HANCOCK & GORE

Appendix 4E

Preliminary Final Report
Year ended 30 September 2024

Results for announcement to the market

	Movement %	2024 $'000	2023 $'000
Revenues from ordinary activities	Up 5.2%	7,271	6,909
Profit from ordinary activities after tax attributable to members	Down 40.0%	4,907	8,174
Net profit for the period attributable to members	Down 40.0%	4,907	8,174
	%	cps	cps
Earnings per share	Down 51.4%	1.8	3.7
Net tangible assets per share	Up 2.2%	31.4	30.7

Explanation of results

A detailed explanation of the financial performance for the year is contained in the Operating and Financial Review within the Directors' report.

Dividends

On 26 November 2024, the directors declared a fully franked final dividend for the year ended 30 September 2024 of 1.0 cent per share, payable on 20 December 2024 to shareholders of record on 6 December 2024.

During the year, Hancock & Gore Ltd ("the Company") paid the following fully franked dividends:

- Final dividend of 1.0 cent per share for the year ended 30 September 2023 paid on 21 December 2023; and
- Interim dividend of 1.0 cents per share for the year ended 30 September 2024 paid on 13 June 2024.

The Dividend Reinvestment Plan (DRP) will be in operation for the final dividend.

DRP price will be equal to the higher of 30 cents, or volume weighted average selling price (VWAP) over the 5-business day period commencing on 9 December 2024.

The last day for the receipt of an election notice for participation in the DRP is 9 December 2024.

Changes in controlled entities

H&G reports as an investment entity, in accordance with the accounting standards. Accordingly, only those controlled entities whose main purpose and activities relate to the investment activities of the group are consolidated, and other controlled entities are instead shown as investments held at fair value.

HNG completed the acquisition of Mountcastle Pty Ltd (Mountcastle) on the 1 March 2024. Through the acquisition of Mountcastle, HNG gained control of Mountcastle's wholly owned subsidiaries LW Reid Pty Ltd, Trutex Pty Ltd and 75% interest in Stateman Hats (Pvt) Ltd. Mountcastle and its controlled subsidiaries are accounted as investee companies and are not consolidated into these financial statements. Dividend income for the year from the Mountcastle group amounted to $4.5 million (2023: $2.5 million).

On 3 November 2023, HNG disposed of its 76% interest in Hyde Road Trust as partial consideration for the acquisition of Mountcastle. Current year income from the Hyde Road Trust amounted to $77,000 (2023: $227,000).

Audit

This report is based on the Annual Report which has been audited by UHY Haines Norton. There has been no dispute or qualification in relation to these accounts or this report. The audit report is included with the Group's Annual Report which accompanies this Appendix 4E. All documents comprise the information required by listing rule 4.3A.

HANCOCK & GORE

ANNUAL REPORT 2024

One Perfect Day

Contents

Important Dates

Final Dividend

Record date:
6 December 2024

Payment date:
20 December 2024

DRP Participation Date:
9 December 2024

Annual General Meeting

AGM date:
13 February 2025

Corporate Governance Statement

Our Corporate Governance Statement is available on the company website at www.hancockandgore.com.au/corporate-governance and is lodged with ASX with this report.

Chairman's Report

"One Perfect Day" – Little Heroes

The merger with Schoolblazer is the most significant achievement of my time with H&G, not just for the 2024 year but also for the company's future.

It is again a privilege to present the 2024 Annual Report and highlight and reflect on another significant year in progressing the objectives of H&G.

The image on the front of this year's annual report showcases some of the product range of H&G's recently acquired Schoolblazer Limited and highlights the freshness and diversity of their offering, whilst alluding to the concept of "one perfect day" inspired by a song written by Australian band Little Heroes in 1982. The song reflects that life's best moments are both infrequent and worth cherishing.

Each year offers us the opportunity to build, improve, and refine – an opportunity to strive for that "one perfect day" where our efforts come together to create enduring value. The 2024 year has been fundamentally shaped by the development of the Mountcastle Group led by Steven Doyle and the continuing introduction of management team strength to the business and the combination with Schoolblazer to create a platform that will enable our global aspirations.

H&G's 2024 financial year has been marked by significant milestones, challenges, and achievements. Whilst at the H&G level the year has under-delivered on pure financial objectives, we have delivered on our core objective of supporting and developing great businesses with differentiated products, delivering outstanding customer service, and fostering innovation which will drive future year profit growth.

Schoolblazer, which merged with H&G after the 2024 financial year reflects this ambition and vision for the future. Tim James and Robin Horsell, the founders of Schoolblazer, supported by a deeply talented management team have created a business that epitomises our ideals. Their vision, passion, and execution have elevated the company to become a market leader, and we are proud to support its continued growth and aspiration to a market leading position globally.

The merger with Schoolblazer is the most significant achievement of my time with H&G, not just for the 2024 year but also for the company's future. This partnership positions H&G to deliver enhanced global market penetration while significantly improving Mountcastle's operations. The combined strengths of both businesses create a powerful platform for growth, innovation, and differentiation in the uniform industry.

Even before the transaction completed the management teams of both companies began working together to pursue opportunities, extract synergies and plan for business integration in a manner that I have not seen in any previous acquisition over my career. It is a credit to both management teams, co-ordinated by Steven Doyle in an impressively professional manner.

None of these achievements would have been possible without the support of our shareholders. I would like to especially recognise Tim James, who has become H&G's largest shareholder as part of the Schoolblazer merger. His confidence in the vision and commitment to our shared journey is both humbling and inspiring.

The 2024 financial performance of H&G was significantly impacted by a number of key factors including accounting treatment of acquisition costs for the Schoolblazer acquisition, interest costs on deferred consideration, mark-to-market adjustments for listed investments including ARN Media, Coventry Group, Anagenics and H&G High Conviction Fund, (which we do not believe reflect fair value) combined with the election to not include revenue from advisory services provided to Mountcastle during the year which in combination resulted in a more than $5.2m impact to the annual result.

On the positive side, the movement to 100% of Mountcastle contributed a further $2.1m in annual dividends, contributions from income producing investments continued to deliver benchmark returns, and ASX listed portfolio contributed $1.8m for the year (representing an IRR of 17.7%).

Disruptive Packaging continues to strongly grow sales in its key North American market and globally. It delivered > 50% comparable sales growth for Unicor product, more than 100% total sales growth including accretive acquisitions and achieved the first commercial sales of its innovative new pallet range. Disruptive is increasingly gaining interest from potential strategic partners and continues to explore transformative opportunities in FY25.

H&G High conviction Fund (HCF) has not yet delivered on our expectations and we will explore options to bridge the gap between price and value, in addition to other options for funds management in FY25.

Anagenics performed disappointingly in FY24, consuming a disproportionate amount of management time and necessitating an aggressive restructuring to right-size the business. Progress will continue on restoring and repositioning the business in FY25 with a focus on partnering with an aligned and operationally excellent management team.

We acknowledge the contributions of Joseph Constable and Arthur Fokschaner, who have chosen to pursue their careers independently. For the past three years, their dedication and hard work have been integral to our progress. The Constable family's long-standing relationship with H&G is one of significance, and we are grateful for their pivotal role in building this company and in their role in the creation of the H&G High Conviction Fund.

The management team of H&G lead by Phil, Nick, Nish, Michael—and the entire team: thank you for your continued efforts. Your hard work, resilience, and quest for operational excellence will be the driving forces behind our success. I also extend my gratitude to my fellow board members Kevin, Angus and Steven for their strategic guidance and unwavering support, and welcome the addition of Tim.

We also acknowledge the management teams of all the companies in which we have invested and particularly thank Brad, Nat, Christian, David and their teams at Mountcastle, and Wendy, Brandon, Mark and Nick at Disruptive.

As we close 2024 and embark on 2025, I am drawn to the theme of ***"one perfect day"***. Whilst perfection is an elusive goal, it is the aspiration that pushes us to constantly evolve, to overcome challenges, and to seize opportunities. Together, we will assist the development of great companies and great management teams that will collectively leave a lasting legacy of innovation, excellence, and impact.

Thank you for your trust and continued support.

Alexander (Sandy) Beard
Chairman

2 Review of Operations

Our Purpose

Delivery of superior long-term investment returns through partnership of capital with skills.

Our Strategy

Hancock & Gore is a diversified investment company that exists to deliver superior long term investment returns to shareholders through a portfolio of operating investments led by strong business managers and a return focused balance sheet.

We differentiate ourselves through:

- **100% owned Mountcastle & Schoolblazer businesses**
- **Trusted, talented and invested operating partners**
- **Investment track record across the full investment cycle**
- **Alignment of values and performance with investees**
- **Long-term investment objectives/counter cyclical view**

Our Team

We are a specialist team with a demonstrated track record of actively adding value through strategic guidance, capital markets expertise, and leveraging our extensive network. The team comprises diverse institutional and entrepreneurial professionals with over 100 years of experience aligned to deliver superior investment returns for shareholders. Management have strong experience across private and public, debt and equity markets.

The boards and management teams of Mountcastle and Schoolblazer bring a wealth of experience, with diverse backgrounds spanning decades in leadership roles across global industries. Their proven expertise and strategic acumen are instrumental in guiding the performance of these operating businesses which are critical to Hancock & Gore's success.

What we stand for

Integrity
We act as a reliable, trusted, long term partner

Alignment
Strong alignment between shareholders, management and partners

Flexibility
Seek to accommodate partners through flexible capital and diverse networks

Longevity
We are committed to building lasting relationships and enduring success

Financial Highlights

Wholly owned investee EBITDA[1]

Mountcastle

$8.4m

Proforma[2]
Mountcastle & Schoolblazer

$16.6m

1 Unaudited financials – period October 2023 – September 2024
2 Binding agreement to merge with Schoolblazer at 30 Sep. Completed post year end

Underlying Net Profit after Tax

$5.1m

up 13% on prior year

NTA per Share

31.4cps

up 2% on prior year

Underlying earnings per share

1.8cps

down 10% on prior year

Dividends per share

2.0cps

up 33% on prior year

Our Business

Hancock & Gore aims to deliver long-term investment returns, over 15% per annum, via annual dividends and share price growth. The objective is delivered through profits earned by operating businesses and performance of the investment/treasury function.

Key Achievements

- The Group continued to further expand its investment portfolio and capabilities during the financial year ended 30 September 2024 with the move to 100% ownership of Mountcastle Group and binding agreement to merge with Schoolblazer Limited (completed post financial year end)
- Underlying Net Profit after Tax of $5.1 million was reported (up 13% on FY23), which included dividend income of $5.0 million up 32% on prior year with Mountcastle contributing $4.5 million in FY24, highlighting the growing sustainability of H&G's earnings which is further enhanced by the addition of Schooblazer

Focus areas

- Integration of Schoolblazer and execution of organic growth opportunities and synergies with Mountcastle
- Execution of strategic and accretive Mountcastle M&A pipeline opportunities
- Continued international expansion of Disruptive Packaging and execution of strategic corporate opportunities
- Continued simplification of investment strategy focusing on realisations and flexibility to redeploy to high return assets

Investment pillars

Operating Businesses

Controlling interest in quality companies in aligned partnership with operating management.

Shareholder returns derived from dividends, investment growth from organic earnings and growth supported by H&G investment banking strengths including M&A support.

Current asset:

- Mountcastle (now part of a combined group alongside Schoolblazer)

Investments

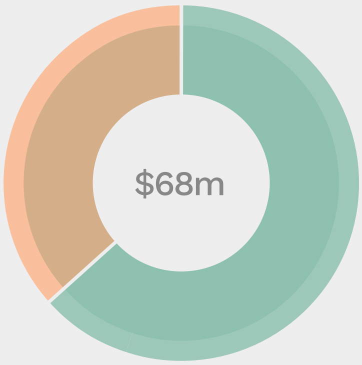
Investment strategies aimed at delivering enhanced risk adjusted returns and identifying new operating businesses.

Current key assets/strategies:

- Disruptive Packaging
- Fixed Income Portfolio
- H&G High Conviction Fund

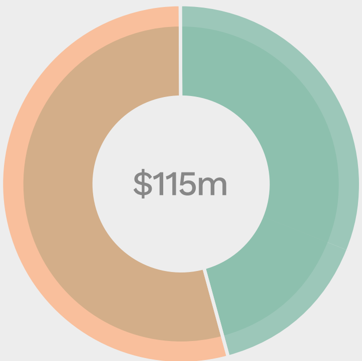
Portfolio Evolution (gross assets)

30 September FY23



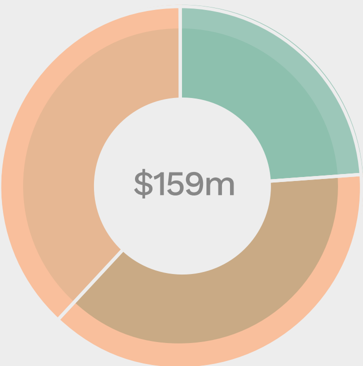
Operations	$25.0m
Mountcastle	$25.0m
Investments & Cash	$42.9m

30 September FY24 (excluding Schoolblazer)



Operations	$60.7m
Mountcastle	$60.7m
Investments & Cash	$54.1m

30 September FY24 – Proforma (including Schoolblazer)



Operations	$121m
Mountcastle	$60.7m
Schoolblazer	$60.3m
Investments & Cash	$37.6m

Mountcastle Group

Mountcastle, established in 1835, is a supplier, wholesaler, and retailer of customised school uniforms across Australia, New Zealand and the UK.

FY24 Highlights

- Delivered standalone sales and underlying EBITDA result of $58.3m and $8.4m (unaudited) for the period Oct-23 to Sep-24
- Completion of H&G's move to 100% ownership in Mountcastle Group (March 2024)
- Binding agreement to merge with UK's Schoolblazer Limited, to create a global uniforms platform with Schoolwear leadership positions in UK, Australia and New Zealand. Completion of the transaction reached post year-end
- Integration of Argyle and MUE acquisitions
- Enhancement of Mountcastle's board and executive team with additions of:
  - Joanne Goldman – CEO (ex. Hotsprings group), appointed 4 November 2024
  - Cristian Racolta – CFO (ex. Staples)
  - Nat Cooper – Head of Merchandise (ex. Michael Hill)

Mountcastle Metrics

Approximately **1 in 3** Schools serviced nationally

Approximately **15%** EBITDA margins

189 Years in operation

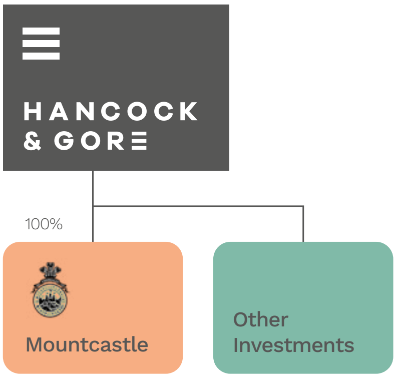
Approximately **4k** Customers across ANZ

Approximately **40k** Garments manufactured monthly

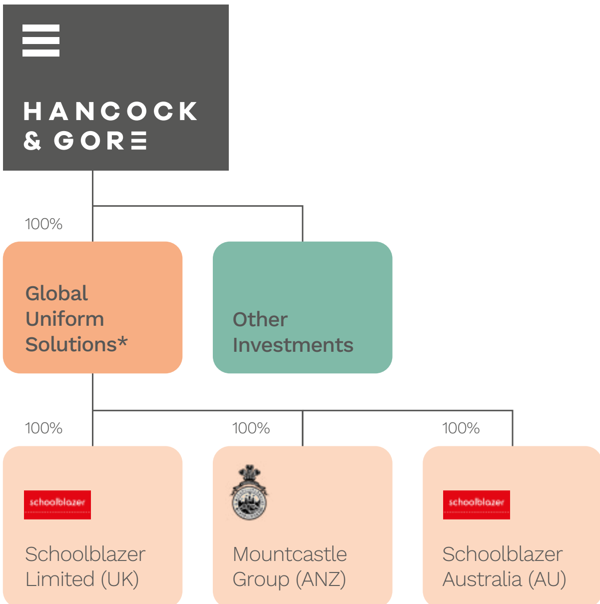
Over **2.7m** Items sold in FY24

Group Structure

Before Schoolblazer merger



After Schoolblazer merger



Leadership Team

Owning ~22% of H&G

Global Uniform Solutions* leadership

Steven Doyle
Executive Chair

Jo Goldman
CEO

Tim James
SB co-founder

Mountcastle leadership

Cristian Racolta
CFO

Nat Cooper
GM Merch Mktg

David Flynn
Argyle NZ MD

Schoolblazer leadership

Robin Horsell
Co-founder

Louise Crofts
MD

* Global Uniform Solution is an interim name for our schoolwear holding company.

