

# SANDON CAPITAL

Sandon Capital Investments Limited

ABN 31 107 772 467

## Appendix 4E – PRELIMINARY FINAL REPORT For the full year ended 30 June 2024

### Results For Announcement to the Market

All comparisons to the full year ended 30 June 2023

	\$	Movement Up/Down	Movement %
Revenue from ordinary activities	20,717,228	Up	308%
Profit from operating activities before tax attributable to members	15,311,120	Up	559%
Profit from operating activities after tax attributable to members	14,358,767	Up	657%
Net profit for the period attributable to members	14,358,767	Up	657%

	Cents per Share	Franked amount per share	Tax Rate of franking
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#### Final Dividend

Dividend	2.75	2.75	25%
Ex-dividend date			21 October 2024
Record date			22 October 2024
DRP election date			23 October 2024
Payment date			7 November 2024

#### Dividend Reinvestment Plan

The Dividend Reinvestment Plan (DRP) with no discount will apply to this fully franked dividend.

	Cents per share	Franked amount per share	Tax rate for franking
2023 Final dividend paid 8 November 2023	2.75	2.75	25%
2024 Interim dividend paid 3 June 2024	2.75	2.75	25%

	30 June 2024 Cents	30 June 2023 Cents
Net tangible assets per share (before tax)	80.67	75.15
Net tangible assets per share (after tax)	80.55	76.05

Dividends of 5.5 cents per share were paid during the period.

Sandon Capital Investments Limited advises that its Annual General Meeting will be held on Tuesday, 19 November 2024. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all shareholders and released to ASX immediately after dispatch. In accordance with the ASX Listing Rules, valid nominations for the position of director are required to be lodged at the registered office of the Company by 5:00pm (AEDT) 8 October 2024.

This report is based on the Annual Financial Report that has been audited by Pitcher Partners. All documents comprise the information required by Listing Rule 4.3A. The audit report is included with the Company's Annual Report which accompanies this Appendix 4E.

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**Sandon Capital Investments Limited**  
**ABN 31 107 772 467**

**Annual Report**  
**For the year ended 30 June 2024**

**Sandon Capital Investments Limited**  
**ABN 31 107 772 467**

**Annual Report**  
**For the year ended 30 June 2024**

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**Sandon Capital Investments Limited**  
**ABN 31 107 772 467**

**Company Particulars**

**Registered office and principal place of business**

Level 5, 139 Macquarie Street  
Sydney NSW 2000  
Telephone: 02 8014 1188

**Website**

[www.sandoncapital.com.au](http://www.sandoncapital.com.au)

**Email**

[info@сандонcapital.com.au](mailto:info@сандонcapital.com.au)

**Stock exchange listing**

Sandon Capital Investments Limited ordinary shares  
(ASX code: SNC)

Sandon Capital Investments Limited 4.8% p.a Unsecured Notes with maturity date 10 July 2026  
(ASX code: SNCHA)

**Directors**

Gabriel Radzyminski – Non-Executive Chairman  
Peter Velez – Independent Non-Executive Director  
Jacqueline Sullivan – Independent Non-Executive Director

**Company Secretary**

Mark Licciardo  
Acclime Australia  
Level 7, 330 Collins Street  
Melbourne VIC 3000

**Auditor**

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

**Share Registry**

Link Market Services Limited  
Level 12, 680 George Street, Sydney, NSW 2000  
Telephone 1300 554 474  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

**Sandon Capital Investments Limited**  
**ABN 31 107 772 467**

**Portfolio Composition**  
**As at 30 June 2024**

<b>Australian Listed Investments</b>	<b>Total Value</b>
	<b>\$</b>
Fleetwood Ltd	13,320,565
COG Financial Services Ltd	12,968,619
Coventry Group Ltd	11,048,037
Global Data Centre Group	7,353,386
Karoon Energy Ltd	6,950,567
BCI Minerals Ltd	6,750,575
Nuix Ltd	6,721,635
Magellan Financial Group Ltd	4,924,479
Joyce Corporation Ltd	4,597,952
IDT Australia Ltd	3,913,143
Midway Ltd	3,547,212
Iluka Resources Ltd	2,156,109
Dawney & Co Ltd	1,821,328
Fitzroy River Corporation Ltd	1,365,774
Ignite Ltd	1,351,346
Australian Silica Quartz Group Ltd	1,331,041
Sietel Ltd	1,241,787
Alterra Ltd	963,553
IDT Australia Ltd	869,587
FAR Ltd	760,506
Earlypay Ltd	759,926
Wellard Ltd	701,424
City Chic Collective Ltd	435,536
Desane Group Holdings Ltd	162,068
<b>Total Australian listed investments</b>	<b>96,016,155</b>
<b>Listed International Investments</b>	
Spectra Systems Corp (UK)	17,087,319
Worsley Investors Limited (UK)	1,427,854
Hydro Hotel Eastbourne PLC (UK)	1,047,662
Enteq Upstream PLC (UK)	92,441
<b>Total Listed International Investments</b>	<b>19,655,276</b>
<b>Unlisted Investments</b>	
Foundation Life (NZ) Ltd	6,767,155
Yellow Brick Road Ltd	6,691,583
Richfield International Pty Ltd	3,893,790
Ask Funding Pty Ltd	2,040,243
Carbon Conscious Ltd	1,434,429
Pacific Equity Partners Fund IV - Core	428,280
Pacific Equity Partners Fund IV - Supplemental	171,762
Scantech Ltd	87,374
DMX Corporation Ltd	4,800
<b>Total unlisted investments</b>	<b>21,519,416</b>
<b>Total Cash and cash equivalents</b>	<b>8,106,628</b>
<b>Total Portfolio</b>	<b>145,297,475</b>

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**Sandon Capital Investments Limited**  
**ABN 31 107 772 467**

**Chairman's Letter**  
**For the year ended 30 June 2024**

**Chairman's Letter**

Dear Fellow Shareholders,

The Directors of Sandon Capital Investments Ltd (ASX:SNC) ("**SNC**" or the "**Company**") present the Company's Annual Report for the year ended 30 June 2024.

The return to shareholders (the change in the NTA before tax per share plus dividends paid and imputation credits) was a positive return of 17.1% for the year.

SNC's gross investment return was 19.9% before all gains or losses relating to the Corporate Simplification, all fees, expenses, interest and taxes.

These return figures compare favourably with general share market returns, as shown in the section entitled Investment Performance. The performance of the investment portfolio is discussed in greater detail later in this letter.

**Financial Highlights**

Revenue from ordinary activities, which reflects investment performance, including realised and unrealised gains and losses and dividends, for the financial year ended 30 June 2024 was \$20,717,228 (2023: Gain \$5,074,117) and the Company reported a net profit after tax of \$14,358,767 (2023: Profit \$1,896,515).

**Dividend Announcements**

On 19 August 2024, the Directors announced their intention to pay a final fully franked ordinary dividend of 2.75 cents per share. The dividend reinvestment plan ("**DRP**") will apply to this dividend. No discount will apply.

The key dates for this dividend are:

Ex date	21 October 2024
Record Date	22 October 2024
DRP Election Date	23 October 2024
Payment Date	7 November 2024

As at 31 July 2024, SNC had profit reserves of 34.98 cents per share and 7.79 cents per share in franking credits. These franking credits could support the payment of up to 23.37 cents per share of fully franked dividends over time, should the Board decide do so having regard for future circumstances.

**Investment Objectives**

SNC's objectives are to preserve shareholder capital, deliver a positive absolute return over the medium term and to provide shareholders with a growing stream of fully franked dividends.

SNC is a value investor seeking to purchase investments below its assessment of their intrinsic value. As an activist investor, SNC takes value investing one step further by aiming to influence and encourage changes that can preserve or enhance the value of its investments.

**Sandon Capital Investments Limited**  
**ABN 31 107 772 467**

**Chairman's Letter**  
**For the year ended 30 June 2024**

**Chairman's Letter (continued)**

**Investment Performance**

The 2024 financial year ("FY24") investment performance of the SNC portfolio was once again a tale of two very distinct halves.

The first half of the reporting period, to 31 December 2023, is when most of performance was reported, delivering a gross investment return of 19.8% (before all gains or losses relating to the Corporate Simplification, all fees, expenses, interest and taxes). This compared to a meagre 0.1% return in the half to 30 June 2024, calculated on the same basis.

The table below illustrates the investment performance of the portfolio as measured by net investment income, including net realised and unrealised gains, dividends and other investment income (excluding the effects of the corporate simplification).

	SNC Gross Return	Small Ordinaries Accumulation Index	All Ordinaries Accumulation Index
Half year to 31 December 2023	19.8%	6.4%	8.0%
Half year to 30 June 2024	0.1%	2.8%	4.2%
Full year to 30 June 2024	19.9%	9.3%	12.5%

*All figures for SNC are before management fees, corporate expenses, interest, taxes and the effects of corporate simplification. Figures do not tally due to rounding and compounding.*

The biggest contributors to performance this year were Spectra Systems Corporation, A2B Australia Ltd, Nuix Ltd and Global Data Centres. The largest detractor was Fleetwood Ltd.

Many of the portfolio companies continued to deliver well on their business plans during the second half, however, in many instances this was not reflected in share prices. We cannot typically pick and choose the timing of catalysts that might drive share price performance nor when other investors might also come to see value, hence the importance of patience and a permanent capital base. The importance of this patience can be illustrated by a post-script to the financial year: July 2024 delivered a 11.5% gross return, as a number of announcements and events within the portfolio companies materialised after June 30. We discuss some select contributors below.

As always, at the time of writing, we do not have full year results for most of our investments, so any outlook comments will be limited. We will report on results, where we consider them relevant or meaningful, in future monthly reports.

**Spectra Systems Corporation (SPSY)**

SPSY, a US technology company listed on the London Stock Exchange, specialises in authentication and cleaning technologies for bank notes, as well as having a burgeoning platform in gaming security software. Its clients include a number of the world's central banks. The SPSY share price rose ~33% for the year and has grown to be the largest position in the portfolio.

During the year, SPSY announced the acquisition of one of its suppliers of polymer bank note substrate, which is expected to deliver significant benefits. This announcement was positively received by shareholders and the market.

**Sandon Capital Investments Limited**  
**ABN 31 107 772 467**

**Chairman's Letter**  
**For the year ended 30 June 2024**

**Chairman's Letter (continued)**  
**Investment Performance (continued)**

**A2B Australia Ltd (A2B)**

A2B, whose shares were first purchased in 2020, exited the portfolio when it was sold by way of a scheme of arrangement. When we invested in A2B, it was stricken by the effect of COVID-19 restrictions, had an unfocused business strategy and owned substantial property assets. Its market capitalisation then barely exceeded our estimates of the market value of its properties.

We successfully orchestrated a campaign to push for board and leadership change. Under new leadership, A2B cut costs and became a focused business that improved customer service and taxi-driver satisfaction. It sold all its properties for net proceeds of more than \$100 million. The taxi and payments businesses were then sold for ~\$176 million.

The Company paid an average of ~\$1.17 for its stake in A2B. Our return from A2B was an average of \$2.13 per share, including fully franked dividends, moving it to be a very satisfactory investment.

**Global Data Centres (GDC)**

GDC owned a portfolio of data centre investments. The market price of its securities reflected a substantial discount to its reported net asset value (NAV). We judged that the reported NAV, in turn, reflected a discount to the potential market value of its investments.

Following feedback from several large investors (including Sandon Capital) and an internal strategic review, GDC announced in April 2023 that it would adopt a "*value realisation*" strategy. The changes in strategy led to a halving of the management fee and changes to the performance incentives, both of which are aligned with investor outcomes. The new strategy has seen GDC sell two of its three investments: the Perth data centre (for a small loss) and Etix Everywhere, its French data centre business (for a meaningful gain). GDC shares were up 92.5% in FY24. The remaining asset is a 1% stake in AirTrunk, a hyperscale data centre developer currently engaged in a sale process. Press speculation reports that the equity value of AirTrunk could be as high as \$15-20 billion. We await the announcement of a binding sale contract, likely before the end of calendar 2024.

**IDT Australia Ltd (IDT)**

IDT owns strategically valuable (and underutilised) pharmaceutical manufacturing assets in Melbourne. COVID-19 seemed poised to deliver a stunning turnaround for IDT, after it secured some early contracts from the Federal Government. Unfortunately, IDT was unable to capitalise beyond those initial opportunities.

Following significant change at Board and senior management level in late 2022, the strategy at IDT was reset. Under new CEO, Paul McDonald, IDT has focused on the legacy active pharmaceutical ingredient (API) market as well as two growth opportunities:

- Advanced Therapies – fast growing mRNA and cancer-targeting antibody drug conjugation (ADC) technologies;
- The burgeoning medicinal cannabis and psychedelic markets to treat mental health problems

We have continued to support IDT by participating in capital raisings, the first at 6 cents per share and the most recent at 9 cents per share. During this last capital raising, IDT disclosed it had received a non-binding indicative offer at a price of 15 cents per share. The Board provided the proponent with non-exclusive access to conduct due diligence enquiries. No firm offer has yet been made and there is no guarantee one will be made. IDT has announced a number of contract wins which augur well for the future. In a recent market update, IDT disclosed the replacement value of its facility was \$88.8 million which equates to more than 20 cents per share. Importantly for us, the cost of replacing the physical facilities does not include the time and cost that would be incurred to obtain TGA and US FDA manufacturing licenses. We remain confident in the potential at IDT.



