0.5% uplift for the superannuation guarantee rate effective 1 July 2024.

The following table summarises the chair and member fees applicable to Non-Executive Directors. All amounts are inclusive of superannuation.

	2024 fee structure		2023 fee structure	
	Chair	Member	Chair	Member
Board or Board Committee	\$	\$	\$	\$
Board	394,160	184,080	379,000	177,000
Audit Committee	41,600	18,200	40,000	17,500
Risk & Continuous Disclosure Committee	31,200	-	30,000	-
People, Culture & Remuneration Committee	31,200	14,560	30,000	14,000
Nomination Committee	-	-	-	-

The total amount paid to Non-Executive Directors in FY24 was \$1,644,123 (FY23: \$1,665,894), which is within the aggregate maximum Non-Executive Director fee pool.

Retiring allowance

With effect from 31 July 2004 the retiring allowance for Non-Executive Directors was frozen at three times the average annual fees for the 3 years prior to that date. Non-Executive Directors appointed after 31 July 2004 do not qualify for a retiring allowance. Robert Millner AO is the only Director entitled to a retiring allowance.

Remuneration Report

Non-Executive Director arrangements continued

Non-Executive Directors' remuneration

The table below sets out the statutory remuneration of the Non-Executive Directors.

Name	Year	Short-term benefits		Post-employment benefits	Total
		Fees	Non-monetary	Superannuation	
		\$	\$	\$	\$
Current Non-Executive Directors					
Robert Millner AO	2024	381,146	32,965	27,785	441,896
	2023	367,707	28,797	25,292	421,796
Michael Hawker AM	2024	248,133	—	—	248,133
	2023	229,057	—	9,443	238,500
Tiffany Fuller	2024	236,362	—	3,968	240,330
	2023	217,547	—	13,460	231,007
Josephine Sukkar AM	2024	193,946	—	21,415	215,361
	2023	181,226	—	19,107	200,333
Joe Pollard	2024	195,351	—	21,570	216,921
	2023	180,963	—	19,079	200,042
David Baxby ¹	2024	178,955	—	19,760	198,715
	2023	81,081	—	8,585	89,666
Former Non-Executive Directors					
Thomas Millner ²	2024	74,565	—	8,202	82,767
	2023	172,785	—	18,214	190,999
Warwick Negus ³	2024	—	—	—	—
	2023	93,551	—	—	93,551
Total	2024	1,508,458	32,965	102,700	1,644,123
	2023	1,523,917	28,797	113,180	1,665,894

¹ David Baxby was appointed as a Non-Executive Director on 1 February 2023.

² Thomas Millner resigned as a Non-Executive Director on 31 December 2023.

³ Warwick Negus resigned as a Non-Executive Director on 31 December 2022.

Non-Executive Directors' shareholdings

The table below sets out the number of shares in Soul Patts that were held during the financial year by Non-Executive Directors, including their related entities.

Name	Opening balance	Balance on appointment	Acquired / (disposed)	Balance on resignation	Closing balance
Robert Millner AO ¹	22,830,768	—	610,000	—	23,440,768
Michael Hawker AM	35,300	—	—	—	35,300
Tiffany Fuller	1,800	—	—	—	1,800
Josephine Sukkar AM	1,573	—	15,034	—	16,607
Joe Pollard	—	—	600	—	600
David Baxby	—	—	—	—	—
Thomas Millner ^{1, 2}	21,975,464	—	—	(21,975,464)	—

¹ 21,957,053 shares are held by the same entities in which Robert Millner AO and Thomas Millner have an interest.

² Thomas Millner resigned as a Non-Executive Director on 31 December 2023.

Other transactions with KMP

Loans to KMP

There have been no loans granted to KMP or their related entities (FY23: nil).

Other transactions with KMP

KMP and their related entities received dividends during the year in respect of their shareholdings in the Group's companies consistent with other shareholders.

End of Remuneration Report

Auditor's Independence Declaration



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of Washington H. Soul Pattinson and Company Limited

As lead auditor for the audit of the financial report of Washington H. Soul Pattinson and Company Limited for the financial year ended 31 July 2024, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b) no contraventions of any applicable code of professional conduct in relation to the audit; and
- c) no non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Washington H. Soul Pattinson and Company Limited and the entities it controlled during the financial year.

A handwritten signature in black ink, appearing to read 'Ernst & Young', is enclosed in a thin black rectangular box.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Ryan Fisk', is enclosed in a thin black rectangular box.

Ryan Fisk
Partner
Sydney
26 September 2024

Financial Report

Financial Statements

Consolidated Statement of Comprehensive Income	69
Consolidated Statement of Financial Position	71
Consolidated Statement of Changes in Equity	72
Consolidated Statement of Cash Flows	73

Notes to the Consolidated Financial Statements

Basis of preparation

1 Basis of preparation	74
------------------------	----

Group performance

2 Payment of dividends to shareholders	75
3 Segment information	76
4 Revenue	79
5 Other gains and losses	82

Income tax

6 Income tax benefit/(expense)	82
7 Deferred tax assets and deferred tax liabilities	83

Group assets and liabilities

8 Inventories	85
9 Investment in associates	85
10 Investment properties	89
11 Property, plant and equipment & right-of-use assets	90
12 Intangible assets	94
13 Provisions	97

Capital and risk management

14 Cash and cash equivalents	98
15 Share capital	100
16 Reserves	101
17 Financial assets	103
18 Financial liabilities	107
19 Fair value estimation	111
20 Financial risk and capital management	115

Other notes

21 Business combinations	121
22 Contingent liabilities	123
23 Commitments	123
24 Parent Entity information	124
25 Controlled entities and joint ventures	125
26 Related party transactions	126
27 Share-based payments and employee benefits	128
28 Remuneration of auditors	129
29 Other accounting policies	130
30 New or amended accounting standards and interpretations	131
31 Events after the reporting period	132



Financial Report

for the year ended 31 July 2024

About this report

This financial report is for the Consolidated Entity consisting of Washington H. Soul Pattinson and Company Limited and its subsidiaries for the year ended 31 July 2024. Throughout the report, the Consolidated Entity is also referred to as the 'Group' or 'Soul Patts Group'.

Consolidated Entity perspective

This consolidated financial report combines the operating results, financial position and cash flows of the Parent Entity, Washington H. Soul Pattinson and Company Limited (**Soul Patts** or the **Company**) and each entity that it controls (subsidiaries), into a single set of financial statements.

A controlling stake in a subsidiary with less than 100% ownership creates a non-controlling interest. The term 'non-controlling interest' is used to describe the portion not owned by Soul Patts. The non-controlling interest's share of the consolidated profit and net assets is disclosed separately in the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position and the Consolidated Statement of Changes in Equity.

Equity investments in which Soul Patts or a subsidiary has significant influence but does not have control are termed 'associate entities'. Unlike subsidiaries, the individual financial reports of associates are not consolidated. Associates are generally equity accounted, whereby the Group's share of profit or loss from the associate is recorded in the Consolidated Statement of Comprehensive Income. The investment in associates is disclosed as a line item (Investment in associates) in the Consolidated Statement of Financial Position and is adjusted for the Group's share of each associate's result and decreased by any dividends received. This method treats dividends from associates as if they are a return of capital rather than being recognised in profit or loss.

Parent Entity perspective

Financial information for Soul Patts has been provided in Note 24.

Washington H. Soul Pattinson and Company Limited is a for-profit company limited by shares, incorporated and domiciled in Australia. The shares are publicly traded on the Australian Securities Exchange under the code SOL:AX and GICS classification Financials (sub industry: diversified financials). Its registered office and principal place of business is Level 14, 151 Clarence Street, Sydney, NSW 2000.

This financial report was authorised for issue in accordance with a resolution of the Board of Directors on 26 September 2024.

Consolidated Statement of Comprehensive Income

for the year ended 31 July 2024

	Notes	2024 \$m	2023 \$m
Revenue from continuing operations			
Revenue from contracts with customers	4	557.6	362.9
Dividend and distribution income		143.5	175.7
Interest revenue		124.8	87.0
Other revenue		6.0	3.9
Total revenue from continuing operations		831.9	629.5
Other gains and losses	5	277.6	54.3
Share of results from associates	9	103.2	530.5
Expenses			
Cost of sales		(403.0)	(266.8)
Administration expenses		(240.0)	(147.6)
Impairment expense	9, 11, 12	(38.7)	(49.1)
Finance costs		(36.6)	(20.2)
Other expenses		(23.8)	(14.4)
Profit before income tax expense from continuing operations		470.6	716.2
Income tax benefit/(expense)	6	25.5	(17.5)
Profit after income tax expense from continuing operations		496.1	698.7
Loss after income tax expense from discontinued operations ¹		–	(9.2)
Profit after income tax expense for the year		496.1	689.5
Profit for the year is attributable to:			
Members of the Company		498.8	690.7
Non-controlling interests		(2.7)	(1.2)
Profit after income tax expense for the year		496.1	689.5
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss:			
Profit/(loss) from revaluation of investments and other assets, after tax		84.2	(132.1)
Share of associates' reserves, after tax		7.6	22.2
Items that may be reclassified subsequently to profit or loss:			
(Loss)/gain on cash flow hedges, net of amounts reclassified to profit/(loss), after tax		(0.1)	0.1
Exchange differences from translation of foreign operations, after tax		–	0.6
Share of associates' cash flow hedge and other reserves, after tax		(31.9)	40.8
Total other comprehensive profit/(loss), net of tax		59.8	(68.4)
Total comprehensive income for the year		555.9	621.1
Total comprehensive income for the year is attributable to:			
Members of the Company		559.0	622.4
Non-controlling interests		(3.1)	(1.3)
Total comprehensive income for the year		555.9	621.1

1 Discontinued operations in 2023 related to the final working capital adjustment for Round Oak which was sold on 1 July 2022.

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Financial Report

Consolidated Statement of Comprehensive Income continued

for the year ended 31 July 2024

	2024 \$m	2023 \$m
Profit attributable to Members of the Company:		
Continuing operations	498.8	699.9
Discontinued operations ¹	–	(9.2)
Profit attributable to Members of the Company for basic earnings	498.8	690.7
Interest on convertible notes, after tax	2.3	2.3
Profit attributable to Members of the Company adjusted for the effect of dilution	501.1	693.0

	2024 m	2023 m
Weighted average number of ordinary shares	361.0	361.0
Less weighted average number of treasury shares ²	(40.8)	(40.9)
Weighted average number of ordinary shares for basic EPS	320.2	320.1
Effects of dilution from convertible notes	6.5	6.4
Weighted average number of ordinary shares adjusted for the effect of dilution³	326.7	326.5

	2024 Cents	2023 Cents
Earnings per share from continuing operations		
Basic earnings per share	155.82	218.65
Diluted earnings per share ³	153.41	215.05
Earnings per share from discontinued operations¹		
Basic loss per share	–	(2.85)
Diluted loss per share ³	–	(2.80)
Earnings per share attributable to Members of the Company		
Basic earnings per share	155.82	215.80
Diluted earnings per share ³	153.41	212.25

1 Discontinued operations in 2023 related to the final working capital adjustment for Round Oak which was sold on 1 July 2022.

2 Includes adjustment for treasury shares and the reciprocal interest with Brickworks Limited (2024: 40,616,525 shares); (2023: 40,687,563 shares).

3 Diluted earnings per share assumes any long-term incentive rights that vest in future reporting periods are expected to be satisfied by purchasing shares on the market.

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

as at 31 July 2024

	Notes	2024 \$m	2023 \$m
Current assets			
Cash and cash equivalents	14	261.1	311.8
Term deposits	17	0.1	668.3
Trade receivables and other assets	17	196.2	136.9
Loans receivable	17	75.5	125.5
Inventories	8	83.9	63.1
Biological assets		11.1	12.5
Assets classified as held for sale		14.8	0.1
Trading assets	17	482.3	348.9
Other financial assets	17	34.8	50.2
Total current assets		1,159.8	1,717.3
Non-current assets			
Loans receivable	17	840.1	441.7
Investment in associates	9	2,751.3	2,875.9
Long-term equity investments	17	3,708.0	3,757.8
Other financial assets	17	897.6	210.5
Investment properties	10	21.1	84.3
Property, plant and equipment	11	648.3	366.4
Right-of-use assets	11	88.0	83.6
Intangible assets	12	283.5	259.7
Total non-current assets		9,237.9	8,079.9
Total assets		10,397.7	9,797.2
Current liabilities			
Trade payables and other liabilities	18	135.7	105.3
Interest bearing liabilities	18	149.6	221.6
Lease liabilities	18	12.7	11.4
Other financial liabilities	18	6.7	8.5
Current tax liabilities		21.8	3.4
Provisions	13	23.6	25.1
Total current liabilities		350.1	375.3
Non-current liabilities			
Interest bearing liabilities	18	520.2	125.9
Lease liabilities	18	83.4	78.1
Deferred tax liabilities	7	426.5	471.0
Provisions	13	18.7	11.9
Total non-current liabilities		1,048.8	686.9
Total liabilities		1,398.9	1,062.2
Net assets		8,998.8	8,735.0
Equity			
Share capital	15	4,679.7	4,683.5
Reserves	16	(256.4)	(320.2)
Retained profits		4,565.9	4,358.6
Equity attributable to Members of the Company		8,989.2	8,721.9
Non-controlling interests		9.6	13.1
Total equity		8,998.8	8,735.0

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes

Financial Report

Consolidated Statement of Changes in Equity

for the year ended 31 July 2024

Year ended 31 July 2024	Equity attributable to Members of the Company				Non-controlling interest	Total equity
	Share capital	Retained profits	Reserves	Total		
	\$m	\$m	\$m	\$m	\$m	\$m
Total equity at the beginning of the year 1 August 2023	4,683.5	4,358.6	(320.2)	8,721.9	13.1	8,735.0
Net profit/(loss) for the year after tax	–	498.8	–	498.8	(2.7)	496.1
Other comprehensive income/(loss) for the year	–	–	60.2	60.2	(0.4)	59.8
Total comprehensive income/(loss) for the year	–	498.8	60.2	559.0	(3.1)	555.9
Transactions with owners						
Dividends provided for or paid ¹	–	(291.5)	–	(291.5)	(0.9)	(292.4)
Share-based payment transactions ²	(3.8)	–	3.6	(0.2)	–	(0.2)
Transactions with non-controlling interests	–	–	–	–	0.5	0.5
Total equity at the year ended 31 July 2024	4,679.7	4,565.9	(256.4)	8,989.2	9.6	8,998.8

1 After the elimination of \$37.0m million (43.0% of Soul Patts dividend paid to Brickworks Limited).

2 Share capital decreased from on market purchase of treasury shares. Share-based payment reserve is adjusted for rights granted, net of those vesting during the period.

Year ended 31 July 2023	Equity attributable to Members of the Company				Non-controlling interest	Total equity
	Share capital	Retained Profits	Reserves	Total		
	\$m	\$m	\$m	\$m	\$m	\$m
Total equity at the beginning of the year 1 August 2022	4,680.2	3,953.0	(184.8)	8,448.4	10.5	8,458.9
Net profit/(loss) for the year after tax	–	690.7	–	690.7	(1.2)	689.5
Other comprehensive loss for the year	–	–	(68.3)	(68.3)	(0.1)	(68.4)
Total comprehensive income/(loss) for the year	–	690.7	(68.3)	622.4	(1.3)	621.1
Transaction with owners						
Dividends provided for or paid ¹	–	(301.4)	–	(301.4)	(0.2)	(301.6)
Share-based payment transactions ²	3.3	–	3.0	6.3	–	6.3
Convertible debt buy-back-New Hope ³	–	–	(53.8)	(53.8)	–	(53.8)
Transactions with non-controlling interests	–	–	–	–	4.1	4.1
Reclassification of reserves to retained earnings	–	16.3	(16.3)	–	–	–
Total equity at the year ended 31 July 2023	4,683.5	4,358.6	(320.2)	8,721.9	13.1	8,735.0

1 After the elimination of \$37.9 million (43.1% of Soul Patts dividend paid to Brickworks).

2 Share capital increased from on market disposals of treasury shares. Share-based payment reserve is adjusted for rights granted, net of those vesting during the period.

3 New Hope bought back existing convertible notes above their carried value. Soul Patts has recorded its share of the effect on New Hope's equity.

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

for the year ended 31 July 2024

	Note	2024 \$m	2023 \$m
Cash flows from operating activities			
Receipts from customers inclusive of GST		607.7	413.2
Payments to suppliers and employees inclusive of GST		(589.8)	(394.4)
Dividends and distributions received		371.0	558.1
Interest received		114.9	52.6
Interest on lease liabilities		(5.2)	(2.4)
Payments for trading assets		(641.1)	(334.9)
Proceeds from sale of trading assets		662.2	568.3
Acquisition costs expensed		(6.9)	(1.5)
Finance costs paid		(33.3)	(14.6)
Income taxes paid		(50.2)	(70.9)
Net cash inflow from operating activities	14	429.3	773.5
Cash flows from investing activities			
Payments for property, plant and equipment and intangibles		(173.6)	(177.3)
Proceeds from sale of property, plant and equipment and intangibles		2.2	23.0
Payments for acquisition and development of investment properties		(12.9)	(5.0)
Proceeds from sale of investment properties		61.4	83.2
Payments for equity investments and other financial assets		(1,236.5)	(300.1)
Proceeds from sale of equity investments and other financial assets		915.7	1,127.5
Payments to acquire equity accounted associates		(13.4)	(97.3)
Payments for acquisition of businesses, net of cash acquired		(154.7)	(88.5)
Payments for deferred consideration		(3.3)	–
Payments from sale of businesses, net of cash received		–	(29.2)
Refund for security and bond guarantee		–	0.1
Loan repayments from external and related parties		195.9	131.2
Loans advanced to external and related parties		(550.8)	(454.1)
Net proceeds/(payments) from term deposit		668.2	(668.3)
Net cash outflow from investing activities		(301.8)	(454.8)
Cash flows from financing activities			
Dividends paid to members of the Company	2	(328.5)	(339.3)
Dividends paid by subsidiaries to non-controlling interests		(0.8)	–
Proceeds from external borrowings		484.8	130.3
Repayments of external borrowings		(313.2)	(290.3)
Principal repayments of lease liabilities		(12.7)	(11.1)
Payment for shares acquired for the employee long-term incentive plan		(7.8)	(3.1)
Net cash outflow from financing activities		(178.2)	(513.5)
Net decrease in cash and cash equivalents		(50.7)	(194.8)
Cash and cash equivalents at the beginning of the year		311.8	506.3
Effects of exchange rate changes on cash and cash equivalents		–	0.3
Cash and cash equivalents at the end of the year	14	261.1	311.8

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Financial Report

Notes to the Financial Statements

01 Basis of preparation

This financial report is a general purpose financial report, which:

- has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (**AASB**)
- complies with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**)
- has been prepared on a for-profit basis
- is presented in Australian dollars with all values rounded to the nearest million dollars (\$'000,000), or in certain cases, to the nearest dollar, unless otherwise stated, in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*
- presents reclassified comparative information where required for consistency with the current year's presentation
- adopts all new and amended Accounting Standards and interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 August 2023. Refer to Note 30 – New or amended Accounting Standards and Interpretations for more information
- does not adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective. Refer to Note 30 – New or amended Accounting Standards and Interpretations for more information
- has been prepared on a historical cost basis except for certain items, which are measured on an alternative basis, identified in the accounting policies.