Product brands

Channels to market

Schoolblazer Acquisition

Overview

- Schoolblazer is a pure online retailer of schoolwear to independent schools (i.e. private schools) in the UK
- The company's innovative offering, built around service and quality, has seen the business grow sales at ~20% p.a. over the last 17 years, to achieve a ~30% share of its market segment
- Schoolblazer has a long-growth runway (steady state target to double network), underpinned by its 88% tender win rate and ~1% churn rate

Transaction overview

- The merger of Schoolblazer valued the company at A$60m or ~7x EV / FY24 on a normalised EBITDA – before identified procurement synergies and complementary offerings in respective markets
- Completion of the acquisition took place on 12 October 2024

Strategic rationale

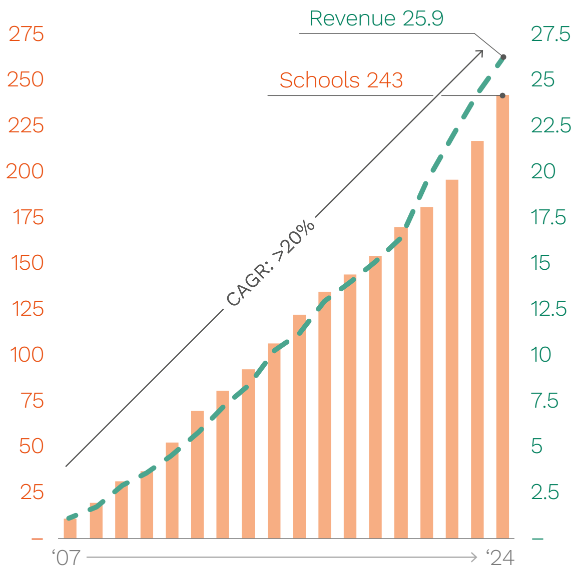
- The merger creates a global schoolwear platform with material scale and growth avenues in ANZ, UK and other international markets
- Schoolblazer complements Mountcastle's market offering in ANZ by providing a sophisticated online capability and tailor-made proposition to private schools (Australia has more private schools than the UK)
- Synergies include:
  - Identified procurement savings of $1–2m to be realised over 3 years
  - Opposite peak sales cycles (Jan–Feb for Mountcastle, July–Aug for Schoolblazer) smooth profitability and working capital cycles
  - Preparations are underway for Schoolblazer to enter the ANZ market leveraging Mountcastle's regional infrastructure and network to target Australian premium private schools initially
- The merged business has strong cultural alignment and will be led by a high quality and proven leadership team
- Aligned shareholder base – The large 45% scrip component of the Schoolblazer consideration means the Schoolblazer vendors own ~20% of H&G in aggregate post-merger

Impact to H&G

- Enhances the key pillar of H&G, creating a 100%-owned operating business generating ~$109m revenue and ~$17m EBITDA before synergies plus strong capability for M&A and optionality over capital structure
- Mountcastle-Schoolblazer business represents ~75% of H&G's gross assets

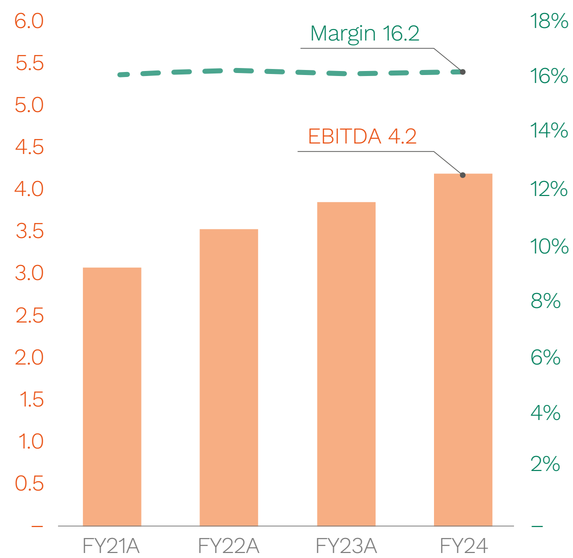
Schoolblazer schools and revenue

Unbroken track record of growth over 17 years



Underlying EBITDA and margin

Underlying EBITDA of £4.2m at attractive 16.2% margin



Schoolblazer Metrics

Over
240
Schools exclusively serviced in the UK

Approximately
30%
Share of Schoolblazer's UK market segment

Over
90%
of contracted revenue

Approximately
88%
Tender win rate

Approximately
1%
Chum rate

Over
20%
Sales CAGR since commencement in 2007

Strategy and Outlook

- The school uniform industry in Australia is estimated at A$1bn+ revenue p.a. and is highly fragmented. Mountcastle is optimally positioned to increase the scale of the business through accretive acquisitions, leveraging its best-in-class design, supply chain and IT infrastructure
- Integration of Schoolblazer and execution of organic growth opportunities and synergies within the combined group
- Focus on winning new schools in Australia and New Zealand leveraging the Schoolblazer product and sales model
- Execution of strategic and accretive Mountcastle M&A pipeline opportunities

Operations

Valuation

	2024
30 Sep Valuation	$60.7m
Basis for Valuation	Capitalisation of future maintainable earnings
H&G Investment Date	June 1997

Mountcastle and Schoolblazer proforma financials

The tables below present underlying performance of the proforma combined Mountcastle and Schoolblazer business for FY24.

Proforma – Combined Business
FY24 Profit and Loss to 30 September 2024

	Mountcastle $m	Schoolblazer $m	Combined $m
Revenue	58.3	50.2	**108.6**
COGS	(29.9)	(19.8)	(49.6)
Gross profit	28.5	30.4	58.9
Operating expenses	(20.0)	(22.3)	(42.3)
EBITDA	8.4	8.2	**16.6**
D&A	(2.2)	(0.6)	(2.8)
EBIT	6.2	7.6	**13.8**
Gross margin	48.8%	60.6%	54.3%
EBITDA margin	14.5%	16.2%	15.3%
EBIT margin	10.7%	15.1%	12.7%

Proforma – Combined Business
FY24 Balance Sheet as at 30 September 2024

	Mountcastle $m	Schoolblazer $m	Combined $m
Cash	1.6	7.6	**9.2**
Stock	29.3	19.2	48.5
Debtors and prepayments	7.7	2.5	10.2
PPE and right-of-use asset	8.9	3.5	12.3
Intangible assets	13.0	0.0	13.0
Trade finance	(5.0)	0.0	(5.0)
Creditors and accruals	(6.7)	(9.8)	(16.5)
Term borrowings	(19.5)	(1.3)	(20.9)
Lease liability	(4.2)	0.0	(4.2)
Tax	1.6	(1.6)	(0.1)
Other	(2.4)	0.0	(2.4)
Net assets	24.1	20.0	**44.1**

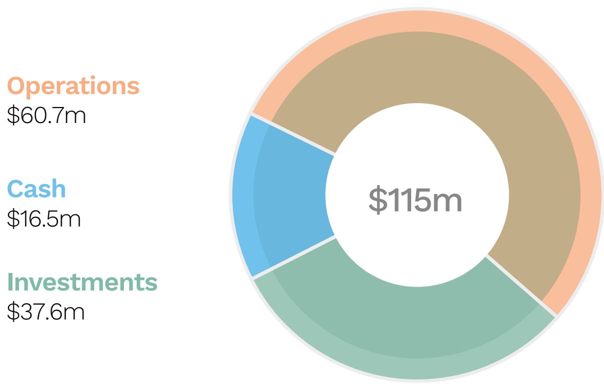
Notes:
The Schoolblazer transactions completed post 30 September year end.
Financials are unaudited. Australian business reflected on a post AASB16 basis.
All figures rounded to one decimal place

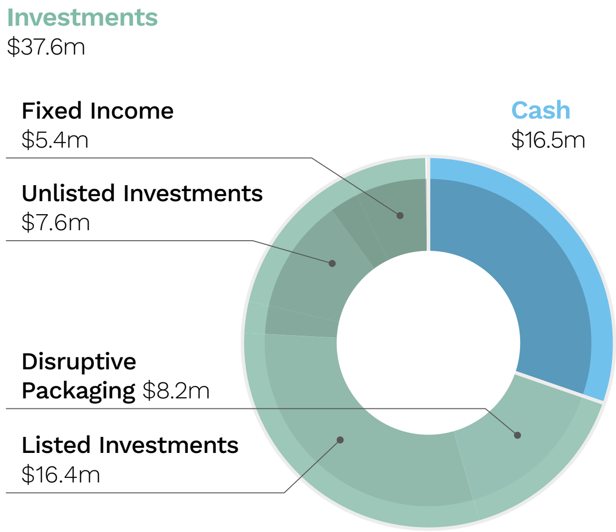
Investment Portfolio

The broader H&G portfolio provides exposure to strong risk adjusted returns, cash generation and enhanced diversification.

Other assets include income producing assets, strategic listed and private investments.

H&G seeks to identify investments with potential to become Operating Assets like Mountcastle or realise appropriate returns to recycle into other opportunities.





(gross assets)

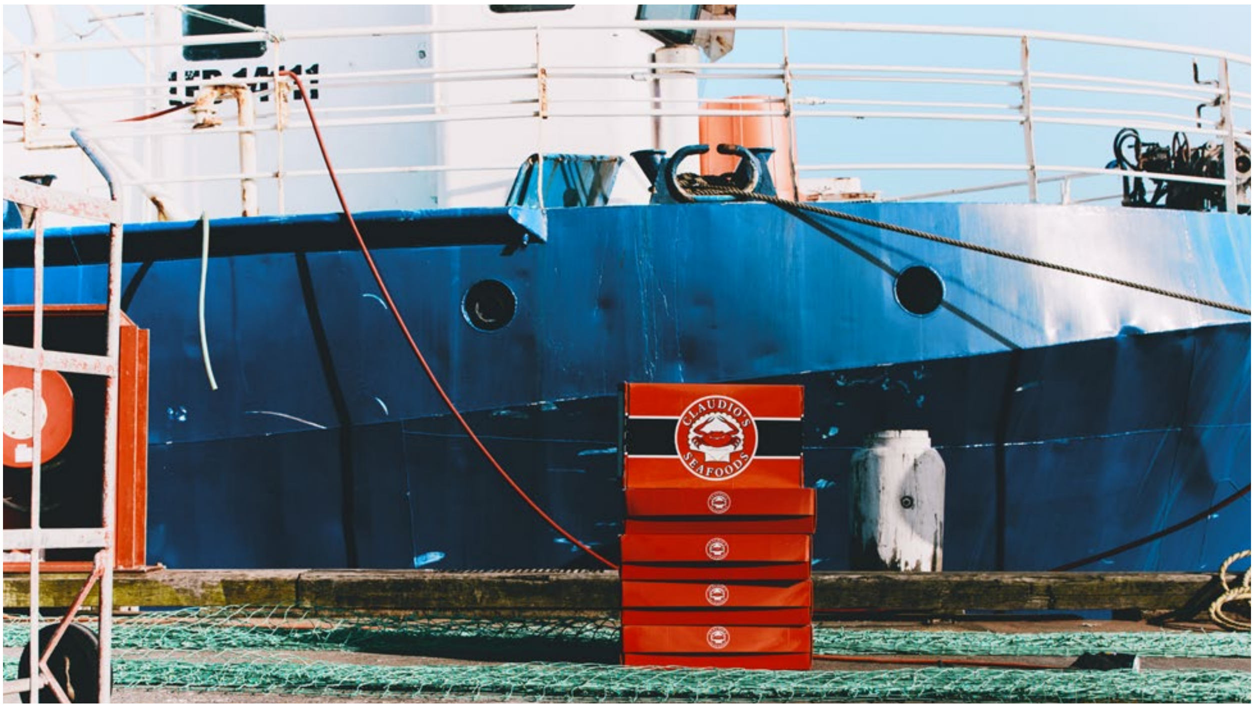
Disruptive Packaging

Overview

- Disruptive Packaging ("DP") FY2024 consolidated group revenue was A$30m, up from reported FY23 revenue of A$8m (or pro-forma A$25m including acquisitions made during FY24), with normalised EBITDA of A$0.8m
- Disruptive completed a ~$9 million growth capital raise, led by new investors in North America, to fund accelerated expansion into the US$7 billion USA packaging market at a 55% premium to H&G cost.
- Successful invention and commercial sales from pallet making machine that produces standard logistics grade pallets from either cardboard or Unicor®.

Strategy and Outlook

- The unique strength and sustainable properties of the core Unicor® product is unmatched in the market, delivering performance, aesthetics and supply chain cost savings for its customers in the fresh produce and seafood wholesale markets
- Demand for Disruptive's 100% recyclable packaging product continues to be strong globally with FY24 revenue up 50% on the same period last year and a strong growing sales pipeline and order book in the large North American market
- Continued generation of new sustainable IP based on the Unicor® formula including Pallet building machines and construction pods



Other Unlisted Assets

- Increased investment in recycling and resource recovery business, Rino Recycling. Rino operates a state-of-the-art recycling facility in Pinkenba, Queensland, with advantage through location, scale and market offering. H&G's investment benefits from secure asset backing with long term strategic potential.
- H&G also has a structured investment in NDIS technology business T Shirt Ventures which continues to grow and recently achieved profitability.

ASX Listed Investments

- H&G's ASX listed portfolio (excluding holdings in Anagenics and FOS Capital) returned 17%, versus 19% for the ASX Small Ordinaries Accumulation Index. Since inception, the portfolio has returned a total return of 16% p.a.
- H&G has a 8% interest and board representation in commercial lighting business FOS Capital which performed strongly during the year (up 62% in the 12 month period) on the back of successful acquisitions and integration.
- H&G also has a 33% stake in health, beauty and wellness business Anagenics (AN1) which significantly underperformed during the year (down 63% in the 12 month period) in a difficult consumer environment. AN1 is currently undergoing a major restructure to restore profitability.

Fixed Income

- Structured secured debt investments with strong asset backing and yields. Primarily property backed loans with blue chip counterparties and shorter (12-18 month) maturities to allow H&G to realise and reinvest or redeploy capital to operating businesses or other assets.
- All loans are performing, and the weighted average interest rate of the loans is greater than 12%.
- H&G has a cornerstone position in the H&G Causeway Dynamic Credit Fund, a jointly managed credit fund which provides quarterly income from an asset backed secured debt portfolio.

> "Investment performance is delivered by management teams continually working on their businesses and business relationships to build better businesses, networks and capabilities."

High Conviction Fund (HCF)

- 5.2% post-tax portfolio performance for FY24, versus 19% for the ASX Small Ordinaries Accumulation Index. Total dividends of 4¢ per share paid in FY24.
- With limited buying interest and numerous sellers, valuations in microcap companies provide fertile ground for HCF's strategy.
- During the year, HCF initiated high conviction positions in 4 companies – Coventry Group, Veem, SciDev, and Universeral Biosensors – representing 33% of the portfolio in aggregate at cost.
- Buy-back now in place to support shareholder returns and market liquidity.

Dynamic Credit Fund (DCF)

- DCF is a joint venture between H&G and Causeway Financial offering investors a unique opportunity to gain exposure to dynamic credit opportunities with debt and equity characteristics
- The Fund aims to deliver investors attractive, absolute risk adjusted returns with recurring quarterly income, while focusing on capital preservation.
- The fund has delivered a cash yield of ~11% and an IRR of 13.2% since inception

Directors' Report

The directors of Hancock & Gore Ltd ("the Company") and its controlled entities ("the Group") submit their report for the year ended 30 September 2024.