**Sandon Capital Investments Limited**  
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**Chairman's Letter**  
**For the year ended 30 June 2024**

**Chairman's Letter (continued)**  
**Investment Performance (continued)**

**Fleetwood Ltd (FWD)**

FY24 was a time of quiet achievement at FWD. They have continued to focus on operational improvements in their Building Solutions business despite delays in the awarding of some government modular building contracts. This impacted 2H results, however these contracts have now been awarded and have boosted FWD's financial prospects. Continued expansion of the pipeline of large-scale projects in and around Western Australia's Burrup Peninsula augurs well for substantial increases in occupancy at FWD's Searipple accommodation village, which in turn should deliver strong future earnings and cash flow. Whilst our patience has been tested, we remain confident that we will be well rewarded.

**Midway Ltd (MWY)**

MWY has undergone significant Board and management changes in recent years, and this has resulted in a change in strategic direction. It has sold its forestry assets and has finally announced its long-awaited grain strategy that will allow the company to defray the burden of the take-or-pay agreement at the Geelong Port ship loader. We consider the path is now clearing for the company to return a large amount of capital to shareholders and focus on its medium-term objective to build a forestry and carbon management business.

**City Chic Collective Ltd (CCX)**

Not every decision we make is vindicated by time. CCX is one of those. Our decision to buy CCX a number of years ago was, for a time, one of our best investments ever. We bought astutely, backed the right faction in a struggle for control of the best asset and then cleverly sold more than half our position for many multiples of our initial purchase. Then it was downhill from there. A recent market update, asset sales and a capital raising delivered the verdict we feared, that CCX is no longer the company we thought it was. It now represents less than 0.5% of the portfolio.

**Outlook**

We consider most Australians are well and truly suffering the effects of inflation and many are feeling the side-effects of inflation's cure, interest rate increases. Rising interest rates invariably lead to questions about when interest rates might fall. We remind readers of the inverse relationship between price and yield. In other words, when interest rates go up, asset values fall, all other things being equal. This simple heuristic (or mental shortcut) can be very useful. However, these shortcuts can also lead investors astray, if used too simplistically.

For example, rising interest rates rightly led to concerns about asset prices and potential recessionary risks. Yet, the question of a recession is almost always asked on a whole-economy basis. Like so many things in life, the answer, and reality, is more nuanced. Based on our general research and enquiries, we would argue that parts of the Australian economy have been experiencing recession-like conditions for some time while other parts remain strong. The economic situation in Australia remains complex yet this is no reason to avoid investing.

Not out of indolence but rather because we judge them still relevant, we largely repeat our comments from last year about the large macro factors we suspect will have outsize influence, with some minor amendments: As in prior years, we judge that uncertainty and volatility remain the order of the year(s) ahead. Some of the factors contributing to that uncertainty and volatility include:

1. Interest rates and inflation: Just as gravity affects our world, so too do these two forces of nature. High inflation is a pernicious spectre that affects everyone, and which hurts the poorest the most. Bringing it under control must remain a priority. Interest rates, which seem to be the only medicine applied to inflation these days, affect different groups in different ways. As expectations of interest rate changes stabilise, we believe confidence will grow.
2. Geopolitics: Affairs of state are well above our stations in life, yet they affect us all. War in Ukraine grinds on. The Middle East faces existential threats. There are concerns about the growth prospects for the Chinese economy, as well as its geopolitical ambitions. There is a US presidential election. We can't know what will happen in these matters. What we do know is that the "peace" dividend that emerged following the end of the Cold War in the early 90s is probably more meagre today than at any time since it was first declared.

**Sandon Capital Investments Limited**  
ABN 31 107 772 467

**Chairman's Letter**  
**For the year ended 30 June 2024**

**Chairman's Letter (continued)**  
**Outlook (continued)**

We see this uncertainty and volatility as creating opportunity. We will continue to apply our investment approach diligently and consistently. We will continue to sceptically consider heuristic indications. This approach is expected to continue to uncover attractive investment opportunities. While returns from the investments we make are unlikely to occur in a smooth, linear fashion, we believe our approach is well placed to deliver sound medium- to long-term returns.

In the meantime, SNC has built solid reserves of profits and franking, allowing directors, should we consider it prudent, to continue for some time to pay fully franked dividends of at least 5.5 cents per share per annum.

On behalf of the Board, I would like to thank fellow shareholders for their continued support throughout the 2024 financial year. We look forward to reporting to you on our progress in 2025.

Yours sincerely,



Gabriel Radzynski  
Chairman

19 August 2024

**Sandon Capital Investments Limited**  
**ABN 31 107 772 467**

**Directors' Report**  
**For the year ended 30 June 2024**

The Directors of Sandon Capital Investments Limited present their report together with the financial statements of the Company for the year ended 30 June 2024. Sandon Capital Investments Limited is a company limited by shares and is incorporated in Australia.

**Directors**

The Directors of the Company during the year and up to the date of this report were:

Gabriel Radzynski – Non-Executive Chairman  
Peter Velez – Independent Non-Executive Director  
Jacqueline Sullivan – Independent Non-Executive Director

**Company secretary**

Mark Licciardo

**Auditors**

Pitcher Partners Sydney

**Principal activities**

The Company's principal activity is investing for profit. It is a listed investment company whose assets are managed by an external investment manager, Sandon Capital Pty Ltd ("**Sandon Capital**" or "**the Manager**").

Sandon Capital is an activist value manager. It seeks to buy investments at prices the Manager considers are below their intrinsic value. It looks for investments with high levels of tangible assets, marketable securities or cash, although investments may not always have these characteristics. The Manager deploys a range of activist strategies aimed at realising the intrinsic value of those investments. The Manager may also take advantage of other market opportunities where it considers there are reasonable prospects for a satisfactory return.

The Company may invest in cash, term deposits, unlisted and listed securities and debt instruments.

During the period, the Company's net assets have increased from \$106,120,268 as at 30 June 2023 to \$115,168,655 as at 30 June 2024.

**Operating Results and Financial Position**

Net profit before tax was \$15,311,120 (2023: Profit before tax \$2,323,531). Excluding losses or gains attributed to the Corporate Simplification which have been outlined in Note 3, The Company had net realised gains of \$6,621,820 (2023: \$11,971,666) and unrealised gains in the value of the investment portfolio of \$5,723,091 (2023: Loss \$9,273,629). Other revenue, including dividends and distributions, was \$8,757,095 (2023: \$2,376,080) Please refer to the Chairman's letter for more details on the investment performance of the Company's portfolio and Corporate Simplification

The Company's net profit after tax for the year was \$14,358,767 (2023: Profit \$1,896,515).

The Company paid fully franked dividends totalling 5.5 cents per share during the year.

Cash and cash equivalent holdings increased from \$147,122 to \$8,106,628 at year end.

Net Tangible Assets ("**NTA**") before tax as at 30 June 2024 was \$0.8067 per share (2023: \$0.7515). The NTA after tax was \$0.8055 per share (2023: \$0.7605). These figures are after the payment of fully franked dividends of 5.5 cents per share during the period.

The return to shareholders (the change in the NTA before tax per share plus dividends paid and franking credits) was a positive return of 17.1% for the year.

**Sandon Capital Investments Limited**  
**ABN 31 107 772 467**

**Directors' Report**  
**For the year ended 30 June 2024**

**Director's Report (continued)**

**Novation of Mercantile Investment Company Limited Notes**

On 13 July 2023, Mercantile Investment Company Limited (“MVT”) announced a proposed restructure of MVT’s 4.8% Unsecured Notes maturing on 10 July 2026 (“Notes”). As the Issuer, the Notes were unsecured liabilities of MVT and were guaranteed by SNC. MVT sought, and on 7 August 2023 obtained, Noteholders approval for a restructure that resulted in SNC replacing MVT as the Issuer of the Notes (becoming the “Novated Notes”). The restructure was implemented by novating all the rights and obligations held by MVT in its capacity as the Issuer to SNC, resulting in SNC assuming all obligations and all liabilities in respect of the Notes.

On 10 August 2023, MVT Noteholders received the Novated Notes in SNC and these commenced trading on 11 August 2023 under ASX Code SNCHA. 290,578 notes with a fair value of \$27,023,754 were novated to SNC. For the reporting period, an interest payment of \$1,398,596 was made to SNCHA Noteholders. In prior reporting periods, this interest cost was reflected in the carrying value of MVT. SNC recorded the Notes at fair value on recognition and subsequently accounted for the Notes at amortised cost.

**Corporate Simplification**

The operating results reflect the corporate simplification undertaken by the Company, which involved various transactions between the Company and its subsidiaries (the “Corporate Simplification”). These included repayments of intercompany loans, returns of capital and dividends. The net effect of these transactions, and the impact on Net Tangible Assets, is immaterial.

Since acquiring MVT in 2019, the Company has borne increasing costs associated with compliance, notably audit expenses. The Company’s financial reports were also perceived as complex. The restructuring of the MVT Notes, outlined above, allowed the Company to move to a more streamlined and simple corporate structure, with the aim of reducing organisational complexity and compliance costs.

As part of the process, MVT sold its domestic and international listed and unlisted securities to SNC. Other wholly owned subsidiaries, Ask Funding Pty Ltd (“AKF”) and Richfield International Pty Ltd (“RIL”) were transferred from MVT to SNC.

The completion of the Corporate Simplification resulted in a return of capital of \$28,834,389 and a dividend of \$29,620,677 from MVT to SNC. This dividend was offset by a realised loss of \$26,257,406 and an unrealised loss of \$3,748,049 in the current period and an unrealised gain of \$392,196 in the prior period, resulting in an immaterial economic impact to the Statement of Profit or Loss and Other Comprehensive Income and Tax.

The following wholly owned subsidiaries have now been deregistered:

- Mercantile Investment Company Limited
- Murchison Metals Ltd
- Mercantile OFM Pty Ltd
- Mercantile IAH Pty Ltd
- Mercantile NZ Limited
- Wellington Merchants Ltd
- IPE Pty Limited

**Carbon Conscious Investments Ltd**

On 12 April 2024, the Company announced its intention to make a conditional off-market takeover offer for Carbon Conscious Investments Limited (“CCIL”) to acquire all issued and outstanding ordinary shares of CCIL not owned by SNC and Sandon Capital Activist Fund (another fund managed by Sandon Capital Pty Ltd) for \$0.0667 in cash for every CCIL share held (“Offer”).

Please refer to the Bidder’s Statement dated 23 April 2024 released on the ASX for more details on the takeover bid.

**Sandon Capital Investments Limited**  
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**Directors' Report**  
**For the year ended 30 June 2024**

**Director's Report (continued)**

**Carbon Conscious Investments Ltd (continued)**

On 7 June 2024, the Company made a variation to the Bidder's Statement by extending the offer period until 5pm on 8 July 2024.

On 26 June 2024, the Company made an ASX announcement disclosing SNC's voting power in CCIL had reached 90.3%. This included 26,085,403 CCIL shares held by Alterra Limited (Alterra). Alterra had previously indicated that it intended to accept the Offer subject to obtaining shareholder approval at a general meeting to be held 28 June 2024. Alterra shareholders approved the sale of its CCIL stake and Alterra accepted the Offer.

Upon closing on 8 July 2024, SNC announced that its voting power in CCIL was 91.48% and that it intended to exercise its rights to acquire the remaining CCIL shares under the compulsory acquisition provisions of the *Corporations Act 2001*.

**Dividends**

Dividends paid during the financial year were as follows:

	<b>2024</b>	<b>2023</b>
	\$	\$
Final dividend for the year ended 30 June 2023 (2023: 30 June 2022) of 2.75 cents (2023: 2.75 cents) per ordinary share.	3,826,199	3,733,527
Interim dividend for the year ended 30 June 2024 (2023: 30 June 2023) of 2.75 cents (2023: 2.75 cents) per ordinary share.	3,876,595	3,777,937
	<u><b>7,702,794</b></u>	<u><b>7,511,464</b></u>

The Dividend Reinvestment Plan ("DRP") applied to both dividends.

The Company's dividend policy is to pay a regular and growing stream of fully franked dividends to shareholders, provided that the company has sufficient profit reserves, franking credits and it is within prudent business practice. The Company's ability to generate franking credits is dependent upon the receipt of franked dividends from investments and the payment of tax on realised gains.

Dividends are paid on a six-monthly basis.

**New Shares issued**

The Company issued 3,488,879 new shares pursuant to the DRP.

**Events occurring after the reporting period**

On 19 August 2024, the Directors announced their intention to pay a final fully franked ordinary dividend of 2.75 cents per share. The DRP will apply to this dividend with no discounts.

**Future Developments, Prospects and Business Strategies**

The Company will continue to selectively invest in cash, term deposits, unlisted and listed securities and debt instruments that the Manager considers offer the prospect for attractive risk-adjusted returns. Refer to the Chairman's Letter for further information.

**Environmental regulations**

The operations of the Company are not subject to any particular environmental regulations under a Commonwealth, State or Territory law.

**Sandon Capital Investments Limited**  
ABN 31 107 772 467

**Directors' Report**  
**For the year ended 30 June 2024**

**Director's Report (continued)**

**Information on Directors**

**Gabriel Radzynski BA (Hons), MCom (Non-Executive Chairman)**

***Experience***

Gabriel is the founder and Managing Director of Sandon Capital Pty Ltd, a boutique investment management firm. He is the chief investment officer of funds managed by Sandon Capital Pty Ltd. Gabriel is also a non-executive director of Future Generation Investment Company Limited.