Key judgements and estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed within the following notes:

Note reference	Key judgements and estimates	Page
Note 4	Revenue recognised over time – supply of engineering services and projects	79
Note 7	Recognition and recoverability of deferred tax assets	84
Note 9	Recoverable value of investments in associates Control assessments of Brickworks and New Hope	86
Note 12	Impairment of intangible assets	94
Note 17	Expected credit losses	106
Note 19	Level 3 financial assets valuation techniques	111
Note 21	Business combinations – acquisition fair value	121

02 Payment of dividends to shareholders

	2024 \$m	2023 \$m	2024 Cents per share	2023 Cents per share
Dividends paid during the year				
Fully franked final dividend	184.1	155.2	51.0	43.0
Fully franked special dividend	–	54.1	–	15.0
Fully franked interim dividend	144.4	130.0	40.0	36.0
Total dividends paid	328.5	339.3	91.0	94.0
Dividends not recognised at year end				
In addition to the above dividends, since year end, the Directors have resolved to pay:				
Fully franked final dividend	202.1	184.1	55.0	51.0
This dividend is due to be paid on 8 November 2024 (2023: 12 December 2023). As the dividend was not declared by the Directors until 26 September 2024 a provision was not recognised as at 31 July 2024.				

Franking of dividends

The final dividend for 31 July 2024 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ending 31 July 2024.

	2024 \$m	2023 \$m
Franking credits available for future dividend payments		
Franking credits available for subsequent financial years based on an Australian company tax rate of 30% (2023: 30%).	963.4	922.5
Subsequent to year end, the franking account will be reduced by the final dividend to be paid on 8 November 2024 (2023: 12 December 2023)	(86.6)	(78.9)
Balance of franking credits available after payment of the final dividend	876.8	843.6

In September 2024, Soul Patts announced the introduction of a Dividend Reinvestment Plan (**DRP**). The DRP allows eligible shareholders to reinvest all or part of their eligible dividends to receive additional fully paid SOL shares instead of a cash payment. The DRP Rules are available on the Soul Patts website.

The DRP is in operation for the 2024 final dividend, which is payable on 8 November 2024. The DRP will operate without a discount for the final dividend and is anticipated to be satisfied through a new issue of shares.

To participate in the DRP for the final dividend, eligible shareholders must return a completed Participation Notice to our share registry, Computershare Investor Services by 5:00 pm (AEDT) on 17 October 2024. Shareholders who do not wish to participate in the DRP do not need to take any action and will continue to receive dividends in cash.

The Board will determine whether the DRP will apply with respect to each future dividend at the time it considers the declaration of that dividend.

Total number of ordinary shares on issue at the end of the reporting period was 360,967,863 (2023: 360,967,863). On 30 August 2024, Soul Patts issued 6,573,181 ordinary shares through a placement, resulting in 367,541,044 subsequently on issue. These shares will also receive the final dividend and have been included in the amounts herein.

Financial Report

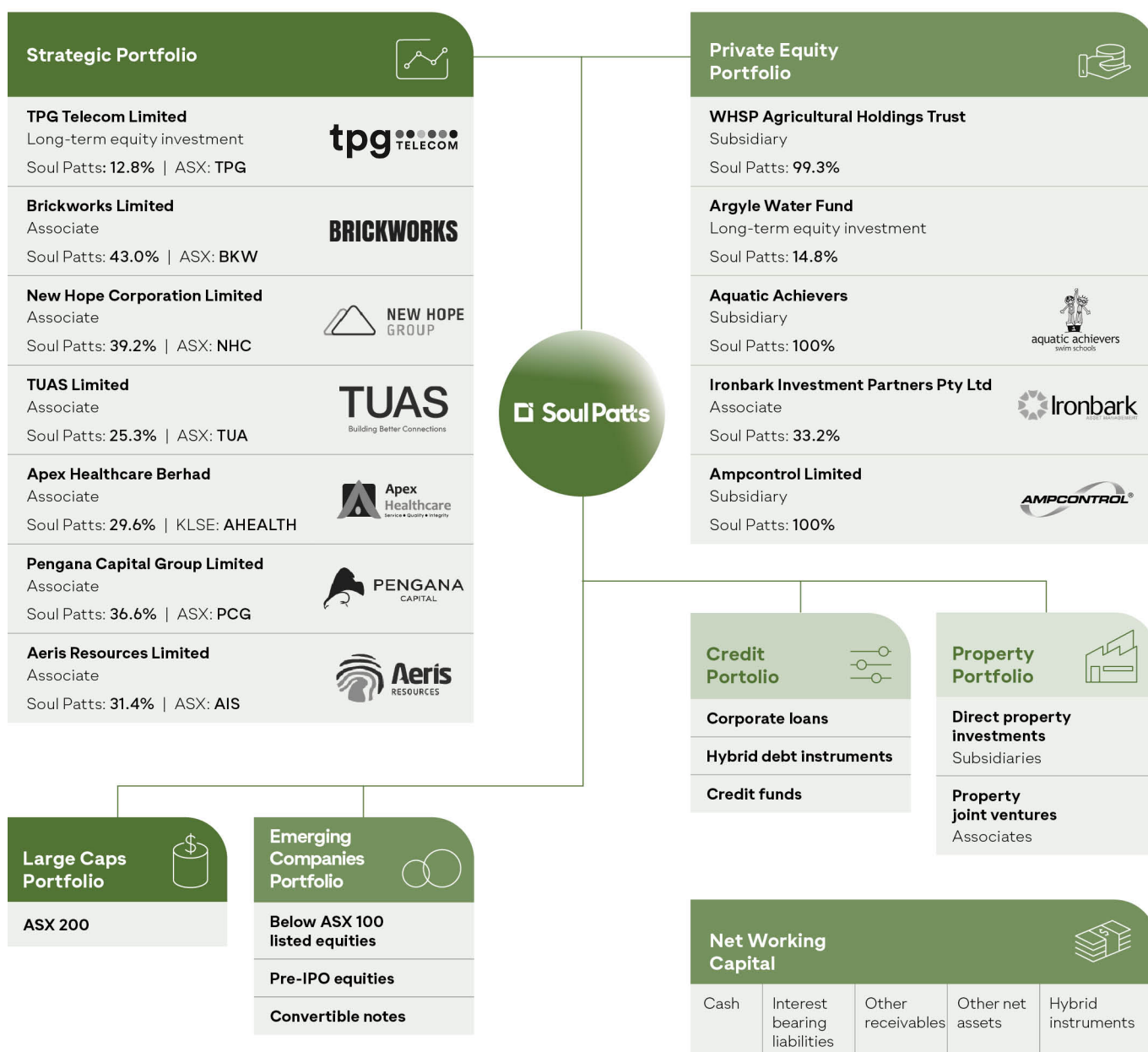
Notes to the Financial Statements continued

03 Segment information

The Group is an investment house that operates within six segments based on its investment portfolio allocation. All segments are predominately based in Australia.

The operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (**CODM**), who is responsible for allocating resources and assessing performance of the operating segments, and has been identified as the Board of Soul Patts.

The Group's operating segments are outlined below:



Strategic Portfolio

Significant investments in largely uncorrelated listed companies, generally with board representation.

The investment in TPG is held at Fair Value through Other Comprehensive Income. Investments in derivatives and Perpetual are held at Fair Value through Profit and Loss. All other investments in the Strategic Portfolio are equity accounted.

Large Caps Portfolio

Actively managed listed equities generating consistent income and capital growth over the long term.

Private Equity Portfolio

Long-term investments in unlisted companies to support their growth.

Credit Portfolio

Investments in different types of credit related financial instruments across an investee's capital structure aimed at optimising the portfolio's risk adjusted returns. The Credit Portfolio was formerly known as the Structured Yield Portfolio.

Emerging Companies Portfolio

Exposure to faster growing companies often benefitting from structural changes and trends in the domestic and global economy.

Property Portfolio

Actively managed Australian property investments as well as investments in property development joint ventures.

Financial Report

Notes to the Financial Statements continued

03 Segment information continued

Reporting segments	Strategic Portfolio \$m	Large Caps Portfolio \$m	Private Equity Portfolio \$m	Credit Portfolio \$m	Emerging Companies Portfolio \$m	Property Portfolio \$m	Intersegment/ unallocated ¹ \$m	Consolidated \$m
Year ended 31 July 2024								
Profit/(loss) after tax from continuing operations	243.2	80.4	0.9	70.1	93.8	15.8	(8.1)	496.1
Loss after tax from discontinued operations	–	–	–	–	–	–	–	–
Profit/(loss) after tax for the year	243.2	80.4	0.9	70.1	93.8	15.8	(8.1)	496.1
Profit/(loss) attributable to non-controlling interests	–	–	0.9	(0.4)	–	–	2.2	2.7
Profit/(loss) after tax attributable to members of the Company	243.2	80.4	1.8	69.7	93.8	15.8	(5.9)	498.8

Reporting segments	Strategic Portfolio \$m	Large Caps Portfolio \$m	Private Equity Portfolio \$m	Credit Portfolio \$m	Emerging Companies Portfolio \$m	Property Portfolio \$m	Intersegment/ unallocated ¹ \$m	Consolidated \$m
Year ended 31 July 2023								
Profit/(loss) after tax from continuing operations	508.5	109.6	2.4	47.2	29.4	(3.4)	5.0	698.7
Loss after tax from discontinued operations ²	–	–	(9.2)	–	–	–	–	(9.2)
Profit/(loss) after tax for the year	508.5	109.6	(6.8)	47.2	29.4	(3.4)	5.0	689.5
Profit/(loss) attributable to non-controlling interests	–	–	1.3	–	–	–	(0.1)	1.2
Profit/(loss) after tax attributable to members of the Company	508.5	109.6	(5.5)	47.2	29.4	(3.4)	4.9	690.7

1 Intersegment/unallocated represents Soul Patts revenue and corporate costs that are not allocated to individual segments.

2 Loss after tax from discontinued operations in 2023 related to the final working capital adjustment for Round Oak which was sold on 1 July 2022.

04 Revenue

Accounting policy

Revenue from contracts with customers

The Group recognises revenue from sales from contracts with customers as follows:

Revenue from sale of goods

- Revenue from integrated electrical, electronic and control solutions is recognised at a point in time when the performance obligation is satisfied, which is generally at the time of delivery.
- Revenue from sale of agricultural products is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery. This is easily identifiable where a commodity is harvested and sold to separate counterparties for full contract price upon delivery. Where the sale of goods are subject to supply contracts consisting of pool allocations (whereby a commodity is allocated to distribution pools based on class of variety, size and distribution channel), revenue is recognised for interim pool payments as notified and paid by the purchaser within 15 days of delivery, and final pool payments upon receipt of final net proceeds once the uncertainty is resolved. Where final pool payments straddle reporting years, revenue is recognised when the products have been delivered to the distribution house and control has been deemed to have passed. Best estimates of the most likely amount to be received for the product at that point in time based on weighted average pricing including a risk margin and taking into consideration expected grade are used to determine the revenue amount. Adjustment to revenue is made upon determination of the final payments.
- Revenue from the sale of other goods (net of returns, discounts and allowances) is recognised when control has transferred to the customer in accordance with the sale terms.

Property rental revenue

- Rental income is recognised on a straight-line basis over the lease term.

Revenue from services

- Revenue from hire contracts is recognised on a straight line basis over the contract period.
- Swimming fee revenue is recognised when the customer attends a swimming lesson and consumes the benefit of this service.
- Revenue from rendering of services, including supply of engineering services and projects, consulting and management services, is recognised as revenue over time as the services are performed.

Key judgements and estimates

Revenue recognised over time – supply of engineering services and projects

Judgement is required by management to best estimate revenue over time and related receivables of each contract's outcome including costs incurred and its stage of completion of the transaction. The 'stage of completion' is generally determined based on the proportion of services performed to total expected services (% labour method) or the proportion of costs incurred to estimated total costs (% complete method). For more long-term complex contracts, cost to complete and contract profitability are subject to significant estimation uncertainty.

Financial Report

Notes to the Financial Statements continued

04 Revenue continued

	2024 \$m	2023 \$m
Revenue from contracts with customers		
Revenue from sale of goods	331.3	193.0
Rental revenue	3.0	1.9
Revenue from services	223.3	168.0
Total revenue from contracts with customers	557.6	362.9

Further information

Major customers

In the current reporting period, there is no individual customer that represents more than 10% of total revenue from contracts with customers.

In the previous corresponding period, revenue of \$37.9 million was derived from one external customer of Ampcontrol, a subsidiary within the private equity portfolio, representing 12% of Ampcontrol's total revenue from contracts with customers.

Geographical regions

97% of Soul Patts' revenue arises from Australia (2023: 96%). No material amounts of revenue are earned in other jurisdictions.

Disaggregation of revenue

The Group presents disaggregated revenue based on what each major subsidiary provided to customers by geographical regions and the timing of transfer of goods and services.

	2024 \$m	2023 \$m
Major product lines		
Electrical and electronic engineering services and equipment	441.0	308.6
Swimming fees	70.4	28.1
Other goods and services ¹	46.2	26.2
Total revenue from contracts with customers	557.6	362.9
Geographical regions		
Australia	540.3	350.1
Other	17.3	12.8
Total revenue from contracts with customers	557.6	362.9
Timing of revenue recognition		
Goods and services transferred at a point in time	344.1	224.7
Goods and services transferred over time	213.5	138.2
Total revenue from contracts with customers	557.6	362.9

¹ Other goods and services include revenue from the sale of agricultural products, rental and other services.

Contract assets/(liabilities) arise when the timing of revenue recognition is prior to/(after) customer payment.

Contract assets

The contract assets amount is the work in progress value on contracts that has been determined to meet the requirements for revenue to be recognised over time. The contract asset is reclassified to trade receivable when invoiced and receipt of the consideration is conditional only on the passage of time. Contract assets are included as part of current trade receivables and other assets within the Consolidated Statement of Financial Position.

	2024	2023
	\$m	\$m
Contract assets	20.2	20.4

Contract liabilities

Contract liabilities are recognised if a payment is received or a payment is due or outstanding (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are subsequently recognised as revenue when the Group performs under the contract.

Contract liabilities include short-term advances received prior to the provision of swimming lessons over time and the payments in advance for the construction or hire of electrical and electronic engineering equipment. Contract liabilities are included as part of current trade payables and other liabilities within the Consolidated Statement of Financial Position.

Set out below is the movement in the carrying value of contract liabilities:

	2024	2023
	\$m	\$m
Opening balance at 1 August	37.2	26.7
Acquired through business combinations	–	2.5
Payments received in advance	105.3	52.5
Recognised as revenue during the year	(95.4)	(44.5)
Closing balance at 31 July	47.1	37.2

Unsatisfied performance obligations

The transaction price allocated to the remaining performance obligations at 31 July that is expected to be recognised as revenue in future periods are as follows.

	2024	2023
	\$m	\$m
Within 6 months	44.2	35.0
6 to 12 months	2.9	2.2
Contract liabilities	47.1	37.2

Financial Report

Notes to the Financial Statements continued

05 Other gains and losses

	2024	2023
	\$m	\$m
Gain on trading assets and other financial assets	202.4	62.2
Gain/(loss) on sale of tangible assets	0.2	(0.3)
Gain on derecognition of equity accounted associates	–	22.7
Gain/(loss) on deemed disposal of equity accounted associates	6.2	(52.4)
Gain on revaluation of non-financial assets	30.8	15.3
Gain on bargain purchase ¹	34.9	–
Other	3.1	6.8
Total other gains and losses	277.6	54.3

- ¹ On 26 September 2023, the Group acquired Redlands assets for a total purchase consideration of \$151.9 million. The fair value of net identifiable assets recognised at acquisition was \$186.8 million, resulting in a gain on bargain purchase of \$34.9 million. Refer to Note 21 – Business combinations for more information.

06 Income tax benefit/(expense)

Accounting policy

Tax consolidation legislation

Some of the entities within the Group have formed tax consolidated groups under the tax consolidation regime.

Subsidiaries within the relevant tax consolidated groups continue to be responsible under tax funding agreements for funding their share of tax payments that are required to be made by the head entity in their tax consolidated Group. In the Parent Entity financial information, these tax amounts are measured as if each entity within the tax consolidated Group continues to be a stand-alone taxpayer in their own right.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

Any differences between the amounts assumed and amount receivable or payable under the tax funding agreements are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

Intra-group balances and transactions are eliminated on consolidation.

	2024	2023
	\$m	\$m
Current income tax expense:		
Current year	67.1	31.7
Under provision in prior year	1.3	0.3
Deferred income tax expense:		
Related to the origination and reversal of temporary differences	(93.0)	(14.7)
	(0.9)	0.2
Adjustment in respect of prior year's deferred tax liabilities previously not recognised		
Income tax (benefit)/expense recognised in the profit or loss	(25.5)	17.5

Reconciliation of prima facie tax expense to income tax expense

	2024 \$m	2023 \$m
Profit before income tax expense from continuing operations	470.6	716.2
Loss before income tax expense from discontinued operations	—	(10.6)
Tax at the Australian rate of 30% (FY23: 30%)	141.2	211.7
Tax effect of amounts which are not deductible in calculating taxable income:		
Net impairment expense	11.6	14.7
Franking credits received (excluding subsidiary and associate entities)	(33.7)	(44.4)
Tax benefit on the carrying value of equity accounted associates	(118.9)	(147.3)
Under provision for income tax	0.4	0.5
Non-taxable gain on disposal of a subsidiary	—	(0.5)
Changes in unrecognised deferred tax assets	(15.4)	(24.5)
Non deductible losses from trusts	—	3.9
Other	(10.7)	2.0
Total income tax (benefit)/expense	(25.5)	16.1
Effective tax rate:	(5.4)%	2.3 %
Income tax (benefit)/expense reported in statement of profit or loss	(25.5)	17.5
Income tax benefit attributable to discontinued operations	—	(1.4)
Total income tax (benefit)/expense	(25.5)	16.1
Unrecognised temporary difference relating to the Soul Patts tax consolidated group	188.5	166.5
Potential tax benefit at 30%	56.6	50.0

07 Deferred tax assets and deferred tax liabilities

Accounting policy

Deferred tax assets and liabilities are calculated on the differences (temporary differences) between the carrying amount of assets and liabilities as recognised in the consolidated financial statements and their tax cost base multiplied by the tax rate expected to apply when these assets are recovered or liabilities are settled. The current Australian corporate tax rate applicable to the Group is 30% and is used in measuring deferred tax assets and liabilities.

Deferred tax assets or liabilities are provided in full, using the liability method.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise these temporary differences and losses.

Deferred tax liabilities are recognised on equity accounted associates irrespective of whether they are held on a hold basis or sale basis. When assessed on a hold basis, Soul Patts considers the availability of franking credits in determining the appropriate tax base. Deferred tax assets are only recognised on equity accounted associates if they are held on a sale basis and if the deferred tax asset is deemed to be probable of recovery.

Financial Report

Notes to the Financial Statements continued

07 Deferred tax assets and deferred tax liabilities continued

Key Estimate

Recognition and recoverability of deferred tax assets

Deferred tax assets have been recognised relating to carried forward capital losses, income losses and temporary differences, based on current tax rates. Utilisation of capital tax losses and income losses requires the realisation of capital gains and taxable income respectively, in subsequent years and the ability to satisfy certain tests at the time the losses are recouped. The actual tax results in future periods may differ from the estimates made at the time the deferred taxes are recognised.

