



Annual Report
2022



DJERRIWARRH INVESTMENTS LIMITED IS A LISTED INVESTMENT COMPANY INVESTING IN A DIVERSIFIED PORTFOLIO OF AUSTRALIAN AND NEW ZEALAND EQUITIES. FOR STOCKS WHERE THERE IS AN OPTIONS MARKET, THE COMPANY OFTEN USES EXCHANGE TRADED AND OVER-THE-COUNTER OPTIONS TO ENHANCE THE INCOME RETURN TO INVESTORS.

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Year in Summary

	2022		
Profit for the Year	\$44.5m		Up 45.9 per cent from 2021
Net Operating Result	\$40.4m		Up 29.3% from 2021
Fully Franked Dividend	7.0¢ Final	13.75¢ Total	11 cents total in 2021
Portfolio Dividend Yield	6.7% Including franking*		S&P/ASX 200 Index Yield 5.1% (grossed up for franking credits)
Management Expense Ratio	0.45%		0.45% in 2021
Total Portfolio Return	-6.5% Including franking*		S&P/ASX 200 Accumulation Index including franking* -5.1%
Total Portfolio	\$783.0m		Including cash at 30 June. \$839.8 million in 2021

* Assumes a shareholder can take full advantage of the franking credits.

DIRECTORS' REPORT

5 Year Summary

Net Profit After Tax (\$ Million)

2022	44.5
2021	30.5
2020	32.9
2019	34.3
2018	31.4

Net Operating Result (\$ Million)

2022	40.4
2021	31.3
2020	28.1
2019	37.6
2018	36.0

Dividends Per Share (Cents)^(a)

2022	13.75
2021	11
2020	14
2019	20
2018	20

Notes

(a) All dividends were fully franked. For 2021 the final dividend carried attributable LIC gain of 1.43 cents per share. For 2020 nil. For 2019 the final dividend carried attributable LIC gain of 4.29 cents per share and the interim dividend carried an attributable LIC gain of 7.14 cents per share. For 2018 the dividend carried attributable LIC gain of 14.28 cents per share.

(b) Excludes cash.

(c) Net asset backing per share based on year-end data before the provision for the final dividend. The figures do not include a provision for capital gains tax that would apply if all securities held as non-current investments had been sold at balance date as Directors do not intend to dispose of the portfolio.

**Investments at Market Value
(\$ Million)^(b)**

2022	781.5
2021	838.6
2020	678.7
2019	786.0
2018	758.5

**Net Asset Backing Per Share
(Cents)^(c)**

2022	295
2021	332
2020	270
2019	331
2018	331

**Number of Shareholders
(30 June)**

2022	16,546
2021	16,797
2020	17,301
2019	17,554
2018	18,087

About the Company

Djerriwarrh Investments Limited is a Listed Investment Company (LIC) investing in a diversified portfolio of Australian and New Zealand equities. For stocks where there is an options market, the Company often uses exchange traded and over-the-counter options to enhance the income return to investors.

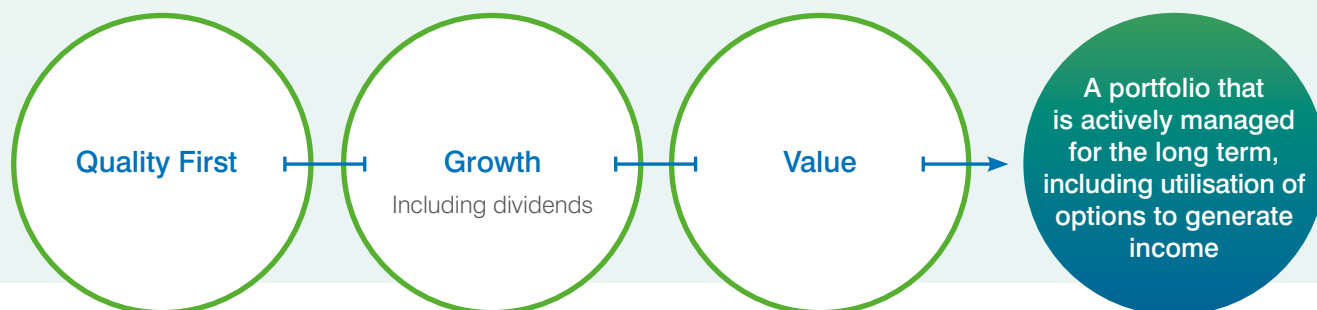
Investment Objectives

Djerriwarrh seeks to provide an enhanced level of fully franked income that is higher than what is available from the S&P/ASX 200 Index.

In this regard the primary investment goals are:

- to pay a higher level of fully franked dividend than is available from the market in general; and
- to provide attractive total return including capital growth over the medium to long term.

How Djerriwarrh Invests – What We Look For in Companies



Approach to Investing

Investment Philosophy

The investment philosophy is built on taking a medium to long term view on holding positions in the portfolio with an emphasis on identifying quality companies that are likely to sustainably grow their earnings and dividends over this time frame.

Quality in this context is an outcome of our assessment of the board and management as well as some key financial metrics such as return on capital employed, return on equity, the level of gearing in the balance sheet, margins and free cash flow. The structure of the industry and a company's competitive position in this industry are also an important indicator of quality.

Linked to the assessment of quality is the ability of companies to grow earnings over time, which ultimately should produce good dividend growth.

The view of value of a company is not just based on short term measures of the price earnings ratio and other valuation metrics; rather, value is assessed against our long term investment horizon.