Gabriel Radzynski has been the Chairman of the Company since October 2013.

***Other current listed company directorships***

Gabriel Radzynski is a Director of Future Generation Australia Limited (ASX: FGX) (appointed October 2013).

***Former directorships in the last 3 years***

Gabriel Radzynski has not resigned as a Director from any other listed companies in the last three years.

***Special responsibilities***

Chairman of the Board.

***Interests in shares of the Company***

Details of Gabriel Radzynski's interests in shares of the Company are included later in this report.

***Interests in contracts***

Details of Gabriel Radzynski's interests in contracts of the Company are included later in this report.

**Peter Velez LLB MA MSc (Independent Non-Executive Director)**

***Experience***

Until 2023, Peter was a corporate lawyer specialising in equity capital markets, mergers and acquisitions and funds management. Peter also advised extensively on activist corporate activity, ASX compliance and corporate governance. Peter has been a practising lawyer since 1989 having worked at the national firm Freehill Hollingdale and Page, Sydney boutique corporate firm Watson Mangioni from 1995 to 2016 and with OB Law from 2016 to 2022. He played a key role in the development of externally-managed listed investment companies (LIC) having been involved in the IPO of over 25 LICs.

Peter Velez has been a Director of the Company since May 2017.

***Other current listed company directorships***

Peter Velez does not hold any other directorships.

***Former directorships in the last 3 years***

Peter Velez has not resigned as a Director from any other listed companies in the last three years.

***Special responsibilities***

Peter is a member of the Audit and Risk Committee.

***Interests in shares of the Company***

Details of Peter Velez's interests in shares of the Company are included later in this report.

***Interests in contracts***

Peter Velez has no interests in contracts of the Company.

**Sandon Capital Investments Limited**  
ABN 31 107 772 467

**Directors' Report**  
**For the year ended 30 June 2024**

**Director's Report (continued)**  
**Information on Directors (continued)**

**Jacqueline Sullivan BSc, MBA, Grad Dip (App Fin), GAICD (Independent Non-Executive Director)**

***Experience***

Jacqueline is an experienced fund management executive, having gained experience in senior executive roles at AMP Capital, both Australia and overseas. Her executive experience culminated with 7 years as Managing Director, Global Distribution for AMP Capital. Since then, Jacqueline has engaged in advisory work.

Jacqueline Sullivan has been a Director of the Company since December 2021.

***Other current listed company directorships***

Jacqueline Sullivan is a director of WAM Microcap Ltd (ASX: WMI) (appointed May 2017).

***Former directorships in the last 3 years***

Jacqueline Sullivan has not resigned as a Director from any other listed companies in the last three years.

***Special responsibilities***

Jacqueline Sullivan is Chair of the Audit and Risk Committee.

***Interests in shares of the Company***

Jacqueline Sullivan has no interest in shares of the Company.

***Interests in contracts***

Jacqueline Sullivan has no interests in contracts of the Company.

**Mark Licciardo B Bus(Acc), GradDip CSP, FGIA, FCIS, FAICD (Company Secretary)**

Mark is the founder of Mertons Corporate Services, now part of Acclime Australia and is responsible for Acclime Australia's Listed Services Division.

He is also an ASX-experienced director and chair of public and private companies, with expertise in the listed investment, infrastructure, bio-technology and digital sectors. He currently serves as a director on a number of Australian company boards as well as foreign controlled entities and private companies.

During his executive career, Mark held roles in banking and finance, funds management, investment and infrastructure development businesses, including being the Company Secretary for ASX100 companies Transurban Group and Australian Foundation Investment Company Limited.

Mark Licciardo holds a Bachelor of Business degree in accounting, a Graduate Diploma in Governance and is a Fellow of the Chartered Governance Institute, the Governance Institute of Australia and the Australian Institute of Company Directors.

Mark Licciardo has been secretary of the Company since October 2013.

**Sandon Capital Investments Limited**  
ABN 31 107 772 467

**Directors' Report**  
**For the year ended 30 June 2024**

**Director's Report (continued)**

**Meetings of directors**

The number of meetings of the Company's Board of Directors and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Director's Meetings		Audit & Risk Committee Meetings	
	Number of Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Gabriel Radzyminski	11	11	0	0*
Peter Velez	11	11	2	2
Jacqueline Sullivan	11	11	2	2
<b>Total Meetings Held</b>	<b>11</b>	<b>11</b>	<b>2</b>	<b>2</b>

\* *In attendance ex-officio*

**Remuneration Report (Audited)**

The Company has no employees or key management personnel ("KMP"), other than the Chairman and the two Directors. The Company Secretary is remunerated under a service agreement with Acclime Australia.

***Nature and amounts of remuneration***

On 31 October 2019, Shareholders approved an increase to the maximum total remuneration of the Directors from \$85,000 per annum to \$125,000 per annum to be divided among the Directors, in such proportions as they agree having regard to their duties and responsibilities in their role as director. Additional remuneration may be paid in accordance with the Company's Constitution.

The remuneration of the Directors is not linked to the performance of the Company. The Manager is a director-related entity which received a management fee of \$2,030,272 inclusive of GST (2023: \$1,864,103 inclusive of GST) and fees for accounting and administration inclusive of GST totalling \$183,366 (2023: \$96,583).

No performance fee was received during the period (2023: Nil)

Where specialist services beyond the normal expectations of a Non-Executive Director are provided to the Company, payment will be made on a normal commercial basis.

As part of the capital raising by the Company in October 2021, the Manager agreed to pay for all costs associated with the Offer. The total cost was \$377,111. The Company entered into an interest free loan agreement with the Manager, and it was agreed by the Board that the Manager would pay the costs of the Offer over a 30-month term with equal monthly instalments. As at 30 June 2024, the loan has being fully paid. (2023: \$138,051).

The Company has not made any other guarantees or secured directly or indirectly any loans to key management personnel or their related entities during the year.

**Names and positions held of key management personnel in office as at the end of the financial year are:**

**Key Management Person**

Gabriel Radzyminski	Non-Executive Chairman
Peter Velez	Independent Non-Executive Director
Jacqueline Sullivan	Independent Non-Executive Director



**Sandon Capital Investments Limited**  
ABN 31 107 772 467

**Directors' Report**  
**For the year ended 30 June 2024**

**Director's Report (continued)**  
**Remuneration report (Audited) (continued)**

Details of the remuneration of the Directors and key management personnel of the Company (as defined in AASB 124 *Related Party Disclosures*) are set out in the following tables:

	Short term employee benefits cash salary and fees \$	Post-employment benefit superannuation \$	Total \$
<b>June 2024</b>			
Gabriel Radzyminski	9,132	1,005	10,137
Peter Velez	23,305	2,563	25,868
Jacqueline Sullivan	23,305	2,563	25,868
	<b>55,742</b>	<b>6,131</b>	<b>61,873</b>
<b>June 2023</b>			
Gabriel Radzyminski	9,132	959	10,091
Peter Velez	22,831	2,397	25,228
Jacqueline Sullivan	22,831	2,397	25,228
	<b>54,794</b>	<b>5,753</b>	<b>60,547</b>

The Company has no employees other than Non-Executive Directors and therefore does not have a remuneration policy for employees. The Directors are the only people considered to be key management personnel of the Company.

The number of shares and options held directly, indirectly, or beneficially by Directors, or by entities to which they were related at the date of this report, were:

	Balance July 2023 No.	Net acquisition No.	Balance June 2024 No.
<b>June 2023</b>			
<b>Shares</b>			
Gabriel Radzyminski	2,061,115	142,917	2,204,032 <sup>^</sup>
Peter Velez	123,352	10,093	133,445
Jacqueline Sullivan	-	-	-
	<b>2,184,467</b>	<b>153,010</b>	<b>2,337,477</b>

<sup>^</sup>includes indirect holdings

No options were held directly, indirectly, or beneficially by Directors.

**Other transactions with KMP**

**Directors' Interests**

**a) Investment management agreement**

The Company and the Manager entered into a management agreement dated 13 December 2013. A Director of the Company, Gabriel Radzyminski, is also a Director of the Manager. The Manager is permitted to undertake investments that fall within the Company's investment strategy on behalf of the Company and without the approval of the Company's Directors. Investments that are outside the Company's investment strategy will require Board approval. In circumstances where Board approval is required, the Manager will provide the Board with details of the relevant investment opportunity. The Board will review the information and will either give or withhold the approval required for the Company to make that investment. Assuming that the Board approves the investment, the manager will then execute the investment on behalf of the Company.

The initial term of the management agreement is 10 years and at the expiration of the initial term, the agreement was automatically extended for a further 5 years. Neither the Company, nor the Manager, may terminate the Management Agreement upon the occurrence of a change of control event in respect of either party.

**Sandon Capital Investments Limited**  
**ABN 31 107 772 467**

**Directors' Report**  
**For the year ended 30 June 2024**

**Director's Report (continued)**

**Remuneration report (Audited) (continued)**

**Directors' Interests (continued)**

**b) Management and performance fees**

The Manager is entitled to be paid a monthly management fee equal to 0.1042% (plus GST) of the gross value of the Portfolio calculated on the last business day of each month. The Management fee is 1.25% per annum (plus GST).

The Manager is also entitled to receive a performance fee calculated as a percentage of the increase in the value of the Portfolio for each performance period. The performance fee is equal to 20% (plus GST) of the amount (if any) of portfolio over-performance (amount by which the increase in the value of the portfolio exceeds the benchmark performance) during the performance calculation period, subject to a high-water mark.

The performance calculation period is the commencement date to the earlier of termination and 30 June of the next calendar year or the period from the first day after the preceding performance calculation period to 30 June of the next calendar year.

The benchmark performance is the value of the portfolio calculated on the last date of the performance calculation period in relation to which the Manager was last entitled to be paid a performance fee indexed by the average of each 1-month Bank Bill Swap Reference Rate published on the first day of each month across the period.

	<b>June 2024</b>	<b>June 2023</b>
	\$	\$
Management fees (inclusive of GST) *	2,030,272	1,864,103
Performance fees (inclusive of GST) *	-	-
	<b>2,030,272</b>	<b>1,864,103</b>

\* The difference between the amount disclosed above and the Statement of Profit and Loss and Other Comprehensive Income are the reduced input tax credits claimable.

At 30 June 2024, \$165,586 inclusive of GST remains payable by the Company to the Manager (2023: \$163,291 inclusive of GST).

**b) Accounting fee**

Sandon Capital Pty Ltd also receives a monthly fee in return for providing accounting and administration services to the Company.

The increase in accounting fees is because in prior years fees had been incurred by MVT and reported in MVT's financial statements.

	<b>June 2024</b>	<b>June 2023</b>
	\$	\$
Accounting fees (inclusive of GST) *	183,366	96,583
	<b>183,366</b>	<b>96,583</b>

\* The difference between the amount disclosed above and the Statement of Profit and Loss and Other Comprehensive Income are the reduced input tax credits claimable as well as any services rendered by accounting firms other than Sandon Capital Pty Ltd.

**This is the end of the Remuneration Report (Audited)**

**Sandon Capital Investments Limited**  
ABN 31 107 772 467

**Directors' Report**  
**For the year ended 30 June 2024**

**Director's Report (continued)**

**Indemnification and insurance of Officers and Directors**

During or since the end of the financial year, the Company has given an indemnity or entered into an agreement to indemnify or paid or agreed to pay insurance premiums.

The Company has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company or the improper use by the Directors of their position.

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

**Non-Audit Services**

The Board of Directors, in accordance with advice from the Audit & Risk Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

Details of the amounts paid or payable to the auditor for audit services during the year are disclosed in Note 6 Remuneration of auditors.

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company group are important.

The Directors are satisfied that the services disclosed in Note 6 did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the Audit and Risk Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided do not compromise the general principles relating to auditor independence in accordance with the APES 110: *Code of Ethics for Professional Accountants (including Independence Standards)* set by the Accounting Profession and Ethical Standards Board.

**Rounding of amounts**

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the Directors' report and in the financial report have been rounded to the nearest dollar unless otherwise specified.

**Auditor's 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 17.

**Auditor**

Pitcher Partners Sydney continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of the Board of Directors.

On behalf of the Directors,



Gabriel Radzynski  
Chairman  
Sydney  
19 August 2024

**Auditor's Independence Declaration**  
**To the Directors of Sandon Capital Investments Limited**  
**ABN 31 107 772 467**

In relation to the independent audit of Sandon Capital Investments Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief there have been:

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



**Richard King**

Partner

**Pitcher Partners**

Sydney

19 August 2024

**Sandon Capital Investments Limited**  
ABN 31 107 772 467

**Statement of Profit and Loss and Other Comprehensive Income**  
**For the year ended 30 June 2024**

	Notes	June 2024 \$	June 2023 \$
Net realised (loss)/gain on financial assets	3(a)	(19,635,586)	11,971,666
Net unrealised gain/(loss) on financial assets	3(b)	1,975,042	(9,273,629)
Other revenue from operating activities	3(c)	38,377,772	2,376,080
<b>Total income</b>		<b>20,717,228</b>	<b>5,074,117</b>
Management fees		(1,891,844)	(1,737,005)
Performance fees		-	-
Directors' fees	18	(61,873)	(60,547)
Company secretarial fees		(44,434)	(41,777)
Finance costs (SNCHA)	4	(1,825,094)	-
Brokerage expense		(95,626)	(101,292)
Custody fees		(87,359)	(33,463)
ASX listing and CHES fees		(125,100)	(90,376)
Share registry fees		(55,488)	(53,132)
Accounting fees		(204,661)	(117,482)
Audit fees	6	(150,634)	(113,208)
Taxation fees		(375,062)	(199,474)
Legal fees		(126,212)	(24,985)
Other operating expenses		(362,721)	(177,845)
<b>Total expenses</b>		<b>(5,406,108)</b>	<b>(2,750,586)</b>
<b>Profit before Income Tax</b>		<b>15,311,120</b>	<b>2,323,531</b>
Income tax expense	5	(952,353)	(427,016)
<b>Profit attributable to members of the Company</b>		<b>14,358,767</b>	<b>1,896,515</b>
Other comprehensive income for the year		-	-
<b>Total Comprehensive Profit for the period</b>		<b>14,358,767</b>	<b>1,896,515</b>
<b>Basic Profit per share (cents per share)</b>	8	<b>10.22</b>	<b>1.38</b>
<b>Diluted Profit per share (cents per share)</b>	8	<b>10.22</b>	<b>1.38</b>

The accompanying notes form part of these financial statements.