Net deferred tax liabilities comprise temporary differences attributable to:

	2024	2023
	\$m	\$m
Provisions	16.1	4.3
Accrued expenses	4.0	8.1
Contract liabilities	5.0	5.6
Tax value of losses carried-forward	314.5	251.3
Lease liabilities	28.7	26.8
Trading assets	(16.1)	21.3
Long-term equity investments and other financial assets	(315.0)	(241.0)
Inventories	(4.4)	(7.8)
Equity accounted associates	(390.0)	(488.8)
Property, plant and equipment and investment properties	(22.5)	(6.2)
Right-of-use assets	(26.1)	(25.1)
Intangibles	(24.4)	(21.0)
Other	3.7	1.5
Net deferred tax liabilities	(426.5)	(471.0)

	2024	2023
	\$m	\$m
Net deferred tax liability movements:		
Opening balance at 1 August	(471.0)	(496.8)
Credited to profit or loss from continuing operations	93.9	14.5
(Debited)/credited to equity	(29.9)	51.9
Reallocation to income tax provision	0.4	(35.3)
Acquisitions through business combinations	(19.9)	(5.3)
Closing balance at 31 July	(426.5)	(471.0)

Further information

It is important to note that the net deferred tax liability recognised above does not represent the total tax that would be incurred if all assets of the Group were to be sold. This is predominately due to subsidiaries and the associate entities not being carried at their Market Value in the consolidated financial statements.

08 Inventories

Accounting policy

Inventories are measured at the lower of cost and net realisable value. The write-down of inventory to net realisable value is normally made on an individual item basis. Management is required to make judgements regarding write down to determine the net realisable value of inventory. These write downs consider factors such as the age and conditions of goods as well as recent market data to assess the future demand for the inventory.

	2024 \$m	2023 \$m
Current assets		
Raw materials and stores	38.5	37.3
Work in progress	21.8	13.7
Finished goods	23.6	12.1
Total inventories at the lower of cost and net realisable value	83.9	63.1

Further information

Inventory at 31 July 2024 primarily relates to Ampcontrol of \$68.1 million (2023: \$60.0 million).

The write-down of inventory to net realisable value recognised as an expense during the current reporting period amounted to nil (2023: nil).

Inventory sold during the current reporting period amounted to \$349.2 million (2023: \$236.5 million) and is recognised within cost of goods sold.

09 Investment in associates

Accounting policy

Associates are all entities over which the Group has significant influence and are neither subsidiaries nor jointly controlled. This is generally the case where the Group holds between 20% and 50% of the voting rights; considerations beyond voting rights are also evaluated when relevant. Investments in associates are generally accounted for in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

The Group's investment in associates includes the identifiable assets and liabilities and any embedded goodwill at the acquisition date of the investment. The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss and its share of post-acquisition other comprehensive income is recognised in the Consolidated Statement of Comprehensive Income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends received/receivable from associates are recognised in the consolidated financial statements by reducing the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

In certain instances, an associate is accounted for at fair value, with changes in value recorded in other income.

Financial Report

Notes to the Financial Statements continued

09 Investment in associates continued

Key judgements and estimates

Recoverable value of investments in associates

The recoverable value of investments in associates is reviewed at each reporting date after taking into consideration any applicable impairment indicators. If an impairment indicator exists, the Group calculates the amount of impairment as a difference between the recoverable amount of the associate and its carrying amount, and recognises the loss as 'Impairment expenses' in the Consolidated Statement of Comprehensive Income.

Control assessment of Brickworks

The Directors of Soul Patts have concluded that the Group has significant influence over Brickworks and adopts equity accounting for this investment. This is due to the cross holding structure whereby the Group owns 43.0% (2023: 43.1%) of the equity in Brickworks and in turn Brickworks owns 26.1% (2023: 26.1%) of Soul Patts. The remaining shares in Soul Patts and Brickworks are widely held.

Control assessment of New Hope

The Directors of Soul Patts have concluded that the Group has significant influence over New Hope and adopts equity accounting for this investment. The Group owns 39.2% (2023: 39.2%) of the equity in New Hope. The remaining shares in New Hope are widely held. Two Directors (out of seven) of New Hope are representatives from Soul Patts.

	2024 \$m	2023 \$m
Non-current assets		
Investments in associates	2,751.3	2,875.9
Reconciliation of changes in the carrying value of associates		
Opening balance at 1 August	2,875.9	2,643.2
New investments during the period	18.1	97.2
New Hope convertible bond cash redemption	–	(76.8)
Reclassification of an equity accounted associate to long-term equity investment	–	(15.7)
Reclassification of a trading investment to equity accounted associate	–	29.0
Gain/(loss) on deemed disposal of equity accounted associates	6.2	(52.4)
Share of results from equity accounted associates	103.2	530.5
Net impairment expense of equity accounted associates	(28.1)	(27.0)
Dividends received/receivable	(223.8)	(380.7)
Add back share of dividends paid to Brickworks ¹	37.0	37.9
Share of associates (decreases)/increases in reserves	(35.1)	90.7
Loss on sale of equity accounted associates	(1.5)	–
Other	(0.6)	–
Closing balance at 31 July	2,751.3	2,875.9

¹ Relates to the reciprocal interest with Brickworks (43.0% of the dividend paid by Soul Patts to Brickworks).

Details of investments and results in associates

	Reporting date	Place of incorporation	Group's percentage of holding at balance date		Contribution to Group result for the period		Carrying value	
			31 July 2024	31 July 2023	31 Jul 2024 total	31 Jul 2023 total	31 Jul 2024 total	31 July 2023 total
Year ended 31 July			%	%	\$m	\$m	\$m	\$m
Apex Healthcare Berhad	31-Dec	Malaysia	29.6	29.6	8.6	40.6	79.1	86.5
Pharmaceutical manufacturer and distributor								
Aeris Resources Limited	30-Jun	Australia	31.4	30.3	(7.1)	(42.4)	59.3	56.0
Mining and exploration activities								
Brickworks Limited^{9.1}	31-Jul	Australia	43.0	43.1	(109.4)	99.7	732.9	846.7
Manufacturer of building products and investor								
Ironbark Investment Partners Pty Limited^{9.2}	30-Jun	Australia	33.2	43.5	10.0	14.4	124.0	105.6
Investment management services								
New Hope Corporation Limited	31-Jul	Australia	39.2	39.2	181.7	401.2	1,488.8	1,503.9
Mining and exploration activities								
Pengana Capital Group Limited^{9.3}	30-Jun	Australia	36.6	36.6	(1.6)	(0.7)	35.4	46.3
Funds management								
Tuas Limited	31-Jul	Australia	25.3	25.3	(1.2)	(4.2)	62.0	63.5
Telecommunications provider								
Other associates ^{9.3}	various	Australia	various	various	22.2	21.9	169.8	167.4
Share of results from associates					103.2	530.5	2,751.3	2,875.9
Fair value gain on reclassification of associate to financial asset					–	22.7		
Loss on sale of equity accounted associates' shares, net of tax					(1.5)	–		
Gain/(loss) on deemed disposal of equity accounted associates					6.2	(52.4)		
Deferred tax benefit recognised on equity accounted associates					87.5	4.2		
Net impairment expense of associates					(28.1)	(27.0)		
Net contribution from associates					167.3	478.0		

- 9.1 During the current reporting period, Brickworks issued shares under an employee share option scheme. As a result, the Group's shareholding in Brickworks has reduced by 0.1% to 43.0%.
- 9.2 During the current reporting period, Ironbark acquired Invest Blue in exchange for scrip consideration, resulting in a dilution of the Soul Patts' interest from 43.5% to 33.2% and a gain on deemed disposal of \$8.7 million.
- 9.3 Impairment expense during the current reporting period included \$8.7 million on listed investment Pengana and impairments in unlisted investments totalling \$19.4 million.

Financial Report

Notes to the Financial Statements continued

09 Investment in associates continued

Extract of financial information as reported by associates that are material to the Group

The information disclosed reflects the total amounts reported in the financial statements of Brickworks and New Hope amended to reflect adjustments made by the Group in applying the equity method. Adjustments for Brickworks relate to the elimination of Brickwork's share of the Group's results. Adjustments for New Hope relate to the amortisation of fair value adjustments made upon initial recognition as an equity accounted associate.

	Brickworks		New Hope	
	2024	2023	2024	2023
	\$m	\$m	\$m	\$m
Current assets	560.7	565.2	1,262.9	1,109.8
Non-current assets	3,085.3	3,468.0	2,205.7	2,133.5
Current liabilities	(281.5)	(305.2)	(614.7)	(382.7)
Non-current liabilities	(1,704.2)	(1,816.6)	(310.7)	(339.2)
Net assets	1,660.3	1,911.4	2,543.2	2,521.4
Group's percentage holding	43.0%	43.1%	39.2%	39.2%
Group's share of total net assets	714.4	824.1	997.9	989.5
Goodwill and identifiable assets	18.5	22.6	490.9	514.4
Equity accounted carrying value	732.9	846.7	1,488.8	1,503.9
Revenue	1,089.4	1,181.2	1,802.2	2,754.5
(Loss)/profit after tax	(254.0)	231.3	475.9	1,087.4
Other comprehensive income	8.3	4.3	(59.1)	260.8
Total comprehensive income	(245.7)	235.6	416.8	1,348.2
Dividends received by Soul Patts from the associate	43.3	42.0	155.9	318.6
Group's share of capital commitments	5.2	9.3	48.1	40.1
Group's share of contingent liabilities	26.1	26.4	63.3	62.4
Market value of share holding	1,891.9	1,700.9	1,615.4	1,761.3

Extract of financial information as reported by other associates in aggregate

	2024	2023
	\$m	\$m
Group's aggregate share of other associates' expenditure commitments		
Capital commitments	21.0	11.8
Group's aggregate share of other associates' contingent liabilities		
Share of contingent liabilities incurred jointly with other investors of the associate	16.8	13.8
Group's aggregate share of other associates' financial information		
Profit after tax	30.8	29.5
Other comprehensive income	2.2	2.3
Total comprehensive income	33.0	31.8
Dividends received by Soul Patts from other associates	24.6	20.1

10 Investment properties

Accounting policy

Investment properties consist of properties held for long-term rentals and/or capital appreciation and properties being constructed or developed for future use as investment properties.

Classification

Investment properties are classified as non-current assets at fair value. Changes in fair value are recognised as gains or losses in the profit or loss as part of 'Other gains or losses'.

Subsequent measurement

For material investment properties independent valuations are obtained annually and more frequently if there is an indication that the carrying value of a property does not represent fair value. Valuations are obtained from independent Registered Property Valuers who hold recognised and relevant qualifications and have recent valuation experience in the location and categories of each property held.

At the end of each reporting period, the Group updates its assessment of the fair value of each property, taking account of the most recent independent valuations.

	2024 \$m	2023 \$m
Reconciliation of changes in the carrying value of investment properties		
Opening balance – Commercial property at 1 August	84.3	85.6
Acquisitions	12.9	4.1
Disposals	(64.5)	–
Transfer to assets classified as held for sale	(14.7)	–
Net fair value gain/(loss) on investment properties	3.1	(5.3)
Other	–	(0.1)
Closing balance – Commercial property at 31 July	21.1	84.3

Further information

The investment properties were independently valued as at 31 July 2024.

The revaluations resulted in a fair value gain of \$3.1 million for the current reporting period.

During the current reporting period, the Group sold investment properties for \$38.0 million and \$29.8 million respectively and entered into a contract for the sale of another investment property for \$14.7 million (including selling costs). This investment property was revalued to its fair value, before being re-classified as a held for sale asset, resulting in a fair value gain of \$1.3 million. The sale is expected to settle in August 2025.

Non-current assets pledged as security

As at 31 July 2024, none of the Group's investment properties were pledged as security.

Financial Report

Notes to the Financial Statements continued

11 Property, plant and equipment & right-of-use assets

Accounting policy

Freehold land is carried at the lower of cost and recoverable amount.

Other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Cost may include transfers from equity relating to any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate where relevant, of the cost of dismantling and removing the items and restoring the site under which they are located and an appropriate portion of production overhead.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the reporting period in which they are incurred.

Farmland assets comprise farm land, property and improvements. Farm land is carried at historical cost less impairment. Farm property and improvements are stated at historical cost less accumulated depreciation and impairment losses.

Bearer plants are plants that are used in the production or supply of agricultural produce, are expected to bear produce for more than one period and have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. They include, for example, the Group's citrus, apple, and macadamia trees as well as kiwi and table grape vines. Bearer plants are accounted for as property, plant and equipment. However, produce growing on bearer plants is accounted for as a biological asset.

Assets under construction include bearer plants and supporting agricultural infrastructure that are not yet ready for use. Assets under construction are carried at cost less impairment. Once development work is complete the capitalised costs are transferred to appropriate asset categories.

Accounting policy continued

Lease assets or right-of-use asset

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying assets.

Lease payments made in relation to leases of 12 months or less and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

Impairment of non-current assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. For the purposes of assessing impairment under value in use testing, assets are grouped at the lowest levels for which these are separately identifiable cash inflows which are largely dependent of the cash inflows from other assets or groups of assets (cash-generating units).

All property, plant and equipment allocated to CGU's containing goodwill must be tested for impairment at the CGU level on an annual basis. Other property, plant and equipment assets must also be tested for impairment when impairment indicators are identified.

Financial Report

Notes to the Financial Statements continued

11 Property, plant and equipment & right-of-use assets continued

	Land \$m	Buildings \$m
Measurement basis	Cost	Depreciated cost
Depreciation method	N/A	Straight line/ diminishing method
Useful life	N/A	20 – 40 years
At 1 August 2023		
Cost	11.8	51.4
Accumulated depreciation/amortisation and impairment	–	(8.7)
Net book value	11.8	42.7
Opening net book value	11.8	42.7
Acquisition of businesses (refer to Note 21)	–	59.0
Purchase price allocation adjustments	–	0.4
Additions	–	5.1
Transfers in/(out)	–	(0.5)
Disposal of assets	–	–
Fair value adjustments	–	–
Impairment (expense)/reversal	–	–
Depreciation/amortisation	–	(2.7)
Closing net book value	11.8	104.0
At 31 July 2024		
Cost	11.8	114.9
Accumulated amortisation and impairment	–	(10.9)
Net book value	11.8	104.0
At 1 August 2022		
Cost	11.8	38.2
Accumulated depreciation/amortisation and impairment	–	(7.2)
Net book value	11.8	31.0
Opening net book value	11.8	31.0
Acquisition of businesses	–	9.7
Additions	–	3.9
Transfers in/(out)	–	–
Disposal of assets	–	–
Fair value adjustments	–	–
Impairment expense	–	–
Depreciation/amortisation	–	(1.2)
Remeasurement of assets	–	–
Other	–	(0.7)
Closing net book value	11.8	42.7
At 31 July 2023		
Cost	11.8	51.4
Accumulated amortisation and impairment	–	(8.7)
Net book value	11.8	42.7

Farmland assets \$m	Plant, fixtures, motor vehicles \$m	Bearer plants \$m	Assets under construction \$m	Total property, plant & equipment \$m	Right-of-use asset \$m
Cost/depreciated cost	Depreciated cost	Depreciated cost	Cost		Cost
Straight line	Straight line/ diminishing method	Straight line	N/A		Straight line
2 – 40 years	2.5 – 20 years	10 – 30 years	N/A		Lease term or underlying life
130.9	202.2	37.4	91.8	525.5	106.0
(14.4)	(113.7)	(17.4)	(4.9)	(159.1)	(22.4)
116.5	88.5	20.0	86.9	366.4	83.6
116.5	88.5	20.0	86.9	366.4	83.6
54.0	65.6	19.4	–	198.0	–
–	(2.2)	–	–	(1.8)	1.4
0.6	21.5	0.4	125.5	153.1	17.8
36.8	3.9	0.5	(40.7)	–	–
–	(1.1)	(1.2)	–	(2.3)	(0.3)
(15.4)	–	–	–	(15.4)	–
(0.8)	–	8.3	(16.3)	(8.8)	–
(5.9)	(28.8)	(3.5)	–	(40.9)	(14.5)
185.8	147.4	43.9	155.4	648.3	88.0
206.9	280.1	56.0	176.7	846.4	116.0
(21.1)	(132.7)	(12.1)	(21.3)	(198.1)	(28.0)
185.8	147.4	43.9	155.4	648.3	88.0
74.4	160.3	31.2	46.1	362.0	53.3
(4.3)	(91.5)	(4.7)	–	(107.7)	(16.0)
70.1	68.8	26.5	46.1	254.3	37.3
70.1	68.8	26.5	46.1	254.3	37.3
–	14.8	–	–	24.5	37.8
42.9	21.9	6.7	65.2	140.6	20.2
14.7	4.4	0.3	(19.4)	–	–
–	(1.6)	(0.6)	–	(2.2)	(2.8)
(1.0)	–	–	–	(1.0)	–
(6.9)	–	(10.2)	(5.0)	(22.1)	–
(3.3)	(20.0)	(2.7)	–	(27.2)	(9.9)
–	–	–	–	–	0.5
–	0.2	–	–	(0.5)	0.5
116.5	88.5	20.0	86.9	366.4	83.6
130.9	202.2	37.4	91.8	525.5	106.0
(14.4)	(113.7)	(17.4)	(4.9)	(159.1)	(22.4)
116.5	88.5	20.0	86.9	366.4	83.6

Financial Report

Notes to the Financial Statements continued

12 Intangible assets

Accounting policy

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in the carrying amount of investments in associates.

Goodwill is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it may be impaired, and is carried at cost less accumulated impairment losses. Goodwill acquired is allocated to CGUs for the purpose of impairment testing. The allocation is made to those CGUs or group of CGUs that are expected to benefit from the business combination in which the goodwill arose. CGUs are discussed in the impairment section below.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the operation disposed, which may be an allocation from its respective CGU.

Water rights

Permanent water rights associated with agricultural activities are treated as an intangible asset at acquisition cost. They have an indefinite life and are not subject to amortisation. Indefinite useful life intangible assets are tested annually for impairment.

Amortisation of intangible assets

Amortisation is charged to the profit or loss on a straight line basis, unless otherwise stated, over the estimated useful lives of intangible assets.

Key judgements and estimates

Impairment of intangible assets

At each reporting date the Group considers the recoverable value of intangible assets. Intangible assets are allocated to CGUs for which the recoverable value is determined. The recoverable value is determined based on the higher of Fair Value Less Cost of Disposal (FVLCD) or Value In Use (VIU) and is estimated based on recent market transaction information. These calculations require the use of assumptions.

