ASX
Appendix 4E
for the year ended 31 July 2023

Lodged with the ASX under Listing Rule 4.3A

Appendix 4E
Full Year Report

ASX Listing Rule 4.3A

Results for announcement to the market

		Current period July 2023 $'000	Prior period July 2022 $'000	Change $'000
Revenue from continuing operations[1]	down 77% to	629,464	2,784,562	(2,155,098)
Revenue from discontinued operations[1]	down 100% to	–	310,950	(310,950)
Profit/(loss) After Tax attributable to members[1]	up 5,438% to	690,720	(12,941)	703,661
Regular Profit After Tax attributable to members[2]	down 9% to	759,292	834,586	(75,294)

Dividends

	Cents per share cents	Franking %
This period		
Final Dividend	51.0	100
Interim Dividend	36.0	100
Previous corresponding period		
Final Dividend	43.0	100
Special Dividend	15.0	100
Interim Dividend	29.0	100

Record date for determining entitlement to final dividend:	20 November 2023
Date the Final dividend is payable:	12 December 2023

No dividend reinvestment plan was in operation during the reporting period.

1 *Refer to 'Commentary on Results' on following page.*

2 *Regular Profit After Tax is a non-statutory profit measure and represents profit before Non-Regular items. A reconciliation to statutory Net Profit After Tax is included in the Directors' Report & Operating Review section on pages 30 to 31 of the accompanying 2023 Annual Report.*

Net tangible assets per security

	Current period July 2023 $	Prior period July 2022 $
Net Tangible Asset backing per ordinary security (based on the Consolidated Statement of Financial Position)	**26.17**	25.83
Net asset value (pre-tax) per ordinary security (based on the NAV statement included in the Chairman's Review)	**30.01**	27.57

Reporting Period

The reporting period for this report is the year ended 31 July 2023. The previous corresponding period is the year ended 31 July 2022.

Commentary on Results

A detailed explanation of the year's operating results is contained in the Review of Operations section in the Directors' Report of the accompanying 2023 Annual Report. This Appendix 4E should be read in conjunction with the Annual Report and any public announcements made by the Company in accordance with the continuous disclosure requirements under the *Corporations Act 2001* and ASX Listing Rules.

Following is a brief explanation of revenue from continuing operations and profit/(loss) after tax attributable to members. When reviewing the results of the current reporting period, it is important to note the change in accounting for the investment in New Hope Corporation Limited (New Hope) by the WHSP Group from 29 July 2022.

As disclosed in Note 1 of the Financial Report in the accompanying 2023 Annual Report, WHSP determined that from 29 July 2022 it maintains significant influence over, but no longer controls, New Hope. From that date, New Hope has been recognised as an equity-accounted associate. In the Consolidated Statement of Comprehensive Income, the underlying revenue and expenses of New Hope are presented within the relevant revenue and expense category for the previous corresponding period. In the current period such amounts are combined into a single line, 'Share of results of equity accounted associates'. Although this results in a significant change in classification, there was no change in WHSP's ownership of New Hope at the deconsolidation date. Had the previous corresponding period presented New Hope as an equity-accounted associate, there would be no change in the profits attributable to members of WHSP.

This is demonstrated in the following table which presents the previous corresponding period adjusted as if New Hope were equity accounted:

	Change on adjusted prior period %	Current period July 2023 $'000	Prior period July 2022 Adjusted $'000	Prior period July 2022 Reported $'000
Revenue from continuing operations	up 107% to	**629,464**	303,797	2,784,562
Revenue from discontinued operations	down 100%	–	310,950	310,950
Profit/(loss) After Tax attributable to members	up 5,438% to	**690,720**	(12,941)	(12,941)
Regular Profit After Tax attributable to members	down 9% to	**759,292**	834,586	834,586

Revenue from continuing operations (revenue from ordinary activities)

Revenue from continuing operations of $629.5 million was down 77% on the previous corresponding period. However, revenue for the previous corresponding period included $2.5 billion from New Hope, which was deconsolidated from 29 July 2022 as described above.

Excluding the impact of deconsolidating New Hope, the increase in Revenue from continuing operations over the previous corresponding period was $325.7 million. Key variances were:

• Increased Revenue from contracts with customers arising from a full year contribution from Ampcontrol and revenue growth in Aquatic Achievers and WHSP Agriculture	+$274.1 million
• Lower Dividend and distribution income	–$19.0 million
• Higher Interest income from term deposits and growth in the Structure Yield Portfolio	+$68.1 million
• Sundry income	+$2.5 million
Total increase in Revenue from continuing operations (excluding New Hope)	**+$325.7 million**

Revenue from discontinued operations

Revenue from discontinued operations in the previous corresponding period related to Round Oak Minerals Pty Limited which was sold on 1 July 2022. Refer to Note 3 of the Financial Report in the accompanying 2023 Annual Report.

Profit/(loss) after tax attributable to members

The Statutory Consolidated Net Profit After Tax attributable to members for the reporting period ended 31 July 2023 was $690.7 million compared to a net loss of ($12.9) million in the previous corresponding period, an increase of $703.6 million.

The primary reasons for the increase in Statutory Consolidated Net Profit After Tax were:

• Lower current reporting period Non-Regular (Losses) After Tax of ($68.6) million, compared to losses of ($847.5) million in the previous corresponding period, that included a one off, non-cash goodwill impairment charge of $984.6 million from the Milton merger in October 2021 and a net gain of $173.5 million from the deconsolidation of New Hope. Further commentary on Non-Regular items is included in the Review of Operations section in the Directors' Report that forms a part of the accompanying 2023 Annual Report.	+$778.9 million
Partly offset by:	
• a reduction in current reporting period Regular Net Profit After Tax of $75.3 million, principally arising from a lower contribution from the Strategic and Private Equity Portfolios. Further explanations of this variance are provided within the Review of Operations section in the Directors' Report that forms a part of the accompanying 2023 Annual Report.	–$75.3 million
Total increase in Statutory Consolidated Net Profit After Tax attributable to members	**+$703.6 million**

Entities over which control has been gained or lost during the period

During the year the Group deregistered, established or acquired numerous entities. Refer to Note 2 and Note 35 of the Financial Report in the accompanying 2023 Annual Report for details of these changes to the Group's corporate structure.

Audit

The accompanying Consolidated Financial Report has been audited.

CELEBRATING 120 YEARS

2023 Annual Report

Washington H. Soul Pattinson and Company Limited
ABN 49 000 002 728 | ASX Code: **SOL**

Celebrating 120 years as a listed company

CELEBRATING 120 YEARS

In **1903**, Washington H. Soul Pattinson and Company Limited (WHSP) was incorporated having previously traded as two separate companies, Pattinson and Co. and Washington H. Soul and Co.

Following a public offering of shares on 21 January 1903, the Company was listed under the ticker SOL on the Sydney Stock Exchange (now the Australian Securities Exchange) with 21 pharmacy stores operating under the Soul Pattinson banner.

In **2023**, we celebrate 120 years as an Australian listed public company and our successful evolution from humble retail beginnings to a diversified investment house ranked in the ASX top 50 companies by market capitalisation. Our current portfolio encompasses more than 200 individual investments in private, public, and real assets, across a wide range of industries.

Our commitment to long-term investing continues to generate enduring success for our shareholders, with an unbroken track record of dividend payments. Our values-based culture has been developed over many years, with the fourth generation of the founding Pattinson family represented in our Chairman, Mr Robert Millner. Today WHSP directly employs a workforce of 51 people with an office based in Sydney, Australia.

Important Dates

Final Dividend

Record date	20 November 2023
Payment date	12 December 2023

Annual General Meeting

AGM date	8 December 2023
Registration commences	11.00am
AGM commences	12.00pm

For more information visit our website
www.whsp.com.au

Contents

Reporting Period:

The reporting period is the 12 months ended 31 July 2023 (FY23). The previous reporting period is the 12 months ended 31 July 2022 (FY22).

Terminology:

"**WHSP**" or "**The Company**" refers to the Parent Entity, Washington H. Soul Pattinson & Company Limited.

"**WHSP Group**" or "**The Group**" refers to the Group that is Washington H. Soul Pattinson & Company Limited and its controlled subsidiaries.

Performance Overview

Profit

Group Statutory NPAT

$690.7m

▲ $703.6m

Group Regular NPAT

$759.3m

▼ 9.0%

Key Performance Indicators

Net Asset Value (pre-tax)

$10.8b

▲ 8.8%

Net Cash Flow From Investments

$424.3m

▲ 22.0%

Total Ordinary Dividends fully franked

87c

▲ 20.8%

Compound Dividend Growth

9.6%

23 year compound annual growth

Performance

	FY23	FY22	Change
NAV per share (pre-tax)	**$30.01**	$27.57	8.9%
NAV per share (post-tax)	**$27.08**	$25.14	7.7%
Net Cash Flow From Investments per share	**117.6 cps**	96.4 cps	22.0%
Statutory Earnings per share	**215.8 cps**	–4.3 cps	>100%
Regular Earnings per share	**237.2 cps**	279.8 cps	–15.2%

Glossary of Performance Measures

The key measures used to analyse and discuss our results are defined here to guide the reader through the Performance Overview, Chairman and CEO & Managing Director's Review, and Portfolio Review. Other than Group Statutory NPAT, the measures below are unaudited. A full glossary of terms is also located at the end of this report.

Group Statutory Net Profit After Tax (NPAT)	Refers to the audited IFRS measure, consolidated Net Profit After Tax attributable to the shareholders of WHSP.
Group Regular NPAT	A non-statutory profit measure which represents the consolidated Net Profit After Tax attributable members of WHSP, before Non-Regular items.
Internal Rate of Return (IRR)	The annual rate of growth calculated as the discount rate where the present value of all cash flows during the period equals zero, including the opening and closing NAV (including unrealised valuation gains) as the first and last cash flow.
Net Asset Value (NAV) (pre-tax)	The value of all WHSP's assets less all liabilities, excluding any capital gains tax payable upon the sale of its assets. Assets may be valued at Cost, Directors' Fair Value, External Fair Value, or Market Value.
Net Asset Value (NAV) (post-tax)	The Net Asset Value (pre-tax) less the estimated capital gains tax liability that would arise if WHSP disposed of all of its assets at the pre-tax values adopted.
Net Cash Flow From Investments	Represents the cash flows generated by WHSP from its investment portfolio, after deducting corporate costs, income tax, and Non-Regular cash flows. Includes dividends and distributions from investments, interest income, and realised gains on assets held for trading. The Directors determine interim and final dividends based on WHSP's Net Cash Flow From Investments.
Total Shareholder Return (TSR) or **Total Return**	A performance measure that combines capital appreciation (e.g. market price changes or revaluation) with reinvestment of all income distributed by the investment over the period, excluding the benefit of any franking credits distributed. It is expressed as a percentage by referencing the value of the investment at the beginning of the period.

Operational Highlights

FY23 saw high levels of transaction activity and a rebalancing of the Group Portfolio toward alternative investments.

$3.1b

Transaction turnover

combined value of purchases and sales across the portfolio

$1.4b

Sold

across Large Caps and Emerging Portfolios

$0.9b

Additional investment

deployed into Private Equity and Structured Yield

$0.9b

Cash and term deposits

available for deployment in investment opportunities

23

Professionals recruited*

strengthening our competitive edge and WHSP's investment proposition

** between 1 July 2022 – 31 August 2023*

With an unconstrained mandate, we have the ability to pursue the most attractive returns across a diversified and uncorrelated range of assets. We do not seek to replicate any index, and can respond to opportunities as they arise, supported by a strong balance sheet and trusted reputation as stewards of our shareholders' capital.

Chairman and CEO & Managing Director's Review

Dear Shareholders,

On behalf of the Board of Directors, we present the 2023 Washington H. Soul Pattinson and Company Limited Annual Report.

A unique investment in the Australian market, WHSP offers shareholders exposure to a portfolio of diversified range of asset classes, industries, and investment strategies that is expected to perform throughout market cycles.

Our philosophy is grounded in over 100 years of experience as disciplined investors. With an unconstrained mandate, we have the ability to pursue the most attractive returns across a diversified and uncorrelated range of assets. We do not seek to replicate any index, and can respond to opportunities as they arise, supported by a strong balance sheet and trusted reputation as stewards of our shareholders' capital.

Our team of professionals operate with three clear objectives:

1. Increase the net asset value of the portfolio;
2. Increase cash generation from investments; and
3. Prudently manage investment risk

We have again met these investment objectives in FY23.

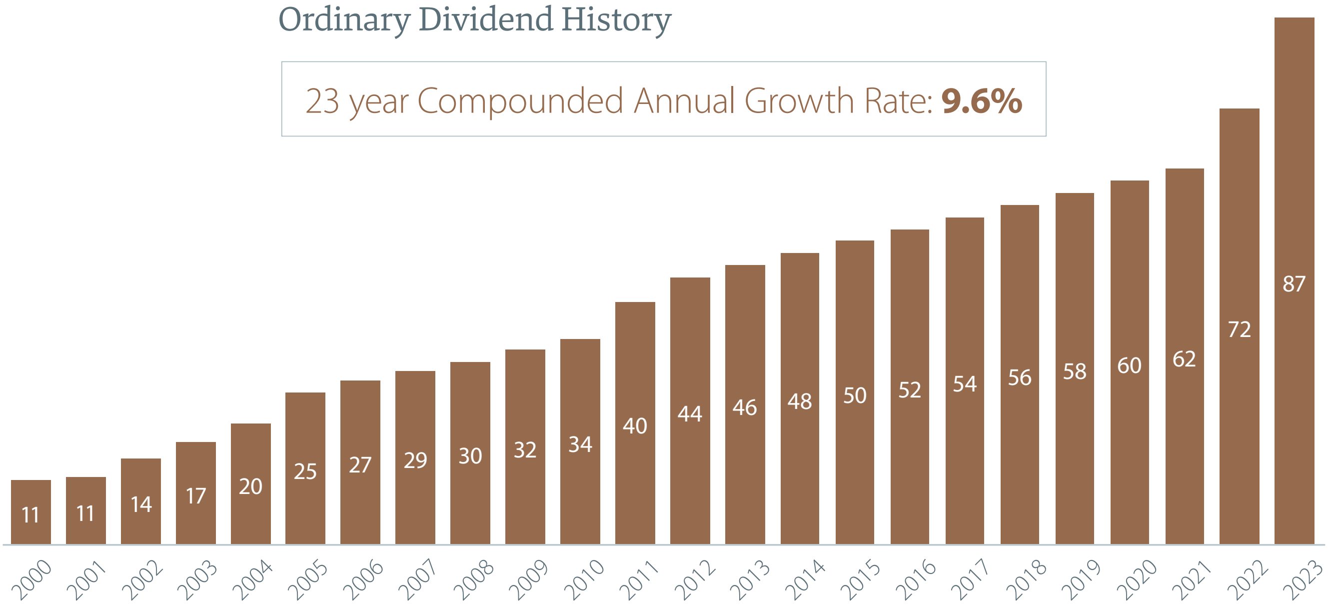
Our investment team was active during the year with $3.1 billion of buying and selling executed across the portfolio. In line with our investment strategy, we positioned ourselves defensively where possible and focused on generating cash and positive risk-adjusted returns. To do this we reduced the size of our Large Caps and Property Portfolios and made additional investments in the Structured Yield and Private Equity Portfolios, increasing these portfolios by $547 million and $351 million respectively. We enter FY24 with a strong balance sheet and more than $900 million in cash to deploy in attractive opportunities. Further detail is covered in our Portfolio Review.

Financial Performance

As at 31 July 2023, WHSP Group's Net Asset Value (pre-tax) was $10,834.4 million, an increase of 8.8% on the prior reporting period. Adjusted for dividends, this represents a return of 12.3%, outperforming the All-Ordinaries Accumulation Index by 1.2%.

Total Net Cash Flow From Investments was $424.3 million, an increase of 22.0% on the prior reporting period, driven by the performance of our Strategic and Structured Yield Portfolios. This performance underpinned the Board's decision to pay a fully franked final ordinary dividend of 51 cents per share, taking total ordinary dividends (fully franked) to 87 cents per share for FY23. We are proud to continue our exceptional track record as the only company in the All-Ordinaries Index to pay increasing ordinary dividends every year since 2000, at a compound annual growth rate of 9.6%.

Ordinary Dividend History



The record date for the final dividend will be 20 November 2023, with payment due on 12 December 2023. The last day to purchase shares and be eligible to receive the final dividend is 16 November 2023.

Total Shareholder Return

WHSP's strategic advantage is its ability to make long-term investment decisions and adjust the portfolio mix to suit the macro environment. This is illustrated by the long term Total Shareholder Returns and the outperformance we have generated over multiple decades when compared with the performance of the All-Ordinaries Accumulation Index, as shown below. Total returns include the reinvestment of dividends.

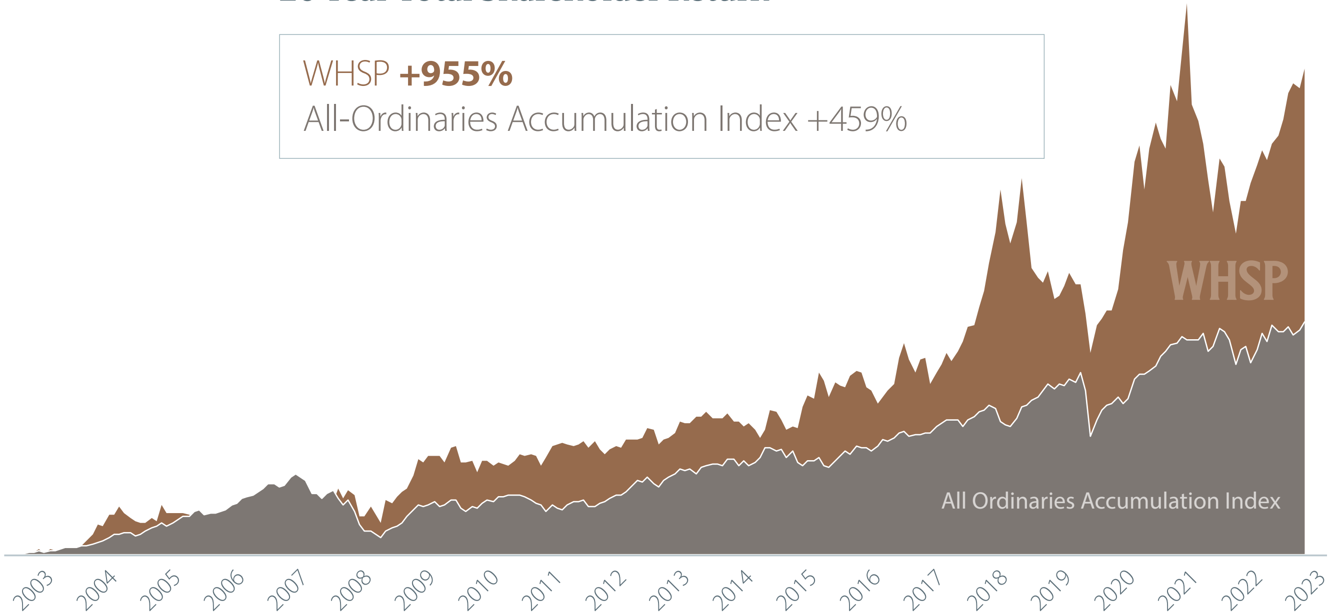
Annualised TSRs	FY23	5 Years	10 Years	15 Years	20 Years
WHSP TSR	**32.4%**	**11.3%**	**12.4%**	**11.3%**	**12.5%**
All Ordinaries Accumulation Index	11.1%	7.7%	8.5%	7.1%	9.0%
Outperformance	**21.3%**	**3.6%**	**3.9%**	**4.2%**	**3.5%**

The 3.5% p.a. outperformance over 20 years results in a cumulative performance that more than doubles the compound growth of the Index.

Over the past 40 years, WHSP has a compound annual growth rate of 15.2% which means that a $1,000 investment made on 1 August 1983 has grown to $291,087.

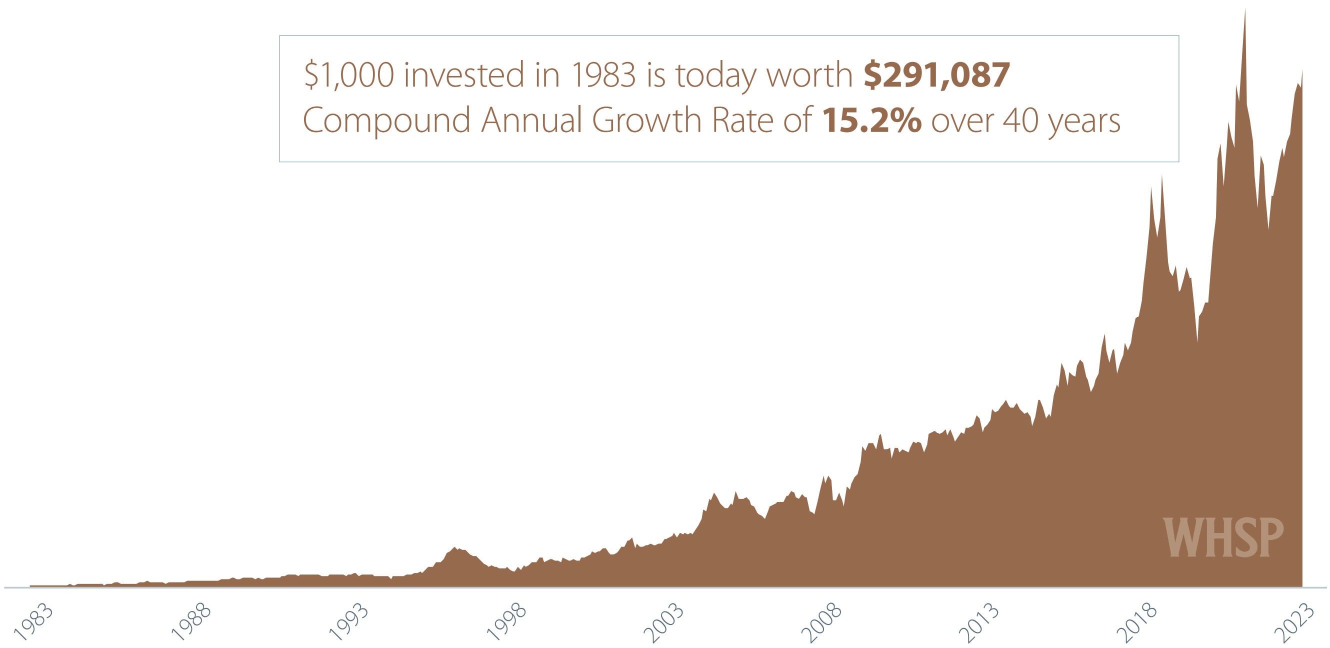
20 Year Total Shareholder Return

WHSP **+955%**
All-Ordinaries Accumulation Index +459%



40 Year Total Shareholder Return

$1,000 invested in 1983 is today worth **$291,087**
Compound Annual Growth Rate of **15.2%** over 40 years



Continuing our Legacy

Success comes from truly understanding what we are investing in – our people. Our culture and our values have been built by many generations of loyal employees. This year, we have grown our team significantly to recruit new and diverse skillsets that can sustain our competitive strength. Importantly, our focus has been on attracting and retaining people whose values and capabilities are strongly aligned with those of WHSP.

Consistent with our commitment to Board evolution, we welcomed David Baxby to the Board in February 2023 as independent Non-Executive Director, bringing deep investment expertise. The Board would like to acknowledge the valuable contribution of Warwick Negus who retired from the Board in December 2022 after serving 8 years as an independent Non-Executive Director of WHSP.

Recognising the pace of growth across the business, Jaki Virtue joined the senior leadership team as Chief Operating Officer in August 2023, bringing over 20 years of executive experience in transformation, people, and governance. Her appointment demonstrates our ongoing commitment to strengthen the rigour around managing investment risk and assessing new opportunities.

2023 was also a year of reflection, marking our 120th year as a public listed company in Australia. The first shares were offered for £1 at the Sydney Stock Exchange (now the Australian Securities Exchange) on 21 January 1903. Our ability to adapt to changing times and economic conditions, always supported by able, loyal and long-serving staff – including five generations of the Pattinson family – was celebrated at the ASX. It is a privileged position we hold as trusted stewards of shareholder capital, some of whom joined us to ring in the milestone alongside our employees and directors, past and present.

Our commitment to long-term investing extends to the communities in which we operate. We are proud to support the Royal Flying Doctor Service (RFDS), a partnership maintained since 1940 when our founder, Lewy Pattinson, donated the first aircraft. Named the LM Pattinson, a De Havilland Dragonfly aircraft is visible on the $20 Australian banknote alongside Reverend John Flynn who pioneered the world's first aerial medical service that is today known as RFDS. The banknote depicts the LM Pattinson leaving a remote Broken Hill homestead in 1948 and a pedal-powered transceiver used by the service to improve communication in remote areas. Since 2020, WHSP has donated 9 x Flightcell DZMx Satellite tracking systems which are installed across the RFDS's current fleet, improving service and safety in emergency situations at any altitude.

Long-term Commitment

Our belief in long-term investing and diversification has helped our business weather various market cycles, including the more recent economic and geopolitical volatility experienced throughout the COVID-19 pandemic.

Our formula is to invest in like-minded, profitable businesses with defendable cash flows. We invest in public, private, and real assets, and we always have cash ready to take advantage of opportunities – particularly in periods of market volatility.

Our business model enables us to be patient in growing our existing investments, and nimble when opportunities emerge. This supports our objective to deliver both capital and income growth for shareholders over the long-term.

On behalf of all the Board and the WHSP team, we would like to thank all our shareholders for your ongoing support. We extend our thanks to all of our hardworking staff who are directly and indirectly employed by WHSP.

Robert Millner AO
Chairman
28 September 2023

Todd Barlow
CEO & Managing Director
28 September 2023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CELEBRATING
120
WHSP
YEARS

Portfolio Review

Overview

WHSP strives to build a portfolio of diverse businesses with defensive qualities and strong cash generation in segments with economic or structural tailwinds. The combined portfolio is divided by asset class to reflect the key drivers of portfolio strategy and returns.

Key investment themes over the year can be seen in the changing portfolio mix, in particular the reduction in our Large Caps Portfolio and increasing investments in the Structured Yield and Private Equity Portfolios, together with a significant net cash build up reflected in Net Working Capital.

Portfolio Net Asset Value

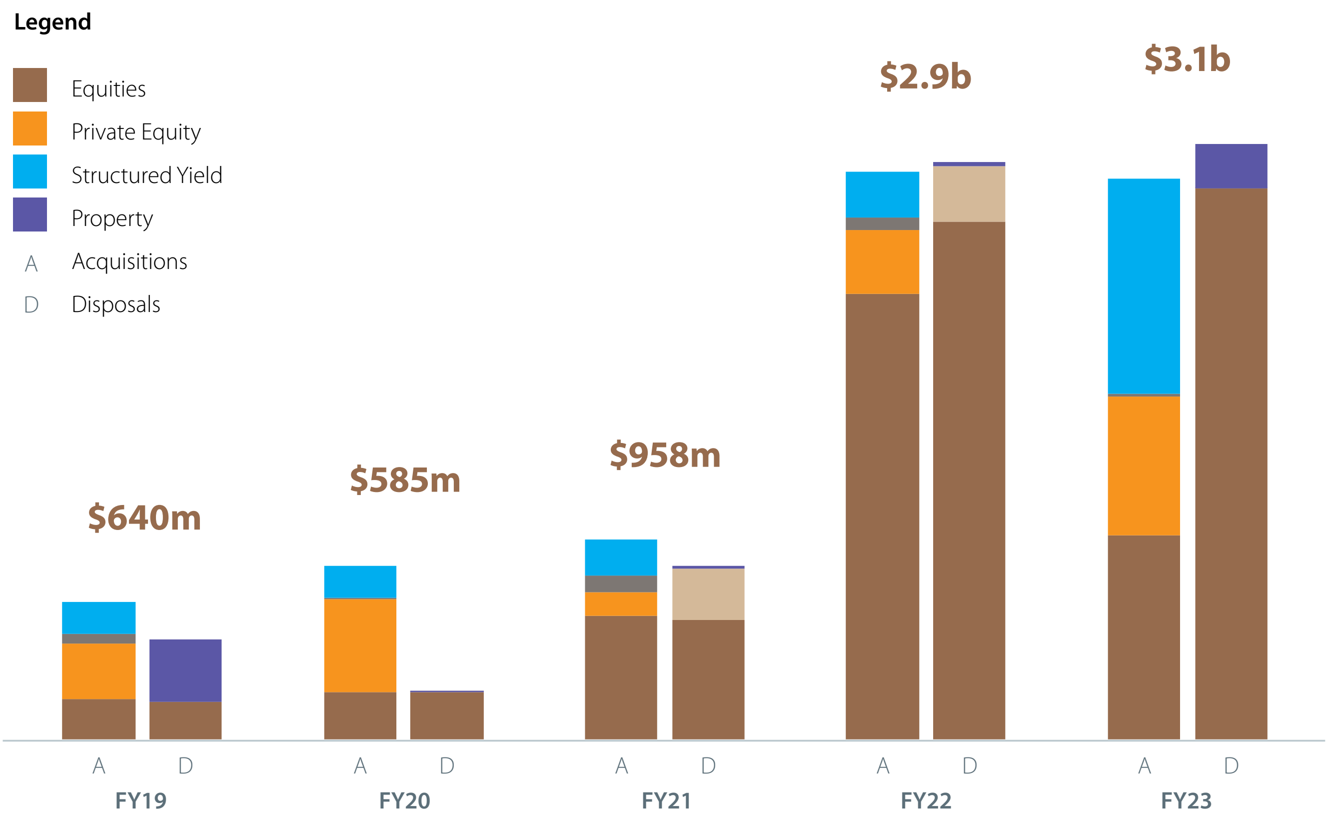
Portfolio as at 31 July 2023	Value of WHSP Group's Holding $m	Allocation %	Change from 12 months prior $m	%
Strategic	5,192.5	48%	355	–1%
Large Caps	2,305.1	21%	(798)	–10%
Private Equity	1,198.5	11%	545	+4%
Structured Yield	652.4	6%	402	+4%
Emerging Companies	628.7	6%	17	+0%
Property	112.6	1%	(113)	–1%
Net Working Capital	744.6	7%	470	+4%
NAV (pre-tax)	**10,834.4**	**100%**	**878**	**0%**

Refer to page 25 for details of the valuation basis used for each portfolio and to Notes 25, 26, and 27 for information about cash, term deposits, and borrowings, which primarily comprise Net Working Capital.

Transaction Activity

We are active investors undertaking over $8 billion in transactions (excluding Milton) over the past 5 years.

Over the past 2 years, the investment team has focused on reducing listed equities exposure and reinvesting proceeds into Private Equity and Structured Yield investments to generate improved risk-adjusted returns.



Current Investment Environment

In the second half of the year, we saw deceleration in economic growth, with inflation and a sustained rate hike cycle beginning to impact consumer spending and equity markets. This cycle may not be at its peak due to resilience in consumer spending, wage increases, and slower productivity growth.

Corporate earnings for the FY23 reporting season have surprised with profit margins in most sectors robust, indicating that companies have generally been able to weather the impact of inflation.

Equity markets have performed strongly in the context of the rapid increase in interest rates, with the All-Ordinaries Accumulation Index returning 11.1% for the 12-months to 31 July 2023. Despite defensive positioning, WHSP's total portfolio return (dividend adjusted) for this same period was 12.3%.

Portfolio Rebalancing

We have used periods of market strength in 2023 to liquidate part of our Large Cap Portfolio and increase net cash, adopting a deliberately defensive posture where appropriate. This has resulted in underperformance of the Large Cap Portfolio against public market indices, which has been offset by strong performance in our growing portfolio of private investments.

Our business tends to perform well in dislocated markets, with a flexible mandate, supported by strong levels of liquidity and a diverse portfolio of stable, cash generating assets.

An example is the demand for private credit solutions against the backdrop of rising interest rates. WHSP is a beneficiary of this trend through our growing Structured Yield (private credit) Portfolio which comprises mostly senior secured loans in a range of businesses and sectors. We have enhanced the capability of our team to harvest a growing pipeline of activity in this market, both in Australia and select international markets, where the prospect of higher cash yields with downside protection is attractive.

Outlook

The market themes of energy transition, digitisation, and logistics will continue to provide specific investment opportunities, to add to WHSP's existing exposure through our portfolio of private, public, and real assets.

In what continues to be an uncertain time for companies, economies, and policy-makers, WHSP remains defensive where possible, expecting rates to stay higher for longer and economic headwinds to remain challenging.

Our net cash is earning solid returns in the higher-rate environment, and is readily available for deployment into new opportunities across the portfolio. WHSP enters FY24 with more than $500 million in commitments across our private market investments, and a solid pipeline of opportunities. Our current cash holdings also reflect the cautious mindset that we have maintained, with our current view that the global economy may experience more pronounced impacts in FY24.

We remain disciplined in our approach to portfolio construction, targeting high quality businesses that bring diversity, strong cash generation, and have good economic or structural growth tailwinds.

Strategic Portfolio

Net Asset Value	$5,192.5 million
% of WHSP Group Portfolio	48%
Net Cash Flow From Investments	$295.9 million, up 75.4% on the previous reporting period
Portfolio composition	Interests in TPG, New Hope, Brickworks, Tuas, Apex, Pengana, Aeris Resources
Strategic rationale	Significant investments in largely uncorrelated listed companies, generally with board representation

Background

WHSP holds cornerstone shareholdings – the majority held over the long-term – across a diverse range of industries with low earnings correlations. The largest industry exposure is in energy through our investment in New Hope.

Performance

In FY23, the portfolio delivered a total return of 15.3%, an outperformance of 4.2% compared to the All-Ordinaries Accumulation Index, which delivered a total return of 11.1%. This performance was driven by strong full year contributions from New Hope and Brickworks.

New Hope Corporation Limited

NHG NEW HOPE GROUP

New Hope announced a Net Profit After Tax of $1.1 billion for the full year ended 31 July 2023, an increase of 10.6% on the previous reporting period. Strong global demand for thermal coal further increased pricing in the first half of the year, compared to the historic high levels reached in July 2022. Pricing reduced considerably during the second half of the year driven by milder winter conditions in the northern hemisphere and a sustained overhang of coal inventory with customers. Average realised prices increased by 23.0% to A$346.73/t in 2023 from A$281.84/t in 2022. Net cash from operating activities was $1.5 billion, an increase of 33.9% on the prior period with closing cash and term deposits of $730.7 million.

New Hope commenced an on-market buy-back of ordinary shares during the period, with 37.1 million shares bought back for a total consideration of $192.4 million at an average price of $5.19 per share.

Subsequent to year end, an ordinary fully franked final dividend of 21 cents per share was declared, plus a special dividend of 9 cents per share, both payable on 7 November 2023.

During the year, New Hope announced that it has now received all primary approvals for New Acland Stage 3 and that work is underway for resumption of mining operations. Preparations are continuing for major infrastructure works including planning for roads, dams and mining access for the Willeroo Pit.

WHSP received total dividends of 96 cents per share in FY23 from New Hope, up from 37 cents per share paid in the previous reporting period. (Source: New Hope FY23 results materials)

Brickworks Limited

BRICKWORKS LIMITED

Brickworks announced its results on 28 September 2023 and recorded an Underlying Net Profit After Tax of $508 million for FY23, down 32% compared to $746 million in the previous reporting period. An ordinary fully franked final dividend of 42 cents per share was declared, payable on 22 November 2023.

The Property segment EBIT contribution was $506 million, down 21% on previous reporting period, due to lower revaluations and development profit. Although revaluations and development profits were lower, Property still produced a strong result, with the highlight for the year being the sale of Oakdale East into the Industrial JV Trust for $301 million.

Building Products Australia EBIT (excluding property sales) was down 17% on the previous reporting period to $53 million. Margins decreased as a result of cost pressures across the supply chain, which was partially offset by the implementation of price rises and productivity improvements. Brickworks' direct ownership of clay quarries protected its brick operations from increases in raw material costs.

Building Products North America EBIT (excluding property sales) was down 47% on the previous reporting period to $6 million, driven by inflationary pressures and labour constraints. Margins and manufacturing costs have been adversely impacted by higher labour costs which represent a higher proportion of total manufacturing costs compared to Australia. Excluding the impact in relation to labour, other manufacturing costs held relatively steady, with increases in maintenance and additives offset by savings across a range of other cost items. Favourable long-term natural gas supply agreements, at fixed prices, also provided insulation against the current volatility in energy markets. Building Products North America also completed its multi-year plant rationalisation program to improve network utilisation and efficiency.

WHSP received total dividends of $42 million in FY23, up 3.2% on the previous reporting period. (Source: Brickworks FY23 results materials)

TPG Telecom Limited

TPG announced its half year results for the six month period to 30 June 2023 in August 2023, generating a Net Profit After Tax of $48 million compared to $167 million in the prior reporting period, primarily due to a one-off tax benefit of $110 million in HY22 from the recognition of capital tax losses in anticipation of the sale of TPG's passive mobile tower assets. TPG announced an EBITDA of $941 million, up 12.4% on the previous reporting period, due to improved business conditions with a return to growth in mobile subscriber numbers. The mobile market has also returned towards more rational pricing and TPG's fixed wireless offering continues to experience strong take up. However, rising interest rates and acceleration of capital expenditure requirements for the 5G rollout has put pressure on near term cashflows.

TPG continued its strategy to unlock additional value across the business and improve its competitive market position, including the announcement of a potential sale of its Wholesale, Government and Enterprise assets.

Although the Australian Competition Tribunal rejected TPG's proposed network sharing agreement with Telstra, we are confident in TPG's initiative aimed at continuing to serve regional customers across Australia.

WHSP received total dividends of 18 cents per share in FY23 from TPG, in line with the previous reporting period. (Source: TPG HY23 results materials)

Other investments	Reporting period	Overview
Tuas Limited	For the year ended 31 July 2023	• Net loss after tax of S$15.3 million, compared to a net loss after tax of S$26.7 million in the previous reporting period • EBITDA of S$31.1 million, up 100.6% compared to S$15.5 million in the previous reporting period • EBITDA margins improved from 27.0% to 36.1% • Average Revenue Per User year-on-year increased from S$9.19 to S$9.37 • Increased subscribers by 232,000 from 587,000 to 819,000 (up 40%) *https://tuas.com.au/investors.html*
Aeris Resources Limited	For the year ended 30 June 2023	• Net loss after tax of $139.8 million, compared to $6.0 million profit in the previous reporting period • Adjusted EBITDA of $32.0 million, down 65.8% on the previous reporting period • No dividends paid in the period • $50 million working capital facility was provided by WHSP with a $40 million drawdown completed in August 2023 *https://www.aerisresources.com.au/investor-centre/*
Apex Healthcare Berhad	For the six months ended 30 June 2023	• Net profit before tax (before abnormals) of RM 59.8 million for the six months ending 30 June 2023, up 25.5% compared to RM 47.7 million in the prior reporting period • Net profit after tax (before abnormals) of RM 49.4 million, up 25.8% compared to RM 39.3 million in the previous reporting period • Divestment (by an Apex associate) of Straits Apex Sdn Bhd completed in May 2023 • WHSP received total dividends of $3.8 million in FY23, down 26.8% on the previous reporting period *https://apexhealthcare.com.my/financial-results/*

Other investments	Reporting period	Overview
Pengana Capital Group Limited	For the year ended 30 June 2023	• Operating EBITDA of $3.7 million, down 88.4% compared to $31.8 million in the previous reporting period due to the absence of performance fees • It was the first time in nine years where no performance fees were derived across the business • Underlying Profit before tax of $6.0 million, down 79.4% compared to $29.2 million in the previous reporting period • Annual gross fee margins of 1.2% compared to 2.4% in FY22 • Closing FUM of $3.0 billion • Launched dedicated capital markets division, and established Pengana Credit • WHSP received total dividends of $4.0 million in FY23, down 49.5% on the previous reporting period *https://pengana.com/shareholders/*

Contribution to WHSP

The Strategic Portfolio contributed Net Cash Flow From Investments of $295.9 million, with the FY23 increase primarily due to the increased ordinary dividends received from New Hope.

Outlook

Our Strategic Portfolio remains fundamental to WHSP's cash generation. Our goal is to develop other investments within our Group Portfolio that could be considered strategic in future.

- **TPG**: TPG upgraded earnings guidance for EBITDA of between $1,925–$1,950 million (up from $1,850–$1,950 million) for the financial year ending 31 December 2023. The strategic review of Vision Network drew significant interest and has attracted an offer from Vocus Group for the entirety of TPG's Wholesale, Government and Enterprise assets and associated fixed infrastructure assets, including Vision Network for approximately $6.3 billion. Negotiations remain ongoing and there is no certainty an agreed transaction will eventuate. (Sources: TPG HY23 results and public statements)
- **New Hope**: Despite recent softening in coal prices, the pricing outlook remains above historical long-term averages due to increased customer demand for high-quality, and low emission Australian coal. New Hope will continue to keep a strong focus on cost management particularly as it recommissions New Acland in 2024. New Hope's surplus capital will be used to reopen New Acland, ramp up production at Bengalla, capital management initiatives, and potential M&A opportunities. (Sources: New Hope FY23 results and public statements)
- **Brickworks**: Within the Property segment, Brickworks is continuing to experience strong demand despite increasing interest rates. Structural trends are driving customers to seek well located industrial facilities and sophisticated supply chain solutions, with consumers increasingly demanding faster and more flexible delivery of goods. Brickworks is anticipating a subdued outlook and reduced demand in FY24 for building products in Australia and North America due to lower construction activity driven by higher input costs, rising interest rates, and shortages of labour. However, labour shortages and inflationary pressures felt over the past three years appear to be easing with an expected improvement in manufacturing costs due to a more stabilised plant footprint. (Sources: Brickworks FY23 results and public statements)

Large Caps Portfolio

Net Asset Value	$2,305.1 million
% of WHSP Group Portfolio	21%
Net Cash Flow From Investments	$118.5 million, up 1.4% on the previous reporting period
Portfolio composition	Companies within the ASX200 Index
Strategic rationale	Actively managed Australian listed equities generating consistent income and capital growth over the long term

Background

The Large Caps Portfolio is an index unaware, actively managed portfolio designed to generate capital and income growth over the long term, while also acting as a source of liquidity for the broader group portfolio. The Large Caps Portfolio now represents 21% of the group portfolio, down from 31% at the end of FY22. It now comprises 37 positions, reduced from over 100 at the time of the merger with Milton Corporation, which completed in October 2021. In FY23 we added to our team of portfolio managers.

Performance

The Large Caps Portfolio delivered a total return of 8.0% during the period, which compares to the ASX200 Accumulation Index return of 11.7%. The relative underperformance is attributed to our defensive positioning, the absence of Energy and Telecommunications exposures (given exposure elsewhere in the group portfolio), and the impact of a material portfolio sell-down during the final quarter to raise significant cash for the WHSP Group.

WHSP Group was a net seller of $860 million of equities in FY23 to raise cash in a market where we believe valuations were elevated. The largest sales by sector being Financials, Consumer Discretionary, and Staples. We remain underweight Banks, Resources, Energy, and Real Estate exposures. As a hedge against the potential for recession, we are attracted to sectors including Consumer Staples, Utilities, Diversified Financials and Healthcare.

Contribution to WHSP

The Large Caps Portfolio contributed Net Cash Flow from Investments of $118.5 million, up 1.4% on the previous reporting period, driven by a full year of returns on the Milton portfolio, partly offset by the net sale of equities which reduced dividend income.

Outlook

We remain focused on companies that deliver growing earnings and dividends over the long-term. The Large Caps Portfolio is defensively positioned and is becoming increasingly concentrated in mid-capitalisation exposures, which is likely to increase the volatility of our returns in future.

Private Equity Portfolio

Net Asset Value	$1,198.5 million
% of WHSP Group Portfolio	11.1%
Net Cash Flows From Investments	$15.0 million, down 62.6% on the previous reporting period
Portfolio composition	Ampcontrol, Aquatic Achievers, Agricultural & Water Investments, Ironbark
Strategic rationale	Long term investments in unlisted companies to support their growth

Background

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

WHSP is attracted to businesses that are well positioned in the market and with clear platforms for growth that we can develop through increased investment over time.

Our open mandate and flexible approach means some of our investments are wholly owned and others partially owned. We are focused on providing long term growth capital and partnering with skilled management teams to maximise value.

Performance

The Private Equity Portfolio delivered an Internal Rate of Return of 27.7%. This was supported by revaluations of Ampcontrol, Aquatic Achievers and Ironbark.