Directors

The names and details of Hancock & Gore Ltd ("the Company")'s directors in office during the financial year and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

- Alexander (Sandy) Beard
- Angus Murnaghan
- Kevin Eley
- Steven Doyle (appointed 21 November 2023)
- Timothy John James (appointed 12 October 2024)
- Joseph Constable (resigned 30 April 2024)

Alexander (Sandy) Beard

B.Com, FCA, MAICD

Executive Chair (appointed 29 October 2020)

Alexander 'Sandy' Beard has been a director of numerous public and private companies over the past 25 years. He is the former Chief Executive Officer of CVC Limited (ASX:CVC). He is a professional investor and has extensive experience with investee businesses, both in providing advice, assisting in acquisitions and divestments, capital raisings and in direct management roles, especially bringing management expertise to small cap companies in driving shareholder returns.

Sandy is a Director of Anagenics Limited (ASX:AN1) and FOS Capital Ltd (ASX:FOS). Sandy was a director of Pure Foods Tasmania Limited (ASX:PFT) until May 2022 and Centrepoint Alliance Ltd (ASX:CAF) until September 2023.

Angus Murnaghan

B.Com

Non-executive Director (appointed 23 February 2023)

Angus has almost 40 years of transactional experience in the Australian equities markets in senior roles. He has worked at leading finance and advisory groups including UBS, Ord Minnett, as Managing Director of Moelis & Company and Wentworth Securities. Angus has been responsible for the sales and distribution function for over 50 IPOs ranging from $50 million to $1 billion.

Kevin Eley

CA, F Fin, FAICD

Non-executive Director (appointed 1985, Chair from 5 June 2020 to 29 October 2020)

Kevin Eley is a Chartered Accountant with significant executive and director experience, including as Chief Executive Officer of the Company from 1985 to 2010. Kevin has been the lead director on the board for Audit and Risk matters since 2018. He is a director of Pengana Capital Group Ltd (ASX: PCG).

He was a Director of Milton Ltd (ASX: MLT) until it was taken over by Washington H. Soul Pattinson Limited (ASX: SOL) in October 2021 and resigned as a director of EQT Holdings Ltd (ASX: EQT) on 17 October 2024.

Steven Doyle

MBA, MAICD

Non-executive Director (appointed 21 November 2023)

Mr Doyle has extensive experience as an executive, investor and director and has been Executive Chairman of Mountcastle since March 2023.

Mr Doyle has over 30 years' experience in the retail sector, previously acting as CEO of ASX listed, Lovisa Holdings Limited, and Managing Director, Leisure Division of Super Retail Group where he developed the Boating Camping Fishing (BCF) chain across Australia and New Zealand.

Timothy (Tim) John James

B.Eng.

Non-executive Director (appointed 12 October 2024)

Mr James is an accomplished entrepreneur and co- founder of Schoolblazer, the leading school uniform retailer for large UK independent schools. HNG completed the acquisition of Schoolblazer on 12 October 2024, following which Mr James was appointed a non-executive director of HNG.

Schoolblazer has redefined the industry in the UK with its commitment to quality, unmatched service, leverage of technology, online fulfilment and sustainability.

With well over 25 years of experience in retail, Tim brings a wealth of strategic insight and operational expertise to the group. His experience in scaling Schoolblazer will be invaluable in driving the expansion of the Schoolblazer business in the Australian market.

Joseph Constable

BA(Hons), MPhil

Executive Director (30 June 2020 to 30 April 2024)

Joseph has 9 years of experience in equity markets. He was the former Portfolio Manager and Responsible Manager for H&G Investment Management Ltd. He has previous investment experience at Hunter Hall International and UK-based Smith and Williamson. Joseph has a Master of History from the University of Oxford and a Bachelor of Arts (Honours) from the University of Melbourne. Joseph is a director of Po Valley Energy Limited (ASX: PVE) and was an executive director of H&G High Conviction Limited (ASX: HCF) until 22 July 2024.

Interests of Directors in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of Hancock & Gore were:

Directors	Number of direct shares	Number of indirect shares
Alexander (Sandy) Beard	14,718,502	22,453,830
Steve Doyle	7,500,000	6,079,563
Kevin Eley	650,000	3,677,240
Angus Murnaghan	650,000	1,100,000
Tim James	–	68,000,777

Entities related to Alexander Beard (200,000 units), Kevin Eley (100,000 units), hold ordinary units in the DP Trust a related body corporate of the Group.

Key management personnel

The following names and details are of the other key management personnel of the Company. Other key management personnel were in office for the entire period unless otherwise stated.

Investment Director

Nicholas Atkinson

MBA, B.Com, GradDipAppFin

Nicholas is Investment Director of the Group, appointed 21 June 2021. Nicholas has more than 25 years of investment experience spanning capital markets, corporate finance, and investment management. He served as the Executive Director of Institutional Equities at Morgans Financial for 14 years, where he oversaw the growth of the division's profitability. Having gained global experience in London and New York, Nicholas has expertise in the Energy, Healthcare and Small-Capitalization sectors. He has a passion for assisting companies grow organically and through acquisitions. Nicholas is a director of H&G High Conviction Limited (ASX: HCF).

Investment Director

Phillip Christopher

BEc, BCom, GAICD

Phillip has been an Investment Director of the Group since 17 May 2021. Phillip has over 15 years of experience across private equity, capital markets and investment management. Prior to joining the Group he was a Director in Private Equity at Alceon Group and a member of the Investment Banking Division of Goldman Sachs. Phillip is a director of Anagenics Limited (ASX: AN1).

Chief Financial Officer and Company Secretary

Nishantha Seneviratne

MBA, FCPA, FGIA, FCG, ACMA, CGMA

Nishantha was appointed the Chief Financial Officer of Hancock & Gore on 1 March 2023. He has over 19 years of senior managerial experience in diverse industries with 13+ years in ASX listed investment companies.

Nishantha was appointed the joint Company Secretary in February 2024 and became the sole Company Secretary with effect from 25 March 2024 with the resignation of Max Crowley, the previous Company Secretary. He is the Company Secretary of H&G High Conviction Limited and was the former CFO and Company Secretary of Milton Corporation Limited (between 2012–2021) until it was taken over by Washington H. Soul Pattinson Limited (ASX: SOL) in October 2021.

Company Secretary

Max Crowley

(from 19 May 2023 to 25 March 2024)

Max Crowley is an experienced corporate lawyer and company secretary. He was a member of the Automic Group's corporate company secretarial services team. Max resigned as Company Secretary with effect from 25 March 2024.

Dividends

During the year, the Company paid the following fully franked dividends:

- Final dividend of 1.0 cent per share for the year ended 30 September 2023 paid on 21 December 2023; and
- Interim dividend of 1.0 cents per share for the year ended 30 September 2024 paid on 13 June 2024.

Since the end of the financial year the directors have declared a fully franked final dividend for the year ended 30 September 2024 of 1.0 cent per share to be paid on 20 December 2024 to shareholders of record on 6 December 2024..

Dividend Reinvestment Plan

The Dividend Reinvestment Plan would be active for the final dividend. The last day for receipt of election to participate is 9 December 2024.

DRP price will be equal to the higher of 30 cents, or volume weighted average selling price (VWAP) over the 5-business day period commencing on 9 December 2024.

Principal activities

During the period the principal activities of the Group consisted of management of a diversified investment strategy with the objective to deliver consistent dividends and long term capital growth.

The investment strategies include management of a portfolio of diversified assets, including operating businesses (Mountcastle Group), ASX listed equities, unlisted equities, fixed income and funds management activities.

The Group provides active support to those investees in which we hold a significant equity stake, including directorship capabilities, facilitation of management services and secondment of personnel.

Operating and financial review

Overview

The Group continued to further expand its investment portfolio and capabilities during the financial year ended 30 September 2024 with the move to 100% ownership of Mountcastle Group and binding agreement to merge with Schoolblazer Limited (completed post financial year end).

Underlying Net Profit after Tax of $5.1 million was reported, which included:

- Dividend income of $5.0 million up 32% on prior year with Mountcastle contributing $4.5 million in FY24;
- Interest income from fixed interest investments of $1.2 million, down 10% on prior year reflecting lower balance sheet allocation;
- Income from funds management fees of $0.8 million up 6% on prior year;
- Income tax benefit recognised of $1.0m;
- Operating expenses (excluding interest) of $4.1 million in line with prior year.
- $0.5 million of interest expense on deferred consideration, up 100% on prior year.

Statutory Net Profit after Tax of $4.9 million was reported, which included:

- Unrealised gains of $2.0 million compared to $4.0 million unrealised gains in prior year;
- Acquisition costs of $1.2 million relating to Schoolblazer and Mountcastle transactions;
- Employee Share Scheme Costs of $1.0 million ($0.4 million in prior year).

The Group has adopted an 'investment entity' accounting approach where investee entities are recognised on the balance sheet at fair value, with changes in the value during the reporting period recognised through profit and loss.

Whilst investment returns were not as strong as FY23, the Group is strategically positioned to deliver more consistent cash returns going forward without asset revaluations. With the move to 100% ownership of Mountcastle Group during FY24 and the merger with Schoolblazer Limited providing H&G with wholly owned subsidiary contributing circa $17m EBITDA (Pro-forma FY24), H&G's Board will consider whether consolidating its accounts is more informative going forward.

A reconciliation between underlying and statutory net profit after tax is below.

Net assets at 30 September 2024 were $109.2 million compared to $69.3 million in the prior year. Net Tangible Assets were 31.4 cents per share (2023: 30.7cps).

Dividends and Capital management

The Group paid fully franked dividends of 2.0 cents per share during the financial year ended 30 September 2024. The full year 2024 performance of the Group including continued realisations of historical investments has allowed Directors to declare a fully franked final dividend of 1.0 cent per share to shareholders to be paid on 20 December 2024.

On 12 December 2023 H&G raised $10.9 million cash under a Placement to assist with the funding of the Mountcastle transaction and other investments.

On 5 September 2024 H&G raised $18.5 million cash under a Placement to fund the upfront component of the Schoolblazer merger and to strengthen the balance sheet. $4.1 million of the Placement was approved by H&G shareholders at an EGM on 8 October 2024 prior to consideration being paid and the transaction completing on 12 October 2024.

	2024 $'000	**2023** $'000
Net profit after income tax	**4,907**	8,174
Less: unrealised gains on unlisted investments (Note 2)	**(4,075)**	(5,561)
Add: unrealised losses on listed investments (Note 2)	**2,037**	1,552
Add: Employee share-based payments	**1,001**	361
Add: Acquisition costs	**1,255**	–
Underlying net profit after tax	**5,125**	4,526

Portfolio Changes

Significant changes to the portfolio of investments improved the quality and cash generation of the portfolio during and subsequent to the end of the financial year, as follows:

- The Group increased its interest in Mountcastle Group with the acquisition of a further 40.3% shareholding in November 2023 from its shareholder partner. The consideration comprised a cash component of $5.0 million at completion, issuance of 15 million shares at 35 cents per share, transfer of H&G's unencumbered equity in Hyde Rd Trust to the shareholder partner and a deferred cash consideration of $5.0 million.
    - The Group also completed the move to 100% ownership of Mountcastle Group in March 2024, with the acquisition of minority shareholders in exchange for 21.6 million H&G shares issued at 35 cents per share.
    - The Group entered a binding agreement for Mountcastle Group to merge with Schoolblazer Limited on 3 September 2024, subject to H&G shareholder approval. The transaction completed effective 12 October 2024 and resulted in H&G owning 100% of the combined Mountcastle and Schoolblazer business with A$109 million FY24 pro-forma revenue and A$17 million FY24 pro-forma EBITDA. Further detail on the merged group can be found in this report and the announcements of 3 September 2024.

The investment portfolio has continued to simplify and refocus towards income generation, with 64% of gross assets in Mountcastle Group and 26% in listed and fixed income investments. Whilst investment returns were not as strong as FY23, the Group is strategically positioned to deliver more consistent cash returns going forward without reliance on asset revaluations.

A pipeline of further opportunities both for the Mountcastle & Schooblazer platform and other investment activities remains under active consideration.

Outlook

The Board remains focused on increasing value for shareholders through a combination of:

- Operational execution of Global Uniform Solutions and continued expansion
- Driving growth and value of investee companies by assisting with M&A, capital management and strategy;
- Progressive realisation of investments, and redeployment of capital into the highest returning assets;
- Increasing funds under management across existing managed vehicles and new vehicles;
- Continued dividend payments based on realised earnings.

The Group believes the refinement of the portfolio over the past 12 months has positioned it well to drive value from Global Uniform Solutions and other investments, simplify and diversify the balance sheet, and broaden revenue streams from off balance sheet funds under management.

Risk management

The achievement of the Group's business objectives may be affected by internal and external variables potentially impacting the operational and financial performance of the business. The Group has an Enterprise Risk Management and Reporting System, which identifies strategic and operational risks and specifies mitigation actions and is reported to the board.

Key risks for the Group include:

Loss of value of investments risk

The Group has a diversified portfolio of investments which are exposed to a variety of external inputs. It is possible that broad macro-economic changes outside the direct control of management may lead to a significant reduction in value of the investee companies.

Loss of Key Management Personnel risk

The Group has a small team of key executives with responsibility for assessing and deciding the allocation of capital between investments. A loss of one or more of these key persons may have a negative impact on future investment performance.

Funding risk

The Group has identified a significant pipeline of potential investments but has a limited capital base from which to make these investments. An inability to access future capital, whether caused by a lack of investor appetite or lack of other third-party funding options (including bank financing) could result in the Group being unable to pursue valuable opportunities.

Cyber / IT risk

The Group and investee companies are highly reliant on information systems for their management, including for supplier and sales processes. While many of these systems are provided by reputable third parties and hosted in safe 'cloud' environments, they could still be subject to failure or attack by various actors seeking to cause disruption.

Environmental, sustainability and climate risks

The Group is exposed to both financial and reputational risks from investing in entities that potentially cause negative environmental and sustainability impacts and/ or are exposed to climate risks. This includes impacts on the value of investments from investment community policies and regulatory responses.

Regulatory risk

The Group holds an Australian Financial Services Licence ("AFSL") which allows it to conduct investment activities on behalf of third-party investors and requires the Group to comply with strict obligations. A loss of the AFSL, or changes in the regulatory environment more generally, could significantly inhibit the ability of the Group to conduct its activities and earn management, performance and other fees.

The above list does not cover all the risks that could apply to the Group.

Environmental regulation

Although our operations have limited environmental impact, the consequences of business decisions on the environment are seriously considered. Although we have little exposure to environmental risks, we strive to be environmentally responsible and embrace technologies and processes that limit environmental impact.

Significant changes in the state of affairs

There have been no other significant changes in the state of affairs of the Group during the year other than those referred to in the Operating and Financial Review.

Events since the end of the financial year

On 3 September 2024, HNG entered into a binding agreement to acquire 100% of United Kingdom Based Schoolblazer Limited (Schoolblazer), at an equity value of £31m (~A$60m), subject to shareholder approval. Shareholder approval was obtained at the General Meeting held on the 8 October 2024. Transaction consideration comprised of:

- cash consideration of £17m (~A$33m) – with £8m (~A$15.5m) to be paid on completion and £9m (~A$17.5m) to be paid 12 months after completion; and
- issue of 90.7m new HNG shares at an issue price of $0.30 per share for a value of £14m (~A$27.2m) to be escrowed for two years from completion.

At the HNG General Meeting held on the 8 October 2024, shareholders approved the issue of 90.7m HNG ordinary shares to the Schoolblazer vendors. Following shareholder approval, HNG completed the acquisition of Schoolblazer effective 12 October 2024 and announced the merger of Schoolblazer with HNG's 100% owned subsidiary Mountcastle Group.