**Sandon Capital Investments Limited**  
ABN 31 107 772 467

**Statement of Financial Position**  
As at 30 June 2024

	Notes	June 2024	June 2023
		\$	\$
<b>Assets</b>			
Cash and cash equivalents	9	8,106,628	147,121
Trade and other receivables	10	543,960	208,566
Funding to Subsidiary	11	200,000	-
Prepayments		92,477	82,622
Financial assets at fair value through profit or loss	14	137,190,847	143,939,590
Deferred tax assets	5	213,512	1,254,019
<b>Total assets</b>		<b><u>146,347,424</u></b>	<b><u>145,631,918</u></b>
<b>Liabilities</b>			
Trade and other payables	13	1,182,170	2,102,782
Current tax liability		121,882	46,425
Financial liabilities at amortised costs	15	1,881,978	37,362,443
Unsecured notes	16	27,606,926	-
Deferred tax liabilities	5	385,813	-
<b>Total liabilities</b>		<b><u>31,178,769</u></b>	<b><u>39,511,650</u></b>
<b>Net assets</b>		<b><u>115,168,655</u></b>	<b><u>106,120,268</u></b>
<b>Equity</b>			
Issued capital	12	134,645,945	132,253,531
Profit reserve		41,350,828	33,371,637
Accumulated losses		(60,828,118)	(59,504,900)
<b>Total equity</b>		<b><u>115,168,655</u></b>	<b><u>106,120,268</u></b>

The accompanying notes form part of these financial statements.

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**Sandon Capital Investments Limited**  
**ABN 31 107 772 467**

**Statement of Changes in Equity**  
**As at 30 June 2024**

	Notes	Issued capital \$	Accumulated losses \$	Profit reserve \$	Total equity \$
<b>Balance at 1 July 2022</b>		<b>130,013,405</b>	<b>(56,457,551)</b>	<b>35,939,237</b>	<b>109,495,091</b>
Profit for the year attributable to the owners of the Company		-	1,896,515	-	1,896,515
Transfer to profit reserve		-	(4,943,864)	4,943,864	-
Shares issued via dividend reinvestment plan	12	2,240,126	-	-	2,240,126
Dividends provided or paid	7	-	-	(7,511,464)	(7,511,464)
<b>Balance at 30 June 2023</b>		<b>132,253,531</b>	<b>(59,504,900)</b>	<b>33,371,637</b>	<b>106,120,268</b>
<b>Balance at 1 July 2023</b>		<b>132,253,531</b>	<b>(59,504,900)</b>	<b>33,371,637</b>	<b>106,120,268</b>
Profit for the year attributable to the owners of the Company		-	14,358,767	-	14,358,767
Transfer to profit reserve		-	(15,681,985)	15,681,985	-
Shares issued via dividend reinvestment plan	12	2,392,414	-	-	2,392,414
Dividends provided or paid	7	-	-	(7,702,794)	(7,702,794)
<b>Balance at 30 June 2024</b>		<b>134,645,945</b>	<b>(60,828,118)</b>	<b>41,350,828</b>	<b>115,168,655</b>

The accompanying notes form part of these financial statements.

**Sandon Capital Investments Limited**  
**ABN 31 107 772 467**

**Statement of Cash Flows**  
**For the year ending 30 June 2024**

	Notes	June 2024 \$	June 2023 \$
<b>Cash flows from operating activities</b>			
Proceeds from sale of investments		36,362,138	23,792,043
Payments for investments		(26,217,205)	(22,613,445)
Dividends and capital return received		8,222,918	2,533,638
Interest received		203,905	31,213
Other income received		49,126	-
Income tax payments		(105,468)	(239)
Management fees (inclusive of GST)		(2,027,977)	(2,429,480)
Performance fees (inclusive of GST)		-	-
Brokerage expense (inclusive of GST)		(102,623)	(108,704)
Payment of other operating expenses (inclusive of GST)		(630,521)	(1,354,197)
<b>Net cash provided/ (used in) by operating activities</b>	<b>20</b>	<b>15,754,293</b>	<b>(149,171)</b>
<b>Cash flows from financing activities</b>			
Dividends paid net of re-investment		(5,310,385)	(5,271,343)
Interest payment on unsecured notes		(1,398,595)	-
Loan received from subsidiary/(repayment of loan to subsidiary)		(407,372)	2,499,822
<b>Net cash used in financing activities</b>		<b>(7,116,352)</b>	<b>(2,771,521)</b>
<b>Net increase /(decrease) in cash and cash equivalents</b>		8,637,941	(2,920,692)
Cash and cash equivalents at the beginning of the year		(2,400,175)	520,517
<b>Cash and cash equivalents at end of the year</b>	<b>9(a)</b>	<b>6,237,766</b>	<b>(2,400,175)</b>
<b>Non-cash transactions</b>			
Proceeds from intragroup shares transfer	<b>15</b>	28,834,388	28,624,407
Payments for intragroup shares transfer	<b>15</b>	(49,891,120)	(29,906,095)
Dividend from subsidiary	<b>15</b>	29,620,677	-
MVT Novated notes	<b>15</b>	27,180,427	-

The accompanying notes form part of these financial statements.



**Sandon Capital Investments Limited**  
**ABN 31 107 772 467**

**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**1. Basis of preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The Company is a listed public company, incorporated and domiciled in Australia.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of this financial report form part of the notes and have been consistently applied, unless otherwise stated.

The financial report was approved for release by the Board of Directors on 19 August 2024.

Except for cashflow information, the financial report has been prepared on an accrual basis. Financial assets and liabilities are measured at fair value. All amounts are presented in Australian dollars.

It is considered that the information needs for a company of this type are better met by presenting the Statement of Financial Position on a liquidity basis. All balances are expected to be recovered or settled within 12 months, except for financial assets at fair value through profit or loss, financial liabilities at amortised costs, unsecured notes and the deferred tax balances. The Company manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet liquidity requirements. As such, it is expected that a portion of the investment portfolio will be realised within 12 months, however, an estimate of that amount cannot be reliably determined as at reporting date.

**Key judgements and accounting 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 Company's accounting policies. Estimates assume a reasonable expectation of future events and are based on current trends and economic data. 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 notes below.

The Directors have determined that the Company meets the definition of an investment entity under *AASB 10 Consolidated Financial Statements* hence as an investment entity it shall not consolidate its subsidiary or apply *AASB 3* when it obtains control of another entity. Instead, an investment entity shall measure an investment in a subsidiary at fair value through profit and loss in accordance with *AASB 9*.

The interests in unconsolidated subsidiaries are presented below.

<b>Name of subsidiary</b>	<b>Principal place of business</b>	<b>Country of incorporation</b>	<b>Percentage of share capital held</b>
Ask Funding Pty Ltd	Australia	Australia	100%
Richfield International Pty Ltd	Australia	Australia	100%
Richfield Marine Agencies (S) Pte Ltd	Singapore	Singapore	100%

During the year, the Company provided a \$200,000 non-interest bearing loan to Ask Funding Pty Ltd for working capital.

**Sandon Capital Investments Limited**  
ABN 31 107 772 467

**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**2. Material accounting policy information**

**(a) Financial instruments**

*Recognition, Classification and Measurement*

Financial assets are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are measured at fair value. Fair value is the price the Company would receive to realise an asset or would have to pay to transfer a liability in an orderly transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the Company uses closing quoted last prices as a basis of measuring the fair value of assets and liabilities that are listed. The fair values of assets and liabilities that are not traded in an active market are determined using valuation techniques that maximise the use of observable market data.

A range of valuation techniques are applied to determine the fair value for unlisted securities.

Transaction costs related to financial instruments are expensed in the Statement of Profit and Loss and Other Comprehensive Income when incurred.

The Company classifies its financial instruments into the following categories:

- Financial assets or liabilities through profit or loss

Financial assets or liabilities are classified at 'fair value through profit or loss' when they are held for trading. Realised and unrealised gains and losses arising from changes in fair value are included in the Statement of Profit and Loss in the period in which they arise.

- Financial assets or liabilities at amortised cost

Financial assets or liabilities at amortised cost are initially recognised at fair value. They are subsequently stated at amortised cost, less any provision for impairment.

*Derecognition*

Financial assets are derecognised where the contractual rights to receipt of cash flows expire, or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled, or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

*Impairment*

The Company applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all its financial assets including trade receivables from initial recognition. All the trade receivables of the Company share the same credit risk characteristics. Indicators that there is no reasonable expectation of recovery include, amongst others, a failure to make contractual payments for a period of greater than 30 days past due date.

Impairment losses on financial assets and trade receivable are presented as net impairment losses within the Statement of Profit and Loss and Other Comprehensive Income. As at 30 June 2024, there are no expected credit losses recognised (2023: Nil).

**Sandon Capital Investments Limited**  
**ABN 31 107 772 467**

**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**2. Material accounting policy information (continued)**

**(a) Goods and Services Tax (“GST”) and other similar taxes**

Revenues, expenses and assets are recognised net of GST, except where the amount of GST incurred is not recoverable from the ATO. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are presented in the Statement of Cash Flows on a GST inclusive basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

The Company claims reduced input tax credit (RITC) under the applicable GST regulations, which permits financial supply providers to claim a proportion (currently 75%) of input tax credits for specified GST acquisitions which relate to making financial supplies.

**(c) Earnings per Share**

Basic earnings per share is determined by dividing the operating profit after tax by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share are determined by dividing the operating profit after tax adjusted for the effect of earnings on potential ordinary shares, by the weighted average number of ordinary shares (both issued and potentially dilutive) outstanding during the financial year.

**(d) New and amended accounting policies adopted**

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2023 that have a material impact on the Company.

**(e) New accounting standards and interpretations not yet adopted**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2024 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

**(f) Rounding of amounts**

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the Directors' Report and in the financial report have been rounded to the nearest dollar unless otherwise stated.

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**3. Total (Loss)/ income**

	<b>June 2024</b>	<b>June 2023</b>
	\$	\$
<b>(a) Net realised (loss)/gains on financial assets</b>		
Net realised gains on other financial assets	6,621,820	11,971,666
Net realised loss on subsidiary (Corporate Simplification)	<u>(26,257,406)</u>	<u>-</u>
	<b><u>(19,635,586)</u></b>	<b><u>11,971,666</u></b>
<b>(b) Net unrealised gains/(loss) on financial assets</b>		
Net unrealised gains/(loss) on other financial assets	5,723,091	(9,273,629)
Net unrealised loss on subsidiaries (Corporate Simplification)	<u>(3,748,049)</u>	<u>-</u>
	<b><u>1,975,042</u></b>	<b><u>(9,273,629)</u></b>
<b>(c) Other revenue from operating activities</b>		
Dividend income	8,225,267	2,343,194
Dividend income from subsidiary (Corporate Simplification)	29,620,677	-
Interest income	482,702	32,886
Other income	<u>49,126</u>	<u>-</u>
	<b><u>38,377,772</u></b>	<b><u>2,376,080</u></b>

**4. Finance costs**

Interest paid on unsecured notes at 4.8%	1,398,596	-
Interest accrued on unsecured notes at 4.8%	<u>426,498</u>	<u>-</u>
	<b><u>1,825,094</u></b>	<b><u>-</u></b>

Refer to Note 16 Unsecured notes for further information.

**5. Income tax**

The income tax expense or benefit for the period represents the tax payable on the current period's taxable income based on the Australian corporate income tax rate (2024: 25%, 2023: 25%) adjusted for changes in deferred tax assets and liabilities attributable to the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and unused tax losses.

**Tax consolidation**

On 3 December 2019, the Company formed a tax consolidated group with MVT and all its wholly-owned subsidiaries under the tax consolidated regime. The tax agreement is effective from 3 December 2019 for the income year ending 30 June 2020 and future years. The ATO has been notified of this decision. As a result of tax consolidation, adjustments were required for the reset of tax bases of assets of the subsidiaries.

During the reporting period, the Company undertook a corporate simplification which resulted in the deregistration of MVT and five of its wholly-owned subsidiaries. The ATO was notified of this and MVT and its 4 subsidiaries were removed from the tax consolidated group.