FY23 was a highly active year for acquisitions with portfolio companies deploying $288.7 million in bolt-on acquisitions. Seven strategic acquisitions were completed:

- Aquatic Achievers
  - Kirby Swim
  - Carlile Swimming
- Ampcontrol
  - Androck Engineering
- WHSP Agriculture
  - G2 Netting Systems
  - Bottle Tree Farms
  - Kubank Citrus
  - Manna Farms

During the second half, Ampcontrol acquired Androck Engineering, a substantial supply and manufacture operation, including the engineering and re-engineering of many problem issues in the underground mining sector. Ampcontrol is targeting accretive merger & acquisition strategies to accelerate access to decarbonisation solutions for its customers.

Aquatic Achievers, an Australian swim school operator acquired by WHSP Group in 2018, has continued to expand its national presence through the acquisition of Carlile Swimming (NSW market leader) and Kirby Swim (WA-based operator). With a combined 26 sites in operation, Aquatic Achievers averages 50,000 swimming lessons per week and is well positioned for growth.

We are continuing to add to our agricultural investments to expand citrus and table grape verticals, in addition to a significant stake in G2 Netting Systems which provides crop protection.

Contribution to WHSP

The Private Equity Portfolio contributed Net Cash Flow From Investments of $15.0 million, against the previous reporting period of $40.1 million, with the decrease primarily due to the loss of dividend income following the sale of Round Oak to Aeris in July 2022.

Outlook

We will continue to invest in the meaningful growth platforms that we have established, leveraging our expertise, partnership capital and networks to identify new investment opportunities for longer-term growth. We enter FY24 with a strong pipeline of investment activity, $259.7 million in undrawn or committed funds, and visibility to grow the Private Equity Portfolio further.

Structured Yield Portfolio

Net Asset Value	$652.4 million
% of WHSP Group Portfolio	6.0%
Net Cash Flows From Investments	$41.5 million, up 110.7% on the previous reporting period
Portfolio composition	Corporate loans, bonds, and structured instruments
Strategic rationale	Investments in different types of financial instruments across an investee's capital structure to optimise the portfolio's risk adjusted returns

Background

The Structured Yield Portfolio comprises investments in corporate loans, bonds, and structured instruments with the following characteristics: typically ongoing cash yield; strong asset backing, security and seniority to equity investors; and, in some cases upside exposure to be gained through warrants or conversion rights.

Performance

The Structured Yield Portfolio delivered an Internal Rate of Return of 14.7% in FY23.

Contribution to WHSP

The portfolio contributed Net Cash Flow From Investments of $41.5 million, with the increase directly related to the growth of the portfolio.

Outlook

WHSP has been investing in our credit capabilities and has a strong, well-connected team of professionals. The structured credit market in Australia continues to grow and is well developed offshore, particularly in an environment where interest rates remain higher-for-longer and access to credit is tightened. This provides positive tailwinds in which to grow this portfolio with undrawn or committed funds of $271.5 million at year end.

Emerging Companies Portfolio

Net Asset Value	$628.7 million
% of WHSP Group Portfolio	5.8%
Net Cash Flow From Investments	$15.9 million, down 42.4% on the previous reporting period
Portfolio composition	Ex-ASX100 listed equities and unlisted growth companies
Strategic rationale	Exposure to fast growing companies often benefiting from structural changes and trends in the domestic and global economy

Background

The portfolio is generally comprised of Ex-ASX100 small cap equities, in addition to investments in attractive early stage and high growth companies. This includes pre-IPO, IPO, and small cap listed investments. The portfolio has been repositioned away from earlier stage companies and towards more concentrated exposure to later stage businesses and industries including industrials, materials, and services.

Performance

The Emerging Companies Portfolio delivered a total return of 12.3% in FY23, an outperformance of 11.5% against the ASX Small Ordinaries Accumulation Index which returned 0.8%.

We have remained active and alert to shifts in market pricing – and have the flexibility to scale up or down our exposure depending on our assessment of investment outlook and relative value.

Contribution to WHSP

The Emerging Companies Portfolio contributed Net Cash Flow From Investments of $15.9 million, against the previous reporting period of $27.6 million, with the decrease reflecting lower realised trading gains.

Outlook

The portfolio is increasingly exposed to the more defensive end of the small cap universe. We remain cautious about the more leveraged small cap companies as interest rates moved higher.

Property Portfolio

Net Asset Value	$112.6 million
% of WHSP Group Portfolio	1%
Net Cash Flow From Investments	$0, down on the previous reporting period ($1.6 million)
Portfolio composition	Direct property and equity accounted joint ventures
Strategic rationale	Actively managed Australian property investments

Background

WHSP Group's direct Property Portfolio comprises seven assets with a combined value of $112.6 million. They are largely concentrated in the Sydney region and positioned towards infrastructure development. From a broader portfolio perspective, we are mindful of our look-through exposure to industrial property in Brickworks, which has a large portfolio of premium industrial property.

Performance

During the first half, we settled the sale of a property in Castle Hill for $88.5 million, a return of 4.5 times the original value.

Our retirement lifestyle development in partnership with Provectus in Cronulla – Sage by Moran – is currently on time and on budget with strong presales.

Outlook

We continue to look for development and value add opportunities across all sectors in a market that has been disrupted by rapid interest rate increases.

Net Working Capital

Net Asset Value	$744.6 million
% of WHSP Group Portfolio	6.9%
Net Cash Flow From Investments	$(62.5) million, down from ($26.7) million in the previous reporting period
Portfolio composition	Intersegment/unallocated assets and liabilities (e.g. cash, interest-bearing liabilities, other assets and liabilities)
Strategic rationale	Provides portfolio liquidity

As at 31 July 2023, WHSP's Net Working Capital included a net cash position of $686.0 million, up $613.8 million on the previous reporting period, comprising:

- cash and term deposits totalling $911.0 million at an average yield of 5.0% (an increase of $424.7 million on the previous reporting period)
- WHSP gross interest-bearing debt of $225.0 million at a cost of debt of 0.63% (a decrease of $189.1 million on the previous reporting period)

WHSP also maintains significant unutilised borrowing facilities which, when combined with current cash balances, ensures WHSP is able to quickly deploy substantial capital into new opportunities.

Net Cash Flow From Investments generated by Net Working Capital declined by $35.8 million on the previous reporting period due to an increase in income tax paid.

Investment Portfolio Financial Information

WHSP is a diversified investment entity that manages its investments on a portfolio basis. In contrast to the consolidated financial report, the portfolio information reflects the entity's activities as an 'investor' and provides details of its investments (subsidiaries, associate entities and other investments).

The Directors have presented this information (unaudited) as they consider the disclosure enhances the understanding of the results to members and users of the financial statements.

The Statement of Financial Position (SoFP) and Statement of Comprehensive Income (SoCI) in the Investment Portfolio Financial Information represent the combined position of key investment entities (WHSP, Milton, and PSRE). The numbers presented have been calculated as follows and include:

- The WHSP SoFP and SoCI
- Assets, liabilities and results of Milton and PSRE
- Elimination of WHSP's investments in, and transactions with Milton and PSRE

The SoFP, Profit after Tax, and Total Comprehensive Income in the Investment Portfolio Financial Information have been prepared on the same basis as the consolidated financial statements except for investments in controlled entities and investments in associates.

In the Investment Portfolio Financial Information, investments in controlled entities and investments in associates are carried at cost. Dividends from these entities are recognised as income within profit. This approach reflects WHSP's activities as an investor.

The consolidated financial statements recognise the individual assets, liabilities, income and expenses of controlled entities. Associates are generally equity accounted, with the initial investments being increased/(decreased) by profits/(losses) recognised in the income statement, movements in other comprehensive income and decreased by dividends received. Dividends from both controlled entities and associates are not recognised in the consolidated SoCI.

The NAV on page 25 is grouped according to the relevant valuation bases that apply to each individual portfolio. Assets are valued at Cost, Market Value, External Fair Value, or Directors' Fair Value as shown in the NAV statement included in the Portfolio Review on page 11.

The values in the SoFP on page 24 differ to the NAV statement due to the following accounting methodologies:

- Investments in controlled entities and associates are recognised at cost in the SoFP, however these are shown at Market Value, External Fair Value, or Directors' Fair Value in the NAV statement,
- Investments in structured yield investments are valued at amortised cost adjusted for their effective interest rate in the SoFP, however upfront fees are included in full in the carrying value of the structured yield investments in the NAV statement, and
- Convertible note liabilities are valued at amortised cost adjusted for their effective interest rate in the SoFP, however these are valued at face value in the NAV.

Statement of Financial Position

as at 31 July 2023

	$m
Current and Non-Current Assets	
Strategic Portfolio	1,505
Large Caps Portfolio	2,305
Private Equity Portfolio	830
Structured Yield Portfolio	622
Emerging Companies Portfolio	629
Property Portfolio	113
Working Capital, including cash and term deposits	978
Net deferred tax[1]	44
Other assets	20
Total Assets	**7,046**
Current and Non-Current Liabilities	
Interest bearing liabilities	220
Other liabilities	10
Total Liabilities	**230**
Net Assets	**6,816**
Equity	
Share capital	4,683
Reserves	(379)
Retained profits	2,512
Total Equity	**6,816**

Parent Entity Net Cash Flow From Investments

for the year ended 31 July 2023

	$m
Regular profit after income tax expense for the year	**483**
Add back the following:	
Non-parent entity regular profit after tax	(17)
Non-cash fair value loss on equities	9
Net tax paid (income tax expense less tax paid)	1
Other working capital movements and non-cash expenses	(52)
Net Cash Flow From Investments	**424**

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

	$m
Dividends paid/payable	
Interim of 36 cents per share paid 9 May 2023	130
Final of 51 cents per share payable 12 December 2023	184
Total dividends paid/payable	314
Payout ratio	
Total dividends as a percentage of Net Cash Flow From Investments	74%

Net Asset Value Statement

as at 31 July 2023

	Valuation Basis[2]	Holding	$m
Strategic Portfolio			
New Hope Corporation Limited	MV	39.2%	1,761
Brickworks Limited	MV	43.1%	1,701
TPG Telecom Limited	MV	12.8%	1,192
Tuas Limited	MV	25.3%	232
Apex Healthcare Berhad	MV	29.6%	172
Aeris Resources Limited	MV	30.3%	80
Pengana Capital Group Limited	MV	36.6%	46
Other Strategic investments at EFV			8
Total value of Strategic Portfolio			**5,192**
Large Caps Portfolio			
BHP Group Limited	MV	0.1%	200
Macquarie Group Limited	MV	0.3%	190
CSL Limited	MV	0.2%	179
BKI Investment Company Limited	MV	8.2%	118
Commonwealth Bank of Australia	MV	0.1%	111
Other Large Cap investments at MV			1,500
Other Large Cap investments at DFV			10
Other Large Cap investments at EFV			(3)
Total value of Large Caps Portfolio			**2,305**
Private Equity Portfolio			
Private Equity investments at EFV			94
Private Equity investments at DFV			1,105
Total value of Private Equity Portfolio			**1,199**
Structured Yield Portfolio			
Structured Yield investments at Cost			608
Structured Yield investments at DFV			44
Total value of Structured Yield Portfolio			**652**
Emerging Companies Portfolio			
Emerging Company investments at MV			527
Emerging Company investments at DFV			68
Emerging Company investments at EFV			34
Total value of Emerging Companies Portfolio			**629**
Property Portfolio			
Property investments at EFV			78
Property investments at DFV			35
Total value of Property Portfolio			**113**
Working Capital			
Cash			211
Term Deposits			700
Convertible Notes			(225)
Other working capital			58
Total Working Capital			**744**
Consolidated Net Asset Value pre-tax			**10,834**
Estimated net capital gains tax liability			(1,058)
Consolidated Net Asset Value post-tax			**9,776**

Statement of Comprehensive Income

for the year ended 31 July 2023

	$m
Dividend and distribution income	
New Hope Corporation Limited	202
Brickworks Limited	42
TPG Telecom Limited	43
Apex Healthcare Berhad	4
Pengana Capital Group Limited	4
BHP Group Limited	21
Macquarie Group Limited	12
CSL Limited	2
BKI Investment Company Limited	5
Commonwealth Bank of Australia	8
Other Large Cap investments	65
Private Equity investments	13
Structured Yield investments	5
Emerging Company investments	16
Total dividend and distribution income	**442**
Interest income (from cash and Structured Yield investments)	**74**
Other revenue	8
Realised and fair value gains on equities	59
Corporate costs	(36)
Other expenses	(14)
Finance costs	(11)
Regular profit before income tax expense for the year	522
Income tax expense	(39)
Regular profit after income tax expense for the year	**483**
Add: Non-regular items after tax	
Special dividends income	118
Gain on derecognition of an associate	28
Tax expense related to derecognition of an associate and controlled entity	(7)
Deferred consideration adjustment on the sale price of Round Oak[3]	(11)
Recognition of deferred tax assets	15
Impairment expense related to associates and controlled entities	(50)
Other	(2)
Profit after income tax expense for the year	**574**
Other comprehensive income	
Net movement in the fair value of the listed investment portfolio	(160)
Total comprehensive income for the year	**414**

1 *A net deferred tax asset of $43.9 million has been recognised in the Investment Portfolio Financial Information report at 31 July 2023, including $42.1 million relating to WHSP, $1.2 million relating to Milton and $0.6 million relating to PSRE.*

In the Portfolio Information, investments in subsidiaries and associates are carried at the lower of cost or impaired cost, and the tax recognised reflects the theoretical tax payable if investments were sold at these values, rather than market values.

2 *Refer to the glossary of terms from page 184 for the definitions of MV (Market Value), DFV (Directors' Fair Value), EFV (External Fair Value) and Cost.*

3 *Refer to Note 3 of the Financial Report.*

Directors' Report and Operating Review

The Directors of WHSP present their report for the reporting period ended 31 July 2023.

Directors

The following persons are Directors of WHSP at the date of this report:

- **Robert Millner AO** *Chairman*
- **Todd Barlow** *Managing Director*
- **Michael Hawker AM** *Lead Independent Director*
- **David Baxby**
- **Tiffany Fuller**
- **Thomas Millner**
- **Joanne (Joe) Pollard**
- **Josephine Sukkar AM**

Warwick Negus retired as a Director of WHSP on 31 December 2022.

Other than David Baxby, the Directors listed above each held office as a Director of WHSP throughout the reporting period. David Baxby joined the Board effective from 1 February 2023.

Principal Activities

WHSP is an investment company with a diversified portfolio of investments across a range of industries and asset classes.

The WHSP Group includes WHSP and its subsidiaries. Subsidiaries are entities over which WHSP has control. In addition to subsidiaries that are part of WHSP's direct operations, the WHSP Group includes companies in WHSP's investment portfolio that are wholly owned subsidiaries or that WHSP controls for accounting purposes. The WHSP Group financial statements recognise the individual assets, liabilities, income and expenses of controlled entities. Refer to Note 34 – Parent entity information and Note 35 Controlled entities and joint ventures for additional information. There were no significant changes in the nature of the WHSP Group's principal investing activities during the year.

Dividends

Dividends paid or declared by WHSP since the end of the previous financial year were:

	Cents Per Share cents	Total Amount $'000	Franking %	Date of Payment
Declared and paid during the year				
Final ordinary dividend 2022	43	155,216	100%	12 December 2022
Final special dividend 2022	15	54,145	100%	12 December 2022
Interim ordinary dividend 2023	36	129,948	100%	12 May 2023
Dealt with in the financial report as dividends	94	339,309		
Resolved to pay after the end of the year				
Final ordinary dividend 2023	51	184,094	100%	12 December 2023

Review of Operations

The Statutory Consolidated Net Profit After Tax attributable to members for the reporting period ended 31 July 2023 was $690.7 million compared to a net (loss) of ($12.9) million in the previous reporting period, an increase of $703.6 million.

The primary reasons for the increase in Statutory Consolidated Net Profit After Tax were:

• Lower current reporting period Non-Regular (Losses) After Tax of ($68.6) million, compared to losses of ($847.5) million in the previous reporting period, which included a one off, non-cash goodwill impairment charge of $984.6 million from the Milton merger in October 2021 and a net gain of $173.5 million from the deconsolidation of New Hope. Further commentary on Non-Regular items is included below.	+$778.9 million
Partly offset by:	
• a reduction in current reporting period Regular Net Profit After Tax of $75.3 million, principally arising from lower contributions from the Strategic and Private Equity Portfolios. Further explanations of this variance are provided below.	–$75.3 million
Total increase in Statutory Consolidated Net Profit After Tax attributable to members	**+$703.6 million**

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

Consolidated Net Profit After Tax attributable to members	Regular 2023 $000	Regular 2022 $000	Non-Regular 2023 $000	Non-Regular 2022 $000	Reported 2023 $000	Reported 2022 $000
Strategic Portfolio	**588,927**	688,975	**(80,413)**	49,890	**508,514**	738,865
Large Caps Portfolio	**108,231**	102,422	**1,420**	40,604	**109,651**	143,026
Private Equity Portfolio	**10,293**	61,365	**(15,835)**	42,139	**(5,542)**	103,504
Structured Yield Portfolio	**47,154**	11,063	**–**	1,221	**47,154**	12,284
Emerging Companies Portfolio	**12,996**	(18,784)	**16,422**	6,001	**29,418**	(12,783)
Property Portfolio	**(2,953)**	32,829	**(474)**	–	**(3,427)**	32,829
Intersegment/unallocated	**(5,356)**	(43,284)	**10,308**	(987,382)	**4,952**	(1,030,666)
Profit/(loss) after income tax for the year attributable to members	**759,292**	**834,586**	**(68,572)**	**(847,527)**	**690,720**	**(12,941)**

Regular Net Profit After Tax and Non-Regular Net Profit After tax are defined in the Glossary on page 184.

Portfolio Performance

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

Strategic Portfolio

The Statutory Net Profit After Tax contribution from the Strategic Portfolio was $508.5 million, down $230.4 million or 31%.

The primary reasons for the decrease were:

• a reduction in Regular Net Profit After Tax as the equity accounted results from Brickworks and Aeris were down on the previous reporting period by $96.1 million and $42.4 million respectively, partly offset by increased contributions from New Hope and TPG; and	–$100.1 million
• current reporting period Non-Regular (Losses) After Tax of ($80.4) million were incurred, largely due to the non-cash loss on deemed disposal of shares in associates of ($52.4) million, an impairment of an associate (Pengana) of ($18.6) million, share of associates Non-Regular losses of ($31.2) million and partly offset by a net deferred tax benefit on associate investments of $18.2 million. This compares to a gain of $49.9 million in the previous reporting period mainly arising from the deconsolidation of New Hope of $173.5 million, but partly offset by the share of associates Non-Regular losses of ($80.6) million and a deferred tax expense on associate investments ($41.3) million.	–$130.3 million
Total	**–$230.4 million**

Large Caps Portfolio

The Large Caps Portfolio Statutory Net Profit After Tax contribution of $109.7 million was $33.4 million lower when compared to the previous reporting period.

Regular Net Profit After Tax increased by $5.8 million from higher ordinary dividend income in the current reporting period, following the first full financial year of the Milton merger. However, this was offset by lower, in specie dividends received (Non-Regular income) during the current reporting period, down $39.2 million year-on-year.

Private Equity Portfolio

The Private Equity Portfolio made a Statutory Net (Loss) After Tax contribution of ($5.5) million, a reduction of $109.0 million compared to the previous reporting period.

The primary reasons for the lower contribution were from:

• a reduction in Regular Net Profit After Tax of $51.1 million, due to the sale of Round Oak Minerals in July 2022 ($44.5 million), a lower profit contribution from WHSP Agriculture (down $15.3 million) as start-up costs increased and a decrease in portfolio dividend income of $5.2 million. This was partly offset by an increased contribution of $13.9 million from Ampcontrol, which became a wholly owned subsidiary from 31 May 2022; and	–$51.1 million
• current reporting period Non-Regular (Losses) After Tax of ($15.8) million were incurred, largely due to impairment expenses on associate investments of $8.4 million and the final working capital adjustment on the sale of Round Oak of $9.1 million. This compared to a gain of $42.1 million in the previous reporting period mainly arising from the sale of Round Oak of $21.4 million and derecognition of an associate (Ampcontrol) of $21.6 million.	–$57.9 million
Total	**–$109.0 million**

Structured Yield Portfolio

The Statutory Net Profit After Tax contribution from the Structured Yield Portfolio was $47.2 million, up $34.9 million on the previous reporting period. The increased contribution was due to growth in the size of the portfolio generating higher interest income and loan fees.

Emerging Companies Portfolio

The Emerging Companies Portfolio Statutory Net Profit After Tax contribution of $29.4 million was $42.2 million higher when compared to the previous reporting period.

Regular Net Profit After Tax increased by $31.8 million to $13.0 million from higher dividend income in the current reporting period and lower mark-to-market revaluation losses compared with the previous reporting period.

The year-on-year increase in Non-Regular Profit After Tax of $10.4 million comprises:

- In the current reporting period, a Non-Regular Profit After Tax of $16.4 million largely made up of the derecognition of an equity accounted associate (Clover Corporation) of $22.7 million, partly offset by a $8.1 million deferred tax liability on associate investments; and,
- The previous reporting period Non-Regular Profit After Tax of $6.0 million included recognition of a deferred tax benefit on investments in associates not previously brought to account of $16.8 million, partly offset by the impairment of an associate (Palla Pharma) of $11.9 million.

Property Portfolio

The Property Portfolio Statutory Net (Loss) After Tax contribution of ($3.4) million was $36.3 million lower when compared to the previous reporting period due to a year-on-year net investment property portfolio devaluation.

Intersegment and unallocated

In the current reporting period, the Statutory Net Profit After Tax contribution from intersegment and unallocated items was $5.0 million compared with a loss of ($1,030.7) million in the previous reporting period. The key variances reducing unallocated losses by $1,035.6 million categorised as Non-Regular and Regular after tax items are shown below:

Non-Regular unallocated losses (a reduction of $997.7 million), principally comprise:

- a once off, non-cash goodwill impairment charge of $984.6 million from the Milton merger included in the previous reporting period.

Regular unallocated items (a reduction of $37.9 million), principally comprise:

- year-on-year movement in mark-to-market revaluation gains of $40.5 million and increased interest received of $11.2 million (from higher interest rates and average cash balances held); and partly offset by,
- increased corporate costs of ($8.7) million and tax expense of ($5.1) million in the current reporting period.

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

A reconciliation between Consolidated Net Regular Profit After Tax attributable to members and Consolidated Net Profit After Tax attributable to members is set out below. The Directors have presented this information as they consider the disclosure enhances the understanding of the financial results to shareholders and other users of the financial statements.

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

Year ended 31 July 2023	Strategic Portfolio $'000	Large Caps Portfolio $'000	Private Equity Portfolio $'000	Structured Yield Portfolio $'000	Emerging Companies Portfolio $'000	Property Portfolio $'000	Intersegment/ unallocated[1] $'000	Consolidated $'000
Consolidated Regular Profit After Tax attributable to members	588,927	108,231	10,293	47,154	12,996	(2,953)	(5,356)	759,292
Consolidated Non-Regular items after tax								
Share of Non-Regular items from equity accounted associates	(31,212)	–	31,198	–	–	–	–	(14)
(Loss)/Gain on deemed disposal of equity accounted associates	(52,432)	–	–	–	10	–	–	(52,422)
Gain on derecognition of equity accounted associates	–	–	–	–	22,741	–	–	22,741
Deferred tax benefit/(expense) recognised on equity accounted associates	18,155	–	(5,933)	–	(8,084)	–	–	4,138
Recognition of deferred tax assets	–	–	–	–	–	–	12,046	12,046
Impairment expense on equity accounted associates	(18,577)	–	(8,358)	–	–	–	–	(26,935)
Impairment expense on property plant and equipment	–	–	(22,132)	–	–	–	–	(22,132)
Deferred consideration adjustment on the sale price of Round Oak	–	–	(9,134)	–		–	–	(9,134)
Acquisition costs expensed	–	–	(1,476)	–	–	–	–	(1,476)
In-specie dividend income	–	1,420	–	–	–	–	–	1,420
Other deferred tax adjustments	3,653				1,755	(474)	–	4,934
Other items	–	–	–	–	–	–	(1,738)	(1,738)
Total Consolidated Non-Regular items after tax	(80,413)	1,420	(15,835)	–	16,422	(474)	10,308	(68,572)
Consolidated Profit/(Loss) After Tax attributable to members	508,514	109,651	(5,542)	47,154	29,418	(3,427)	4,952	690,720
Profit/(Loss) attributable to non-controlling interests	–	–	(1,320)	–	–	–	140	(1,180)
Consolidated Profit After Tax	508,514	109,651	(6,862)	47,154	29,418	(3,427)	5,092	689,540

1 *Intersegment/unallocated represents corporate costs and income, net of taxes that are not allocated to individual segments.*

Year ended 31 July 2022	Strategic Portfolio $'000	Large Caps Portfolio $'000	Private Equity Portfolio $'000	Structured Yield Portfolio $'000	Emerging Companies Portfolio $'000	Property Portfolio $'000	Intersegment/ unallocated[1] $'000	Consolidated $'000
Consolidated Regular Profit After Tax attributable to members	688,975	102,422	61,365	11,063	(18,784)	32,829	(43,284)	834,586
Consolidated Non-Regular items after tax								
Goodwill impairment arising from the Milton acquisition	–	–	–	–	–	–	(984,565)	(984,565)
Gain on loss of control of a subsidiary (New Hope)	490,620	–	–	–	–	–	–	490,620
Tax benefit on recycled reserves	17,188	–	–	–	–	–	–	17,188
Gain on disposal of a subsidiary (Round Oak)	–	–	21,372	–	–	–	–	21,372
Transaction costs on disposal of a subsidiary	–	–	(2,583)	–	–	–	–	(2,583)
Gain on disposal of a mining site	–	–	2,529	–	–	–	–	2,529
Share of Non-Regular items from equity accounted associates	(80,595)	–	–	–	–	–	–	(80,595)
(Loss)/Gain on deemed disposal of equity accounted associates	(1,453)	–	–	–	597	–	–	(856)
Gain on sale of equity accounted associates' shares	1,236	–	3,427	–	–	–	–	4,663
Gain on derecognition of equity accounted associates	–	–	21,620	–	471	–	–	22,091
Deferred tax expense on deconsolidation of New Hope	(334,276)	–	–	–	–	–	–	(334,276)
Deferred tax benefit/(expense) recognised on equity accounted associates	(41,274)	–	5,995	–	16,849	–	–	(18,430)
Impairment (expense) reversal on equity accounted associates	4,117	–	(6,575)	–	(11,916)	–	–	(14,374)
Impairment expense on exploration and evaluation assets	(1,392)	–	–	–	–	–	–	(1,392)
Impairment expense on other assets	–	–	(1,550)	–	–	–	–	(1,550)
Acquisition costs expensed	–	–	(151)	–	–	–	(1,977)	(2,128)
Transaction costs for potential IPO of a subsidiary	–	–	(1,546)	–	–	–	–	(1,546)
Liquidation related costs	(2,740)	–	–	–	–	–	–	(2,740)
In-specie dividend income	–	40,604	–	–	–	–	–	40,604
Other items	(1,541)	–	(399)	1,221	–	–	(840)	(1,559)
Total Consolidated Non-Regular items after tax	49,890	40,604	42,139	1,221	6,001	–	(987,382)	(847,527)
Consolidated Profit/(loss) After Tax attributable to members	738,865	143,026	103,504	12,284	(12,783)	32,829	(1,030,666)	(12,941)
Profit/(Loss) attributable to non-controlling interests	569,375	–	11	–	–	(1)	–	569,385
Consolidated Profit After Tax	1,308,240	143,026	103,515	12,284	(12,783)	32,828	(1,030,666)	556,444

1 Intersegment/unallocated represents corporate costs and income, net of taxes that are not allocated to individual segments.

State of Affairs

As at the reporting date, WHSP's ownership interest in New Hope is 39.2% (FY22: 39.9%). As disclosed in the FY22 Annual Report and FY23 Half Year Report, the Directors of WHSP concluded that the Group lost control of New Hope on 29 July 2022. Refer to Note 1 of the Financial Report.

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

Financial Condition

The WHSP Group balance sheet continues to be strong, with Net Tangible Assets of $8,378.6 million and net current assets of $1,342.1 million.

Events Subsequent to the Reporting Date

The Directors are not aware of any other event or circumstance since the end of the reporting period not otherwise dealt with in this report or the Financial Report that has or may significantly affect the operations of the WHSP Group, the results of those operations, or the state of affairs of the WHSP Group in subsequent reporting periods. Refer to Note 41 of the Financial Report.

Likely Developments, Business Strategy and Prospects

The WHSP Group has significant liquidity available for deployment in new opportunities across the portfolio. Future results will depend primarily on the performance of our investee companies, including changes in valuations, dividends, and interest income. Results may be impacted by a variety of risks and economic conditions in the future. Whilst the effects of such conditions on the portfolio are difficult to predict, the WHSP Group mitigates risk by holding a large, liquid portfolio of uncorrelated investments.

Corporate Governance Statement

WHSP's Corporate Governance Statement describes our practices and approach, with a copy of the FY23 statement lodged separately via the ASX announcement platform today, 28 September 2023. It is also located in the corporate governance section of our website: *https://www.whsp.com.au/corporate-governance/*

Environmental Compliance

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

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

WHSP is registered and publicly reported the annual performance of the WHSP Group's operations under the requirements of the *National Greenhouse and Energy Reporting Act 2007* for the FY22 year. Reporting for the FY23 year is due on 31 October 2023. This Act requires WHSP to report the Group's annual greenhouse gas emissions (Scope 1 and Scope 2) and energy use. The WHSP Group has implemented systems and processes for the collection and calculation of the data required and submitted its most recent report to the Greenhouse and Energy Data Officer.

Directors

Information regarding the Directors of WHSP.

Robert Millner AO FAICD

Chairman
Non-Executive Director since 1984
Member of the Nomination, People, Culture & Remuneration and Risk Committees

Robert has extensive experience in the investment industry. Other current listed company directorships:

- Apex Healthcare Berhad – Appointed 2000
- Brickworks Limited – Appointed 1997. Chairman since 1999
- BKI Investment Company Limited – Appointed Chairman 2003
- New Hope Corporation Limited – Appointed 1995. Chairman since 1998
- TPG Telecom Limited – Appointed 2020
- Tuas Limited – listed on 30 June 2020. Appointed 14 May 2020
- Aeris Resources Limited – Appointed 2022

Former listed company directorships in the past three years:

- Milton Corporation Limited (delisted from ASX on 5 October 2021) – Appointed 1998

Todd Barlow B.Bus, LLB(Hons)(UTS)

CEO and Managing Director since 2015
Member of the Risk Committee

Todd Barlow was appointed CEO and Managing Director of WHSP in April 2015 having previously been the Managing Director of Pitt Capital Partners Limited for five years.

Todd has extensive experience in mergers and acquisitions, equity capital markets and investing and has been responsible for a number of WHSP's investments since joining the WHSP Group in 2004. His career has spanned positions in law and investment banking in Sydney and Hong Kong.

Todd has a Bachelor of Business and Bachelor of Laws (Honours) from the University of Technology, Sydney.

Other current listed company directorships:

- New Hope Corporation Limited – Appointed 2015

Former listed company directorships in the past three years:

- Palla Pharma Limited – Appointed 2015. Resigned 4 February 2021

Michael Hawker AM B.Sc(Sydney), FAICD, SFFin

Lead Independent Director
Non-Executive Director since 2012
Chairman of the Nomination and Risk Committees, Member of the Audit and People, Culture & Remuneration Committees

Michael Hawker is a professional company director with over 35 years experience in financial services and investment. He was Chief Executive Officer and Managing Director of Insurance Australia Group from 2001 to 2008. From 1995 to 2001, Michael held a range of positions at Westpac, including Group Executive of Business and Consumer Banking and General Manager of Financial Markets. Prior to this, he held a number of positions at Citibank, including Deputy Managing Director for Australia and subsequently Executive Director, Head of Derivatives, Europe.

Michael is a Non Executive Director of BUPA (Global UK based board), Deputy Chairman of BUPA (Australian boards), and a Non Executive Director of Allianz Australia.

Michael has been Chairman of the Insurance Council of Australia, Chairman of the Australian Financial Markets Association, a member of the Australian Governments Financial Sector Advisory Committee, and a member of the Business Council of Australia.

Other current listed company directorships:

- Vicinity Centres – Appointed 2022

Former listed company directorships in the past three years:

- Macquarie Group Limited – Appointed 2010. Resigned 2020
- Westpac Banking Corporation – Appointed 2020. Resigned July 2023.

David Baxby B.Com, LLB(Hons)(Bond)

Non-Executive Director since 1 February 2023
Member of the Nomination, People, Culture & Remuneration and Risk Committees

David Baxby is an experienced senior executive, investment expert, and public company director. Before co-founding his investment firm Coogee Capital, David held executive leadership positions in Asia Pacific and Internationally with software development company Global Blue, the industrial division of Wesfarmers, and various roles at Virgin Group – including as Co-CEO of the Group's $6 billion family office with responsibility for the branded investment activities globally.

Former listed company directorships in the past three years:

- Nearmap Limited – Appointed 2021. Resigned 2022

Tiffany Fuller B.Com(UniMelb), CA, GAICD

Non-Executive Director since 2017
Chair of the Audit Committee and Member of the Nomination, People, Culture & Remuneration and Risk Committees

Tiffany Fuller is an experienced public company director with a background in chartered accounting, private equity and investment banking. Her experience includes financial advisory, investment management, mergers and acquisitions and management consulting.

Tiffany holds a Bachelor of Commerce Degree from the University of Melbourne and is a member of Chartered Accountants Australia and New Zealand and a graduate of the Australian Institute of Company Directors.

Other current listed company directorships:

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

Former listed company directorships in the past three years:

- Smart Parking Limited – Appointed 2011. Resigned 2020

Thomas Millner B.Des(Industrial), GDipAppFin(Finsia), FFin, GAICD

Non-Executive Director since 2011
Member of the Nomination, People, Culture & Remuneration and Risk Committees

Thomas Millner is a Director and Portfolio Manager of Contact Asset Management Pty Limited which is the manager of BKI Investment Company Limited (BKI:ASX).

Thomas has over 20 years experience within the financial services and funds management industry. He has extensive experience in managing equity portfolios and over 10 years as a Director of Australian publicly listed companies.

Thomas has a Bachelor of Industrial Design degree and a Graduate Diploma in Applied Finance. He is a Fellow of the Financial Services Institute of Australasia and Graduate of the Australian Institute of Company Directors.

Other current listed company directorships:

- New Hope Corporation Limited – Appointed 2015

Joe Pollard MAICD

Non-Executive Director since 2022
Member of the Audit, Nomination, People, Culture & Remuneration and Risk Committees

Joe Pollard has held various non-executive director roles since 2012.

Joe has over 30 years' experience in sales, marketing, media and digital technology in both senior management and director roles. In her executive career, she was Group Executive of Media and Marketing at Telstra and Chief Executive of Ninemsn and Publicis Mojo.

Joe also held executive leadership roles at Mindshare in Australia, Hong Kong and London, Nine Entertainment and Nike Inc in the USA and Japan. She is a non-executive director at Greencross Limited and RACAT Group and a Member of Chief Executive Women and the Australian Institute of Company Directors.

Other current listed company directorships:

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

Josephine Sukkar AM BSc(UNSW), GradDipEd

Non-Executive Director since 2020
Chair of the People, Culture & Remuneration Committee and Member of the Nomination and Risk Committees

Josephine Sukkar is a professional company director with over 30 years of experience in a diverse range of industries.

Josephine is Principal of Australian construction company Buildcorp, and serves on a number of industry, government and not-for-profit boards, including the Property Council of Australia, the Green Building Council of Australia, the Australian Museum, and Centenary Institute of Medical Research and the Buildcorp Foundation.

She has been Chair of the Australian Sports Commission since 2021.

Josephine is a Member of the Order of Australia and a Fellow of the University of Sydney.

Other current listed company directorships:

- Growthpoint Properties Australia Limited – Appointed 2017

Company Secretary

Ida Lawrance BCom(Hon), LLM(UNSW)

Company Secretary from 9 September 2020 to 16 August 2023

Ida Lawrance was the Company Secretary for the period between 9 September 2020 – 16 August 2023.

David Grbin BEc(Hons)(Adelaide), CA

Company Secretary since 16 August 2023

David joined WHSP as CFO in April 2018. He is a chartered accountant with over 20 years' experience as an ASX listed CFO, operating in high growth or turnaround situations, across industries as diverse as e-commerce, financial services and transport/logistics. David is a member of Chartered Accountants Australia and New Zealand and holds a Bachelor of Economics (Honours) from the University of Adelaide. He has attended the Insead Advanced Management Program.

Pamela Longstaff BEcon, LLB(Hon), Global Exec MBA (USyd), GAICD, FGIA

Company Secretary since 28 August 2023

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

Director Independence, Skills and Experience

WHSP is governed by a Board comprising a majority of independent, professional and highly experienced Directors. The Board assesses the independence of Non-Executive Directors on appointment and annually.

All directors are non-executive with the exception of the Managing Director and the majority of the Board are Independent Directors. Todd Barlow is the Managing Director and is not considered to be independent.

The Board has reviewed the independence of its members against the guidance provided in the ASX Corporate Governance Principles and Recommendations (Box 2.3: Factors relevant to assessing the independence of a director) and considers the following Non-Executive Directors to be Independent Directors:

- Michael Hawker AM– Lead Independent Director
- David Baxby
- Tiffany Fuller
- Joe Pollard
- Josephine Sukkar AM

Having regard to the ASX principles, two of the Non-Executive Directors have interests and/or associations which may impact their independence.

- Robert Millner AO and Thomas Millner have relevant interests in substantial shareholdings in WHSP as disclosed to the ASX, in the Directors' Report and the Remuneration Report.
- Robert Millner AO is also a director of Brickworks, a major shareholder of WHSP.

The Board does not believe that a Director:

- holding shares in WHSP;
- having an interest in a substantial holding in WHSP; or
- being associated with a substantial shareholder of WHSP,

is detrimental to other shareholders. The Board considers that such holdings further align the interests of those Directors with the interests of WHSP's shareholders as a whole.

While there are factors that may impact their capacity to bring independent judgement, the Board considers that they act independently in executing their duties as Directors.

ASX Recommendation 2.5 specifies that the Chair of the board of a listed entity should be independent. WHSP is governed by a Board comprising a majority of independent, professional and highly experienced directors. Chairman Robert Millner is a Non-Executive Director, however his long tenure and the substantial extended Millner family shareholding in WHSP might reasonably be seen to impact his capacity to bring independent judgement.

The Board acknowledges the importance of independent board decision making and in addition to appointing Lead Independent Director, Michael Hawker, the Board has in place formal *Board Guidelines for Dealing with Conflicts of Interest* and the independent directors form an Independent Board Committee to meet as required to manage actual and perceived conflicts of interest and any conflicts of duty that may arise.

The responsibilities of the Lead Independent Director include acting as Chairman of the Board when the Chairman may be conflicted, chairing meetings of the Independent Board Committee , assisting to review the performance of the Chairman and providing a separate channel of communication for internal and external stakeholders and shareholders, particularly where those communications may involve the Chairman or an associate of the Chairman.

Michael Hawker, the Lead Independent Director, chairs the Nomination Committee and the Board Risk Committee. All members of the Audit Committee, including the Chair Tiffany Fuller, are independent Directors and the People, Culture & Remuneration Committee is chaired by independent Director, Josephine Sukkar.

The Board believes it is appropriate in the particular circumstances of WHSP for Robert Millner to remain Chairman of WHSP, notwithstanding he is not regarded as independent having regard to:

- Robert's experience as a Director and Chairman and skills as an experienced investor are considered key assets of the business; and
- a substantial, long-term family shareholding in the business creates significant alignment with shareholders' interests. Robert is the fourth generation of family members involved in the governance of the business.

Management of Conflicts

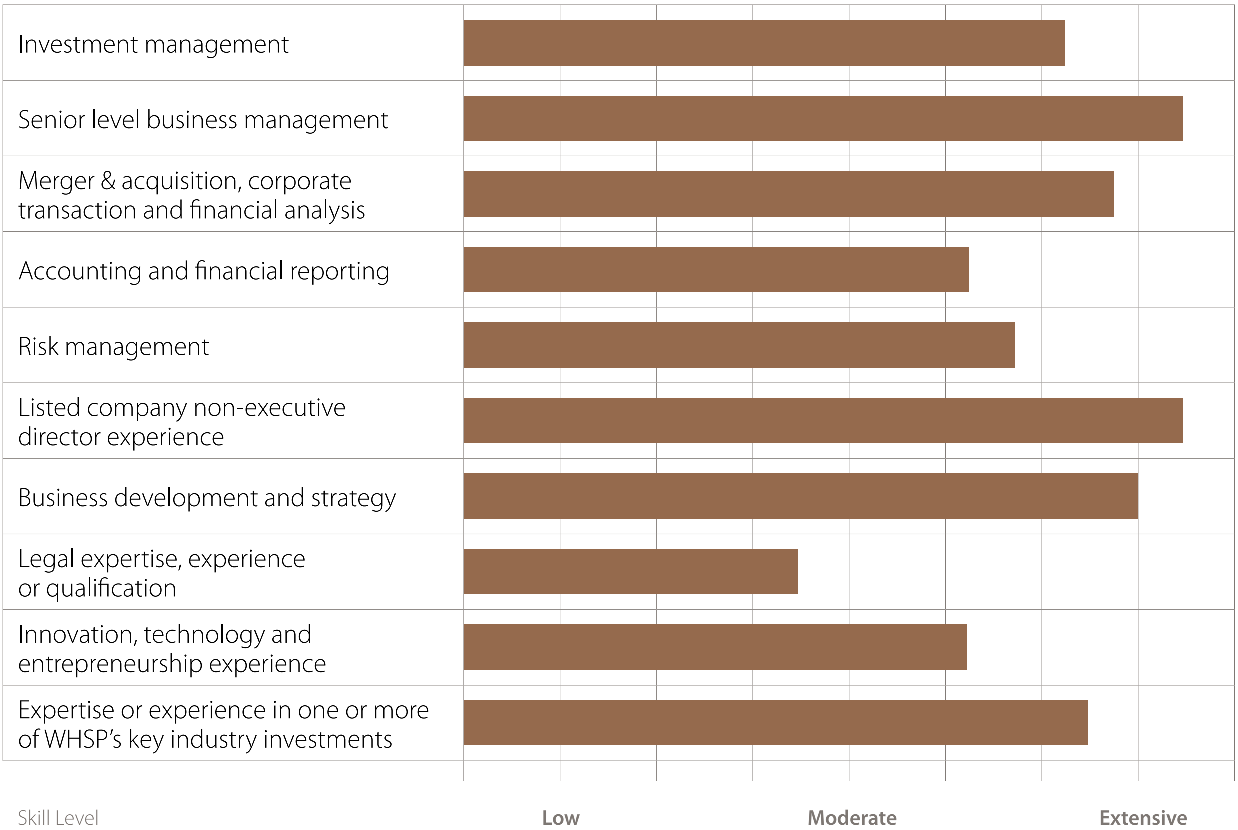
All Directors are committed to bringing their independent views and judgement to the Board and, in accordance with the *Corporations Act 2001*, inform the Board if they have any interest that could conflict with those of WHSP. The Board has approved *Guidelines for Dealing with Conflicts of Interest* to appropriately manage all perceived, actual and potential conflicts of interest. Directors are required to disclose actual, potential or perceived conflicts, and to appropriately manage a conflict, the Director:

- will not receive board papers on the subject of interest, but may, at the discretion of the other Directors, be advised that certain board papers have been excluded;
- cannot be present when the matter is considered unless otherwise permitted by law or the other Directors resolve that the Director in question can be present;
- cannot vote on the matter unless the other Directors resolve that the Director in question can vote;
- cannot have access to minutes of the Board or any Board Committee meeting in relation to the subject of interest; and
- may be required by the Board to take such other steps as are necessary and reasonable to resolve any conflict of interest within an appropriate period.

Board Skills and Experience

The Board considers that the Directors bring an appropriate mix of skills, breadth and depth of knowledge and experience to fulfil the Board's role. Together, the Directors have a broad range of relevant skills, capabilities and knowledge, and the extensive experience necessary to guide WHSP.

The Board has assessed the skill level of each Director and compiled an average of all Directors' skill levels for each of the following areas of expertise which are relevant to the effective operations of the Company.