The final component of Djerriwarrh's ability to pay a higher yield is its approach to selling options over part of its investment and trading portfolios. This generates current income from the option premium Djerriwarrh receives for selling the options.

The amount that the Company receives from selling options depends on a number of factors:

- level of volatility in share price anticipated for the underlying stock;
- level of the option exercise price and particularly how far it is from the current share price;
- time to expiry, i.e. how far the option has to run;
- level of interest rates: the lower interest rates are, other things being equal, the lower the option premium received; and
- the percentage of the portfolio over which we are prepared to sell options.

It is our preference for the options to either lapse at expiry or, prior to exercise, to seek to buy the options back and sell new options further out and preferably at a higher exercise price. From time to time, where the share price increases strongly, we do take decisions to allow the shares to be

exercised when we have formed the view that it is economic to allow that to occur. Gains or losses on disposals of investments upon the exercise of such options, after applicable tax, are taken to the realised capital gains reserve. Any gains when taxed are available for distribution to shareholders as fully franked dividends. It should be noted option positions are monitored daily and the portfolio is managed to try and maintain an appropriate balance between capital growth and income generation.

Djerriwarrh also has access to lines of credit, which allows the Company to gear its balance sheet when appropriate investment returns are available to enhance shareholder returns.

When it is appropriate, exposure to rising interest rates is also capped.

Approach to Environmental, Social and Governance (ESG) Issues

Environmental, Social and Governance (ESG) issues are taken into account as part of our investment process when assessing companies. As a long term investor, we seek to invest in companies that have



strong governance and risk management processes, which includes consideration of environmental and social risks given the potential for these factors to impact investment performance. We are also closely monitoring the development of international standards for ESG reporting as these may further inform our approach going forward.

We regularly review and meet with companies to ensure ongoing alignment of ESG issues with our investment framework:

- We believe environmental factors, including the impact of climate change, can have a material impact on society. These factors are considered when assessing a company's assets, long term sustainability of earnings and cash flow, cost of capital and future growth opportunities.

As reporting becomes more standardised, assessment of commitments and plans by companies to reach net zero by 2050 will also be considered having regard to the industry in which it operates, their progress against these plans and their broader contribution to social good in addressing the challenge of reducing global carbon emissions. In applying

external data for benchmarking*, the current carbon intensity of Djerrirwarh's portfolio is considerably less than the S&P/ASX 200 Index.

- We believe that aligning ourselves with high-quality management and boards building sustainable long term businesses is the best approach to avoiding socially harmful businesses. We are attracted to companies that act in the best interest of all their stakeholders, including their employees, customers, suppliers and wider communities. Where appropriate, we consider a range of matters including safety, diversity and modern slavery as part of the investment process.
- We invest in high-quality companies with strong governance processes, and management and boards whose interests are closely aligned with shareholders. The investment process includes an assessment of their past performance, history of capital allocation, level of accountability, mix of skills, relevant experience and succession planning. We also closely scrutinise a company's degree of transparency and disclosure.

Engagement with Companies

Voting on resolutions is one of the key functions that a shareholder has in ensuring better long term returns and management of investment risk:

- We take input from proxy advisers but conduct our own evaluation of the merits of any resolution.
- We vote on all company resolutions as part of our regular engagement with the companies in the portfolio. Our voting record is on the Company's website.
- We actively engage with companies when we have concerns those resolutions are not aligned with shareholders' interests. We acknowledge that high-quality companies may face ESG challenges. We seek to stay engaged with the companies and satisfy ourselves that the issues are taken seriously and worked through constructively. Ideally, in this instance, we seek to remain invested to influence a satisfactory outcome for stakeholders.

* Data provided by ISS ESG. Portfolio at 30 June 2022.

Review of Operations and Activities

Profit

The full year profit was \$44.5 million, up from \$30.5 million in the previous corresponding period. The profit to 30 June 2022 includes a dividend of \$6.5 million (which was non-cash but carries franking credits with it) resulting from the BHP Petroleum/Woodside merger. Last year's figure included a demerger dividend received of \$6.3 million resulting from the Endeavour Group demerger from Woolworths. Excluding both one-offs, the full year profit for the financial year to 30 June 2022 was \$38.0 million, up from \$24.2 million in the previous corresponding period.

Key components of the result were:

- income from investments, up from \$28.0 million last year to \$37.2 million this financial year; and
- income from option activity was \$12.5 million, slightly ahead of the corresponding period last year of \$12.1 million.

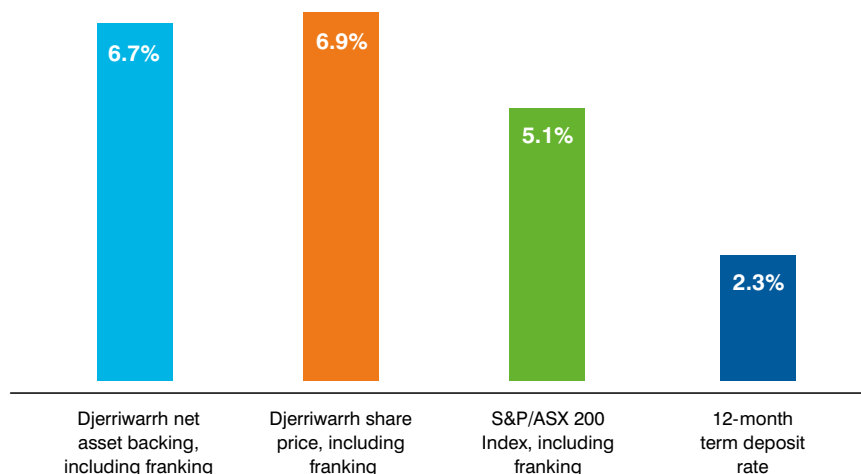
Net operating result (which excludes the impact of open option positions and is considered a better measure of the Company's income from its investment activities and is the figure Directors consider when setting the dividend) was \$40.4 million. Excluding the merger dividend, this figure is \$33.9 million. The figure for the net operating result for the prior corresponding period last year was \$31.3 million. Excluding the demerger dividend received of \$6.3 million resulting from the Endeavour Group demerger from Woolworths last year's figure was \$25.0 million.