Controlled entities within the relevant tax consolidated group continue to be responsible under the Company's tax funding agreement for funding their share of tax payments that are required to be made by the Company. 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 are recognised as amounts receivable from or payable to other entities in the tax consolidated group. Any differences between the amounts assumed and amounts receivable or payable under the tax funding agreements are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

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**Notes to the Financial Statements**  
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**5. Income tax (continued)**

Tax expense/(benefit) composition	June 2024 \$	June 2023 \$
Tax expense comprises:		
(Increase)/decrease in deferred tax assets	172,872	(625,755)
Increase/(decrease) in deferred tax liabilities	(1,606,944)	-
Current tax movement	2,459,751	1,020,481
Over/(under) provision in prior year	(73,326)	32,290
	<u>952,353</u>	<u>427,016</u>

**(a) Reconciliation of profit to income tax expense prima facie**

	June 2024 \$	June 2023 \$
Profit from continuing operations before income tax expense	15,311,120	2,323,531
Prima facie tax expense on profit from ordinary activities at 25% (2023:25%)	3,827,780	580,883
Imputation credit gross up	776,409	182,871
Franking credit offset	(3,105,636)	(731,483)
Other deductible items	(472,874)	362,455
Over provision in prior year	(73,326)	32,290
	<u>952,353</u>	<u>427,016</u>

Effective tax rate	6.22%	18.38%
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**(b) Deferred tax**

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or settled. Deferred tax is credited in the Statement of Profit and Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Current tax assets and liabilities are offset when there is a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax asset and liabilities are only offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Deferred tax asset	Opening balance July 2023 \$	Under/(over) provision \$	Reclass- ification \$	Charged to profit or loss \$	Closing balance June 2024 \$
Accrued expense movements	7,980	(5,000)	30,372	37,149	70,501
Tax losses recognised	-	5,757	-	(5,757)	-
Capitalised costs	2,961	(1,430)	-	140,486	142,017
Unrealised forex loss	1,938	(2,144)	206	994	994
Fair value adjustment	1,241,140	10,569	(1,251,709)	-	-
<b>Balance</b>	<u>1,254,019</u>	<u>7,752</u>	<u>(1,221,131)</u>	<u>172,872</u>	<u>213,512</u>

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**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**5. Income tax (continued)**

**(b) Deferred tax (continued)**

<b>Deferred tax liability</b>	<b>Opening balance July 2023 \$</b>	<b>Under/(over) Provision \$</b>	<b>Reclass- ification \$</b>	<b>Charged to profit or loss \$</b>	<b>Closing balance June 2024 \$</b>
Accrued income movements	-	-	9,716	-	82,466
Prepayments	-	-	20,656	-	20,656
Unrealised forex loss	-	-	206	(206)	-
Fair value adjustment	-	-	(1,251,709)	1,534,400	282,691
<b>Balance</b>	<b>-</b>	<b>-</b>	<b>(1,221,131)</b>	<b>1,606,944</b>	<b>385,813</b>

<b>Deferred tax asset</b>	<b>Opening balance July 2022 \$</b>	<b>Under/(over) provision \$</b>	<b>Reclass- ification \$</b>	<b>Charged to profit or loss \$</b>	<b>Closing balance June 2023 \$</b>
Accrued expense movements	12,157	-	-	(4,177)	7,980
Tax losses recognised	-	-	-	-	-
Capitalised costs	6,680	-	-	(3,719)	2,961
Unrealised forex loss	(588)	-	-	2,526	1,938
Fair value adjustment	1,834,972	26,553	-	(620,385)	1,241,140
<b>Balance</b>	<b>1,853,221</b>	<b>26,553</b>	<b>-</b>	<b>(625,755)</b>	<b>1,254,019</b>

<b>Deferred tax liability</b>	<b>Opening balance July 2022 \$</b>	<b>Under/(over) Provision \$</b>	<b>Reclass- ification \$</b>	<b>Charged to profit or loss \$</b>	<b>Closing balance June 2023 \$</b>
Accrued income movements	13,352	(13,352)	-	-	-
Prepayments	19,128	(19,128)	-	-	-
Unrealised forex loss	-	-	-	-	-
Fair value adjustment	-	-	-	-	-
<b>Balance</b>	<b>32,480</b>	<b>(32,480)</b>	<b>-</b>	<b>-</b>	<b>-</b>

The effective tax rate reflects the benefit to the Company of franking credits received on dividend income.

**6. Remuneration of auditors**

During the year the following fees were paid or payable for services provided by the auditor and its related practices:

	<b>June 2024 \$</b>	<b>June 2023 \$</b>
Audit and review of financial reports (Pitcher Partners)	128,704	-
Other assurances services (Pitcher Partners)	-	-
Audit and review of financial reports (Grant Thornton)	-	113,208
Other assurances services (Grant Thornton)	21,930	-
	<b>150,634</b>	<b>113,208</b>

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**7. Dividends**

	<b>Amount per security (cents)</b>	<b>Franked amount per security (cents)</b>
<b>(a) Dividends paid during the year</b>		
The following dividends were paid or provided for during the year:	<b>June 2024</b>	<b>June 2023</b>
Final fully franked dividend for the year ended 30 June 2023 paid on 8 November 2023.	2.75	2.75
Interim fully franked dividend for the period ended 31 December 2023 paid on 3 June 2024.	2.75	2.75
	<b>June 2024</b>	<b>June 2023</b>
	<b>\$</b>	<b>\$</b>
Final fully franked dividend of 2.75 cents per share paid 8 November 2023 (2023: Final fully franked dividend of 2.75 cents per share paid on 7 November 2022).	3,826,199	3,733,527
Interim fully franked dividend of 2.75 cents per share paid 3 June 2024 (2023: Interim fully franked dividend of 2.75 cents per share paid on 2 June 2023).	3,876,595	3,777,937
	<u><b>7,702,794</b></u>	<u><b>7,511,464</b></u>
<b>(b) Dividend franking account</b>	<b>June 2024</b>	<b>June 2023</b>
	<b>\$</b>	<b>\$</b>
Franking credits available for use in subsequent reporting periods	11,111,549	10,486,935
Franking credits (cents per share)*	7.79	7.54

*\*excludes any franking credits that will arise from tax payable for the current financial year which will be settled post year end.*

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the year.

The franking balance of 7.79 cents per share supports the payment of a fully franked dividends of 23.37 cents per share at the 25% corporate tax rate, should there be sufficient profit reserves available.

**8. Earnings per share**

	<b>June 2024</b>	<b>June 2023</b>
	<b>\$</b>	<b>\$</b>
Profit (after income tax used in the calculation of basic and diluted earnings per share)	<u>14,358,767</u>	<u>1,896,515</u>
	<b>No. shares</b>	<b>No. shares</b>
Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS	<u>140,433,357</u>	<u>136,938,978</u>
Basic and diluted earnings per share (cents per share)	10.22	1.38

There are no outstanding securities that are potentially dilutive in nature for the Company.

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**9. Cash and cash equivalents**

Cash and cash equivalents include cash on hand, at call deposits with banks or financial institutions and term deposits maturing within three months or less. This is also inclusive of any cash or overdraft drawn with the Company's Prime Broker. Refer to Note 15 for further details.

	<b>June 2024</b>	<b>June 2023</b>
	\$	\$
Cash at bank	8,106,628	18,803
Cash held under Prime Broker facility	-	128,318
	<b>8,106,628</b>	<b>147,121</b>

**(a) Reconciliation to the statement of cash flows**

	<b>June 2024</b>	<b>June 2023</b>
	\$	\$
Cash at bank	8,106,628	18,803
Cash held under Prime Broker facility	-	128,318
Overdraft drawn under Prime Broker facility	(1,868,862)	(2,547,296)
	<b>6,237,766</b>	<b>(2,400,175)</b>

**10. Trade and other receivables**

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense.

Outstanding settlements are on the terms operating in the securities industry. These do not incur interest and require settlement within two days from the date of transaction. All other receivables are due within 12 months after reporting period.

Management have considered the recoverability of trade and other receivables under the provisioning methodology of expected credit losses (ECL). Given the nature of trade and other receivables management have determined the ECL should be nil.

	<b>June 2024</b>	<b>June 2023</b>
	\$	\$
GST receivable	34,589	31,649
Interest receivable	296,074	17,277
Dividend and New Zealand withholding tax receivable	128,447	21,588
Intercompany tax receivable under tax funding agreement	54,483	-
Amount receivable from the Manager*	-	138,051
Other receivable	30,367	-
	<b>543,960</b>	<b>208,566</b>

\* As part of the capital raising by the Company in October 2021, the Manager agreed to pay for all costs associated with the Offer. The Company entered into an interest free loan agreement with the Manager, and it was agreed by the board that the Manager would pay the costs of the Offer over a 30-month term with equal monthly instalments. As at 30 June 2024, the loan has been fully repaid.



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**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**11. Funding to subsidiary**

During the period, SNC entered a new non-interest-bearing loan arrangement with AKF. Under this agreement, the loan must be repaid in cash unless otherwise agreed by the parties.

	<b>June 2024</b>	<b>June 2023</b>
	\$	\$
Funding to subsidiary	200,000	-
	<b>200,000</b>	<b>-</b>

**12. Contributed equity and movements in total equity**

**Capital management**

The Company's objectives with respect to managing its capital are to provide shareholders with capital growth over the medium term, balanced with the payment of a growing stream of fully franked dividends. There have been no changes in the strategy adopted by the Board in managing the capital of the Company since the prior year. The Company is not subject to any externally imposed capital requirements.

	<b>June 2024</b>		<b>June 2023</b>	
	\$	No.	\$	No.
<b>Share Capital</b>				
Fully paid ordinary shares	134,645,945	142,623,399	132,253,531	139,134,520
<b>Movements in shares on issue:</b>				
Opening balance	132,253,531	139,134,520	130,013,405	135,764,627
Shares issued – dividend reinvested	2,392,414	3,488,879	2,240,126	3,369,893
Closing balance	<b>134,645,945</b>	<b>142,623,399</b>	<b>132,253,531</b>	<b>139,134,520</b>

**Terms and conditions of contributed equity:**

Ordinary shares have the right to receive dividends as declared. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

**13. Trade and other payables**

Trade and other payables are non-derivative financial liabilities and are stated at amortised cost. Outstanding settlements are on the terms operating in the securities industry. These do not incur interest and require settlement within two days from the date of transaction. Trade and payables are due within 12 months of reporting date.

	<b>June 2024</b>	<b>June 2023</b>
	\$	\$
Management fee payable	165,586	163,291
Outstanding settlements payable	711,481	-
Other payables	305,103	211,844
Intercompany tax payable under tax funding agreement	-	1,727,647
<b>Total trade and other payables</b>	<b>1,182,170</b>	<b>2,102,782</b>

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**Notes to the Financial Statements**  
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**14. Financial assets at fair value through profit or loss**

The fair value of individual investment held at the end of the reporting period are disclosed on page 2 of this annual report.

	<b>June 2024</b>	<b>June 2023</b>
	\$	\$
<b>Financial assets at fair value through profit or loss comprise of:</b>		
Listed investments	115,671,431	87,780,475
Unlisted investments	21,519,416	56,159,115
	<b>137,190,847</b>	<b>143,939,590</b>

**15. Financial liabilities at amortised cost**

During the year, the Company used the services of a Prime Broker to facilitate the lending to buy and sell securities. The balance of the facility is initially recognised at fair value, net of any transaction costs incurred. The balance is subsequently measured at amortised cost.

	<b>June 2024</b>	<b>June 2023</b>
	\$	\$
Funding from subsidiary	13,116	34,815,147
Overdraft drawn under Prime Broker facility	1,868,862	2,547,296
	<b>1,881,978</b>	<b>37,362,443</b>

**(a) Amounts payable to wholly owned subsidiary**

During the period, the Company and its subsidiaries undertook a Corporate Simplification process which involved various transactions including repayment of intercompany loans, return of capital and dividends. Refer to Chairman's Letter on Corporate Simplification.

SNC repaid the intercompany loan to MVT in full. This advance was satisfied by a combination of cash, the transfer of securities at market value through an off-market transfer, assuming all obligations and liabilities in respect of the MVT Notes and intercompany balance transfers.

MVT paid a final dividend and returned capital to the Company which was settled through the intercompany loan. This brought the MVT loan balance to \$nil as at 30 June 2024.

The remaining amount payable relates to Ask Funding Pty Ltd.

The following table summarises the movement in the wholly owned subsidiary loan for the period.

	<b>June 2024</b>	<b>June 2023</b>
	\$	\$
Opening balance	34,815,147	31,033,637
Repayment of loan with subsidiary/funding received from subsidiary	(207,372)	2,499,822
Non-cash off-market transfer of shares from SNC to MVT at market value	-	(28,624,407)
Non-cash return of capital from subsidiary	(28,834,389)	-
Non-cash off-market transfer of shares from MVT to SNC at market value	49,891,120	29,906,095
Non-cash dividend from subsidiary	(29,620,677)	-
Non-cash MVT novated notes transfer at fair value	(27,180,427)	-
Other intercompany transfer	(82,034)	-
Intercompany tax movement	1,231,748	-
	<b>13,116</b>	<b>34,815,147</b>

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**15. Financial liabilities at amortised cost (continued)**

**(b) Prime Broker facility**

The Company can employ leverage, either by borrowing cash or shares, which can then be sold short. The Board has imposed a limit to such leverage of not more than 50% of total assets (that is 150% gross exposure). Leverage can not only magnify gains but also losses.