Directors' Meetings

The number of Board meetings and meetings of committees of Directors and the number of meetings attended by each of the Directors of WHSP during the financial year were:

		Board		Audit Committee		Nomination Committee		People, Culture & Remuneration Committee		Risk Committee	
	Committee Member	Eligible to attend	Number attended	Eligible to attend	Number attended	Eligible to attend	Number attended	Eligible to attend	Number attended	Eligible to attend	Number attended
Robert Millner AO	N,PCR,Ri	15	15	–	–	1	1	3	3	4	4
Todd Barlow	Ri	15	15	–	–	–	–	–	–	4	4
Michael Hawker AM[1]	A,N,PCR,Ri	15	14	9	8	1	1	3	3	4	4
David Baxby**	N,PCR,Ri	8	8	–	–	–	–	1	1	–	–
Tiffany Fuller	A,N,PCR,Ri	15	15	9	9	1	1	3	3	4	4
Thomas Millner	N,PCR,Ri	15	15	–	–	1	1	3	3	4	4
Warwick Negus*	A,N,PCR,Ri	7	6	5	4	1	1	1	1	2	2
Joe Pollard	A,N,PCR,Ri	15	15	4	4	1	1	3	3	4	4
Josephine Sukkar AM	N,PCR,Ri	15	15	–	–	1	1	3	3	4	4

A Member of the Audit Committee of Directors during the year.
N Member of the Nomination Committee of Directors during the year.
PCR Member of the People, Culture & Remuneration Committee of Directors during the year.
Ri Member of the Risk Committee of Directors during the year.
1 Michael Hawker was an apology for a joint meeting of the Audit Committee and Board due to a late change in the date of the meeting.
** Warwick Negus resigned as a Director on 31 December 2022.*
*** David Baxby was appointed as a Director on 1 February 2023.*

Directors' Interests

Ordinary Shares

The relevant interest of each Director in the share capital of WHSP, as notified to the Australian Securities Exchange in accordance with section 205G of the *Corporations Act 2001*, at the date of this report is as follows:

	Ordinary Shares
Robert Millner AO	*22,830,768
Todd Barlow	292,427
Michael Hawker AM	35,300
David Baxby	–
Tiffany Fuller	1,800
Thomas Millner	*21,975,464
Warwick Negus	43,000[1]
Joe Pollard	–
Josephine Sukkar AM	1,573

** 21,957,053 shares in which Robert Millner and Thomas Millner have an interest related to holdings by the same entities.*
1 Warwick Negus was no longer a Director as at 31 July 2023. He held these shares on 31 December 2022 when he ceased to be a director.

Rights to Deferred Shares	Rights to Deferred Shares
Todd Barlow	408,707

Refer to the following Remuneration Report for further information.

Shares Under Option

WHSP did not issue any options over unissued shares during the financial year or in the period to the date of this report. There are no such options on issue at the date of this report.

Indemnification of Officers and Auditors

Indemnification

WHSP's constitution provides for an indemnity of Directors, Secretaries and Executive Officers (as defined in the *Corporations Act 2001*) where liability is incurred in the performance of their duties in those roles, other than conduct involving a wilful breach of duty in relation to WHSP. The Constitution further provides for an indemnity in respect of any costs and expenses incurred in defending proceedings in which judgement is given in their favour, they are acquitted, or the Court grants them relief under the *Corporations Act 2001*.

Insurance

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

Auditors

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

Proceedings on Behalf of the Company

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

Non-Audit Services

During the year, EY performed certain other services to WHSP Group in addition to their statutory audit duties.

The Board has considered the non-audit services provided during the year by EY and is satisfied that the provision of those non-audit services by each auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by WHSP and have been reviewed by the Audit Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in Professional Statement APES 110: Code of Ethics for Professional Accountants (including Independence Standards), as they did not involve: reviewing or auditing the auditor's own work; acting in a management or decision making capacity for the WHSP; acting as an advocate for WHSP; or jointly sharing risks and rewards.

For further information, refer to Note 38 of the Financial Report.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 July 2023 has been received and is included on page 80.

Rounding of Amounts

WHSP is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, and in accordance with that legislative instrument, amounts in the Directors' Report and Financial Report have been rounded to the nearest thousand dollars, unless otherwise stated.

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

Robert Millner AO
Director – Chairman

Todd Barlow
CEO & Managing Director

28 September 2023.

Celebrating our 120-year listing milestone in May 2023

"It has always been a feature of WHSP's remuneration framework to directly align 'at risk' remuneration with shareholder outcomes."

Remuneration Report

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

On behalf of the Board I am pleased to present WHSP's 2023 Remuneration Report. The strength of our core purpose to build enduring value for all of our shareholders has again guided our people to deliver for shareholders during the 2023 financial year. Through their focus on growing the portfolio, increasing cash generation and managing investment risk, our staff have driven strong returns to our shareholders. Our approach to remuneration rewards operational performance while ensuring accountability for decisions and actions that may have a reputational impact.

With the retirement of Warwick Negus from the Board this year, I am honoured to be stepping into the role of Chair of the People, Culture and Remuneration Committee (the Committee or PCRC). I would like to acknowledge Warwick's significant contribution during his time as Chairman of the Committee.

Culture, performance and remuneration

Our values are embedded in our remuneration framework and drive investment portfolio performance while protecting our capital. During the year we formally acknowledged the focus we have on our people and our long standing culture in the Committee's Charter. The Company operates a broad short term cash incentive scheme (STI) and long term incentive plan (LTI) across the employees to incentivise staff and align with shareholder success. The Committee considers the same performance factors across all WHSP personnel (KMP and staff) when determining the STI pool and LTI performance conditions. This reinforces our commitment to our shareholders.

Performance and remuneration outcomes for FY23

In assessing remuneration outcomes, the Board has considered the extent to which KMP have demonstrated expected behaviours set out in our *Code of Conduct* as well as how they have performed against short term performance objectives set at the start of the year. As an investment company with a diversified portfolio of assets across a range of industries, our KMP are rewarded for delivering long term value to our Shareholders. They are assessed on the extent to which they deliver strong financial performance, but importantly are also assessed on the way in which this value is delivered via non-financial performance measures. LTI financial targets have been set to deliver for shareholders over the long term and shares allocated to KMP are subject to retention during employment to further enhance ongoing alignment.

Given the strong performance of WHSP and its executive team during FY23, the Board has allocated an STI pool of 125% of Target reflecting strong growth in Net Cash Flow From Investments and increased Net Asset Value of the portfolio. In the 2023 financial year, eligible staff, including KMP, achieved 100% vesting of LTI based on operational performance of WHSP over the past three years. The Committee had also reviewed its approach to the Vesting Conditions for future LTI and will remove the ability to re-test performance 12 months following a year in which LTI did not vest.

Non-Executive Director fees

The Board determined to increase Chair and Board member fees effective 1 August 2022 to reflect increases to the superannuation guarantee rate and broad wage inflation.

Looking ahead

We support management's commitment to building the right capabilities in a manner that continues the long standing culture of delivering for shareholders. The Board will continue to review resourcing to meet future needs as well as associated levels of remuneration for all staff. For KMP, we benchmark remuneration so that it is broadly in line with industry practice. For all staff, both the quantum of the STI pool paid and the vesting of LTI align with shareholder outcomes.

Josephine Sukkar AM
Non-Executive Director
People, Culture and Remuneration Committee Chair

FY23 Remuneration Highlights

FY23 Reward Outcomes reflect the Company's performance

Operational Performance

Net Cash Flow From Investments per share

22.0% **higher than previous year**

STI Pool

Stretch Goal was achieved
(>9% growth)

150% **of Target**

Adjusted NAV (post tax) per share

2.3% **above index** (adjusted for tax)

Target goal was achieved
(2–3% above index)

100% **of Target**

Operational Performance

3 year TSR

22.0% **per annum**

LTI Vesting

Stretch goals were exceeded
(greater than 103% of the index)

100% **vested**

3 year Net Asset Per Share Growth

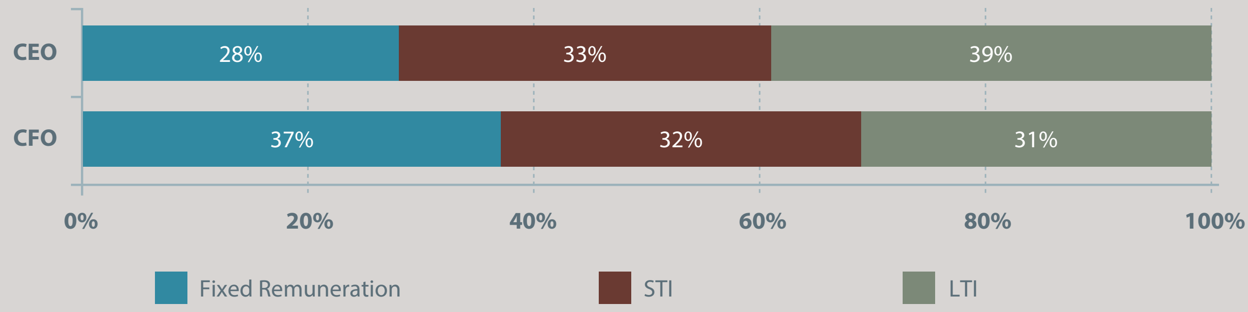
17.8% **per annum**

Stretch goals were exceeded
(≥ 10% p.a. growth)

100% **vested**

FY23 KMP Remuneration Summary

KMP Remuneration Mix in FY23 (Actual)



KMP STI Allocation in FY23

KMP	Performance measures	Performance against key performance objectives as assessed by PCRC
CEO	Investing and capital allocation; cashflow growth and dividends; risk management; investor relations, brand and market presence; strategy and key M&A; and people and culture	The PCRC assessed the CEO's achievements against his individual KPIs and awarded 124% of the CEO's Target STI allocation reflecting the significant achievements in FY23
CFO	Financial reporting; financial control and risk; cashflow and NAV growth; treasury and funding; and people and culture	The PCRC assessed the CFO's achievements against his individual KPIs and awarded 127% of the CFO's Target STI allocation reflecting the significant achievements in FY23

KMP STI Pool

KMP STI Pool	Based on
125% of target	50% of Stretch target cashflow (150%) 50% of Target Net Asset Value (100%)

Remuneration Governance

The People, Culture and Remuneration Committee of the Board consists of Non-Executive Directors. The Committee's role is to oversee WHSP's remuneration policies and practices, and make recommendations to the full Board on remuneration matters, including the terms of employment for the Managing Director, senior executives and Non-Executive Directors.

The PCRC takes an integrated approach to the assessment of remuneration to meet our objectives to grow the portfolio, increase cash generation and manage investment risk. Key to this integration is the inclusion of the Chairman of the Risk Committee and the Chair of the Audit Committee as members of the Committee.

The PCRC determines remuneration levels for Directors and senior executives to attract and retain qualified and experienced personnel.

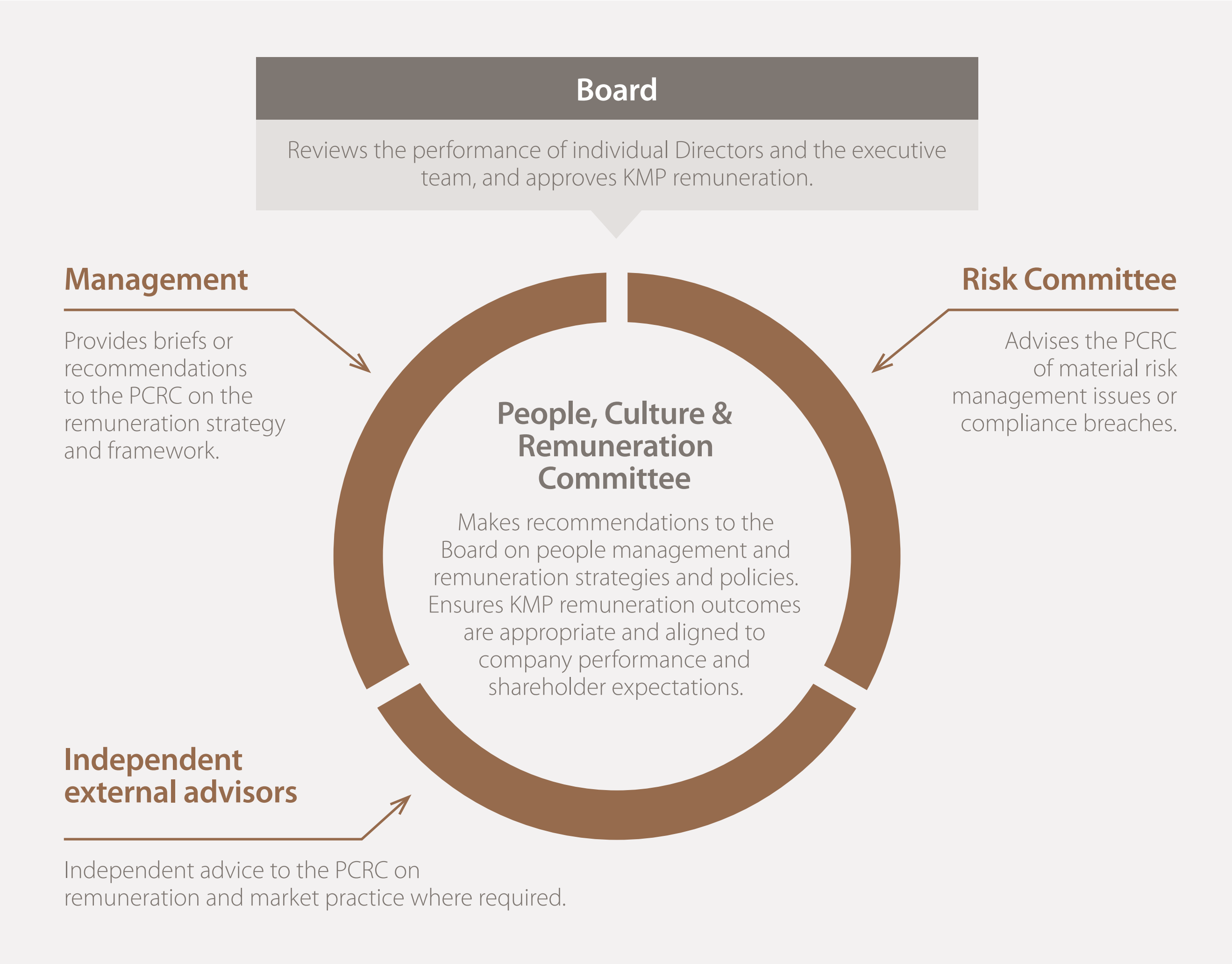
The PCRC is authorised by the Board to obtain independent professional advice on the appropriateness of remuneration packages if deemed necessary. No advice relating to the remuneration of KMP was received during the year. The responsibilities of the Committee are outlined in its Charter on WHSP's website *www.whsp.com.au*. Over the year, the role of the Committee was expanded to provide oversight of people and culture and employee well-being in addition to remuneration matters.

Culture

WHSP focuses on integrating strong investment principles and values into its daily workflows, forming an important foundation for the Company's approach to risk management. Consistent with this objective, the Risk Management Strategy has been designed with these key principles and values in mind.

Additionally, the principles and values support and drive our desired risk culture (i.e., the shared attitudes, beliefs, values, and behaviours that shape how risk is managed). A strong risk culture helps create a shared sense of responsibility for risk management, promotes transparency and accountability, and builds trust with internal and external stakeholders.

The Risk Management section of the Annual Report provides further detail on WHSP's investment principles and its risk management framework and practices.



People – Performance, Development and Review

Our Performance, Development and Review Framework outlines how leaders and team members at WHSP:

- expand their skills and knowledge to drive better outcomes and the continuous growth of our people
- set performance expectations
- give and receive feedback
- receive support to grow and develop
- plan for career development
- review and assess performance in a way which upholds our culture and values
- identify key talent
- identify employees who require additional support or performance management
- develop succession plans

The Performance, Development and Review Framework assists to plan, establish, monitor, review, evaluate and reward individual performance at WHSP.

Team members will discuss, set and agree goals with their leaders at the beginning of the performance year. These will become the team member's performance expectation for the year ahead to measure progress against these goals, Key Performance Indicators (KPIs) and Key Responsibility Areas (KRAs).

At WHSP, employee performance is assessed against several performance standards which fall under two overarching areas:

1. Performance and Output; and
2. Behaviours.

Remuneration framework

As an investment company with a diversified portfolio of assets across a range of industries, our remuneration framework is aligned with portfolio returns that deliver for our shareholders.

Our Purpose

Build enduring value for all of our shareholders.

Our Remuneration principles

Align incentives with shareholder outcomes	Attract and retain high performing individuals	Establish goals that can be independently measured	Reinforce ethical behaviour and compliance with laws	Reward enduring value creation

Our Remuneration Framework

Fixed remuneration	**Short term Incentives**	**Long term incentives**
Provide market competitive remuneration to attract and retain high performing individuals	STI Pool determination metrics support our purpose: • Increase Net Cash Flow from Investments to the parent entity • Grow adjusted net asset value (post tax) per share The Board retains discretion to increase or decrease the STI pool	LTI determination metrics support alignment of incentives with returns to current shareholders, and reward enduring value creation: • 50% of rights issued are subject to a hurdle that compares the Company's total shareholder return with the movement in the All Ordinaries Accumulation Index (TSR) • 50% of rights issued are subject to a hurdle that delivers a level of compound annual growth in Net Assets Per Share (NAPSG)
Reviewed annually	Target allocation referenced to industry benchmark for role	Target allocation referenced to industry benchmark for role
	Payment subject to individuals meeting agreed KPIs/KRAs that are specific to each staff member's role*	Vesting subject to meeting TSR and NAPSG performance hurdles over three years

* The PCRC from time to time will also consider additional retention arrangements in lieu of cash incentives.

Our KMP Remuneration Framework

Fixed remuneration	Short term Incentives	Long term incentives
Provide market competitive remuneration to attract and retain high performing individuals	Payment conditional on KMP meeting Target performance	Allocation reassessed annually to reflect KMP Target remuneration mix
CEO – $1,600,000 (including superannuation)	CEO – Target 100% of fixed remuneration for FY23	CEO – Target 100% of fixed remuneration for FY23
CFO – $800,000 (including superannuation)	CFO – Target 75% of fixed remuneration for FY23	CFO – Target 75% of fixed remuneration for FY23
	The Board retains discretion to increase or decrease the STI pool.	Vesting subject to meeting TSR and NAPSG performance hurdles over three years.
		Vested shares retained for 15 years

Executive Remuneration

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

WHSP KMP and staff are remunerated by way of fixed remuneration, short term incentives (STIs) and long term incentives (LTIs). Annual STIs are set in order to drive performance without encouraging undue risk taking. LTIs are assessed over a three or four year period (only if nil vesting occurs after three years) and are designed to promote long term stability in shareholder returns. During FY23, the Committee also reviewed its approach to the Vesting Conditions for LTI and removed the ability to re-test performance 12 months following a year in which LTI did not vest. This will apply to any LTI granted from FY24.

The PCRC attempts to benchmark remuneration against ASX listed companies with similar operations. To the extent that an executive's remuneration is materially below the benchmark data, the PCRC will consider increases based on commensurate levels of performance, responsibilities and experience.

The PCRC is responsible for assessing performance against key performance indicators (KPIs) and determining the extent to which the STI and LTI is to be paid. The STI and LTI have been designed to be payable when value has been created for shareholders. To assist in this assessment, the Committee receives reports on performance from management which are based on independently verifiable data.

In the event of serious misconduct or a material misstatement in the Company's financial statements, the Board may cancel LTI based remuneration and recover LTI remuneration paid in previous financial years.

Elements of WHSP's Remuneration Framework

Fixed remuneration

Fixed remuneration for staff is set annually (or on promotion if applicable). Fixed remuneration comprises a cash salary, superannuation and other non-cash benefits where taken.

Short term incentives

Structure of short term incentives

Feature	Description
KMP Allocation	Variable based on each individual KMP's Target performance. KMP STI are paid out of the total STI pool. Target: 100% of Chief Executive Officer's fixed remuneration for FY23 Target: 75% of Chief Financial Officer's fixed remuneration for FY23
STI pool	The STI pool is created by aggregating each eligible participant's target opportunity. The final size of the pool is determined by the performance metrics below. In the event that the Targets are exceeded (performance metrics exceed 100%) the pool will be increased as set out below.

<table>
<tr><th>Feature</th><th colspan="5">Description</th></tr>
<tr><td rowspan="14">Determination of STI pool</td><td colspan="5">The pool determination metrics align with WHSP's strategic goals to maximise shareholders' returns.</td></tr>
<tr><th>Objective</th><th>Weighting</th><th>Threshold (80%)</th><th>Target (100%)</th><th>Outperformance</th></tr>
<tr><td rowspan="5">Net Cash Flow From Investments per share</td><td rowspan="5">50%</td><td rowspan="5">> 0% and
< 4% higher than previous year</td><td rowspan="5">4% to < 5% higher than previous year</td><td>5% to < 6% = 110%</td></tr>
<tr><td>6% to < 7% = 120%</td></tr>
<tr><td>7% to < 8% = 130%</td></tr>
<tr><td>8% to < 9% = 140%</td></tr>
<tr><td>9% and higher = 150%</td></tr>
<tr><td colspan="5">As dividends are paid out of parent company cash, increasing net cash inflows enable the payment of increasing dividends.</td></tr>
<tr><td rowspan="5">Adjusted Net Asset Value (post tax) per share</td><td rowspan="5">50%</td><td rowspan="5">> 0% and
< 2% higher than ASX200 Accumulation Index (adjusted for tax)</td><td rowspan="5">2% to < 3% higher than ASX200 Accumulation Index (adjusted for tax)</td><td>3% to <4% = 110%</td></tr>
<tr><td>4% to < 5% = 120%</td></tr>
<tr><td>5% to < 6% = 130%</td></tr>
<tr><td>6% to < 7% = 140%</td></tr>
<tr><td>7% and higher = 150%</td></tr>
<tr><td colspan="5">Increases in net asset value per share contributes to increases in the WHSP share price.</td></tr>
<tr><td>Entitlement to the STI pool</td><td colspan="5">Once the STI pool is established by the financial measures described above, the PCRC determines each KMP entitlement to an STI based on individual performance, and the STI pool to be allocated to remaining eligible participants based on management assessment of individual performance.
Individual STIs are determined having regard to achievements throughout the year against a number of KPIs. The KPIs encompass a range of financial and non-financial objectives relevant to each participant's role. See page 44 for KPI categories for KMP.
The total of all STIs determined by the PCRC cannot exceed the STI pool.</td></tr>
<tr><td>Delivery of STI</td><td colspan="5">100% of the STI awarded is paid in cash following release of the year end results.</td></tr>
<tr><td>Board Discretion</td><td colspan="5">The Board retains discretion to increase or decrease the STI pool. In exercising this discretion the Board shall take into account, amongst other factors it considers relevant, Company performance from the perspective of shareholders over the relevant year as well as individual performance.</td></tr>
</table>

Long term incentive plan (LTI Plan)

Washington H. Soul Pattinson and Company Limited Rights Plan (LTI plan)

The LTI plan was approved by shareholders at the 2017 WHSP AGM. It was designed to reward participants for above market performance over the long term by granting rights that are subject to a TSR and a NAPSG performance condition measured over three years (Vesting Conditions).

Staff participate, at the Board's discretion, in the LTI plan comprising annual grants of performance rights.

Feature	Description
KMP Allocation	Reassessed each year based on each individual KMP's target performance. Target: 100% of Chief Executive Officer's fixed remuneration for FY23 Target: 75% of Chief Financial Officer's fixed remuneration for FY23
Number of Performance Rights	Number of Rights = Stretch LTI Value ÷ Right Value Where: Stretch LTI Value = Fixed Remuneration x Target LTI % ÷ Target Vesting % Target vesting = 50% Right Value = Share Price – (Annual Dividend x Measurement Period in Years) Share Price = The volume weighted average share price over the 14 days prior to the fifteenth day following the announcement of the previous financial year results of the Company As 100% of Rights to be granted will only vest when stretch performance goals are achieved, it is expected that a lesser percentage will actually vest unless exceptional performance is achieved.

<table>
<tr><th>Feature</th><th colspan="3">Description</th></tr>
<tr><td>TSR rights</td><td colspan="3">50% of rights issued are subject to a TSR performance condition – Tranche 1</td></tr>
<tr><td>NAPSG rights</td><td colspan="3">50% of rights issued are subject to a NAPSG performance condition – Tranche 2</td></tr>
<tr><td rowspan="7">TSR performance hurdle</td><td colspan="3">The TSR incentive is designed to focus participants on delivering sustainable long term Shareholder returns.
The vesting of TSR Performance Rights will be determined by comparing the Company’s TSR over the Measurement Period with the movement in the All Ordinaries Accumulation Index over the Measurement Period.
If the Company’s TSR is negative then nil vesting will apply to this Tranche.
Otherwise the following vesting scale will be applied, subject to an overriding discretion held by the Board:</td></tr>
<tr><th>Performance Level</th><th>Company’s TSR Compared to the All Ordinaries Accumulation Index at the end of the Measurement Period</th><th>Vesting % of Tranche</th></tr>
<tr><td>Below Threshold</td><td><100% of Index</td><td>0%</td></tr>
<tr><td>Target & Threshold</td><td>100% of Index</td><td>50%</td></tr>
<tr><td>Between Target and Stretch</td><td>>100% & <100% of Index Plus 3% CAGR</td><td>Pro-rata</td></tr>
<tr><td>Stretch</td><td>≥100% of Index Plus 3% CAGR</td><td>100%</td></tr>
<tr><td colspan="3">TSR is the sum of Share price appreciation and dividends (assumed to be reinvested in Shares) during the Measurement Period expressed as a growth percentage.</td></tr>
<tr><td rowspan="9">NAPSG performance hurdle</td><td colspan="3">This incentive is designed to focus participants on growing the value of the Company’s assets which increases Shareholder wealth.
The vesting of NAPSG Performance Rights will be determined by reference to the following scale:</td></tr>
<tr><th>Performance Level</th><th>CAGR in Net Assets Per Share during the Measurement Period</th><th>Vesting % of Tranche</th></tr>
<tr><td>Below Threshold</td><td><3%</td><td>0%</td></tr>
<tr><td>Threshold</td><td>3%</td><td>25%</td></tr>
<tr><td>Between Threshold and Target</td><td>>3% & <5%</td><td>Pro-rata</td></tr>
<tr><td>Target</td><td>5%</td><td>50%</td></tr>
<tr><td>Between Target and Stretch</td><td>>5% & <10%</td><td>Pro-rata</td></tr>
<tr><td>Stretch</td><td>≥10%</td><td>100%</td></tr>
<tr><td colspan="3">CAGR is compound annual growth rate.
Net Assets Per Share at the end of the Measurement Period will be calculated by adding all dividends paid during the Measurement Period to the closing Net Assets of the Company at the end of the Measurement Period and then dividing by the number of issued shares at the end of the Measurement Period.</td></tr>
<tr><td>Payable by participants</td><td>Nil</td><td colspan="2">No amounts are payable by the participants upon the granting or the exercising of the Rights.</td></tr>
<tr><td>Vesting of Performance Rights</td><td colspan="3">Upon the satisfaction of the Vesting Conditions, the value of Rights that vest will be evaluated and will be paid in Shares, cash or a combination of cash and Shares based on the then Share price.</td></tr>
<tr><td>Measurement Periods</td><td colspan="3">The Measurement Period will be the three financial years from 1 August of the relevant year of the Tranche. Retesting will only apply if nil vesting occurs for the tranche at the end of the initial Measurement Period. This Extended Measurement Period, if applicable, will only occur once the following year. During FY23, the Committee also reviewed its approach to the Vesting Conditions for LTI and removed the ability to re-test performance 12 months following a year in which LTI did not vest. This will apply to any LTI granted from FY24.</td></tr>
<tr><td>Cessation of Employment</td><td colspan="3">On termination of employment all unvested performance rights subject to a service condition are forfeited. For Performance Rights not subject to a service condition, a portion of the Rights granted in the financial year in which the termination occurs will be forfeited. The proportion is that which the remainder of the financial year following the termination represents of the full financial year. This provision recognises that grants of Performance Rights are part of the remuneration for the year of grant and that if part of the year is not served then some of the Performance Rights will not have been earned.</td></tr>
</table>

Feature	Description
Terms and Conditions	The Board has the discretion to set the terms and conditions on which it will grant Rights under the LTI plan, including the Vesting Conditions and modification of the terms and conditions as appropriate to ensure the plan operates as intended. All Performance Rights granted are subject to Vesting Conditions which are intended to be challenging and linked to growth in shareholder value. The terms and conditions of the LTI plan include those aspects legally required as well as a method for calculating the appropriate number to vest in the circumstances of a change of control, a major return of capital to shareholders and the treatment of Rights in the circumstances of various forms of termination.
Lapse and Forfeiture of Performance Rights	Performance Rights will lapse if the prescribed Vesting Conditions are not satisfied within the prescribed Measurement Period, subject to retesting.
Board Discretion and Clawback	The Board retains discretion to increase or decrease the vesting percentage in relation to each Tranche of Performance Rights. In exercising this discretion the Board shall take into account, amongst other factors it considers relevant, Company performance from the perspective of Shareholders over the relevant Measurement Period. The Board also has discretion to clawback any individual's incentive remuneration (including unvested or vested Rights and Restricted Shares) in the event of any error in accounting resulting in a miscalculation of incentives or acts of serious negligence or bad faith on the part of an LTI participant.

Additional retention arrangements

During the year, the Committee issued additional LTI Rights to certain staff in lieu of cash performance incentives. These LTI Rights are subject to continued employment at the time of future vesting and a 12 year share sale restriction post vesting. Todd Barlow was a recipient of these LTI Rights.

Prior to his role as Managing Director of WHSP, Todd Barlow was Managing Director of Pitt Capital, a wholly owned subsidiary of WHSP.

The PCRC determined during the year that in lieu of Todd Barlow receiving a cash performance fee resulting from his role as Managing Director of Pitt Capital, he would receive LTI Rights in accordance with the following terms:

Number of Performance Rights	129,765
Vesting schedule	50% vesting on 31 July 2025 25% vesting on 31 July 2026 25% vesting on 31 July 2027
Sale restriction post vesting	12 years (or until cessation of employment)
Effect of cessation of employment	Forfeited upon resignation or termination for cause prior to vesting
Acquisition of WHSP Shares on vesting	Shares to be purchased on market

Under the LTI plan rules, on exercise of vested rights the Board retains its discretion to settle the rights by providing shares, a cash payment or a combination of shares and a cash payment. Any shares provided to Todd Barlow on vesting of the retention rights will be purchased on-market.

Non-Executive Director Remuneration

Board policy is to remunerate Non-Executive Directors at comparable market rates. WHSP's Non-Executive Directors are remunerated for their services from the maximum aggregate amount approved by shareholders. WHSP shareholders approved the current limit ($2 million per annum) at WHSP's 2016 AGM. Remuneration levels are reviewed annually by the PCRC and are not subject to performance based incentives.

Non-Executive Directors receive fixed remuneration based on their position on the Board and the Committees on which they sit or chair, at comparable market rates. Remuneration levels are reviewed annually by the PCRC and are not subject to performance based incentives. The PCRC review market data annually to assist in setting Non-Executive Director remuneration.

During FY23 the PCRC recommended that the Board increase Chair and Member fees for the Board and Committees to reflect ongoing increases to the superannuation guarantee rate and broader wage inflation.

Annual Non-Executive Director Fees for FY23

Chairman Fee	Board Member	Audit Chair	Audit Member	PCRC Chair	PCRC Member	Risk Chairman
$379,000	$177,000	$40,000	$17,500	$30,000	$14,000	$30,000

Annual Non-Executive Director Fees to take effect from 1 August 2023

Chairman Fee	Board Member	Audit Chair	Audit Member	PCRC Chair	PCRC Member	Risk Chairman
$394,160	$184,080	$41,600	$18,200	$31,200	$14,560	$31,200

During the year ended 31 July 2023 remuneration of the Non-Executive Directors paid by WHSP amounted to $1,665,894.

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

KMP included in this report

Name	Role	Term
Non-Executive Directors		
Robert Millner AO	Non-Executive Chairman	Full year
Michael Hawker AM	Non-Executive Director	Full year
David Baxby	Non-Executive Director	Appointed 1 February 2023
Tiffany Fuller	Non-Executive Director	Full year
Thomas Millner	Non-Executive Director	Full year
Warwick Negus	Non-Executive Director	Retired 31 December 2022
Joanne (Joe) Pollard	Non-Executive Director	Full year
Josephine Sukkar AM	Non-Executive Director	Full year
Executive Director and KMP		
Todd Barlow	Managing Director and CEO	Full year
Other Executive KMP		
David Grbin	Chief Financial Officer	Full year

Remuneration expenses for KMP (statutory remuneration)

The tables below provide summaries of the remuneration received by current year KMP during the 2022 and 2023 financial years in accordance with accounting standards.

	WHSP and unlisted controlled entity[1]				
	Short term Benefits			Post-Employment Benefits	Long term Benefits
	Salary & Fees $	STI $	Non-monetary[2] $	Super-annuation $	Long Service Leave $
Non-Executive Directors – 2023					
Robert Millner AO	367,707	–	28,797	25,292	–
Michael Hawker AM	229,057	–	–	9,443	–
David Baxby	81,081	–	–	8,585	–
Tiffany Fuller	217,547	–	–	13,460	–
Thomas Millner	172,785	–	–	18,214	–
Warwick Negus	93,551	–	–	–	–
Joe Pollard	180,963	–	–	19,079	–
Josephine Sukkar AM	181,226	–	–	19,107	–
Executive Directors – 2023					
Todd Barlow	1,574,661	1,989,950	30,223	25,292	51,927
Other KMP – 2023					
David Grbin	774,690	760,050	34,657	25,292	52,747
Total	**3,873,268**	**2,750,000**	**93,677**	**163,764**	**104,674**
Non-Executive Directors – 2022					
Robert Millner AO	413,763	–	26,305	28,712	–
Tiffany Fuller	220,569	–	–	–	–
Michael Hawker AM	212,359	–	–	21,326	–
Thomas Millner	171,230	–	–	17,195	–
Warwick Negus	221,570	–	–	–	–
Robert Westphal	83,502	–	–	8,350	–
Josephine Sukkar AM	171,230	–	–	17,195	–
Joe Pollard	66,288	–	–	6,695	–
Executive Directors – 2022					
Todd Barlow	1,526,903	1,133,900	1,776	28,712	65,862
Other KMP – 2022					
David Grbin	676,570	431,705	42,278	23,712	–
Total	**3,763,984**	**1,565,605**	**70,359**	**151,897**	**65,862**

1. *Unlisted controlled entity, Pitt Capital is a wholly owned subsidiary of WHSP. No fees were paid in FY23.*
2. *Non-monetary remuneration includes fringe benefits provided and movements in annual leave provisions. When annual leave provided for in prior years is utilised, or paid out on resignation, a negative non-monetary amount will result.*

WHSP and unlisted controlled entity[1]			Listed controlled entity[3] New Hope			Group
	Share-based Payments		**Short term Benefits**	**Post-Employment Benefits**		
Termination Benefits $	**LTI Rights[4]** $	**Total** $	**Salary & Fees** $	**Super-annuation** $	**Total** $	**Total** $
–	–	421,796	–	–	–	421,796
–	–	238,500	–	–	–	238,500
–	–	89,666	–	–	–	89,666
–	–	231,007	–	–	–	231,007
–	–	190,999	–	–	–	190,999
–	–	93,551	–	–	–	93,551
–	–	200,042	–	–	–	200,042
–	–	200,333	–	–	–	200,333
		1,665,894				**1,665,894**
–	2,334,219	6,006,272	–	–	–	6,006,272
–	759,614	2,407,050	–	–	–	2,407,050
–	**3,093,833**	**10,079,216**	**–**	**–**	**–**	**10,079,216**
–	–	468,780	220,000	22,092	242,092	710,872
–	–	220,569	–	–	–	220,569
–	–	233,685	–	–	–	233,685
–	–	188,425	130,000	13,054	143,054	331,479
–	–	221,570	–	–	–	221,570
–	–	91,852	–	–	–	91,852
–	–	188,425	–	–	–	188,425
–	–	72,983	–	–	–	72,983
		1,686,289				**2,071,435**
–	838,620	3,595,773	130,000	13,054	143,054	3,738,827
–	208,725	1,382,990	–	–	–	1,382,990
–	**1,047,345**	**6,665,052**	**480,000**	**48,200**	**528,200**	**7,193,252**

3. New Hope was a controlled entity for FY22 until 29 July 2022. Director fees paid by New Hope for FY23 have therefore been excluded.

4. The LTI remuneration is determined by expensing the fair value of the rights as set out in Share-based Compensation on page 56 of this report across relevant accounting periods. In addition to the usual LTI Rights issued under the LTI Plan, the CEO was granted LTI Rights as a one-off retention award having a value of $308,587 in lieu of cash performance incentives (see page 50).

5. Director fees are paid by New Hope from the total annual aggregate amount approved by its shareholders. As New Hope was not a controlled entity in FY23, Director fees paid by New Hope have been excluded from the WHSP remuneration tables.

Remuneration received by KMP of WHSP (non-statutory information)

The tables below provide summaries of the remuneration received by current year KMP of WHSP during the 2022 and 2023 financial years. This information differs from the statutory remuneration tables which present remuneration in accordance with accounting standards.

	WHSP and unlisted controlled entity[1]	
	Total Fixed Remuneration $	STI Paid $
Non-Executive Directors – 2023		
Robert Millner AO	421,796	–
Michael Hawker AM	238,500	–
David Baxby	89,666	–
Tiffany Fuller	231,007	–
Thomas Millner	190,999	–
Warwick Negus	93,551	–
Joe Pollard	200,042	–
Josephine Sukkar AM	200,333	–
Executive Directors – 2023		
Todd Barlow	1,603,907	1,133,900
Other KMP – 2023		
David Grbin	799,982	431,705
Total	**4,069,783**	**1,565,605**
Non-Executive Directors – 2022		
Robert Millner AO	468,780	–
Tiffany Fuller	220,569	–
Michael Hawker AM	233,685	–
Thomas Millner	188,425	–
Warwick Negus	221,570	–
Robert Westphal	91,852	–
Josephine Sukkar AM	188,425	–
Joe Pollard	72,983	–
Executive Directors – 2022		
Todd Barlow	1,555,615	–
Other KMP – 2022		
David Grbin	700,282	–
Total	**3,942,186**	**–**

1. *Unlisted controlled entity, Pitt Capital is a wholly owned subsidiary of WHSP. No fees were paid in FY23.*
2. *New Hope was a controlled entity for FY22 until 29 July 2022.*
3. *Director fees are paid by New Hope from the total annual aggregate amount approved by its shareholders. As New Hope was not a controlled entity in FY23, Director fees paid by New Hope have been excluded from the WHSP remuneration tables.*

WHSP and unlisted controlled entity[1]			Listed controlled entity[2] New Hope			Group
LTI Vested $	Termination Payments $	Total Remuneration $	Total Fixed Remuneration[3] $	Other Remuneration $	Total Remuneration $	Total Remuneration $
–	–	421,796	–	–	–	421,796
–	–	238,500	–	–	–	238,500
–	–	89,666	–	–	–	89,666
–	–	231,007	–	–	–	231,007
–	–	190,999	–	–	–	190,999
–	–	93,551	–	–	–	93,551
–	–	200,042	–	–	–	200,042
–	–	200,333	–	–	–	200,333
2,296,381	–	5,034,188	–	–	–	5,034,188
510,322	–	1,742,009	–	–	–	1,742,009
2,806,703	**–**	**8,442,091**	**–**	**–**	**–**	**8,442,091**
–	–	468,780	242,092	–	242,092	710,872
–	–	220,569	–	–	–	220,569
–	–	233,685	–	–	–	233,685
–	–	188,425	143,054	–	143,054	331,479
–	–	221,570	–	–	–	221,570
–	–	91,852	–	–	–	91,852
–	–	188,425	–	–	–	188,425
–	–	72,983	–	–	–	72,983
1,982,661	–	3,538,276	143,054	–	143,054	3,681,330
365,805	–	1,066,087	–	–	–	1,066,087
2,348,466	**–**	**6,290,652**	**528,200**	**–**	**528,200**	**6,818,852**

Total Fixed Remuneration	*Salary, directors' fees, superannuation and non-monetary benefits paid or provided to KMP during the year.*
STI Paid	*STI paid during the year. These payments were in respect of performance in the previous year.*
LTI Vested	*The value of shares received upon vesting of performance rights during the year in respect of performance in previous years.*

Remuneration expenses for KMP (statutory remuneration)

(i) Remuneration of the KMP of the Group:

See the table shown on pages 52–53.

(ii) Relative proportions of remuneration that are fixed and that are linked to performance

	Fixed Remuneration		At Risk – STI		At Risk – LTI	
	2023	2022	2023	2022	2023	2022
WHSP – Target						
Todd Barlow	33%	45%	33%	22%	33%	33%
David Grbin	40%	56%	30%	22%	30%	22%
WHSP – Actual						
Todd Barlow	28%	44%	33%	32%	39%	24%
David Grbin	37%	54%	32%	31%	31%	15%

As the LTIs are provided exclusively by way of rights, the percentages disclosed reflect the value of rights expensed during the year.

(iii) STIs granted and forfeited for the year ended 31 July 2023

2023	Target STI $	Maximum STI $	STI awarded $	STI awarded % of Target %	% maximum STI Awarded %	% maximum STI Forfeited %
WHSP						
Todd Barlow	1,600,000	2,400,000	1,989,950	124%	83%	17%
David Grbin	600,000	900,000	760,050	127%	84%	16%
Total	2,200,000	3,300,000	2,750,000			

Contractual arrangements for current Executive KMP

	Term of agreement and notice period[1]	Base remuneration including Superannuation[2]	Termination Payments[3]
Todd Barlow	No fixed term 6 months notice period	$1,600,000	nil
David Grbin	No fixed term 3 months notice period	$800,000	nil

1. *This notice applies equally to either party. The employer may make a payment in lieu of notice.*
2. *Base remuneration including Superannuation as at 31 July 2023.*
3. *Base salary payable if the company terminates employees with notice, and without cause (e.g. for reasons other than unsatisfactory performance).*

Share-based compensation

Rights to deferred shares are granted under the LTI Plan. Rights are granted for nil consideration and in accordance with the plan at the sole discretion of the WHSP Board. Performance and service conditions applicable to each issue of Rights are determined by the Board at the time of grant. Rights granted under the plan carry no dividend or voting rights. Vesting of current rights on issue is subject to the satisfaction of performance conditions and/or service vesting conditions, and the value of any vested rights is satisfied in cash or with ordinary shares in WHSP, at the discretion of the WHSP Board.

The assessed fair values of the LTI Plan Rights are expensed in the year in which the rights are granted, or over multiple years for rights subject to service Vesting Conditions. For the purposes of KMP disclosure, the amounts expensed in a particular year are included in the remuneration of the relevant executive for that year under the statutory approach.

The fair values of rights issued during the year were independently determined by valuation specialists based on the market price of WHSP's shares at the grant date, with an adjustment made to take into account the vesting period, expected dividends during that period that will not be received by the participants and the probability that the market performance conditions will be met.

The following rights outstanding at balance date affect the remuneration of KMP in the current or future periods under either the statutory or non statutory approach.

WHSP	Vesting Date				Grant Date Value
Grant Date	If relevant hurdle met over 3 years		If no vesting over 3 years re-tested over 4 years		$
TSR Rights					
February 2021	100%	September 2023	100%	September 2024	21.70
NAPSG Rights					
February 2021	100%	September 2023	100%	September 2024	13.10
TSR Rights					
April 2022	100%	September 2024	100%	September 2025	7.90
NAPSG Rights					
April 2022	100%	September 2024	100%	September 2025	18.94
TSR Rights					
December 2022	100%	September 2025	100%	September 2026	16.59
NAPSG Rights					
December 2022	100%	September 2025	100%	September 2026	14.63
Retention Rights					
May 2023	50%	July 2025	N/A		31.47
	25%	July 2026	N/A		30.70
	25%	July 2027	N/A		29.94

Upon vesting the above rights are automatically exercised for a $nil exercise price.

Rights to deferred shares granted, vested and forfeited during the year relating to KMP:

		Rights to deferred shares							
		Balance at start of year	Granted during the year	Vested		Forfeited		Balance at end of year	Maximum value in future periods[1]
WHSP	Grant Date	Number	Number	Number	%[2]	Number	%[2]	Number	$
Todd Barlow	Dec 2019	91,902	–	82,361	89.6	9,541	10.4	–	–
	Feb 2021	86,696	–	–	–	–	–	86,696	–
	Apr 2022	62,481	–	–	–	–	–	62,481	–
	Dec 2022	Nil	129,765	–	–	–	–	129,765	–
	May 2023	Nil	129,765	–	–	–	–	129,765	3,700,502
David Grbin	Dec 2019	20,423	–	18,303	89.6	2,120	10.4	–	–
	Feb 2021	17,784	–	–	–	–	–	17,784	–
	Apr 2022	15,551	–	–	–	–	–	15,551	–
	Dec 2022	Nil	48,662	–	–	–	–	48,662	–

1. *The maximum value of the deferred rights in future periods has been determined as the fair value of the rights that is yet to be expensed.*
2. *Percentage of the original number of rights granted.*

Other statutory information

Shareholdings of KMP

The following table shows the number of shares in WHSP that were held during the financial year by KMP, including their personally related parties.