On 26 November 2024, the Company declared a fully franked final dividend in respect of the financial year end 30 September 2024 of 1.0 cents per share payable on 20 December 2024.

There have been no other significant events occurring after the balance date which may affect either the Group's operations or results of those operations or the Group's state of affairs.

Likely developments and expected results of operations

Likely developments in the operations of the Group are detailed in the Operating and Financial Review and Events subsequent to balance date.

Meetings of directors

The number of meetings of directors held during the year and the number of meetings attended by each director are shown in the table below.

Directors	Meetings Held	Meetings Attended
Alexander (Sandy) Beard	13	13
Kevin Eley	13	13
Steven Doyle[1]	9	9
Angus Murnaghan	13	12
Joseph Constable[2]	8	7

1 Appointed on 21 November 2023
2 Resigned effective 30 April 2024

Proceedings on behalf of the company

There were no proceedings brought by or on behalf of the Company at any time during or since the end of the financial year.

Remuneration Report (audited)

The remuneration report outlines the director and executive remuneration arrangements of the Company for the 2024 financial year, in accordance with the requirements of the *Corporations Act 2001* and its Regulations. It has been audited in accordance with section 300(A) of the *Corporations Act 2001*.

Details of Key Management Personnel

Key Management Personnel (KMP) are those individuals with authority and responsibility for planning, directing and controlling the major activities of the consolidated Group entities, directly or indirectly, including any director of the parent. Remuneration of executives of investee companies accounted as investment entities and not consolidated, including Mountcastle are not included in this Remuneration Report. The list below outlines the KMPs of the consolidated Group during the financial year ended 30 September 2024. Unless otherwise indicated, the individuals below were KMPs for the entire financial year.

Directors

Alexander (Sandy) Beard
Executive Chair

Kevin Eley
Non-Executive Director

Angus Murnaghan
Non-Executive Director

Steven Doyle (appointed 21 November 2023)
Non-Executive Director

Joseph Constable (resigned 30 April 2024)
Executive Director

Executives

Nicholas Atkinson
Investment Director

Phillip Christopher
Investment Director

Nishantha Seneviratne
Chief Financial Officer & Company Secretary

Remuneration governance

Remuneration committee

In July 2020, the Board resolved to absorb the function of the Nomination and Remuneration Committee (the Committee) into the remit of the full Board of directors. This decision was taken in recognition that with the size of the company, and a small Board of directors, it was less effective to have this extra layer of governance for the Group. As part of this governance restructuring, the board is retaining the Committee's Charter as guidance to the Board on remuneration and nomination matters.

The main remuneration functions of the Board include:

- Executive remuneration and incentive policies;
- Remuneration packages for senior management, including incentive schemes;
- Recruitment, retention and termination policies for senior management;
- Remuneration framework for directors and KMP;
- Statutory reporting on remuneration; and
- Oversight of Company culture and performance accordingly.

Use of remuneration consultants

Where the Committee or the Board will benefit from external advice, it is authorised to engage directly with a remuneration consultant, who reports directly to the Committee. In selecting a suitable consultant, the Committee considers potential conflicts of interest and requires independence from the Group's KMP and other executives as part of their terms of engagement.

Where sought, remuneration recommendations are provided to the Committee as one input into decision making only. The Committee considers any recommendations in conjunction with other factors in making its remuneration determinations.

Remuneration packages are reviewed annually with due regard to performance and other relevant factors. In order to retain and attract executives of sufficient calibre to facilitate the effective and efficient management of the Company's operations the Committee, when necessary, seeks the advice of external advisers in connection with the structure of remuneration packages.

Executive remuneration arrangements

Remuneration Policy

The Company and its KMP at balance date were all based in Australia, with each of the current portfolio of investee companies operating predominantly in Australia and New Zealand. With the acquisition of Schoolblazer Limited post year end, the Company appointed Tim James as a director who will be based in the United Kingdom.

Through an effective remuneration framework, the Group aims to:

- Provide fair and equitable rewards;
- Stimulate a high performance culture;
- Encourage the teamwork required to achieve business and financial objectives;
- Attract, retain and motivate high calibre employees; and
- Ensure that remuneration is competitive in relation to peer companies in Australia.

Principles of remuneration

The responsibilities of the Board include developing remuneration frameworks for senior management which incorporate the following considerations:

- The structure of the total remuneration package (TRP) including base salary, other benefits, short term incentives (STI) (bonus) and share-based long term incentives (LTI);
- The mechanism to be used to review and benchmark the competitiveness of the TRP;
- The Key Performance Indicators (KPIs) to be set;
- Changes in the amounts of different components of the TRP following annual performance reviews;
- Decisions on whether the Long Term Incentive Plan will be offered for any year, the structure of equity to be awarded to KMP under this plan when offered, and setting of associated performance indicators for future assessment;
- Determination of the amount of equity and the associated vesting at the end of each agreed assessment period of the Long Term Incentive Plan, based on financial performance indicators previously established; and
- The remuneration and any other benefits of the Non-Executive Directors.

The Group's executive remuneration strategy seeks to match the goals of the KMP to those of the shareholders in driving value creation. This is achieved through combining appropriate market levels of guaranteed remuneration with incentive payments. These incentive payments are only paid on attainment of previously agreed annual performance targets which are developed against the business' strategic and financial goals, unless the Board considers a discretionary bonus is appropriate.

Components of remuneration

Guaranteed fixed base remuneration

Base remuneration, which is not at risk, is structured as a total employment package and includes salary, superannuation and other benefits, with the allocation between salary and other sacrificing benefits at the executive's discretion. Base remuneration is reviewed annually but not necessarily increased each year. The base remuneration is set at the appropriate level of market rate for the role and the individual and in consideration of the size of the Company.

Long-term employee benefits are the amount of long service leave entitlements accrued during the year.

At risk remuneration

Certain executives are eligible for STI payments and have access to an LTI in the form of a Loan Funded Share Plan (ELFSP) and performance rights.

Short term incentives

Key Management Personnel have the opportunity to earn an STI based on their performance during any given year. In most instances, performance will be assessed against Key Performance Indicators set prior to the commencement of a financial year and will include factors tied to Group earnings, individually driven strategic outcomes and, in some circumstances, board discretion based on specific achieved outcomes. The maximum STI opportunity for any KMP is 63% of base salary.

Long term incentives

The LTI is designed to enable a strategic focus on the longer-term sustainability and growth of the Group and aligns executive incentives with shareholder objectives through the use of the Company's shares via the ELFSP and performance rights.

Employee Loan Funded Share Plan (ELFSP)

Under the ELFSP, selected KMP are issued a quantity of shares at an issue price, determined at the sole discretion of the board. Factors determining the issue price include the current market value of the Company's shares and any recent or potential capital raising.

The value of the shares issued under the ELFSP is offset by an unsecured, interest-free loan from the Company. The loans are limited recourse, meaning that if the market value of the Shares is less than the loan value at the end of the term of the loan, the Participant will not need to repay the remaining loan balance out of their own funds.

The loans are repayable in full on the earlier of the loan maturity date agreed at the time of grant, the shares being acquired by a third party under a takeover bid or similar, the Participant ceasing employment with the Group or becoming insolvent or subject to bankruptcy proceedings, or on the date the Participant and the Company otherwise agree.

Current KMP loan balances under the employee loan funded share plan are detailed below.

Executive	Number of Shares at 30 Sept 2024	Loan Balance at 30 Sept 2024
Phillip Christopher	7,500,000	$2,476,400
Nicholas Atkinson	6,500,000	$2,121,700
Steven Doyle	7,500,000	$2,660,250

The performance rights and shares issued under the ELFSP are included in the calculation of Diluted Earnings Per Share.

Performance rights

The Company granted 13,500,000 performance rights in total to two employees during the 2021 financial year.

The rights as per the original terms held no voting or dividend rights and the rights granted to each employee were split into 3 equal tranches which were to be vested on the 3rd, 4th and 5th anniversary of the employee's commencement date of the issue of the options (being May/June of each of 2024, 2025 and 2026 respectively).

Vesting of each tranche of rights is subject to Total Shareholder Returns (TSR) of 25% calculated on a compounding basis from a starting point of 20 cents per share.

The Company's TSR since the commencement date reached 39% in January 2024, significantly exceeding the 25% vesting hurdle. In recognition of value creation to date by the Investment Directors, lowering of their maximum STI for FY24, and to better incentivise performance whilst aligning the interests of the Company, the Long-Term Incentive (LTI) plan of the Company was restructured as follows:

- A total of 10 million of the original performance rights were vested effective 1 January 2024. Each eligible right will convert to one fully paid ordinary share upon exercising the rights. No performance rights were exercised during the year. Current performance rights as at 30 September 2024 include 4.5 million to Phillip Christopher and 5.5 million to Nicholas Atkinson.
- 3.5 million of the original performance rights of Nick Atkinson were cancelled effective 1 January 2024.
- Issue of up to 28 million Employee Loan Funded Shares was approved at the Company's AGM on 15 February 2024 to Company and Mountcastle executives. Accordingly, 24.75 million of the Employee Loan Funded shares were issued at 36 cents per share during the year ended 30 September 2024, of which 19.5 million ELFSP shares issued to KMP's during the year are as follows:

Executive	Number of Shares issued
Phillip Christopher	6,500,000
Nicholas Atkinson	5,500,000
Steven Doyle	7,500,000

Vesting conditions for the ELFSP shares issued during the year are as follows:

Company executives

The Plan Shares issued to Mr Atkinson, Mr Christopher and all other employees of the Company, comprise five equal tranches which vest in accordance with the table below if the relevant participant has remained continuously employed by the Company as at the 'Earliest Vesting Date' for that tranche as set out in the table below:

Tranche	Earliest Vesting Date	Number of Plan Shares which vest
1	1 year after Plan Shares are issued	If the TSR as at any TSR Testing Date is: ○ **less than 7.5%** – no Plan Shares in that Tranche will vest; ○ **equal to 7.5%** – 50% of the Plan Shares in that Tranche will vest; ○ **between 7.5% and 15%** – between 50% and 100% of the Plan Shares in that Tranche will vest on a pro-rata, straight line basis; and ○ **higher than 15%** – 100% of Plan Shares in that Tranche will vest.
2	2 years after Plan Shares are issued	
3	3 years after Plan Shares are issued	
4	4 years after Plan Shares are issued	
5	5 years after Plan Shares are issued	

Mountcastle executives

Plan Shares issued to employees of Mountcastle (except for Mr Steven Doyle and Mr Brad Aurisch-CEO of Mountcastle), comprise three equal tranches which vest in accordance with the table below if the relevant participant has remained continuously employed by the Company as at the 'Earliest Vesting Date' for that tranche as set out in the table below:

Tranche	Earliest Vesting Date	Number of Plan Shares which vest
1	1 year after Plan Shares are issued	If the TSR as at any TSR Testing Date is: ○ **less than 7.5%** – no Plan Shares in that Tranche will vest; ○ **equal to 7.5%** – 50% of the Plan Shares in that Tranche will vest; ○ **between 7.5% and 15%** – between 50% and 100% of the Plan Shares in that Tranche will vest on a pro-rata, straight line basis; and ○ **higher than 15%** – 100% of Plan Shares in that Tranche will vest.
2	2 years after Plan Shares are issued	
3	3 years after Plan Shares are issued	

Plan Shares of Mr. Steven Doyle and Mr. Brad Aurisch will vest in three equal tranches on each anniversary after the issue date of the Plan Shares for a total period of three years, if remain continuously employed by Mountcastle. The Board determined not to include a TSR based vesting condition for Mr. Doyle's and Aurisch's Plan Shares on the basis that the Plan Shares are intended to replace long term incentives which they held with Mountcastle prior to the Company's agreement to acquire all of the shares in Mountcastle.

Employment contracts

Terms of employment of executives are generally formalised in employment letters to each of the KMP.

KMP's must adhere to a minimum notice period as stipulated in their contracts of employment:

- Sandy Beard, Executive Chair has a six-month notice period.
- The Investment Directors have a three-month notice period.
- The CFO has a two-month notice period.

Aside from statutory requirements, the payment of any negotiated termination benefit is at the discretion of the Board.

Executive and Board remuneration splits:

	Salary and fees[a]	Short-term bonus[a]	Non-monetary benefits[a]	Super-annuation[b]	Long-term incentives[c]	Long service leave[c]	Total	Percentage variable remuneration
	$	$	$	$	$	$	$	%
30 September 2024								
DIRECTORS								
Alexander Beard	300,000	–	–	28,032	–	–	328,032	–
Kevin Eley	43,836	–	–	4,877	–	–	48,713	–
Steven Doyle[1]	37,881	–	–	4,222	266,165	–	308,268	–
Angus Murnaghan[2]	43,836	–	–	4,877	–	–	48,713	–
Joseph Constable[3]	213,240	2,027	–	21,077	–	33,711	270,055	0.8
Total Directors	638,793	2,027	–	63,085	266,165	33,711	1,003,781	
EXECUTIVES								
Nicholas Atkinson	371,968	–	–	28,032	376,382	21,978	798,360	47.1
Phillip Christopher	371,968	–	–	28,032	245,707	22,664	668,371	36.8
Nishantha Seneviratne	271,417	–	–	28,032	–	7,997	307,446	–
Total Executives	1,015,353	–	–	84,096	622,089	52,639	1,774,177	
Total KMP Remuneration	1,654,146	2,027	–	147,181	888,254	86,350	2,777,958	
30 September 2023								
DIRECTORS								
Alexander Beard	300,000	–	–	25,819	–	–	325,819	–
Kevin Eley	43,836	–	–	4,658	–	–	48,494	–
Peter Miller	10,959	–	–	1,151	–	–	12,110	–
Cheryl Hayman	18,265	–	–	1,918	–	–	20,183	–
Angus Murnaghan	25,571	–	–	2,740	–	–	28,311	–
Joseph Constable	195,834	61,400	–	24,635	–	–	281,869	21.8
Total Directors	594,465	61,400	–	60,921	–	–	716,786	
EXECUTIVES								
Nicholas Atkinson	295,541	150,000	–	26,257	226,332	7,496	705,626	53.3
Phillip Christopher	303,874	250,000	–	25,912	126,264	7,589	713,639	52.7
Nishantha Seneviratne	151,667	50,000	–	15,949	–	2,732	220,348	22.7
Michael Bower	67,000	–	–	–	–	–	67,000	–
Total Executives	818,082	450,000	–	68,118	352,596	17,817	1,706,613	
Total KMP Remuneration	1,412,547	511,400	–	129,039	352,596	17,817	2,423,399	

(a) Short-term benefits
(b) Post-employment benefits
(c) Long-term benefits comprise employee share-based expense charged to the profit & loss during the year
(1) Steven Doyle was appointed as a non-executive director on 21 November 2023. Long-term incentives of $266,165 comprise share-based payments under the HNG employee share plan for his role as Executive Chair of Mountcastle
(2) Angus Murnaghan was appointed a non-executive director on 23 February 2023 appointed as a non-executive director on 21 November 2023 (Refer Note 21(b) for related party transactions)
(3) Joseph Constable ceased to be a director effective 30 April 2024

Relationship between remuneration policy and company performance

Short term incentives are largely determined with reference to net profit before tax of the Group, excluding unrealised revaluation gains. This criteria is important as it is one of the key factors used to determine dividend payments, with this profit measure approximating cash profits of the Group which would be available for distribution. This measurement basis is also reflective of Group performance under the Investment Entity basis of accounting adopted during the current financial year.

No portion of any incentive schemes are currently solely linked to the Company's share price.

There are currently no non-financial Key Performance Indicators (KPIs) which give rise to incentive payments.

With the change in basis of accounting in FY21 to investment entity basis, accounting profit comparisons post FY21 would more accurately reflect the Group's performance. Key measures for determining performance of the current year results are included in the review of operations and is not repeated in full here.