During the period, the Company used the services of a prime broker, a service through which the Company can borrow cash or shares, which are then secured against assets held in the prime broker's custody. The Company maintains a prime brokerage facility with Barrenjoey Markets Pty Ltd ("**Barrenjoey**", "**the Prime Broker**", "**the PB**", "**PB Custody**" and together "**the PB Facility**").

The PB Facility is secured by a first charge over the financial assets that the Company transfers, from time to time, to the PB Facility. This charge covers all of the Company's right, title and interest in the assets transferred to the PB Facility. This includes those that may be transferred to custodians and sub-custodians (by the Prime Broker) in accordance with the Prime Brokerage Agreement, and any right which arises after the date of the charges to receive cash or return of property from the parties under the Prime Brokerage Agreement, as security for payments and performance by the Company of all of its obligations to the Prime Broker under the Prime Brokerage Agreement.

Any amount drawn from the PB Facility counts, along with the Notes, as leverage. The PB Facility interest rate is determined daily using the Bank Bill Swap Rate plus a spread. Refer to Note 16 for further details for the Unsecured Notes.

The Company paid net interest of \$98,264 and other fees of \$58,561 to the Prime Broker during the reporting period.

**16. Unsecured Notes**

On 11 August 2023, the Company assumed all obligations and all liabilities in respect of MVT's 4.8% Unsecured Notes maturing on 10 July 2026 ("**Notes**"). Refer to ASX announcements on 4 July and 10 August 2023. The Notes form part of the leverage employed by the Company.

The unsecured notes carry an interest entitlement of 4.8% per annum, payable at the end of December and June each year and mature on 10 July 2026.

SNC recorded the Notes at fair value on recognition and subsequently accounted for the Notes at amortised cost. The Notes are included when calculating leverage. Refer to Note 15(b) for more details on leverage.

	<b>June 2024</b>	<b>June 2023</b>
	<b>\$</b>	<b>\$</b>
Unsecured Notes at amortised cost	27,023,754	-
Interest on unsecured Notes at effective interest rate	583,172	-
Unsecured Notes at amortised cost	<b>27,606,926</b>	<b>-</b>

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**17. Financial risk management**

The Company's financial instruments consist of cash and cash equivalents, listed and unlisted investments, trade receivables, unsecured notes, funding to a subsidiary and trade payables. The risks to which the Company is exposed through these financial instruments are discussed below and include liquidity risk, counter party risk and market risk consisting of other price risk, foreign exchange risk, and interest rate risk.

Under delegation from the Board, the Manager has the responsibility for assessing and monitoring the financial market risk of the Company. The Manager monitors these risks on a regular basis.

	June 2024	June 2023
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	8,106,628	147,121
Trade and other receivables	543,960	208,566
Funding to a subsidiary	200,000	-
	<u>8,850,588</u>	<u>355,687</u>
<i>Financial assets at fair value through profit or loss:</i>		
Listed investments	115,671,431	87,780,475
Unlisted investments	21,519,416	56,159,115
	<u>137,190,847</u>	<u>143,939,590</u>
<b>Total Financial Assets</b>	<u><b>146,041,435</b></u>	<u><b>144,295,277</b></u>
<b>Financial liabilities</b>		
Trade and other payables	1,182,170	2,102,782
Unsecured notes	27,606,926	-
Financial liabilities at amortised costs	1,881,978	37,362,443
<b>Total Financial Liabilities</b>	<u><b>30,671,074</b></u>	<u><b>39,465,225</b></u>

**(a) Fair value hierarchy**

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy (consistent with the hierarchy applied to financial assets and financial liabilities):

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Included in Level 1 of the hierarchy are listed investments. The fair value of these financial assets is the last traded price. Where the last traded price is higher than the bid and offer spread, the offer price is used at the end of the reporting period. Where the last traded price is lower than the bid and offer spread, the bid price is used at the end of reporting period. Both last traded and offer prices exclude transactions costs.

Included in Level 2 of the hierarchy are unlisted investment companies. The fair value of an investment has been based on its net asset backing, being the underlying value of its cash, cash equivalents and investment portfolio values at the end of the reporting period.

At the end of each reporting period, the Company will review the classification of investments as Level 1, 2 or 3. During the year, two investments with a market value \$2,828,133 which were previously recognised as Level 1 by MVT were transferred to Level 2 in SNC. (June 2023: There were no transfers of assets).

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**17. Financial risk management (continued)**  
**(a) Fair value hierarchy (continued)**

The Company will transfer the financial assets from level 1 to level 2 if the stock is thinly traded and there is a lack of liquidity. It will also classify as level 2 unlisted investments with a fair value based on its net asset backing, being the underlying value of its cash, cash equivalents and investment portfolio values at the end of the reporting period.

The Company will transfer financial assets from level 1 or 2 to level 3 in the fair value hierarchy should those assets be privatised. The valuation techniques that might be used include comparisons to similar investments for which market observable inputs are available, latest available net tangible assets per share, the adjusted last sale price or the fair value of the expected redemption value in the notes have been adopted. During the period the investment in YBR previously classified as Level 1 by MVT was transferred to Level 3 in SNC as noted above. (June 2023: There were no transfers of assets).

As at 30 June 2024, the Company has four investments classified as Level 2. Two of the investments are AKF and RIL which are unlisted wholly owned subsidiaries. These have been valued at its underlying post-tax net asset backing at the end of the reporting period. The other two investments are Dawney & Co Ltd and Sietel Limited. Their values have been based on observable market data; however, these are thinly traded securities (June 23: comprised of MVT and its wholly owned subsidiaries).

Included in Level 3 of the hierarchy are unlisted securities such as shares in private companies, trusts and unlisted foreign notes. To determine the fair value of these investments, valuation techniques such as comparisons to similar investments for which market observable inputs are available, latest available net tangible assets per share, the adjusted last sale price or the fair value of the expected redemption value in the notes have been adopted.

As at 30 June 2024, the Company had five unlisted investments classified as Level 3, representing a total of \$18,043,655.

The Company's investment in Carbon Conscious Investment Ltd (**CCIL**) was valued at \$1,434,429 (June 2023: \$344,996). This is the value of the shares owned as at 30 June 2024. As part of the Company's takeover offer for CCIL, the CCIL Independent Board Committee (IBC) commissioned an Independent Expert to produce an arm's length, independent valuation for CCIL. The Independent Expert valuation of CCIL ranged from 7.82 cents per share to 8.61 cents per share and the Company has adopted the midpoint of this range of 8.22 cents per share.

In June 2023, the value adopted by the Company for CCIL's equity was supported by discounted cashflow calculations and earnings capitalisation calculation performed by the Company on readily available information for its valuation. In June 2024, the Company valued CCIL based on the arm's length Independent Expert Report as described above.

During the reporting period, the Company acquired MVT's holding in Yellow Brick Road Holdings Limited (formerly ASX code: **YBR**). YBR is a Level 3 investment following its voluntary delisting from the ASX on 27 November 2023. The Company has valued YBR at \$6,691,583 (June 2023: Nil) based on its net tangible assets at 31 December 2023 Reviewed Interim Financial Statement. The Company will review the carrying value of this investment when YBR's next financial report is released.

In June 2023, MVT had adopted YBR's ASX closing price for its valuation.

During the reporting period, the Company acquired MVT's holding in Foundation Life which brought the total investment to \$6,767,155 (June 2023: \$330,128). The investment is based on its share of Foundation Life's shareholder equity and ownership of Foundation Life's notes. The fair value of Foundation Life is calculated as the net tangible assets per share based on the figures reported in Foundation Life's reviewed half yearly and audited full year accounts (in March and September respectively).

For June 2023 and June 2024, the Company has adopted the same methodology for its valuation of Foundation Life.

**Sandon Capital Investments Limited**  
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**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**17. Financial risk management (continued)**  
**(a) Fair value hierarchy (continued)**

The Company's investment in Scantech Limited (**SCD**) was acquired from MVT and as at 30 June 2024, it had a value of \$87,374. This valuation was based on SCD's 31 December 2023 Reviewed Interim Financial Statement less a special fully franked dividend of 20 cents per share. The Company will review the carrying value of this investment when SCD's next financial report is released.

The Company has adopted the same methodology for valuation of SCD as MVT for 30 June 2024.

During the reporting period, the Company acquired IPE's holding in Pacific Equity Partners Fund IV Core and Supplementary (**PEP**) valued at \$660,042 (June 2023: Nil). The investment is based on latest available net tangible asset per unit provided by PEP's Fund Manager.

The Company has adopted the same methodology for valuation of PEP as MVT for 30 June 2024.

The Company's investment in DMX Corporation Limited (**DMX**) was acquired from MVT and as at 30 June 2024, it has a value of \$4,800 (June 2023: Nil). The valuation was based on DMX's June 2023 management accounts and the Company's assessment of the investment.

The Company has adopted the same methodology for valuation of DMX as MVT for 30 June 2024.

The following table summarises the financial impact of a hypothetical 5% increase and decrease in Level 3 unobservable input.

<b>Level 3 unobservable inputs sensitivity analysis</b>	<b>June 2024</b>	<b>June 2023</b>
	\$	\$
<b>Changes in Profit/Equity</b>		
Increase in unobservable input by 5%	779,269	33,756
Decrease in unobservable input by 5%	(779,269)	(33,756)

The following table presents the Company's assets and liabilities measured and recognised at fair value at 30 June 2024.

**Financial assets and liabilities at fair value through profit or loss:**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	\$
<b>June 2024</b>				
Listed investments	112,608,317	-	-	112,608,317
Unlisted investments	-	8,997,147	15,585,383	24,582,530
	<u>112,608,317</u>	<u>8,997,147</u>	<u>15,585,383</u>	<u>137,190,847</u>

**Financial assets and liabilities at fair value through profit or loss:**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	\$
<b>June 2023</b>				
Listed investments	87,780,474	-	-	87,780,474
Unlisted investments	-	55,483,992	675,124	56,159,116
	<u>87,780,474</u>	<u>55,483,992</u>	<u>675,124</u>	<u>143,939,590</u>

**Sandon Capital Investments Limited**  
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**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**17. Financial risk management (continued)**  
**(a) Fair value hierarchy (continued)**

The following table presents the movement in level 3 instruments for the period ended 30 June 2024:

<b>Unlisted Investments</b>	<b>June 2024</b>	<b>June 2023</b>
	<b>\$</b>	<b>\$</b>
Opening Balance	675,124	944,211
Purchases	11,430,498	21,709
Sales	(568,725)	-
Unrealised gain/(loss)	4,191,057	(295,076)
Foreign exchange (loss)/gain	(142,572)	4,280
Closing Balance	<b>15,585,382</b>	<b>675,124</b>

**(b) Objectives, strategies, policies and processes**

This note presents information about the Company's exposure to each of the risks identified below and the Company's policies and processes for measuring and managing risks.

The Manager invests the Company's capital in accordance with the Company's investment objectives and terms and conditions as set out in the Investment Management Agreement.

**(c) Market risk**

Market risk is the risk of changes in market environment, such as changes in inflation expectations (drives a change in interest rates) or the return of an asset class (Australian/International equities measured by an appropriate index).

By its nature, as a listed investment company that invests in Australian and International securities, the Company will always be subject to market risk. The market risk is inherent and can be partially managed by the skill of the manager. Further, the Manager tends to invest in a concentrated portfolio of securities, this offers some diversification benefits but may not be as diverse as a broad market exposure.

The Company monitors its gross and net exposures to the market on a daily basis.

**(d) Other price risk**

The Company is exposed to share price risk through its investments in securities on the both domestic and international securities exchanges.

Price risk is the risk that the fair value of equities will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As the Company's investments are recorded at fair value, any fair value changes are recognised in the Statement of Profit and Loss and Other Comprehensive Income, any change in market conditions will likely directly affect net investment income.

The Manager mitigates this price risk through its disciplined stock selection and portfolio construction process and adherence to the Company's investment guidelines.

The Company's investments are monitored on a regular basis by the Manager.

**Sandon Capital Investments Limited**  
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**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**17. Financial risk management (continued)**

**(d) Other price risk (continued)**

The Company's exposure to price risk on classes of financial assets and liabilities is as follows:

	<b>June 2024</b>	<b>June 2023</b>
	\$	\$
<b>Financial assets and liabilities – at fair value through profit or loss</b>		
Listed investments	115,671,431	87,780,474
Unlisted investments	21,519,416	56,159,116
	<b>137,190,847</b>	<b>143,939,590</b>
<b>Price risk sensitivity analysis</b>		
Change in Profit before tax		
– Increase in portfolio prices by 5%	6,859,542	7,196,980
– Decrease in portfolio prices by 5%	(6,859,542)	(7,196,980)

Financial assets at fair value through profit or loss are actively managed on a short-term basis and are fair valued through the Statement of Profit and Loss. Any movement in the portfolio price will be recorded in the Statement of Profit and Loss.

• **Foreign exchange risk**

The majority of the Company's investments are listed on the Australian Securities Exchange and are quoted in Australian dollars.

The Company has one unlisted investment in New Zealand valued at \$6,767,155 and four investments on the London Stock Exchange valued at \$19,655,276 with a total direct translation exposure at 30 June 2024 of \$26,422,431.

The Company has the ability to hedge foreign exchange exposure. During the financial year the foreign exchange exposure was not hedged.

The following table summarises the financial impact of a hypothetical 5% increase and decrease in foreign exchange.