Shares in WHSP	Balance at start of year	Purchased/ (sold)	Received on the vesting of LTI rights	Other changes during the Year	Balance at end of year
Directors of WHSP					
Robert Millner AO	22,510,768*	320,000	–	–	22,830,768*
Todd Barlow	210,066	–	82,361	–	292,427
Michael Hawker AM	35,300	–	–	–	35,300
Tiffany Fuller	1,800	–	–	–	1,800
Thomas Millner	21,655,464*	320,000	–	–	21,975,464*
Warwick Negus	43,000	–	–	–	43,000[1]
Josephine Sukkar AM	1,573	–	–	–	1,573
Other KMP					
David Grbin	16,934	–	18,303	–	35,237

* *21,957,053 shares in which Robert Millner and Thomas Millner have an interest relate to holdings by the same entities.*

1. *Warwick Negus was no longer a KMP at year end. He held these shares on 31 December 2022 when he ceased to be a director.*

Link between remuneration and WHSP performance

The following table shows the WHSP performance over the last five financial years in key areas that determine the quantum of STI awarded to KMPs.

	2023	2022	2021	2020	2019
Post tax NAV per share ($)	**27.08**	25.14	19.57	17.90	18.46
Performance against benchmark (%)	**2.3%**	34.0%	-15.9%	10.0%	-8.7%
Net Cash Flow From Investments per share ($)	**1.18**	0.96	0.75	1.05	0.71
Net Cash Flow from Investments per share (% increase)	**22.0%**	27.9%	-28.5%	48.8%	18.1%
Regular earnings per share ($)	**2.37**	2.80	1.65	0.71	1.28
CEO % of target received	**124%**	151%	0%	144%	75%
CFO % of target received	**127%**	154%	0%	170%	78%

Loans to KMP

No loans have been made to the Directors or other KMP.

Other transactions with KMP

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

Reliance on external remuneration consultants

No remuneration advice was received during the year.

Voting on the 2022 Remuneration Report

WHSP's Remuneration Report for the 2022 financial year was adopted at its 2022 Annual General Meeting on a poll.

This is the end of the Remuneration Report

This Remuneration Report has been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards, and has been audited by EY.

Governance and Risk

Risk Management

The success of WHSP's business requires taking risks that are understood and managed over the long term. Our disciplined approach to investing includes the assessment and monitoring of financial and non-financial risks.

Managing investment risk to build enduring value for shareholders is embedded in our approach to assessing investment opportunities. Our values, as set out in our Code of Conduct, guide our conduct and are reflected in our investment philosophy. This alignment between our values and investment philosophy supports good risk management practices and behaviours.

Our Values

Integrity	Commitment	Accountability	Initiative	Excellence

Our Code of Conduct

Our *Code of Conduct* can be found at ***https://www.whsp.com.au/corporate-governance/***.

Our Investment Principles

Long-term Commitment	Strength of Conviction	Unconstrained Opportunity
We believe that sound risk management practices are embedded in successful long term investing. We can afford to take a long term view. Investment managers bring an in-depth understanding of the sector in which capital is being deployed. WHSP assesses, mitigates where appropriate and monitors.	We leverage WHSP's reputation as an investor of choice, trusted partner and flexible source of capital to differentiate ourselves from other investors. We actively monitor our investments.	While WHSP has historically been an equity investor in a diverse range of industry sectors, our unconstrained mandate has supported our growing portfolio in other asset classes. We look for value in sectors and/or asset classes which may not be on the radar of other investors.

Investment risk is a material risk for WHSP. The Board-approved Risk Appetite Statement and delegated limits guide the investment approval process. Investment portfolio monitoring includes scenario analysis and measuring against tolerances for Investment risk and Sustainability and Environment risk.

The Board recognises that in addition to business specific risks there are macroeconomic factors that could impact our investment decisions and performance. These encompass a range of economic, political and social variables that are beyond our immediate control. Fluctuations in global markets, changes in government policies, geopolitical tensions and shifts in consumer sentiment are among the macro risks that we consider when making investment decisions.

Risk Governance

The Board champions risk management through its leadership, decision making and challenge. The Board endorses WHSP's strategy annually taking into consideration the Board-approved Risk Appetite Statement so that business and strategic decisions align with the risk appetite. Risk management, including the balance of risk and reward for new and existing undertakings, is central to the Board's decision making.

WHSP has a Board Risk Committee to assist the Board in setting WHSP's risk appetite and monitoring the operation of WHSP's risk management framework. All Board members are members of the Board Risk Committee and the Chairman of the Risk Committee is a member of the Audit Committee and the People, Culture and Remuneration Committee (PCRC). The ongoing review of risk by the Risk Committee includes an annual risk review that is undertaken following WHSP's annual strategy review. The annual risk review includes an assessment of whether adjustments to the risk appetite need to be made as WHSP's strategy evolves. The Risk Committee reviews WHSP's key financial and non-financial risks on a quarterly basis and monitors key operational risks such as cyber security risk.

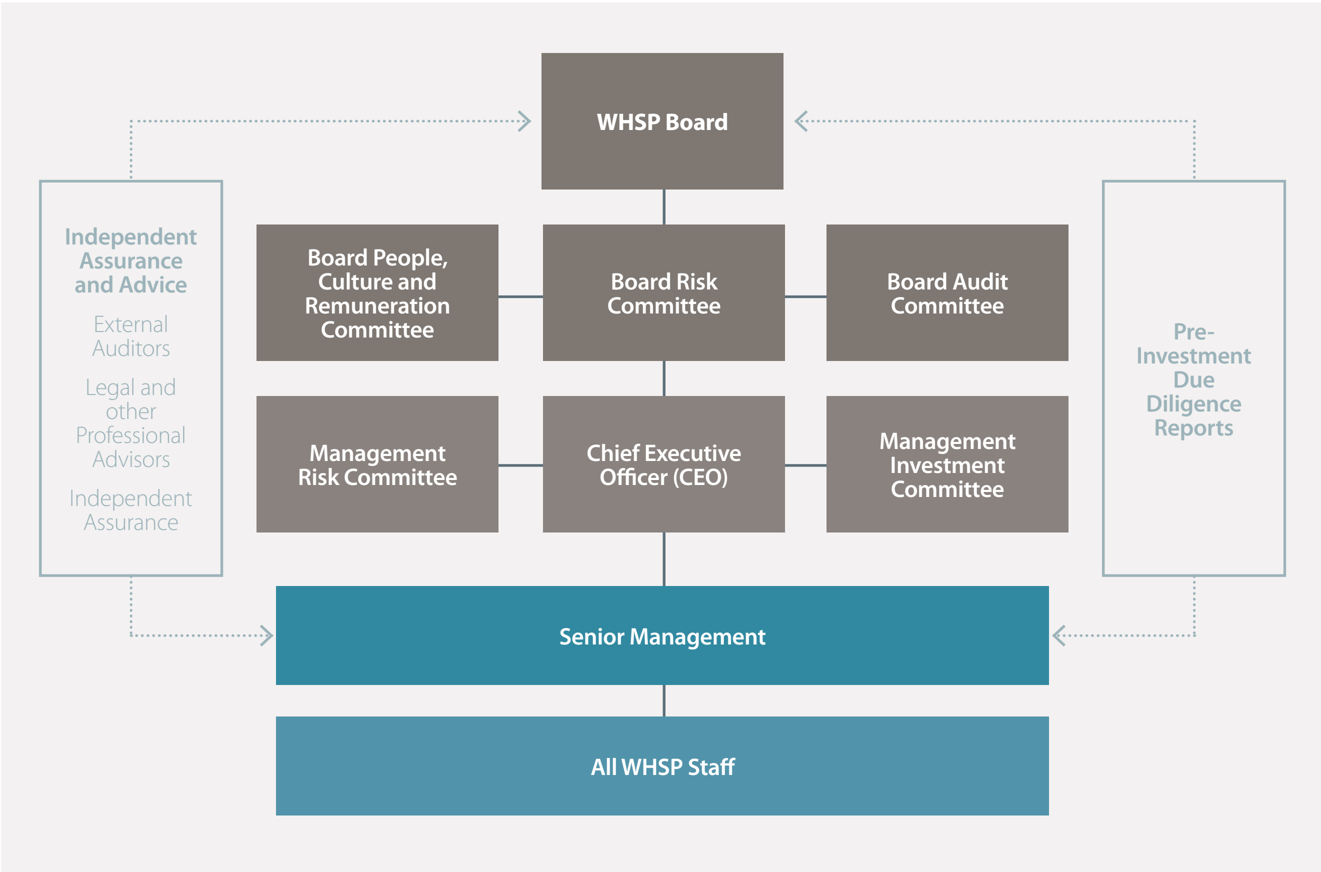
Aspects of risk management are overseen by the Board Audit Committee and the PCRC. The Board Audit Committee assists with oversight of risks relating to financial reporting. Senior management remuneration is aligned to shareholder returns and in making its remuneration decisions, the PCRC takes into account the effectiveness of risk management, risk culture and conduct. Good risk management behaviour is rewarded and poor risk behaviour has proportionate consequences.

All Board Committees are chaired by an Independent Director. The number of meetings held by each Board Committee is set out in the Directors' Report and the Board Committee charters are available on our website at *www.whsp.com.au*.

Management is responsible for identifying and managing risk and is accountable to the Board for designing and implementing the risk management framework as well as monitoring WHSP's day to day activities and escalating matters to the Board or relevant Board Committee. Management also champions risk management and has a Management Risk Committee as well as a Management Investment Committee. The Management Investment Committee assists with the exploration and selection of investments, while the Management Risk Committee assists with formal monitoring of material risks and identification of emerging risks across the Group Portfolio. The Management Risk Committee is accountable for escalating all material risks to the Board Risk Committee.

Consistent with our investment philosophy and belief that our people are our greatest asset, all employees are responsible for the day to day identification, management and escalation of risks that relate to their business functions.

Roles and responsibilities of the Board and its Committees are set out in WHSP's Corporate Governance Statement available on our website: *https://www.whsp.com.au/corporate-governance/*



Our Risk Management Framework

WHSP manages risk through its integrated risk management framework (Framework). The Framework sets the foundations and arrangements for designing, implementing, monitoring and improving risk management processes and practices across WHSP.

Policies are used to articulate the standards expected of staff and to influence actions. Breaches of policy are reported to the Management Risk Committee and material breaches are escalated to the Board Risk Committee and the Board.

WHSP has identified the following as the four material risk categories faced by it, each of which comprises financial and non-financial risks:

1 Investment Risk:

Failure to invest in a diversified portfolio in accordance with the WHSP Sustainable Investment Policy results in an inability to achieve enhanced investment outcomes over the long-term including payment of fully franked dividends to shareholders.

2 Regulatory & Compliance Risk:

Inability to effectively respond to and comply with legislation and / or regulation, or any action / inaction on the part of WHSP or its investments resulting in unacceptable monetary, financial statement or reputational exposure.

3 Sustainability & Environmental Risk:

Failure to acknowledge and respond adequately to ESG expectations adversely impacting the performance of the investment portfolio and resulting in regulatory breaches and reputational damage.

4 Brand & Reputation Risk:

Failure to create a culture which supports and reinforces behaviours that reflect the core values and principles set out in the WHSP Sustainable Investment Policy resulting in damage to brand and reputation.

Our most conservative risk appetite is in the management of critical areas such as reputation, regulatory compliance, workplace health and safety, and the energy transition. This means the Board has a narrower tolerance for these risks as they pertain to the performance of our investment portfolio.

In relation to risks associated with business growth the Board accepts a higher risk appetite, consistent with WHSP's strategic objective.

Risk management of companies in our investment portfolio

The operations and related risks of each company we invest in are managed by or under the direction of the directors of each portfolio company. We monitor the performance of each portfolio company and of our investment portfolio as a whole. The WHSP investment team also engages with the management of portfolio companies and uses our influence as an investor to promote effective risk management on material issues. Our risk oversight across our investment portfolio includes:

- appointing nominee directors and voting in relation to WHSP holdings;
- setting and communicating standards and expectations;
- engaging regularly with investee company board and their senior management to monitor performance and risk management practices; and
- monitoring of material industry specific risks of their business commensurate with our level of ownership.

Risk management of companies in our broader portfolio

In our broader investment portfolio, we hold minority holdings in 200+ companies.

Our approach to assessing the risk in each investee company focuses on areas considered to be material to the asset, the industry and related markets as well as to our portfolio as a whole. Through the combined expertise of our in-house investment team and external advisers, we have a deep understanding of the markets, the industries and the companies that we invest in, including ESG factors, demand and supply dynamics, competitive environment and regulation.

We regularly consult with experts and conduct rigorous due diligence prior to making an investment. Due diligence considers a range of scenarios in assessing return on investments, as well as taking into account the quality of the management, the industry trends and macroeconomic factors.

Once investments are made, our risk oversight activities include active monitoring of individual company performance, competitive environment and macroeconomic factors.

All of WHSP's investments are made in accordance with its Sustainable Investment Policy, Climate Change Policy, Human Rights Policy and Anti-Bribery and Corruption Policies.

These policies may be viewed on the Company's website at ***https://www.whsp.com.au/corporate-governance/*** and ***https://www.whsp.com.au/sustainable-investing/***

Details of WHSP's approach to financial risk management is contained in Note 31 – Financial risk and capital management in WHSP's FY23 Financial Report.

Chairman Rob Millner presenting at the Livewire Live Conference in September 2023

Sustainability Report

CEO & Managing Director's Introduction

WHSP's investment philosophy is anchored in long-term, sustainable outcomes. For the last 120 years as a public company, we have contributed to improving businesses, creating employment, and investing in communities which continues to create inter-generational value for our shareholders.

We take the long-term view and work together with our investment businesses and their stakeholders to build value over time. WHSP's current portfolio encompasses both public and private assets, and our flexible mandate allows us to seek opportunities in a range of industries.

As a responsible investor, owner and operator, WHSP continues to focus on Environment, Social, and Governance initiatives across our portfolio. Our principles-based approach to ESG is one of continuous improvement across those operations under our direct control and to engage, influence and monitor performance across our broader investment portfolio.

Our key areas of progress in Sustainability and ESG in the current reporting period were:

- Continued engagement with major investee companies on managing climate-related risks and opportunities
- Continued incorporation of ESG factors into investment analysis and decision making
- Demonstrable progress in driving employee engagement and wellbeing
- Investment in new ESG capability
- Expansion of employee incentives to align with shareholders
- Upgrade of our Risk Management Strategy on ESG and climate risks
- Expanded remit of the Remuneration Committee to include People & Culture
- Continued investment in our communities

Our approach to ESG

We believe our role as active and disciplined investors is to find and back the next generation of sustainable businesses. We engage, influence and monitor performance on ESG across our portfolio, and our level of influence depends on our level of ownership.

We focus on being a responsible owner and operator, rather than divesting assets. It is unclear to us how the shifting of assets from one owner to another creates improvement in ESG. In fact, we believe companies like WHSP are most suited to driving change through our active engagement and long-term investment philosophy.

Our direct operations are based in an energy efficient Sydney office which is managed by a diverse team of 51 people with strong attention to corporate governance standards. We foster a culture of risk management and performance. We have always looked after our staff, as reflected in the feedback from our inaugural employee engagement survey this year. And we invest heavily in the communities in which we operate, dating back to 1940 when our founder, Lewy Pattinson, donated the first aeroplane to the Royal Flying Doctors Service – our philanthropy partner to this day.

We regularly engage with our growing shareholder base and have continued to sustain wealth generation for our shareholders over many decades, never missing a dividend payment since 1903. We approach the management of our business with an "owner's mindset" which aligns our actions with shareholders.

The Royal Flying Doctors Service's first aeroplane, donated in1940 by our founder, Lewy Pattinson.

This mindset continues in our influence on businesses we own, in whole or in large strategic holdings. We adopt a collaborative approach with those boards and management teams to drive sustainable outcomes across business practice, risk management, governance, ESG and disclosure.

In our broader investment portfolio, we hold stakes in over 200 investments. Our core competency is identifying and responding to emerging risks by ensuring our investments are equipped to manage through change – be it the energy transition and decarbonisation, workplace safety, employee management, stakeholder relationships, data security, good governance and risk management.

We are long term investors and thoughtful allocators of capital, and we will continue to guard our strong reputation which stems from doing the right thing by people and communities – a core principle since foundation.

Todd Barlow
CEO & Managing Director

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Our approach to sustainable investing

Our *Sustainable Investment Policy*[1] sets out our philosophy, and how we identify relevant ESG factors in current and potential investments.

During the current reporting period, MSCI and Standard & Poors updated our Global Industry Classification Standard (GICS) classification from Energy to **Financials** (sub industry: diversified financials) which more accurately reflects our business and core expertise.

As an Australian investment management business with $10.8 billion in Net Asset Value, WHSP's goal is to be aligned with the International Sustainability Standards Board (ISSB) standards S1 and S2 on sustainability and climate-related financial disclosure (June 2023), and the emerging Australian Accounting Standards Board (AASB) requirements likely to be in place by FY25. WHSP is currently undergoing a gap analysis to align our future reporting obligations.

WHSP is following closely the development of the global and Australian sustainability and climate-related financial disclosure standards. WHSP is adopting the TCFD framework across our direct operations, and we are working on an emissions and sustainability measurement and reporting framework.

Sustainability in our **direct operations**

Includes WHSP's head office in Sydney, our 51 direct employees and our 7 Non-Executive Directors as at 31 July 2023. WHSP's direct operations manage the Group's investment portfolios.

Our approach to ESG in our direct operations is:

Environment: achieving carbon neutral operations that source renewable electricity and are managed to high environmental standards.

Social: investing in employee diversity, training and engagement, capability building, culture building, and community investment.

Governance: driving strong attention to governance and risk management that integrates ESG into investment decision-making.

1. *https://www.whsp.com.au/wp-content/uploads/2021/07/Sustainable-Investment-Policy-2021.pdf*

Environment

Emissions

At WHSP we recognise the importance of managing climate-related risks and we are committed to continuously improving the way we monitor and manage our impact where we have the most influence: our direct operations and controlled investments.

In FY23 we commenced the development of a carbon emissions measurement and reporting framework as a step towards alignment with the ISSB S1 and S2 standards and rapidly evolving Australian emissions reporting standards. In response to regulatory changes, we are developing a roadmap for how we will measure and report Scope 1 and Scope 2 carbon emissions for our direct operations and our entire investment portfolio by FY25.

In FY23 our estimated Scope 1 and Scope 2 greenhouse gas (GHG) emissions for our direct operations were 38 tonnes CO_2e, a slight increase from our emissions for FY22 and FY21. Over 90% of our emissions were related to electricity purchased through the grid – all of which was sourced from Accredited GreenPower generators since August 2022. We maintain our investment in 50 tonnes of Australian Carbon Credit Units (ACCUs) in the Warrego Carbon Project that is establishing permanent native forests in Queensland and, together with the purchase of GreenPower, have offset all our Scope 1 and Scope 2 emissions for our direct operations in FY23.

Our leased office at 151 Clarence Street 'Barrack Place' is managed by Investa, and in FY23 it achieved ***National Australian Built Environment Ratings*** of:

- 6/6 Star Rating for Electricity (with 76% GreenPower sourced)
- 4/6 Star Rating for Water

Barrack Place is a Platinum Certified member of the International WELL Building Institute for advancing human health and wellbeing

Social

Our stakeholder relationships are critical to our success. In FY23 we engaged independent external consultants to conduct a survey of our current shareholders and the broader investment community to tell us what is most important to them. We also asked our employees what was most important to them using a formal engagement survey. The most important factors for both shareholders (current and potential) and current employees which scored very highly, were:

- Honesty and integrity in dealings
- Stable and successful leadership
- Prioritising shareholders' interests
- High prudential standards
- Superior profitability and returns
- Employee wellbeing
- Good culture
- Internal systems and processes

Our values

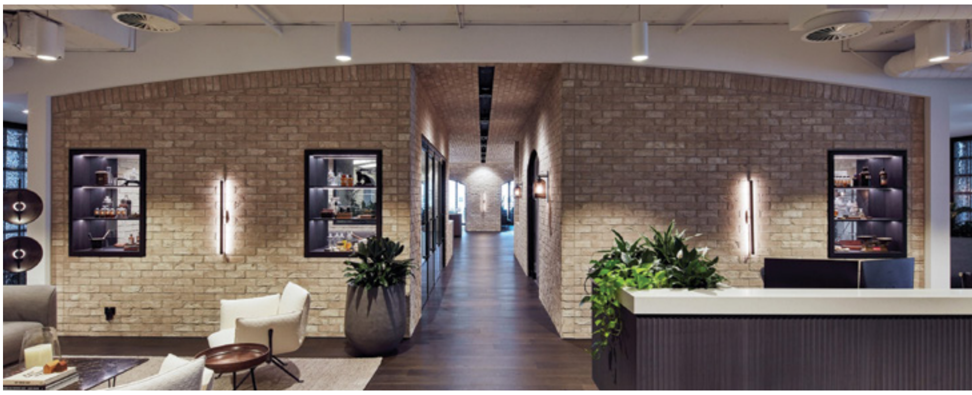
- Integrity
- Commitment
- Accountability
- Initiative
- Excellence

Our employees

Our employees are our greatest asset and critical to delivering on these factors and the long-term success of WHSP. In expanding the Board's oversight to include People and Culture as part of the Remuneration Committee, WHSP has made demonstrable progress in achieving a more diverse, inclusive and safe workplace. WHSP complies with all requirement for creating, in so far as is reasonably practical, a healthy and safe workplace in accordance with the Work Health and Safety Act.

To assess engagement in FY23 we conducted a formal engagement survey across all employees, which will continue on an annual basis and help us to identify areas for ongoing improvement.

- **95%** of employees indicate their direct manager cares about their wellbeing
- **86%** rate the culture positively
- **90%** would recommend WHSP to their network as a place to work
- **92%** agree that people from all backgrounds have equal opportunities to succeed at WHSP



ESG Capability added

- Chief Operating Officer
- Company Secretary
- GM Corporate Affairs
- Senior Legal Counsel
- Administration roles

One-quarter of our current employees have served this company for over 10 years. As our business continues to grow, so has our focus on supporting employees to build their resilience skills, career progression, and capacity. Actions taken in FY23 include:

- **Career development and upskilling** through targeted internal and external professional development courses as well as our regular intake of paid interns who simultaneously complete their university studies while embarking on their first role in financial services
- Expansion of our **wellbeing and inclusion** activities including
  - Offering financial planning support through partner Invest Blue and covering initial consultation costs
  - 24-hour Employee Assistance Program extended to employee family members
  - Bonus annual leave days
  - Flexible work hours
  - Promotion of inclusive recruitment practices, including female employment
- Increased focus on our **employee retention program** where all permanent employees are invited to participate in the Long Term Incentive share rights plan - further aligning our organisation with the outcomes desired by shareholders, while supporting retention of key management

Further details on remuneration and performance development can be found in our Remuneration Report.

Investing in our Communities

WHSP is committed to leveraging our services, time, and philanthropy to support not-for-profit organisations and build resilience in our communities.

We are proud to continue our long-standing partnership with the Royal Flying Doctors Service (est. 1940). During FY23 WHSP donated $55,000 to fund the purchase of another DXMx Satcom unit. Over the last three years, WHSP's donations have allowed all nine of the RFDS' B200s aircraft fleet now to have Satcom units installed.

WHSP also supports the RFDS through services and time – in FY23 and FY24 we continue to support the RFDS Eastern Division to develop its Sustainability and Emissions Strategy and Action Plan.

The Milton Foundation is dedicated to supporting disadvantaged members of the community. The Foundation started in 1988, was acquired through the merger of WHSP and Milton in 2021, and has now grown to $2.5 million in net assets, supporting a distribution of $180,000 in FY23 (FY22: $130,000). This included investment in a partnership with Black Dog Institute.

Proudly supporting
Black Dog Institute

Mental health is a focus area for WHSP as it is important to our employees and helps build resilience in the communities in which we operate.

The World Health Organisation estimated that depression will be the leading health concern worldwide by 2027, and reported that suicide is the leading cause of death in Australia for 14-24 year olds.

In June 2023, WHSP donated $100,000 to the Black Dog Institute (BDI) to support the world-first Future Proofing Study which represents the largest longitudinal study aimed at preventing depression and anxiety in young people. This funding enables employment of a researcher for one year to help fill critical research gaps, investigate strategies to improve youth mental health and deliver interventions at scale.

Proudly Supporting

Royal Flying Doctor Service

"Thanks to the generous support of Washington H Soul Pattinson, Flightcell satcom units are active across our entire Beechcraft King Air B200s fleet. Our aeromedical crews evacuate injured people from emergency situations in remote areas 24 hours a day, seven days a week. Each aircraft they travel on is fitted out to be a critical-care medical unit. Our emergency retrieval team need state-of-the-art equipment to perform the highly skilled and challenging work they do day in, day out. The addition of Flightcell satcom units for all our B200 aircraft ensures all our pilots can be in contact through radio or their mobile phones anywhere in the country, at any altitude, allowing us to operate at the highest possible safety levels, safeguarding the welfare of the critically ill patients we transport."

– Greg Sam, CEO, Royal Flying Doctor Service South Eastern Section

Pictured above is our Chairman, Rob Millner, with Ben Hinton, Senior Base Pilot, inspecting the Flightcell satcom units.

Pictured below and left is the VH-URE aircraft donated by Lewy Pattinson which operated from Broken Hill in the 1940s.

Governance and Risk Management

Our Board is committed to the highest standards of risk management and corporate governance.

The Board considers a range of ESG issues for existing and potential investments on an ongoing basis. Supporting this process is the Management Investment Committee which convenes every fortnight. Led by our CEO and CIO, it involves our lead portfolio managers and encourages cross-collaboration on new investment ideas, and the risks and opportunities within the investment portfolio as a whole.

- 38% female board representation
- Majority independent NEDs and Lead Independent Director
- Range of industry experience helps to inform renewal and succession planning

While due diligence differs by portfolio and by investment, there are three core gateways for assessing new opportunities:

- **exploration**: seeking out investments with strong, long-term total returns
- **selection**: identifying best-in-class businesses with clear growth avenues
- **opportunity**: conducting due diligence across financial, legal, commercial and ESG

All investments in WHSP's portfolio are complemented by a disciplined risk management approach which aligns to WHSP's new Risk Management Strategy approved by the Board in May 2023.

Additional examples of how we have strengthened governance procedures during FY23 include:

- strengthening compliance around our **supplier onboarding process** (including establishing a supplier register) as part of our commitment to modern slavery and other regulatory compliance (including cyber security, climate-risk, data privacy, anti-money laundering, and workplace inclusivity)
- completing a **cyber security review** in conjunction with our external cyber team, resulting in
    - the introduction of monthly security awareness training for all employees
    - stronger security and monitoring
    - completion of independent External Penetration Testing for identifying and closing out vulnerabilities
    - deployment of Sophos Managed Detection and Response (MDR) to all company devices and servers which enhances threat detection and response capabilities, 24/7
    - updating our Disaster Recovery Policy and Disaster Recovery testing
    - implementing Zero Trust Network Access for our Enterprise Resource Planning system
    - increased collaboration with our controlled investments on improving overall cyber defence

Sustainability in our **controlled** investments

Includes WHSP subsidiaries controlled by WHSP but operated independently with separate boards, management teams, staff, and processes.

AMPCONTROL	aquatic achievers swim schools	Agriculture & Water Investments
• *Electrical engineering* • *Initial investment: 2005* • *100% owned (from May 2022), independently operated*	• *Swim school operator* • *Initial investment: 2018* • *100% owned, independently operated*	• *Irrigated horticulture* • *Initial investment: 2019* • *99% owned, management outsourced*

Our approach to ESG in our controlled subsidiaries is:

Environment: supporting the energy transition through the development of new technologies and innovation, and responsibly managing climate-related risks.

Social: extending across employee safety, health and wellbeing.

Governance: our role as active and responsible owners with influence on governance and strategy through board involvement, advisory, management selection and engagement, training and compliance, and high operating standards.

Environment

The importance of managing climate-risk and mitigating our impact where possible is integral to our role as investors, and we are committed to ongoing assessment of resilience and associated financial impacts for our controlled investments, and improving relevant disclosures. See page 76 for more detail on our emissions reporting framework, metrics, data and calculations. Our TCFD index table is shown on page 78.

Developing Technologies to Support the Energy Transition

WHSP is attracted to investment opportunities that have a competitive advantage in the energy transition, and we recognise that both traditional energy sources and technological innovation are essential for the transition to a lower carbon economy.

Ampcontrol is one such example. A leading designer and developer of integrated electrical, electronic and control solutions to improve safety and efficiency in mining, renewable energy generation, infrastructure and industrial applications, it is a participant in the Net Zero Pathways Project (an initiative of the Office of Energy and Climate Change, NSW Treasury) and closely monitors its GHG emissions footprint.

Ampcontrol is meeting the service needs of multiple customers through the provision of products that deliver economic and environmental advantage, such as:

- **Solar Qube**, a standalone power system providing remote area power
- **Gilghi**, off-grid containerised water treatment solution that has been recognised for its social impact in remote and regional communities
- **DRIFTEX**, battery electric vehicle for underground mining application

Bronze Recipient

Bronze award for commitment and progress with Sustainability Advantage over the past 2 years – Office of Energy & Climate Change, NSW Treasury

Image of Driftex during WHSP Board of Directors site visit, June 2023

WHSP's Board of Directors on a tour of Ampcontrol's Tomago facilities in June 2023

Social

Through our controlled investments, WHSP indirectly employs thousands of people and we are committed to ongoing improvement in the management of work health and safety. This is a key priority for WHSP's risk management and investment performance.

Aquatic Achievers – committed to safety

An example of where WHSP seeks to influence continuous positive change across safety, customer experience, and governance through ongoing insight and collaboration is Aquatic Achievers.

Our ownership of Aquatic Achievers brings tangible benefits to society via quality aquatic education and improving the safety and confidence of children around water.

Aquatic Achievers has implemented improvements in work health and safety management systems across all current swim school locations since we acquired the business in 2018, with zero serious injuries in this time. During FY23 Aquatic Achievers acquired two new businesses – Carlile Swimming and Kirby Swim – as part of its transformation into one of Australia's largest private swimming school groups. Aquatic Achievers is committed to maintaining this positive trend as it embeds a unified safety strategy framework across Carlile Swimming and Kirby Swim.

Our Agriculture Portfolio – investing in regional employment and rural communities

WHSP Agriculture holds a portfolio of farms that employ over 70 full time employees and hundreds of seasonal casual employees each year as part of our investment in regional employment and rural communities. Improving Work Health and Safety management has been a key focus for all the farms in the Agriculture Portfolio. All employees have been upskilled and onboarded with Safe Ag Systems online safety management system. The Safe Ag app is used by all managers and supervisors to manage and monitor safety on the farms.

Developing the next generation of talent is also a priority, with a cadetship program recently launched. Shiva Shamugam completed a Bachelor of Science majoring in Biochemistry and Molecular Biology, in addition to a Bachelor of Advanced Studies in Agriculture. Arriving at the Mildura Citrus orchard to start her cadetship in early 2023, Shiva represents the next generation of horticultural expertise and was attracted to a farm like Mildura – a 358-ha group of citrus orchards in Colighan, Victoria – producing premium quality table citrus with technological and scientific advancements to optimise crop growth and production.

"My time on this farm has been nothing short of amazing. I learn something new almost everyday, be it agronomy related or how to drive a new farm implement. This is a great work environment to be a part of, and the team here in Mildura Citrus have been so welcoming and always happy to teach me new things and lend me a hand. I hope to continue working on this property for the coming years, and help to shape it into becoming one of Australia's premium citrus growers!"

– Shiva Shamugam

Governance and Risk Management

While all our controlled investments are independently operated, managed and governed, WHSP's role is to engage and influence the building of culture and practices of strong governance through regular interaction and risk monitoring.

This influence is evident in our investment in Ampcontrol, which started out as smaller partnership-style capital in 2005 and has since grown to 100% ownership (from May 2022). In partnership with Ampcontrol, WHSP is driving positive change across the business in our role as owner, strategic advisor, and through board representation. This includes:

- Leveraging WHSP expertise and knowledge to improve operational performance and commercialisation strategies
- Recruitment of industry leaders to the board (ex-CSIRO) and senior management team (new CFO appointment), and establishing Board reporting frameworks and frequency
- Enhancing safe working practices and culture through implementation of the award-winning Live Work Better program
- Introducing new policies to enhance risk management, and strengthening existing policies such as whistleblower reporting

WHSP's Risk Management Strategy identifies the most material ESG risks and opportunities at every stage of the business life cycle for our investment entities.

Sustainability in our **substantial investments**

Includes significant investments in listed companies.

Our approach to ESG in our substantial investments is to engage, influence and monitor performance:

Environment: responding and adapting to security of energy supply and influencing climate-risk analysis and disclosure.

Social: encouraging investment in the communities in which they operate through safe employment, investment in skills and training.

Governance: being active and responsible investors with influence on strategy, and monitoring compliance with regulation and disclosure.

The operations and related risks of every company we invest in are managed by the directors and management of that company. As active investors and owners, we provide counsel on strategy, monitor their performance/valuation, and encourage the businesses we partner with to adopt the values which have served WHSP.

Active ownership includes appointment of a WHSP representative to the board of the investee company to work alongside their board and management, and achieve positive change in areas such as business practice, risk management, governance, sustainability, and disclosure. WHSP's management team also regularly engage with our investee companies to keep informed on all ESG-related initiatives.

The below table provides a high level summary of ESG initiatives being undertaken by those large investments within our Strategic Portfolio and a link to further information.

Investment	ESG highlights in FY23
BRICKWORKS BUILDING PRODUCTS	✓ Targeting 15% reduction in GHG emissions (scope 1 and 2) by 2030 from a 2022 baseline across Australia and North America ✓ Exceeded 2025 goal of investment in emissions abatement ✓ Progressing towards a circular economy ✓ Continued reduction in Long Term Injury Frequency Rates Link to source: *https://investors.brickworks.com.au/sustainability-reports/*
NHG NEW HOPE GROUP	✓ Identification of abatement opportunities is evolving into an enterprise-wide decarbonisation strategic framework ✓ Established Sustainability and People Committee ✓ Continued progress with rehabilitation, waste & recycling management, and water stewardship ✓ Community Consultative Committee Link to source: *https://newhopegroup.com.au/sustainability/*
tpg TELECOM	✓ Targeting Net Zero emissions across the value chain by 2050 ✓ Targeting 100% renewable electricity for Australian operations by 2025 ✓ Committed to strengthening cyber security and protecting customer data ✓ Targeting increased female representation across leadership (45%), STEM functions (20%) and all employees (35%) in Australia by calendar end 2024 Link to source: *https://www.tpgtelecom.com.au/sustainability*

Investment	ESG highlights in FY23
PENGANA CAPITAL	✓ A focus on ethical and sustainably driven funds ✓ Oversight of compliance with ESG mandates ✓ Monitoring of carbon risk exposure ✓ ESG integration in internally managed funds, voting and engagement activity Link to source: *https://pengana.com/responsible-investing/*
Aeris RESOURCES	✓ Investigating design for rehabilitation across all sites and trials underway at Cracow Gold Mine ✓ Introduced water efficiency program ✓ Actively reducing carbon footprint and supporting renewable energy ✓ Implementation of International Council on Mining and Metals (ICMM) aligned risk management system Link to source: *https://www.aerisresources.com.au/sustainability/*
Apex Healthcare Service • Quality • Integrity	✓ Oversight of ESG risks at all levels ✓ Board Risk and Sustainability Committee ✓ Group Sustainability Management Committee ✓ Group Sustainability Technical Committee Link to source: *https://apexhealthcare.com.my/sustainability-statement/*
TUAS Building Better Connections	Tuas is a relatively new company which operates in Singapore's mobile market, seeking to establish itself as profitable. Given its early stage, it does not purport to hold sophisticated policies and procedures around sustainability, but the board considers sustainability matters as it makes decisions as outlined in the Annual Report. Link to source: *https://tuas.com.au/investors.html*

Sustainability in our **broader portfolio**

Includes actively traded equity investments and other financial instruments.

WHSP undertakes regular engagement with our investee companies. Engagement on ESG issues is considered in the context of WHSP's investment and our Risk Management Strategy. As an active investor, voting rights are exercised with the primary objective of upholding the interests of our shareholders by protecting and enhancing the value of our individual investments.

To help improve ESG-related disclosure across our entire portfolio, WHSP is upgrading reporting tools and systems to help drive positive and sustainable portfolio outcomes.

Metrics

Greenhouse Gas Emissions

	FY23		FY22		FY21	
(tCO₂-e)	**Scope 1**	**Scope 2**	**Scope 1**	**Scope 2**	**Scope 1**	**Scope 2**
WHSP direct operations[1]	3	35	4	32	3	33
Controlled investments (at 31 July 2023)[2]	3,717	6,545	48,661	4,683	48,795	2,470
New Hope (controlled until 29 July 2022)[3]	–	–	608,493	57,778	410,431	58,175
Total	**3,720**	**6,580**	**657,158**	**62,493**	**459,229**	**60,678**

Sources: independent carbon consultants, Greenbase, company data, company estimates

1 *WHSP direct operations includes:*
- *Emissions from purchased electricity for our leased office at 151 Clarence Street and petrol used in a company-owned vehicle*

2 *Controlled investments include:*
- *FY23: Ampcontrol, Aquatic Achievers (including 1 month of Carlile Swimming and 4 months of Kirby Swim), WHSP Agriculture (99% owned), and Property Trusts*
- *FY22: Round Oak (until divested 1 July 2022), Aquatic Achievers, Ampcontrol (from 31 May 2022), WHSP Agriculture (98% owned), and Property Trusts*
- *FY21: Round Oak, Aquatic Achievers, WHSP Agriculture (97% owned), and Property Trusts*

3 *New Hope includes:*
- *FY22: New Hope, excluding the 20% of Bengalla operations not owned*
- *FY21: New Hope, excluding the 20% of Bengalla operations not owned*
- *This presents 100% of New Hope's emissions for the period it was a controlled entity. For FY21 and FY22, WHSP's shareholding in New Hope was 43.9% and 39.9%, respectively.*

Emissions estimates for FY21 and FY22 were prepared by independent carbon consultants based on data reported by WHSP and its subsidiaries for National Greenhouse and Energy Reporting (NGER) requirements. WHSP was required to report Scope 1 and Scope 2 GHG emissions under the NGER Scheme based on its emissions profile at the time.

For FY23, WHSP's emissions profile changed due to the following:

- New Hope no longer controlled from 29 July 2022
- Round Oak sold to Aeris on 1 July 2022
- Ampcontrol acquired from 31 May 2022.

Emissions estimates for FY23 were prepared by Greenbase based on data reported by WHSP and its subsidiaries. Where company operational data was not available as inputs for emissions calculations, estimates were used based on prior year data or financial invoices. The significant decrease in Scope 1 and Scope 2 emissions in FY23 is due to the deconsolidation of New Hope and the sale of Round Oak (within controlled investments), both of which occurred late in FY22. WHSP's investments in New Hope and Aeris will be included as substantial investments in future emission disclosures, which remain under development as further described below.

The intention of our GHG emissions disclosure in this year's annual Sustainability Report is to take another step towards alignment with the ISSB S1 and S2 standards and evolving Australian emissions reporting standards. We have provided emissions estimates for the current financial reporting period, and included New Hope's 80% share of Bengalla in our disclosure for the relevant years, FY21 and FY22.

We are developing a roadmap for how we will measure and report the Scope 1 and Scope 2 emissions and emissions intensity of our entire $10.8 billion investment portfolio by FY25 and Scope 3 emissions by FY26.

Further commentary on New Hope's sustainability approach and disclosure can be found in their FY23 sustainability report available via their website: *https://newhopegroup.com.au/sustainability/*

Workforce Diversity

WHSP is committed to fostering a diverse and inclusive workplace.

In FY22, 47.5% of our employees identified as female, which increased to 51% in FY23.

Category	Male	Female	Total
Executive Management (KMP)	2	–	2
Senior Management	9	3	12
Managers	5	1	6
Professionals	6	15	21
Interns	3	7	10
Total headcount FY23*	**25**	**26**	**51**

* *Includes full time, part time, casual and contractors.*

WHSP Policies

WHSP has a policy obligations register for employees and regularly reviews and updates policies. Policy compliance and breaches are regularly reviewed by the Risk Committee and where appropriate, the Board. The full list is outlined here, some of which are available to view* on our website: ***https://www.whsp.com.au/corporate-governance/***

- *Anti-Bribery and Corruption Policy**
- *Appropriate Workplace Behaviour*
- *Climate Change Policy**
- *Code of Conduct*
- *Continuous Disclosure Policy**
- *Cyber Security Incidence Response Plan*
- *Data Classification and Control Policy*
- *Derivative Trading and Financial Hedging Policy*
- *Diversity Policy**
- *External Auditor Independence Policy*
- *Human Rights Policy**
- *Internal clearance process*
- *IT Backup Recovery Plan*
- *Securities Trading Policy**
- *Sustainable Investment Policy**
- *Tax Governance Framework*
- *Whistleblower Policy**

Regular internal compliance training on policies and practices is provided for all employees, which in FY23 included:

- Cyber security education
- Anti-money laundering
- Workplace safety (sexual harassment training)

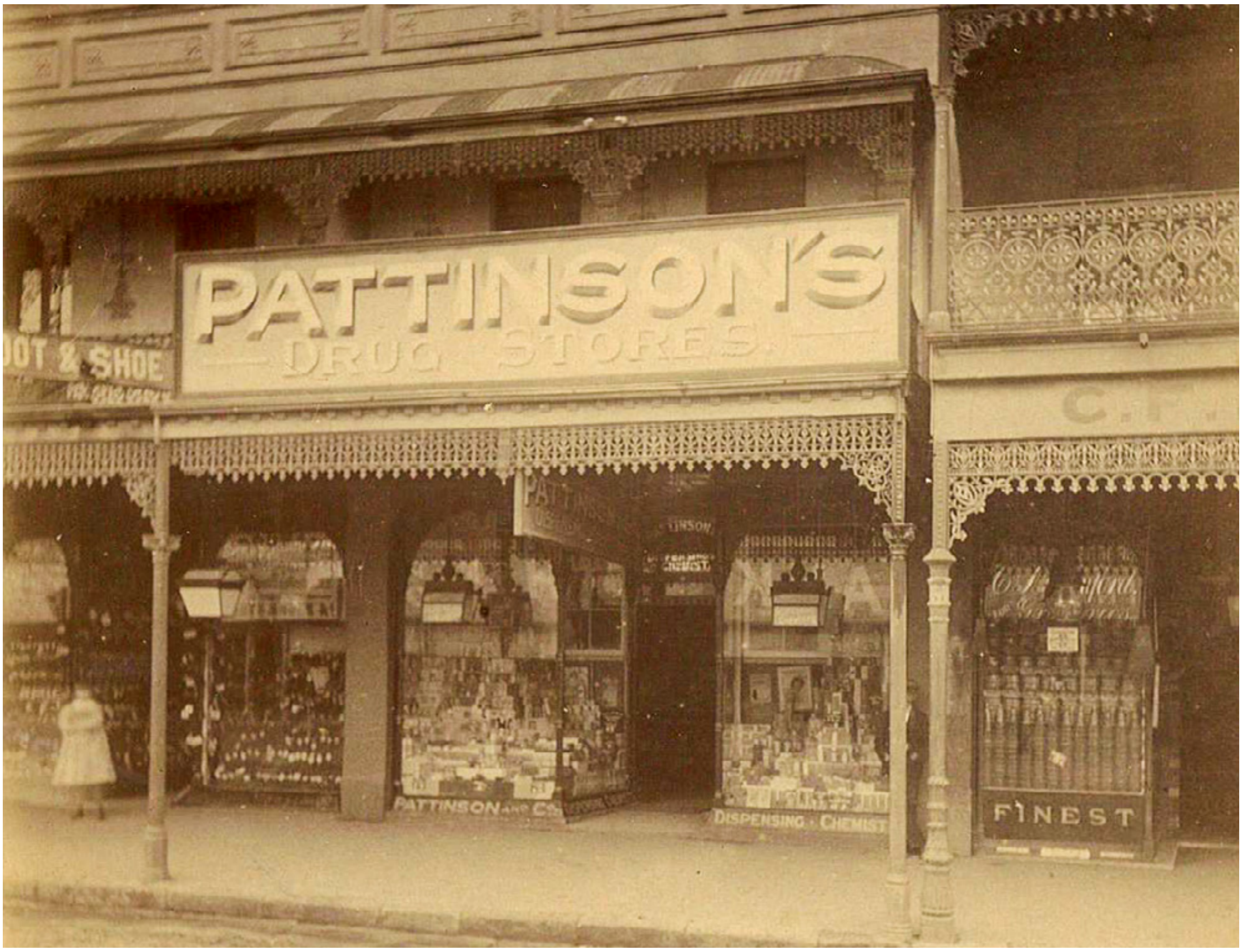
Appendix

Task Force on Climate-related Financial Disclosures

We support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which was established by the Financial Stability Board with the aim of improving the reporting of climate-related risks and opportunities.