	Goodwill \$m	Water rights \$m	Other intangibles \$m	Brands and trade names \$m	Development costs \$m	Total \$m
Measurement basis	Cost	Cost	Cost/ amortised cost	Cost	Amortised cost	
Useful lives	Indefinite	Indefinite	2 years – indefinite	Indefinite or life of contract	3 – 10 years	
At 1 August 2023						
Cost	1,115.8	70.0	34.9	9.0	27.0	1,256.7
Accumulated amortisation and impairment	(984.6)	(0.3)	(9.5)	–	(2.6)	(997.0)
Net book value	131.2	69.7	25.4	9.0	24.4	259.7
Opening net book value	131.2	69.7	25.4	9.0	24.4	259.7
Acquisition of businesses (refer to Note 21)	–	6.7	–	–	–	6.7
Additions	–	13.0	1.5	–	6.0	20.5
Purchase price allocation adjustments	(8.2)	–	9.2	3.2	–	4.2
Impairment recognised in profit or loss	–	(1.8)	–	–	–	(1.8)
Amortisation charged to the profit or loss	–	–	(2.5)	–	(3.3)	(5.8)
Closing net book value	123.0	87.6	33.6	12.2	27.1	283.5
At 31 July 2024						
Cost	1,107.6	89.7	45.5	12.2	29.1	1,284.1
Accumulated amortisation and impairment	(984.6)	(2.1)	(11.9)	–	(2.0)	(1,000.6)
Net book value	123.0	87.6	33.6	12.2	27.1	283.5
At 1 August 2022						
Cost	1,049.8	37.9	20.2	8.6	20.7	1,137.2
Accumulated amortisation and impairment	(984.6)	(0.7)	(4.5)	–	(0.3)	(990.1)
Net book value	65.2	37.2	15.7	8.6	20.4	147.1
Opening net book value	65.2	37.2	15.7	8.6	20.4	147.1
Acquisition of businesses	63.3	–	11.1	0.4	–	74.8
Additions	–	32.5	1.6	–	6.7	40.8
Disposals	–	–	–	–	(0.4)	(0.4)
Purchase price allocation adjustments	2.7	–	(0.7)	–	–	2.0
Amortisation charged to the profit or loss	–	–	(2.3)	–	(2.3)	(4.6)
Closing net book value	131.2	69.7	25.4	9.0	24.4	259.7
At 31 July 2023						
Cost	1,115.8	70.0	34.9	9.0	27.0	1,256.7
Accumulated amortisation and impairment	(984.6)	(0.3)	(9.5)	–	(2.6)	(997.0)
Net book value	131.2	69.7	25.4	9.0	24.4	259.7

Financial Report

Notes to the Financial Statements continued

12 Intangible assets continued

Carrying amount of goodwill

Intangible assets which have indefinite lives are allocated to the appropriate Group business segment and country of operation. Goodwill is allocated to the following CGU groups:

	Country of operation	2024 \$m	2023 \$m
Aquatic Achievers (Private Equity Portfolio)	Australia	64.3	73.5
Ampcontrol (Private Equity Portfolio)	Australia	58.7	57.7
Closing net book value		123.0	131.2

The following key assumptions are used in the impairment testing:

Key assumptions	Aquatic Achievers (Private Equity Portfolio) Value in use	Ampcontrol (Private Equity Portfolio) Value in use
Post-tax discount rate	14.10 %	10.90 %
Terminal growth rate	3.50 %	2.50 %
Cash flow forecast	5 years	5 years

13 Provisions

Accounting policy

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

	2024 \$m	2023 \$m
Current liabilities		
Employee benefits	22.0	19.2
Deferred liabilities	–	5.9
Other	1.6	–
Total current provisions	23.6	25.1
Non-current liabilities		
Employee benefits	9.5	3.9
Deferred liabilities	4.4	4.3
Other	4.8	3.7
Total non-current provisions	18.7	11.9

	Employee benefits \$m	Deferred liabilities \$m	Other \$m	Total \$m
Reconciliation of changes in the carrying value of provisions				
Opening balance at 1 August 2023	23.1	10.2	3.7	37.0
Acquired through business combinations	0.9	–	–	0.9
Additional provisions recognised	20.4	0.4	2.7	23.5
Utilised during the year	(11.8)	(2.7)	–	(14.5)
Unused amount reversed	(0.7)	(0.5)	(0.1)	(1.3)
Unwinding of discount and changes in the discount rate	–	0.3	0.1	0.4
Payments	(0.4)	(3.2)	–	(3.6)
Other	–	(0.1)	–	(0.1)
Closing balance as at 31 July 2024	31.5	4.4	6.4	42.3
Opening balance at 1 August 2022	20.7	–	6.1	26.8
Acquired through business combinations	1.2	10.1	0.3	11.6
Additional provisions recognised	9.2	–	–	9.2
Utilised during the year	(7.6)	–	(3.4)	(11.0)
Unused amount reversed	(0.1)	–	–	(0.1)
Unwinding of discount and changes in the discount rate	(0.1)	0.1	0.1	0.1
Payments	(0.2)	–	–	(0.2)
Other	–	–	0.6	0.6
Closing balance as at 31 July 2023	23.1	10.2	3.7	37.0

Financial Report
Notes to the Financial Statements continued

14 Cash and cash equivalents

Accounting policy

Cash and short-term deposits in the Consolidated Statement of Financial Position comprise cash at banks, cash on hand and short-term highly liquid deposits with financial institutions with a maturity of three months or less, that are readily convertible to a known amount of cash. Bank overdrafts, should they occur, are shown within borrowings in current liabilities in the Consolidated Statement of Financial Position.

	2024	2023
	\$m	\$m
Current assets		
Cash at banks and on hand	261.1	211.8
Short-term deposits	–	100.0
Total cash and cash equivalents	261.1	311.8

Further information

Cash at bank earns interest at floating rates based on daily bank deposits rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Cash at bank and short-term deposits attract interest at rates between 4.1% and 5.2% per annum (2023: 1.4% and 5.2%). The balances were predominately held by Soul Patts of \$213.9 million (2023: \$236.5 million).

Reconciliation of profit after income tax and net cash flow from operations

	2024 \$m	2023 \$m
Profit after tax for the year from continuing operations	496.1	698.7
Loss after tax for the year from discontinued operations¹	–	(9.2)
Adjustments for non-cash items:		
Depreciation and amortisation	61.2	41.7
Amortisation of transaction costs	–	1.9
Gain on bargain purchase	(34.9)	–
(Gain)/loss on deemed disposal of equity accounted associates	(6.2)	52.4
Gain on derecognition of equity accounted associates	–	(22.7)
(Gain)/loss on revaluation of investment property	(3.1)	5.3
(Gain)/loss on sale of investment property	(1.3)	0.6
Net gain on sale of property, plant and equipment	(0.4)	(0.3)
Gain on fair value of biological assets	(27.7)	(20.4)
Gain on trading assets fair value through profit or loss	(140.7)	(23.6)
Provision of expected credit loss allowance	12.4	8.0
Impairment expense	38.7	49.1
Interest income and line fee capitalisation	(6.0)	(22.7)
Net foreign exchange gain	(4.1)	(1.0)
Share-based payment expense	7.5	–
Unwinding of interest on deferred purchase consideration	–	0.1
Share of profits/(loss) of associates less than/(in excess of) dividends or distributions received	126.3	(149.8)
Other non-cash items	1.9	(1.7)
Changes in operating assets and liabilities, net of effects from purchase and sales of business:		
Increase in debtors, other debtors and prepayments	(18.2)	(27.7)
Decrease in inventory	9.8	6.2
(Increase)/decrease in trading assets	(59.1)	106.3
Decrease in other financial assets	15.9	97.6
Increase in trade creditors and accruals	29.0	23.8
Increase in employee entitlements and provisions	8.2	7.7
Net movements in tax balances	(76.0)	(46.8)
Net cash inflow from operating activities	429.3	773.5

1 Discontinued operations in 2023 related to the final working capital adjustment for Round Oak which was sold on 1 July 2022.

Financial Report

Notes to the Financial Statements continued

15 Share capital

	The Company and the Group			
	31 July 2024		31 July 2023	
	Number of shares	\$m	Number of shares	\$m
Fully paid ordinary shares	360,967,863	4,686.0	360,967,863	4,686.0
Convertible notes		3.9		3.9
Treasury shares	279,695	(10.2)	162,174	(6.4)
Total share capital		4,679.7		4,683.5

Ordinary shares

There has been no movement in the number of issued ordinary shares since the last reporting period.

Treasury shares

Treasury shares are held in trust. The number of shares held at 31 July 2024 was 279,695 (2023: 162,174).

During the reporting period, Soul Patts purchased 117,521 shares (2023: nil) on the market to satisfy the future performance rights that will be vested under the Soul Patts Long-term Incentive Plan. Upon the satisfaction of the vesting conditions, the treasury shares will be allocated to the respective employees. The average share price paid per share was \$32.32.

Brickworks deemed treasury shares

Fully paid ordinary shares includes 94,314,855 shares held by Brickworks (2023: 94,314,855 shares). As Brickworks is 43.0% (2023: 43.1%) owned by Soul Patts, the resulting reciprocal interest is treated as treasury shares (2024: 40,585,260 shares; 2023: 40,666,848 shares) for the purpose of calculating earnings per share in the Consolidated Statement of Comprehensive Income.

Securities purchased on market to satisfy the vested LTI plan

Soul Patts purchased 113,446 shares (2023: 109,893 shares) on the market to satisfy the rights that vested during the year under the Soul Patts Long-term Incentive Plan. The average share price paid per share was \$34.41 (2023: \$27.90).

Additionally, 2,497 ordinary shares were bought on-market to satisfy an agreed payment in lieu of a dividend missed on 12 December 2023 (ex-date 17 November 2023). Due to share trading restrictions, rights that vested in September 2023 were only settled by an on-market purchase of shares on 16 April 2024. The average share price paid per share was \$34.60.

16 Reserves

Certain changes in the value of assets and liabilities are not recognised in the profit or loss but are instead included in Other Comprehensive Income. Reserves also includes the Group's share of the reserve balances of equity accounted associates.

	2024 \$m	2023 \$m
Reserves attributable to members		
Asset revaluation reserve	(657.0)	(636.6)
Capital gains reserve	423.2	311.0
Hedge reserve	10.3	39.1
Foreign currency translation reserve	1.4	0.7
Capital profits reserve	8.9	8.9
Share-based payments reserve	22.3	18.7
Equity reserve	(65.5)	(62.0)
Total reserves attributable to members	(256.4)	(320.2)
Major movements in reserves consist of:		
Asset revaluation reserve		
Opening balance at 1 August	(636.6)	(367.9)
Revaluation of long-term equity investments, gross	125.7	(184.5)
Revaluation of long-term equity investments, deferred tax	(41.5)	52.9
Transfer gain on sale of long-term equity investments to capital gains reserve, gross	(59.2)	(49.4)
Transfer gain on sale of long-term equity investments to capital gains reserve, deferred tax	(53.0)	(93.1)
Share of associates' revaluations, gross	10.7	31.4
Share of associates' revaluations, deferred tax	(3.1)	(9.2)
Reclassification of reserves to retained earnings	–	(16.3)
Other revaluations	–	(0.5)
Closing balance at 31 July	(657.0)	(636.6)

Asset revaluation reserve

At balance date, the asset revaluation reserve predominately relates to the net unrealised gains/(losses) of Soul Patts' long-term equity investments, net of associated unrealised tax.

	2024 \$m	2023 \$m
Capital gains reserve		
Opening balance at 1 August	311.0	168.5
Transfer gain on sale of long-term equity investments from asset revaluation reserve, gross	59.2	49.4
Transfer gain on sale of long-term equity investments from asset revaluation reserve, deferred tax	53.0	93.1
Closing balance at 31 July	423.2	311.0

Capital gains reserve

The capital gains reserve predominately relates to net realised gains/(losses) on the sale of Soul Patts' long-term equity investments which are held at fair value through other comprehensive income, net of associated tax.

Financial Report

Notes to the Financial Statements continued

16 Reserves continued

	2024 \$m	2023 \$m
Hedge reserve		
Opening balance at 1 August	39.1	4.2
Revaluation, gross	(0.1)	0.1
Share of associates – increments, gross	(41.0)	49.8
Share of associates – increments, deferred tax	12.3	(15.0)
Closing balance at 31 July	10.3	39.1

Hedge reserve

Movements in the hedge reserve predominately relate to Soul Patts' cross currency interest rate swaps which are used to hedge exposures to foreign currency on secured loans to external parties.

	2024 \$m	2023 \$m
Equity reserve		
Opening balance at 1 August	(62.0)	(12.6)
Share of associates – increments	(3.5)	4.9
Convertible debt buy-back (New Hope)	–	(76.8)
Convertible debt buy-back (New Hope), deferred tax	–	23.1
Others	–	(0.6)
Closing balance at 31 July	(65.5)	(62.0)

Equity reserve

Movements in the equity reserve predominately relate to Soul Patts' share of equity impact of New Hope's convertible debt buy-back in the previous reporting period as well as movements in the associates' equity reserves.

17 Financial assets

Financial assets

Accounting policy

Trade and loans receivable

Trade and loans receivable are recognised initially at fair value and subsequently at amortised cost less any allowance for expected credit losses.

Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group. Interest may be charged at commercial rates where the terms of repayment exceed the due date. Other receivables are carried at amortised cost.

Trading assets

Trading assets are equity instruments that are principally held for the purpose of selling in the short to medium term, and consequently are classified as financial assets held at fair value through profit or loss. Trading assets that are not expected to be realised within 12 months are classified as non-current other financial assets.

Long-term equity investments

Long-term equity investments are intended to be held long-term for capital growth and dividend income. Such instruments are classified as financial assets held at fair value through the profit and loss (FVP&L), or in some cases are irrevocably designated at fair value through other comprehensive income (FVOCI).

Recognition and derecognition

Purchases or sales of trading assets and long-term equity investments are recognised or derecognised on trade-date being the date on which the Group commits to purchase or sell the asset.

When investments designated as FVOCI are disposed, the accumulated fair value adjustments previously recognised in the asset revaluation reserve in equity are transferred to the capital gains reserve in equity, along with the associated tax gain or loss.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates derivatives as hedges of highly probable forecast transactions (cash flow hedges).

At the inception of the transaction, the Group documents the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

Financial Report

Notes to the Financial Statements continued

17 Financial assets continued

The following table summarises the financial assets of the Group:

	Amortised cost \$m	Fair value through Other Comprehensive Income \$m	Fair Value through Profit or Loss \$m	Total \$m
2024				
Current				
Cash and cash equivalents	261.1	–	–	261.1
Term deposits	0.1	–	–	0.1
Trade receivables	134.5	–	–	134.5
Other receivables	61.7	–	–	61.7
Loans receivable ¹	75.5	–	–	75.5
Trading assets				
Listed	–	–	448.5	448.5
Unlisted	–	–	33.8	33.8
Other financial assets				
Derivatives	–	–	34.8	34.8
Non-current				
Loans receivable ²	840.1	–	–	840.1
Long-term equity investments				
Listed	–	3,485.7	–	3,485.7
Unlisted	–	30.9	191.4	222.3
Other financial assets				
Listed	–	–	543.0	543.0
Unlisted	–	–	337.6	337.6
Derivatives	–	–	17.0	17.0
Total financial assets	1,373.0	3,516.6	1,606.1	6,495.7

1. Current loans receivable are net of allowance for expected credit loss of \$2.8 million (2023: \$0.9 million).

2. Non-current loans receivable are net of allowance for expected credit loss of \$18.3 million (2023: \$8.0 million).

	Amortised Cost \$m	Fair value through Other Comprehensive Income \$m	Fair Value through Profit or Loss \$m	Total \$m
2023				
Current				
Cash and cash equivalents	311.8	–	–	311.8
Term deposits	668.3	–	–	668.3
Trade receivables	53.9	–	–	53.9
Other receivables	83.0	–	–	83.0
Loans receivable ¹	125.5	–	–	125.5
Trading assets				
Listed	–	–	334.7	334.7
Unlisted	–	–	14.2	14.2
Other financial assets				
Derivatives	–	–	48.1	48.1
Forward foreign exchange contract	–	–	2.1	2.1
Non-current				
Loans receivable ²	441.7	–	–	441.7
Long-term equity investments				
Listed	–	3,600.0	–	3,600.0
Unlisted	–	35.4	122.4	157.8
Other financial assets				
Listed	–	–	55.7	55.7
Unlisted	–	–	154.8	154.8
Total financial assets	1,684.2	3,635.4	732.0	6,051.6

Further information

Trade receivables

Trade receivables are due for settlement between 30 and 60 days from the date of recognition.

Trade receivables as at 31 July 2024 mainly relates to Ampcontrol of \$66.6 million (2023: \$49.7 million). As at reporting date, trade receivables past due but not impaired were nil (2023: nil). The carrying value less impairment of trade receivables approximate their fair value.

Loans receivable

The Group provides secured loans to external parties at commercial rates. The total balance of loans at 31 July 2024 was \$936.7 million (2023: \$576.1 million). Of these loans, \$819.3 million (2023: \$473.3 million) are secured by general security deeds that provide fixed and floating charges over all assets and/or property mortgages.

Financial Report

Notes to the Financial Statements continued

17 Financial assets continued

Expected credit losses (ECL)

The Group measures the loss allowance for trade, loans and other receivables at an amount equal to the lifetime ECL except where the financial asset's credit risk is considered low or has not increased significantly since initial recognition, in which case the loss allowance is based on 12-months ECL. A simplified approach is taken for trade receivables whereby the Group uses its historical experience, external indicators and forward looking information to calculate the ECL.

The amount of any allowance for ECL is recognised in the profit or loss. When a receivable for which an allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the ECL allowance. Subsequent recoveries of amounts previously written off are credited to the profit or loss.

Long-term equity investments

All long-term equity investments are subject to capital gains tax.

Dividends from long-term equity investments are set out below:

	2024 \$m	2023 \$m
Dividends		
Dividends from long-term equity investments held at FVOCI recognised in profit or loss		
Related to investments sold during the year	10.3	11.3
Related to investments held at the end of the year	111.5	151.1
Dividends from long-term equity investments held at FVP&L recognised in profit or loss		
Related to investments held at the end of the year	1.7	2.4
Total dividends from long-term equity investments	123.5	164.8

Term deposits

Term deposits attract interest at rates between 4.64% and 5.50% per annum (2023: 4.60% and 5.50% per annum).

In the previous reporting period, the balances were predominantly held by Soul Patts of \$600.0 million (2024: nil).

The fair value of term deposits materially approximates their respective carrying values.

Key judgements and estimates

Expected credit losses

The expected loss allowance loans receivable is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on its historical experience, existing market conditions as well as forward looking estimates at the end of each reporting period.

18 Financial liabilities

Financial liabilities

Accounting policy

Trade payables

Trade and other payables are stated at their amortised cost. These amounts represent liabilities for goods and services provided to the Group prior to the end of the year and are unpaid. The amounts are unsecured and usually paid within 30 to 45 days of recognition.

Interest bearing liabilities

Interest bearing liabilities are initially recognised at fair value, net of any transaction costs incurred. These balances are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the term of the liability using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the term of the facility to which it relates.