Dividend

Djerriwarrh seeks to provide an enhanced level of fully franked income that is higher than is available from the S&P/ASX 200 Index, and which is delivered at a low cost to shareholders. The enhanced yield is achieved through a bias to investing in companies with higher dividend income, produced over the short and long term, as well as using option strategies to generate additional income.

The level of dividend declared each period is determined by taking into consideration the net operating result (which is made up of the dividends

Figure 1: Yield at 30 June 2022 (Based on the Interim Dividend Paid and Final Dividend Declared)



Note: Assumes an investor can take full advantage of the franking credits.

Figure 2: Performance of S&P/ASX 200 Price Index



received from the companies that Djerriwarrh invests in, as well as the income generated from option strategies) and a prudent distribution of realised capital gains when available. The Company believes the net operating result, which excludes the valuation impact of open option positions, is a better measure of Djerriwarrh's income from its investment activities.

The net operating result per share for the 12 months to 30 June 2022 (excluding the BHP Petroleum/Woodside merger dividend) was 14.3 cents per share, up from 10.9 cents per share in the

corresponding period last year (excluding the Endeavour Group non-cash demerger dividend).

Directors have declared a final dividend of 7.0 cents per share, up 21.7 per cent from 5.75 cents per share fully franked for the corresponding period last year, bringing total dividends for the year to 13.75 cents per share fully franked. Total dividends for the corresponding period last year were 11.0 cents per share fully franked. Total dividends for the year have increased 25.0 per cent over last financial year.



Based on the total dividend for the year, the dividend yield on the net asset backing at 30 June 2022 was 4.7 per cent and 6.7 per cent, grossed up for franking credits (assuming a shareholder can take full advantage of the franking credits). Based on the net asset backing and including franking, this represents a yield 1.6 percentage points higher than that available from the S&P/ASX 200 Index. Based on the share price of \$2.86 (at 30 June 2022), the yield was 4.8 per cent and 6.9 per cent, grossed up for franking.

Market and Portfolio Performance

The Australian equity market remained buoyant in the first half of the 2021/2022 financial year as low interest rates and increased economic activity following the COVID-19 pandemic provided a supportive backdrop to the market.

The equity market then fell sharply at the start of the 2022 calendar year as the threat of higher inflation and increased interest rates became more apparent as supply chains become strained and energy prices increased. As global central banks continued to raise rates more

aggressively over the remainder of the 2021/2022 financial year the S&P/ASX 200 Accumulation Index returned negative 6.5 per cent for the 12 months to June 2022, with a strong divergence of performance across sectors.

Utilities and Energy were the standout sectors, returning 36.0 per cent and 30.1 per cent respectively. Information Technology and Consumer Discretionary were the worst performing sectors for the financial year, down 38.2 per cent and 20.9 per cent respectively.

Review of Operations and Activities

continued

Djerriwarrh's total portfolio return, including franking, for the 12 months to 30 June 2022 was negative 6.5 per cent. This was slightly below the S&P/ASX 200 Accumulation Index, including franking, of negative 5.1 per cent.

Some of the best performing stocks held in the Djerriwarrh portfolio included Woodside Energy, Sydney Airport, Computershare and Atlas Arteria. In contrast Temple & Webster, FINEOS Corporation, Domino's Pizza Enterprises and Reece substantially underperformed.

Portfolio Adjustments

We continue to focus on constructing a portfolio that will deliver a suitable balance between short term income yield and long term growth in capital and income. We also have to be prepared to reinvest potential sizeable option exercise proceeds which typically occur in rising markets at appropriate times.

Major purchases for the 12-month period focused on high-quality companies that we have assessed as being able to deliver the right mix of income and growth for the portfolio. As a result, significant increases were made to existing holdings in companies such as Wesfarmers, James Hardie, Commonwealth Bank, BHP, Macquarie Group and Coles Group. A number of new stocks were also added to the portfolio. This included positions in JB Hi-Fi, REA Group, Domino's Pizza Enterprises, SCA Property Group and Cochlear. The holding in Oil Search switched to Santos as a result of the merger of the two companies.

Major sales from the portfolio were largely a result of call option exercises. This included positions in Macquarie Group, National Australia Bank, Woolworths Group, ASX and BHP. We reduced our positions in Amcor and Brambles (some were sold because of the exercise of call options), and Woodside, and completely exited a number of holdings including Sydney Airport (as a result of a takeover), APA Group, Endeavour Group, AUB, Origin Energy, Alumina and Orica.

At 30 June 2022, the investment portfolio comprised holdings in 52 ASX and NZX listed companies with a total market value of \$783.9 million.