TCFD index table

TCFD Recommendation		TCFD Recommended Disclosure	Where reported
Governance Disclose the organisation's governance around climate-related issues and opportunities.	a)	Describe the board's oversight of climate-related risks and opportunities.	Pages 59–60 Sustainability Report – Pages 70–75
	b)	Describe the management's role in assessing and managing climate-related risks and opportunities.	Pages 59–60 Sustainability Report – Pages 70–75
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material.	a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Strategy – Page 32 Description of key risks – Page 163 Sustainability Report – Pages 70–75
	b)	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning.	Strategy – Page 32 Description of key risks – Page 163 Sustainability Report – Pages 70–75
	c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2^{0}C or lower scenario.	Strategy – Page 32 Sustainability Report – Pages 70–75 Climate scenario analysis has been done for specific investments but not across the entire investment portfolio.
Risk management Disclose how the organisation identifies, assesses and manages climate-related risks.	a)	Describe the organisation's processes for identifying and assessing the climate-related risks	Risk management – Pages 61–62 Sustainability Report – Pages 70–75 How we manage risk – Page 163 Description of key risks – Pages 163
	b)	Describe the organisations processes for managing climate-related risks.	
	c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Direct operations metrics – Page 67 Controlled investments metrics – Page 76
	b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.	GHG emissions data – Page 76
	c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Climate-related targets have not been set to date.


PATTINSON'S
DRUG STORES
PATTINSON AND Co
DISPENSING · CHEMIST
FINEST


W. H. SOUL · PATTINSON & CO.
DISPENSING · CHEMISTS ·
DISPENSING · CHEMISTS ·
CHEMISTS
HOURS
SPECIAL
BATH
SOAP

Auditor's Independence Declaration

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

As lead auditor for the audit of the financial report of Washington H. Soul Pattinson and Company Limited for the financial year ended 31 July 2023, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b) no contraventions of any applicable code of professional conduct in relation to the audit; and

c) no non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

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

Ernst & Young

Ernst & Young

Ryan Fisk

Ryan Fisk
Partner

Sydney
28 September 2023

Financial Report

for the year ended 31 July 2023

About this report

This financial report is for the Consolidated Entity consisting of Washington H. Soul Pattinson and Company Limited and its subsidiaries for the year ended 31 July 2023. Throughout the report, the Consolidated Entity is also referred to as the 'Group' or 'WHSP Group'.

Please refer to the contents page for how the notes are structured and ordered. In addition to the relevant financial information, the notes include a description of the accounting policies applied, and where applicable key judgements and estimates used by management in applying these policies.

Consolidated Entity perspective

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

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

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

Parent Entity perspective

Financial information for WHSP has been provided in Note 34.

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

A description of the nature of the Group's operations and its principal activities is included in the Directors' report, which is not part of this financial report, and Note 5 Segment Information.

This financial report was authorised for issue in accordance with a resolution of the Board of Directors on 28 September 2023.

Contents

Consolidated Statement of Comprehensive Income

for the year ended 31 July 2023

	Notes	2023 $'000	2022 $'000
Revenue from continuing operations[1]			
Revenue from contracts with customers	6	362,901	2,560,239
Dividend and distribution income		175,700	194,691
Interest income		86,988	20,577
Sundry revenue		3,875	9,055
Other income	7	54,337	560,355
Share of results from equity accounted associates[1]	17	530,510	201,144
Expenses			
Cost of sales		(254,534)	(1,029,235)
Selling and distribution expenses		–	(115,327)
Administrative expenses		(159,863)	(90,420)
Impairment expense	8	(49,061)	(1,003,452)
Other expenses	8	(14,418)	(13,173)
Finance costs	8	(20,238)	(37,381)
Profit before income tax expense from continuing operations		716,197	1,257,073
Income tax expense	9	(17,523)	(764,630)
Profit after income tax expense for the year from continuing operations		698,674	492,443
(Loss)/profit after income tax expense from discontinued operations[2]	3	(9,134)	64,001
Profit after income tax expense for the year		689,540	556,444
Profit/(loss) for the year is attributable to:			
Members of WHSP		690,720	(12,941)
Non-controlling interests		(1,180)	569,385
		689,540	556,444
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss			
Loss from revaluation of investments and other assets, after tax		(132,713)	(41,155)
Share of associates' reserves, after tax		22,224	4,848
Items that may be reclassified subsequently to profit or loss			
Gain/(loss) on cash flow hedges, net of amounts reclassified to profit/(loss), after tax		124	(66,989)
Exchange differences from translation of foreign operations, after tax		583	(188)
Changes in equity reserves, after tax		(21)	3
Share of associates' cash flow hedge and other reserves, after tax		41,323	3,532
Total other comprehensive loss for the year, net of tax		(68,480)	(99,949)
Total comprehensive income for the year		621,060	456,495
Total comprehensive income/(loss) for the year is attributable to:			
Members of WHSP		622,396	(49,140)
Non-controlling interests		(1,336)	505,635
Total comprehensive income for the year		621,060	456,495

1 *New Hope was deconsolidated from 29 July 2022. In the current reporting period, the Group's share of New Hope results are presented within a single line, 'Share of results from equity accounted associates'. In the prior reporting period, such items were presented within individual line items of revenue and expense up until the date of deconsolidation. The presentation change did not impact the profit after tax attributable to members of WHSP. Refer to Note 1 for more information.*

2 *Discontinued operations relate to the sale of Round Oak (Refer to Note 3).*

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

Consolidated Statement of Comprehensive Income (continued)

for the year ended 31 July 2023

	2023 $'000	2022 $'000
Profit/(loss) attributable to Members of WHSP:		
Continuing operations	699,854	(76,942)
Discontinued operations[1]	(9,134)	64,001
Profit/(loss) attributable to Members of WHSP for basic earnings:	690,720	(12,941)
Interest on convertible notes, after tax[3]	2,310	–
Profit/(loss) attributable to Members of WHSP adjusted for the effect of dilution	693,030	(12,941)

	2023 000's	2022 000's
Weighted average number of ordinary shares	360,968	339,252
Less weighted average number of treasury shares[2]	(40,883)	(41,013)
Weighted average number of ordinary shares for basic EPS	320,085	298,239
Effects of dilution from convertible notes[3]	6,430	–
Weighted average number of ordinary shares adjusted for the effect of dilution	326,515	298,239

	2023 Cents	2022 Cents
Earnings per share from continuing operations		
Basic earnings/(loss) per share	218.65	(25.80)
Diluted earnings/(loss) per share[3]	215.05	(25.80)
Earnings per share from discontinued operations[1]		
Basic (loss)/earnings per share	(2.85)	21.46
Diluted (loss)/earnings per share[3]	(2.80)	21.46
Earnings per share attributable to Members of WHSP		
Basic earnings/(loss) per share	215.80	(4.34)
Diluted earnings/(loss) per share[3]	212.25	(4.34)

1 *Discontinued operations relate to the sale of Round Oak (Refer to Note 3).*

2 *Includes adjustment for treasury shares and the reciprocal interest with Brickworks (2023: 40,687,563 shares); (2022: 40,799,573 shares).*

3 *2022 diluted EPS excludes the impact of the convertible noteholders converting their ordinary equity of WHSP as their inclusion would be anti-dilutive. It assumes any long term incentive rights that vest in future reporting periods will be satisfied by purchasing shares on the market.*

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

Consolidated Statement of Financial Position

as at 31 July 2023

	Notes	2023 $'000	2022 $'000
Current assets			
Cash and cash equivalents	25	311,811	506,327
Term deposits	26	668,259	–
Trade receivables and other assets	11	136,884	90,826
Loan receivables	11	125,529	2,964
Inventories	12	63,118	47,500
Biological assets	13	12,487	9,310
Assets classified as held for sale	14	126	108,343
Trading assets	15	348,889	572,987
Other financial assets	16	50,195	78,204
Total current assets		1,717,298	1,416,461
Non-current assets			
Loan receivables	11	441,701	230,267
Investment in associates	17	2,875,925	2,643,174
Long term equity investments	18	3,757,766	4,803,500
Other financial assets	16	210,529	87,878
Investment properties	19	84,278	85,576
Property, plant and equipment	20	366,428	254,263
Right-of-use assets	21	83,604	37,305
Intangible assets	22	259,658	147,195
Total non-current assets		8,079,889	8,289,158
Total assets		9,797,187	9,705,619
Current liabilities			
Trade payables and other liabilities	23	105,279	96,365
Interest bearing liabilities	27	221,554	197,641
Lease liabilities	21	11,359	9,024
Other financial liabilities	16	8,477	7,304
Current tax liabilities		3,434	71,578
Provisions	24	25,138	20,408
Total current liabilities		375,241	402,320
Non-current liabilities			
Interest bearing liabilities	27	125,925	307,575
Lease liabilities	21	78,097	33,665
Deferred tax liabilities	10	471,044	496,780
Provisions	24	11,867	6,380
Total non-current liabilities		686,933	844,400
Total liabilities		1,062,174	1,246,720
Net assets		8,735,013	8,458,899
Equity			
Share capital	28	4,683,474	4,680,159
Reserves	29	(320,179)	(184,767)
Retained profits		4,358,577	3,952,995
Equity attributable to Members of WHSP		8,721,872	8,448,387
Non-controlling interests		13,141	10,512
Total equity		8,735,013	8,458,899

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

Consolidated Statement of Changes in Equity

for the year ended 31 July 2023

Year ended 31 July 2023	Equity attributable to Members of WHSP				Non-controlling interests $'000	Total equity $'000
	Share capital $'000	Retained profits $'000	Reserves $'000	Total $'000		
Total equity at the beginning of the year 1 August 2022	4,680,159	3,952,995	(184,767)	8,448,387	10,512	8,458,899
Net profit/(loss) for the year after tax	–	690,720	–	690,720	(1,180)	689,540
Other comprehensive income/(loss) for the year						
Loss from revaluation of investments and other assets, after tax	–	–	(132,557)	(132,557)	(156)	(132,713)
Gain on cash flow hedges, net of amounts reclassified to profit/(loss), after tax	–	–	124	124	–	124
Exchange differences from translation of foreign operations, after tax	–	–	583	583	–	583
Changes in equity reserves, after tax	–	–	(21)	(21)	–	(21)
Share of associates' reserves, after tax	–	–	63,547	63,547	–	63,547
Total comprehensive income/(loss) for the year	–	690,720	(68,324)	622,396	(1,336)	621,060
Transactions with owners						
Dividends provided for or paid[1]	–	(301,416)	–	(301,416)	(216)	(301,632)
Share based payments transactions[2]	3,315	–	2,992	6,307	–	6,307
Convertible debt buy-back – New Hope[3]	–	–	(53,755)	(53,755)	–	(53,755)
Transactions with non-controlling interests	–	–	(47)	(47)	4,181	4,134
Reclassification of reserves to retained earnings	–	16,278	(16,278)	–	–	–
Total equity at the end of the year 31 July 2023	4,683,474	4,358,577	(320,179)	8,721,872	13,141	8,735,013

1 *After the elimination of $37.9 million (43.1% of WHSP dividend paid to Brickworks).*
2 *Share capital increased from on market disposals of treasury shares. Share based payment reserve is adjusted for rights granted, net of those vesting during the period.*
3 *New Hope bought back existing convertible notes above their carried value. WHSP has recorded its share of the effect on New Hope's equity.*

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

Year ended 31 July 2022	Equity attributable to Members of WHSP				Non-controlling interests $'000	Total equity $'000
	Share capital $'000	Retained profits $'000	Reserves $'000	Total $'000		
Total equity at the beginning of the year 1 August 2021	47,177	4,201,400	(155,144)	4,093,433	1,060,148	5,153,581
Net (loss)/profit for the year after tax	–	(12,941)	–	(12,941)	569,385	556,444
Other comprehensive income/(loss) for the year						
(Loss)/gain from revaluation of investments and other assets, after tax	–	–	(41,903)	(41,903)	748	(41,155)
Loss on cash flow hedges, net of amounts reclassified to profit/(loss), after tax	–	–	(2,578)	(2,578)	(64,411)	(66,989)
Exchange differences from translation of foreign operations, after tax	–	–	(101)	(101)	(87)	(188)
Changes in equity reserves, after tax	–	–	3	3	–	3
Share of associates' reserves, after tax	–	–	8,380	8,380	–	8,380
Total comprehensive (loss)/income for the year	–	(12,941)	(36,199)	(49,140)	505,635	456,495
Transactions with owners						
Dividends provided for or paid[1]	–	(204,901)	–	(204,901)	(186,589)	(391,490)
Newly issued ordinary shares[2]	4,642,781	–	–	4,642,781	–	4,642,781
Loss of control of a subsidiary	–	–	–	–	(1,370,884)	(1,370,884)
Equity portion of convertible bond issued	–	–	–	–	1,701	1,701
Share based payments transactions	–	(1,643)	6,576	4,933	511	5,444
Employee share based payment[3]	(9,799)	–	–	(9,799)	–	(9,799)
Transactions with non-controlling interests	–	–	–	–	24	24
Return of capital	–	–	–	–	(34)	(34)
Reclassification of a fair value investment to an associate	–	(28,920)	–	(28,920)	–	(28,920)
Total equity at the end of the year 31 July 2022	4,680,159	3,952,995	(184,767)	8,448,387	10,512	8,458,899

1 *After the elimination of $26.5 million (43.3% of WHSP dividend paid to Brickworks) and the elimination of $3.2 million dividends paid to Milton.*
2 *New issued ordinary shares to purchase Ampcontrol and the balance of Milton shares under a Scheme of Arrangement. Refer to Note 2 for further details.*
3 *Shares acquired under the Milton Staff Share Plan. Refer to Note 28.*

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

Consolidated Statement of Cash Flows

for the year ended 31 July 2023

	Notes	2023 $'000	2022[1] $'000
Cash flows from operating activities			
Receipts from customers inclusive of GST		413,158	2,676,804
Payments to suppliers and employees inclusive of GST		(394,410)	(1,298,153)
		18,748	1,378,651
Dividends and distributions received		558,146	192,092
Interest received		52,627	13,057
Interest on lease liabilities		(2,428)	(5,597)
Payments for trading assets		(334,922)	(733,888)
Proceeds from sale of trading assets		568,278	434,626
Acquisition costs expensed		(1,459)	(2,856)
Finance costs paid		(14,588)	(18,910)
Income taxes paid		(70,861)	(64,653)
Net cash inflow from operating activities	25	773,541	1,192,522
Cash flows from investing activities			
Payments for property, plant, equipment and intangibles		(177,298)	(162,321)
Proceeds from sale of property, plant and equipment and intangibles		22,981	28,205
Payments for capitalised exploration and evaluation activities		–	(19,316)
Payments for acquisition and development of investment properties		(5,007)	(35,585)
Proceeds from sale of investment properties		83,165	4,424
Payments for equity investments		(300,089)	(458,372)
Proceeds from sale of equity investments		1,127,546	976,533
Payments to acquire equity accounted associates		(97,280)	(31,200)
Payments for acquisition of businesses, net of cash acquired		(88,506)	(78,792)
Payments for deferred consideration		–	(1,601)
(Payments)/proceeds from sale of businesses, net of cash received		(29,180)	86,818
Refund/(payments) for security and bond guarantee		50	(1,012)
Deconsolidation of New Hope cash balance		–	(715,894)
Loan repayments from external parties		131,172	140,375
Loans advanced to external parties		(454,092)	(118,735)
Net payments for term deposits		(668,259)	(100,000)
Net cash outflow from investing activities		(454,797)	(486,473)
Cash flows from financing activities			
Dividends paid to members of WHSP	4	(339,309)	(234,563)
Dividends paid by subsidiaries to non-controlling interests		(106)	(185,437)
Proceeds from external borrowings		130,346	79,295
Repayments of external borrowings		(290,321)	(451,420)
Principal repayments of lease liabilities		(11,058)	(19,806)
Payment for shares acquired for the employee long term incentive plan		(3,064)	(2,586)
Transactions with subsidiaries' non-controlling interest		–	750
Net cash outflow from financing activities		(513,512)	(813,767)
Net decrease in cash and cash equivalents		(194,768)	(107,718)
Cash and cash equivalents at the beginning of the financial year		506,327	610,324
Effects of exchange rate changes on cash and cash equivalents		252	3,721
Cash and cash equivalents at the end of the financial year	25	311,811	506,327

1 *New Hope was deconsolidated from 29 July 2022. Its underlying cash flows are presented for 2022, whereas in 2023 only dividends received by WHSP from New Hope are presented.*

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

Notes to the Financial Statements

01 Basis of preparation

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

- has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB);
- complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB);
- has been prepared on a for profit basis;
- is presented in Australian dollars with all values rounded to the nearest thousand dollars ($'000), or in certain cases, to the nearest dollar, unless otherwise stated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191;
- presents reclassified comparative information where required for consistency with the current year's presentation;
- adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 August 2022;
- does not adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective. Refer to Note 40 – New or amended accounting standards and interpretations for more information;
- has been prepared on a historical cost basis except for certain items, which are measured on an alternative basis, identified in the accounting policies; and,
- where the Company information is disclosed, relevant accounting policies are described when different to the Group accounting policies.

Significant and other accounting policies relevant to gaining an understanding of the financial statements have been grouped with the relevant notes to the financial statements.

Deconsolidation of New Hope

On 29 July 2022, the Directors of WHSP concluded that the Group no longer controlled New Hope. As a result, the balances of New Hope were derecognised from the Group as at that date. The Group maintains significant influence and from that date recognised New Hope as an associate. In the Consolidated Statement of Comprehensive Income, the underlying revenue and expenses of New Hope were presented within the relevant revenue and expense category for the prior reporting period. In the current reporting period such amounts are combined into a single line, 'Share of results from equity accounted associates'. Although this results in a significant change in classification, there was no change in WHSP's ownership of New Hope on the deconsolidation date. Had the prior reporting period presented New Hope as an equity accounted associate, there would be no change in the profits attributable to members of WHSP for that period.

01 Basis of preparation (continued)

Deconsolidation of New Hope (continued)

To assist users of the financial report, the following provides the summarised financial results of New Hope that are included in the consolidated financial statements in the prior reporting period.

	Up to 29 July 2022 $'000
Consolidated Statement of Comprehensive Income	
Revenue	2,480,765
Expenses	(1,132,146)
Profit before income tax	1,348,619
Income tax	(402,023)
Profit after income tax	946,596
Profit for the year attributable to:	
Members of WHSP	377,692
Non-controlling interests	568,904
	946,596
Consolidated Statement of Cash Flows	
Cash flows from operating activities	1,138,637
Cash flows used in investing activities	(222,524)
Cash flows used in financing activities	(628,133)
Net increase in cash and cash equivalents	287,980

At the deconsolidation date, the Group's investment in New Hope was re-measured to its fair value of $1,456.3 million. In accordance with the accounting standards, the difference between the fair value as at the date of deconsolidation and the entity's share of the underlying net assets is required to be allocated to the identifiable assets, liabilities, and goodwill within the investment balance of New Hope. The following table summarises the allocation of fair value above the carrying values by New Hope:

	29 July 2022 $'000
WHSP's share of net assets of New Hope	908,229
Adjustments to fair value	
Mining projects	528,200
Coal inventory	35,200
Contingent liabilities	(15,300)
Deferred tax	(164,400)
Goodwill	164,400
Total adjustments	548,100
WHSP initial investment in associate	1,456,329

The amortisation of these fair value adjustments by the Group during the current reporting period resulted in a decrease in the Group's equity accounted share of New Hope's results of $17.0 million. The accounting for the deconsolidation of New Hope was previously provisional and is now final as at 31 July 2023.

Discontinued operations

As described in Note 3, the results of Round Oak have been presented as discontinued operations following its disposal on 1 July 2022. The results related to Round Oak are presented as a single amount as (loss)/profit after income tax expense from discontinued operations in the Consolidated Statement of Comprehensive Income.

Key judgements and estimates

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

Note reference	Key judgements and estimates	Page
Note 2	Business combinations – acquisition fair value	92
Note 6	Revenue recognised over time – supply of engineering services and projects	103
Note 10	Recognition and recoverability of deferred tax assets	112
Note 11	Expected Credit Losses	114
Note 13	Valuation of biological assets	117
Note 17	Recoverable value of investments in associates Control assessment of Brickworks and New Hope	123
Note 19	Fair value of investment properties	129
Note 20	Valuation of farmland assets Recoverable value of bearer plants Estimation of useful lives of bearer plants	132
Note 22	Impairment of intangible assets	140
Note 30	Level 3 Financial assets valuation techniques	155

02 Business Combinations

ACCOUNTING POLICY

The acquisition method of accounting is used to account for all business combinations regardless of whether equity instruments or assets are acquired. The consideration transferred for the acquisition of a business combination comprises the fair value of the assets transferred and the liabilities incurred. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred.

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

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

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

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the Group recognises previously acquired deferred tax assets after the initial acquisition accounting is completed there will be no adjustment to goodwill. As a consequence, the recognition of the deferred tax asset will increase the Group's net profit after tax.

KEY JUDGEMENTS AND ESTIMATES

Business combination – acquisition fair value

The determination of the fair values of net identifiable assets acquired, and of any goodwill, involves significant judgement. The allocation of fair value between intangible assets, and the tangible assets with which they are used, is also judgemental. The Group typically engages third-party experts to advise on the purchase price allocation for significant acquisitions.

Summary of acquisitions in the current reporting period

During the current reporting period, the Group acquired the following businesses within the Private Equity Portfolio:

- 100% of Kirby Swim, a swim school business;
- 100% of Carlile Swimming, a swim school business; and
- 100% of Androck, a mining services business.

A summary of the impact of these transactions is as follows:

	Kirby Swim 31 March 2023 $'000	Carlile Swimming 30 June 2023 $'000	Androck 31 May 2023 $'000	Total $'000
Purchase consideration	10,800	74,182	21,068	**106,050**
Less: Fair value of net assets acquired	(5,790)	(20,802)	(16,194)	**(42,786)**
Provisional goodwill on acquisition	5,010	53,380	4,874	**63,264**
Net cash flows from the acquisition of subsidiaries	(9,775)	(64,594)	(16,058)	**(90,427)**

Acquisition of Kirby Swim

On 31 March 2023, the Group acquired 100% of Kirby Swim, the operator of a group of swimming schools located in and around Perth, WA.

The acquisition involved cash consideration of $10.3 million paid on settlement, plus contingent consideration payable over the next 3 years.

The values of net assets initially recognised in the 31 July 2023 financial statements are based on a provisional assessment of their fair value. The finalisation of the fair value of the acquired assets and liabilities at acquisition date will be completed within the 12-month measurement period in accordance with the Group's accounting policy.

Revenue and profit contributions

The acquired business contributed revenue of $2.7 million and a profit before tax of $0.1 million for the period 1 April 2023 to 31 July 2023. If the acquisition had occurred on 1 August 2022, its contribution to revenue and profit before tax would have been $8.4 million and $2.0 million respectively.

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

	Kirby 31 March 2023 $'000
Cash and cash equivalents	793
Term deposits	109
Trade and other receivables	78
Prepayments and other assets	50
Inventories	42
Property, plant and equipment	1,509
Right-of-use assets	5,461
Intangibles	6,079
Deferred tax assets	1,662
Deferred tax liabilities	(3,579)
Trade and other payables	(683)
Lease liabilities	(5,218)
Current tax liabilities	(87)
Provisions	(426)
Fair value of net identifiable assets	5,790
Provisional goodwill on acquisition	5,010
Fair value of net assets acquired	10,800
Purchase consideration	
Cash paid at acquisition	10,330
Deferred consideration	470
Total purchase consideration	10,800
Cash flows from acquisition	
Cash paid at acquisition	(10,330)
Cash balance acquired	793
Net cash flow from investing activities	(9,537)
Acquisition related costs	(238)
Net cash outflow expensed	(238)
Cash flows from the acquisition of Kirby, net of cash acquired	(9,775)

02 Business Combinations (continued)

Acquisition of Carlile Swimming

On 30 June 2023, the Group acquired 100% of Carlile Swimming, the operator of a group of swimming schools located in Sydney, NSW.

The acquisition involved cash consideration of $68.6 million on settlement of the acquisition, plus contingent consideration payable over the next 2 years.

The values of net assets initially recognised in the 31 July 2023 financial statements are based on a provisional assessment of their fair value. The finalisation of the fair value of the acquired assets and liabilities at acquisition date will be completed within the 12-month measurement period in accordance with the Group's accounting policy.

Revenue and profit contributions

The acquired business contributed revenue of $2.8 million and a profit before tax of $0.6 million for the period 1 July 2023 to 31 July 2023. If the acquisition had occurred on 1 August 2022, its contribution to revenue and profit before tax would have been $30.9 million and $8.8 million respectively.

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

	Carlile 30 June 2023 $'000
Cash and cash equivalents	5,361
Term deposits	899
Trade and other receivables	818
Prepayments and other assets	355
Inventories	152
Property, plant and equipment	18,792
Right-of-use assets	32,342
Deferred tax assets	9,703
Deferred tax liabilities	(9,898)
Trade and other payables	(4,505)
Lease liabilities	(32,286)
Current tax liabilities	(264)
Provisions	(667)
Fair value of net identifiable assets	20,802
Provisional goodwill on acquisition	53,380
Fair value of net assets acquired	74,182
Purchase consideration	
Cash paid at acquisition	68,635
Deferred consideration	5,547
Total purchase consideration	74,182
Cash flows from acquisition	
Cash paid at acquisition	(68,635)
Cash balance acquired	5,361
Net cash flow from investing activities	(63,274)
Acquisition related costs	(1,320)
Net cash outflow expensed	(1,320)
Cash flows from the acquisition of Carlile, net of cash acquired	(64,594)

Acquisition of Androck

On 31 May 2023, the Group acquired 100% of Androck, a business providing supply, manufacturing and re-engineering services to the underground mining industry in Eastern Australia.

The acquisition involved cash consideration of $17.0 million on settlement, plus deferred and/or contingent consideration payable over the next 2 years.

The values of net assets initially recognised in the 31 July 2023 financial statements are based on a provisional assessment of their fair value. The finalisation of the fair value of the acquired assets and labilities at acquisition date will be completed within the 12 month measurement period in accordance with the Group's accounting policy.

Revenue and profit contributions

The acquired business contributed revenue of $3.6 million and profit before tax of $0.7 million for the period 1 June 2023 to 31 July 2023. If the acquisition had occurred on 1 August 2022, its contribution to revenue and profit before tax would have been $26.0 million and $7.1 million respectively.

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

	Androck 31 May 2023 $'000
Cash and cash equivalents	1,305
Trade and other receivables	4,756
Prepayments and other assets	344
Inventories	5,328
Property, plant and equipment	4,190
Intangibles	5,412
Deferred tax liabilities	(1,862)
Trade and other payables	(2,884)
Provisions	(395)
Fair value of net identifiable assets	16,194
Provisional goodwill on acquisition	4,874
Fair value of net assets acquired	21,068
Purchase consideration	
Cash paid at acquisition	17,000
Deferred consideration	4,068
Total purchase consideration	21,068
Cash flows from acquisition	
Cash paid at acquisition	(17,000)
Cash balance acquired	1,305
Net cash flow from investing activities	(15,695)
Acquisition related costs	(363)
Net cash outflow expensed	(363)
Cash flows from the acquisition of Androck, net of cash acquired	(16,058)

02 Business Combinations (continued)

Summary of acquisitions in the prior reporting period

Acquisition of Milton in 2022

On 5 October 2021, the Group completed its acquisition of the remaining 97% of the issued shares of Milton, a listed investment company that substantially invested in liquid Australian listed equities.

The valuation of the fair value of the acquired Milton's assets and liabilities at acquisition date was finalised within one year of acquisition date. There has been no change to the provisional amounts as presented in the 2022 Annual Report.

Acquisition of Ampcontrol in 2022

On 31 May 2022, the Group completed its acquisition of the remaining 57.1% of the issued equity of Ampcontrol, an unlisted company that engages in the design, research and development, manufacture, repair, hire and sale of electrical and electronic engineering equipment, the provision of mining and industrial cable repair services, the sale and service of gas detection units, provision of oil testing, stand-alone power systems and certification of hazardous area equipment.

The valuation of the fair value of the acquired Ampcontrol's assets and liabilities at acquisition date was finalised and completed during the year ended 31 July 2023. There has been no material change to the provisional amounts as presented in the 2022 Annual Report.

03 Discontinued operations

On 1 July 2022, the Group completed the sale of Round Oak to Aeris.

At 31 July 2022, the Group recognised a final working capital adjustment provision of $18.6 million payable to Aeris. The working capital adjustment was finalised during the half year ended 31 January 2023, resulting in final payments totalling $29.2 million. The additional $10.6 million ($9.1 million post tax) was driven primarily by changes in commodity prices.

In accordance with the accounting standards the results related to Round Oak are presented as a discontinued operation within the Consolidated Statement of Comprehensive Income (including the comparative period). The results for the period ended 31 July 2023 and 31 July 2022 are presented below:

	31 July 2023 $'000	**Up to 1 July 2022** $'000
Revenue from contracts with customers	–	310,950
Expenses	–	(249,887)
Operating income	–	61,063
Finance costs	–	(355)
Profit before income tax expense from discontinued operations	–	60,708
Income tax expense	–	(18,079)
Profit before gain on disposal	–	42,629
(Loss)/gain on disposal of Round Oak, net of tax	(9,134)	21,372
(Loss)/profit after income tax expense for the year from discontinued operations	(9,134)	64,001

The cash flows of Round Oak are included in the Consolidated Statement of Cash Flows. The following summarises the amounts related to Round Oak for the current and prior reporting period.

	31 July 2023 $'000	**Up to 1 July 2022** $'000
Cash flows of discontinued operations		
Net cash from operating activities	–	151,003
Net cash used in investing activities	(29,180)	(53,631)
Net cash used in financing activities	–	(120,913)
Net cash flows for the year	(29,180)	(23,541)

04 Payment of Dividends to Shareholders

ACCOUNTING POLICY

A liability is recognised for any dividend declared on or before the end of the reporting period but not distributed at the reporting date. Dividends declared by the Directors after the end of the reporting period, are not recognised as a liability.

	2023 $'000	2022 $'000
Dividends paid during the year		
Final dividend for the year ended 31 July 2022 of 43 cents (2021: 36 cents) per fully paid ordinary share paid on 12 December 2022 (2021: 14 December 2021) fully franked	155,216	129,912
Special dividend for the year ended 31 July 2022 of 15 cents (2021: nil) per fully paid ordinary share paid on 12 December 2022 fully franked	54,145	–
Interim dividend for the year ended 31 July 2023 of 36 cents (2022: 29 cents) per fully paid ordinary share paid on 12 May 2023 (2022: 13 May 2022) fully franked	129,948	104,651
Total dividends paid	339,309	234,563
Dividends not recognised at year end		
In addition to the above dividends, since year end the Directors have resolved to pay:		
A final dividend of 51 cents per fully paid ordinary share, (2022: 43 cents) fully franked	184,094	155,216
A special dividend of nil cents per fully paid ordinary share, (2022: 15 cents) fully franked	–	54,145
This dividend is due to be paid on 12 December 2023 (2022: 12 December 2022) out of retained profits as at 31 July 2023. As the final dividend was not declared by the Directors until 28 September 2023, a provision was not recognised as at 31 July 2023.	184,094	209,361
Franking of dividends		
The final dividend for 31 July 2023 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ending 31 July 2023.		
Franking credits available for future dividend payments		
Franking credits available for subsequent financial years based on an Australian company tax rate of 30% (2022: 30%).	922,484	777,112
Subsequent to year end, the franking account will be reduced by the final dividend to be paid on 12 December 2023 (2022: 12 December 2022)	(78,897)	(89,726)
Balance of franking credits available after payment of the final dividend	843,587	687,386

No dividend reinvestment plan was in operation during the current or prior reporting periods.

Total number of ordinary shares on issue at the end of the financial year was 360,967,863 (2022: 360,967,863).

05 Segment Information

WHSP GROUP

Strategic Investments Portfolio

TPG — ASX: TPG
Long term equity Investment
WHSP: 12.8%

Brickworks — ASX: BKW
Associate
WHSP: 43.1%

New Hope — ASX: NHC
Associate
WHSP: 39.2%

TUAS — ASX: TUA
Associate
WHSP: 25.3%

Apex — KLSE: AHEALTH
Associate
WHSP: 29.6%

Pengana — ASX: PCG
Associate
WHSP: 36.6%

Aeris — ASX: AIS
Associate
WHSP: 30.3%

Private Equity Portfolio

WHSP Agriculture
Subsidiary WHSP: 98.9%

Argyle Water Fund
Long term equity Investment WHSP: 15.9%

Aquatic Achievers
Subsidiary WHSP: 100%

Ironbark
Associate WHSP: 43.5%

Ampcontrol
Subsidiary WHSP: 100%

Other Private Equity investments

Property Portfolio

Direct property investments
Subsidiaries

Property Joint Ventures
Associates

Large Caps Portfolio

ASX 200 listed equities

Structured Yield Portfolio

- Corporate loans
- Bonds
- Structured investments

Emerging Companies Portfolio

- Below ASX 100 listed equities
- Pre-IPO equities
- Convertible notes

Net Working Capital

- Cash
- Interest bearing liabilities
- Other receivables
- Other net assets

05 Segment Information (continued)

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

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

The Group's operating segments are described as:

Strategic Portfolio

Comprises significant investments in largely uncorrelated listed companies where WHSP generally has board representation.

The Strategic Portfolio includes holdings in TPG, New Hope, Brickworks, Tuas, Apex, Aeris and Pengana.
The consolidated results are impacted by the appropriate accounting methodology that applies to each investment.

The investment in TPG is held at Fair Value through Other Comprehensive Income. New Hope was deconsolidated from the Group from 29 July 2022 and recognised as an equity accounted associate due to a change in the accounting assessment of control (refer to Note 1). All other investments in the Strategic Portfolio are equity accounted. As noted below, the Strategic Portfolio includes the Group's investment in Aeris from 1 July 2022.

Large Caps Portfolio

This is an actively managed, Australian listed equities portfolio which seeks to generate consistent income and capital growth over the long term. It does not aim to replicate any stock market index.

Private Equity Portfolio

Includes long term investments in unlisted businesses to support their future growth.

Ampcontrol, WHSP Agriculture and Aquatic Achievers are consolidated. Ironbark is equity accounted. Argyle Water Fund is held at Fair Value through Profit or Loss. Round Oak was sold on the 1 July 2022 to Aeris in exchange for cash and shares. The Group's resulting investment in Aeris is equity accounted and is included in the Strategic Portfolio.

Structured Yield Portfolio

Contains investments in corporate loans, bonds and structured investments. The portfolio can invest in different types of financial instruments across an investee's capital structure to optimise the portfolio's risk adjusted returns. Investments typically demonstrate an ongoing cash yield, strong asset backing and seniority to equity investors.

Emerging Companies Portfolio

Includes investments in attractive, early stage and high growth companies that are listed, about to undertake an Initial Public Offering (IPO) or are at a pre-IPO stage. It aims to provide exposure to fast growing companies often benefitting from structural changes and trends in the domestic and global economy.

Property Portfolio

The Group's direct Property Portfolio primarily comprises direct investments that are actively managed with an aim to generate superior long term returns from ownership and investments in property development joint ventures.

Reporting Segments	Strategic Portfolio	Large Caps Portfolio	Private Equity Portfolio	Structured Yield Portfolio	Emerging Companies Portfolio	Property Portfolio	Intersegment/ unallocated[1]	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Year ended 31 July 2023								
Profit/(loss) after tax from continuing operations	508,514	109,651	2,272	47,154	29,418	(3,427)	5,092	698,674
Loss after tax from discontinued operations[2]	–	–	(9,134)	–	–	–	–	(9,134)
Profit/(loss) after tax for the year	508,514	109,651	(6,862)	47,154	29,418	(3,427)	5,092	689,540
less: loss/(profit) attributable to non-controlling interests	–	–	1,320	–	–	–	(140)	1,180
Profit/(loss) after tax attributable to members of WHSP	508,514	109,651	(5,542)	47,154	29,418	(3,427)	4,952	690,720

Reporting Segments	Strategic Portfolio	Large Caps Portfolio	Private Equity Portfolio	Structured Yield Portfolio	Emerging Companies Portfolio	Property Portfolio	Intersegment/ unallocated[1]	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Year ended 31 July 2022								
Profit/(loss) after tax from continuing operations	1,308,240	143,026	39,514	12,284	(12,783)	32,828	(1,030,666)	492,443
Profit after tax from discontinued operations[2]	–	–	64,001	–	–	–	–	64,001
Profit/(loss) after tax for the year	1,308,240	143,026	103,515	12,284	(12,783)	32,828	(1,030,666)	556,444
Less: (profit)/loss attributable to non-controlling interests	(569,375)	–	(11)	–	–	1	–	(569,385)
Profit/(loss) after tax attributable to members of WHSP	738,865	143,026	103,504	12,284	(12,783)	32,829	(1,030,666)	(12,941)

1 Intersegment/unallocated represents WHSP revenue and corporate costs that are not allocated to individual segments. In 2022, unallocated also includes an impairment of $984.6 million goodwill arising from the acquisition of Milton.

2 Discontinued operations relate to the sale of Round Oak (Refer to Note 3).

06 Revenue

ACCOUNTING POLICY

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group identifies the contract with the customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct goods and service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services performed.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved.

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

Revenue from sale of goods

- Revenue from integrated electrical, electronic and control solutions is recognised at a point in time when the performance obligation is satisfied upon transfer of control, which is generally at the time of delivery.
- Revenue from sale of agricultural products is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery. This is easily identifiable where a commodity is harvested and sold to separate counterparties for full contract price upon delivery. Where the sale of goods are subject to supply contracts consisting of pool allocations (whereby a commodity is allocated to distribution pools based on class of variety, size and distribution channel), revenue is recognised for interim pool payments as notified and paid by the purchaser within 15 days of delivery, and final pool payments upon receipt of final net proceeds once the uncertainty is resolved. Where final pool payments straddle reporting years, revenue is recognised when the products have been delivered to the distribution house and control has been deemed to have passed. Best estimates of the most likely amount to be received for the product at that point in time based on weighted average pricing including a risk margin and taking into consideration expected grade are used to determine the revenue amount. Adjustment to revenue is made upon determination of the final payments.
- Revenue from the sale of other goods (net of returns, discounts and allowances) is recognised when control has transferred to the customer in accordance with the sale terms. Where a sale is settled through instalments, interest revenue is recognised over the contract term, using the effective interest rate method.
- Coal sales revenue is recognised at a point in time when control of the products has been transferred to the customer in accordance with the sale terms, when the risks and benefits of ownership has transferred. The legal title, risks and rewards, and therefore the fulfillment of performance obligations normally occurs at the time of loading the shipment for export sales, and generally at the time the coal is delivered to the customer for domestic sales. Coal sales are reflected at final prices by the end of the reporting period, except for certain coal sales that are provisionally priced at the date revenue is recognised, which include a future price reference that is adjusted for discount and quality.
- Oil sales revenue is recognised at the point in time when control of the products has been transferred to the customer in accordance with the sales terms, when the risks and benefits of ownership have transferred. This is normally when the oil is delivered to the customer.

Property rental revenue

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

Revenue from services

- Revenue from hire contracts is recognised on a straight line basis over the contract period. Hire income not received at reporting date is reflected in the Consolidated Statement of Financial Position as a receivable. If hire income is paid in advance, these amounts are recorded as payables in the Consolidated Statement of Financial Position.
- Swimming fee revenue is recognised when the customer attends a swimming lesson and consumes the benefit of this service.
- Revenue from rendering of services, including supply of engineering services and projects, consulting and management services, is recognised as revenue over time as the services are performed.

KEY JUDGEMENTS AND ESTIMATES

Revenue recognised over time – supply of engineering services and projects

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

	2023 $'000	2022 $'000
Revenue from contracts with customers		
Revenue from sale of goods	192,988	2,120,206
Revenue from provisional pricing adjustments	–	382,498
Rental revenue	1,908	5,309
Revenue from services	168,005	52,226
Total revenue from contracts with customers	362,901	2,560,239

FURTHER INFORMATION

Revenue from contracts with customers

Revenue for the prior reporting period includes $2.5 billion from New Hope, which was deconsolidated from 29 July 2022. As described in Note 1, whilst there was no change in WHSP's ownership at that date or effect on profit attributable to members of WHSP, New Hope's revenue is no longer presented on a gross basis in the financial statements. New Hope was equity accounted from 29 July 2022.

Major product lines

Revenue from contracts with customers includes the sale of electrical and electronic engineering equipment and the provision of electrical engineering services (Ampcontrol).

In the prior reporting period, revenue from contracts included the sale of coal, oil and gas (New Hope).

Major customer

In the current reporting period, revenue of $37.9 million was derived from one external customer of Ampcontrol, representing 12% of Ampcontrol's total revenue from contracts with customers. There are no other individual customers which represent more than 10% of revenue from customer contracts for the current reporting period.

In the prior reporting period, revenue of $277.4 million was derived from one external customer of New Hope, representing 13% of New Hope's total revenue from contracts with customers.

06 Revenue (continued)

Disaggregated revenue from contracts with customers

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

	2023 $'000	2022 $'000
Major product lines		
Coal, oil and gas	–	2,454,253
Electrical and electronic engineering services and equipment	308,613	47,995
Other goods and services[1]	54,288	57,991
Total revenue from contracts with customers	362,901	2,560,239
Total revenue from contracts with customers by geographical regions		
Australia	350,092	241,300
Singapore	5,937	–
Hong Kong	4,004	–
Mongolia	2,160	–
Japan	–	1,223,591
Taiwan	–	613,131
Korea	–	76,278
India	–	14,680
Chile	–	39,006
Other (customer contracts with undisclosed geographical details)	708	352,253
Total revenue from contracts with customers	362,901	2,560,239
Timing of revenue recognition from contracts with customers		
Goods and services transferred at a point in time	224,682	2,520,324
Goods and services transferred over time	138,219	39,915
Total revenue from contracts with customers	362,901	2,560,239

1 *Other goods and services include revenue from the sale of agricultural products, providing swimming programs to children, rental and other services.*

07 Other income

	2023 $'000	2022 $'000
Gain on fair value of biological assets	20,410	22,463
Gain/(loss) on trading assets and other financial assets	62,178	(36,582)
Gain/(loss) on sale of property, plant and equipment	300	(831)
Gain on disposal of an associate	–	6,131
Gain on derecognition of equity accounted associates	22,741	22,091
Loss on deemed disposal of equity accounted associates	(52,422)	(2,019)
Gain from loss of control of a subsidiary	–	490,620
(Loss)/gain on revaluation of non current assets	(5,152)	51,918
Loss on sale of investment properties	(557)	–
(Loss)/gain on sale of other investments	(12)	6,899
Insurance recoveries	29	1,067
Gain/(loss) on revaluation of foreign currency	1,849	(193)
Other gains/(losses)	4,973	(1,209)
Total other income	54,337	560,355

FURTHER INFORMATION

Other income includes gains or losses made on:

- changes in fair value for certain assets including trading assets, other financial assets, biological assets and investment properties;
- the sale of assets including the sale of trading assets, investment properties and equity accounted associates. The gain or loss is calculated as the difference between the proceeds received and the carrying value of the asset;
- deemed disposal of equity accounted associates. This occurs when the Group's percentage holding in an associate decreases, with no loss of significant influence or legal disposal of shares by the Group. The Group continues to equity account the associate and is required for accounting purposes to recognise a gain or loss on the deemed disposal of an interest in that associate (refer to Note 17); and
- gains and losses from loss of control of subsidiaries, and from other changes in classification of investments.

08 Expenses

ACCOUNTING POLICY

Depreciation and amortisation expense

Depreciation and amortisation expenses are non-cash expenses and represent the allocation of the cost of certain fixed assets such as buildings, plant and equipment, bearer plants and right-of-use assets, over the time that the asset is expected to generate revenue for the Group.

Different depreciation and amortisation rates apply to each asset and are included in the notes for each asset.

Impairment expense

Impairment charges are non-cash expenses and are recognised when the carrying value of an asset or group of assets exceeds its recoverable amount determined based on the value in use or sale of the asset. Recoverable amount assessment methodology is discussed within the notes for each relevant asset class.