Convertible notes

The component of convertible notes that exhibit characteristics of a liability is recognised as a liability in the balance sheet, net of transaction costs. On issuance of convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible note. This amount is carried as a liability on an amortised basis until extinguished on conversion or redemption. The increase in liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible notes based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

Financial Report

Notes to the Financial Statements continued

18 Financial liabilities continued

The following table summarises the financial liabilities of the Group:

	Amortised cost \$m	Hedging derivatives \$m	Fair Value through Profit or Loss \$m	Total \$m
2024				
Current				
Trade and other payables	135.7	–	–	135.7
Interest bearing liabilities				
Equity finance loans ^{18.1.1}	148.8	–	–	148.8
Equipment finance loans ^{18.2}	0.8	–	–	0.8
Lease liabilities	12.7	–	–	12.7
Other financial liabilities	–	6.7	–	6.7
Non-current				
Deferred contingent consideration	–	–	4.4	4.4
Interest bearing liabilities				
Convertible notes ^{18.1.2}	222.1	–	–	222.1
Market rate loan ^{18.2}	297.0	–	–	297.0
Equipment finance loans ^{18.2}	1.1	–	–	1.1
Lease liabilities	83.4	–	–	83.4
Total financial liabilities	901.6	6.7	4.4	912.7
2023				
Current				
Trade and other payables	105.3	–	–	105.3
Interest bearing Liabilities				
Convertible notes ^{18.1.2}	220.1	–	–	220.1
Equipment finance loans ^{18.2}	1.5	–	–	1.5
Lease liabilities	11.4	–	–	11.4
Other financial liabilities	–	8.5	–	8.5
Non-current				
Deferred contingent consideration	–	–	10.2	10.2
Interest bearing liabilities				
Market rate loan ^{18.2}	70.5	–	–	70.5
Capital development facility ^{18.2}	52.9	–	–	52.9
Equipment finance loans ^{18.2}	2.1	–	–	2.1
Secured loans ^{18.3}	0.4	–	–	0.4
Lease liabilities	78.1	–	–	78.1
Total financial liabilities	542.3	8.5	10.2	561.0

Net debt and financing facilities

	2024	2023
	\$m	\$m
Total interest bearing liabilities	669.8	347.5
Less: cash and cash equivalents and term deposits	(261.2)	(980.1)
Net debt/(cash)	408.6	(632.6)
Total available financing facilities	764.7	402.5
Less: facilities utilised at reporting date		
Convertible bonds	(222.1)	(220.1)
Equity finance and other loan facilities	(447.7)	(127.3)
Facilities unutilised at reporting date	94.9	55.1

The fair values of interest bearing liabilities materially approximate their respective carrying values as at 31 July 2024.

As at 31 July 2024, the Group had the following financing facilities in place:

18.1 Soul Patts

18.1.1 Equity finance facilities

As at 31 July 2024, Soul Patts had access to secured financing facilities with a number of financiers.

As security for borrowings under these facilities, Soul Patts transfers ownership of title over certain securities to the finance provider. As Soul Patts retains the risks and benefits of ownership of the transferred investments, including the right to receive dividends, these securities continue to be included as assets on the Group and Soul Patts statements of financial position. Upon repayment of the debt, legal title of the investments is transferred back to Soul Patts.

As at 31 July 2024, Soul Patts had \$148.8 million borrowings under equity finance facilities. During the year ended 31 July 2024 Soul Patts borrowed \$273.8 million and repaid \$125.0 million under these facilities. The 31 July 2024 tenor and average cost for borrowings under these facilities was eight months and 5.1% p.a.

Capacity to draw further funds under these facilities is not included in the facilities unutilised amounts above; the capacity is a function of the prevailing value of the pool of securities that is eligible to be loaned.

18.1.2 Convertible notes

During the year ended 31 July 2021, Soul Patts issued convertible notes with an aggregate principal amount of \$225 million.

There was no movement in the number of these convertible notes from the issue date through 31 July 2024. Subsequently, \$223.2 million of the notes were redeemed. Refer to Note 31 for further details. As at the reporting date, the notes are classified as non-current as there was no obligation to repay the notes within 12 months.

The notes were convertible at the option of the noteholders into ordinary shares based on an initial conversion price of \$34.99 per share at any time on or after 11 March 2021 up to the date falling five business days prior to the final maturity date (29 January 2026). The notes carried interest at a rate of 0.625% pa which was payable semi-annually in arrears on 29 January and 29 July.

Financial Report

Notes to the Financial Statements continued

18 Financial liabilities continued

18.2 Soul Patts Agriculture

During the year ended 31 July 2024, Soul Patts Agriculture entered into a two-year secured loan facility which settled in January 2024, paying out all previous facilities held with another financier. The new facility expires on 23 January 2026.

Security given includes first ranking mortgages over property and specific pieces of agricultural machinery, water entitlements and water leases, as well as other general security interests.

In addition, to finance the purchase of various pieces of agricultural equipment, Soul Patts Agriculture entered into financing agreements with various financiers. These credit contracts are specific to the agricultural equipment and are secured with a mortgage over the equipment for a term ranging between 35 to 60 months.

	31 July 2024				31 July 2023			
	Drawn	Undrawn	Total	Weighted average interest rate	Drawn	Undrawn	Total	Weighted average interest rate
	\$m	\$m	\$m	%	\$m	\$m	\$m	%
WHSP Agriculture								
Working capital	–	–	–	–	–	4.0	4.0	5.1 %
Market rate	297.0	49.9	346.9	5.8 %	70.5	–	70.5	5.6 %
Bank overdraft	–	2.0	2.0	6.5 %	–	–	–	–
Capital development	–	–	–	–	52.9	24.9	77.8	5.6 %
Total	297.0	51.9	348.9		123.4	28.9	152.3	
Uncommitted equipment finance facility	–	–	–	–	2.6	1.4	4.0	6.1 %
Agricultural equipment finance facility	1.9	–	1.9	2.4 %	1.0	–	1.0	1.7 %

18.3 Ampcontrol

During the year ended 31 July 2024, Ampcontrol secured an increase to its existing syndicated flexible working capital facility, up to \$55.0 million (31 July 2023: \$38.0 million) which expires on 28 June 2025. The facility is secured by fixed and floating charges over Ampcontrol's assets and subsidiaries. In addition, uncommitted equipment finance facilities of \$10.0 million are available.

	31 July 2024				31 July 2023			
	Drawn	Undrawn	Total	Weighted average interest rate	Drawn	Undrawn	Total	Weighted average interest rate
	\$m	\$m	\$m	%	\$m	\$m	\$m	%
Ampcontrol								
Cash advance facilities	–	23.0	23.0	5.7 %	0.4	19.6	20.0	5.4 %
Bank overdraft	–	10.0	10.0	5.0 %	–	5.0	5.0	–
Bank guarantees	14.5	7.5	22.0	–	–	13.0	13.0	–
Total	14.5	40.5	55.0		0.4	37.6	38.0	
Uncommitted equipment finance facility	5.4	4.6	10.0	6.3 %	–	–	–	–

18.4 Bank guarantee facilities

The Group had unrestricted access at 31 July 2024 to bank guarantee facilities of \$37.0 million (2023: \$30.0 million). At 31 July 2024, the Group had drawn down on these facilities by \$17.6 million (2023: \$15.0 million).

19 Fair value estimation

Accounting policy

The fair value of financial assets, financial liabilities, investment properties, biological assets and farmland assets is estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments (including listed equities and hybrid instruments) traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets and financial liabilities held by the Group is the last sale price. Most of the Group's investments are publicly traded on the Australian Securities Exchange.

The valuation techniques and key assumptions of assets and liabilities (including non-financial assets) measured using level 3 inputs, which are those that are not based on observable marked data are disclosed below.

Gains or losses arising from changes in the fair value of assets classified at FVP&L are recognised in the profit or loss within other gains and losses in the period in which they arise, and through Other Comprehensive Income for those classified at FVOCI.

Fair value hierarchy

Judgements and estimates are made in determining the fair values of assets and liabilities. To provide an indication of the reliability of the inputs used in determining fair value, the Group categorises each asset and liability into one of the following three levels as prescribed by accounting standards:

Level 1	Fair value is determined by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities as at the end of the reporting period.
Level 2	Fair value is determined by using valuation techniques incorporating observable market data inputs.
Level 3	Fair value is determined by using valuation techniques that rely on inputs that are not based on observable market data.

Key judgements and estimates

Level 3 financial assets valuation techniques

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including the assumptions about risk. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable. Unobservable inputs are those for which market data is not available and therefore are developed using the best information available about such assumptions. The valuation techniques used to value the following asset classes are set out below:

Unlisted equities

In the absence of an active market for unlisted equities, the Group selects and uses one or more valuation techniques to measure the fair value of these unlisted equities.

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The following valuation techniques are used by the Group:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets including ongoing discussions with potential purchasers.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Financial Report

Notes to the Financial Statements continued

19 Fair value estimation continued

Fair value measurement

The following table represents the Group's assets and liabilities measured or disclosed at fair value as at 31 July 2024 and 31 July 2023.

As at 31 July 2024	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
Financial assets/(liabilities) measured at fair value				
Trading assets	448.5	15.9	17.9	482.3
Other financial assets	557.4	171.7	203.3	932.4
Long-term equity investments	3,485.7	90.6	131.7	3,708.0
Contingent consideration	–	–	(4.4)	(4.4)
Other financial liabilities	–	(6.7)	–	(6.7)
Non-financial assets measured at fair value				
Investment properties	–	–	21.1	21.1
Biological assets	–	–	11.1	11.1
Assets/(liabilities) for which fair values are disclosed				
Loans receivable at amortised cost	–	–	915.6	915.6
Interest bearing liabilities	–	(669.8)	–	(669.8)

As at 31 July 2023	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
Financial assets/(liabilities) measured at fair value				
Trading assets	334.7	–	14.2	348.9
Other financial assets	55.7	97.7	107.3	260.7
Long-term equity investments	3,600.0	93.5	64.3	3,757.8
Contingent consideration	–	–	(10.2)	(10.2)
Other financial liabilities	–	(8.5)	–	(8.5)
Non-financial assets measured at fair value				
Investment properties	–	–	84.3	84.3
Biological assets	–	–	12.5	12.5
Assets/(liabilities) for which fair values are disclosed				
Loans receivable at amortised cost	–	–	567.2	567.2
Interest bearing liabilities	–	(347.5)	–	(347.5)

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the change in level 3 items for the year ended 31 July 2024 and 31 July 2023:

	Trading assets \$m	Other financial assets \$m	Long-term equity investments \$m	Investment properties \$m	Biological assets \$m	Loans receivable at amortised cost \$m	Contingent consideration \$m
Opening balance at 1 August 2023	14.2	107.3	64.3	84.3	12.5	567.2	(10.2)
Acquisitions	–	279.2	58.2	12.9	–	551.5	(0.4)
Disposals/repayments	(10.7)	(181.5)	–	(64.5)	–	(194.9)	6.6
Transfer from/(to) level 1 – trading assets (listed)	6.2	(7.5)	–	–	–	–	–
Change in fair value due to biological transformation	–	–	–	–	27.7	–	–
Transfer to inventory	–	–	–	–	(29.1)	–	–
Transfer to assets classified as held-for-sale	–	–	–	(14.7)	–	–	–
Realised gain recognised in profit and loss	3.3	3.7	–	–	–	–	–
Unrealised gain/(loss) recognised in profit and loss	–	7.0	4.0	3.1	–	(13.7)	–
Fair value adjustments through OCI	–	–	5.2	–	–	–	–
Capitalised interest	–	–	–	–	–	5.5	(0.4)
Reclassification	4.9	(4.9)	–	–	–	–	–
Closing balance at 31 July 2024	17.9	203.3	131.7	21.1	11.1	915.6	(4.4)
Opening balance at 1 August 2022	75.6	10.7	48.3	85.6	9.3	233.2	–
Acquisitions	2.0	26.6	22.7	4.1	–	460.3	–
Acquisitions of businesses	–	–	–	–	–	–	(10.1)
Disposals/repayments	–	–	–	–	–	(146.2)	–
Transfer to level 1 – trading assets (listed)	(6.8)	–	–	–	–	–	–
Change in fair value due to biological transformation	–	–	–	–	20.4	–	–
Transfer to inventory	–	–	–	–	(17.2)	–	–
Unrealised gain/(loss) recognised in profit and loss	(2.1)	4.1	(1.1)	(5.4)	–	(9.8)	–
Fair value adjustments through OCI	–	–	5.9	–	–	–	–
Capitalised interest	–	–	–	–	–	29.7	(0.1)
Reclassification	(54.5)	65.9	(11.5)	–	–	–	–
Closing balance at 31 July 2023	14.2	107.3	64.3	84.3	12.5	567.2	(10.2)

Financial Report

Notes to the Financial Statements continued

19 Fair value estimation continued

Fair value measurement, valuation techniques and inputs

The following table summarises valuation techniques, inputs and sensitivities for classes of assets with significant level 3 inputs:

Class of assets	Asset	Valuation technique	Significant unobservable inputs	Range	Sensitivity analysis
Trading assets and Other financial assets	Convertible notes	Income approach	Discount rate	Varies by asset	An increase/decrease in the assumption by 5% would result increase/decrease the value by \$0.9 million respectively.
Other financial assets and Long-term equity investments	Unlisted equities	Market approach	Comparable transactions	Varies by asset	An increase/decrease in market approach assumptions (such the value of comparable transactions or indicative NTA) by 5% would result increase/decrease the value by \$16.8 million respectively.
		Income approach	Discount rate, growth rate		
Investment properties	Commercial properties	Direct comparison approach	Rate per square metre	\$875/m ² to \$925/m ²	A 5% increase/decrease in the rate per square metre would increase/decrease the value by \$1.1 million respectively.

20 Financial risk and capital management

This section provides information about the Group's exposure to various financial risks and capital management.

The Group's activities expose it to a variety of financial risks; market risk (including currency risk, price risk and interest rate risk), credit risk, and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Entities within the Group have also developed their own risk management programs tailored to address their business specific risks. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out in accordance with written policies approved by the boards of each relevant business within the Group. These written policies cover specific areas such as mitigating foreign exchange, interest rate and credit risks, use of forward exchange contracts and investment of excess liquidity.

Market risk

Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's functional currency. There are two sources of exposure:

- The Group through its subsidiaries is exposed to foreign exchange risk arising from currency exposures to the US dollar. Ampcontrol is exposed to foreign exchange risk arising from operational transactions in foreign currencies. Ampcontrol management regularly monitors foreign exchange exposures and did not engage in any foreign exchange hedging during the period as the exposure risk was deemed immaterial.
- The Group has exposure to foreign exchange risk on external secured loans to third parties denominated in United States (**USD**) and, during the year ended 31 July 2023, Canadian (**CAD**) and New Zealand (**NZD**) dollars.

Cross currency interest rate swaps are used to manage foreign exchange risk. To comply with the Group's foreign exchange risk management strategy to hedge exposures arising in foreign currency, the Group's objective is to hedge the exposure arising from USD, CAD and NZD denominated external loan assets against the changes in the spot exchange rate of USD/ AUD, CAD/AUD and NZD/AUD respectively.

The hedged items create an exposure to foreign currency denominated fixed interest and principal amounts in local currency terms. As such, there is an expectation that the value of the hedging instruments and the value of the hedged items move in the opposite direction as a result of movements in the USD/AUD, CAD/AUD and NZD/AUD spot exchange rates.

Financial Report

Notes to the Financial Statements continued

20 Financial risk and capital management continued

Hedge accounting

Accounting policy

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss.

Amounts accumulated in equity are recycled in the profit or loss in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial carrying amount of the asset or liability.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the Consolidated Statement of Comprehensive Income as other gains and losses. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the Consolidated Statement of Comprehensive Income.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange contracts match the terms of the expected highly probable forecast transactions.

Further information

Hedging

The Group designates only the spot element of forward contracts as a hedging instrument. The forward element is recognised in Other Comprehensive Income and accumulated in a separate component of equity under cost of hedging reserve.

At the reporting date the details of outstanding hedging contracts (notional value in AUD) are:

	2024 A\$m	2023 A\$m	2024 CAD:AUD	2023 CAD:AUD
Maturity				
0 to 6 months	–	15.3	–	0.8806

	2024 A\$m	2023 A\$m	2024 NZD:AUD	2023 NZD:AUD
Maturity				
0 to 6 months	–	22.1	–	1.0784

	2024 A\$m	2023 A\$m	2024 USD:AUD	2023 USD:AUD
Maturity				
12 to 24 months	229.6	–	0.6647	–
24 to 36 months	–	47.5	–	0.6711
	229.6	47.5		

Determination of the hedge ratio and sources of hedge ineffectiveness on USD, CAD and NZD exposures

To comply with the Group's hedging policy, the hedge ratio is based on a hedging instrument with the same notional amount in foreign currency terms as the underlying hedged item. This results in a hedge ratio of 1:1 or 100%. This is the ratio that the Group uses for risk management purposes, and this ratio is appropriate for purposes of hedge accounting as it does not result in an imbalance that would create hedge ineffectiveness. The Group's hedging policy does not require the hedging of all foreign currency exposures, however a 100% ratio is used for items that are hedged.

The following are potential sources of hedge ineffectiveness:

- reduction or modification in the hedged item (that is: a debt repayment or interest rate reduction)
- a change in the credit risk of the borrower or the swap counterparty
- a mismatch between the cash flows of the hedged item and the hedging instrument.

	2024 U\$m	2023 U\$m
US dollar exposure		
Cash and cash equivalents	2.4	0.2
Trade receivables	0.1	0.4
Loans receivable	172.2	65.5
Trade payables	0.2	–
Cross currency swap (pay USD float/receive AUD fix) (notional value)	(150.0)	(30.0)

	2024 NZ\$m	2023 NZ\$m
New Zealand dollar exposure		
Cash and cash equivalents	–	0.5
Loans to external parties – secured	–	23.5
Cross currency swap (pay NZD fix/receive AUD fix) (notional value)	–	(23.5)

	2024 C\$m	2023 C\$m
Canadian dollar exposure		
Cash and cash equivalents	–	0.3
Loans to external parties – secured	–	14.3
Cross currency swap (pay CAD fix/receive AUD fix) (notional value)	–	(14.3)

	2024 MYR\$m	2023 MYR\$m
Malaysian ringgit exposure		
Cash and cash equivalents	–	0.5

Sensitivity analysis

Based on the net exposure discussed above, had the Australian dollar weakened/strengthened by 10% against the US dollar with all other variables held constant, there would be \$3.8 million/(\$3.8 million) increase/(decrease) of the Group's post-tax profit for the year (2023: \$5.4 million/(\$5.4 million)) as a result of foreign exchange gains/(losses) on those assets and cross currency swap contracts. The Group's equity as at balance date would change correspondingly.

Financial Report

Notes to the Financial Statements continued

20 Financial risk and capital management continued

Equity securities price risk

The Group is exposed to equity securities price risk as the majority of the Group's long-term equity investments and trading assets are publicly traded on the Australian Securities Exchange. For listed associates, the market value is taken into consideration when assessing the recoverable value of an equity accounted associate.

Sensitivity analysis

The following table summarises the financial impacts of a 5% increase/(decrease) in the market value of publicly traded investments (to post-tax profit for trading assets and to Other Comprehensive Income for long-term equity investments, respectively) that are carried at fair value as at reporting date.

	Impact to post-tax profit		Impact on reserves	
	2024 \$m	2023 \$m	2024 \$m	2023 \$m
Trading assets	15.7	11.7	–	–
Long-term equity investments	–	–	122.0	130.2
Other financial assets	23.6	3.6	–	–
	39.3	15.3	122.0	130.2

Credit risk on financial assets

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, long-term equity investments provided to the bank as security for short term debt, as well as credit exposure to export and domestic customers, including outstanding receivables and committed transactions.

The Group's derivative counterparties, cash and term deposits are limited to financial institutions with a rating of at least BBB. The Group regularly reviews its credit exposure to financial institutions, with approvals required beyond certain limits.

The credit quality of financial assets that are neither past due nor impaired, can be assessed by reference to historical information about counterparty defaults. To mitigate credit risk, management within each of the Group entities apply policies to assess and monitor the credit worthiness of customers and set appropriate credit limits for each customer, taking into account their financial positions, past experience and other factors pertaining to each industry segment.