Figure 3: Key Sector Performance for the 12 months to 30 June 2022

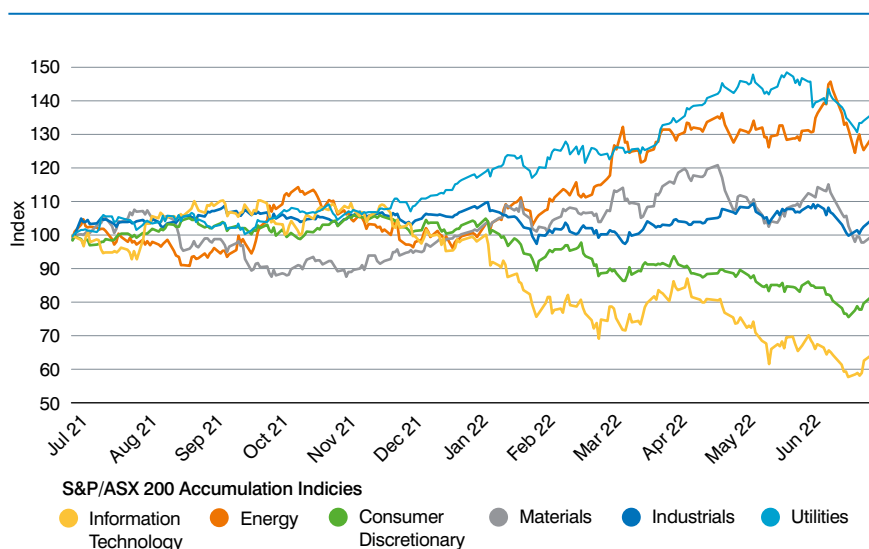
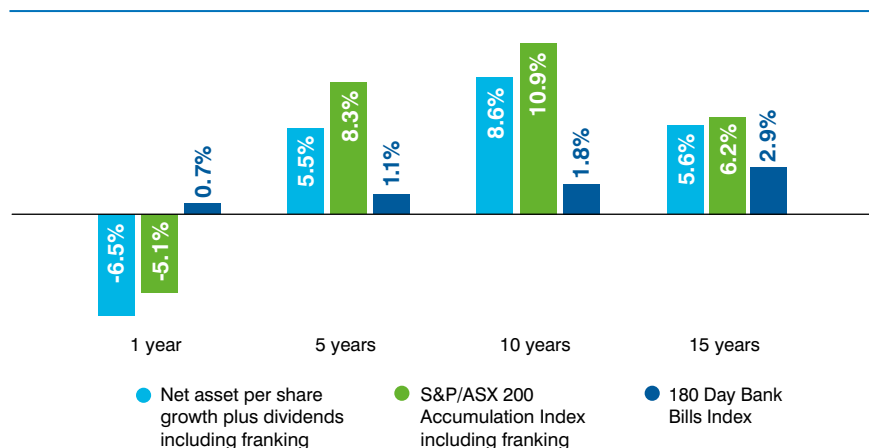


Figure 4: Portfolio Performance to 30 June 2022 – Per Annum Returns, Including the Benefit of Franking Credits*



* Assumes an investor can take full advantage of the franking credits. Past performance is not indicative of future performance.

Note: Djerriwarrh's net asset per share growth plus dividend series is calculated after management fees, income tax and capital gains tax paid on realised sales of investments. It should be noted that Index returns for the S&P/ASX 200 do not include management expenses and tax.

Djerriwarrh utilises debt to take advantage of returns from investment opportunities on offer. At 30 June 2022, the Company had \$89.0 million of debt with a cash or near cash position of \$5.1 million.

Market Dividends

At the market level, ASX 200 dividends were higher overall for the 12 months to 30 June 2022 as compared to the previous 12-month period. This was largely driven by BHP, which continues to benefit from higher iron ore prices.

Each of the four major banks: ANZ, Commonwealth Bank, National Australia Bank and Westpac were also strong contributors. The banks benefited from the unwinding of impairment provisions taken during the early days of the pandemic, which proved to be overly conservative given the subsequent strong economic growth in Australia. Dividends from other large industrial companies were mixed. CSL saw good dividend growth, Coles Group was slightly up, Telstra was flat, and ASX and Carsales.com were slightly down.

At the Company level, Djerriwarrh's dividend and distribution income, excluding non-cash merger/demerger dividends was up 41.5 per cent to \$30.7 million. The strength in dividends from BHP and the banks was the key driver of this. Figure 5 shows the top 10 contributors to Djerriwarrh's dividend and distribution income in the financial year for 2021/2022 excluding merger dividends.

In terms of dividend yield, Djerriwarrh's dividend and distribution income (excluding non-cash merger/demerger dividends) equated to a yield of 3.9 per cent (measured using 30 June 2022 portfolio value). The dividend yield of the S&P/ASX 200 Index was also 3.9 per cent on an equivalent basis, but including non-cash merger dividends. The five-year performance of these metrics is shown in Figure 6.