<b>Foreign exchange sensitivity analysis</b>	<b>June 2024</b>	<b>June 2023</b>
	\$	\$
<b>Changes in Profit/Equity</b>		
Increase in foreign exchange by 5%	1,321,122	16,506
Decrease in foreign exchange rates by 5%	(1,321,122)	(16,506)

• **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest-bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing level of market interest rates on its financial position and cash flows. The Company, however, is not materially exposed to interest rate risk as the majority of its cash and term deposits mature within three months. The following sensitivity analysis only comprises the Company's direct exposure to changes in interest rate risk.

<b>Interest rate sensitivity analysis</b>	<b>June 2024</b>	<b>June 2023</b>
	\$	\$
<b>Changes in Profit/Equity</b>		
Increase in interest rates by 1.5%	121,599	2,207
Decrease in interest rates by 1.5%	(121,599)	(2,207)



**Sandon Capital Investments Limited**  
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**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**17. Financial risk management (continued)**

**(d) Other price risk (continued)**

The Company's direct exposure to interest rate risk and the effective weighted interest rates on classes of financial assets and liabilities are as follows:

	Weighted average effective interest	Floating interest rate \$	Fixed rate interest \$	Non- interest bearing \$	Total \$
<b>2024</b>					
<b>Financial assets</b>					
Cash and cash equivalents	0.02%	8,106,628	-	-	8,106,628
Funding to subsidiary	-	-	-	200,000	200,000
<b>Total financial asset exposure</b>		<b>8,106,628</b>	<b>-</b>	<b>200,000</b>	<b>8,306,628</b>
<b>Financial liability</b>					
Funding from subsidiary	-	-	-	-	-
Unsecured notes	4.8%	-	27,606,926	-	27,606,926
<b>Total financial liability exposure</b>		<b>-</b>	<b>27,606,926</b>	<b>-</b>	<b>27,606,926</b>
<b>2023</b>					
<b>Financial assets</b>					
Cash and cash equivalents	0.02%	147,121	-	-	147,121
Funding to subsidiary	-	-	-	-	-
		<b>147,121</b>	<b>-</b>	<b>-</b>	<b>147,121</b>
<b>Financial liability</b>					
Funding from subsidiary	-	-	-	34,815,147	34,815,147
Unsecured notes	-	-	-	-	-
<b>Total financial liability exposure</b>		<b>-</b>	<b>-</b>	<b>34,815,147</b>	<b>34,815,147</b>

**(e) Counter party risk**

Counter party risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company takes on exposure to credit risk, which is the risk that a counterparty (Prime Broker, custodian, sub-custodian, and broker) will be unable to pay amounts in full when due. The maximum exposure to counterparty risk on financial assets is the carrying amount net of any expected credit loss of those assets as presented in the statement of financial position.

There are risks involved in dealing with custodians or Prime Brokers who settle trades. Under certain circumstances, including certain transactions where the Company's assets are held at a Prime Broker, custodian, or sub-custodian, the securities and assets deposited with the Prime Broker/custodian may be exposed to credit risk with regards to such parties. In addition, there may be practical, or timing problems associated with enforcing the Company's rights to its assets in the case of insolvency of any such party.

The Company maintains a PB Facility, including cash and securities lending, and custody facilities with its Prime Broker and custody facilities with One Investment Group. There is no guarantee that these or any sub-custodian that Barrenjoey or One Investment Group may use or any other Prime Broker or custodian that the Company may use from time to time, will not become insolvent. In the event of an insolvency or liquidation of a Prime Broker or custodian that is being used by the Company, there is no certainty that the Company would not incur losses due to its assets being unavailable for a period or ultimately less than full recovery of its assets, or both. As substantially all of the Company's assets may be held by a Prime Broker, custodian or sub-custodian and in some cases a major Australian bank, such losses could be significant and materially impair the ability of the Company to achieve its investment objective.

**Sandon Capital Investments Limited**  
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**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**17. Financial risk management (continued)**

**(e) Counter party risk (continued)**

The Manager is responsible for ensuring there is appropriate diversification across counterparties and that counterparties are of a sufficient quality rating. The costs of establishing and maintaining Prime Broking and custody arrangements are not insignificant. It is not feasible nor economic for the Company to maintain more than two such arrangements. Indeed, most listed investment companies would only have one such arrangement. The Manager is satisfied that the counterparties are sufficiently diverse to mitigate the general counterparty risk.

All transactions in listed securities are settled / paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on purchase once the securities have been received by the broker. The trade will fail if either party fails to meet their obligation. The majority of cash and term deposits held by the Company are invested with major Australian financial institutions.

Any cash held by Barrenjoey is not treated as client money. Barrenjoey is exempt from requirements under *Subdivision A (Money to which Subdivision applies) of Division 2 (Dealing with clients' money) of Part 7.8 of the Corporations Act 2001*. Cash credited to and held in, the Account will be subject to security interests and, any cash received or held in the Account, will constitute a debt due from the Prime Broker to the Client. The Prime Broker will not be required to place the Fund's money in a segregated client account, hold any cash on trust or in custody and the Company will therefore rank equally with Barrenjoey's other account holders in relation thereto.

None of the assets exposed to counterparty risk are overdue or considered to be impaired.

**(f) Concentrations of risk**

Concentrations of risk arise when a number of financial instruments are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic conditions. These similarities would cause the counterparties' liabilities to meet the contractual obligations to be similarly affected by certain changes in the risk variables.

As the Manager tends to invest in a concentrated portfolio of securities, this offers some diversification benefits but may not be as diverse as a broad market exposure.

The concentrations of risk are monitored by the Manager to ensure they are within acceptable limits by reducing the exposures to ensure appropriate diversification or by other means as deemed appropriate.

The Company's industry sector weighting of financial assets as at 30 June 2024 is as below:

<b>Industry sector</b>	<b>June 2024</b>	<b>June 2023</b>
	%	%
Financials	27.7	54.3
Information Technology	22.8	4.4
Industrials	22.6	28.9
Materials	10.0	5.4
Energy	6.7	1.7
Consumer Discretionary	4.4	1.7
Health Care	3.5	1.4
Consumer Staples	1.2	1.9
Real Estate	1.0	0.4
<b>Total</b>	<b>100</b>	<b>100</b>

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**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**17. Financial risk management (continued)**

**(g) Liquidity risk**

The Company monitors its cashflow requirements daily by reference to known transactions to be paid or received. The Company may hold a portion of its portfolio in cash and short-term fixed interest securities sufficient to ensure that it has cash available to meet all payments.

Liquidity risk represents the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

In normal market conditions, the Company has a high level of liquidity. The high liquidity is a function of the level of cash or cash equivalents held and that its other financial assets are listed on recognised security exchange and there is a quoted market for those assets.

The liquidity of the investment portfolio is monitored and managed by the investment manager. The manager takes into account the size of the investment position and the average daily turnover of the investee company on the exchange.

The Manager monitors the Company's cash-flow requirements regularly by reference to known sales and purchases of securities, dividends and interest to be paid or received and other expenses and liabilities. The Company typically holds a portion of its portfolio in cash sufficient to ensure that it has cash readily available to meet all payments and to take advantage of the price of investment opportunities. The Company can increase its level of sales of the readily tradeable securities it holds to increase cash, or it can use its lending facility with its Prime Broker.

**(g) Maturity of financial liabilities**

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. All the trade payables and financial liabilities at amortised cost are deemed current.

	<b>Less than 12 months</b>	<b>Greater than 12 months</b>	<b>Total</b>
<b>2024</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade and other payable	1,182,170	-	1,182,170
Financial liability at amortised cost	1,881,978	-	1,881,978
Current tax liability	121,882	-	121,882
Unsecured notes	-	27,606,926	27,606,926
<b>Total</b>	<b>3,186,030</b>	<b>27,606,926</b>	<b>30,792,956</b>
<b>2023</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade and other payable	2,102,782	-	2,102,782
Financial liability at amortised cost	37,362,443	-	37,362,443
Current tax liability	46,425	-	46,425
Unsecured notes	-	-	-
<b>Total</b>	<b>39,511,650</b>	<b>-</b>	<b>39,511,650</b>

**Sandon Capital Investments Limited**  
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**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**18. Directors' remuneration and holdings**

**(a) Names and positions held of key management personnel in office as at the end of the financial year are:**

**Key Management Person**

Gabriel Radzynski	Non-Executive Chairman
Peter Velez	Independent Non-Executive Director
Jacqueline Sullivan	Independent Non-Executive Director

	Short term benefits	Post- employment benefit superannuation	Total
	\$	\$	\$
<b>Year Ended 30 June 2024</b>	55,742	6,131	61,873
<b>Year Ended 30 June 2023</b>	54,794	5,753	60,547

**(b) Aggregate compensation made to Key Management Personnel**

The remuneration of the Directors is not linked to the performance of the Company. The Manager is a director-related entity which received a management fee of \$2,030,272 GST inclusive (2023: \$1,864,103) and accounting and administration fees totalling \$183,366 (2023: \$96,583). During the period, the Manager did not receive any performance fee (2023: \$nil).

**(c) Other transactions with key management personnel or entities related to them**

No Director has entered into a material contract with the Company since the last reporting date and there were no material contracts involving Directors' interests subsisting at the reporting date other than as disclosed in this section.

**(d) Loan transactions and balances**

As part of the capital raising by the Company in October 2021, the Manager agreed to pay for all costs associated with the Offer. The total cost was \$377,111. The Company entered into an interest free loan agreement with the Manager, and it was agreed by the Board that the Manager would pay the costs of the Offer over a 30-month term with equal monthly instalments. As at 30 June 2024, the loan was fully repaid (2023: \$138,051). Refer to Note 10.

**(e) Director shareholders**

	Balance 1 July 2023 No.	Net acquisition No.	Balance 30 June 2024 No.
<b>2024 Shares</b>			
Gabriel Radzynski	2,061,115	142,917	2,204,032 <sup>^</sup>
Peter Velez	123,352	10,093	133,445
Jacqueline Sullivan	-	-	-
	<b>2,184,467</b>	<b>153,010</b>	<b>2,337,477</b>

<sup>^</sup>includes indirect holdings

	Balance 1 July 2022 No.	Net acquisition No.	Balance 30 June 2023 No.
<b>2023 Shares</b>			
Gabriel Radzynski	1,908,865	152,250	2,061,115 <sup>^</sup>
Peter Velez	100,710	22,642	123,352
Jacqueline Sullivan	-	-	-
	<b>2,009,575</b>	<b>174,892</b>	<b>2,184,467</b>

<sup>^</sup>includes indirect holdings

**Sandon Capital Investments Limited**  
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**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**19. Related Party Transactions**

**(a) Investment management agreement**

The Company and the Manager entered into a management agreement dated 13 December 2013. A Director of the Company, Gabriel Radzynski, is also a Director of the Manager. The Manager is permitted to undertake investments that fall within the Company's investment strategy on behalf of the Company and without the approval of the Company's Directors. Investments that are outside the Company's investment strategy will require Board approval. In circumstances where Board approval is required, the Manager will provide the Board with details of the relevant investment opportunity. The Board will review the information and will either give or withhold the approval required for the Company to make that investment. Assuming that the Board approves the investment, the Manager will then execute the investment on behalf of the Company.

The initial term of the management agreement is 10 years and at the expiration of the initial term, the agreement was automatically extended for a further 5 years. Neither the Company, nor the Manager, may terminate the Management Agreement upon the occurrence of a change of control event in respect of either party.

**(b) Management and performance fees**

The Manager is entitled to be paid a monthly management fee equal to 0.1042% plus GST of the gross value of the portfolio calculated on the last business day of each month. The Management fee is 1.25% per annum plus GST.

The Manager is also entitled to receive a performance fee calculated as a percentage of the increase in the value of the portfolio for each performance period. The performance fee is equal to 20% plus GST of the amount (if any) of portfolio over-performance (amount by which the increase in the value of the portfolio exceeds the benchmark performance) during the performance calculation period, subject to a high-water mark adjusted for dividends.

	<b>June 2024</b>	<b>June 2023</b>
	\$	\$
Management fees (GST inclusive) *	2,030,272	1,864,103
Performance fees (GST inclusive) *	-	-
	<b>2,030,272</b>	<b>1,864,103</b>

\* The differences between the amount disclosed above and the Statement of Profit and Loss and Other Comprehensive Income are the reduced input tax credits claimable.

At 30 June 2024, \$165,586 inclusive of GST remains payable by the Company to the Manager (2023: \$163,291 inclusive of GST).

**(c) Accounting fee**

The Manager also receives a monthly fee in return for providing accounting and administration services to the Company.

The increase in accounting fees is because in prior years fees had been incurred by MVT and reported in MVT's financial statements.

	<b>June 2024</b>	<b>June 2023</b>
	\$	\$
Accounting fees to the Manager (GST inclusive) *	183,366	96,583
	<b>183,366</b>	<b>95,583</b>

\* The differences between the amount disclosed above and the Statement of Profit and Loss and Other Comprehensive Income are the reduced input tax credits claimable.

**(d) Intercompany payables and related party receivable.**

Intercompany balances outstanding at the end of the financial year have been disclosed in Note 15. Amount Receivable from the Manager at the end of the financial year has been disclosed in Note 10.