Financial Year	2020	2021	2022	2023	2024
Statutory NPAT ($000)	(12,699)	15,599	5,600	8,174	**4,907**
Adjusted NPBT ($000)	N/A	4,684	5,908	4,526	**5,125**
Share price at year end ($)	0.16	0.29	0.30	0.37	**0.32**
Ordinary dividends declared (cents)	–	1.00	1.50	1.50	**2.00**
Special dividends declared (cents)	–	–	0.50	–	**–**
Statutory Earnings per Share (cents)	(19.3)	11.6	2.7	3.7	**1.8**
Total Shareholder Returns (%)	(50%)	81%	10%	27%	**(7.7%)**

Non-executive director remuneration arrangements

Non-executive directors are not employed under employment contracts. Non-executive directors are appointed under a letter of appointment and are subject to election and rotation requirements as set out in the ASX Listing Rules and the Company's Constitution.

The remuneration of non-executive directors is determined by the full Board after consideration of Group performance and market rates for directors' remuneration. Non-executive director fees are fixed each year and are not subject to performance-based incentives.

The maximum aggregate level of fees which may be paid to non-executive directors is required to be approved by shareholders in a general meeting. This figure is currently $500,000 and was approved by shareholders at the Annual General Meeting on 5 February 2008.

Total non-executive directors' remuneration including superannuation paid at the statutory prescribed rate for the year ended 30 September 2024 was $405,394 (2023: $109,098) which is within the approved amount.

Key management personnel shareholdings

The key management personnel and their relevant interest in the fully paid ordinary shares of the Company as at year end are as follows:

30 September 2024	Opening balance	Additions	Disposals	Changes in KMPs	Closing balance	Of which Indirect interest
DIRECTORS						
Alexander Beard	25,694,554	6,477,778	–	–	32,172,332	22,453,830
Joseph Constable	425,872	527,500	(453,372)	(500,000)	–	–
Kevin Eley	3,677,240	–	–	–	3,677,240	3,677,240
Angus Murnaghan	1,500,000	–	–	–	1,500,000	1,500,000
Steven Doyle	-	13,579,563	–	-	13,579,563	6,079,563
EXECUTIVES						
Nicholas Atkinson	5,428,600	6,171,400	–	–	11,600,000	5,100,000
Phillip Christopher	2,676,730	6,500,000	–	–	9,176,730	1,000,000

The key management personnel and their relevant interest in the unquoted options of the Company as at year end are as follows:

30 September 2024	Opening balance	Purchases	Exercised	Changes in KMPs	Closing balance	Of which Indirect interest
DIRECTORS						
Alexander Beard	6,000,000	–	(6,000,000)	–	–	–
EXECUTIVES						
Nicholas Atkinson	500,000	–	(500,000)	–	–	–

The key management personnel and their relevant interest in the unquoted performance rights of the Company as at year end are as follows:

30 September 2024	Opening balance	Purchases	Disposals/ Cancelled	Changes in KMPs	Closing balance	Of which Indirect interest
EXECUTIVES						
Nicholas Atkinson	9,000,000	–	(3,500,000)	–	5,500,000	–
Phillip Christopher	4,500,000	–	–	–	4,500,000	–

Performance rights were restructured effective 1 January 2024 (refer to Performance Rights Note 6). As part of the restructure, 3.5 million performance rights of Mr Atkinson were cancelled. Remaining 5.5 million performance rights of Mr Atkinson and 4.5 million performance rights of Mr Christopher were vested effective 1 January 2024. No performance rights were exercised during the year ended 30 September 2024.

End of Audited Remuneration Report

Indemnification and insurance of directors and officers

The Company's Rules provide for an indemnity of directors, executive officers and secretaries where liability is incurred in connection with the performance of their duties in those roles other than as a result of their negligence, default, breach of duty or breach of trust in relation to the Company. The Rules further provide for an indemnity in respect of legal costs incurred by those persons in defending proceedings in which judgement is given in their favour, they are acquitted or the Court grants them relief.

During the year, the Company purchased Directors' and Officers' Liability Insurance to provide cover in the event a claim is made against the directors and officers in office during the financial year and at the date of this report, as far as is allowable by the *Corporations Act 2001*. The policy also covers the Company for reimbursement of directors' and officers' expenses associated with such claims if the defence to the claim is successful. The total amount of insurance premium paid and the nature of the liability are not disclosed due to a confidentiality clause within the agreement. As at the date of this report, no amounts have been claimed or paid in respect of this indemnity and insurance, other than the premium referred to above.

Auditors

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, UHY Haines Norton, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify UHY Haines Norton during or since the financial year.

Auditor independence and non-audit services

The directors have received a declaration signed in accordance with a resolution of the directors made pursuant to s.298(2) of the *Corporations Act 2001*, a copy of which can be found on page 32.

Non-audit services

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

A total of $18,020 (2023: $46,457) has been charged by UHY Haines Norton for the provision of non-audit services during the year in respect of taxation services.

Options

At the AGM on 24 February 2021 shareholders approved the issuance of 8,000,000 options to various parties who had participated in the Private Placement announced on 21 October 2020. 6.5 million of the options were issued to KMPs as disclosed in this remuneration report. Each option granted the holder the right to subscribe for 1 fully paid ordinary share in exchange for 15.0 cents cash, at any point prior to 24 February 2024. Accordingly, all unexercised options were exercised during the current financial year.

Rounding

The amounts contained in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) where noted ($000) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which the class order applies.

Signed in accordance with a resolution of the directors made pursuant to s.298(2) of the *Corporations Act 2001*.

Alexander (Sandy) Beard

Director

26 November 2024

UHY Haines Norton
Chartered Accountants

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Auditor's Independence Declaration

Under Section 307C of the *Corporations Act 2001*

To the Directors of Hancock & Gore Limited

As lead auditor for the audit of the financial report of Hancock & Gore Limited for the year ended 30 September 2024, I declare that to the best of my knowledge and belief, there have been:

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

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

UHY Haines Norton

Matthew Pope
Partner

UHY Haines Norton
Chartered Accountants

Sydney
Dated: 26 November 2024

3 Financial Report

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 September

	Note	2024 $'000	2023 $'000
Dividend income		5,022	3,791
Finance income	10	1,200	1,331
Funds management and other fee revenue		781	1,612
Other income		268	175
Revenue from continuing operations		7,271	6,909
Fair value gains on financial instruments at fair value through profit or loss	2	3,408	5,845
Administration and other expenses		(862)	(702)
Depreciation and amortisation expense	10	(130)	(134)
Employee benefit expenses	10	(3,302)	(2,925)
Finance costs	10	(500)	(12)
Occupancy expenses		(5)	(112)
Professional fees		(779)	(695)
Profit before income tax and acquisition costs		5,101	8,174
Income tax benefit/(expense)	11	1,061	–
Profit after income tax, before acquisition costs		6,162	8,174
Acquisition costs		(1,255)	–
Profit from continuing operations after income tax		4,907	8,174
Other comprehensive income, net of tax		–	–
Total comprehensive income from continuing operations attributable to owners of Hancock & Gore Ltd.		4,907	8,174

	Note	2024 Cents	2023 Cents
Earnings per share attributable to the ordinary equity holders of the Company:			
Basic earnings per share	5	1.8	3.7
Diluted earnings per share	5	2.0	3.5

Consolidated Balance Sheet

as at 30 September 2024

	Note	2024 $'000	2023 $'000
Assets			
CURRENT ASSETS			
Cash and cash equivalents	9	16,465	5,644
Trade and other receivables	12	583	1,245
Related party receivables	12	2,014	–
Prepayments		125	142
Financial assets at fair value through profit and loss	3b	21,230	11,858
Financial assets at amortised cost	3c	2,925	6,075
Total current assets		43,342	24,964
NON-CURRENT ASSETS			
Property, plant and equipment	13	9	13
Right-of-use assets	17	21	150
Intangible assets	14	712	712
Financial assets at fair value through profit and loss	3b	73,802	44,053
Financial assets at amortised cost	3c	347	324
Deferred tax assets	11	533	–
Total non-current assets		75,424	45,252
Total assets		118,766	70,216
Liabilities			
CURRENT LIABILITIES			
Trade and other payables	15	173	179
Lease liabilities	17	21	128
Deferred acquisition liability	18	8,514	–
Provisions	16	813	580
Total current liabilities		9,521	887
NON-CURRENT LIABILITIES			
Lease liabilities	17	–	22
Provisions	16	58	60
Total non-current liabilities		58	82
Total liabilities		9,579	969
Net assets		109,187	69,247
EQUITY			
Share capital	6	113,385	72,623
Reserves	19	23,537	24,359
Accumulated losses		(27,735)	(27,735)
Total equity		109,187	69,247

Consolidated Statement of Changes in Equity

for the year ended 30 September 2024

	Issued Capital	Profit Reserve	Option Reserve	Employee Share Scheme Reserve	Other Reserves	Accumulated Losses	Other Components of Equity	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 30 September 2022	**72,623**	**17,181**	**1,296**	**709**	**265**	**(24,651)**	**(3,349)**	**64,074**
Profit for the period	–	-	–	–	–	8,174	–	**8,174**
Total comprehensive income for the period	–	–	–	–	–	8,174	–	**8,174**
Transactions with owners in their capacity as owners:								
Issuance of Share Capital	–	–	–	–	–	–	–	**–**
Costs associated with issuance of shares	–	–	–	–	–	–	–	**–**
Share based payments	–	–	–	361	–	–	–	**361**
Dividends paid	–	(3,362)	–	–	–	–	–	**(3,362)**
	–	(3,362)	–	361	–	–	–	**(3,001)**
Transfer to profit reserves	–	8,174	–	–	(265)	(11,258)	3,349	**–**
Balance at 30 September 2023	**72,623**	**21,993**	**1,296**	**1,070**	**–**	**(27,735)**	**–**	**69,247**
Profit for the period	–	-		–	–	4,907	–	**4,907**
Total comprehensive income for the period	–	–	–	–	–	4,907	–	**4,907**
Transactions with owners in their capacity as owners:								
Issuance of Share Capital	42,099	–	(1,296)	–	–	–	–	**40,803**
Costs associated with issuance of shares	(1,337)	–	–	–	–	–	–	**(1,337)**
Share based payments	–	–	–	1,064	–	–	–	**1,064**
Dividends paid	–	(5,497)	–	–	–	–	–	**(5,497)**
	40,762	(5,497)	(1,296)	1,064	–	–	–	**35,033**
Transfer to profit reserves	–	4,907	–	–	–	(4,907)	–	**–**
Balance at 30 September 2024	**113,385**	**21,403**	**–**	**2,134**	**–**	**(27,735)**	**–**	**109,187**

Consolidated Statement of Cash Flows

for the year ended 30 September 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers		2,063	1,429
Payments to suppliers and employees		(5,266)	(3,982)
Dividends received		5,022	2,739
Interest received		910	994
Interest paid		(22)	(7)
Net cash inflow from operating activities	9	2,707	1,174
Cash flows from investing activities			
Proceeds from disposals of investments		7,295	20,498
Purchase of investments		(21,220)	(21,304)
Loans provided		–	(8,635)
Loans repaid		4,010	3,737
Payments for property, plant and equipment		(3)	(15)
Net cash (outflow) from investing activities		(9,918)	(5,718)
Cash flows from financing activities			
Proceeds from issuance of shares and before issue costs	6	26,494	–
Share issuance costs	6	(1,337)	–
Dividends paid		(5,497)	(3,362)
Payment of lease liabilities		(128)	(171)
Loans with related parties		(1,500)	13
Net cash inflow/(outflow) from financing activities		18,032	(3,520)
Net increase/(decrease) in cash and cash equivalents		10,821	(8,064)
Cash and cash equivalents at the beginning of the period	9	5,644	13,710
Cash and cash equivalents at end of the period	9	16,465	5,644

Notes to the Consolidated Financial Statements

for the year ended 30 September 2024

1 Corporate information

The consolidated financial statements of Hancock & Gore Ltd (the Company) and its subsidiaries (the Group) for the year ended 30 September 2024 were authorised for issue in accordance with a resolution of the directors on 26 November 2024.

Hancock & Gore Ltd is a for profit, limited liability, public company, incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange (ASX Code HNG).

The Group is principally engaged in investing in diversified asset categories, either as principal or as investment manager. The Company seeks to actively engage and support its investees.

The Group's principal place of business was Level 5, 107 Pitt Street, Sydney NSW 2000, Australia. As at 26 November 2024 the Group has relocated to Suite 11.02, Level 11, 68 Pitt Street, Sydney NSW 2000, Australia.

Further information on the nature of the operations and principal activities of the Group is provided in the Directors' report.

2 Profit and loss information

Significant profit and loss items

The Group has identified items which may be considered significant for providing a better understanding of the financial performance of the Group, due to their nature and/or amount.

a) Fair value gains on financial instruments at fair value through profit or loss

Fair value gains on financial instruments at fair value through profit or loss, as shown in the statement of profit or loss, includes both realised and unrealised gains on both listed and unlisted assets and liabilities. Given its size and nature, further information is provided below:

	2024 $'000	2023 $'000
Realised gains/(losses) on disposals of unlisted investments		
T-Shirt ventures	89	–
Other	1	68
	90	68
Realised gains/(losses) on disposals of listed investments	1,280	1,768
Unrealised gain/(losses) on revaluation of unlisted investments		
Mountcastle Group(1)	1,294	4,496
Disruptive Packaging	2,817	–
Hyde Road Property	–	1,887
SPOS Group	–	(790)
T-Shirt Ventures/Provider Choice	(41)	–
Other unlisted financial instruments	5	(32)
	4,075	5,561
Unrealised gains/(losses) on listed investments	(2,037)	(1,552)
Total fair value gains on financial instruments at fair value through profit or loss	3,408	5,845

(1) Asset swap of the Hyde Rd property as partial consideration for the acquisition of Mountcastle generated a gain of $1,294,000. This transaction being part of the acquisition of Mountcastle, was recognised as an unrealised gain on acquisition.

3 Financial assets and financial liabilities

(a) Categories of financial instruments

Details of financial assets and liabilities contained in the consolidated financial statements are as follows:

	Note	2024 $'000	2023 $'000
Financial assets			
Cash and cash equivalents	9	16,465	5,644
Trade and other receivables	12	583	1,247
Related party receivables	12	2,014	–
Financial assets at fair value through profit and loss	3b	95,032	55,911
Financial assets at amortised cost	3c	3,272	6,399
		117,366	69,201
Financial liabilities			
Trade and other payables	15	173	629
Lease liabilities	17	21	150
		194	779

b) Financial assets at fair value through profit or loss

	Note	2024 $'000	2023 $'000
Current assets			
Listed equities	3d	16,427	11,858
Unlisted equities	3d	4,803	–
		21,230	11,858
Non-current assets			
Unlisted equities	3d	71,302	41,553
Unlisted convertible notes	3d	2,500	2,500
		73,802	44,053
		95,032	55,911

Changes in fair value of financial assets at fair value through profit or loss are recorded in the Statement of Profit or Loss in their own category. Refer Note 2.

Fair value

The fair value of the listed securities is based on their closing prices in an active market.

Unlisted securities, units and convertible notes are not traded in inactive markets. Directors use a variety of methods to determine fair value based on the characteristics and circumstances surrounding each investment. External expert valuation advice may also be sought.

Methods applied and adopted in these financial statements include reference to:

- observable transaction valuations where equity in the investee has recently traded or is expected to be traded;
- known transaction values where the Company has entered, or expects to enter, into a contract of sale;
- reported net asset value pricing; and
- Capitalisation of Future Maintainable Earnings (CFME).

Risk exposure and fair value measurements

Information about the Group's exposure to risk is provided in note 3(f).

For further information about the methods and assumptions used in determining fair value refer to note 3(d).

c) Financial assets at amortised cost

	Note	2024 $'000	2023 $'000
Current assets			
Loan receivables		2,925	6,075
Non-current assets			
Loan receivables		347	324
		3,272	6,399

Loans receivable as at 30 September 2024 generate interest returns between 10–16% (2023: 10–16%).

d) Fair value measurements of financial instruments

Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards.