Figure 5: Profile of Dividend Income Received in Financial Year 2022 by Holding

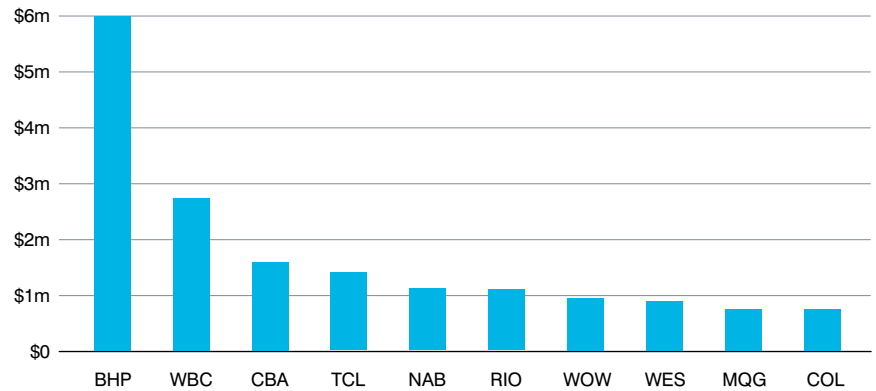
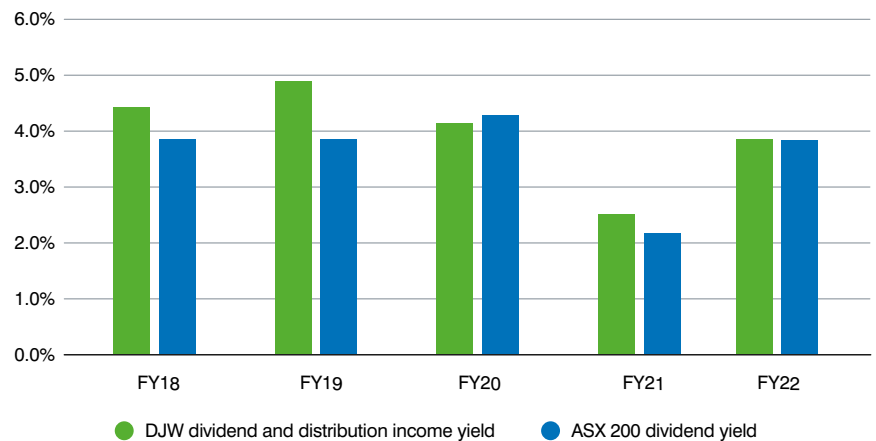


Figure 6: Dividend and Distribution Income Yield for Djerriwarrh Versus the ASX 200



Review of Operations and Activities

continued

Option Activity

This year's option income result was pleasing, especially given the low level of volatility that prevailed for much of the period (Figure 7).

Volatility was low between July 2021 and December 2021, before spiking in January 2022 during the equity market sell-off. It finished the year at an elevated level reflecting the equity market's concerns around interest rates and economic growth.

For the 12 months to June 2022 equity market volatility averaged 14.2 per cent, which was down on previous two financial years (Figure 8).

Djerriwarrah's option income was up 3.3 per cent to \$12.5 million. Selling call options contributed the majority of our overall option income at \$11.8 million.

Some of the key moves in Djerriwarrah's average portfolio call option coverage of the portfolio saw high coverage (40 per cent) in August and September 2021 when the market was also at a high level. This allowed us to lock in significant profits in the resulting market sell off as we closed many 'out of the money' positions.

When the market was significantly lower in February and March 2022, our call option coverage was also much lower at 25 per cent. This enabled us to preserve some upside to capital growth when the market temporarily rebounded in April and May 2022, by which time our call option coverage had increased to 30 per cent. Call option coverage finished the financial year at 28 per cent (Figure 9).

Selling put options also contributed \$0.7 million to our overall option income. We were not exercised on any of these put positions which was a good outcome.

Share Price

The share price traded at a discount of 3 per cent to net asset backing at 30 June 2022. This is in contrast to the discount of 8 per cent that was evident at 30 June 2021 (Figure 10).

Figure 7: Volatility of the Market for the Financial Year

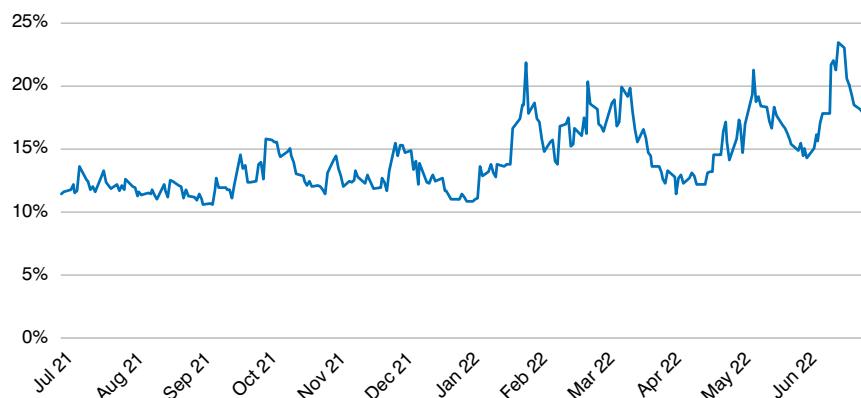
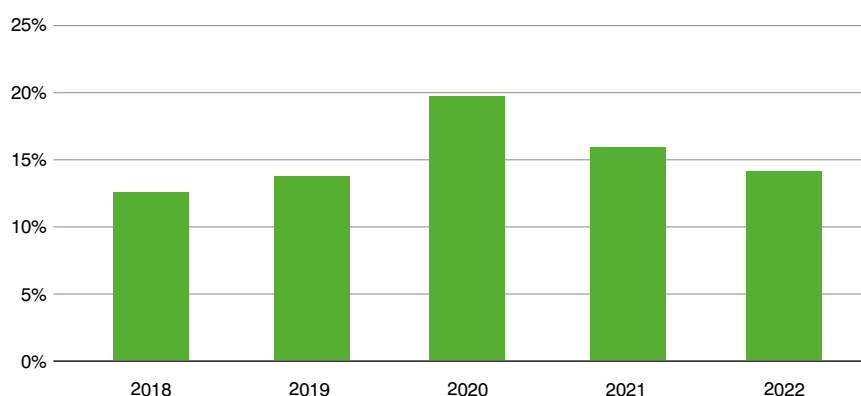


Figure 8: Average Volatility of the Market for the Last Five Financial Years



Outlook

Equity market conditions have changed dramatically from the beginning of this calendar year. There has been a significant downward repricing of equities, which have been a beneficiary of record low interest rates for much of the post-2008 financial crisis era. The risk of tighter monetary policy tipping major economies, especially the United States, into recession is now an extra concern weighing on the share market.