The maximum exposure to credit risk at the reporting date is the carrying amount of assets as stated in the Consolidated Statement of Financial Position. The following table summarises these assets:

	Note	2024 \$m	2023 \$m
Cash and cash equivalents		261.1	311.8
Term deposits		0.1	668.3
Trade and other receivables	20.1	196.2	136.9
Loans receivable	20.2	915.6	567.2
Other financial assets	20.3	51.8	48.1
Long-term equity investments	20.4	139.5	–
		1,564.3	1,732.3

20.1 The trade and other receivables balances as stated above reflect the recoverable value and are net of allowances for expected credit losses. Refer to Note 17 for further description on the impairment of receivables.

20.2 Loans receivable balances as stated above reflect the recoverable value and are net of allowances for expected credit losses. Refer to Note 17 for further description on the impairment of loans receivable.

20.3 This amount includes only derivatives that are within other financial assets.

20.4 The long-term equity investments balance as stated above represents amounts that banks hold as security against short term debt. Refer to Note 18.

Liquidity risk

Liquidity risk is the risk that an entity is unable to meet its financial obligations as they fall due.

Prudent liquidity risk management is adopted by the Group through maintaining sufficient cash and marketable securities, the ability to borrow funds from credit providers and to close-out market positions.

The Group manages liquidity risk by continually monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in instruments that are tradable in highly liquid markets.

Details of existing financing arrangements are set out in Note 18.

Maturity of financial liabilities

The Group has trade and other payables that are payable within 12 months (current liabilities) and greater than 12 months (non-current liabilities). Trade and other payables classified as non-current relate to tenant deposits held in relation to property rental operations (current reporting period) and the purchase consideration for business acquisitions (prior reporting period). Non-current balances are calculated using the present value of the future expected cash flows.

Soul Patts utilises short term bank financing. The balance at year end was \$148.8 million (2023: nil). The debt is exposed to variable interest rates and can be repaid by providing 30 days' notice.

As security for Soul Patts' short-term bank financing, Soul Patts transferred ownership of title over certain long-term equity investments to the banks. Upon repayment of the debt, legal title of the equity investments are transferred back to Soul Patts. As Soul Patts retains the risks and benefits of ownership of the transferred equity investments, including the right to receive dividends, these securities continue to be included as assets on the Group's Consolidated Statement of Financial Position.

The Group's maturity analyses for financial liabilities are set out below.

	\$m	\$m	\$m	\$m
Year ending 31 July 2024	0 – 1 year	1 – 5 years	5+ years	Total
Lease liability	18.6	51.8	128.2	198.6
Convertible notes	–	222.1	–	222.1
Equity finance loan	148.8	–	–	148.8
Market rate loan	–	297.0	–	297.0
Equipment finance loan	0.8	1.1	–	1.9

	\$m	\$m	\$m	\$m
Year ending 31 July 2023	0 – 1 year	1 – 5 years	5+ years	Total
Lease liability	17.4	46.1	128.8	192.3
Convertible notes	220.1	–	–	220.1
Market rate loan	–	70.5	–	70.5
Capital development facility	–	52.9	–	52.9
Equipment finance loan	1.5	2.1	–	3.6
Secured loans	–	0.4	–	0.4

Financial Report

Notes to the Financial Statements continued

20 Financial risk and capital management continued

Cash flow and fair value interest rate risk

The Group may from time to time have significant interest-bearing assets which are placed with reputable financial institutions for up to 12 months. The Group has treasury investment policies approved by each of the relevant entity's Board of Directors which govern exposures to each financial institution based on credit rating and amount invested. Significant changes in market interest rates may have an effect on the Group's profit or loss and operating cash flows. Cash flow interest rate risk is managed by placing excess funds in at call deposits, term deposits and other fixed interest bearing assets. Refer to Note 14 for details.

Based on the deposits held at the reporting date, the sensitivity to a 1% per annum increase or decrease in interest rates would increase/(decrease) after tax profit by \$1.8 million (2023: \$6.9 million). This scenario assumes all cash and term deposits at balance date continue to remain invested for the whole year.

Further information

Secured liabilities

Lease liabilities are effectively secured as the rights to the leased assets recognised in the consolidated financial statements revert to the lessor in the event of default. No other assets are pledged as security for the lease liabilities. The total cash outflow for leases for the reporting period ended 31 July 2024 was \$17.9 million (2023: \$13.5 million).

Climate change related risk

The impacts of climate change have the potential to affect the value of assets and liabilities of the Group, in particular the carrying value of its investments in mining, natural resources and significant energy users. These impacts include long-term changes in climatic conditions, extreme weather events, and the action taken by governments, regulators or society more generally to transition to a low carbon economy. A key step in the Group's due diligence on potential investments is the assessment of sustainability risks, including climate risk. The risk of climate change is assessed at origination and continues after an investment is made through the ongoing investment review and valuation process. Exposures with medium or high risk profiles are subject to additional due diligence and heightened consideration and assessment at each reporting date.

Capital management

The objective of the Group's capital management approach is to maintain a strong capital base in order to maintain investor, creditor and market confidence and to sustain the future development of the Group.

The Group's capital consists of total shareholders' equity, borrowings and other interest bearing liabilities. The movement in shareholders equity is shown in the Consolidated Statement of Changes in Equity.

For details of interest bearing liabilities, refer to Note 18.

21 Business combinations

Accounting policy

The acquisition method of accounting is used to account for all business combinations.

Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured at fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a gain on bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to present value as at the date of exchange. The discount rate used is the incremental borrowing rate, being the rate at which similar borrowings could be obtained from an independent financier under comparable terms and conditions.

Key judgements and estimates

Business combinations – acquisition fair value

The determination of the fair values of net identifiable assets acquired, and of any goodwill or gain on bargain purchase, involves significant judgement. The Group typically engages third-party experts to advise on the purchase price allocation for significant acquisitions.

Summary of acquisition in the current reporting period

Acquisition of Redlands assets (Private Equity Portfolio)

On 26 September 2023, the Group acquired Redlands assets for a total purchase consideration of \$151.9 million. Redlands included fruit orchards, water entitlements as well as a processing facility and logistics assets.

The value of net assets recognised in the 31 July 2024 financial statements are based on provisional assessments of their fair value. Under AASB3, a gain on bargain purchase of \$34.9 million is recognised in the profit and loss statement and an increase in the value of property, plant and equipment and deferred tax liabilities. The finalisation of the fair value of the acquired assets and liabilities at acquisition date will be completed within the 12-month measurement period in accordance with the Group's accounting policy.

Financial Report

Notes to the Financial Statements continued

21 Business combinations continued

A summary of the provisional allocation of assets and liabilities acquired is as follows:

	Redlands 26 September 2023
	\$m
Prepayments and other assets	1.3
Inventories	1.5
Property, plant and equipment	198.0
Intangibles	6.7
Deferred tax liabilities	(15.0)
Trade and other payables	(4.7)
Provisions	(1.0)
Fair value of net identifiable assets	186.8
Provisional gain on bargain purchase	34.9
Fair value of net assets acquired	151.9
Cash flows from acquisition	
Cash paid at acquisition	151.9
Cash outflow from investing activities	151.9
Acquisition related costs	6.9
Cash outflow from operating activities	6.9
Total cash outflow	158.8
Revenue contribution	
Acquisition date until 31 July 2024	26.1
If the acquisition had occurred on 01 August 2023	30.9
Loss before tax contribution	
Acquisition date until 31 July 2024	(16.5)
If the acquisition had occurred on 01 August 2023	(20.0)

Other information

During the current reporting period \$6.9 million of acquisition costs were expensed (2023: \$2.2 million).

Summary of acquisitions in the prior reporting period

In the prior reporting period, the following Private Equity Portfolio acquisitions occurred:

	Kirby 31 March 2023	Carlisle Swimming 30 June 2023	Androck 31 May 2023
Acquiring entity	Aquatic Achievers	Aquatic Achievers	Ampcontrol
Percentage of equity acquired	100%	100%	100%
Description of acquiree	Operator of a group of swimming schools located in and around Perth, WA.	Operator of a group of swimming schools located in Sydney, NSW.	Provides supply, manufacturing and re-engineering services to the underground mining industry in Eastern Australia.
Status of provisional accounting	Final	Final	Final
Update on outstanding matters from provisional accounting	There has been no material change to the provisional amounts as presented in the 2023 Annual Report	The provisional purchase price allocation was finalised in 2024, resulting in a \$8.2 million decrease in goodwill driven by additional curriculum and brand intangibles recognised of \$12.4 million, offset by reductions in other assets of \$4.2 million.	There has been no material change to the provisional amounts as presented in the 2023 Annual Report
Purchase consideration	\$10.3 million	\$73.9 million	\$21.1 million

22 Contingent liabilities

The Group includes subsidiaries that have operations in a range of industries. From time to time and in the ordinary course of business there may be litigation, fines and other regulatory actions. At the reporting date, there are no matters of this nature which are expected to result in a material effect in the financial position of the Group.

23 Commitments

	2024 \$m	2023 \$m
Capital expenditure contracted for the period but not recognised as liabilities is as follows:		
Within one year	30.5	15.0
One to five years	9.3	12.5
	39.8	27.5
Other contracted commitments		
Investments in Credit Portfolio	269.1	271.5
Investments in Property Portfolio	24.8	–
Investments in Private Equity Portfolio	83.3	259.7
	377.2	531.2

Financial Report

Notes to the Financial Statements continued

24 Parent Entity information

Accounting policy

The statement of financial position, profit after tax and total comprehensive income for Soul Patts have been prepared on the same basis as the consolidated financial statements except for investments in subsidiaries and investments in associates.

In Soul Patts, investments in subsidiaries and associates are carried at cost less impairment. Dividends from these entities are recognised as income within profit or loss. This approach reflects Soul Patts' activities as an investor.

Conversely, the consolidated financial statements recognise the individual assets, liabilities, income and expenses of subsidiaries. Associates are generally equity accounted, with initial investment increased/(decreased) by profits/(losses) recognised in the Consolidated Statement of Comprehensive Income and decreased by dividends received. Dividends from subsidiaries and associates are not recognised in the Consolidated Statement of Comprehensive Income.

Further information

Deed of Cross Guarantee (DOCG)

The Parent Entity is party to a DOCG under which each party to the DOCG guarantees the debts of the other parties. There are no matters related to the DOCG that are expected to have a material effect on the Company.

Parent Entity Statement of financial position

	2024 \$m	2023 \$m
Assets		
Current assets	871.9	1,264.7
Non-current assets	6,945.0	5,842.2
Total assets	7,816.9	7,106.9
Liabilities		
Current liabilities	312.6	358.8
Non-current liabilities	238.4	10.7
Total liabilities	551.0	369.5
Net assets	7,265.9	6,737.4
Shareholders' equity		
Issued capital	4,690.0	4,690.0
Reserves	(92.9)	(192.4)
Retained earnings	2,668.8	2,239.8
Total shareholders' equity	7,265.9	6,737.4
Profit after tax for the year	757.4	556.2
Total comprehensive income	856.9	396.4

Interest bearing liabilities of Soul Patts

Soul Patts has complied with all the financial covenants of its borrowing facilities during the 2024 and 2023 reporting periods. Refer to Note 18.1 for details of interest bearing liabilities of Soul Patts.

Guarantees entered into by Soul Patts

Soul Patts provides guarantees for leases of offices and swimming pool sites.

As at 31 July 2024, these guarantees totalled \$3.0 million (2023: \$2.1 million).

Contingent liabilities of Soul Patts

Soul Patts did not have any contingent liabilities at 31 July 2024 or 31 July 2023.

Contractual commitments made by Soul Patts

Soul Patts did not have any contractual commitments for property, plant or equipment at 31 July 2024 (2023: nil).

Soul Patts has undrawn facilities or commitments to provide additional investments in the Credit Portfolio, Property Portfolio, and Private Equity Portfolio consistent with those disclosed in Note 23.

25 Controlled entities and joint ventures

Basis of consolidation

The consolidated financial statements of the Group incorporate the financial statements of Washington H. Soul Pattinson and Company Limited and its subsidiaries and associates. A diagram is set out in Note 3, listing the main subsidiaries and associates.

Subsidiaries

Subsidiaries are all entities over which the Group has control.

The financial statements of subsidiaries are prepared for the same reporting period as Soul Patts, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity. For disposals to non-controlling interests, differences between any proceeds received and the relevant share of non-controlling interests are also recorded in equity.

25.1 Details of significant operating subsidiaries within the Group are as follows:

Name of entity	Principal place of business	Ownership interest	
		2024	2023
WHSP Aquatic Achievers Pty Limited	Australia	100 %	100 %
WHSP Agriculture Holding Trust	Australia	99 %	99 %
Milton Corporation Pty Limited	Australia	100 %	100 %
Ampcontrol Limited	Australia	100 %	100 %

25.2 Details of entities over which control has been gained during the period:

Name of entity	Date control gained
Redland Apples Trust	8 September 2023
Redland Operations Pty Limited	15 August 2023
RPF Management Services Pty Limited	8 September 2023
RPF Trust	8 September 2023
Soul Patts Asset Management Pty Limited	27 June 2024
WHSP Narrabeen Pty Limited	28 November 2023

These entities did not have a material contribution to profit before tax.

25.3 Details of entities over which control has been lost during the period:

Name of entity	Date control lost
Allenwest Ampcontrol India Private Limited	5 December 2023 (deregistered)
Ampcontrol Botswana Proprietary Limited	4 June 2024 (deregistered)
Carlile Swimming Moore Park Pty Limited	16 April 2024 (deregistered)
Pengana Seed Fund No 1	27 September 2023 (sold)

These entities did not have a material contribution to profit before tax.

Financial Report

Notes to the Financial Statements continued

25 Controlled entities and joint ventures continued

Investments in joint arrangements

Accounting policy

Investments in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of its joint venture post acquisition profits or losses and its share of post-acquisition other comprehensive income. Dividends received or receivable from joint ventures are recognised as a deduction in the carrying amount of the investment.

The Group holds interests in the following joint arrangements at 31 July 2024, each of which have been accounted for as a joint venture as described in the accounting policy above.

Name	Accounted for as:	Group's interest		Segment allocated to:
		2024	2023	
Ellenbrook Syndicate Joint Venture	Joint venture	33 %	33 %	Property portfolio
The Mews Joint Venture	Joint venture	23 %	23 %	Property portfolio
LWP Huntlee Syndicate No 2 Joint Venture	Joint venture	50 %	50 %	Property portfolio
Boundary Power Pty Ltd	Joint venture	50 %	50 %	Private Equity portfolio
Cronulla by Moran Partnership	Joint venture	50 %	50 %	Property portfolio
G2 Netting Group Pty Ltd	Joint venture	40 %	40 %	Private Equity portfolio
Pengana Credit Pty Ltd	Joint venture	– %	50 %	Credit portfolio
Indigo by Moran Partnership	Joint venture	50 %	– %	Property portfolio
Minumbra Infrastructure Pty Ltd	Joint venture	40 %	– %	Credit portfolio

26 Related party transactions

Parent Entity

The ultimate Parent Entity is Washington H. Soul Pattinson and Company Limited.

Subsidiaries and associates

Interest in significant operating subsidiaries are set out in Note 25 and associates in Note 9.

Key management personnel (KMP) compensation

	2024	2023
	\$	\$
Short-term benefits	7,197,435	6,716,945
Post-employment benefits	158,270	163,764
Long-term benefits	61,182	104,674
Share-based payments	3,971,429	3,093,833
	11,388,316	10,079,216

The Remuneration Report on page 43 includes further details and disclosures relating to KMP remuneration.

Transactions with related parties

Associates and joint ventures

Transactions with associates and joint ventures are at normal commercial terms and conditions.

Transactions consist of:

- sales of goods, services and repair of electrical mining equipment and cables, advisory and consulting fees received from associates
- purchase of agriculture netting from a joint venture
- interest income from loans advanced to associates

A summary of transactions, excluding dividends received from or paid to associates, is set out in the table below:

	2024 \$m	2023 \$m
Summary of transactions		
Interest income from associates	10.2	0.1
Sale of goods or services by subsidiary to associate/joint venture	16.1	12.0
Purchase of goods or services by subsidiary from joint venture	36.0	1.5

At 31 July 2024, \$3.1 million of the sales and \$1.0 million of the purchases of goods or services by subsidiaries to/from associates and joint ventures remain outstanding. No ECL has been recognised against the receivables.

Loans to associates

The Group has provided two separate loan facilities to the Cronulla by Moran Partnership. One is a non-interest bearing property development loan with a facility limit of \$22.0 million. The amount owed as at 31 July 2024 was \$4.6 million (2023: \$4.6 million). The other facility is a re-draw loan with a facility limit of \$4 million. Interest on this facility is charged at commercial rates and can be capitalised into the facility. The amount owed as at 31 July 2024 was \$0.4 million (2023: \$1.5 million). During the current reporting period Soul Patts advanced \$2.9 million under this facility including capitalised interest (2023: \$1.0 million) and received \$4.0 million in loan repayments (2023: nil). Both facilities mature on 20 December 2024 and are secured.

In December 2023 the Group established a non-interest bearing property development loan facility for the Indigo by Moran Partnership with a facility limit of \$30.0 million. As at 31 July 2024, \$18.9 million of the facility has been drawn down. The facility matures in December 2028 and is secured.

The Group has provided a non-interest bearing loan facility to the Huntlee Partnership of \$13.4 million. The amount owed as at 31 July 2024 was \$13.4 million (2023: \$13.4 million). There is no maturity date of the loan; it forms part of the Group's investment in associate.

On 2 August 2023, the Group provided a \$50.0 million second ranking credit facility to Aeris. As at 31 July 2024, \$40.0 million of the facility has been drawn down. The term of the facility is 2 years and interest on this facility is charged at commercial rates and can be capitalised into the facility.

On 15 May 2024, the Group provided a \$76.5 million secured loan facility to Minumbra Blackwater Pty Ltd. The facility has two tranches, with \$37.9 million maturing in May 2028 and \$38.6 million maturing in May 2034. Interest on this facility is charged at commercial rates and can be capitalised into the facility. As at 31 July 2024 the facility was drawn down in full.

Other transactions

At 31 July 2023, Soul Patts held 100% of the units in the Pengana Seed Fund No.1 (Seed Fund). The trustee of the Seed Fund is a wholly-owned subsidiary of Pengana, an associate of Soul Patts. In April 2023, Soul Patts entered into a Shareholders Deed with Pengana to establish the Pengana Credit Pty Ltd Joint Venture (Pengana Credit), with Soul Patts owning 50% of the issued shares in Pengana Credit. Soul Patts provided a \$200 million loan facility (PC Loan) to Pengana Credit to facilitate the acquisition of investments in overseas credit funds via an unlisted investment structure (Global Credit Fund).

In September 2023 Soul Patts sold its entire holding in the Seed Fund to the Global Credit Fund for \$45.5 million, funded by a drawdown of the PC Loan. The investments held by the Seed Fund at the date of the transaction were US\$19.7 million and €8.9 million (2023: US\$19.3 million and €7.1 million).

In April 2024 Soul Patts sold its 50% share of Pengana Credit to Pengana, resulting in a loss of \$1.5 million.

Following the September 2023 drawdown on the PC Loan, Pengana Credit made an additional \$74.1 million in drawdowns on the PC Loan from September 2023 to June 2024. In June 2024, Pengana Credit and Soul Patts entered into an arrangement whereby Soul Patts would invest directly in the Global Credit Fund, with those investment proceeds effectively used to repay the \$119.6 million balance of the PC Loan in full and the PC Loan facility was terminated.