**Sandon Capital Investments Limited**  
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**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**20. Cash flow information**

**Reconciliation of Cash Flow from operating activities with profit after income tax**

	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>\$</b>	<b>\$</b>
Profit from operations after income tax	14,358,771	1,896,515
Net movement in financial assets held for trading	6,748,745	(2,589,094)
<b>Changes in assets and liabilities:</b>		
(Increase)/ decrease in receivables	(280,916)	115,629
Decrease in prepayments	(9,855)	(6,111)
Decrease in deferred tax assets	1,040,507	599,202
Decrease in payables	(6,488,773)	(132,832)
Increase/ (decrease) in deferred tax liabilities	385,813	(32,480)
<b>Net cash used in operating activities</b>	<b>15,754,292</b>	<b>(149,171)</b>

**21. Non-cash investing and financing activities**

	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>\$</b>	<b>\$</b>
Transfer of MVT Novated notes	27,180,429	-
<b>Total non-cash investing and financing activities</b>	<b>27,180,429</b>	<b>-</b>

**22. Investment transactions**

The total number of contract notes that were issued for transactions in securities during the financial year was 155. Each contract note could involve multiple transactions. The total brokerage paid on these contract notes was \$95,626 (2023: \$101,292).

**23. Events occurring after the reporting period**

On 19 August 2024, the Directors announced their intention to pay a final fully franked ordinary dividend of 2.75 cents per share. The DRP will apply to this dividend with no discounts.

**Carbon Conscious Investments Ltd**

On 8 July 2024, the CCIL offer closed. The Company announced on the ASX SNC's voting power in CCIL was 91.48% Refer to Director's Report for further details.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

**24. Contingencies and commitments**

There are no contingent assets or liabilities as at 30 June 2024 (2023: Nil). As at 30 June 2024, the Company had Nil commitments (2023: Nil).

**25. Segment information**

The Company currently engages in investing activities, including cash, term deposits, unlisted and listed securities, and debt instruments. It has one segment being investing activities and one geographic location in which the Company operates in Australia.

**26. Major customers**

The Company has no reliance on any major investment for its dividend.

**Sandon Capital Investments Limited**  
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**Consolidated Entity Disclosure Statement**  
**As at 30 June 2024**

Sandon Capital Investments Limited is not required to prepare consolidated financial statements by Australian Accounting Standards. Accordingly, in accordance with subsection 295(3A) of *Corporations Act 2001*, no further information is required to be disclosure in this consolidated entity disclosure statement.

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**Sandon Capital Investments Limited**  
**ABN 31 107 772 467**

**Directors' Declaration**  
**For the year ended 30 June 2024**

In accordance with a resolution of the Directors of Sandon Capital Investments Limited, the Directors of the Company declare that:

- a) the financial statements and notes comply with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards which is stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
  - (ii) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
- b) in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- c) The Directors have been given the declarations from the Chief Executive Officer and the Chief Financial Officer of the Manager, Sandon Capital Pty Ltd, required by section 295A of the *Corporations Act 2001*
- d) the information disclosed in the attached consolidated entity disclosure statement required by subsection 295(3A) of the *Corporations Act 2001* is true and correct.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Directors,



Gabriel Radzynski  
Chairman

Sydney  
19 August 2024



## **Independent auditor's report**

### **To the Members of Sandon Capital Investments Limited**

**ABN 31 107 772 467**

### **Report on the audit of the financial report**

#### **Opinion**

We have audited the financial report of Sandon Capital Investments Limited ("the Company"), which comprises the statement of financial position as at 30 June 2024, the statement of profit and loss and other comprehensive income, the statement of financial position, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the Directors' declaration.

In our opinion, the accompanying financial report of Sandon Capital Investments Limited is in accordance with the Corporations Act 2001, including:

- a. Giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- 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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Company, would be on the same terms if given to the Directors as at the time of this auditor's report.

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

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<i>Key audit matter</i>	<i>How our audit addressed the matter</i>
<b>Existence and Valuation of Financial Assets</b> <b>Refer to Note 14: Financial assets at fair value through profit of loss</b>	
<p>We focused our audit effort on the existence and valuation of the Company's financial assets as they represent the most significant driver of the Company's Net Tangible Assets and Profit.</p> <p>Investments consists of both listed and unlisted Australian and international securities. Investments are valued by multiplying the quantity held by the respective quoted market price, cost, or estimated net asset value per security for unlisted investments.</p> <p>Consequently, these investments are classified under Australian Accounting Standards as either "Level 1" (i.e. where the valuation is based on quoted prices in active markets) or "Level 2" (i.e. where key inputs to valuation are based on other observable inputs) or "Level 3" (i.e. where key inputs to valuations are based on unobservable inputs).</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>▪ Obtaining an understanding of and evaluating the design and implementation of the investment management processes and controls;</li> <li>▪ Reviewing and evaluating the independent auditors' reports on the design and operating effectiveness of internal controls (ASAE 3402 Assurance Reports on Controls at a Service Organisation) for the Custodians;</li> <li>▪ Making enquiries as to whether there have been any changes to these controls or their effectiveness from the periods to which the auditors' reports relate to and obtaining bridging letters;</li> <li>▪ Obtaining confirmation of the investment holdings directly from the Custodians or alternatively directly with the investee;</li> <li>▪ Assessing and recalculating the Company's valuation of individual investment holdings using independent observable pricing sources and inputs where available;</li> <li>▪ For material investments where there were limited or no observable inputs, obtaining management's assessment over the valuation process and other relevant information supporting the carrying value;</li> <li>▪ Evaluating the accounting treatment of revaluations of financial assets for current/deferred tax and unrealised gains or losses; and</li> <li>▪ Assessing the adequacy of disclosures in the financial statements.</li> </ul>

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**Key audit matters (continued)**

<i>Key audit matter</i>	<i>How our audit addressed the matter</i>
<p><b>Accuracy of Management and Performance Fees</b>  <b>Refer to Note 13: Trade and other payables and Note 19: Related party transactions</b></p>	
<p>We focused our audit effort on the accuracy of management and performance fees as they are significant expenses of the Company, and their calculation requires adjustments and key inputs. Adjustments include company dividends, tax payments, capital raisings, capital reductions and other relevant expenses. Key inputs include the value of the portfolio, the performance of the relevant comparable benchmark and application of the correct fee percentage in accordance with the Investment Management Agreement between the Company and the Investment Manager.</p> <p>In addition, to their quantum, as these transactions are made with related parties, there are additional inherent risks associated with these transactions, including the potential for these transactions to be made on terms and conditions more favourable than if they had been with an independent third-party.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>▪ Obtaining an understanding of and evaluating the design and implementation of the processes and controls for calculating the management and performance fees;</li> <li>▪ Making enquiries with the Investment Manager and those charged with governance with respect to any significant events during the period and associated adjustments made as a result, in addition to reviewing ASX announcements and Board meeting minutes;</li> <li>▪ Testing of adjustments such as company dividends, tax payments, capital raisings, capital reductions as well as any other relevant expenses used in the calculation of management and performance fees;</li> <li>▪ Testing of key inputs including the value of the portfolio, the performance of the relevant comparable benchmark and application of the correct fee percentage in accordance with our understanding of the Investment Management Agreement; and</li> <li>▪ Assessing the adequacy of disclosures made in the financial statements.</li> </ul>

**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

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

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

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

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## Responsibilities of the directors for the financial report

The Directors of the Company are responsible for the preparation of:

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

for such internal controls as the Directors determine is necessary to enable the preparation of:

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

In preparing the financial report, the Directors are responsible for assessing Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Company to cease to continue as a going concern.

**Auditor's responsibilities for the audit of the financial report (continued)**

- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

**Report on the remuneration report***Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 13 to 15 of the Directors' Report for the year ended 30 June 2024. In our opinion, the Remuneration Report of Sandon Capital Investments Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

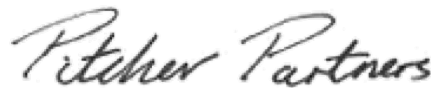
**Responsibilities**

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

**Richard King**

Partner

19 August 2024

**Pitcher Partners**

Sydney

**Sandon Capital Investments Limited**  
**ABN 31 107 772 467**

**Tax Governance**  
**For the year ended 30 June 2024**

The Company considers that tax risk management is a fundamental part of its tax governance in order to maintain its efficient and effective operations and to ensure that the Company complies with all relevant tax obligations and pays the correct amount of tax.

Specifically, the Company:

- Seeks to maintain the highest reputation and, therefore, obtain the highest level of trust with tax and revenue authorities, regulators, customers, suppliers, members and employees.
  - Is committed to complying with all tax laws, rules and regulations.
  - Is committed to maintaining strong compliance procedures so as to ensure that all tax returns are made accurately and that all payments are made in a timely manner.
  - Will endeavour to ensure that the tax laws, rules and regulations are applied appropriately.
  - Will endeavour to ensure that all transactions have a commercial rationale in line with the Company's overall business strategy.
  - Will not enter into artificial arrangements to evade or avoid tax.
  - Will not enter into a transaction which is likely to fall foul of the general and specific anti-avoidance rules.
  - Will not engage in aggressive tax planning.
  - Will take a principled and responsible approach to managing its tax affairs in line with its business and commercial objectives.
  - Will ensure that the law and administrative practice is applied correctly and consistently and that all of its positions are, at least, reasonably arguable and more likely than not to be settled in the Company's favour and to thereby prevent unnecessary disputes with tax authorities.
  - Will deal with all tax and revenue authorities on a transparent and proactive basis, with a view to maintaining constructive, collaborative and professional relationships.

In order to ensure that the above intentions manifest in practice, the Company:

- Has a documented Tax Governance Framework which is designed to comply with Australian Tax Office ("**ATO**") best practice recommendations.
- Allocates tax risk management roles and responsibilities to the board, each relevant employee (and employee groups) and service providers and specifies the method for identifying and managing tax risk and the escalation process.
- Defines authority levels which are required to be adhered to by the Company based on the amount of tax at risk.
- Employs diligent professional care and judgement in assessing tax risk and takes advice from its external tax specialists where appropriate.
- Escalates tax risks to the appropriate members of senior management and/or the board of directors for consideration, review and management.

**Sandon Capital Investments Limited**  
**ABN 31 107 772 467**

**ASX Additional Information**  
**For the year ended 30 June 2024**

**ASX Additional Information**

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report.

**Substantial ordinary shareholders shareholding as at 8 August 2024**

The following have advised that they are a substantial shareholder of the Company. The holding of a relevant interest does not infer beneficial ownership. Where two or more parties have a relevant interest in the same shares, those shares have been included for each party.

<b>Substantial ordinary shareholders</b>	<b>No. of shares</b>	<b>% of total</b>
1. Siblow Pty Limited	34,972,595	24.12
2. Geoff Wilson	11,334,507	7.95
1. Notice received on 12 April 2022		
2. Notice received on 19 December 2019		

**Distribution of shareholders (as at 8 August 2024)**

<b>Category</b>	<b>No. of shareholders</b>
1-1,000	517
1,001- 5,000	654
5,001-,10,000	298
10,001-100,000	1,051
100,001 and over	186
	<hr/> <b>2,706</b> <hr/>

The number of shareholdings held in less than marketable parcels is 379

**The names of the twenty largest shareholders - Ordinary shares (as at 8 August 2024) are listed below:**

	<b>Number of ordinary shares held</b>	<b>Percentage of issued capital held</b>
Siblow Pty Limited	31,163,118	21.85
National Nominees Limited	7,733,755	5.42
McNeil Nominees Pty Limited	3,809,477	2.67
EVJ Holdings Pty Ltd	3,537,799	2.48
Gold Tiger Equities Pty Ltd	3,250,000	2.28
Heathers Super Pty Ltd	2,268,621	1.59
Treasure Island Hire Boat Company Pty Ltd	2,090,752	1.47
GW Holdings Pty Limited	1,940,850	1.36
Boutique Investment Management Pty Ltd	1,510,000	1.06
Donwood Pty Ltd	1,200,000	0.84
Great D Pty Ltd	1,000,000	0.70
Dynasty Peak Pty Ltd	1,000,000	0.70
BNP Paribas Nominees Pty Ltd	792,955	0.56
Jarhamche Pty Ltd	750,294	0.53
Selwyn John Cushing & Bevan David Cushing	750,000	0.53
I&R Simpson Super Pty Ltd	726,563	0.51
Kirkfare Pty Ltd	709,117	0.50
Skramable Pty Ltd	706,792	0.50
J P Morgan Nominees Australia Pty Limited	688,036	0.48
Glen Brae Capital Pty Ltd	687,108	0.48
RFTC No.2 Pty Ltd	678,216	0.48
	<hr/> <b>66,993,453</b> <hr/>	<hr/> <b>46.97</b> <hr/>

**Sandon Capital Investments Limited**  
**ABN 31 107 772 467**

**ASX Additional Information**  
**For the year ended 30 June 2024**

**Voting Rights**

Shareholders are entitled to one vote for each share held. On a show of hands every shareholder present in person or by proxy shall have one vote and upon a poll, every shareholder so present shall have one vote for every share held.

**Stock Exchange Listing**

Quotation has been granted for all of the ordinary shares and unsecured notes (ASX code: SNC and SNCHA) of the Company on all Member Exchanges of the ASX Limited.

**Corporate Governance Statement**

The Board of Directors of the Company is responsible for corporate governance. The Board has chosen to prepare the Corporate Governance Statement ("CGS") in accordance with the fourth edition of the ASX Corporate Governance Council's Principles and Recommendations under which the CGS may be made available on a Company's website.

Accordingly, a copy of the Company's CGS is available on the Company's website at [www.sandoncapital.com.au](http://www.sandoncapital.com.au) under the Listed Investment Company/Corporate Governance section.