As a result, the company reporting season in Australia takes on even greater importance. Equity valuations have come down as a result of economic conditions, but market earnings estimates have not reduced much. There is a risk of reported results and outlook statements disappointing, with lower revenue and higher costs a real possibility, which

would make profit and dividend growth harder to deliver for many companies.

We think this is most relevant for industrial companies, as we see banks and diversified financial companies as being relatively well placed for the next 12 months. In the case of resources, we expect strong dividends in the first half of the 2022/2023 financial year, but potentially reducing at some point thereafter when commodity prices such as iron ore and oil revert towards long term price assumptions.

Under these circumstances, the outlook for Djerriwarrah's dividend and distribution income for the 2022/2023 financial year remains uncertain, and we expect to be in a better position to assess this post the Australian profit reporting season.

Figure 9: Option Coverage as a Percentage of the Portfolio

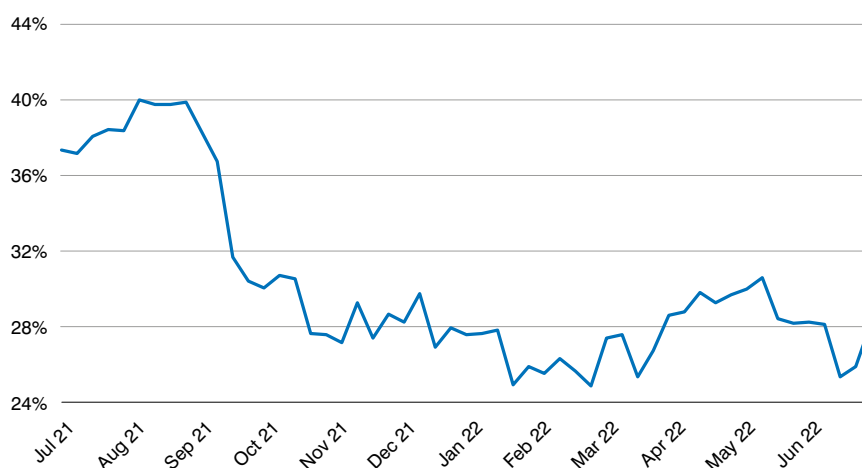
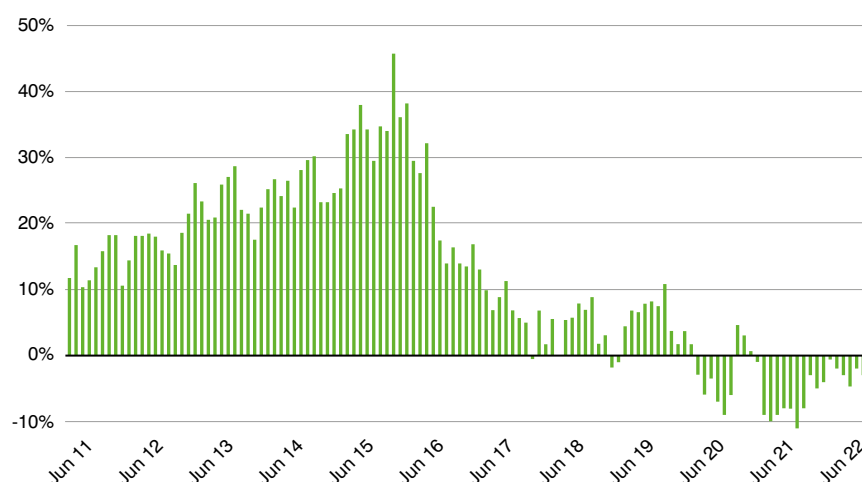


Figure 10: Share Price Premium to Net Asset Banking



In terms of our option income, recent higher equity market volatility levels, as well as higher interest rates, are a positive for option premiums and hence the ability to earn option income as a seller of call and put options. Balancing this out somewhat is the likelihood that we will have lower call option coverage if the market remains at these lower levels compared to last year.

The current positioning of the options book is encouraging. Only a small amount of our option positions are currently 'in the money', which is positive in terms of our ability to earn option income and deliver attractive portfolio returns. In addition, a good amount

of premium has already been written for the 2022/2023 financial year. However, the value of these positions can change quickly and significantly in response to major market moves. This means daily active management of the options portfolio remains a key part of our investment process.

Irrespective of market conditions over the next 12 months, we believe that the current portfolio settings and positioning should enable Djerriwarrh to achieve its objectives of delivering an enhanced level of fully franked income above the market and an attractive total return over the long term.

Directorship Matters

Mr John Paterson, the Chairman of the Company has advised that he will retire at the conclusion of the Annual General Meeting to be held on 13 October 2022.

Mr Paterson has been a Director since 2002, appointed deputy Chairman in September 2009 and Chairman since October 2013. The Board wishes to record its deep thanks to Mr Paterson for his invaluable contribution to the Board deliberations over the last 20 years. His deep understanding of the investment industry has been of outstanding value to the Board, Executives and shareholders of Djerriwarrh Investments Limited.

Mr Graham Goldsmith has been elected as the Chairman with effect from the conclusion of the Annual General Meeting on 13 October 2022. Mr Goldsmith has been an independent Non-Executive Director since April 2013 and was appointed Deputy Chairman in May 2020. He is a member of the Company's Investment and Nomination Committees and is a Non-Executive Director of the Company's associated entity, Australian Investment Company Services Limited.