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

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

3 Financial assets and financial liabilities continued

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the last sale price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If any of the significant inputs are not based on observable market data, the instrument is included in level 3.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. In 2024 the Group transferred an investment in unlisted equities (Disruptive Packaging Trust) from level 3 into level 2 as the investment was valued in accordance with a substantial third party transaction not in an active market. There were no significant unobservable inputs to the valuation in 2024.

Assets and liabilities at fair value by hierarchy as at 30 September 2024

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Listed equities	16,427	–	–	16,427
Unlisted equities	–	8,156	67,949	76,105
Fixed income investments	–	–	2,500	2,500
Total financial assets at fair value	16,427	8,156	70,449	95,032

Assets and liabilities at fair value by hierarchy as at 30 September 2023

Financial assets at fair value at 30 September 2023:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Listed equities	11,858	–	–	11,858
Unlisted equities	–	–	41,553	41,553
Convertible note securities	–	–	2,500	2,500
	11,858	–	44,053	55,911

The following table presents the changes in level 3 items for the periods ended 30 September 2024 and 30 September 2023:

	Fixed income investments $	Unlisted equities $	Total $
Opening balance 1 October 2022	1,575	31,490	33,065
Acquisitions	2,700	5,112	7,812
Disposals	(1,820)	(400)	(2,220)
Unrealised gains / (losses)	–	5,561	5,561
Realised gains / (losses)	45	23	68
Closing balance 30 September 2023	2,500	41,786	44,286
Acquisitions	–	30,304	30,304
Disposals	–	(150)	(150)
Unrealised gains/(losses)	–	4,075	4,075
Realised gains/(losses)	–	90	90
Transfers to level 2	–	(8,156)	(8,156)
Closing balance 30 September 2024	**2,500**	**67,949**	**70,449**

Fair value measurements using significant unobservable inputs (level 3)

Specific valuation techniques

Specific valuation techniques used to value used to determine fair values of level 3 assets include:

- financial assets are initially valued at cost where those investments have been made in close proximity to balance date, and the investment opportunity is determined to have been at arms-length as part of a broader capital raising approach by the investee;
- shares in unlisted entities with a history of generating profits have been subsequently revalued based on a capitalisation of future maintainable earnings methodology, having regard to observable comparable transactions or quoted prices for similar enterprises;
- shares in unlisted entities where a sale price has been agreed and deferred consideration receivable have been valued based on a discounted cash flow for the expected amounts and timing of receipts;
- derivative financial assets and liabilities are valued using option pricing modelling;
- valuations of all financial assets and liabilities are finally cross-checked in light of any subsequent specific valuation information arising, including:
  - latest pricing inherent in capital raising activity by an investee company;
  - latest pricing inherent in actual or proposed transactions in the financial instruments of an investee company; and
  - changes in circumstances affecting the investee company.

3 Financial assets and financial liabilities continued

Valuation processes

Key level 3 inputs used by the Group in measuring the fair value of financial instruments have been derived and evaluated as follows:

- Future maintainable earnings: these are assessed based on historical earnings performance and board approved budgets and forecasts, after adjusting for non-recurring or significant one-off items, and typically are only up to 12 months in advance.
- Capitalisation rates: these are determined using a comparator group of publicly available transactions, adjusted for relevant factors such as control premiums or minority discounts, liquidity discounts and market size.

Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the material significant unobservable inputs used in level 3 fair value measurements for the unlisted shares as at 30 September 2024:

Investment	Valuation $'000	Basis of Valuation	Material Unobservable Inputs	Inputs Used	Relationship of unobservable inputs to fair value
Mountcastle Group (100% interest)	60,700	Capitalisation of future maintainable earnings, adjusted for net debt and surplus assets	Future maintainable earnings	$10.3m (2023: $13m)	+/- 10% change would result in a change in fair value of +/- $8.5m
			Capitalisation multiple*	8.2x (2023: 5.4x)	A change in the multiple of +/- 0.5x would result in a change in fair value of +/- $5.2m
T-Shirt Ventures (<5%)	2,446	Share of Net asset backing reflecting carrying value of investment	Net Asset Value	$5.26 per unit (2023: $5.26 per unit)	+/- 10% movement would result in a change in fair value of units by +/- $0.2m (2023: $0.2m)
QRT Fund (<5%)	2,300	Share of Net asset backing reflecting carrying value of investment	Future profit participation	$1.15 per unit	+/- 10% movement would result in a change in fair value of units by +/- $0.23m
QRT Finance Trust	2,503	As Above	As Above	Nil	A $2m profit participation entitlement would increase the valuation by $0.1m.
Fixed income investments	2,500	Value at expected redemption amount	n/a	n/a	n/a
Total	70,449				

(*) Change in multiple is primarily relating to removal of control & marketability discounts due to HNG acquiring a 100% interest.

e) Maturities of Financial liabilities

The following table details the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay and includes both principal and interest cash flows.

	Trade and other payables $'000	Related party payables $'000	Finance lease liabilities $'000	Total $'000
2024				
Less than 1 year	173	8,514	21	**8,708**
1–2 year	–	–	–	**–**
2–3 years	–	–	–	**–**
Total	173	8,514	21	**8,708**
2023				
Less than 1 year	639	–	128	**767**
1–2 year	–	–	22	**22**
2–3 years	–	–	–	**–**
Total	639	–	150	**789**

Deferred liability relates to the balance consideration payable on the acquisition of Mountcastle under the Share Purchase Agreement between HNG and Sellers dated 26 September 2023 (SPA), and subsequent variation on 23 July 2024. Balance at 30 September 2024 comprise of $5 million cash consideration payable by 31 March 2025, which accrues interest at 6% pa, and $3.5 million loan in relation to Hyde Road Trust payable by 30 June 2025, which accrues interest at 7% pa.

Trade and other payables are not interest bearing. The weighted average interest rate inherent in the finance lease liabilities is 4.4% (2023: 4.4%).

f) Capital management

The Group seeks to manage its capital to ensure that it has sufficient funding to pursue its preferred investment opportunities, without holding excessive low yielding cash balances, and thereby deliver increased value to shareholders.

The capital structure is reviewed regularly and is balanced through the payment of dividends and on-market share buy-backs as well as the level of debt.

The capital structure consists of net debt, which includes any borrowings less cash and cash equivalents, and total equity, which includes issued capital (Note 6), reserves (Note 19) and accumulated losses/retained earnings.

Financial risk management

The activities of the Group expose it to a variety of financial risks, primarily related to liquidity risk, market risk and credit risk.

The Group's risk management program works to minimise material potential negative impacts on the financial performance of the Group.

3 Financial assets and financial liabilities continued

Liquidity risk

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

The Group's major cash payments are the purchase of investments and operating expenses (which are managed by executives) and dividends paid to shareholders (which are determined by the Board).

Major cash receipts are dependent upon the level of sales of securities and any dividends and interest receivable, or other capital management initiatives that may be implemented by the Board from time to time such as capital raisings.

Senior management monitors the Group's cash flow requirements by reference to known sales and purchases of securities, dividends, and interest to be paid or received.

The Group seeks to ensure it always holds sufficient cash to enable it to meet all payments. Furthermore, the Group maintains a portfolio of ASX listed equities including liquid stocks which can generally be sold on market when and if required.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and other price risks, will affect the fair value or future cash flows of the Company's financial instruments.

By its nature, as a company that invests in tradable securities, the Company will always be subject to market risk, as the market price of these securities can fluctuate.

Other price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

As a significant proportion of the Company's investments are carried at fair value with fair value changes recognised in profit or loss, all changes in market conditions can directly affect net investment income.

The Group seeks to manage and reduce price risk by diversification of the investment portfolio across numerous stocks and multiple industry sectors. However, there are no formalised parameters which specify a maximum amount of the portfolio that can be invested in a single company or sector.

The Group has minimal exposure to direct movements in interest rates.

Credit risk

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

The maximum exposure to credit risk on financial assets, excluding investments of the Company which have been recognised on the Balance Sheet, is the carrying amount net of any expected credit losses.

Credit risk is not considered to be a major risk to the Company as the cash held by the Company is invested with major Australian banks. In addition, credit risk on trading in listed securities is minimised due to these trades primarily occurring 'on market' on the Australian Securities Exchange.

g) Accounting policies

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Debt instruments, with cash flows that are solely payments of principal and interest, are classified at amortised cost unless they are designated at fair value through profit or loss on initial recognition where doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of comprehensive income within the profit and loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Derivative assets and liabilities

Where the acquisition of an investment includes a put or call option for the Group to acquire the shares of a minority shareholder, an asset or liability is recognised equal to the fair value of the option calculated under the Binomial method. Movements in the value of the option are taken directly to profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime expected credit losses for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3 Financial assets and financial liabilities continued

Fair value measurement

The Group measures financial instruments such as derivatives at fair value at each balance sheet date.

Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

4 Dividends

a) Dividends paid during the year:

	2024 $'000	2023 $'000
Fully franked final dividend of 1.0 cent per share for the year ended 30 September 2023 paid on 21 December 2023 (2023: fully franked 1.0 cent per share paid on 12 December 2022)	2,409	2,254
Fully franked interim dividend of 1.0 cents per share for the year ended 30 September 2024 paid on 13 June 2024 (2023: fully franked 0.5 cents per share paid on 13 June 2023)	3,244	1,127
No special dividend paid for the year ended 30 September 2024 (2023: fully franked 0.5 cents per share paid on 30 September 2023)	–	–
Total dividends	5,653	3,381
Amounts retained on employee loan funded share plans	(156)	(19)
Dividends paid	5,497	3,362

b) Dividends proposed but not recognised as a liability as at 30 September:

	2024 $'000	2023 $'000
Fully franked final dividend of 1.0 cent per share for the year ended 30 September 2024 payable on 20 December 2024 (2023: fully franked 1.0 cent per share paid on 21 December 2023)	4,767	2,254

c) Franking account

The amount of franking credits available for the subsequent financial year are:

	2024 $'000	2023 $'000
Franking account balance as at the end of the financial year at 30% (2023: 25%)	15,578	8,037
Franking debits that will arise from the payment of dividends subsequent to the end of financial year	(2,043)	(751)
	13,535	7,286

d) Accounting policies

The Company recognises a liability to pay cash or make non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity.

5 Earnings per share

	2024 Cents	2023 Cents
Basic earnings per share		
From continuing operations attributable to the ordinary equity holders of the company	1.8	3.7
Diluted earnings per share		
From continuing operations attributable to the ordinary equity holders of the company	2.0	3.5

a) Reconciliations of earnings used in calculating earnings per share

	2024 $'000	2023 $'000
Earnings used in calculating Basic earnings per share		
Profit from continuing operations after income tax	4,907	8,174
Deduct profit attributable to non-controlling interests	–	–
Profit from continuing operations after income tax attributable to equity holders of the parent	4,907	8,174
Earnings used in calculating Diluted earnings per share		
Used in calculating basic earnings per share	4,907	8,174
Add back: costs not incurred for share-based payments	1,001	361
Earnings used in calculating diluted earnings per share	5,908	8,535

b) Weighted average number of shares used as the denominator

	2024 Number	2023 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	280,298,172	223,034,200
Adjustments for calculation of diluted earnings per share:		
Options issued not exercised	–	3,518,518
Performance rights and employee loan funded share plan	14,370,219	14,382,787
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	294,668,391	240,935,505

Further information on the potentially dilutive equity instruments can be found in note 6.

6 Issued capital

a) Movements in ordinary shares

Movement in share capital	2024 No. of Shares	2024 $'000	2023 No. of Shares	2023 $'000
Opening balance	225,362,325	72,623	225,362,325	72,623
Issued under capital raising	78,677,154	25,444	–	–
Acquisition of Mountcastle	36,602,824	14,309	–	–
Share issue costs	–	(1,337)	–	–
Employee loan funded share plan	24,750,000	–	–	–
Transfer from option reserve	–	1,296	–	–
Options exercised	7,000,000	1,050	–	–
Balance as at 30 September	372,392,303	113,385	225,362,325	72,623

b) Movements in ordinary shares during the year

Company issued a total 36,602,824 shares as partial consideration for the acquisition of Mountcastle Pty Ltd during the year, 15,000,000 shares were issued on 3 November 2023 and ratified by shareholders at an Extraordinary General Meeting on 23 November 2023 and a further 21,602,824 shares were issued on 1 March 2024 with shareholder approval following the Company's AGM on 15 February 2024.

On 12 December 2023, the Company issued 30,402,509 shares under a Placement at 36 cps and raised $10.3 million net of costs. A further 277,778 shares were issued to a Director of the Company and $100,000 raised on 4 March 2024 under this placement following shareholder approval at the Company's AGM on 15 February 2024.

On 12 September 2024, the Company issued 47,996,867 shares under a placement at 30 cps and raised $13.7 million net of costs to fund the upfront consideration for the acquisition of Schoolblazer Limited.

A total of 7 million options were exercised during the year at 15cps and raised $1,050,000. These options were issued at the AGM on 24 February 2021, the details of which are disclosed in Note 6 below. 500,000 options were exercised on 10 November 2023 and 6,500,000 on 1 March 2024.

On 15 March 2024, the Company issued 22 million unlisted shares under the Employee Loan Funded Share Plan at 36 cps, whereby a loan is provided to the employees to acquire the shares. The issue of Employee Loan Funded shares and its terms were approved by the shareholders at the Company's AGM on the 15 February 2024. Due to the structure of these loan agreements, these shares are accounted for as options and their grant value is expensed over their vesting period. A further, 2,750,000 unlisted shares were issued under the Employee Loan Funded Share Plan on 14 May 2024 at 36 cps to HNG group employees.

(2023: No additional shares or options were issued during the year ended 30 September 2023)

c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and on a poll each share is entitled to one vote.

6 Issued capital
continued

d) Employee Loan Funded Share Plan (ELFSP)

The Company has established an Employee Loan Funded Share Plan (ELFSP). Under the plan, selected executives are invited to join the ELFSP whereby they are issued with ordinary shares in the Company, offset by an unsecured, interest free loan from the Company.

The loans are limited recourse, meaning that if the market value of the Shares is less than the loan value at the end of the term of the loan, the Participant will not need to repay the remaining loan balance out of their own funds.

The loans are repayable in full on the earlier of the loan Maturity Date agreed at the time the loan is made; the shares being acquired by a third party under a takeover bid or similar; the Participant ceasing employment with the Group or becoming insolvent or subject to bankruptcy proceedings; or on the date the Participant and the Company otherwise agree.

A summary of the movement in the number of shares held and the value of loans outstanding under the ELFSP during the year ended 30 September 2024 is as follows:

	Number of Shares	Total $'000
Balance as at 30 September 2023	2,328,125	448
Loans made under the ELFSP during the year	24,750,000	8,910
Loan repayments from ceasing of employment	(328,125)	(63)
Loan repayments from dividends retained	–	(156)
Balance as at 30 September 2024	26,750,000	9,121

As the loans are limited recourse, no amounts are recognised within receivables or shares capital at issue of the ELFSP shares and they are not included within the calculation of Basic Earnings per Share. The ELFSP shares are included in the calculation of Diluted Earnings Per Share.

e) Options

On 24 February 2021, the Company issued 8,000,000 options to various parties who had participated in the private placement announced on 21 October 2020.

Each option grants the holder the right to subscribe for 1 fully paid ordinary share in exchange for 15.0 cents cash, at any point prior to 24 February 2024. The options hold no voting or dividend rights.

1,000,000 options were exercised in the year ended 30 September 2022, and all remaining 7,000,000 options were exercised during the year ended 30 September 2024.

f) Performance Rights

The Company granted 13,500,000 performance rights in total to two employees in the 2021 financial year. During the year, HNG Long Term Incentive (LTI) Plan was re-structured to better incentivise executive performance whilst aligning with the interest of the Company. As part of the restructure, a total of 10 million performance rights were vested on 1 January 2024 and 3.5 million of the original performance rights were cancelled (Refer to the Remuneration Report for details). A total of 10 million performance rights remained unexercised as at 30 September 2024 (2023: 13,500,000 performance rights).