Financial Report

Notes to the Financial Statements continued

27 Share-based payments and employee benefits

Accounting policy

Share-based compensation benefits are provided to employees of Soul Patts via an employee incentive scheme.

The fair value of options and rights granted under the scheme is recognised as an employee benefits expense with a corresponding increase in the share-based payment reserve within equity.

The fair value is measured at grant date and the total amount to be expensed is recognised over the period during which the employee becomes unconditionally entitled to the options and rights. The fair value of options and rights granted is based on the market price of Soul Patts' shares, adjusted to reflect any market performance conditions (e.g., TSR hurdles) and the impact of any non-vesting conditions. Non-market vesting conditions are included in assumptions about the number of options and rights that are expected to become exercisable.

Share-based payments

Soul Patts provides share-based compensation benefits to its employees via a Long-term Incentive Plan (**LTI plan**) whereby rights to shares in Soul Patts are granted for nil consideration. Rights are granted in accordance with the LTI plan at the sole discretion of Soul Patts' Board. Rights vest following the satisfaction of the relevant performance and/or service conditions. Performance and service conditions applicable to each issue of rights are determined by the Board at the time of grant. Once rights have vested, the Board determines whether to pay the market value of vested rights in shares, cash, or a combination of shares and cash. Rights granted under the plan carry no dividend or voting rights until they have vested and have been converted into shares. Detailed vesting conditions are set out in the Remuneration Report.

The fair value of services received in return for performance rights granted is based on the fair value of the performance rights granted. The fair value of rights is usually determined independently by third party valuation specialists and is based on the market price of Soul Patts' shares at the grant date, with an adjustment made to take into account the vesting period, expected dividends during that period that will not be received by the participants and the probability that the market performance conditions will be met.

Movement in number of performance rights granted

Grant date	Estimated vesting date	End of service vesting period	Performance hurdle	Fair value \$	Balance at start of year	Granted during the year	Vested	Forfeited	Balance at year end
Apr-24	Aug-24	Aug-24	N / A	31.79	–	7,865	–	–	7,865
Dec-23	Sep-26	Jul-24	TSR	17.16	–	90,499	–	–	90,499
Dec-23	Sep-26	Jul-24	NAPSG	16.09	–	90,498	–	–	90,498
Dec-23	Sep-26	Jul-26	TSR	17.16	–	65,862	–	(1,662)	64,200
Dec-23	Sep-26	Jul-26	NAPSG	30.65	–	65,862	–	(1,662)	64,200
May-23	Jul-27	Jul-27	N / A	29.94	32,442	–	–	–	32,442
May-23	Jul-26	Jul-26	N / A	30.70	32,441	–	–	–	32,441
May-23	Jul-25	Jul-25	N / A	31.47	202,757	–	–	–	202,757
Dec-22	Sep-25*	Jul-23	NAPSG	14.63	110,503	–	–	–	110,503
Dec-22	Sep-25*	Jul-23	TSR	16.59	110,506	–	–	–	110,506
Dec-22	Sep-25*	Jul-25	NAPSG	25.62	47,391	–	–	(1,394)	45,997
Dec-22	Sep-25*	Jul-25	TSR	16.59	47,405	–	–	(1,392)	46,013
Apr-22	Sep-24*	Jul-22	NAPSG	18.94	78,261	–	–	–	78,261
Apr-22	Sep-24*	Jul-22	TSR	7.90	78,276	–	–	–	78,276
Feb-21	Sep-23*	Jul-21	NAPSG	13.10	57,917	–	(57,917)	–	–
Feb-21	Sep-23*	Jul-21	TSR	21.70	57,917	–	(57,917)	–	–
					855,816	320,586	(115,834)	(6,110)	1,054,458

* Performance rights granted prior to May 2023 are subject to legacy re-testing provisions. Re-testing applies if nil vesting occurs at the end of the initial 3-year measurement period. During FY23, the Board removed the ability to re-test performance 12 months following a year in which LTI did not vest. This applies to any LTI granted from FY24. Details of vesting conditions and performance hurdles are set out in the Remuneration Report.

During the current reporting period an expense of \$7.5 million (2023: \$4.7 million) was recognised in the profit or loss for the rights issued under the Soul Patts LTI plan. The total fair value of the performance rights outstanding at year end was \$22.2 million (2023: \$17.3 million).

Milton had a pre-existing Senior Staff Share Plan (**SSSP**) which was accounted for as a share-based payment in accordance with AASB 2. The SSSP was funded by an interest free non-recourse loan. On 5 October 2021, on acquisition of Milton, the Milton shares held as part of the SSSP were exchanged for shares in Soul Patts. The pre-existing share-based payment obligations and associated non-recourse loan are being settled by Soul Patts. The related share-based payment expense for the period ended 31 July 2024 was nil (2023: nil). There are no further grants being made under the SSSP.

Other employee benefits expenses

	2024 \$m	2023 \$m
Employee benefits expenses	224.6	171.1

Employee benefits expenses represent expenses paid to all employees within the Group, including Ampcontrol, Aquatic Achievers and Soul Patts Agriculture. Employee benefits expenses also include superannuation expenses of \$15.7 million (2023: \$12.3 million).

28 Remuneration of auditors

During the year, the following fees were paid or payable for services provided by the auditor:

	2024 \$m	2023 \$m
Fees to Ernst and Young (Australia)		
Fees for the audit and review of the financial reports of the Group and any controlled entities	2.0	2.1
Fees for other assurance and agreed-upon-procedures services	0.1	0.1
Fees for other services		
- Tax services	1.6	0.1
- Other	0.2	0.2
Total fees to Ernst & Young (Australia)	3.9	2.5

The value of non-audit services of \$1.8 million provided by Ernst & Young during the period represented 46% of the total services.

Financial Report

Notes to the Financial Statements continued

29 Other accounting policies

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to members of Soul Patts, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the reporting period
- adjusting for treasury shares and for the reciprocal interest with Brickworks.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of dilutive potential ordinary shares
- adjustment for treasury shares and for the reciprocal interest with Brickworks.

Long-term incentive plan rights that vest in future financial years are expected to be satisfied by purchasing shares on market.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (**ATO**). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables in the Consolidated Statement of Financial Position are shown inclusive of GST receivable or payable. Net amounts of GST recoverable from, or payable to the ATO are included with other receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are presented in the Consolidated Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Financial statements presentation

The Group 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:

'Plain English' terminology	AASB terminology
Share capital	Contributed equity
Trading assets	Other financial assets at fair value through profit or loss
Other financial assets	Other financial assets at fair value through profit or loss
Long-term equity investments	Financial assets at fair value through other comprehensive income
	Financial assets at fair value through profit or loss
Equity accounted associates	Investments accounted for using the equity method
Term deposits	Financial assets at amortised cost

30 New or amended accounting standards and interpretations

New and amended Accounting Standards and Interpretations adopted from 1 August 2023

During the current reporting period, the Group adopted all relevant accounting standards that were effective for the first time. The adoption of these standards had no material impact on amounts recognised in the financial statements.

Amendments to AASB101 Presentation of Financial Statements – Disclosure of Accounting Policies

During the current reporting period, the Group adopted the amended AASB 101 disclosure of accounting policies whereby the Group discloses the 'material accounting policy information' rather than the 'significant accounting policies'. The explicit requirement to disclose measurement bases has also been removed.

AASB 101 paragraph 7 defines information as being material if "omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity".

The Group has taken the opportunity to make the disclosures of accounting policies more meaningful by removing accounting policies that are not considered material to the financial statements.

International Tax Reform – Pillar Two model rules – Amendments to IAS 12 Income taxes

This amendments to IAS 12 introduces a mandatory temporary exception to the recognition and disclosure of deferred taxes arising from Organisation for Economic Co-operation and Development (OECD) Pillar Two reforms. This relief is effective immediately and entities are required to include disclosure in the financial statements when applying this relief. In addition, this amendment introduces disclosure requirements to help users of the financial statements better understand an entity's exposure to income taxes arising from the reform, particularly in periods before legislation implementing the rules is in effect. The application of this amendment is effective from 1 January 2023.

The Group is still assessing the impact of the amendments but is not expected to be material given limited overseas operations. The measure is not yet a law in Australia.

New and amended Accounting Standards and Interpretations issued but not yet effective

The following new or amended Accounting Standards and Interpretations have been issued and are effective for annual periods beginning after 1 August 2024. These amendments are not mandatory for the current period and have not been early adopted by the Group. The Group's preliminary assessment indicates that the impact of these amendments on the financial statements is expected to be immaterial.

Classification of liabilities as current or non-current (AASB 2020-1, AASB 2020-6, AASB2022-6, AASB2023-3)

Amendments made to AASB 101 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or non-current based on the rights that exist at the end of the reporting period, and that classification is unaffected by the entity's expectations or events after the reporting date. Covenants of loan arrangements which an entity must comply with after the reporting date will not affect the classification of a liability as current or non-current at the reporting date. Entities will need to make additional disclosures if they have a non-current liability that is subject to covenants which the entity must comply with within 12 months of the reporting date.

The amendments also explain what is meant by the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose classifying the liability as current or non-current if the entity classifies the option as an equity instrument.

The application of this amendment is effective from 1 January 2024 and will be adopted by the Group on 1 August 2024.

Lease liability in a sale and lease back (AASB 2022-5)

AASB 2022-5 amends AASB 16 Leases to explain how an entity accounts for a sale and leaseback after the date of the transaction. The application of this amendment is effective from 1 January 2024 and will be adopted by the Group on 1 August 2024.

Lack of Exchangeability (AASB 2023-5)

The AASB has made changes to AASB 121 The Effects of Changes in Foreign Exchange Rates to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. The application of this amendment is effective from 1 January 2025.

Financial Report

Notes to the Financial Statements continued

30 New or amended accounting standards and interpretations continued

Presentation and disclosures in Financial Statements (AASB 18)

In June 2024, the AASB issued a new standard AASB 18 Presentation and Disclosure in Financial Statements, which will be effective for the consolidated entity from 1 July 2027 and is required to be applied retrospectively. AASB 18 will replace AASB 101 Presentation of Financial Statements. The standard aims to improve how entities communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. The consolidated entity continues to assess the impact of adopting AASB 18.

31 Events after the reporting period

On 21 August 2024, Soul Patts announced the launch of a \$450 million senior unsecured convertible notes offering, due on 29 August 2030, and a concurrent capital raising through a placement of up to \$225 million at an issue price of \$34.23 per share. The funds raised through the placement were used to repurchase \$223.2 million of the outstanding \$225 million convertible notes which were due in 29 January 2026. The settlement for the new notes, the repurchase and the placement occurred on 29 August 2024. The net proceeds from the new notes provide Soul Patts with additional liquidity to pursue new investment opportunities and support the Group's growth strategy. The issuance of the new convertible notes and the repurchase of existing notes are a significant subsequent event that will further enhance the Group's financial flexibility and strengthen its capital position.

No other events or circumstances have occurred subsequent to the reporting period that have significantly affected, or may significantly affect, the operations of the Soul Patts Group, the results of those operations, or the state of affairs of the Soul Patts Group subsequent reporting periods.

Consolidated entity disclosure statement

During the current reporting period, amendments made to the *Corporation Act 2001* (sections 295 and 295A) require the Group to include a new statement in the Annual Report, containing the below additional information on all entities that the Group controlled at the end of the financial period. The Directors have declared the statement as 'true and correct' in the Directors' Declaration on page 137.

Entity name	Entity type	Body corporate country of incorporation	Body corporate % of share capital held	Country of tax residence
85 Spring Street Properties Pty Limited	Body corporate	Australia	100%	Australia
AA Calwell Pty Limited	Body corporate	Australia	100%	Australia
AA Gumdale Pty Limited	Body corporate	Australia	100%	Australia
AA North Lakes Pty Limited	Body corporate	Australia	100%	Australia
ALF Co Pty Limited	Body corporate	Australia	100%	Australia
ALPF Head Company Pty Limited	Body corporate-Trustee	Australia	100%	Australia
Ampcontrol Burn Brite Pty Limited	Body corporate	Australia	100%	Australia
Ampcontrol Cables NSW Pty Limited	Body corporate	Australia	100%	Australia
Ampcontrol CSM Pty Limited	Body corporate	Australia	100%	Australia
Ampcontrol Hong Kong Pty Limited	Body corporate	Hong Kong	100%	Hong Kong
Ampcontrol International Holdings Pty Limited	Body corporate	Australia	100%	Australia
Ampcontrol Limited	Body corporate	Australia	100%	Australia
Ampcontrol Property Pty Limited	Body corporate	Australia	100%	Australia
Ampcontrol (QLD) Pty Limited	Body corporate	Australia	100%	Australia
Ampcontrol Services (NSW) Pty Limited	Body corporate	Australia	100%	Australia
Ampcontrol Singapore Pte Ltd	Body corporate	Singapore	100%	Singapore
Ampcontrol SWG Pty Limited	Body corporate	Australia	100%	Australia
Ampcontrol Transformers Pty Limited	Body corporate	Australia	100%	Australia
Ampsol Pty Ltd	Body corporate	Australia	100%	Australia
Androck Engineering and Mining Pty Limited	Body corporate	Australia	100%	Australia
Aphrodite 2 Trust	Trust	N/A	N/A	Australia
Aquatic Achievers Ferntree Gully Pty Limited	Body corporate	Australia	100%	Australia
Aquatic Achievers Operations Pty Limited	Body corporate	Australia	100%	Australia
Aquatic Achievers Property Pty Limited	Body corporate-Trustee	Australia	100%	Australia
Aquatic Achievers Property Trust	Trust	N/A	N/A	Australia
Argyle Netting Trust	Trust	N/A	N/A	Australia
ATF Mining Electrics Pty Ltd	Body corporate	Australia	100%	Australia
Austech Instruments Pty Ltd	Body corporate	Australia	100%	Australia
Bottle Tree Citrus Trust	Trust	N/A	N/A	Australia
Bottle Tree Farm Services Trust	Trust	N/A	N/A	Australia

Financial Report

Consolidated entity disclosure statement continued

Entity name	Entity type	Body corporate country of incorporation	Body corporate % of share capital held	Country of tax residence
Bottle Tree Vines Trust	Trust	N/A	N/A	Australia
Capacitor Technologies Pty Ltd	Body corporate	Australia	100%	Australia
Carlile Fitness Developments Pty Limited	Body corporate	Australia	100%	Australia
Carlile Swimming Australia Pty Limited	Body corporate	Australia	100%	Australia
Carlile Swimming Carlingford Pty Limited	Body corporate	Australia	100%	Australia
Carlile Swimming Five Dock Pty Limited	Body corporate	Australia	100%	Australia
Carlile Swimming Freshwater Pty Limited	Body corporate	Australia	100%	Australia
Carlile Swimming Holdings Pty Limited	Body corporate	Australia	100%	Australia
Carlile Swimming Lane Cove West Pty Limited	Body corporate	Australia	100%	Australia
Carlile Systems Pty Limited	Body corporate	Australia	100%	Australia
Castle Cove Swim Centre Pty Limited	Body corporate	Australia	100%	Australia
Castle Cove Swim School Pty Limited	Body corporate	Australia	100%	Australia
Chatham Investment Co Pty Limited	Body corporate	Australia	100%	Australia
Cherrybrook Swim Property Pty Limited	Body corporate	Australia	100%	Australia
Cherrybrook Swim School Pty Limited	Body corporate	Australia	100%	Australia
Citrus Operations Holding Trust	Trust	N/A	N/A	Australia
Complete Power Solutions Pty Limited	Body corporate	Australia	100%	Australia
Corporate & Administrative Services Pty Ltd	Body corporate	Australia	100%	Australia
Cromford Group Pty Ltd	Body corporate	Australia	100%	Australia
Employee Share Trust ¹	Trust	N/A	N/A	Australia
Ex Testing and Certification Pty Ltd	Body corporate	Australia	100%	Australia
Farm Facilities and Services Trust	Trust	N/A	N/A	Australia
Fitzroy Macadamias Trust	Trust	N/A	N/A	Australia
Fitzroy River Plantation Pty Ltd	Body corporate	Australia	97%	Australia
FM Business Trust	Trust	N/A	N/A	Australia
Food & Beverage Company Pty Ltd	Body corporate	Australia	100%	Australia
HK Business Trust	Trust	N/A	N/A	Australia
HK Farming Trust	Trust	N/A	N/A	Australia
HK Farmland Trust	Trust	N/A	N/A	Australia
HK Property Trust	Trust	N/A	N/A	Australia
Incorporated Nominees Pty Ltd	Body corporate	Australia	100%	Australia
Infinity Farms Trust	Trust	N/A	N/A	Australia
Kay Harrison Pty Ltd	Body corporate	Australia	100%	Australia
Kirby Swim Harrisdale Pty Limited	Body corporate	Australia	100%	Australia
Kirby Swim Karrinyup Pty Limited	Body corporate	Australia	100%	Australia
Kirby Swim Melville Pty Limited	Body corporate	Australia	100%	Australia
Kirby Swim Pty Limited	Body corporate	Australia	100%	Australia
Kirrawee ILS Pty Limited	Body corporate- Trustee	Australia	100%	Australia

¹ Holds assets on behalf of employees.

Entity name	Entity type	Body corporate country of incorporation	Body corporate % of share capital held	Country of tax residence
Kirrawee ILS Trust	Trust	N/A	N/A	Australia
Mandurah Kirby Swim Pty Limited	Body corporate	Australia	100%	Australia
Manjimup Kiwi Trust	Trust	N/A	N/A	Australia
MC Business Trust	Trust	N/A	N/A	Australia
MC Property Holding Trust	Trust	N/A	N/A	Australia
MC Property Trust	Trust	N/A	N/A	Australia
Mildura Citrus Trust	Trust	N/A	N/A	Australia
Milhunt Pty Ltd	Body corporate	Australia	100%	Australia
Milton Corporation Limited Senior Staff Share Plan ¹	Trust	N/A	N/A	Australia
Milton Corporation Pty Limited	Body corporate	Australia	100%	Australia
Narellan ILS Pty Limited	Body corporate-Trustee	Australia	100%	Australia
Narellan ILS Trust	Trust	N/A	N/A	Australia
Neptune 4 Trust	Trust	N/A	N/A	Australia
Norwest Swim School Pty Limited	Body corporate	Australia	100%	Australia
Pacific Equity Partners Capital Solutions Co-Investment Fund I (Australasia)	Trust	N/A	N/A	Australia
PCP Loan Pty Limited	Body corporate	Australia	100%	Australia
Peninsula Land Pty Limited	Body corporate	Australia	100%	Australia
Pipe Investments Pty Limited	Body corporate	Australia	100%	Australia
Pitt Capital Partners Limited	Body corporate	Australia	100%	Australia
Pitt Street Real Estate #1 Pty Limited	Body corporate-Trustee	Australia	100%	Australia
PSRE 46 Carrington Road Trust	Trust	N/A	N/A	Australia
PSRE No.8 Dev Co Pty Limited	Body corporate-Trustee	Australia	100%	Australia
PSRE Penrith Pty Limited	Body corporate-Trustee	Australia	100%	Australia
PSRE Prestons Pty Limited	Body corporate	Australia	100%	Australia
PSRE Urban Regeneration Trust	Trust	N/A	N/A	Australia
PURT No. 1	Trust	N/A	N/A	Australia
PURT No. 2	Trust	N/A	N/A	Australia
PURT No. 4	Trust	N/A	N/A	Australia
RCP Trust	Trust	N/A	N/A	Australia
Redland Apples Trust	Trust	N/A	N/A	Australia
Redland Operations Pty Limited	Body corporate	Australia	99%	Australia
Redland Orchards Trust	Trust	N/A	N/A	Australia
Restech Pty Limited	Body corporate	Australia	70%	Australia
Round Oak Metals Pty Limited	Body corporate	Australia	100%	Australia
RPF Management Services Pty Limited	Body corporate	Australia	99%	Australia
RPF Trust	Trust	N/A	N/A	Australia
Slate 4 Trust	Trust	N/A	N/A	Australia
Soul Patts Asset Management Pty Ltd	Body corporate	Australia	100%	Australia
Soul Patts Foundation	Trust	N/A	N/A	Australia
Souls Private Equity Limited	Body corporate	Australia	100%	Australia
SP Newcastle Pty. Limited	Body corporate	Australia	100%	Australia
Verico Group Pty Ltd	Body corporate	Australia	100%	Australia
Washington H. Soul Pattinson and Company Limited	Body corporate	Australia	N/A	Australia
WHSP Aged Care Pty Ltd	Body corporate	Australia	100%	Australia

¹ Holds assets on behalf of employees.