Impairment charges are generally expensed to profit or loss. For certain assets where the asset has been previously revalued through other comprehensive income, the reduction in value is recognised as a reversal through other comprehensive income to the extent of the previous revaluation, and any residual is recognised as an impairment expense.

An impairment expense recognised on goodwill is permanent and is prohibited from being reversed.

For all other assets, an assessment is made at each reporting date as to whether an impairment charge recognised in a prior reporting period no longer exists or has decreased and a reversal recorded as applicable in the profit or loss or other comprehensive income. The reversal does not increase the carrying value of the asset above its net book value had the asset continued depreciating.

Employee benefits expenses

Employee benefits expense includes the payment of salary and wages, the value of non-cash benefits such as share based payments, sick leave, superannuation and accruals for annual leave and long service leave.

Finance costs

Finance costs are expensed when incurred, except for interest incurred on borrowings that relate to the construction of investment properties. This interest is included in the cost of the properties.

	Notes	2023 $'000	2022 $'000
Profit before income tax includes the following specific expenses:			
Depreciation			
Buildings		(4,480)	(4,029)
Plant and equipment		(20,037)	(63,488)
Bearer plants		(2,631)	(2,399)
Right-of-use assets		(9,908)	(12,279)
Total depreciation		(37,056)	(82,195)
Amortisation			
Mining reserves and mine development		–	(63,825)
Intangible assets		(4,635)	(4,365)
Oil producing assets		–	(4,946)
Total amortisation		(4,635)	(73,136)
Impairment (expense)/reversal			
Goodwill	8(a)	–	(984,565)
Equity accounted associates	8(b)	(26,935)	(14,374)
Property, plant and equipment	8(c)	(22,132)	1,208
Exploration and evaluation assets		–	(4,989)
Intangibles		6	589
Other assets		–	(1,321)
Total impairment expense		(49,061)	(1,003,452)
Acquisition costs expensed[1]		(2,198)	(3,041)
Operating lease costs expensed	8(d)	(822)	(242)
Employee benefits expenses	8(e)	(171,124)	(186,170)
Finance costs	8(f)	(20,238)	(37,381)
Redundancy costs	8(g)	–	(5,491)
Other expenses	8(h)	(12,220)	(10,132)

1 *FY23 Acquisition costs expensed includes $1.9 million related to current reporting period business combinations and $0.3 million related to other transactions. Acquisition costs expensed is included as part of other expenses in the Consolidated Statement of Comprehensive Income.*

08 Expenses (continued)

a) Milton acquisition goodwill impairment

Milton was a listed investment company, substantially invested in liquid Australian listed equities whose fair value is determined by reference to quoted market prices in active, public stock markets.

The Group acquired Milton on 5 October 2021.

The fair value of Milton's identifiable assets and liabilities was determined at $3,804 million based on the requirements of AASB 3 *Business Combinations* and AASB 13 *Fair Value Measurement* and following a comprehensive valuation process which included the assistance of external valuation consultants.

Consideration for the Milton acquisition was determined as follows:

- An all-share exchange that gave Milton shareholders 0.1863 WHSP shares for every Milton share they owned. On 5 October 2021, WHSP issued 121,470,772 shares; and,
- WHSP closing share price of $38.20 on 5 October 2021. It is a requirement of AASB 3 that the value of the consideration be based on the WHSP share price as at the date WHSP obtained control of Milton. From the date of announcing the proposed transaction (22 June 2021) to its completion on 5 October 2021, the WHSP share price traded between $30.50 and $39.80. From the date of completion to 31 July 2022, the WHSP share price decreased, with a volume weighted average share price over the prior reporting period of $28.18.
- The total value of the purchase consideration was $4,630 million resulting in an excess of $984.6 million over the fair value of net identifiable assets acquired. The magnitude of the excess is due to the significant appreciation in the WHSP share price between the date of the announcement of the transaction and the date that WHSP obtained control over Milton.

In accordance with AASB 3, the Group was required to recognise goodwill on acquisition of $984.6 million that forms a part of the carrying value of the Large Caps Portfolio cash generating unit ("CGU").

Accounting standard AASB 136 *Impairment of Assets*, requires that CGUs containing goodwill be tested for impairment whenever there are indications that goodwill may be impaired. Indicators of impairment as at the date of acquisition include:

- There were no material net synergy benefits arising from the acquisition to support the carrying value of any goodwill.
- Prior to the announcement of the proposed acquisition, Milton consistently traded at an implied discount to its pre-tax net assets. This discount arose as investors allowed for portfolio management costs and the implied deferred tax in the portfolio. If Milton had traded at a premium to net assets this would be an indicator that investors considered goodwill existed in the Milton Group prior to its acquisition by WHSP.
- There is no special value or know how in the Milton investment team over and above what WHSP has in house or could be hired in the market.

The recoverable amount of the Milton investment portfolio was measured based on fair value less costs to sell (as determined in accordance with AASB 13). The Directors believe the identifiable assets and liabilities acquired reflect their fair values as at the date WHSP took control.

Goodwill is calculated as the excess of the consideration, as calculated under AASB 3, and the fair value of the net assets acquired. Given the appreciation in the WHSP share price from the date of announcement of the transaction to the date which WHSP took control, together with the subsequent share price volatility, the Directors believe that an impairment to reduce the value of the goodwill on acquisition to $nil is an appropriate representation of the CGU's recoverable amount. This is evidenced by the lower trading range of WHSP shares post acquisition.

It is noted that the agreed terms of the transaction included a 10% premium to the net assets (post tax) of Milton. This was considered appropriate to ensure the successful completion of the transaction rather than representing recognition of future unidentifiable benefits attributable to the Milton acquisition.

Accordingly, the Group completed an impairment test of goodwill based on the results of the purchase price allocation process (see Note 2) and determined that all of the allocated goodwill was impaired as of the date of acquisition, therefore an impairment charge at acquisition of $984.6 million was recorded in the prior reporting period.

b) Impairment of equity accounted associates

The recoverable amounts of investments in equity accounted associates have been assessed at each reporting period. Where the carrying value of an investment exceeds the recoverable amount, the investment is impaired. At each reporting date an assessment is also made as to whether there are any circumstances that would indicate that any impairment recognised has decreased or no longer exists. Where evidence supports a reduction in an impairment, the impairment expense may be reversed through the Consolidated Statement of Comprehensive Income.

c) Impairment of property, plant and equipment

During the current reporting period, an impairment expense of $22.1 million (2022: $1.2 million reversal) was recognised on the Group's agricultural assets including farmland assets of $6.9 million, bearer plants of $10.2 million and assets under construction of $5.0 million. The impairment expense has been based on independent external valuations.

d) Operating lease costs expensed

Lease payments made in relation to short-term and low value leases are recognised as expenses on a straight line basis over the lease term.

e) Employee benefits expenses

Employee benefits expenses represent expenses paid to all employees within the Group. The current reporting period includes $134.2 million paid to employees of Ampcontrol which was aquired on 31 May 2022. The prior reporting period includes $141.7 million paid to employees of New Hope which was deconsolidated from 29 July 2022. Employee benefits expenses also include superannuation expenses of $12.3 million (2022: $17.9 million).

f) Finance costs

This amount includes $9.8 million (2022: $8.0 million) paid by WHSP on interest bearing liabilities as well as the unwinding of the discount on provisions and interest expense in relation to leases liabilities.

During the prior reporting period, this amount also includes $26.7 million paid by New Hope.

g) Redundancy costs

During the prior reporting period, New Hope incurred $5.5 million in redundancy costs across its Queensland operations and corporate office as part of an overall group restructure.

h) Other expenses

During the current reporting period, other expenses include $8.0 million (2022: reversal of $1.7 million) of expected credit loss allowances.

During the prior reporting period, New Hope incurred liquidation related expenses of $9.8 million relating to the voluntary administration of the Northern Energy Corporation Limited and Colton Coal Pty Limited.

09 Income tax expense

ACCOUNTING POLICY

Current year income tax expense

The income tax expense or benefit for the year represents the tax payable on the current reporting period's taxable income based on the Australian corporate income tax rate (30%) 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.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the profit or loss.

Tax consolidation legislation

Some of the entities within the Group have formed tax consolidated groups under the tax consolidation regime. The Australian Tax Office has been notified of these decisions.

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

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

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

Intra-group balances and transactions are eliminated on consolidation.

	2023 $'000	2022 $'000
Current income tax expense		
Current year	31,720	425,287
Under/(over) provision in prior year	297	(12,929)
Deferred income tax expense		
Related to the origination and reversal of temporary differences	(14,663)	353,780
Adjustment in respect of prior year's deferred tax liabilities previously not recognised	169	(1,508)
Income tax expense recognised in the profit or loss	17,523	764,630

Income tax expense for the prior reporting period includes $715.0 million relating to New Hope and its deconsolidation from 29 July 2022.

Reconciliation of prima facie tax expense to income tax expense

	2023 $'000	2022 $'000
Profit before income tax expense from continuing operations	716,197	1,257,073
(Loss)/profit before income tax expense from discontinued operations	(10,568)	76,848
Tax at the Australian rate of 30% (2022: 30%)	211,689	400,176
Tax effect of amounts which are not deductible in calculating taxable income:		
Net impairment expenses	14,718	301,034
Franking credits received (excluding subsidiary and associate entities)	(44,411)	(85,395)
Tax effect of New Hope deconsolidation	–	182,900
Tax benefit on the carrying value of equity accounted associates	(147,282)	(183)
Under/(over) provision for income tax	466	(11,373)
Non-taxable gain on disposal of a subsidiary	(542)	(10,209)
Changes in unrecognised deferred tax assets	(24,501)	–
Non deductible losses from trusts	3,898	–
Other	2,054	526
Total income tax expense	16,089	777,476
Effective tax rate:	2.3%	58.3%
Income tax expense reported in statement of profit or loss	17,523	764,630
Income tax (benefit)/expense attributable to discontinued operations	(1,434)	12,846
Total income tax expense	16,089	777,476
Net deferred tax credited directly to equity	(51,890)	(126,064)
Unrecognised deferred tax assets relating to the WHSP tax consolidated group	166,502	84,924
Potential tax benefit at 30%	49,951	25,477

10 Deferred tax assets and deferred tax liabilities

ACCOUNTING POLICY

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

Deferred tax assets or liabilities are provided in full, using the liability method. An exception is made for certain temporary differences arising from the initial recognition of an asset or liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax liabilities are recognised on equity accounted associates irrespective of whether they are held on a hold or sale basis. Deferred tax assets are only recognised on equity accounted associates if they are held on a sale basis and if the deferred tax asset is deemed to be recoverable.

KEY ESTIMATE

Recognition and recoverability of deferred tax assets

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

Net deferred tax liabilities comprise temporary differences attributable to:

	2023 $'000	**2022** $'000
Provisions	4,347	12,777
Accrued expenses	8,083	726
Contract liabilities	5,567	2,795
Impairment losses	–	1,403
Property, plant and equipment and investment properties	(6,274)	(2,828)
Tax value of losses carried-forward	251,296	137,182
Lease liabilities	26,836	12,807
Other	1,450	(2,522)
Trading assets	21,276	46,192
Long term equity investments and other financial assets	(240,985)	(178,153)
Inventories	(7,778)	(3,311)
Equity accounted associates	(488,761)	(500,320)
Right-of-use assets	(25,081)	(11,192)
Intangibles	(21,020)	(12,336)
Net deferred tax liabilities	(471,044)	(496,780)

	2023 $'000	2022 $'000
Net deferred tax movements		
Opening balance at 1 August	(496,780)	(589,243)
Credited/(debited) to profit or loss from continuing operations	14,494	(353,780)
Credited to profit or loss from discontinued operations	–	27,854
Debited to equity	51,890	126,064
Reallocation to income tax provision	(35,324)	–
Acquisitions through business combinations	(5,324)	307,119
Deconsolidation of New Hope	–	(14,794)
Closing balance at 31 July	(471,044)	(496,780)

FURTHER INFORMATION

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

11 Trade, loan receivables and other assets

ACCOUNTING POLICY

Trade receivables

Trade receivables are recognised initially at fair value and subsequently at amortised cost, less any allowance for Expected Credit Losses. Trade receivables are due for settlement between 30 and 60 days from the date of recognition.

Loan receivables

Loans receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Repayments consist solely of principal and interest, and they are held to collect the contractual cash flows. They are initially recognised at fair value, and subsequently at amortised costs less any Expected Credit Losses.

Expected Credit Losses ("ECL")

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

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

Contract assets

The contract assets amount is the work in progress value on contracts that has been determined to meet the requirements for revenue to be recognised over time, i.e., performance obligations are satisfied over time and therefore the work performed/cost incurred on these contracts is recognised as a contract asset. The contract asset is reclassified to trade receivable when invoiced and receipt of the consideration is conditional only on the passage of time.

Other receivables

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

KEY ESTIMATE

Expected Credit Losses

The Group applies the AASB 9 simplified approach for measuring expected credit losses which use a lifetime expected loss allowance for trade and loan receivables. The loss allowance is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on its historical experience, existing market conditions as well as forward looking estimates at the end of each reporting period.

Contract assets

Refer to Note 6 for key estimates of revenue over time and related receivables of contract assets.

Trade receivables and other assets	**2023** $'000	**2022** $'000
Current assets		
Trade receivables	**53,885**	60,282
Other receivables	**53,248**	16,555
Prepayments	**9,380**	3,260
Contract assets	**20,371**	10,729
Total current trade receivables and other assets	136,884	90,826

FURTHER INFORMATION

Trade receivables as at 31 July 2023 mainly relates to Ampcontrol of $49.7 million (2022: $45.1 million). As at reporting date, trade receivables past due but not impaired were $nil (2022: $nil). The carrying value less impairment of trade receivables approximate their fair value.

Information about the Group's exposure to credit, foreign exchange, fair value and interest rate risks in relation to trade and other receivables is provided in Note 31.

Loan receivables	2023 $'000	2022 $'000
Current assets		
Loans to external parties	126,417	2,964
Allowance for expected credit losses	(888)	–
Total current loan receivables	125,529	2,964
Non-current assets		
Loans to external parties	449,694	231,190
Allowance for expected credit losses	(7,993)	(923)
Total non-current loan receivables	441,701	230,267

FURTHER INFORMATION

The Group provides secured loans to external parties at commercial rates. The total balance of loans at 31 July 2023 was $576.1 million (2022: $234.1 million). Of these loans, $473.3 million (2022: $234.1 million) are secured by general security deeds that provide fixed and floating charges over all assets and/or property mortgages.

	2023 $'000	2022 $'000
Allowance for expected credit losses movements		
Opening balance at 1 August	(923)	(2,667)
Reversal of prior year expected credit loss to the profit or loss	534	2,667
Provision for allowance for expected credit losses	(8,492)	(923)
Closing balance at 31 July	(8,881)	(923)
Disclosed as:		
Current assets	(888)	–
Non-current assets	(7,993)	(923)
	(8,881)	(923)

12 Inventories

ACCOUNTING POLICY

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured finished goods and work in progress comprises direct materials, direct labour and an appropriate portion of overheads that can be allocated on a reasonable basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

If there is no reasonable expectation of sufficient future revenue or service potential to cover the cost incurred, the irrecoverable cost should be charged as an expense.

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

	2023 $'000	2022 $'000
Current assets		
Raw materials and stores	37,312	27,271
Work in progress	13,673	10,296
Finished goods	12,133	9,933
Total inventories at the lower of cost and net realisable value	63,118	47,500

FURTHER INFORMATION

Inventory at 31 July 2023 primarily relates to Ampcontrol of $60.0 million (2022: $42.2 million).

The write-down of inventory to net realisable value recognised as an expense during the current reporting period amounted to $nil (2022: $nil).

Inventory sold during the current reporting period amounted to $236.5 million (2022: $911.0 million) and is recognised within cost of goods sold. For the prior reporting period, the balance related primarily to New Hope (2022: $857.5 million), which was deconsolidated on 29 July 22.

13 Biological assets

ACCOUNTING POLICY

The Group only recognises biological assets when:

a) it controls the asset as a result of past events;
b) it has determined that the future economic benefits associated with the asset will flow to the Group; and
c) the fair value or cost of the asset can be measured reliably.

Biological assets are measured at fair value less cost to sell at each reporting date. The fair value is determined as the risk adjusted value of cash flows expected to be generated by the crops (including costs to bring the crop to a saleable condition and selling costs). Where the fair value cannot be measured reliably, biological assets are measured at cost. Fair value is determined with regard to quoted prices of an active market in which the assets are located. Where there is no active market, a determination is made taking into account various factors including the most recent market transaction price and market prices for similar products with adjustments to reflect differences, and sector benchmarks.

Net increments and decrements in the fair value of the biological assets are recognised as income or expense in the Consolidated Statement of Comprehensive Income, determined as the difference between the total fair value of the biological assets recognised at the end of the reporting period less that at the beginning of the reporting period, less costs incurred in maintaining or enhancing the biological assets during the period, plus the market value of the produce picked during the reporting period (measured at its fair value less estimated costs to be incurred up until the time of picking) which is transferred to inventory. Market price is determined based on underlying market prices of the product.

Biological yield estimates included in the fair value measurement are provided by farm managers who have either extensive experience on managing crops on location or are agronomically trained to assess yields. Yield estimates have regard to historical yields, industry averages, current climatic outlook, nutrition programs, age of bearer plants and tree health.

KEY JUDGEMENTS AND ESTIMATE

Valuation of biological assets

Judgements include estimating future sales prices, crop yields, input and selling costs, and risk factor adjustments related to the production and sale of the biological assets. The valuation of biological assets involves using horticultural experts and is based on historical trends, the current environment and forward looking trends, and asset specific factors.

	2023 $'000	**2022** $'000
Current assets		
Biological assets	12,487	9,310
Reconciliation of changes in carrying value of biological assets		
Opening balance at 1 August	9,310	4,658
Change in fair value due to biological transformation	20,410	22,463
Decreases due to harvest	(17,233)	(17,811)
Closing balance at 31 July	12,487	9,310

14 Assets classified as held for sale

ACCOUNTING POLICY

Assets classified as held for sale are measured at the lower of their carrying amounts and fair value less cost to sell assessed initially at the time of their reclassification as well as at the reporting date.

	Notes	2023 $'000	2022 $'000
Current assets			
Assets classified as held for sale at carrying amount:			
Investment property	19	–	88,480
Property, plant and equipment	20	126	18,798
Intangible assets	22	–	1,065
Total assets classified as held for sale		126	108,343

Investment property

During the prior reporting period, the Group entered into a contract for the sale of an investment property for $88.5 million, resulting in a gain of $49.3 million recognised in the Consolidated Statement of Comprehensive Income on remeasurement of this asset to fair value less costs to sell. The sale was settled in December 2022.

Property, plant and equipment

Milton

During the prior reporting period, Milton entered into a contract for the sale of its former corporate office for $6.3 million, resulting in a gain of $0.5 million recognised in the Consolidated Statement of Comprehensive Income on remeasurement of this property to fair value less costs to sell. The sale was settled in August 2022.

Ampcontrol

During the prior reporting period, Ampcontrol reclassified $0.5 million of property as held for sale. Part of the property was sold and settled in April 2023. A net loss of $0.03 million has been recognised in the Consolidated Statement of Comprehensive Income. The unsold portion valued at $0.1 million remained as property held for sale at 31 July 2023.

WHSP Agriculture

During the prior reporting period, WHSP Agriculture reclassified one of its agricultural properties to held for sale following approval from the majority shareholder (WHSP) and WHSP Agriculture's Investment Committee to commence a formal sale process. The carrying value of the property's assets, including property, plant and equipment and water rights, was adjusted to $14.2 million resulting in a loss of $0.2 million recognised in the Consolidated Statement of Comprehensive Income. The sale was settled in November 2022.

15 Trading assets

ACCOUNTING POLICY

Trading assets are initially recognised at fair value and any transaction costs are immediately expensed. These trading assets are principally held for the purpose of trading in the short to medium term.

Recognition

Purchases or sales of trading assets are recognised on trade-date being the date on which the Group commits to purchase or sell the asset.

Classification

Trading assets held for the purpose of selling in the short to medium term are classified as financial assets at fair value through profit or loss and are included in current trading assets. Those trading assets not expected to be sold within 12 months are included in non current other financial assets. Fair value classification is set out in Note 30.

Subsequent measurement

At each reporting date, trading assets are remeasured to fair value.

The fair value of financial assets traded in active markets is based on quoted market prices at the reporting date.

The fair value of financial assets that are not traded in an active market is determined using valuation techniques relevant to the asset being measured. The Group has used the following valuation techniques: market approach, income approach, cost approach and net asset approach to determine the fair value of unlisted equity investments. Refer to Note 30 for details of these valuation techniques and key judgements on the fair value of unlisted equities.

Gains or losses arising from changes in the fair value of trading assets are recognised in the profit or loss within other income in the period in which they arise.

Price risk

Information regarding the Group's exposure to price risk is set out in Note 31.

Derecognition

Trading assets are derecognised on trade date and when the rights to receive cash flows from the investments have expired or have been sold and the Group has transferred substantially all the risks and rewards of ownership.

	2023 $'000	2022 $'000
Current assets		
Trading assets – listed	334,684	497,410
Trading assets – unlisted	14,205	75,577
Total trading assets	348,889	572,987

16 Other financial assets/liabilities

ACCOUNTING POLICY

Derivatives

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

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

Cash flow hedges

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

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

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

Fair value hedges

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

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

Trading assets

Trading assets are described in Note 15. Those trading assets not expected to be sold within 12 months have been classified as non-current assets. Refer to Note 30 for the fair value measurement of trading assets.

Loans receivables measured at fair value

Loans receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value, and subsequently fair valued at subsequent reporting dates.

	2023 $'000	2022 $'000
Current assets		
Derivatives	48,073	78,204
Forward foreign exchange contract	2,122	–
Total current other financial assets	50,195	78,204
Non-current assets		
Derivatives	–	77,071
Trading assets – listed	55,697	–
Trading assets – unlisted	102,975	–
Investment in credit funds	40,624	–
Loans to external parties (secured) – measured at fair value	11,233	10,807
Total non-current other financial assets	210,529	87,878
Current liabilities		
Derivatives	8,477	7,304
Total current other financial liabilities	8,477	7,304

FURTHER INFORMATION

Fair value measurement

The fair values of forward foreign exchange contracts are determined using forward exchange market rates at the reporting date.

Credit risk exposures of derivative financial instruments

Credit risk arises from the potential failure of counterparties to meet their obligations under the respective contracts at maturity.

Hedging

The Group has provided secured loans to third parties ("hedged items") of CAD $14.3 million (2022: CAD $14.3 million), NZD $23.5 million (2022: NZD $23.5 million) and USD $30.0 million (2022: USD $nil), and has entered into cross currency interest rate swaps ("hedging instrument") to hedge changes in fair value arising from exchange rate fluctuations.

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

At the reporting date the cross-currency interest rate swaps represent assets/(liabilities) with a fair value of $2.1 million (2022: ($0.4) million).

16 Other financial assets/liabilities (continued)

FURTHER INFORMATION (CONTINUED)

At the reporting date the details of outstanding hedging contracts are:

	2023 A$'000	2022 A$'000	2023 CAD:AUD	2022 CAD:AUD
Maturity				
0 to 6 months	15,297	–	0.8806	
6 to 12 months	–	15,297		0.8986
	15,297	15,297		

	2023 A$'000	2022 A$'000	2023 NZD:AUD	2022 NZD:AUD
Maturity				
0 to 6 months	22,113	–	1.0784	
6 to 12 months	–	22,113		1.1123
	22,113	22,113		

	2023 A$'000	2022 A$'000	2023 USD:AUD	2022 USD:AUD
Maturity				
24 to 36 months	47,483	–	0.6711	–
	47,483	–		

17 Investment in associates

ACCOUNTING POLICY

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

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

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

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

KEY JUDGEMENTS AND ESTIMATES

Recoverable value of investments in associates

The recoverable value of investments in associates is reviewed at each reporting date after taking into consideration any applicable impairment indicators. If an impairment indicator exists, the Group calculates the amount of impairment as a difference between the recoverable amount of the associate and its carrying amount, and recognises the loss as "Impairment expenses" in the Consolidated Statement of Comprehensive Income. Refer to Note 8 for more details.

Control assessment of Brickworks

The Directors of WHSP have concluded that the Group has significant influence over Brickworks and adopts equity accounting for this investment. This is due to the cross holding structure whereby the Group owns 43.1% (2022: 43.3%) of the equity in Brickworks and in turn Brickworks owns 26.1% (2022: 26.1%) of WHSP. The remaining shares in WHSP and Brickworks are widely held.

Control assessment of New Hope

The Directors of WHSP have concluded that the Group has significant influence over New Hope and adopts equity accounting for this investment. Refer to Note 1 for additional information. During the current reporting period, WHSP interest in New Hope was reduced from 39.9% to 39.2% as a result of New Hope noteholders converting notes to shares, partially offset by New Hope's buyback of its shares. The remaining shares in New Hope are widely held. Three Directors (out of seven) of New Hope are also Directors of WHSP.

17 Investment in associates (continued)

	2023 $'000	2022 $'000
Non-current assets		
Investment in associates	2,875,925	2,643,174
Reconciliation of changes in the carrying value of associates		
Opening balance at 1 August	2,643,174	899,236
New investments during the period	97,280	168,514
New Hope convertible bond cash redemption	(76,793)	–
Reclassification of a subsidiary to equity accounted associate	–	1,456,147
Reclassification of a long term equity investment to equity accounted associate	–	36,300
Reclassification of an equity accounted associate to long term equity investment	(15,732)	(24,065)
Reclassification of an equity accounted associate to subsidiary	–	(53,239)
Reclassification of a trading investment to equity accounted associate	28,973	–
Loss on deemed disposal of equity accounted associates	(52,422)	(2,019)
Share of results from equity accounted associates	530,510	201,144
Net impairment expense of equity accounted associates	(26,935)	(14,374)
Dividends received/receivable	(380,712)	(60,318)
Add back share of dividends paid to Brickworks	37,894	26,514
Share of associates' increments in reserves	90,688	9,334
Closing balance at 31 July	2,875,925	2,643,174

Details of investments and results in associates

Year ended 31 July	Reporting Date	Place of incorporation	Group's percentage of holding at balance date[1]		Contribution to Group result for the period[2]		Carrying value[3]	
			31 July 2023 %	31 July 2022 %	31 July 2023 Total $'000	31 July 2022 Total $'000	31 July 2023 Total $'000	31 July 2022 Total $'000
Ampcontrol Limited[4] *Integrated electrical, electronic and control solutions provider*	31-Jul	Australia	N/A[1]	N/A[1]	–	5,389	–	–
Apex Healthcare Berhad[5] *Pharmaceutical manufactuer and distributor*	31-Dec	Malaysia	29.6	29.8	40,588	7,281	86,514	49,176
Aeris Resources Limited[6] *Mining and exploration activities*	30-Jun	Australia	30.3	30.3	(42,379)	–	56,016	98,269
Brickworks Limited[7] *Manufacturer of building products and investor*	31-Jul	Australia	43.1	43.3	99,734	164,313	846,719	746,335
Ironbark Investment Partners Pty Limited[8] *Investment management services*	30-Jun	Australia	43.5	33.5	14,442	4,909	105,579	52,828
New Hope Corporation Limited[9] *Mining and exploration activities*	31-Jul	Australia	39.2	39.9	401,237	14,511	1,503,917	1,470,658
Pengana Capital Group Limited[10] *Funds management*	30-Jun	Australia	36.6	37.0	(666)	6,943	46,287	68,827
Tuas Limited *Telecommunications provider*	31-Jul	Australia	25.3	25.4	(4,246)	(6,818)	63,463	67,861
Other associates[11]	various	Australia	various	various	21,800	4,616	167,430	89,220
Share of results from associates					530,510	201,144	2,875,925	2,643,174
Fair value gain on reclassification of associate to subsidiary[4]					–	22,091		
Fair value gain on reclassification of subsidiary to associate[9]					–	490,621		
Fair value gain on reclassification of associate to financial asset					22,741	–		
Loss on deemed disposal of equity accounted associates					(52,422)	(2,019)		
Deferred tax expense on deconsolidation of New Hope					–	(334,276)		
Deferred tax expense recognised on equity accounted associates					(4,138)	(20,125)		
Net impairment expense of associates					(26,935)	(14,374)		
Net contribution from associates					469,756	343,062		

17 Investment in associates (continued)

Details of investments and results in associates (continued)

1 The percentage holding represents the Group's total holding in each associate. N/A indicates the entity was not classified as an associate at the respective period end.

2 Contribution to Group result represents the amount included in profit and loss after tax before non-controlling interests as shown in the Consolidated Statement of Comprehensive Income.

3 Carrying value is generally the equity accounted carrying value of the associates in the Consolidated Statement of Financial Position. In certain instances, investments in associates are carried at fair value.

4 On 31 May 2022, the Group purchased the remaining 57.1% of shares it previously did not own of Ampcontrol to take its shareholding to 100%. From this date, the Group controlled Ampcontrol and it has been classified as a subsidiary. Refer to Note 2 for details.

5 During the current reporting period, Apex issued shares under Apex's employee share option scheme. As a result, the Group's shareholding in this investment has reduced by 0.2% to 29.6%.

6 Round Oak was sold to Aeris on 1 July 2022 in exchange for cash and 30.3% of the issued shares of Aeris. The investment in Aeris was accounted for as an associate from 1 July 2022. Refer to Note 3 for details.

7 During the current reporting period, Brickworks issued shares under its employee incentive plan. As a result, the Group's shareholding in this investment has reduced by 0.2% to 43.1%.

8 During the current reporting period, the Group purchased additional shares in Ironbark for $43.1 million. The Group's shareholding increased by 10.0% to 43.5%.

9 On 29 July 2022, the Group determined that it no longer controlled New Hope. As the Group retains significant influence, the investment in New Hope has been equity accounted from that date. Refer to Note 1 for additional information.

At 31 July 2022, New Hope had $200 million in convertible notes outstanding. At 31 July 2023, all convertible notes have been redeemed or converted. The following activities related to these notes occurred during the current reporting period.

Certain holders converted their notes into ordinary shares, resulting in a dilution of the Group's interest in New Hope by 2.3% and a loss on the deemed disposal of $53.8 million ($37.7 million after tax) due to the share price at date of conversion. This is recorded within Other Income in the Consolidated Statement of Comprehensive Income.

New Hope bought back convertible notes for an amount exceeding their carried value. The Group has recorded its $76.8 million ($53.8 million after tax) share of the resulting reduction in New Hope's net assets within Reserves in the Consolidated Statement of Changes in Equity.

New Hope also bought back its own shares during the current reporting period, resulting in an increase in the Group's interest by 1.6%.

The cumulative effect of these transactions resulted in the Group's shareholding reducing by 0.7% to 39.2%.

In the current reporting period, New Hope and the liquidators of Northern Energy Corporation (NEC) and Colton Coal Pty Limited (Colton) entered into a binding Heads of agreement and the creditors of NEC and Colton approved a Deed of Company Arrangement, whereby New Hope paid a settlement sum into the Deed Fund and the parties agreed to appropriate releases.

10 During the current reporting period, Pengana issued shares under Pengana's Employee Share Plan. This was partly offset by Pengana's share buy-back program. This resulted in a net decrease of 0.4% in the Group's shareholding in Pengana to 36.6%.

11 During the current reporting period, the Group reduced its shareholding in Clover Corporation Limited (CLV) from 20.5% to 19.4%. The Group determined that it no longer has significant influence over CLV and has reclassified the remaining investment in associate to other financial assets. A gain of $22.7 million was recorded within other income to adjust the carrying value to its fair value at that time. On 18 May 2023, the Group's holding percentage in Kiland Ltd (KIL) increased to 20.1% as a result of share buybacks. The investment in KIL has been reclassified from a trading asset to an associate at 31 July 2023.

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

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

	Brickworks		New Hope	
	2023 $'000	**2022** $'000	**2023** $'000	**2022** $'000
Current assets	**565,211**	626,258	**1,109,785**	1,377,429
Non-current assets	**3,468,043**	2,895,411	**2,133,522**	2,049,606
Current liabilities	**(305,229)**	(325,689)	**(382,656)**	(537,205)
Non-current liabilities	**(1,816,653)**	(1,518,383)	**(339,245)**	(574,299)
Net assets	**1,911,372**	1,677,597	**2,521,406**	2,315,531
Group's percentage holding	**43.1%**	43.3%	**39.2%**	39.9%
Group's share of total net assets	**824,148**	726,400	**989,515**	922,745
Goodwill and identifiable assets	**22,571**	19,935	**514,402**	547,913
Equity accounted carrying value	**846,719**	746,335	**1,503,917**	1,470,658
Revenue	**1,181,178**	1,093,154	**2,754,498**	2,552,395
Profit after tax	**231,303**	377,444	**1,087,402**	983,009
Other comprehensive income	**4,344**	40,026	**260,827**	(106,969)
Total Comprehensive Income	**235,647**	417,470	**1,348,229**	876,040
Dividends received by WHSP from the associate	**42,013**	40,700	**318,559**	122,728
Group's share of capital commitments	**9,274**	16,475	**40,138**	39,956
Group's share of contingent liabilities	**26,415**	26,177	**62,384**	5,860
Market value of share holding	**1,700,866**	1,380,517	**1,761,308**	1,456,147

Extract of financial information as reported by other associates in aggregate

	2023 $'000	**2022** $'000
Group's aggregate share of other associates' expenditure commitments		
Capital commitments	**11,756**	11,540
Group's aggregate share of other associates' contingent liabilities		
Share of contingent liabilities incurred jointly with other investors of the associate	**13,794**	9,393
Group's aggregate share of other associates' financial information		
Profit after tax	**29,540**	14,855
Other comprehensive income	**2,287**	2,651
Total comprehensive income	**31,827**	17,506
Dividends received by WHSP from other associates	**20,140**	19,618

18 Long term equity investments

ACCOUNTING POLICY

Long term equity investments are initially recognised at fair value plus any transaction costs. These investments are intended to be held for the long term for capital growth and dividend income.

Recognition

Purchases of long term equity investments are recognised on trade date being the date on which the Group commits to purchase the asset.

Classification

Long term equity investments are classified as financial assets at fair value through other comprehensive income (FVOCI) or financial assets at fair value through the profit and loss (FVP&L).

Subsequent measurement

At each reporting date, long term equity investments are remeasured to fair value.

The fair value of long term equity investments traded in active markets is based on quoted market prices at the reporting date.

The fair value of long term equity investments that are not traded in an active market is determined using valuation techniques relevant to the asset being measured. The Group has used the following valuation techniques: market approach and income approach to determine the fair value of unlisted long term equity investments. Refer to Note 30 for details of these valuation techniques on the fair value of unlisted long term equity investments.

Changes in the fair value of FVOCI long term equity investments are recognised in equity through the asset revaluation reserve after allowing for deferred capital gains tax.

Changes in the fair value of FVP&L long term equity investments are recognised through 'Other income'.

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

Price risk

Information regarding the Group's exposure to price risk is set out in Note 31.

Derecognition

Long term equity investments are derecognised on trade date and when the rights to receive cash flows from the long term equity investments have expired or have been sold and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as long term equity investments are sold, the accumulated fair value adjustments previously recognised in the asset revaluation reserve in equity are transferred to the capital gains reserve in equity. Likewise the realised tax gain or loss is transferred to the capital gains reserve in equity.

	2023 $'000	2022 $'000
Non-current assets		
Long term equity investments FVOCI – listed	3,600,040	4,661,496
Long term equity investments FVOCI – unlisted	35,310	142,004
Long term equity investments FVP&L – unlisted	122,416	–
Total long term equity investments	3,757,766	4,803,500
Dividends		
Dividends from long term equity investments held at FVOCI recognised in profit or loss in other income:		
Related to investments sold during the year	8,653	18,141
Related to investments held at the end of the year	153,778	149,390
Dividends from long term equity investments held at FVP&L recognised in profit or loss in other income:		
Related to investments held at the end of the year	2,403	–
Total dividends	164,834	167,531

FURTHER INFORMATION

Long term equity investments pledged as security for short term finance and long-term loan

In the prior reporting period, long term equity investments with a fair value of $433.6 million were transferred to various financiers as security for the $195.8 million equity finance loans. As WHSP retains the risks and benefits of ownership of the transferred long term equity investments, including the right to receive dividends, these long term equity investments continue to be included as an asset on the Consolidated Statement of Financial Position. All of the equity finance loans were repaid by WHSP during the current reporting period and the long term equity investments have been transferred back from various financiers to WHSP.

19 Investment properties

ACCOUNTING POLICY

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

Recognition

Investment properties are initially recognised at cost including transaction costs. Other costs capitalised into the carrying value of investment properties include development, construction, redevelopment, refurbishment (other than repairs and maintenance) and interest (until the property is ready for its intended use).

Classification

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

Subsequent measurement

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

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

The fair values of investment properties are determined by the amounts for which the assets could be exchanged between knowledgeable willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

Amounts provided to customers as lease incentives and assets relating to fixed rental income increases in operating lease contracts are included within investment property values. Lease incentives are amortised over the term of the lease on a straight line basis. The amortisation is applied to reduce gross rental income. Rental income is recognised on a straight line basis within 'Revenue'.

Derecognition

On disposal of an investment property, a gain or loss is recognised in the profit or loss in the year of disposal. It is calculated as the difference between the carrying amount of the asset at the date of disposal and the net proceeds received.

KEY JUDGEMENTS AND ESTIMATES

Fair value of investment properties

In determining the fair value of a property, appropriate valuation techniques are used, including the discounted cashflow, capitalisation and direct comparison methods. Discount rates and capitalisation rates are determined based on industry experience and knowledge and where possible, a direct comparison to third party rates for similar assets in comparable locations.

Rental revenue from current leases and assumptions about future leases, as well as any expected operational cash outflows in relation to the property, are reflected in fair value.

In relation to properties under development, fair value is determined based on the market value of the property on the assumption it has already been completed at the valuation date less costs to complete the project, including an appropriate adjustment for profit and risk.

All investment properties have been categorised within the Level 3 fair value basis as some of the inputs required to value property are not based on 'observable market data'.

19 Investment properties (continued)

	2023 $'000	2022 $'000
Non-current assets		
Commercial property	84,278	85,576
Total investment properties	84,278	85,576
Reconciliation of changes in the carrying value of investment properties		
Opening balance at 1 August	85,576	87,158
Acquisitions	4,098	35,724
Transfer to held for sale assets	–	(88,480)
Net fair value (loss)/gain on investment properties	(5,337)	51,918
Impairment expense	–	(1,073)
Other	(59)	329
Closing balance at 31 July	84,278	85,576

	2023 $'000	2022 $'000
Amounts recognised in the profit or loss for investment properties		
Rental revenue	1,487	2,516
Direct operating expenses from property that generated rental income	(1,732)	(1,758)
(Loss)/profit arising from investment properties	(245)	758

FURTHER INFORMATION

Three investment properties were independently valued as at 31 July 2023.

The revaluations resulted in a fair value loss of $5.3 million for the current reporting period.

On 11 May 2022, the Group entered into a contract for the sale of an investment property in New South Wales for $88.5 million. In the prior reporting period, the carrying value of the investment property was revalued to its fair value, before being re-classified as a held for sale asset, resulting in the recognition of a fair value gain of $49.3 million. The sale was settled in December 2022.

Non-current assets pledged as security

As at 31 July 2023, none of the Group's investment properties were pledged as security.

Leasing arrangements

The Group is entitled to receive rental income from non-cancellable operating leases on investment properties. The amounts have not been recognised in the financial statements and are receivable as follows:

	2023 $'000	2022 $'000
Within one year	1,384	1,337
Later than one year but not later than five years	1,676	3,035
Later than five years	605	687
	3,665	5,059

20 Property, plant and equipment

ACCOUNTING POLICY

Freehold land, excluding farming property, is carried at the lower of cost and recoverable amount.

Property, plant and equipment (excluding investment properties, refer to Note 19) are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

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

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

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated commencing from the time the asset is held ready for use.

Depreciation is calculated so as to write off the cost of each item of property, plant and equipment during its expected economic life to the Group. Each item's useful life has due regard both to its own physical life limitations and to present assessments of economically recoverable resources (when related to mining activities). Estimates of residual values and remaining useful lives are made on an annual basis. Both the straight line and diminishing methods are used. The expected useful life of plant and equipment is 2.5 to 20 years, buildings is 20 to 40 years and motor vehicles is 4 to 8 years. Land is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the profit or loss.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Farmland assets, bearer plants and assets under construction

Agricultural assets comprising farming property and improvements (farmland assets) are carried at their revalued amount, which is their fair value at the date of the revaluation, less, where applicable, any subsequent accumulated depreciation and impairment losses.

Revaluations are performed for farmland assets at least every 12 months, by independent valuers, so as to ensure that the carrying amount of an asset does not differ materially from fair value.

Under the revaluation model, increases in the carrying amount of an asset arising on revaluation are recognised in other comprehensive income and accumulated in the asset revaluation reserve in equity (except where an increase reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss to the extent of that decrease). Decreases in the carrying amount of an asset arising on revaluation are recognised in profit or loss (except where a decrease reverses a revaluation increase of the same asset recognised in the revaluation reserve, in which case the decrease is recognised in other comprehensive income and reduces the revaluation reserve to the extent of that increase).

20 Property, plant and equipment (continued)

Bearer plants are plants that are used in the production or supply of agricultural produce, are expected to bear produce for more than one period and have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. They include, for example, the Group's citrus trees, macadamia trees and table grapevines. Bearer plants are accounted for as property, plant and equipment. However, produce growing on bearer plants is accounted for as a biological asset (refer to Note 13).

Bearer plants are carried at cost less any accumulated depreciation and impairment.

Depreciable agricultural assets are depreciated on a straight-line basis consistent with other property, plant and equipment as described above. The expected useful life of property improvements, including buildings, is 2 to 40 years and bearer plants is 10 to 30 years.

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

Impairment of non-current assets

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

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

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

The valuation of hire equipment (included as part of plant and equipment) is assessed by management for any indicators of impairment. This takes into consideration utilisation of equipment, revenue hire contracts in place and future forecasts of usage. Where indicators exist, management estimates the recoverable value, generally based on the discounted present value of future cash flows relating to the assets and compares this with their existing carrying value to determine the impairment amount, if any. Future cash flow estimates are based on management budgets and forecasts and where applicable the fair value of the equipment.

KEY JUDGEMENTS AND ESTIMATES

Valuation of farmland assets

Farmland assets are reviewed regularly with reference to external independent property valuations and market conditions existing at the reporting date. Independent valuation reports assess the value of farmland based on comparable market transactions based on rate per land unit as well as the condition of the subject assets.

Recoverable value of bearer plants

Farm valuations are reviewed regularly with reference to external independent property valuations and market conditions existing at the reporting date. Independent valuation reports assess the value of farms based on comparable market transactions and conditions of the subject assets. The assumptions underlying estimated fair values are those relating to rate per land unit, commodity type, variety rate, gross orchard rate and an all-inclusive rate.

Judgement is applied to allocate the total farm value to components, including bearer plants, other property and equipment, and water entitlement intangible assets. In making this determination, the valuation specialist also considers comparable market transactions.

Estimation of useful lives of bearer plants

The useful lives of bearer plants have been estimated by assessing industry data. The useful lives of bearer plants are in the range of 10 to 30 years.

FURTHER INFORMATION

Valuation of farmland assets and buildings

During the current reporting period, the Group obtained a number of external valuations of farmland assets and buildings from an independent, properly qualified external valuer.

Impairments of property plant and equipment

During the current reporting period, the impairment expense was related to farmland assets, bearer plants and assets under construction. In the prior reporting period, the impairment benefit to property, plant and equipment was $1.21 million attributable to the reversal of a previous impairment of farmland assets. Refer to Note 8 for details.

Deconsolidation of New Hope

On 29 July 2022, the Group determined that it no longer controlled New Hope. As a result, the balances of New Hope were derecognised from the Group from that date.

Disposal – Discontinued Operation

The Group disposed of Round Oak effective 1 July 2022. As a result, the balances of Round Oak were derecognised from the Group from that date.

Acquisitions through business combinations

Acquisitions through business combinations relates to acquisitions by Ampcontrol and Aquatic Achievers. Refer to Note 2.