No performance rights were exercised during the year ended 30 September 2024.

The performance rights are included in the calculation of Diluted Earnings Per Share.

g) Share-based payments

Total expenses arising from share-based payment transactions, recognised during the year as part of employee benefit expense, were as follows:

	2024 $'000	2023 $'000
Employer loan funded share plan	589	65
Performance rights	412	296
	1,001	361

7 Business combinations

a) Changes in controlled entities within the investment entity

The Group reports as an investment entity, as defined in the accounting standards. Accordingly, only those controlled entities whose main purpose and activities relate to the investment activities of the Group are consolidated, and other controlled entities are instead shown as investments held at fair value.

Details of controlled entities that are not consolidated as part of the investment entity are included in Note 26.

b) Accounting policy

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

8 Events occurring after the reporting period

On 3 September 2024, HNG entered into a binding agreement to acquire 100% of United Kingdom Based Schoolblazer Limited (Schoolblazer), at an equity value of £31m (~A$60m), subject to shareholder approval. Shareholder approval was obtained at the General Meeting held on the 8 October 2024. Transaction consideration comprised of:

- cash consideration of £17m (~A$33m) – with £8m (~A$15.5m) to be paid on completion and £9m (~A$17.5m) to be paid 12 months after completion; and
- issue of 90.7m new HNG shares at an issue price of $0.30 per share for a value of £14m (~A$27.2m) to be escrowed for two years from completion.

At the HNG General Meeting held on the 8 October 2024, shareholders approved the issue of 90.7m HNG ordinary shares to the Schoolblazer vendors. Following shareholder approval, HNG completed the acquisition of Schoolblazer effective 12 October 2024 and announced the merger of Schoolblazer with HNG's 100% owned subsidiary Mountcastle Group.

On 26 November 2024, the Company declared a fully franked final dividend in respect of the financial year end 30 September 2024 of 1.0 cents per share payable on 20 December 2024. Dividend reinvestment plan will be in operation for this dividend. Last date to participate in the DRP for the final dividend is 9 December 2024.

There have been no other significant events occurring after the balance date which may affect either the Group's operations or results of those operations or the Group's state of affairs.

9 Cash flow information

a) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	2024 $'000	2023 $'000
Cash at banks and on hand	16,465	5,644
Cash and cash equivalents	16,465	5,644

b) Reconciliation of profit after income tax to net cash inflow from operating activities:

	2024 $'000	2023 $'000
Profit from continuing operations after income tax	4,907	8,174
Adjustments to reconcile profit before tax to net cash flows:		
Net (gains) on assets and liabilities at fair value through profit or loss	(3,409)	(5,845)
Non-cash employee benefits expense – share-based payments	1,064	361
Depreciation and amortisation	130	134
In specie Dividends	–	(966)
Offset interest income/expenses	61	(224)
Changes in assets and liabilities:		
decrease/(increase) in trade receivables	767	(489)
decrease/(increase) in prepayment	17	(29)
(increase)/decrease in deferred tax assets	(1,060)	–
decrease/(increase) in trade creditors	251	(488)
(increase)/decrease in other provisions	(21)	546
Net cash (outflow) from operating activities	2,707	1,174

c) Accounting policies

For purposes of the cash flow statement, cash includes deposits at call which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

10 Other income and expense items

a) Expenses information

	2024 $'000	2023 $'000
Depreciation and amortisation expensed to profit and loss		
Plant and equipment	6	14
Right of use asset	124	120
	130	134
Employee benefit expenses		
Salary and wages	1,600	1,901
Superannuation expense	196	127
Directors' fees	426	439
Share based payments	1,001	361
Other	79	97
	3,302	2,925

b) Finance income and costs

	2024 $'000	2023 $'000
Finance income		
Finance institutions	295	230
Financial assets at amortised cost	905	1,101
	1,200	1,331
Finance costs		
Finance institutions – interest expenses and line fees	496	6
Interest on lease liabilities	4	6
Finance costs expensed	500	12
Net finance income	700	1,319

c) Accounting policies

Revenue is measured at the fair value of the consideration received or receivable, taking into account any discounts, allowances and GST.

Dividend income

Dividend income is recognised on receipt.

Finance income

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Funds management income

Funds management income includes establishment, management, performance and other fees.

Establishment fees are recognised when an investment vehicle has been formally established and the right to the income is achieved.

Management fees are recognised on a monthly basis as they accrue.

Performance fees are recognised based on the amounts that would be payable at a reporting date if it was the end of each performance fee calculation period.

Rental income

Rental income is recognised on a daily basis on a straight-line basis.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except when the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs are expensed in the period in which they occur.

11 Income tax

a) Income tax expense

	2024 $'000	2023 $'000
Current tax		
Current income tax	–	–
Adjustments in respect of current income tax of previous year	–	–
	–	–
Deferred income tax		
Relating to origination and reversal of temporary differences	(698)	–
Decrease/Increase (reduction) in tax rate	(32)	–
Recognition of previously unrecognised tax losses	(171)	–
Recognition of previously unrecognised (derecognition of previously recognised) deductible temporary differences	(160)	–
Income tax expense reported in statement of profit or loss	(1,061)	–

b) Numerical reconciliation of income tax expense to prima facie tax payable

	2024 $'000	2023 $'000
Profit from continuing operations before income tax expense	3,846	8,174
Tax at the Australian tax rate of 30%	1,154	2,043
Increase (reduction) in tax rate	(32)	–
Non deductible expenses	582	92
Other assessable income	54	832
Non assessable items	(1,919)	(198)
Fully franked dividends received	(181)	(698)
Revenue losses recognised during year	–	(1,159)
Capital losses recognised during year	–	(6)
Recognition of previously unrecognised tax losses	(171)	–
Recognition of previously unrecognised capital losses	(388)	–
Recognition of previously unrecognised (derecognition of previously recognised) deductible temporary differences	(160)	–
Deferred tax items recognised during the year	–	(906)
Income tax expense/(benefit) at the effective income tax rate of 30% (2023: 25%)	(1,061)	–

c) Deferred tax

Deferred tax comprises:

	2024 $'000	2023 $'000
Deferred tax assets	626	–
Deferred tax liabilities	(93)	–
Net deferred taxes	533	–

d) Movements in net deferred tax

Movements in net deferred taxes during the year were:

	Provisions $'000	Investments $'000	Plant and equipment $'000	Right of use assets $'000	Lease liabilities $'000	Tax losses carried forward $'000	Other $'000	Total $'000
Balance at 30 September 2023	159	(2,348)	–	(48)	37	2,228	(28)	–
(Charges)/credits to profit or loss	114	2,395	–	42	(31)	(2,218)	231	533
Balance at 30 September 2024	273	47	–	(6)	6	10	203	533

e) Tax losses

The Group had accumulated capital losses of $27.4 million and revenue losses of $23.1 million from prior years. The utilisation of these losses are subject to satisfaction of utilisation rules in future periods, which are the Continuity of Ownership Test, or failing that, the Business Continuity Tests. On the basis limited information are available to confirm the satisfaction of these rules for losses generated prior to the 2022 income year, the Group has only recognised the tax benefit relating to $0.6m of revenue losses which are recouped in the current period. The Group has not recognised tax benefits relating to the accumulated capital losses on the basis it cannot be determined with sufficient certainty the Group will satisfy the loss utilisation rules in the future.

f) Significant estimates

The Group has historically not recognised deferred tax assets in relation to tax timing adjustments and carried forward tax losses on the basis the requirement to recognise the associated deferred tax asset is not met (see note 'g'). On acquisition of the Mountcastle Group, it is expected the Group will have sufficient taxable profits going forward such that it is probable the deferred tax assets can be utilised. Accordingly, the Group will recognise deferred tax assets of $0.6m and deferred tax liability of $0.1m, producing a net deferred tax asset of $0.5m, arising from current period tax timing adjustments.

11 Income tax
continued

g) Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss.

Deferred tax

Deferred tax is determined using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a taxable temporary differences arising from goodwill does not give a rise to the recognition of deferred tax liability.

Deferred tax assets are recognised for all deductible temporary differences, and unused tax credits and unused tax losses can be forward if it is probable that taxable profit will be available for utilisation.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Tax consolidation legislation

In March 2024, the Group finalised the acquisition of the Mountcastle Group. As result of the acquisition, the Mountcastle Group joined the Group's tax consolidated group as subsidiary members.

The Company and its wholly-owned Australian controlled entities including the recently acquired Mountcastle Group are consolidated for income tax purposes, and has entered into tax funding and tax sharing agreements.

The head entity, Hancock & Gore Ltd and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone taxpayer in its own right, adjusted for intercompany transactions.

In addition to the current and deferred tax amounts, the Company also recognises the current tax liabilities (or assets) and the deferred tax assets from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities, recorded at the tax equivalent amount, arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the group.

12 Trade and other receivables

	2024 $'000	2023 $'000
Current:		
Trade receivables	264	1,200
Provision for expected credit losses	(29)	(29)
Trade receivables	235	1,171
Other receivables	348	74
Trade and other receivables	583	1,245
Loans to related parties	2,014	–
Total receivables	2,579	1,245

Loans to related parties mainly comprised amounts receivable from Mountcastle. Information relating to loans to related parties and key management personnel is set out in note 21.

a) Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

b) Allowance for expected credit losses

The Group measures the loss allowance for trade receivables at an amount equal to the lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group has historically had immaterial levels of credit losses which have resulted in non-recovery of amounts outstanding from trade receivables. Recognition of an expected credit loss in the provision for doubtful debts is based predominantly on the estimated recoverability of specific long overdue debtor balances. A provision is raised against debtors to reflect historical loss experience on debtors with similar characteristics. The trade receivable is retained on the balance sheet net of the expected credit loss provision pending the outcome of any recovery activities.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off remain subject to enforcement activities.

13 Property, plant and equipment

	2024 $'000	2023 $'000
Plant and equipment		
Gross value	49	47
Accumulated depreciation	(40)	(34)
Net carrying value	9	13

a) Movements during the year

	Plant and equipment $'000
Net book amount at 30 September 2023	13
Derecognition on deconsolidation	–
Additions	2
Depreciation charge	(6)
Net book amount at 30 September 2024	**9**

b) Accounting policies

Plant and equipment and rental equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Revaluation, depreciation methods and useful lives

Items of plant and equipment are depreciated over their estimated useful lives using the straight line or reducing balance methods. The estimated useful lives and depreciation methods are reviewed at the end of each reporting period.

The cost of improvements to or on leasehold properties is depreciated over the lesser of the period of the lease or the estimated useful life of the improvement.

The following estimated useful lives are used in the calculation of depreciation:

- Plant and equipment 3 to 10 years
- Rental equipment 1 to 7 years

14 Intangible assets

	2024 $'000	2023 $'000
Intangible assets		
Goodwill	712	712
Impairment	–	–
Net carrying value of Goodwill	712	712

a) Movements during the year

	Goodwill $'000
Net book amount at 30 September 2023	712
Net book amount at 30 September 2024	**712**

b) Allocation of goodwill

Goodwill at 30 September 2024 relates solely to the acquisition of Supervised Investments Australia Ltd (now H&G Investment Management Ltd) on 24 March 2021.

c) Impairment testing

Determining whether goodwill is impaired requires an estimation of the value in use (VIU) of the cash generating units (CGU) to which goodwill has been allocated. The VIU calculation requires estimation of the future cash flows expected to arise from the cash generating unit, and application of a suitable discount rate to calculate present value.

The Company has undertaken an impairment assessment to compare the recoverable amount of each CGU to its carrying value, using a VIU approach.

The key assumption for the impairment assessment is the growth of Funds under Management (FUM) over the forecast period through investment performance and new investor subscriptions in existing and new investment entities.

These initiatives combined with strong investment returns in the funds, have seen both management and performance fees generated exceed initial estimates. A pre-tax discount rate of 15.0% has been used for the calculation.

The impairment calculation is most sensitive to the assumption of investment performance. If investment performance was only 61% of forecast annual return, the carrying value of goodwill would approximate fair value per the VIU calculation.

14 Intangible assets
continued

d) Accounting policies

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates and adjusted on a prospective basis. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired.

If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

15 Trade and other payables

	2024 $'000	2023 $'000
Current:		
Trade payables and other payables	173	179
Total payables	173	179

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Further information relating to loans to related parties and key management personnel is set out in note 21.

16 Provisions

	2024 $'000	2023 $'000
Current		
Employee benefits	111	580
Acquisition costs	702	–
	813	580
Non-current		
Employee benefits	58	60

Accounting policies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

A provision is recognised at the present value of the estimated expenditure required to remove any leasehold improvements.

Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, bonus, annual leave and long service leave when it is probable that settlement will be required and are capable of being measured reliably. Employee benefits expected to be settled wholly within 12 months are measured at their nominal values using the remuneration rate expected to apply at time of settlement. Employee benefit provisions, which are not expected to be settled wholly within 12 months, are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to the reporting date.

Contributions to defined contribution superannuation plans are expensed when incurred.

17 Leases

a) Right of use assets

	2024 $'000	2023 $'000
Property leases	193	193
Accumulated depreciation	(172)	(43)
	21	150

b) Movements in right of use assets during the year

	Property leases $'000
Net book amount at 30 September 2023	150
Derecognition on deconsolidation	–
Additions	–
Depreciation charge	(129)
Net book amount at 30 September 2024	**21**

c) Lease liabilities

	2024 $'000	2023 $'000
Current	21	128
Non-current	–	22
	21	150

d) Amounts recognised in statement of profit or loss

	2024 $'000	2023 $'000
Interest expense on lease liabilities (included in finance costs)	4	6
Expense relating to short-term leases and low value assets (included in administration and other expenses	–	60
	4	66

e) Accounting policies

Right-of-use-assets

The Group recognises right-of-use assets at the commencement of the lease (i.e. the date the underlying asset is available for use). The initial measurement of right-of-use assets includes the amount of liabilities recognised and lease payments made at or before the commencement date, less any incentives received. Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities.

Unless the Group is reasonably certain to obtain the ownership of the leased asset at the end of the lease term, the right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment assessments under AASB 136 Impairments of Assets.

Lease liabilities

At the commencement of a lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees. The lease payments also include renewal periods where the Group is reasonably certain to exercise the renewal option.

The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term lease and leases of low-value assets

The Group applies a recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies a recognition exemption to leases that are considered of low value.

Lease payments on short-term and low-value leases are recognised as expense on a straight-line basis over the lease term.

Judgements in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

After initial recognition, the Group reassesses the lease term if there is a significant event or change in circumstances that are within its control and affects its ability to exercise (or not to exercise) the option to renew.

18 Deferred Acquisition Liability

Deferred acquisition liability relates to the partial consideration for the acquisition of Mountcastle Pty Ltd under the Share Sale and Purchase Agreement (SPA) entered between HNG and a Mountcastle vendors in September 2023.

Deferred consideration comprised Hyde Road loan facility of $3,610,080 at the loan maturity date of 30 June 2025, interest on the loan facility payable as and when the interest becomes due, and a deferred payment of $5,000,000 payable on 1 November 2024. Subsequent variations to the SPA were agreed between HNG and the Mountcastle vendor, and accordingly, Hyde Road loan maturity date was amended to 31 March 2025 and deferred payment terms amended to include repayment of $100,000 on 1 November 2024, $100,000 on 3 February 2025 and $4,800,000 on 30 June 2025. Additionally, interest will be payable by HNG at a rate of 6% per annum on the unpaid balance of the deferred payment from 1 November 2024 onwards. Total deferred acquisition liability balance as at the balance date amounted to $8,514,000 (2023: Nil). As the maturity period of the liability was greater than 12 months, at inception it was recorded at present value using an appropriate discount rate, with interest expense recorded as the liability approaches maturity. $190,000 was recorded in finance costs during 2024.