He is Chairman of SEEK Limited, Deputy Chairman of Gandel Foundation and a Panel Member of Adara Partners. Mr Goldsmith is a former Vice Chairman and a former Managing Director of Goldman Sachs Australia, and its predecessor firm Goldman Sachs JBWere. He was also previously the Chancellor of Swinburne University of Technology.

Mr Geoffrey Roberts has been appointed as a Non-Executive Director of the Company, effective 20 July 2022.

Mr Roberts has over 35 years finance experience, including as Group Chief Financial Officer of Seek Limited, Managing Partner of Deloitte Victoria, and as Group Chief Financial Officer of AXA Asia Pacific for seven years. Mr Roberts was appointed to the Board of JB Hi Fi Limited in January 2021 and the Melbourne Cricket Club Committee in March 2019 and was formerly a Director of AMP Limited.

He holds an Executive MBA from the Australian Graduate School of Management and is a Fellow of both the Institute of Chartered Accountants and the Australian Institute of Company Directors.

Review of Operations and Activities

continued

We are delighted to welcome Mr Roberts to the Board. The broad range of experience he has across a range of sectors will be of significant value to our discussions and his depth of understanding in senior executive leadership roles will complement the Board's existing mix of skills and experience. Mr Roberts will stand for election at the upcoming Annual General Meeting of the Company.

Share Purchase Plan

At 30 June 2022, Djerriwarrh was fully invested. Given expected opportunities in the market a Share Purchase Plan (SPP) was announced to provide additional funds for the portfolio. Details were sent to shareholders on 26 July 2022, with the SPP offer closing on 18 August 2022. The outcome of the SPP was announced separately via the ASX.

Capital Changes

Under the Company's Dividend Reinvestment Plan, 420,377 shares were issued in August 2021 at a price of \$3.10 per share and 557,534 shares were issued in February 2022 at a price of \$3.12 per share.

Under the Company's Dividend Substitution Share Plan, 26,887 new shares were issued at nil cost in August 2021 and 36,294 new shares were issued at nil cost in February 2022.

On the 9 August 2021 10,925,839 DJWN Shares, issued under the 2021 SPP converted to DJW shares.

At the close of the year the Company had 237.2 million shares on issue.

Dividends

A final fully franked dividend of 7.0 cents per share has been declared (2021: 5.75 cents).

The dividends paid during the year ended 30 June 2022 were as follows:

	\$'000
Final dividend for the year ended 30 June 2021 of 5.75 cents fully franked at 30 per cent paid 27 August 2021	13,179
Interim dividend for the year ended 30 June 2022 of 6.75 cents per share fully franked at 30 per cent, paid 23 February 2022	15,855
	29,034

Listed Investment Company Capital Gains

Listed Investment Companies (LIC) which make capital gains on the sale of investments held for more than one year are able to attach to their dividends a LIC capital gains amount which some shareholders are able to use to claim a tax deduction. This is called an 'LIC capital gain attributable part'. The purpose of this is to put shareholders in Listed Investment Companies on a similar footing with holders of managed investment trusts with respect to Capital Gains Tax on the sale of underlying investments.

Tax legislation sets out the definition of a 'Listed Investment Company' which Djerriwarrh satisfies. Furthermore, from time to time the Company sells securities out of the investment portfolio held for more than one year which may result in capital gains being made and tax being paid. The Company is therefore on occasion in a position to be able to make available to shareholders a LIC capital gain attributable part with our dividends. There were no LIC gains attached to the dividends for the year ended 30 June 2022.

Financial Condition

The Company's financing consists primarily of shareholders' funds. The Company also has agreements with the Commonwealth Bank of Australia for cash advance facilities of \$130 million and with the National Australia Bank via a securities lending arrangement for \$20 million (see Note D2). As at 30 June 2022, \$89.0 million had been drawn down on existing facilities (2021: \$65.0 million). The Company's total borrowings of \$89.0 million at balance date represented 12.5 per cent of net assets.

Likely Developments

The Company intends to continue its investment activities in future years as it has done since inception. The results of these investment activities will depend upon the performance of the companies and securities in which we invest. Their performance in turn depends on many economic factors (macro, which include economic growth rates, inflation, interest rates, exchange rates and taxation levels and micro which includes industry economics and competitive behaviour)

and their approach to, and management of, material Environmental, Social and Governance (ESG) risks.

The Directors do not believe it is possible or appropriate to make a prediction on the future course of markets or the performance of the Company's investments. Accordingly, Directors do not provide a forecast of the likely results of our activities. However, the Company's focus is on results over the medium to long term and its twin objectives are as set out above.

Significant Changes in the State of Affairs Directors are not aware of any other significant changes in the operations of the Company or the environment in which it operates that will adversely affect the results in subsequent years.

Events Since Balance Date

The Directors are not aware of any other matter or circumstance not otherwise disclosed in the Financial Report or the Directors' Report which has arisen since the end of the financial year that has affected or may affect the operations, or the results of those operations, or the state of affairs of the Company in subsequent financial years.

Environmental Regulations

The Company's operations are such that they are not materially affected by environmental regulations.

Rounding of Amounts

The Company is of the kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Instrument, to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Top 20 Investments

As at 30 June 2022

Includes investments held in both the investment and trading portfolios.