Financial Report

Consolidated entity disclosure statement *continued*

Entity name	Entity type	Body corporate country of incorporation	Body corporate % of share capital held	Country of tax residence
WHSP Agriculture Holding Trust	Trust	N/A	N/A	Australia
WHSP Agriculture Investments Pty Ltd	Body corporate- Trustee	Australia	100%	Australia
WHSP Agriculture Investments Trust	Trust	N/A	N/A	Australia
WHSP Agriculture Pty Limited	Body corporate- Trustee	Australia	100%	Australia
WHSP Aquatic Achievers Pty Limited	Body corporate	Australia	100%	Australia
WHSP Cronulla Pty Limited	Body corporate	Australia	100%	Australia
WHSP Facility Agent Pty Limited	Body corporate	Australia	100%	Australia
WHSP Hunter Hall Pty Limited	Body corporate	Australia	100%	Australia
WHSP IDC Pty Ltd	Body corporate	Australia	100%	Australia
WHSP Ironbark Pty Limited	Body corporate	Australia	100%	Australia
WHSP Leading Edge Pty Limited	Body corporate	Australia	100%	Australia
WHSP Lodges Pty Ltd	Body corporate	Australia	100%	Australia
WHSP Narrabeen Pty Limited	Body corporate	Australia	100%	Australia
WHSP Pengana Pty Limited	Body corporate	Australia	100%	Australia
WHSP Retirement Pty Limited	Body corporate	Australia	100%	Australia
WHSP Security Pty Limited	Body corporate	Australia	100%	Australia
WHSP Swim NSW Pty Limited	Body corporate	Australia	100%	Australia
WHSP Swim NSW Opco Pty Limited	Body corporate	Australia	100%	Australia
WHSP Swim WA Pty Limited	Body corporate	Australia	100%	Australia
WHSP Water Holding Trust	Trust	N/A	N/A	Australia
WHSP Water Investment Trust	Trust	N/A	N/A	Australia
WHSP Water Pty Ltd	Body corporate- Trustee	Australia	100%	Australia
Wind Farm Financing Pty Limited	Body corporate	Australia	100%	Australia

Directors' Declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 July 2024 and of its performance for the financial year ended on that date;
- the consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act 2001* is true and correct; and
- there are reasonable grounds to believe that Soul Patts will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Robert Millner AO
Chairman

26 September 2024



Todd Barlow
Managing Director & CEO

26 September 2024

Independent Auditor's Report



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent auditor's report to the members of Washington H. Soul Pattinson and Company Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Washington H. Soul Pattinson and Company Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 July 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of material accounting policies, the consolidated entity disclosure statement and the directors' declaration.

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

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 July 2024 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.



Direction, supervision and evaluation of the work of component auditors

Why significant	How our audit addressed the key audit matter
<p>As auditor of the Group, we are responsible for the direction, supervision, and performance of the Group audit and are required to obtain sufficient appropriate audit evidence on which to base our audit opinion.</p> <p>Given the size and structure of the Group, there are a number of significant components of the Group, which are audited by auditors, other than the Group auditors ("Component Auditors"). The direction, supervision and evaluation of the work of the Component Auditors was considered a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ▶ Assessed the significance and risks associated with each component of the Group and identified the components where audit procedures were required to be performed, to support our audit opinion on the financial report of the Group. ▶ Communicated our requirements to the Component Auditors, detailing the work to be performed, the use to be made of that work and the form and content of their communication to us as auditor of the Group. ▶ Held meetings with the Component Auditors during the planning stage, execution and when audit procedures were completed to discuss the extent and outcome of these procedures. ▶ Reviewed the work performed by the Component Auditors focussing on selected areas, based upon our risk assessment. ▶ Considered the results of this work on our audit opinion.

Independent Auditor's Report *continued***Classification of Debt and Equity Investments**

Why significant	How our audit addressed the key audit matter
<p>Debt and Equity Investments ("Investments"), excluding investments in controlled entities, amounts to \$8.8 billion representing 84.5% of total assets.</p> <p>Refer to:</p> <ul style="list-style-type: none"> ▶ Note 17: Loan receivables; ▶ Note 17: Trading assets; ▶ Note 17: Other financial assets; ▶ Note 19: Investments in associates; and ▶ Note 17: Long term equity investments. <p>There are significant differences in how investments are accounted for depending upon whether they have been classified by the Group as amortised cost, fair value through profit or loss, fair value through other comprehensive income, an equity accounted associate or a consolidated controlled entity, in accordance with Australian Accounting Standards.</p> <p>Given the complexity and judgements involved in determining the appropriate classification of these investments and the significance to the financial report of the different accounting outcomes, this was considered a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ▶ Evaluated the Group's assessment of the classification of investments against the requirements of Australian Accounting Standards. ▶ For a sample of Investments assessed whether they were accounted for in accordance with Australian Accounting Standards, based upon the determined classification. Factors considered in performing this evaluation specifically included but were not limited to: <ul style="list-style-type: none"> ▶ Board representation and board composition; ▶ Ownership interests and composition of the remaining interest holders; ▶ Inspection of agreements and relevant documentation to assess the type and nature of the ownership interest; ▶ Participation in decision making and other factors which indicate significant influence; and ▶ Powers, rights and returns available under the relevant agreements, constitutions and other documentation which indicate control. ▶ For a sample of financial assets, which includes loan receivables, trading assets, other financial assets and long term equity investments, assessed the classification on acquisition as amortised cost, fair value through profit and loss or fair value through other comprehensive income. ▶ Considered the appropriateness of the disclosures in the financial report.



Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's 2024 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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

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

Responsibilities of the directors for the financial report

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

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

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

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

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

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

Independent Auditor's Report *continued*

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year 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 audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 44 to 65 of the Directors' Report and Operating Review for the year ended 31 July 2024.

In our opinion, the Remuneration Report of Washington H. Soul Pattinson and Company Limited for the year ended 31 July 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

A stylized signature of 'Ernst & Young' in black ink.

Ernst & Young

A stylized signature of 'Ryan Fisk' in black ink.

Ryan Fisk
Partner
Sydney
26 September 2024

Glossary of terms

The below summarises certain terms relating to our business that are made throughout the annual report and defines the performance measures that we use to analyse and discuss our results.

References

'Soul Patts' or the 'Company' refers to the Parent Entity, Washington H. Soul Pattinson and Company Limited.

'Soul Patts Group' or 'the Group' refers to the Consolidated Entity that is Washington H. Soul Pattinson and Company Limited and its controlled subsidiaries.

Investors in Soul Patts are referred to as shareholders, members or owners.

Holdings is the number of shares held directly and/or indirectly by Soul Patts as a percentage of the total number of shares on issue.

Throughout the Annual Report, the following subsidiaries, associates, and portfolio investments will be referenced as follows:

Major subsidiaries

- Ampcontrol: Ampcontrol Limited
- Aquatic Achievers: WHSP Aquatic Achievers Pty Ltd
- Soul Patts Agriculture: WHSP Agriculture Holding Trust
- Pitt Capital: Pitt Capital Partners Limited
- Milton: Milton Corporation Pty Limited (formerly Milton Corporation Limited, acquired 5 October 2021)
- Round Oak: Round Oak Minerals Pty Limited (disposed 1 July 2022)

Major associates

- Brickworks: Brickworks Limited
- New Hope: New Hope Corporation Limited
- Tuas: Tuas Limited
- Aeris: Aeris Resources Limited
- Apex: Apex Healthcare Berhad
- Pengana: Pengana Capital Group Limited
- Ironbark: Ironbark Investment Partners Pty Limited

Portfolio investments

- TPG: TPG Telecom Limited
- Argyle Water Fund: Water Fund managed by Argyle Capital Partners.

Investment Portfolio Financial Information

Investment Portfolio Financial Information represents the results and position of the Company.

Portfolios

Soul Patts is a diversified investment house that operates within six segments (portfolios), which are based on its investment portfolio allocation, supported by a working capital portfolio.

Strategic Portfolio: Significant investments in largely uncorrelated listed companies, generally with board representation.

Large Caps Portfolio: Actively managed listed equities generating consistent income and capital growth over the long term.

Private Equity Portfolio: Long-term investments in unlisted companies to support their growth.

Credit Portfolio: Investments in different types of credit related financial instruments across an investee's capital structure aimed at optimising the portfolio's risk adjusted returns. The Credit Portfolio was formerly known as the Structured Yield Portfolio.

Emerging Companies Portfolio: Exposure to faster growing companies often benefitting from structural changes and trends in the domestic and global economy.

Property Portfolio: Actively managed Australian property investments as well as investments in property development joint ventures.

Net Working Capital: Cash, borrowings and other assets and liabilities supporting the funding and operations of the portfolio investing activity and corporate office.

Performance Measures

Definitions of performance measures, including IFRS and non-IFRS measures, are presented below in alphabetical order. We have specifically identified those measures which are IFRS measures.

Adjusted Net Asset Value (post-tax) Per Share: Net Asset Value (post-tax) increased for the value of dividends paid by the Parent Entity over the relevant period, divided by the total issued ordinary shares of the Company at period end.

Basic Earnings Per Share (EPS) is an IFRS measure calculated by dividing the consolidated net profit after tax attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the reporting period excluding treasury shares and excluding shares representing the reciprocal interest with Brickworks.

Cost is the amount of consideration (cash or other assets) paid at the time of acquisition, less any impairment or expected credit loss.

Directors' Fair Value (DFV) is based on an internal valuation methodology and assumptions approved by the Directors of Soul Patts.

Diluted Earnings Per Share (DPS) is an IFRS measure calculated by dividing the consolidated net profit after tax attributable to owners of the Company after adding back the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares that would have been outstanding assuming the conversion of dilutive potential ordinary shares. It assumes any long-term incentive rights that vest in future reporting periods are expected to be satisfied by purchasing shares in the market and excludes treasury shares and excluding shares representing the reciprocal interest with Brickworks.

External Fair Value (EFV) is a fair value based on advice received from independent external valuers.

Fair Value (FV) is defined under IFRS as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is inclusive of External Fair Value, Directors' Fair Value, and Market Value.

Group Statutory Net Profit After Tax (NPAT) is referring to the IFRS measure, consolidated Net Profit After Tax attributable to the shareholders of Soul Patts.

Group Regular Net Profit After Tax (NPAT) is a non-statutory profit measure which represents the consolidated profit after tax attributable to shareholders of Soul Patts, before Non-Regular items.

Glossary of terms continued

Internal Rate of Return (IRR) is the annual rate of growth calculated as the discount rate where the present value of all cash flows during the period equals zero, including the opening and closing NAV (including unrealised valuation gains) as the first and last cash flow.

Market Value (MV) is based on the last sales price as quoted on the Australian Securities Exchange or other securities exchanges on the reporting date. These investments are subject to market price fluctuations.

NAV, or Net Asset Value (pre-tax), is the value of all Soul Patts' assets less all liabilities, excluding any capital gains tax payable upon the sale of its assets. Assets may be valued at Cost, Directors' Fair Value, External Fair Value, or Market Value.

Net Asset Value (post-tax) is the Net Asset Value (pre-tax) less the estimated capital gains tax liability that would arise if Soul Patts disposed of all of its assets at the pre-tax values adopted.

Net Cash Flow From Investments represents the cash flows generated by Soul Patts, as Parent Entity, from its investment portfolio, after deducting corporate costs, income tax, and Non-Regular cash flows. Includes dividends and distributions from investments, interest income and realised gains on assets held for trading. The Directors determine interim and final dividends based on Soul Patts' Net Cash Flow From Investments.

Net Cash Flow From Investments Per Share is calculated by dividing Net Cash Flow From Investments by the total issued ordinary shares of the Company at period end.

Net Tangible Assets is defined in the ASX listing rules as total assets of the Consolidated Entity less all intangible assets and total liabilities ranking ahead of, or equally with claims of the Company's ordinary security.

Net Tangible Asset backing per ordinary security is calculated by dividing Net Tangible Assets by: the total issued ordinary shares of the Company excluding treasury shares and excluding shares representing the reciprocal interest with Brickworks.

Net Working Capital comprises intersegment/unallocated assets and liabilities (e.g. cash, interest bearing liabilities, etc.).

Non-Regular refers to items of income, expense, or cash flow, which by nature are outside the ordinary course of business or are part of ordinary activities but are unusual due to their size (such as disposals of investments in subsidiaries and associates).

Non-Regular Net Profit After Tax (NPAT) refers to the sum of Non-Regular items of income and expense, net of applicable tax, attributable to shareholders of Soul Patts.

Payout Ratio is the proportion of ordinary dividends that Soul Patts pays to shareholders in relation to its Net Cash Flow From Investments, expressed as a percentage.

Regular Net Profit After Tax (NPAT) is a non-statutory profit measure and represents net profit after tax attributable to shareholders of Soul Patts, before Non-Regular Net Profit After Tax. Regular items refer to the core or recurring business activities that are expected to continue into the future and contribute to profit and loss.

Statutory Net Profit After Tax (NPAT) is referring to the IFRS measure, Net Profit After Tax attributable to the Members of Soul Patts.

Total Shareholder Return (TSR) or Total Return is a performance measure that combines capital appreciation (e.g. market price changes or revaluation) with all income distributed by the investment over the period, excluding the benefit of any franking credits distributed. It is expressed as a percentage by referencing the value of the investment at the beginning of the period.

ASX additional information

Washington H. Soul Pattinson and Company Limited ordinary shares are listed on the ASX (ASX:SOL). In accordance with ASX Listing Rules, the shareholder information set out below is current as at 11 September 2024.

Distribution of equity securities

Size of holding	Number of holders	Number of ordinary shares	Percentage of ordinary shares
1 – 1,000	40,741	13,115,766	3.57
1,001 – 5,000	16,398	38,049,125	10.35
5,001 – 10,000	2,924	20,769,023	5.65
10,001 – 100,000	2,009	47,259,308	12.86
100,001 and over	168	248,347,822	67.57
Total	62,240	367,541,044	100.00

There were 1,154 shareholders as at 11 September 2024 holding less than a marketable parcel of \$500 worth of shares, based on the closing market price on 11 September 2024 of \$32.94 per share.

Top 20 holders largest shareholders

Rank	Name of holder	Number of ordinary shares	Percentage of ordinary shares
1	BRICKWORKS LIMITED	94,314,855	25.66
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	36,445,909	9.92
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	21,776,666	5.92
4	J S MILLNER HOLDINGS PTY LIMITED	10,543,906	2.87
5	CITICORP NOMINEES PTY LIMITED	8,897,197	2.42
6	DIXSON TRUST PTY LIMITED	8,749,192	2.38
7	HEXHAM HOLDINGS PTY LIMITED	3,804,206	1.04
8	T G MILLNER HOLDINGS PTY LIMITED	3,758,965	1.02
9	ARGO INVESTMENTS LIMITED	2,943,073	0.80
10	HIGLETT PTY LTD	2,412,580	0.66
11	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	1,912,624	0.52
12	MUTUAL TRUST PTY LTD	1,848,905	0.50
13	BNP PARIBAS NOMS PTY LTD	1,798,229	0.49
14	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	1,676,345	0.46
15	MILLANE PTY LIMITED	1,477,680	0.40
16	MARY MILLNER HOLDINGS PTY LIMITED	1,226,860	0.33
17	NATIONAL NOMINEES LIMITED	1,219,491	0.33
18	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	1,180,758	0.32
19	DANWER INVESTMENTS PTY LTD	1,132,612	0.31
20	BORTRE PTY LIMITED	1,106,612	0.30

The top 20 shareholders hold 208,226,665 shares which is equal to 56.65% of the total shares on issue.

ASX additional information continued

Substantial shareholders

As disclosed in notices received by the Company.

	Number of ordinary shares	Percentage of ordinary shares	Notice received
BRICKWORKS LIMITED	94,314,855	25.66	5 OCT 2021
ROBERT DOBSON MILLNER ¹	23,440,768	6.38	5 OCT 2021
THOMAS CHARLES DOBSON MILLNER ¹	21,975,464	5.98	5 OCT 2021

¹ 21,957,053 shares are held by the same entities in which Robert Dobson Millner and Thomas Charles Dobson Millner have an interest. For further details refer to the notices lodged on 5 October 2021 with the ASX.

Unquoted equity securities

As at 11 September 2024, the Company had the following unquoted equity securities on issue.

	Number of holders	Number of rights
Performance rights – issued under the Long-term Incentive Plan	42	1,046,593

Class of shares and voting rights

All of the ordinary shares of the Company are quoted. Each shareholder is entitled to one vote per share.

Soul Patts convertible notes

On 29 January 2021, Soul Patts issued 1,125 senior convertible notes with an aggregate principle amount of \$225 million.

Soul Patts Convertible Notes (**Notes**) are unsecured senior convertible notes maturing in 2026 (convertible bond investors had a put option in February 2024). They are convertible at the option of the note holders into Soul Patts ordinary shares (ASX:SOL). On 30 August 2024, 1,116 Notes were repurchased and cancelled by Soul Patts. The balance of Notes at 11 September 2024 was nine. The Notes are listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

On 29 August 2024, Soul Patts issued 2,250 convertible notes with an aggregate principal amount of \$450 million. Soul Patts Convertible Notes (**New Notes**) are unsecured senior convertible notes maturing on 29 August 2030 (convertible bond investors have a put option on 29 February 2028). They are convertible at the option of the note holders into Soul Patts ordinary shares (ASX:SOL). Since the issuance, there has been no change in the number of New Notes outstanding. The New Notes are listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

Registered office

Level 14, 151 Clarence Street, Sydney, NSW 2000

GPO Box 5015, Sydney NSW 2001

Telephone: +61 2 9210 7070

www.soulpatts.com.au/

Share registry

Computershare Investor Services

GPO Box 2975, Melbourne Victoria 3001

Telephone: 1300 850 505 (within Australia)

+61 3 9415 4000 (International)

www.investorcentre.com/contact

Auditors

Ernst & Young

200 George Street, Sydney NSW 2000

GPO Box 2646, Sydney NSW 2001

Telephone: +61 2 9248 5555

www.ey.com/en_au