19 Reserves

	2024 $'000	2023 $'000
Profit reserve	21,403	21,993
Option reserve	–	1,296
Share based payments reserve	2,134	1,070
	23,537	24,359

The Profit reserve represents amounts appropriated from annual profits and kept segregated to allow for ongoing dividend payments.

The Option reserve represents the fair value of options granted over Company shares as payment for capital raising services.

The Share Based Payments reserve represents the expense recognised in relation to share related dealings with employees, including Performance Rights and the Employee Loan Funded Share Plan.

20 Parent entity financial information

	2024 $'000	2023 $'000
Balance sheet		
Current assets	36,396	15,830
Non-current assets	82,373	54,255
Total assets	118,769	70,084
Current liabilities	9,524	804
Non-current liabilities	58	33
Total liabilities	9,582	837
Net assets	109,187	69,247
Issued capital	113,385	72,623
Reserves		
Profit reserve	37,261	37,851
Option reserve	–	1,296
Share based payment reserve	2,134	1,070
Retained profits and accumulated losses	(43,593)	(43,593)
Total equity	109,187	69,247
Profit or loss		
Profit or loss for the financial year	2,869	6,237
Total comprehensive income for the financial year	2,869	6,237

21 Related party transactions

a) Key management personnel compensation

	2024 $	2023 $
Short-term employee benefits	1,656,173	1,923,947
Post-employment benefits	147,181	129,039
Long-term benefits	86,350	17,817
Share-based payments	888,253	352,596
	2,777,958	2,423,399

Detailed remuneration disclosures are provided in the remuneration report on pages 24 to 30.

b) Other transactions with key management personnel

An entity related to Angus Murnaghan provided share market advice and consultancy services to the Group entities and was paid $240,000 for the year ended 30 September 2024.

277,778 shares were issued at $0.36 to Alexander (Sandy) Beard on 4 March 2024 following shareholder approval at the Company's AGM in February 2024.

c) Transactions with other related parties

The Group reports an investment entity. Accordingly, only those controlled entities whose main purpose and activities relate to the investment activities of the Group are consolidated. Transactions with related parties not forming part of the consolidated Group, during the year, are as follows:

The Group received dividends and distributions from its 100% owned investee company Mountcastle Pty Ltd (Mountcastle) of $4,500,000. Mountcastle may have dividend payment restrictions imposed on them from time to time, by the related party's financiers, which could limit the ability of the Group to receive future distribution income.

The Group received management fees from DP Trust of $120,000 and distributions from the Hyde Road Trust of $77,000 during the year.

A loan of $1,500,000 was granted to Mountcastle to fund an acquisition transaction. This loan is non-interest bearing and does not have a fixed repayment period. Mountcastle joining the tax consolidated group in the current year, its tax provision at balance date of $527,000 was recognised in the head entity as an inter-company receivable.

An issue of 28 million Employee Loan Funded shares was approved at the AGM in February 2024 to Company and Mountcastle Group executives. Accordingly, 12 million shares were issued to Mountcastle Group executives in May 2024. The total value of employee loans granted against these shares at the balance date amounted to $4.2 million.

d) Loans to/from related parties

	2024 $'000
Loan balances at the beginning of the year	–
Movement in year-end outstanding accounts receivables and payables	(14)
Loans advanced to related parties	2,028
Loan balances at the end of the year	2,014
Shown on the balance sheet as:	
Loans to related parties	2,028
Loans from related parties	(14)
	2,014

22 Commitments and contingencies

a) Commitments

There are no significant lease commitments at balance date except those associated with the Right of Use Assets as outlined in note 17.

There are no significant capital expenditure commitments at balance date.

b) Contingent liabilities

There are no significant contingent liabilities at balance date.

23 Summary of significant accounting policies

a) Basis of preparation

The 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. The financial report has also been prepared on a historical cost basis, except for certain financial instruments.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($000) unless otherwise stated.

The consolidated financial statements provide comparative financial information in respect of the previous period.

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

Compliance with Australian Accounting Standards

The consolidated financial statements of the Hancock & Gore Ltd Group have been prepared in accordance with Australian Accounting Standards Board (AASB) and interpretations issued by the AASB Interpretations Committee (AASB IC) applicable to companies reporting under AASB. The financial statements comply with AASB as issued by the Australian Accounting Standards Board (AASB).

b) Basis of consolidation

During the prior year, the Group adopted the "Investment Entity" basis of accounting as outlined in paragraph 27 of AASB10: Consolidated Financial Statements, whereby the fair value of each investee business unit is recognised as a single investment value in the balance sheet. Subsequent movements in the assessed fair value of the businesses are recognised within "Fair value gains on financial instruments at fair value through profit or loss" in the statement of profit or loss.

Group revenue arising from these businesses now reflects distributions made to the Group in its capacity as a shareholder of that business, rather than the underlying trading income and profits previously shown.

An entity that is not considered a standalone investee company, where the activities of the entity are substantially those of investing, will be consolidated into the Group in accordance with AASB10: Consolidated Financial Statements.

The consolidated financial statements comprise the financial statements of the Group and those controlled subsidiaries deemed to be carrying on investment activities as at 30 September 2024.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. Specifically, the Group controls an entity if and only if the Group has:

- Power over the entity (i.e. existing rights that give it the current ability to direct the relevant activities of the entity);
- Exposure, or rights, to variable returns from its involvement with the entity; and
- The ability to use its power over the entity to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, and when the Group has less than a majority of the voting or similar rights of an entity, the Group considers all relevant facts and circumstances in assessing whether it has power over an entity, including:

- The contractual arrangement(s) with the other vote holders of the entity;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, unless this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

c) New and amended accounting standards and interpretations

There are no other new standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 October 2023 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

New standards, amendments to standards and interpretations that are effective for annual periods beginning on or after 1 Jan 2024 have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Group.

24 Remuneration of auditors

The auditor of the Group is UHY Haines Norton Sydney who were appointed at the AGM in 2021.

a) Amounts paid or due and payable to UHY Haines Norton Sydney and related network firms

	2024 $	2023 $
Audit or review of the financial report of the entity and any other entity in the consolidated group	97,600	93,196
Other non-audit services in relation to the entity and any other entity in the consolidated group	18,020	46,457
	115,620	139,653

Other non-audit services related to taxation services provided for HNG and its Group entities $18,020 (2023: Taxation services $46,157).

It is the Group's policy to engage the Group's auditors on assignments in addition to their statutory audit duties where the auditor's expertise and experience with the Group are considered important.

b) Other auditors and their related network firms

H&G Investment Management Ltd paid $7,700 to In.Corp Audit & Assurance Pty Ltd for the audit of its 30 September 2023 financial report (2023: $7,700).

25 Segment information

Since the Group adopted the investment entity basis of accounting for an investment entity during the previous financial year, all income and expenses for the Group are considered derived from and incurred for the generation of investment income. As a result, and with effect from 1 October 2020, the Group operates as a single segment, Investing, and there are no separate reportable operating segments for the current or prior periods.

26 Interest in other entities

a) Categories of controlled entities

The Group has adopted the "Investment Entity" basis of accounting, and only those entities where the activities of the entity are substantially those of investing, are consolidated in the Group financial statements.

b) Controlled entities consolidated into these financial statements as an investment entity

Name of entity	Country of Incorporation	Ownership interest held by the Group 2024 %	Ownership interest held by the Group 2023 %
Hancock & Gore Ltd	Australia	100	100
HGL Investments Pty Ltd	Australia	100	100
H&G Investment Management Ltd	Australia	100	100
H&G Capital Ventures Pty Ltd	Australia	80	80

c) Controlled entities accounted for as an investee and not consolidated into these financial statements

Name of entity	Country of Incorporation	Ownership interest held by the Group 2024 %	Ownership interest held by the Group 2023 %
Mountcastle Pty Ltd	Australia	100	49
LW Reid Pty Ltd	Australia	100	49
Trutex Pty Ltd	Australia	100	49
Statesman Hats (PVT) Ltd	Sri Lanka	75	36
Hyde Road Trust	Australia	–	76
DP Trust*	Australia	66	66

(*) DP Trust has ordinary and B class units. The Group holds 66% of the ordinary units. The B class units convert into ordinary units on the occurrence of prescribed conversion events at 10% of the outperformance of the Trust compared to a 10% hurdle return. The Group holds 75% of the B class units with others held by Key Management Personnel of the Group.

d) Changes in controlled entities

In respect of controlled entities forming part of the consolidated group of the investment entity:

- There were no new controlled entities added to the Group during the year ended 30 September 2024.

In respect of controlled entities that were not consolidated but accounted for as investments:

- On 1 March 2024, HNG completed the acquisition of Mountcastle Pty Ltd increasing its holding to 100%. Upon acquisition of Mountcastle Pty Ltd, HNG gained 100% control of wholly owned subsidiaries LW Reid Pty Ltd; Trutex Pty Ltd and 75% control of Statesman Hats (PVT) Ltd.
- On 1 November 2023, HNG disposed of its 76% interest in Hyde Road Trust as partial consideration for the acquisition of Mountcastle.

Consolidated Entity Disclosure Statement

The ultimate controlling entity of the Group is Hancock & Gore Limited.

The Group's consolidated entity disclosure statement as at 30 September 2024 has been prepared in accordance with Section 295 (3A) of the Corporations Act and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements. Unless otherwise indicated, no entities are trustee, partners or participants in joint ventures.

Name of entity	Type of entity	% of share capital	Place of incorporation	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
Hancock & Gore Pty Ltd	Body Corporate	100	Australia	Australian	n/a
HGL Investments Pty Ltd	Body Corporate	100	Australia	Australian	n/a
H&G Investment Management Ltd	Body Corporate	100	Australia	Australian	n/a
H&G Capital Ventures Pty Ltd	Body Corporate	80	Australia	Australian	n/a

Directors' Declaration

for the year ended 30 September 2024

In the directors' opinion:

(a) the consolidated financial statements and notes set out on pages 33 to 75 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

  (ii) giving a true and fair view of the consolidated entity's financial position as at 30 September 2024 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended 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.

(d) The consolidated entity disclosure statement on page 76 is true and correct.

Note 23 confirms that the consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

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

Alexander (Sandy) Beard
Director

26 November 2024

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Independent Auditor's Report

To the Members of Hancock & Gore Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Hancock & Gore Limited and the entities it controlled (together the Group) for the year-ended 30 September 2024, which comprises the consolidated statement of financial position as at 30 September 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of material accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Group's financial position as at 30 September 2024 and of its financial performance for the year ended on that date; and

ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

UHY Haines Norton
Chartered Accountants

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current 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.

We have determined the matters described below to be the key audit matters to be communicated in our report.

VALUATION OF FINANCIAL INSTRUMENTS

Why a key audit matter	How our audit addressed the risk
As an investment entity, the Group's investments in other entities are prescribed to be valued at fair value in accordance with AASB 9. This can involve significant judgement and estimation uncertainty, particularly for investments classed as level 2 or level 3 in the fair value hierarchy. The Group has significant investments and other financial instruments which are accounted at fair value. We considered the valuation of financial assets to be a significant risk area due to the materiality of the balance to the financial statements as a whole and the level of estimation uncertainty involved.	We performed the following audit procedures, amongst others: o We assessed the appropriateness of the Group's valuation policies; o We assessed whether the classification of financial assets appeared appropriate; o We agreed key inputs from management's calculation to supporting documentation, including confirmations and publically available market data; o We recalculated an expected fair value of financial assets and compared it to management's valuation o We performed procedures in accordance with Australian Auditing Standards for assessing the work of an expert employed by management o We also assessed the reasonability and completeness of the company's disclosures against the requirements of Australian Accounting Standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 September 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, 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 Group 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 ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current 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 Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 24 to 30 of the directors' report for the year ended 30 September 2024.

In our opinion, the Remuneration Report of Hancock & Gore Limited for the year ended 30 September 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Group 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.

UHY Haines Norton

Matthew Pope
Partner

UHY Haines Norton
Chartered Accountants

Sydney
Dated: 26 November 2024

Shareholder Information

The shareholder information set out below was applicable as at 11 November 2024.

Distribution of equity securities

The number of equity security holders by size of holding and the total percentage of securities in that class held by the holders in each category:

a) Ordinary shares

Holding	Number of holders	Securities held	%
1–1,000	298	117,306	0.02
1,001–5,000	345	909,055	0.19
5,001–10,000	146	1,137,722	0.24
10,001–100,000	363	14,773,382	3.10
100,001 and over	245	459,812,539	96.45
	1,397	476,750,004	100.00

b) Performance Rights

Holding	Number of holders	Securities held	%
1–1,000	–	–	–
1,001–5,000	–	–	–
5,001–10,000	–	–	–
10,001–100,000	–	–	–
100,001 and over	2	10,000,000	100.00
	2	10,000,000	100.00

Equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

Ordinary shares

#	Name	Securities held	%
1	JAMES FAMILY INVESTMENTS LTD	68,000,777	14.26
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	44,214,062	9.27
3	MR ALEXANDER DAMIEN HARRY BEARD + MRS PASCALE MARIE BEARD <AD & MP BEARD SUPERFUND A/C>	27,453,830	5.76
4	TIMOTHY ROBIN WILSON HORSELL	22,666,926	4.75
5	MICHAEL HERSHON HOLDINGS PTY LTD	21,180,055	4.44
6	CITICORP NOMINEES PTY LIMITED	19,856,463	4.16
7	JAMES ROBERT BALDWIN	15,000,000	3.15
8	MR JAMIE PHEROUS <BLACK DUCK HOLDINGS A/C>	11,917,000	2.50
9	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	10,571,878	2.22
10	DR IDA CONSTABLE	10,264,873	2.15
11	ALEXANDER DAMIEN HARRY BEARD	9,718,502	2.04
12	AUS CONFEC PTY LTD	9,563,333	2.01
12	GREEN FAMILY PTY LTD <GREEN FAMILY SUPER FUND2 A/C>	9,563,333	2.01
12	TSL SUPER PTY LTD <TSL SUPER FUND A/C>	9,563,333	2.01
15	TLCJV PTY LTD <JL CHAMBERLAIN FAMILY A/C>	8,490,000	1.78
16	STEVEN JEFFREY DOYLE	7,500,000	1.57
17	NICHOLAS ATKINSON	6,500,000	1.36
17	PHILLIP CHRISTOPHER	6,500,000	1.36
19	QUINZEH CREEK PTY LTD <QUINZEH CREEK INVEST A/C>	6,079,563	1.28
20	GABRIELLE AURISCH	5,344,221	1.12
		329,948,149	**69.21**

Substantial holders

The names of the substantial shareholders as disclosed in substantial shareholder notices received by the Company:

Name	Date of last notice	Votes held	Voting %
James Family Investments Ltd	14 October 2024	68,000,777.00	14.26
AD & MP Beard ATF AD & MP Beard Superannuation Fund	16 September 2024	32,172,332.00	8.64
Perennial Value Management Limited	14 October 2024	44,230,656.00	9.28

Unmarketable parcels

The number of shareholders holding less than a marketable parcel (1,588 shares) is 373.

Corporate Directory

Directors

Alexander (Sandy) Beard B.Com, FCA, MAICD
Chair

Steve Doyle MBA, MAICD
Director

Kevin Eley CA, F Fin, FAICD
Director

Angus Murnaghan B.Com
Director

Tim James B.Eng.
Director

Company Secretary

Nishantha Seneviratne
MBA, FCPA, FGIA, ACMA, CGMA

Registered Office and Principal Place of Business

Suite 11.02, Level 11
68 Pitt Street
Sydney NSW 2000
Australia

Email: info@hng.com.au

Website

www.hancockandgore.com.au

Share Registry

Computershare Investor Services Pty Ltd

6 Hope Street
Ermington NSW 2115

Phone: 1300 855 080

Auditor

UHY Haines Norton Sydney

Level 11, 1 York Street
Sydney NSW 2077

Australian Securities Exchange Listing

Hancock and Gore Limited (ASX: **HNG**)

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HANCOCK
& GORE

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