20 Property, plant and equipment (continued)

	Land $'000	Buildings $'000
At 1 August 2022		
Cost	11,820	38,238
Accumulated depreciation/amortisation and impairment	–	(7,203)
Net book value	11,820	31,035
Opening net book value	11,820	31,035
Acquisition of businesses (refer to Note 2)	–	9,704
Additions	–	3,935
Transfers in/(out)	–	(6)
Disposal of assets	–	(36)
Fair value adjustments	–	–
Impairment expenses	–	–
Depreciation/amortisation	–	(1,254)
Other	–	(660)
Closing net book value	11,820	42,718
At 31 July 2023		
Cost	**11,820**	**51,374**
Accumulated depreciation/amortisation and impairment	**–**	**(8,656)**
Net book value	**11,820**	**42,718**
At 1 August 2021		
Cost	171,308	66,484
Accumulated depreciation/amortisation and impairment	–	(45,297)
Net book value	171,308	21,187
Opening net book value	171,308	21,187
Acquisition of businesses (refer to Note 2)	7,207	25,181
Additions	–	3,066
Mining and restoration and rehabilitation	–	–
Transfers in/(out)	534	21,489
Transfer to held for sale asset	–	(5,705)
Transfer from right-of-use assets	–	–
Disposal of assets	–	(13,288)
Disposal – Discontinued operations (refer to Note 3)	(514)	(7,095)
Deconsolidation of New Hope (refer to Note 1)	(166,715)	(10,716)
Fair value adjustments	–	–
Reversal of impairment	–	–
Depreciation/amortisation	–	(1,947)
Depreciation/amortisation – Discontinued operations	–	(1,137)
Closing net book value	11,820	31,035
At 31 July 2022		
Cost	**11,820**	**38,238**
Accumulated depreciation/amortisation and impairment	**–**	**(7,203)**
Net book value	**11,820**	**31,035**

Farmland assets $'000	Plant, fixtures, motor vehicles $'000	Bearer plants $'000	Assets under construction $'000	Mining reserves and leases $'000	Mine development $'000	Oil producing assets $'000	**Total** $'000
74,364	160,269	31,242	46,084	–	–	–	362,017
(4,310)	(91,504)	(4,737)	–	–	–	–	(107,754)
70,054	68,765	26,505	46,084	–	–	–	254,263
70,054	68,765	26,505	46,084	–	–	–	254,263
–	14,787	–	–	–	–	–	24,491
42,962	21,937	6,686	65,125	–	–	–	140,645
14,708	4,387	303	(19,392)	–	–	–	–
(9)	(1,517)	(610)	–	–	–	–	(2,172)
(1,023)	–	–	–	–	–	–	(1,023)
(6,934)	–	(10,206)	(4,992)	–	–	–	(22,132)
(3,226)	(20,037)	(2,631)	–	–	–	–	(27,148)
–	164	–	–	–	–	–	(496)
116,532	88,486	20,047	86,825	–	–	–	366,428
130,906	**202,154**	**37,479**	**91,817**	**–**	**–**	**–**	**525,550**
(14,374)	**(113,668)**	**(17,432)**	**(4,992)**	**–**	**–**	**–**	**(159,122)**
116,532	**88,486**	**20,047**	**86,825**	**–**	**–**	**–**	**366,428**
64,101	1,531,973	32,740	10,233	1,245,869	501,781	204,969	3,829,458
(3,206)	(934,713)	(2,784)	–	(263,297)	(303,421)	(159,674)	(1,712,392)
60,895	597,260	29,956	10,233	982,572	198,360	45,295	2,117,066
60,895	597,260	29,956	10,233	982,572	198,360	45,295	2,117,066
–	52,321	–	–	–	–	–	84,709
397	82,611	–	44,993	–	40,837	3,562	175,466
–	7,084	–	–	–	(29,160)	(6,945)	(29,021)
6,785	(19,644)	(24)	(9,140)	–	–	–	–
(13,057)	(284)	–	–	–	–	–	(19,046)
–	186	–	–	–	–	–	186
–	(77,333)	(1,028)	(2)	–	–	–	(91,651)
–	(43,445)	–	–	–	(91,200)	–	(142,254)
–	(446,685)	–	–	(923,715)	(75,550)	(36,966)	(1,660,347)
15,908	–	–	–	–	–	–	15,908
1,208	–	–	–	–	–	–	1,208
(2,082)	(63,488)	(2,399)	–	(58,857)	(4,968)	(4,946)	(138,687)
–	(19,818)	–	–	–	(38,319)	–	(59,274)
70,054	68,765	26,505	46,084	–	–	–	254,263
74,364	**160,269**	**31,242**	**46,084**	**–**	**–**	**–**	**362,017**
(4,310)	**(91,504)**	**(4,737)**	**–**	**–**	**–**	**–**	**(107,754)**
70,054	**68,765**	**26,505**	**46,084**	**–**	**–**	**–**	**254,263**

21 Lease assets and liabilities

ACCOUNTING POLICY

Lease assets or Right-of-use assets

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease (less any lease incentives received), any initial direct costs incurred by the Group, and an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

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

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

Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments. These lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Subsequent to initial recognition, lease liabilities are remeasured to reflect changes to lease terms or future lease payments resulting from changes to the discount rate used or any modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

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

Right-of-use assets	2023 $'000	2022 $'000
Non-current assets		
Buildings (primarily relates to office premises, industrial premises and swimming pool sites)	78,398	29,007
Plant, fixtures and motor vehicles	3,760	3,066
Water rights	1,446	5,232
Total right-of-use assets	83,604	37,305

	Land and Buildings $'000	Plant, fixtures and motor vehicle $'000	Water rights $'000	Total $'000
Reconciliation of changes in the carrying value of right-of-use assets				
Opening balance at 1 August 2021	24,673	94,667	5,984	125,324
Acquisition of businesses	10,971	3,518	–	14,489
Additions	5,235	812	60	6,107
Disposals	(14)	(9)	–	(23)
Disposal – Discontinued operations	(442)	(872)	–	(1,314)
Deconsolidation of New Hope	(6,825)	(89,083)	–	(95,908)
Depreciation	(4,426)	(6,784)	(1,069)	(12,279)
Depreciation – Discontinued operations	(165)	(5,629)	–	(5,794)
Remeasurement of assets	–	6,631	258	6,889
Transfer out	–	(186)	–	(186)
Closing balance at 31 July 2022	29,007	3,065	5,233	37,305
Acquisition of businesses	37,803	–	–	37,803
Additions	18,090	1,972	162	20,224
Disposals	–	–	(2,836)	(2,836)
Depreciation	(7,954)	(814)	(1,140)	(9,908)
Remeasurement of assets	493	–	27	520
Other	660	(164)	–	496
Closing balance at 31 July 2023	**78,099**	**4,059**	**1,446**	83,604

Lease liabilities	2023 $'000	2022 $'000
Current	11,359	9,024
Non-current	78,097	33,665
Total lease liabilities	89,456	42,689

21 Lease assets and liabilities (continued)

	2023 $'000	2022 $'000
Reconciliation of changes in the carrying value of lease liabilities		
Opening balance at 1 August	42,689	131,412
Acquisition of businesses	37,504	15,954
Additions	22,430	7,297
Disposals	(2,873)	(302)
Disposal – Discontinued operations	–	(1,406)
Deconsolidation of New Hope	–	(97,280)
Accretion of interest	2,428	5,597
Payments	(13,486)	(25,403)
Remeasurement of leases	764	6,820
Closing balance at 31 July	89,456	42,689
Lease liabilities (undiscounted) maturity analysis		
Within one year	17,444	11,217
Later than one year but not later than five years	46,120	23,138
Greater than five years	128,849	15,385
Total	192,413	49,740

FURTHER INFORMATION

Secured liabilities

Lease liabilities are effectively secured as the rights to the leased assets recognised in the consolidated financial statements revert to the lessor in the event of default. No other assets are pledged as security for the lease liabilities. The total cash outflow for leases for the reporting period ended 31 July 2023 was $13.5 million (2022: $25.4 million).

22 Intangible assets

ACCOUNTING POLICY

Goodwill

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

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

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

Water rights

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

Brands and Trade names

Brands and Trade names are stated at cost less any impairment losses. They have an indefinite life or useful life of the contract. They are tested annually for impairment.

Development costs

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Following initial recognition, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure capitalised is amortised over the period of expected benefit from the related project. The carrying value of an intangible asset arising from development expenditure is tested for impairment annually, including when the asset is not yet available for use, or more frequently when an indication of impairment arises during the reporting period.

Other intangible assets

Other intangible assets includes curriculum, software, customer contracts and relationships, product certification costs and sale and buyback assets that are acquired by the Group. These assets are stated at cost less accumulated amortisation and impairment losses.

Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Purchase Price Allocation adjustments

Upon initial recognition of a business combination, the purchase price paid is allocated to the estimated fair value of assets acquired on a provisional basis, and the balance allocated to goodwill. Once the fair value assessment of assets acquired has been finalised, appropriate adjustments are made to the allocation of acquisition costs between assets.

Amortisation of intangible assets

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

22 Intangible assets (continued)

ACCOUNTING POLICY (CONTINUED)

Class of intangible assets	Useful life
Goodwill	Indefinite life
Water rights (WHSP Agriculture)	Indefinite life
Brands and Trade names	Indefinite life or life of contract
Development costs	3–10 years
Other intangible assets – Curriculum	Indefinite life
Other intangible assets – Software	2–5 years
Other intangible assets – Customer contracts and relationships	10 years
Other intangible assets – Product certification costs	3–10 years
Other intangible assets – Sale and buyback assets	Life of contract

Impairment

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they may be impaired. Other intangible assets with defined useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Refer to Note 8 for details on impairment testing.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's Fair Value Less Costs of Disposal (FVLCD) and Value In Use (VIU). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Intangible assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Goodwill impairments are not reversible.

Impairment losses for intangible assets are recognised in the profit or loss.

KEY JUDGEMENT AND ESTIMATES

Impairment of intangible assets

At each reporting date the Group considers the recoverable value of intangible assets. Intangible assets are allocated to CGUs for which the recoverable value is determined. The recoverable value is determined based on the higher of FVLCD or VIU and is estimated based on recent market transaction information. These calculations require the use of assumptions. Refer to Note 8.

	Goodwill	Water rights	Other intangibles	Brands and Trade names	Development costs	Total
	$'000	$'000	$'000	$'000	$'000	$'000
At 1 August 2022						
Cost	1,049,804	37,922	20,192	8,630	20,669	1,137,217
Accumulated amortisation and impairment	(984,564)	(692)	(4,479)	–	(287)	(990,022)
Net book value	65,240	37,230	15,713	8,630	20,382	147,195
Opening net book value	65,240	37,230	15,713	8,630	20,382	147,195
Acquisition of businesses	63,264	–	11,108	383	–	74,755
Additions	–	32,521	1,584	–	6,655	40,760
Purchase Price Allocation adjustments	2,648	–	(656)	–	–	1,992
Disposals	–	(51)	–	–	(364)	(415)
Impairment reversal recognised in profit or loss (refer to Note 8)	–	6	–	–	–	6
Amortisation charged to the profit or loss (refer to Note 8)	–	–	(2,355)	–	(2,280)	(4,635)
Closing net book value	131,152	69,706	25,394	9,013	24,393	259,658
At 31 July 2023						
Cost	1,115,716	69,970	32,173	9,013	26,960	1,253,832
Accumulated amortisation and impairment	(984,564)	(264)	(6,779)	–	(2,567)	(994,174)
Net book value	131,152	69,706	25,394	9,013	24,393	259,658

22 Intangible assets (continued)

	Goodwill $'000	Water rights $'000	Mining information $'000	Other intangibles $'000	Brands and Trade names $'000	Development costs $'000	Total $'000
At 1 August 2021							
Cost	22,220	51,765	70,809	24,090	1,430	–	170,314
Accumulated amortisation and impairment	(4,157)	(3,444)	(11,636)	(17,738)	–	–	(36,975)
Net book value	**18,063**	**48,321**	**59,173**	**6,352**	**1,430**	**–**	**133,339**
Opening net book value	18,063	48,321	59,173	6,352	1,430	–	133,339
Acquisition of businesses	1,037,337	–	–	10,957	7,200	19,721	1,075,215
Additions	–	541	–	220	–	948	1,709
Disposals	–	(10)	–	(757)	–	–	(767)
Disposal – Discontinued operations	–	–	–	(26)	–	–	(26)
Deconsolidation of New Hope	(5,595)	(10,337)	(55,295)	(400)	–	–	(71,627)
Transfers out to assets held for sale	–	(1,065)	(909)	–	–	–	(1,974)
Transfers out to cost of sales	–	(254)	–	–	–	–	(254)
(Impairment)/reversal recognised in profit or loss (refer to Note 8)	(984,565)	589	–	–	–	–	(983,976)
Amortisation charged to the profit or loss (refer to Note 8)	–	(555)	(2,969)	(554)	–	(287)	(4,365)
Amortisation charged to the profit or loss – Discontinued operations	–	–	–	(79)	–	–	(79)
Closing net book value	**65,240**	**37,230**	**–**	**15,713**	**8,630**	**20,382**	**147,195**
At 31 July 2022							
Cost	1,049,804	37,922	–	20,192	8,630	20,669	1,137,217
Accumulated amortisation and impairment	(984,564)	(692)	–	(4,479)	–	(287)	(990,022)
Net book value	**65,240**	**37,230**	**–**	**15,713**	**8,630**	**20,382**	**147,195**

Deconsolidation of New Hope

On 29 July 2022, the Group determined that it no longer controlled New Hope. As a result, the intangible assets balances of New Hope were derecognised from the Group at that date.

Disposal – Discontinued Operation

The Group disposed of Round Oak effective 1 July 2022. As a result, the intangible assets balances of Round Oak were derecognised from the Group at that date.

Carrying amount of goodwill

Intangible assets which have indefinite lives are allocated to the appropriate Group business segment and country of operation.

Goodwill is allocated to the following CGU groups:

	Note	Country of operation	2023 $'000	2022 $'000
Aquatic Achievers (Private Equity Portfolio)	22(a)			
Opening balance at 1 August		Australia	15,140	12,468
Goodwill acquired as part of business acquisitions		Australia	58,390	2,672
Purchase Price Allocation adjustments		Australia	(78)	–
Closing balance at 31 July		Australia	73,452	15,140
Ampcontrol (Private Equity Portfolio)	22(b)			
Opening balance at 1 August		Australia	50,100	–
Goodwill acquired as part of business acquisition		Australia	4,874	50,100
Purchase Price Allocation adjustments		Australia	2,726	–
Closing balance at 31 July		Australia	57,700	50,100
New Hope (Strategic Portfolio)	22(c)			
Opening balance at 1 August		Australia	–	5,595
Deconsolidation of New Hope		Australia	–	(5,595)
Closing balance at 31 July		Australia	–	–
Milton (Unallocated)	22(d)			
Opening balance at 1 August		Australia	–	–
Goodwill acquired as part of business acquisition		Australia	–	984,565
Impairment		Australia	–	(984,565)
Closing balance at 31 July		Australia	–	–
Closing net book value			131,152	65,240

The recoverable amount of goodwill is determined based on the higher of FVLCD or VIU method. Assumptions and methodology applied to each CGU group are as follows:

a) Aquatic Achievers

The brought forward balance of goodwill relates to the Group's original acquisition of the Aquatic Achievers business, a swimming pool owner and operator providing learn-to-swim programs, and the subsequent acquisition of other learn-to-swim operators.

During the current reporting period, Aquatic Achievers acquired two separate learn-to-swim operators, resulting in a combined increase in goodwill of $58.4 million. Refer to Note 2 for details.

The recoverable amount of goodwill has been determined based on VIU calculations. These calculations require the use of assumptions, including estimated discount rates based on current cost of capital and growth rates of the estimated future cash flows. The resulting income stream was used in a discounted cash flow model over a 5 year period at the post-tax discount rate of 14.5% per annum and a terminal growth rate of 2.5%. This assessment is determined under level 3 of the fair value hierarchy.

22 Intangible assets (continued)

b) Ampcontrol

In the prior reporting period, WHSP completed the acquisition of the remaining 57.1% (which it previously did not own) of the issued equity of Ampcontrol, resulting in goodwill of $50.1 million.

During the current reporting period, Ampcontrol acquired Androck Engineering which resulted in an additional goodwill of $4.9 million. Refer to Note 2 for details.

The recoverable amount of goodwill has been determined based on VIU calculations. These calculations require the use of assumptions, including estimated discount rates based on current cost of capital and growth rates of the estimated future cash flows. The resulting income stream was used in a discounted cash flow model over a 5 year period at the post-tax discount rate of 10.9% per annum and a terminal growth rate of 2.5%. This assessment is determined under level 3 of the fair value hierarchy.

c) New Hope

New Hope was derecognised as a subsidiary during the prior reporting period.

d) Milton

On 5 October 2021, WHSP completed its acquisition of the remaining 97% (which it did not previously own) of the issued equity of Milton. The acquisition resulted in an addition to goodwill of $984.6 million. The goodwill arising from the acquisition was subsequently impaired to $nil.

23 Trade payables and other liabilities

ACCOUNTING POLICY

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

A contract liability is recognised if a payment is received or a payment is due or outstanding (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are subsequently recognised as revenue when the Group performs under the contract (i.e. transfers control or performs its obligation of the related goods or services to the customer).

	2023 $'000	2022 $'000
Current liabilities		
Trade and other payables	68,052	69,636
Contract liabilities	37,227	26,729
Trade payables and other liabilities	105,279	96,365

Contract liabilities

Contract liabilities include short term advances received prior to the provision of swimming lessons over time and the payments in advance for the construction or hire of electrical and electronic engineering equipment.

	2023 $'000	2022 $'000
Reconciliation of changes in the carrying value of contract liabilities		
Opening balance at 1 August	26,729	1,031
Acquired through business combinations	2,524	21,531
Payments received in advance	52,477	5,198
Recognised as revenue during the year	(44,503)	(1,031)
Closing balance at 31 July	37,227	26,729

Unsatisfied performance obligations

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

	2023 $'000	2022 $'000
Within 6 months	35,004	20,134
6 to 12 months	2,223	5,374
12 to 18 months	–	933
18 to 24 months	–	288
	37,227	26,729

24 Provisions

ACCOUNTING POLICY

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Employee entitlements

Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits, annual leave, vesting sick leave and redundancy expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period. These are measured at the amounts expected to be paid when the liabilities are settled. The liability of annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations
The liabilities for long service leave and annual leave which are not expected to be settled within 12 months of reporting date are recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on a high quality corporate bond rate with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

	2023 $'000	**2022** $'000
Current liabilities		
Employee benefits	19,258	16,994
Deferred liabilities	5,880	–
Other	–	3,414
Total current provisions	**25,138**	20,408
Non-current liabilities		
Employee benefits	3,893	3,704
Deferred liabilities	4,259	–
Other	3,715	2,676
Total non-current provisions	**11,867**	6,380

	Employee benefits $'000	Deferred liabilities $'000	Other $'000	Total $'000
Reconciliation of changes in the carrying value of provisions				
Opening balance at 1 August 2022	20,698	–	6,090	**26,788**
Acquired through business combinations	1,218	10,085	270	**11,573**
Additional provision recognised	9,232	–	29	**9,261**
Utilised during the year	(7,563)	–	(3,414)	**(10,977)**
Unused amount reversed	(56)	–	–	**(56)**
Unwinding of discount and changes in the discount rate	(134)	54	139	**59**
Payments	(244)	–	–	**(244)**
Other	–	–	601	**601**
Closing balance at 31 July 2023	**23,151**	**10,139**	**3,715**	**37,005**

Deferred liabilities

The Group acquired Androck and two additional swim schools in the current reporting period. Consideration for the purchases included deferred payments to be determined by the performance of the respective businesses in the 2024 to 2026 financial years. The estimated value of the deferred payments is determined upon initial acquisition and discounted to reflect the present value of the liabilities. At each reporting period, the estimated value of deferred payments is reviewed and the deferred liability adjusted accordingly, with the adjustment reflected as interest income or expense in the profit or loss.

25 Cash and cash equivalents

ACCOUNTING POLICY

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

	2023 $'000	2022 $'000
Current assets		
Cash at banks and on hand	**211,811**	484,956
Short-term deposits	**100,000**	21,371
Total cash and cash equivalents	**311,811**	506,327

FURTHER INFORMATION

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

Cash at bank and short-term deposits attract interest at rates between 1.4% and 5.2% per annum (2022: 0% and 1.4%).

The balances were predominately held by WHSP of $236.5 million (2022: $471.2 million).

25 Cash and cash equivalents (continued)

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

	2023 $'000	2022 $'000
Profit after tax for the year from continuing operations	698,674	492,443
(Loss)/profit after tax for the year from discontinued operations	(9,134)	64,001
Adjustments for non-cash items:		
Depreciation and amortisation	41,691	220,476
Amortisation of transaction costs	1,894	185
Gain on loss of control of New Hope	–	(490,884)
Tax benefit on recycled reserves	–	(17,000)
Loss on deemed disposal of equity accounted associates	52,422	2,019
Gain on derecognition of equity accounted associates	(22,741)	(22,091)
Gain on disposal of associates	–	(6,131)
Loss/(gain) on revaluation of investment property	5,152	(51,918)
Loss on sale of investment property	557	–
Net gain on sale of property, plant and equipment	(300)	(1,771)
Gain on sale of controlled entity/joint venture	–	(10,101)
Gain on fair value of biological assets	(20,410)	(22,463)
(Gain)/loss on trading assets fair value through profit or loss	(23,638)	147,133
Provision/(reversal) of expected credit loss allowance	7,958	(1,890)
Impairment expense	49,061	1,003,452
Interest income and line fee capitalisation	(22,715)	–
Write off loan and interest to external party	–	3,684
Provision for onerous contract	–	3,918
Net foreign exchange gain	(1,018)	(3,577)
Non-cash in-specie dividend	–	(40,604)
Non-cash share based payments	–	(289)
Unwinding of interest on deferred purchase consideration	81	–
Share of profits of associates not received as dividends or distributions	(149,798)	(140,826)
Other non-cash items	(1,355)	(486)
Changes in operating assets and liabilities, net of effects from purchase and sales of business:		
Increase in trade debtors, other debtors and prepayments	(27,656)	(305,296)
Decrease in inventory	6,168	32,781
Decrease/(increase) in trading assets	106,300	(140,365)
Decrease in other financial assets	97,627	1,538
Increase in trade creditors and accruals	23,849	65,670
Increase/(decrease) in employee entitlements and provisions	7,688	(564)
Net movements in tax balances	(46,816)	411,478
Net cash inflow from operating activities	773,541	1,192,522

26 Term deposits

ACCOUNTING POLICY

Term deposit investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. Term deposit financial assets are included in current assets, except for those with maturities of more than 12 months from the reporting date, which are classified as non-current assets.

Recognition and derecognition

A term deposit is recognised on the date when the cash funds are deposited with the bank. The term deposit is derecognised on the term maturity date of the deposit.

Subsequent measurement

Term deposits are carried at amortised cost using the effective interest method.

	2023 $'000	2022 $'000
Current assets		
Term deposits	668,259	–
Total term deposits	668,259	–

FURTHER INFORMATION

Term deposits attract interest at rates between 4.6% and 5.5% per annum (2022: nil).

The balances were predominately held by WHSP of $600.0 million (2022: $nil).

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

27 Interest bearing liabilities

ACCOUNTING POLICY

Interest bearing liabilities are initially recognised at fair value, net of any transaction costs incurred. These balances are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the term of the liability using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the term of the facility to which it relates.

Interest bearing liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Convertible notes

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

27 Interest bearing liabilities (continued)

	Note	2023 $'000	2022 $'000
Current liabilities			
Secured			
Convertible notes (WHSP)	27(a)(ii)	220,142	–
Equity finance loans (WHSP)	27(a)(i)	–	195,770
Equipment finance loan (WHSP Agriculture)	27(b)	1,412	1,871
Total current interest bearing liabilities		221,554	197,641
Non-current liabilities			
Unsecured			
Convertible notes (WHSP)	27(a)(ii)	–	218,247
Secured			
Market rate loan (WHSP Agriculture)	27(b)	70,500	70,950
Capital development facility (WHSP Agriculture)	27(b)	52,920	–
Equipment finance loan (WHSP Agriculture)	27(b)	2,110	3,788
Secured loans (Ampcontrol)	27(c)	395	14,590
Total non-current interest bearing liabilities		125,925	307,575
Total interest bearing liabilities		347,479	505,216
Less: cash, cash equivalents and term deposits		(980,070)	(506,327)
Net (cash)/debt		(632,591)	(1,111)
Financing facilities		402,517	525,595
Less: facilities utilised at reporting date			
Convertible notes		(220,142)	(218,247)
Equity finance and other loan facilities		(127,337)	(286,969)
Facilities unutilised at reporting date		55,038	20,379

The fair values of interest bearing liabilities materially approximate their respective carrying values as at 31 July 2023.

Financing facilities

As at 31 July 2023, the Group had the following financing facilities in place:

a) WHSP

(i) Equity finance facilities

As at 31 July 2023, WHSP had access to secured financing facilities with a number of financiers.

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

As at 31 July 2023, WHSP had $nil borrowings under Equity finance facilities and repaid $196 million during the current reporting period.

The 31 July 2022 tenor and average cost for borrowings under these facilities was six months and 2.4% p.a.

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

(ii) Convertible notes

During the year ended 31 July 2021, WHSP issued convertible notes with an aggregate principal amount of $225 million. There has been no movement in the number of these convertible notes since the issue date.

The notes are convertible at the option of the noteholders into ordinary shares based on an initial conversion price of $34.99 per share at any time on or after 11 March 2021 up to the date falling five business days prior to the final maturity date (29 January 2026). The holder of the option has the right to redeem all or some of the holder's notes on 1 February 2024 for an amount equal to 100% of the principal amount of the notes plus any accrued but unpaid interest. Any notes not converted will be redeemed on 29 January 2026 at the principal amount of the notes plus any accrued but unpaid interest. Due to the redemption right, the notes are classified as current as at 31 July 2023.

The notes carry interest at a rate of 0.625% pa which is payable semi-annually in arrears on 29 January and 29 July.

b) WHSP Agriculture

During the current reporting period, WHSP Agriculture entered into a three year secured loan facility which settled in January 2023, paying out all previous facilities held with another financier. The new facility expires 30 September 2025 and has increased the total facility available from $83.0 million to $152.3 million. The facility comprises a $4.0 million working capital facility, a $70.5 million market rate facility and a $77.8 million capital development facility.

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

The refinance also included an uncommitted equipment finance facility of $4.0 million. At refinance settlement, the existing equipment financing agreements were paid out utilising the capital development facility.

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

As at 31 July 2023, WHSP Agriculture utilised:

- $nil of the working capital facility (2022: previous overdraft facility $nil) at an interest rate of 5.1% pa (2022: previous overdraft facility 4.1% pa). The unutilised facility as at 31 July 2023 was $4.0 million (2022: previous overdraft facility $4.0 million).
- $70.5 million of the market rate loan facility (2022: previous market rate facility $71.0 million) at an interest rate of 5.6% pa (2022: previous market rate facility 4.0% pa). The unutilised facility as at 31 July 2023 was $nil (2022: previous market rate facility $1.1 million).
- $52.9 million of the capital development facility at an interest rate of 5.6% pa. The unutilised facility as at 31 July 2023 was $24.9 million.
- $2.5 million of the uncommitted equipment finance facility (2022: previous asset finance facility $4.2 million) at a weighted average interest rate of 6.1% pa (2022: previous asset finance facility 3.7% pa). The unutilised facility as at 31 July 2023 was $1.5 million (2022: previous asset finance facility $2.9 million).
- $1.0 million of the agricultural equipment finance facility (2022: $1.4 million) at a weighted average interest rate of 1.7% pa (2022: 1.4% pa). The unutilised facility as at 31 July 2023 was $nil (2022: $nil).

c) Ampcontrol

Ampcontrol maintains a syndicated flexible working capital facility which expires on 28 June 2025, secured by fixed and floating charges over Ampcontrol's assets and subsidiaries. As at 31 July 2023, the facility included $20.0 million of cash advance facilities and $5.0 million of bank overdraft facilities. As at 31 July 2023, Ampcontrol had utilised $0.4 million of the cash advance facilities (2022: $15.0 million) at a weighted average interest rate of 5.4% pa (2022: 3.2% pa), with unutilised cash and overdraft facilities of $24.6 million (2022: $12.0 million).

28 Share capital

ACCOUNTING POLICY

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction (net of tax) from the proceeds. The amounts of any capital return are applied against share capital.

	The Company and the Group			
	31 July 2023		31 July 2022	
	Number of shares	$'000	Number of shares	$'000
Fully paid ordinary shares	360,967,863	4,686,012	360,967,863	4,686,012
Convertible notes		3,945		3,945
Treasury shares	162,174	(6,483)	245,078	(9,798)
Total share capital		4,683,474		4,680,159

Ordinary shares

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

Convertible notes

On 29 January 2021, WHSP issued convertible notes with an aggregate principal amount of $225 million. The convertible notes are convertible into fully paid ordinary shares in WHSP. The notes will mature on 29 January 2026 unless otherwise redeemed, repurchased, or converted. The fair value of the liability component of the convertible notes was estimated at the issuance date and is carried as a long term liability with the balance of $3.9 million being reflected as equity.

There has been no movement in the number of these convertible notes since the issue date.

Treasury shares

In conjunction with the acquisition of Milton during the prior reporting period, the Group acquired 263,242 WHSP shares under the Milton Senior Staff Share Plan. These shares are held in Trust and are classified as Treasury shares. The number of shares held at 31 July 2023 was 162,174 (2022: 245,078).

Brickworks deemed treasury shares

Fully paid ordinary shares includes 94,314,855 shares held by Brickworks (2022: 94,314,855 shares). As Brickworks is 43.1% owned by WHSP, the resulting reciprocal interest is treated as treasury shares (2023: 40,666,898 shares; 2022: 40,792,521 shares) for the purpose of calculating earnings per share in the Consolidated Statement of Comprehensive Income.

Securities purchased on market

WHSP purchased 109,893 shares (2022: 82,693 shares) on market to satisfy the rights that vested during the year under the WHSP Long Term Incentive Plan. The average share price paid per share was $27.90 (2022: $31.16).

29 Reserves

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

	2023 $'000	2022 $'000
Reserves attributable to members		
Asset revaluation reserve	(636,593)	(367,876)
Capital gains reserve	310,993	168,513
Hedge reserve	39,179	4,169
Foreign currency translation reserve	673	(1,631)
Capital profits reserve	8,881	8,881
Share-based payments reserve	18,706	15,737
Equity reserve	(62,018)	(12,560)
Total reserves attributable to members	(320,179)	(184,767)
Major movements in reserves consist of:		
Asset revaluation reserve		
Opening balance at 1 August	(367,876)	(214,602)
Revaluation of long term equity investments, gross	(184,556)	(233,860)
Revaluation of long term equity investments, deferred tax	52,939	95,766
Transfer gain on sale of long term equity investments to capital gains reserve, gross	(49,384)	(43,873)
Transfer gain on sale of long term equity investments to capital gains reserve, deferred tax	(93,096)	6,760
Reversal of impairment of long term equity investments, gross	–	709
Reversal of impairment of long term equity investments, deferred tax	–	(213)
Share of associates – increments, gross	31,458	6,135
Share of associates – increments, deferred tax	(9,235)	–
Reclassification of reserves to retained earnings	(16,278)	–
Other revaluations	(565)	15,302
Closing balance at 31 July	(636,593)	(367,876)

Asset revaluation reserve

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

	2023 $'000	2022 $'000
Capital gains reserve		
Opening balance at 1 August	168,513	52,294
Transfer gain on sale of long term equity investments from asset revaluation reserve, gross	49,384	43,873
Transfer gain on sale of long term equity investments from asset revaluation reserve, deferred tax	93,096	(6,760)
Gains on sale of other long term investments, net of tax	–	79,106
Closing balance at 31 July	310,993	168,513

Capital gains reserve

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

29 Reserves (continued)

	2023 $'000	2022 $'000
Hedge reserve		
Opening balance at 1 August	4,169	6,747
Revaluation, gross	124	(64,734)
Revaluation, deferred tax	–	19,417
Transfer to profit, gross	–	3,762
Transfer to profit, deferred tax	–	(1,128)
Deconsolidation of New Hope	–	40,105
Share of associates – increments, gross	49,837	–
Share of associates – increments, deferred tax	(14,951)	–
Closing balance at 31 July	39,179	4,169

Hedge reserve

Movements in the hedge reserve predominately relate to:

- New Hope's derivative financial instruments which are used to hedge exposures to foreign currency exchange rates. New Hope is accounted for as an associate in the current reporting period.
- WHSP's cross currency interest rate swaps which are used to hedge exposures to foreign currency on secured loans to external parties.

	2023 $'000	2022 $'000
Equity reserve		
Opening balance at 1 August	(12,560)	(16,706)
Share of associates – increments	4,924	4,143
Convertible debt buy-back (New Hope)	(76,794)	–
Convertible debt buy-back (New Hope), deferred tax	23,038	–
Transactions with non-controlling interest	(21)	–
Others	(605)	3
Closing balance at 31 July	(62,018)	(12,560)

Equity reserve

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

30 Fair value estimation

ACCOUNTING POLICY

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

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

The fair value of financial instruments that are not traded in an active market (for example, unlisted equities and over-the-counter derivatives) is determined using a valuation technique relevant to the asset and assumptions that are based on market conditions existing at each reporting date. The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date.

The carrying value less expected credit loss of trade receivables approximates their fair values.

Fair value hierarchy

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

Level 1 Fair value is determined by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities as at the end of the reporting period.

Level 2 Fair value is determined by using valuation techniques incorporating observable market data inputs.

Level 3 Fair value is determined by using valuation techniques that rely on inputs that are not based on observable market data.

KEY JUDGEMENTS AND ESTIMATES

Level 3 Financial assets valuation techniques

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

Unlisted equities

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

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

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

Investment Properties

Refer to Note 19 for additional information on the valuation techniques used for investment properties.

Farmland assets

Refer to Note 20 for additional information on the valuation of farmland assets.

Biological assets

Refer to Note 13 for additional information on the valuation of biological assets.

30 Fair value estimation (continued)

Fair value measurement

The following table represents the Group's assets and liabilities measured or disclosed at fair value as at 31 July 2023 and 31 July 2022.

As at 31 July 2023	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets/(liabilities) measured at fair value				
Trading assets	334,684	–	14,205	348,889
Other financial assets	55,697	97,712	107,315	260,724
Long term equity investments	3,599,991	93,430	64,345	3,757,766
Interest bearing liabilities	–	(347,479)	–	(347,479)
Other financial liabilities	–	(8,477)	–	(8,477)
Non-financial assets measured at fair value				
Investment properties	–	–	84,278	84,278
Biological assets	–	–	12,487	12,487
Farmland assets	–	–	116,532	116,532
Assets/(liabilities) for which fair values are disclosed				
Loan receivable at amortised cost	–	–	567,230	567,230
Deferred liabilities	–	–	(10,139)	(10,139)

As at 31 July 2022	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets/(liabilities) measured at fair value				
Trading assets	452,256	45,154	75,577	572,987
Other financial assets	–	155,396	10,686	166,082
Long term equity investments	4,661,496	93,679	48,325	4,803,500
Interest bearing liabilities	–	(505,216)	–	(505,216)
Other financial liabilities	–	(7,304)	–	(7,304)
Non-financial assets measured at fair value				
Investment properties	–	–	85,576	85,576
Biological assets	–	–	9,310	9,310
Farmland assets	–	–	70,054	70,054
Assets for which fair values are disclosed				
Loan receivable at amortised cost	–	–	233,231	233,231

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the change in level 3 items for the year ended 31 July 2023 and 31 July 2022:

	Trading assets $'000	Other financial assets $'000	Long term equity investments $'000	Investment properties $'000	Biological assets $'000	Farmland assets $'000	Loans at amortised cost $'000	Deferred liabilities $'000
Opening balance at 1 August 2021	14,263	19,669	36,169	87,158	4,658	60,895	236,205	–
Acquisitions	58,255	–	21,529	35,724	–	397	149,823	–
Acquisitions of a business	–	–	422	–	–	–	–	–
Disposals/repayments	(2,499)	–	–	–	–	–	(151,984)	–
Transfer to level 1 – trading assets (listed)	(953)	(10,000)	–	–	–	–	–	–
Transfer from level 2 – other financial assets	6,511	–	–	–	–	–	–	–
Change in fair value due to biological transformation	–	–	–	–	22,463	–	–	–
Transfer to inventory	–	–	–	–	(17,811)	–	–	–
Reclassification in property, plant and equipment	–	–	–	–	–	6,785	–	–
Return of capital from an unlisted investment	–	–	(10,080)	–	–	–	–	–
Gain/(loss) recognised in profit and loss	–	1,017	–	51,174	–	–	(813)	–
Reversal of impairment	–	–	–	–	–	1,208	–	–
Depreciation	–	–	–	–	–	(2,082)	–	–
Fair value adjustments	–	–	285	–	–	15,908	–	–
Transfer to held for sale asset	–	–	–	(88,480)	–	(13,057)	–	–
Closing balance at 31 July 2022	**75,577**	**10,686**	**48,325**	**85,576**	**9,310**	**70,054**	**233,231**	**–**
Acquisitions	2,009	26,551	22,732	4,098	–	42,962	460,303	–
Acquisition of businesses	–	–	–	–	–	–	–	(10,085)
Disposals/repayments	–	–	–	–	–	(9)	(146,223)	–
Transfer to level 1 – trading assets (listed)	(6,800)	–	–	–	–	–	–	–
Change in fair value due to biological transformation	–	–	–	–	20,410	–	–	–
Transfer to inventory	–	–	–	–	(17,233)	–	–	–
Reclassification in property, plant and equipment	–	–	–	–	–	14,708	–	–
(Loss)/gain recognised in profit and loss	(2,126)	4,150	–	(5,396)	–	–	(9,825)	–
Fair value adjustments	–	–	4,761	–	–	(1,023)	–	–
Capitalised interest	–	–	–	–	–	–	29,744	(54)
Impairment expenses	–	–	–	–	–	(6,934)	–	–
Depreciation	–	–	–	–	–	(3,226)	–	–
Reclassifications	(54,455)	65,928	(11,473)	–	–	–	–	–
Closing balance at 31 July 2023	**14,205**	**107,315**	**64,345**	**84,278**	**12,487**	**116,532**	**567,230**	**(10,139)**

30 Fair value estimation (continued)

Fair value measurement, valuation techniques and inputs

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

Class of assets	Asset	Valuation technique	Significant unobservable inputs	Range	Sensitivity analysis
Trading assets and Other financial assets	Convertible notes	Income approach	Discount rate	Varies by asset	An increase/decrease in the assumption by 5% would result increase/decrease the value by $0.7 million respectively.
Other financial assets and Long term equity investments	Unlisted equities	Market approach	Comparable transactions	Varies by asset	An increase/decrease in market approach assumptions (such the value of comparable transactions or indicative NTA) by 5% would result increase/decrease the value by $8.6 million respectively.
		Income approach	Discount rate, growth rate		
Investment properties	Commercial properties	Discounted cashflow approach	Discount rate and terminal yield	7.50% to 8.00% and 7.25% to 7.75%, respectively	An increase/decrease of 25 basis points in the adopted discount rate and terminal yield would increase/decrease the value by $2.1 million and $1.9 million respectively.
	Development properties	Direct comparison approach	Rate per square metre	$2,000/m² to $2,100/m²	A 5% increase/decrease in the rate per square metre would increase/ decrease the value by $1.7 million respectively.
Farmland assets	Farming land and buildings	Direct comparison approach	Rate per land unit (All-inclusive rate)	Varies by location	A 5% increase/decrease in the rate per land unit would increase/ decrease the value by $7.3 million respectively.
Biological assets	Biological assets	Risk adjusted value of expected cash flows	Cash flow and Growth risk factors	Varies by type of biological assets and location	A 5% increase/decrease in the risk factor while holding all other variables constant would increase/ decrease the carrying value by $1.0 million respectively.
			Yield	Varies by type of biological assets and location	A 5% increase/decrease in the yeild while holding all other variables constant would increase/ decrease the carrying value by $0.9 million respectively.
			Crop selling price	Varies by type of biological assets and location	A 5% increase/decrease in the crop selling price while holding all other variables constant would increase/decrease the carrying value by $1.1 million respectively.

31 Financial risk and capital management

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

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

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

The following tables summarise the financial assets and liabilities of the Group:

	Fair value through Other Comprehensive Income $'000	Hedging Derivatives $'000	Amortised cost $'000	Fair Value through Profit or Loss $'000	Total $'000
Financial assets					
2023					
Cash and cash equivalents	–	–	311,811	–	311,811
Term deposits	–	–	668,259	–	668,259
Trade and other receivables	–	–	136,884	–	136,884
Loan receivables	–	–	567,230	–	567,230
Trading assets	–	–	–	348,889	348,889
Other financial assets	–	–	–	260,724	260,724
Long term equity investments	3,635,350	–	–	122,416	3,757,766
Total financial assets	3,635,350	–	1,684,184	732,029	6,051,563
2022					
Cash and cash equivalents	–	–	506,327	–	506,327
Trade and other receivables	–	–	90,826	–	90,826
Loan receivables	–	–	233,231	–	233,231
Trading assets	–	–	–	572,987	572,987
Other financial assets	–	–	–	166,082	166,082
Long term equity investments	4,803,500	–	–	–	4,803,500
Total financial assets	4,803,500	–	830,384	739,069	6,372,953
Financial liabilities					
2023					
Trade and other payables	–	–	105,279	–	105,279
Interest bearing liabilities	–	–	347,479	–	347,479
Lease liabilities	–	–	89,456	–	89,456
Deferred liabilities	–	–	–	10,139	10,139
Other financial liabilities	–	8,477	–	–	8,477
Total financial liabilities	–	8,477	542,214	10,139	560,830
2022					
Trade and other payables	–	–	96,365	–	96,365
Interest bearing liabilities	–	–	505,216	–	505,216
Lease liabilities	–	–	42,689	–	42,689
Other financial liabilities	–	368	–	6,936	7,304
Total financial liabilities	–	368	644,270	6,936	651,574

31 Financial risk and capital management (continued)

Market risk

Foreign exchange risk

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

- The Group through its subsidiaries is exposed to foreign exchange risk arising from currency exposures to the US dollar.

  Ampcontrol is exposed to foreign exchange risk arising from operational transactions in foreign currencies. Ampcontrol management regularly monitors foreign exchange exposures and did not engage in any foreign exchange hedging during the period as the exposure risk was deemed immaterial.

- The Group has exposure to foreign exchange risk on external secured loans to third parties denominated in United States ("USD"), Canadian ("CAD") and New Zealand ("NZD") dollars.

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

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

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

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

The following potential sources of hedge ineffectiveness are identified:

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

	2023 US $'000	**2022** US $'000
US dollar exposure		
Cash and cash equivalents	242	1
Trade receivables	368	3,216
Loan receivable	65,520	–
Trade payables	49	15
Cross currency swap (pay USD float/receive AUD fix)	(30,000)	–

	2023 NZ $'000	**2022** NZ $'000
New Zealand dollar exposure		
Cash and cash equivalents	480	194
Loan to external parties - secured	23,500	23,500
Cross currency swap (pay NZD fix/receive AUD fix)	(23,500)	(23,500)

	2023 C $'000	2022 C $'000
Canadian dollar exposure		
Cash and cash equivalents	262	438
Loan to external parties – secured	14,300	14,300
Cross currency swap (pay CAD fix/receive AUD fix)	(14,300)	(14,300)

	2023 MYR $'000	2022 MYR $'000
Malaysian ringgit exposure		
Cash and cash equivalents	480	–

Sensitivity analysis

Based on the net exposure discussed above, had the Australian dollar weakened/strengthened by 10% against the US dollar with all other variables held constant, there would be $3.6 million/($3.6 million) increase/(decrease) of the Group's post-tax profit for the year (2022: $0.3 million/($0.4 million)) as a result of foreign exchange gains/(losses) on those assets and forward exchange contracts. The Group's equity as at balance date would have increased/(decreased) by the same amounts.

Equity securities price risk

The Group is exposed to equity securities price risk as the majority of the Group's investments are publicly traded on the Australian Securities Exchange.

Long term investments held for capital growth and dividend income are classified in the Consolidated Statement of Financial Position as long term equity investments. As the market value of individual equities fluctuate, the fair value of the portfolio changes. Fair value adjustments are recognised in the asset revaluation reserve within equity.

Investments held principally for the purpose of selling in the short to medium term are classified in the Consolidated Statement of Financial Position as trading assets or other financial assets. As the market value of individual companies fluctuate, the fair value of this portfolio changes with the movement being recognised through the profit or loss.

Investments in associates are generally equity accounted. The initial investment is increased/(decreased) by the Group's share of the associate's profits/(losses) as recognised in the profit or loss, movements in their reserves (recognised in other comprehensive income) and decreased by dividends received. For listed associates, the market value is taken into consideration when assessing the recoverable value of an equity accounted associate.

Sensitivity analysis

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

	Impact to post-tax profit		Impact on reserves	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Trading assets	11,714	17,419	–	–
Long term equity investments	–	–	130,176	168,123
Other financial assets	3,632	4,760	–	–
	15,346	22,179	130,176	168,123

31 Financial risk and capital management (continued)

Credit risk on financial assets

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

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

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

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

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

	Note	2023 $'000	2022 $'000
Cash and cash equivalents		311,811	506,327
Term deposits		668,259	–
Trade and other receivables	31(a)	136,884	90,826
Loan receivables	31(b)	567,230	233,231
Other finanical assets	31(c)	48,073	155,275
Long term equity investments	31(d)	–	195,770
		1,732,257	1,181,429

(a) The trade and other receivables balances as stated above reflect the recoverable value and are net of allowances for expected credit losses. Refer to Note 11 for further description on the impairment of receivables.

(b) Loan receivables balances as stated above reflect the recoverable value and are net of allowances for expected credit losses. Refer to Note 11 for further description on the impairment of loan receivables.

(c) This amount includes only derivatives that are within other financial assets.

(d) The long term equity investments balance as stated above represents amounts that banks hold as security against short term debt. Refer to Note 27.

Liquidity risk

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

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

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

Details of existing financing arrangements are set out in Note 27.

Maturity of financial liabilities

The Group has trade and other payables that are payable within 12 months (current liabilities) and greater than 12 months (non-current liabilities). Trade and other payables classified as current are predominately trade payables which are generally due or paid within 45 days of invoice date. Trade and other payables classified as non-current relate to tenant deposits held in relation to property rental operations (current reporting period) and the purchase consideration for business acquisitions (prior reporting period). Non-current balances are calculated using the present value of the future expected cash flows.

WHSP utilises short term bank financing. The balance at year end was $nil (2022: $195.8 million). The debt is exposed to variable interest rates and can be repaid by providing 30 day's notice.

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

The Group's maturity analyses for derivative financial instruments and lease liabilities are set out in Notes 16 and 21 respectively. The maturity of loan facilities is described in Note 27.

Cash flow and fair value interest rate risk

The Group may from time to time have significant interest-bearing assets which are placed with reputable financial institutions for up to 12 months. The Group has treasury investment policies approved by each of the relevant entity's Board of Directors which stipulates the maximum exposure to each financial institution. Significant changes in market interest rates may have an effect on the Group's profit or loss and operating cash flows. Cash flow interest rate risk is managed by placing excess funds in at call deposits, term deposits and other fixed interest bearing assets. Refer to Note 25 for details.

Based on the deposits held at the reporting date, the sensitivity to a 1% per annum increase or decrease in interest rates would increase/(decrease) after tax profit by $6.9 million (2022: $3.5 million). This scenario assumes all cash and term deposits at balance date continue to remain invested for the whole year.

Climate change related risk

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

Capital management

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

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

For details of interest bearing liabilities, refer to Note 27.

32 Contingent liabilities

The Group had unrestricted access at 31 July 2023 to bank guarantee facilities of $30.0 million (2022: $28.0 million). At 31 July 2023, the Group had drawn down on these facilities by $15.0 million (2022: $12.3 million).

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

33 Commitments

	31 July 2023 $'000	31 July 2022 $'000
Capital expenditure contracted for but not recognised as liabilities is as follows:		
Within one year	14,951	12,678
One to five years	12,523	9,811
	27,474	22,489
Other contracted commitments		
Investments in Structured Yield Portfolio	271,503	75,751
Investments in Private Equity Portfolio	259,724	50,640
	531,227	126,391

34 Parent entity information

ACCOUNTING POLICY

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

In WHSP, investments in subsidiaries and associates are carried at the lower of cost or impaired cost. Dividends from these entities are recognised as income within profit or loss. This approach reflects WHSP's activities as an investor.

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

Statement of Financial Position	2023 $'000	2022 $'000
Current assets	1,264,746	1,086,387
Non-current assets	5,842,176	6,304,661
Total assets	7,106,922	7,391,048
Current liabilities	358,797	306,722
Non-current liabilities	10,689	405,623
Total liabilities	369,486	712,345
Net assets	6,737,436	6,678,703
Shareholders' equity		
Issued capital	4,689,957	4,689,957
Reserves	(192,414)	(34,276)
Retained earnings	2,239,893	2,023,022
Total shareholders' equity	6,737,436	6,678,703
Profit/(loss) after tax for the year	556,181	(808,984)
Total comprehensive income/(loss)	396,444	(809,699)

Interest bearing liabilities of WHSP

WHSP has complied with all the financial covenants of its borrowing facilities during the 2023 and 2022 reporting periods. Refer to Note 27(a) for details of interest bearing liabilities of WHSP.

Guarantees entered into by WHSP

WHSP provides guarantees for leases of offices and swimming pool sites.

As at 31 July 2023, these guarantees totalled $2.1 million (2022: $1.2 million).

Contingent liabilities of WHSP

WHSP did not have any contingent liabilities at 31 July 2023 or 31 July 2022.

Contractual commitments made by WHSP

WHSP did not have any contractual commitments for property, plant or equipment at 31 July 2023 (2022: $nil).

WHSP has undrawn facilities or commitments to provide additional investments in the Structured Yield Portfolio of $271.5 million and commitments to provide additional investments in the Private Equity Portfolio of $259.7 million. These are included within the consolidated commitments in Note 33.

35 Controlled entities and joint ventures

Basis of consolidation

The consolidated financial statements of the Group incorporates the financial statements of Washington H. Soul Pattinson and Company Limited and its subsidiaries and associates. A diagram is set out in Note 5, listing the main subsidiaries and associates.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are consolidated from the date on which control is obtained to the date on which control is disposed. The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Financial Position respectively.

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

Joint arrangements

A joint arrangement is an arrangement where two or more parties share control. Joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure.

Joint operations
A joint operation is a joint arrangement in which the parties share joint control, have rights to the assets, and obligations for the liabilities relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated into the Group's financial statements under the appropriate headings.

Joint ventures
A joint venture is a joint arrangement in which the parties that share joint control have rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost.

Associates

Accounting policy for investments in associates is set out in Note 17.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated. Unrealised gains arising from transactions with an associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Where practical, accounting policies of the associates have been changed to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries

ACCOUNTING POLICY

Investments in subsidiaries are not recognised as individual investments in the consolidated financial statements. The assets and liabilities of each subsidiary are instead recognised in the Consolidated Statement of Financial Position. Dividends from subsidiaries are not recognised in the profit or loss, instead the results from each subsidiary are included in the relevant line items in the profit or loss.

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

Name of entity	Principal place of business	Ownership interest 2023	Ownership interest 2022
WHSP Aquatic Achievers Pty Limited	Australia	100%	100%
WHSP Agriculture Holding Trust	Australia	99%	98%
Milton Corporation Pty Limited	Australia	100%	100%
Ampcontrol Limited	Australia	100%	100%

b) Details of entities of which control has been gained during the period:

Entity/Group Name	Date control gained
WHSP Water Investment Trust	27 October 2022
Argyle Netting Trust	29 May 2023
Bottle Tree Farms entities	30 November 2022
Androck Engineering and Mining	31 May 2023
Aphrodite 2 Trust	22 March 2023
WHSP Facility Agent Pty Limited	31 March 2023
WHSP Swim WA Pty Limited	17 January 2023
WHSP Swim NSW Pty Limited	17 February 2023
WHSP Swim NSW Opco Pty Limited	17 February 2023
Kirby Swim entities	1 April 2023
Carlile Swimming entities	30 June 2023

These entities did not have a material contribution to profit before tax.

c) Details of entities of which control has been lost during the period (all entities listed were deregistered):

Entity/Group Name	Date control lost
PSRE Thomastown Pty Limited	7 August 2022
PSRE Sunshine Pty Limited	7 August 2022
Verico Training Services Pty Limited	21 December 2022

These entities did not have a material contribution to profit before tax.

35 Controlled entities and joint ventures (continued)

Deed of cross guarantee

ACCOUNTING POLICY

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

In the Closed Group, investments in subsidiaries that are not part of the Closed Group are carried at the lower of cost or impaired value. Dividends from these entities are recognised as income within profit or loss. This approach reflects WHSP's activities as an investor.

During 2012, WHSP and a subsidiary, Souls Private Equity Limited, entered into a deed of cross guarantee under which each company guarantees the debts of the other.

Whilst party to this deed, wholly owned entities are relieved from the requirements to prepare a Financial Report and Directors' Report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The parties to this deed are referred to as the 'Closed Group'. The effect of the deed is that each party to it has guaranteed to pay any deficiency in the event of the winding up of any of the entities in the Closed Group.

The following table presents certain summarised financial information of the Closed Group:

Consolidated statement of comprehensive income – closed group	2023 $'000	2022 $'000
Profit before income tax	623,610	791,319
Income tax benefit/(expense)	3,526	(370,920)
Profit after tax attributable to closed group	627,136	420,399
Other comprehensive income - closed group		
Changes in the fair value of equity investments at fair value through other comprehensive income	(144,986)	128,776
Share of other comprehensive (loss)/income movements, net of tax	(7,534)	9,767
Total other comprehensive (loss)/income for the year, net of tax	(152,520)	138,543
Total comprehensive income for the year	474,616	558,942

Summary of movements in consolidated retained earnings – closed group

	2023 $'000	2022 $'000
Opening balance at 1 August	3,741,559	3,551,882
Profit for the year	627,136	420,399
Reclassification of a fair value investment to an associate	–	(22,659)
Dividends declared and paid	(301,416)	(208,063)
Closing balance at 31 July	4,067,279	3,741,559

Consolidated statement of financial position of the closed group

	2023 $'000	2022 $'000
Current assets		
Cash and cash equivalents	236,572	471,229
Term deposits	600,000	–
Trade and other receivables	30,138	26,352
Loan receivables	47,087	23,766
Trading assets	348,888	544,153
Other financial assets	2,122	19,005
Total current assets	1,264,807	1,084,505
Non-current assets		
Trade and other receivables	178,143	180,973
Loan receivables	367,913	43,775
Equity accounted associates	2,699,802	2,616,726
Long term equity investments	4,649,167	5,455,375
Other financial assets	210,172	–
Property, plant and equipment	5,278	6,792
Right-of-use assets	8,805	9,954
Total non-current assets	8,119,280	8,313,595
Total assets	9,384,087	9,398,100
Current liabilities		
Trade and other payables	127,105	1,278
Interest bearing liabilities	221,017	191,770
Lease liabilities	859	771
Other financial liabilities	8,477	7,672
Current tax liabilities	–	59,794
Provisions	2,578	16,046
Total current liabilities	360,036	277,331
Non-current liabilities		
Interest bearing liabilities	–	218,247
Lease liabilities	9,928	10,787
Deferred tax liabilities	437,182	503,238
Provisions	761	641
Total non-current liabilities	447,871	732,913
Total liabilities	807,907	1,010,244
Net assets	8,576,180	8,387,856
Equity		
Share capital	4,689,957	4,689,957
Reserves	(181,056)	(43,660)
Retained profits	4,067,279	3,741,559
Total equity	8,576,180	8,387,856

35 Controlled entities and joint ventures (continued)

Investments in joint arrangements

ACCOUNTING POLICY

Investments in joint arrangements are initially recognised at cost and adjusted thereafter to recognise the Group's share of its joint arrangements' post-acquisition profits or losses and its share of post-acquisition other comprehensive income. Dividends received or receivable from joint arrangements are recognised as a deduction in the carrying amount of the investment.

The Group holds interests in the following joint arrangements at 31 July 2023, each of which have been accounted for as a joint venture as described in the accounting policy above.

		Group's interest		
Name	**Accounted for as:**	**2023**	**2022**	**Segment allocated to:**
Ellenbrook Syndicate Joint Venture	Joint venture	33%	33%	Property portfolio
The Mews Joint Venture	Joint venture	23%	23%	Property portfolio
LWP Huntlee Syndicate No 2 Joint Venture	Joint venture	50%	50%	Property portfolio
Boundary Power Pty Ltd	Joint venture	50%	50%	Private Equity portfolio
Cronulla by Moran Partnership	Joint venture	50%	50%	Property portfolio
G2 Netting Group Pty Ltd	Joint venture	40%	0%	Private Equity portfolio
Pengana Credit Pty Ltd	Joint venture	50%	0%	Structured yield portfolio

36 Related party transactions

Parent Entity

The ultimate Parent Entity is Washington H. Soul Pattinson and Company Limited.

Subsidiaries and associates

Interest in significant operating subsidiaries are set out in Note 35 and associates in Note 17.

Key management personnel (KMP) compensation

	Paid to KMP of the Group		Paid to KMP of WHSP	
	2023 $'000	**2022** $'000	**2023** $'000	**2022** $'000
Short-term employee benefits	**6,717**	5,880	**6,717**	5,400
Post-employment benefits	**164**	200	**164**	152
Long-term employee benefits	**104**	66	**104**	66
Termination benefits	**–**	–	**–**	–
Share-based payments	**3,094**	1,047	**3,094**	1,047
	10,079	7,193	**10,079**	6,665

KMP remuneration has been included in the Remuneration Report section of the Directors' Report.

Transactions with related parties

Subsidiaries

Transactions between WHSP and its subsidiaries and between subsidiaries are at normal commercial terms and conditions unless otherwise noted. Transactions consist of the transfer of funds for day to day financing, provision of consulting, management and advisory services, loans advanced and repaid, interest, dividend and rental payments.

Transactions between members of the Group which are eliminated on consolidation are not disclosed in this note.

Associates

Transactions with associates are at normal commercial terms and conditions.

Transactions consist of sales of goods, services and repair of electrical mining equipment and cables, advisory, consulting, underwriting, management fees, and rent received from/paid to associates as well as loans advanced and repaid, interest and dividend payments. A summary of transactions, excluding dividends received from or paid to associates, is set out in the table below:

	2023 $'000	**2022** $'000
Summary of transactions		
Advisory, consulting, underwriting, management and other fees received by subsidiaries from associates	**–**	26
Rent income received by WHSP from an associate	**–**	21
Management fees paid by WHSP to an associate	**–**	248
Interest income from associates	**52**	917
Sale of goods or services by subsidiary to associate/joint venture	**13,480**	–

At 31 July 2023, $3.6 million of the sales of goods or services by subsidiaries to associates and joint ventures remain outstanding. No ECL has been recognised against the receivables.

36 Related party transactions (continued)

Transactions with related parties (continued)

Loans to associates

The Group has provided two separate loan facilities to the Cronulla by Moran Partnership. One is a non-interest bearing property development loan with a facility limit of $22.0 million. During the current reporting period, $15.5 million was repaid by Cronulla by Moran Partnership. The amount owed as at 31 July 2023 was $4.6 million (2022: $20.1 million). The other facility is a re-draw loan with a facility limit of $4 million. Interest on this facility is charged at commercial rates and can be capitalised into the facility. During the current reporting period WHSP advanced $1.0 million under this facility including capitalised interest (2022: $2.5 million) and received $nil in loan repayments (2022: $4.7 million). Both facilities mature on 20 December 2024 and are secured.

The Group has provided a non-interest bearing loan facility to the Huntlee Partnership of $13.4 million. The amount owed as at 31 July 2023 was $13.4 million (2022: $13.4 million). There is no maturity date of the loan. The loan forms part of the Group's investment in associate.

During the current reporting period, the entire loan to Heritage Brands Limited of $1.25 million was repaid. Interest was charged at commercial rates, and the facility was secured with a second ranking charge over all assets of the borrower.

On 2 August 2023, the Group provided a $50.0 million second ranking credit facility to Aeris. $40.0 million of the facility was subsequently drawn down by Aeris on 4 August 2023. The term of the facility is 2 years and interest on this facility is charged at commercial rates and can be capitalised into the facility.

Director related entities

Mr R D Millner and Mr T C D Millner are both Directors of WHSP and are Directors of Contact Asset Management Pty Limited (Contact). Mr T C D Millner is also a 45% shareholder of Contact.

During the prior reporting period, Contact was paid $0.25 million (2023: $nil) to manage the Large Caps Portfolio on behalf of WHSP through to 1 February 2022.

The Directors, excluding Mr T C D Millner, reviewed the terms of the agreement and concluded that it was more favourable to WHSP than an arm's length agreement for similar services.

Other transactions

During the year ended 31 July 2023, WHSP paid Aeris, an associate of WHSP, $29.2 million in settlement of the working capital adjustment associated with the disposal of Round Oak on 1 July 2022.

At 31 July 2023, WHSP holds 100% of the units in the Pengana Seed Fund No.1 (Seed Fund). The trustee of the Seed Fund is a wholly owned subsidiary of Pengana, an associate of WHSP. The investments held by the Seed Fund as at 31 July 2023 were US$19.3 million and €7.1 million (2022: US$8.0 million).

On 19 April 2023, WHSP entered into a Shareholders Deed with Pengana, an associate of WHSP, to establish the Pengana Credit Pty Ltd Joint Venture. WHSP owns 50% of the issued shares in Pengana Credit Pty Limited. WHSP has provided a $200 million loan facility to this joint venture, which will facilitate its acquisition of investments in overseas credit funds. The loan facility remains unutilised as at 31 July 2023.

37 Share based payments

ACCOUNTING POLICY

Share-based compensation benefits are provided to employees of WHSP via an employee incentive scheme. A summary of the scheme is provided below.

The fair value of options and rights granted under the scheme is recognised as an employee benefits expense with a corresponding increase in the share-based payment reserve within equity.

The fair value is measured at grant date and the total amount to be expensed is recognised over the period during which the employee becomes unconditionally entitled to the options and rights. The fair value of options and rights granted is based on the market price of WHSP's shares, adjusted to reflect any market performance conditions (eg. TSR hurdles) and the impact of any non-vesting conditions. Non-market vesting conditions are included in assumptions about the number of options and rights that are expected to become exercisable. At each reporting date, WHSP revises its estimate of the number of options and rights that are expected to become exercisable. The employee benefits expense each period takes into account the most recent estimate. The impact of the revision to the original estimate is recognised in profit or loss with a corresponding adjustment to equity.

WHSP provides share based compensation benefits to its employees via a Long Term Incentive Plan (LTI plan) whereby rights to shares in WHSP ("Shares") are granted for nil consideration. Rights are granted in accordance with the LTI plan at the sole discretion of WHSP's Board. Rights vest following the satisfaction of the relevant performance and/or service conditions. Performance and service conditions applicable to each issue of rights are determined by the Board at the time of granting. Once rights have vested the Board determines whether to pay the market value of vested rights in Shares, cash, or a combination of Shares and cash. Rights granted under the plan carry no dividend or voting rights until they have vested and have been converted into Shares. Detailed vesting conditions are set out in the Remuneration Report.

The fair value of services received in return for performance rights granted is based on the fair value of the performance rights granted. The fair value of rights is independently determined by third party valuation specialists and is based on the market price of WHSP's shares at the grant date, with an adjustment made to take into account the vesting period, expected dividends during that period that will not be received by the participants and the probability that the market performance conditions will be met.

			Performance hurdle		Movement in number of performance rights granted				
Grant Date	Estimated vesting date	End of service vesting period	TSR Hurdle or Non TSR Hurdle	Fair value	Balance at start of year	Granted during the year	Vested	Forfeited	Balance at year end
May-23	Jul-27	Jul-27	N/A	29.94	–	32,442	–	–	**32,442**
May-23	Jul-26	Jul-26	N/A	30.70	–	32,441	–	–	**32,441**
May-23	Jul-25	Jul-25	N/A	31.47	–	202,757	–	–	**202,757**
Dec-22	Sep-25*	Jul-23	Non-TSR	14.63	–	110,503	–	–	**110,503**
Dec-22	Sep-25*	Jul-23	TSR	16.59	–	110,506	–	–	**110,506**
Dec-22	Sep-25*	Jul-25	Non-TSR	25.62	–	52,693	–	(5,302)	**47,391**
Dec-22	Sep-25*	Jul-25	TSR	16.59	–	52,708	–	(5,303)	**47,405**
Mar-22	Sep-24*	Jul-22	Non-TSR	18.94	78,356	–	–	(95)	**78,261**
Mar-22	Sep-24*	Jul-22	TSR	7.90	78,372	–	–	(96)	**78,276**
Feb-21	Sep-23*	Jul-21	Non-TSR	13.10	57,917	–	–	–	**57,917**
Feb-21	Sep-23*	Jul-21	TSR	21.70	57,917	–	–	–	**57,917**
Dec-19	Sep-22*	Jul-20	Non-TSR	12.16	61,312	–	(61,312)	–	**–**
Dec-19	Sep-22*	Jul-20	TSR	13.52	61,311	–	(48,581)	(12,730)	**–**
					395,185	594,050	(109,893)	(23,526)	855,816

* *Performance rights are subject to 're-testing dates' if nil rights vest on the original vesting date. Details of vesting conditions and performance hurdles are set out in the Remuneration Report.*

37 Share based payments (continued)

During the current reporting period an expense of $4.7 million (2022: $2.1 million) was recognised in the profit or loss for the rights issued under the WHSP LTI plan. The total fair value of the performance rights outstanding at year end was $17.3 million (2022: $5.7 million).

Milton had a pre-existing Senior Staff Share Plan ("SSSP") which was accounted for as a share-based payment in accordance with AASB 2. The SSSP was funded by an interest free non-recourse loan. On 5 October 2021 on acquisition of Milton, the Milton shares held as part of the SSSP were exchanged for shares in WHSP. The pre-existing share-based payment obligations and associated non-recourse loan are being settled by WHSP. The related share-based payment expense for the period ended 31 July 2023 was $nil (2022: $0.2 million). The prior reporting period expense related to the difference in the fair value of the share-based payment obligation upon the replacement of Milton shares with shares in WHSP, and not from the grant of additional share-based payments under the SSSP.

38 Remuneration of auditors

During the year, the following fees were paid or payable for services provided by the auditor:

	2023 $'000	2022 $'000
Fees to Ernst & Young (Australia)		
Fees for the audit and review of the financial reports of the Group and any controlled entities	2,090	1,621
Fees for other assurance and agreed-upon-procedures services	60	69
Fees for other services		
others	321	–
Total fees to Ernst & Young (Australia)	2,471	1,690
Fees to Deloitte and related network firms[1]		
Fees for the audit and review of the financial reports of the Group and any controlled entities	–	905
Fees for other assurance and agreed-upon-procedures services	–	10
Fees for other services	–	
tax compliance	–	–
others	–	1,074
Total fees to Deloitte and related network firms	–	1,989

1 Deloitte is the auditor of New Hope, which was deconsolidated from 29 July 2022.

39 Other accounting policies

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Transaction differences on non-monetary items, such as equity instruments held at fair value through profit or loss, are reported as part of the fair value gain or loss on the instrument. Translation differences on non-monetary items are included in the fair value reserve in equity.

Group companies

The results and financial position of all of the Group's foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the exchange differences are reclassified to the Consolidated Statement of Comprehensive Income, as part of the gain or loss on sale.

Interest income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividend income

Dividend income is taken into revenue when the right to receive payment is established. As earnings from subsidiaries and associates are included in consolidated profit, dividends from subsidiaries and associates are not included in consolidated revenue.

Finance cost

Finance costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other finance costs are expensed.

39 Other accounting policies (continued)

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to members of WHSP, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the reporting period; and
- adjusting for treasury shares and for the reciprocal interest with Brickworks.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares;
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of dilutive potential ordinary shares; and
- adjustment for treasury shares and for the reciprocal interest with Brickworks.

Long-term incentive plan rights that vest in future financial years are expected to be satisfied by purchasing shares on market and therefore not considered dilutive.

Goods and Services Tax (GST)

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

Receivables and payables in the Consolidated Statement of Financial Position are shown inclusive of GST receivable or payable. Net amounts of GST recoverable from, or payable to the ATO are included with other receivables or payables in the Consolidated Statement of Financial Position.

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

Financial statements presentation

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

'Plain English' terminology	AASB terminology
Share capital	Contributed equity
Trading assets	Other financial assets at fair value through profit or loss
Other financial assets	Other financial assets at fair value through profit or loss
Long term equity investments	Financial assets at fair value through other comprehensive income Financial assets at fair value through profit or loss
Equity accounted associates	Investments accounted for using the equity method
Term deposits	Financial assets at amortised cost

The accounting standards also require the presentation of a statement of comprehensive income which presents all items of recognised income and expenditure either in one statement or in two linked statements. The Group has elected to present one statement.

40 New or amended accounting standards and interpretations

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. Any new or amended Accounting Standards or interpretations that are not yet mandatory have not been early adopted.

The following amendments, which are not expected to materially affect the Group, are effective for annual periods beginning after 1 August 2023:

Amendments to IAS 1 – Classification of liabilities as current or non-current

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether the entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

AASB 2021-2 – Amendments to Australian Accounting Standards – Definition of accounting estimates

The application of this amendment is effective from 1 January 2023, and will be adopted by the Group on 1 August 2023. The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

AASB 2021-5 – Amendments to Australian Accounting Standards – Deferred tax related to assets and liabilities arising from a single transaction

The application of this amendment is effective from 1 January 2023, and will be adopted by the Group on 1 August 2023. The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences and clarify that the exemption does not apply to transactions such as leases and decommissioning obligations.

41 Events after the reporting period

In September 2023, WHSP Agriculture acquired farmland assets, water rights, and other property, plant and equipment in Victoria for $151.9 million.

No other matter or circumstance has arisen since 31 July 2023 that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Directors' Declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 July 2023 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that WHSP will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 35 to the financial statements.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors

R D Millner
Director – Chairman

28 September 2023

T J Barlow
CEO & Managing Director

28 September 2023

Independent Auditor's Report

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Independent Auditor's Report to the Members of Washington H. Soul Pattinson and Company Limited

Report on the audit of the Financial Report

Opinion

We have audited the financial report of Washington H. Soul Pattinson and Company Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 July 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 July 2023 and of its consolidated financial performance for the year ended on that date; and
b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Direction, supervision and evaluation of the work of component auditors

Why significant	How our audit addressed the key audit matter
As auditor of the Group, we are responsible for the direction, supervision, and performance of the Group audit and are required to obtain sufficient appropriate audit evidence on which to base our audit opinion. Given the size and structure of the Group, there are a number of significant components of the Group, which are audited by auditors, other than the Group auditors ("Component Auditors"). The direction, supervision and evaluation of the work of the Component Auditors was considered a key audit matter.	Our audit procedures included the following: • We assessed the significance and risks associated with each component of the Group and identified the components where audit procedures were required to be performed, to support our audit opinion on the financial report of the Group. • We communicated our requirements to the Component auditors, detailing the work to be performed, the use to be made of that work and the form and content of their communication to us as auditor of the Group. • Meetings with the Component Auditors during the planning stage, execution and when audit procedures were completed to discuss the extent and outcome of these procedures. • Review of the work performed by the Component Auditors focussing on selected areas, based upon our risk assessment. • Considered the results of this work on our audit opinion.

Classification of Debt and Equity Investments

Why significant	How our audit addressed the key audit matter
Refer to Note 11: Loan receivables, Note 15: Trading assets, Note 16: Other financial assets, Note 17: Investments in associates and Note 18: Long term equity investments. Debt and Equity Investments ("Investments"), excluding investments in controlled entities, amounts to $7.8 billion representing 79.7% of total assets. There are significant differences in how investments are accounted for depending upon whether they have been classified by the Group as debt, fair value through profit or loss, fair value through other comprehensive income, an equity accounted associate or a consolidated controlled entity, in accordance with Australian Accounting Standards. Given the complexity and judgements involved in determining the appropriate classification of these debt and equity investments and the significance to the financial report of the different accounting outcomes, this was considered a key audit matter.	Our audit procedures included the following: • Evaluated the Group's assessment of the classification of investments against the requirements of Australian Accounting Standards. • Assessed whether subsidiaries, associates and listed financial assets were accounted for in accordance with Australian Accounting Standards, based upon the determined classification. • Assessed whether a sample of loan receivables and unlisted financial assets were classified in accordance with Australian Accounting Standards. • Considered the appropriateness of the disclosures in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's 2023 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 42 to 58 of the Directors' Report and Operating Review for the year ended 31 July 2023.

In our opinion, the Remuneration Report of Washington H. Soul Pattinson and Company Limited for the year ended 31 July 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Ernst & Young

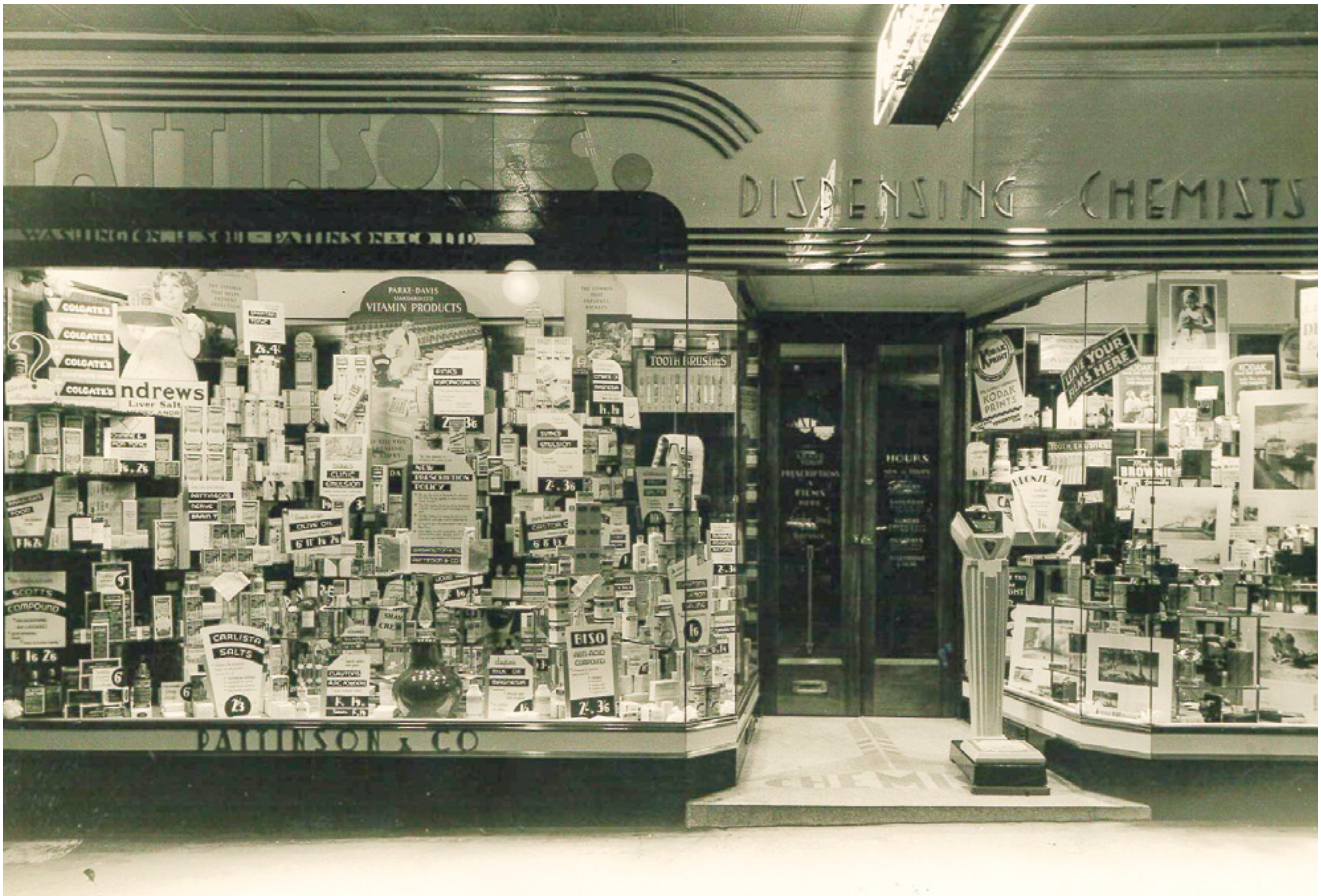
Ernst & Young

Ryan Fisk

Ryan Fisk
Partner

Sydney
28 September 2023


Oral Hygiene
THYMODOL
MOUTH WASH
SOULS
VITAMIN PRODUCTS
SPECIAL
IRRITATING COUGH?
COUGH SUPPRESSANT
69
VITAMINS
MEDICINES
LEMON SALINE
FORT-A-TONE
66
LANOLINE LOTION
39
SACCHARIN
ZONO
THE HIGHEST QUALITY
ASPIRIN
1'10½
for 100 tablets
Oral Hygiene
THYMODOL
ANTISEPTIC
MOUTH WASH
CLEANS AND REFRESHES THE MOUTH
3'6
soul's
SPECIAL
COCONUT OIL SHAMPOO
2'11
SPECIAL
THROAT PASTILLES and TABLETS


PATTINSON'S
DISPENSING CHEMISTS
PARKE-DAVIS
VITAMIN PRODUCTS
COLGATE'S
TOOTH BRUSHES
BISO
CARLISTA SALTS
PATTINSON & CO
HOURS
KODAK PRINTS
BROWNIE

Glossary of Terms

The below summarises certain terms relating to our business that are made throughout the annual report and defines the performance measures that we use to analyse and discuss our results.

References

"**WHSP**" or "**The Company**" refers to the Parent Entity, Washington H. Soul Pattinson & Company Limited.

"**WHSP Group**" or "**The Group**" refers to the consolidated Group that is Washington H. Soul Pattinson & Company Limited and its controlled subsidiaries.

Investors in WHSP are referred to as **shareholders**, **members** or **owners**.

Holdings is the number of shares held directly and/or indirectly by WHSP as a percentage of the total number of shares on issue.

Throughout the Annual Report, the following subsidiaries, associates, and portfolio investments will be referenced as follows:

Major Subsidiaries

- **Ampcontrol**: Ampcontrol Limited (acquired 100% 31 May 2022)
- **Aquatic Achievers**: WHSP Aquatic Achievers Pty Ltd
- **WHSP Agriculture**: WHSP Agriculture Holding Trust
- **Pitt Capital**: Pitt Capital Partners Limited
- **Milton**: Milton Corporation Pty Ltd (formerly Milton Corporation Limited, acquired 5 October 2021)
- **Round Oak**: Round Oak Minerals Pty Limited (disposed 1 July 2022)
- **PSRE**: PSRE 46 Carrington Road Trust

Major Associates

- **Brickworks**: Brickworks Limited
- **New Hope**: New Hope Corporation Limited (deconsolidated 29 July 2022)
- **Tuas**: Tuas Limited
- **Aeris**: Aeris Resources Limited
- **Apex**: Apex Healthcare Berhad
- **Pengana**: Pengana Capital Group Limited
- **Ironbark**: Ironbark Investment Partners Pty Limited

Portfolio investments

- **TPG**: TPG Telecom Limited
- **Argyle Water Fund**: Water Fund managed by Argyle Capital Partners.

Investment Portfolio Financial Information

Investment Portfolio Financial Information represents the combined position of key investment entities (WHSP, Milton, and PSRE).

Portfolios

WHSP is a diversified investment house that operates within six segments (portfolios), which are based on its investment portfolio allocation, supported by a working capital portfolio.

Strategic Portfolio: comprises significant investments in largely uncorrelated listed companies where WHSP generally has board representation.

Large Caps Portfolio: an actively managed, Australian listed equities portfolio, which seeks to generate consistent income and capital growth over the long term. It does not aim to replicate any stock market index.

Private Equity Portfolio: includes long term investments in unlisted companies to support their future growth.

Structured Yield Portfolio: includes investments in corporate loans, bonds, and structured instruments. The portfolio can invest in different types of financial instruments across an investee's capital structure to optimise the portfolio's risk adjusted returns. Investments are usually structured as loans and convertible notes with an ongoing cash yield, strong asset backing, security and seniority to equity investors.

Emerging Companies Portfolio: includes investments in attractive, early stage and high growth companies that are listed, about to undertake an Initial Public Offering (IPO) or are at a pre-IPO stage. It aims to provide exposure to fast growing companies often benefiting from structural changes and trends in the domestic and global economy.

Property Portfolio: comprises direct property investments that are actively managed with an aim to generate long term returns from ownership, as well as investments in property development joint ventures.

Net Working Capital: comprises cash, borrowings and other assets and liabilities supporting the funding and operations of the portfolio investing activity and corporate office.

Performance Measures

Definitions of performance measures, including IFRS and non-IFRS measures, are presented below in alphabetical order. We have specifically identified those measures which are IFRS measures.

Adjusted Net Asset Value (post tax) Per Share: Net Asset Value (post tax) increased for the value of dividends paid by the parent entity over the relevant period, divided by the total issued ordinary shares of the Company at period end.

Basic Earnings Per Share (EPS) is an IFRS measure calculated by dividing the consolidated net profit after tax attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the reporting period excluding treasury shares and excluding shares representing the reciprocal interest with Brickworks.

Cost is the amount of consideration (cash or other assets) paid at the time of acquisition, less any impairment or expected credit loss.

Directors' Fair Value (DFV) is based on an internal valuation methodology and assumptions approved by the Directors of WHSP.

Diluted Earnings Per Share (DPS) is an IFRS measure calculated by dividing the consolidated net profit after tax attributable to owners of the Company after adding back the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares that would have been outstanding assuming the conversion of dilutive potential ordinary shares. It assumes any long term incentive rights that vest in future reporting periods are expected to be satisfied by purchasing shares in the market and excluding treasury shares and excluding shares representing the reciprocal interest with Brickworks.

External Fair Value (EFV) is a fair value based on advice received from independent external valuers.

Fair Value (FV) is defined under IFRS as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is inclusive of External Fair Value, Directors' Fair Value, and Market Value.

Group Statutory Net Profit After Tax (NPAT) is referring to the audited IFRS measure, consolidated Net Profit After Tax attributable to the shareholders of WHSP.

Group Regular Net Profit After Tax (NPAT) is a non-statutory profit measure which represents the consolidated profit after tax attributable to shareholders of WHSP, before Non-Regular items.

Internal Rate of Return (IRR) is the annual rate of growth calculated as the discount rate where the present value of all cash flows during the period equals zero, including the opening and closing NAV (including unrealised valuation gains) as the first and last cash flow.

Market Value (MV) is based on the last sales price as quoted on the Australian Securities Exchange or other securities exchanges on the reporting date. These investments are subject to market price fluctuations.

NAV, or **Net Asset Value (pre-tax)**, is the value of all WHSP's assets less all liabilities, excluding any capital gains tax payable upon the sale of its assets. Assets may be valued at Cost, Directors' Fair Value, External Fair Value, or Market Value.

Net Asset Value (post-tax) is the Net Asset Value (pre-tax) less the estimated capital gains tax liability that would arise if WHSP disposed of all of its assets at the pre-tax values adopted.

Net Cash Flow From Investments represents the cash flows generated by WHSP from its investment portfolio, after deducting corporate costs, income tax, and Non-Regular cash flows. Includes dividends and distributions from investments, interest income, and realised gains on assets held for trading. The Directors determine interim and final dividends based on WHSP's Net Cash Flow From Investments.

Net Cash Flow From Investments Per Share is calculated by dividing Net Cash Flow From Investments by the total issued ordinary shares of the Company at period end.

Net Tangible Assets is defined in the ASX listing rules as total assets of the consolidated entity less all intangible assets and total liabilities ranking ahead of, or equally with claims of the Company's ordinary security.

Net Tangible Asset backing per ordinary security is calculated by dividing Net Tangible Assets by: the total issued ordinary shares of the Company excluding treasury shares and excluding shares representing the reciprocal interest with Brickworks.

Net Working Capital comprises intersegment/unallocated assets and liabilities (e.g. cash, interest bearing liabilities, etc.).

Non-Regular refers to items of income, expense, or cash flow, which by nature are outside the ordinary course of business or are part of ordinary activities but are unusual due to their size.

Non-Regular Net Profit After Tax (NPAT) refers to the sum of non-regular items of income and expense, net of applicable tax, attributable to shareholders of WHSP.

Payout Ratio is the proportion of ordinary dividends that WHSP pays to shareholders in relation to its Net Cash Flow From Investments, expressed as a percentage.

Regular Net Profit After Tax is a non-statutory profit measure and represents net profit after tax attributable to shareholders of WHSP, before Non-Regular Net Profit After Tax. Regular items refer to the core or recurring business activities that are expected to continue into the future and contribute to profit and loss.

Statutory Net Profit After Tax (NPAT) is referring to the IFRS measure, Net Profit After Tax attributable to the Shareholders of WHSP.

Total Shareholder Return (TSR) or **Total Return** is a performance measure that combines capital appreciation (e.g. market price changes or revaluation) with all income distributed by the investment over the period, excluding the benefit of any franking credits distributed. It is expressed as a percentage by referencing the value of the investment at the beginning of the period.

ASX Additional Information

Distribution of Equity Securities as at 18 September 2023

	Ordinary Shares		Performance Rights	
Size of Holding	**Number of Holders**	**% of Total Ordinary Shares**	**Number of Holders**	**% of Total Issued Rights**
1 – 1,000	38,050	3.42	10	0.64
1,001 – 5,000	16,051	10.37	10	3.15
5,001 – 10,000	2,983	5.87	5	3.41
10,001 – 100,000	2,038	13.27	6	32.91
100,001 and over	167	67.06	2	59.89
TOTAL	**59,289**	**100%**	**33**	**100%**
Holding less than a marketable parcel	840			

Top 20 Shareholders as at 18 September 2023

		Ordinary Shares Held	% of Issued Shares
1	BRICKWORKS LIMITED	94,314,855	26.13
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	37,505,677	10.39
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	19,637,635	5.44
4	J S MILLNER HOLDINGS PTY LIMITED	10,143,906	2.81
5	DIXSON TRUST PTY LIMITED	8,749,192	2.42
6	CITICORP NOMINEES PTY LIMITED	6,623,258	1.83
7	HEXHAM HOLDINGS PTY LIMITED	3,714,206	1.03
8	T G MILLNER HOLDINGS PTY LIMITED	3,638,965	1.01
9	ARGO INVESTMENTS LIMITED	2,943,073	0.82
10	BNP PARIBAS NOMS PTY LTD <DRP>	2,714,404	0.75
11	HIGLETT PTY LTD	2,412,580	0.67
12	MUTUAL TRUST PTY LTD	1,854,905	0.51
13	NATIONAL NOMINEES LIMITED	1,626,060	0.45
14	MILLANE PTY LIMITED	1,477,680	0.41
15	MARY MILLNER HOLDINGS PTY LIMITED	1,226,860	0.34
16	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	1,188,533	0.33
17	DANWER INVESTMENTS PTY LTD	1,132,612	0.31
18	BORTRE PTY LIMITED	1,106,612	0.31
19	NORGRAM PTY LTD	992,710	0.28
20	BRUCE JOHN HURRELL + MICHAEL IAIN KEIR + TERENCE CHARLES MORGAN <EST FRANK L MILLS A/C>	979,722	0.27

Substantial Shareholders as at 18 September 2023

As disclosed in notices received by the Company.

	Ordinary Shares Held	% of Issued Shares	Notice Received
Brickworks Limited and its subsidiaries	94,314,855	26.13%	5 Oct 2021
Mr Robert Dobson Millner	22,485,768	6.23%	5 Oct 2021
Mr Thomas Charles Dobson Millner	21,630,464	5.99%	5 Oct 2021

21,612,053 of the above ordinary shares in which Mr R Millner and Mr T Millner have an interest relate to holdings by the same entities.

For further details refer to the notices lodged on 5 October 2021 with the ASX (ASX code: SOL).

Unquoted Equity Securities

As at 18 September 2023 the Company had the following unquoted equity securities on issue.

	Number of Rights	Number of Holders
Performance Rights – issued under the Long term Incentive Plan	855,816	33

Voting Rights

Ordinary shares:

(a) on a show of hands, each member has one vote;

(b) subject to section 250L(4) of the *Corporations Act 2001*, on a poll each member has:

  (i) for each fully paid share held by the member, one vote; and

  (ii) for each partly-paid share held by the member, a fraction of a vote equivalent to the proportion which the amount paid (not credited nor paid in advance of a call) is of the total amounts paid and payable (excluding amounts credited) for the share.

Performance Rights:

No voting rights.

Australian Securities Exchange Listing

Washington H. Soul Pattinson and Company Limited ordinary shares are listed on the Australian Securities Exchange under the ASX Code: SOL.

WHSP Convertible Notes

On 29 January 2021, WHSP issued 1,125 senior convertible notes with an aggregate principal amount of $225 million. WHSP Convertible Notes (Notes) are unsecured senior convertible notes due in 2026 (convertible bond investors have a put option in February 2024). They are convertible at the option of the noteholders into WHSP ordinary shares (ASX:SOL). There has been no movement in the number of Notes since the issue date. The Notes are listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

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Telephone: 1300 850 505 (within Australia)
+61 3 9415 4000 (International)

www.investorcentre.com/contact

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www.ey.com/en_au

Washington H. Soul Pattinson and Company Limited

ABN 49 000 002 728
ASX Code: **SOL**