Value at Closing Prices at 30 June 2022

		Total Value \$ Million	% of the Portfolio
1	CSL*	50.4	6.5
2	Transurban Group*	49.7	6.4
3	BHP*	46.0	5.9
4	Westpac Banking Corporation*	41.8	5.4
5	Commonwealth Bank of Australia*	41.5	5.3
6	Woolworths Group*	37.3	4.8
7	Wesfarmers*	34.6	4.4
8	Coles Group*	27.2	3.5
9	Macquarie Group*	26.3	3.4
10	Carsales.com*	21.9	2.8
11	EQT Holdings	21.1	2.7
12	ASX*	21.0	2.7
13	James Hardie Industries	20.5	2.6
14	Telstra Corporation*	19.6	2.5
15	JB Hi-Fi*	18.4	2.4
16	Mirvac Group	17.6	2.2
17	Mainfreight	17.4	2.2
18	National Australia Bank*	17.2	2.2
19	Auckland International Airport*	15.6	2.0
20	Insurance Australia Group*	14.3	1.8
Total		559.6	

As percentage of total portfolio value (excludes cash)

71.6%

* Indicates that options were outstanding against part of the holding.

Board Members



John Paterson

**Chairman and
Independent
Non-Executive
Director**

BCom (Hons)(Melb),
CPA, F Fin

Chairman of the Investment Committee. Member of the Nomination Committee. Non-Executive Director of the Company's associated entity, Australian Investment Company Services Limited (AICS).

Mr Paterson is a company Director who was appointed to the Board in July 2002, appointed Deputy Chairman in September 2009 and appointed Chairman in October 2013. He is also Chairman of Australian Foundation Investment Company Limited (AFIC). He also chaired the Investment Committee of the Salvation Army Southern Region from 2003 to 2020. He was formerly a Director of Goldman Sachs JBWere and is a former member of the Board of Guardians of Australia's Future Fund.



Mark Freeman

Managing Director

BE, MBA, Grad Dip
App Fin (Sec Inst),
AMP (INSEAD)

Member of the Investment Committee. Managing Director of AICS.

Mr Freeman became Chief Executive Officer and Managing Director in January 2018 having been Chief Investment Officer since joining the Company in February 2007. Prior to this he was a Partner with Goldman Sachs JBWere where he spent 12 years advising the investment companies on their investment and dealing activities. He has a deep knowledge and experience of investments markets and the Company's approaches, policies and processes. He is also Managing Director of Australian Foundation Investment Company Limited, Mirrabooka Investments Limited and AMCIL Limited.



Bruce R Brook

**Independent
Non-Executive
Director**

BCom, BAcc,
FCA, MAICD

Mr Bruce Brook joined the Board on 1 August 2021. Mr Brook is a Non-Executive Director of CSL Limited, Incitec Pivot Limited and Newmont Corporation. During his executive career, Mr Brook was the Chief Financial Officer of Western Mining Resources Limited and Deputy Chief Financial Officer of the Australia and New Zealand Banking Group.



Kathryn J Fagg AO

**Independent
Non-Executive
Director**

BE (Hons),
MCom (Hons)

Chair of the Nomination Committee and member of the Investment and Audit Committees.

Ms Fagg joined the Board in May 2014. Her executive and professional roles have been broad and diverse. She started her career as a chemical engineer. She became a management consultant and then held a number of senior executive positions in the banking, steel and logistics industries across Australia, New Zealand and Asia. Ms Fagg is Chair of CSIRO and a Non-Executive Director of Medibank Limited and National Australia Bank Limited. She is Chair of the Breast Cancer Network Australia, Inaugural Chair of Watertrust Australia Limited and is a board member of the Grattan Institute, The Myer Foundation and Champions of Change Coalition. Ms Fagg was previously Chair of Boral, a board member of the Reserve Bank of Australia, Chair of Parks Victoria, President of Chief Executive Women, Chair of Melbourne Recital Centre and Non-Executive Director of Incitec Pivot Limited. She also has a number of other significant interests including as a Fellow of the Academy of Technological Sciences and Engineering.

Ms Fagg has been awarded Honorary Doctorates by the University of New South Wales in Business and in Chemical Engineering by the University of Queensland.



**Graham B
Goldsmith AO**

**Deputy Chairman
and Independent
Non-Executive
Director**

B Bus (Acctg),
FCPA, FAICD

Member of the Investment and Nomination Committees. Non-Executive Director of the Company's associated entity, AICS.

Mr Goldsmith was appointed to the Board in April 2013 and Deputy Chairman in May 2020. He is Chairman of SEEK Limited, Deputy Chairman of Gandel Foundation and a panel member of Adara Partners. Mr Goldsmith is a former Vice Chairman and a former Managing Director of Goldman Sachs Australia, and its predecessor firm Goldman Sachs JBWere. He was also previously the Chancellor of Swinburne University of Technology.



Alice JM Williams

**Independent
Non-Executive
Director**

B.Com, FCPA, FAICD,
CFA, ASFA AIF

Chair of the Audit Committee. Member of the Investment Committee.

Ms Williams was appointed to the Board in May 2010. Ms Williams is a Director of Mercer Investments (Australia) Ltd, Tobacco Free Portfolios, Vocus Group and Pro Medicus.

She was formerly a Director of Defence Health, Cooper Energy, Equity Trustees Limited, Victorian Funds Management Corporation (VFMC), Port of Melbourne Corporation, Guild Group, Airservices Australia, State Trustees Limited, Western Health, the Australian Accounting Standards Board, Telstra Sale Company, V/Line Passenger Corporation and Barristers Chambers Limited. She previously held senior management positions in the financial services sector including NM Rothschild and Sons (Australia) Limited and JP Morgan Australia and is a former member of the Foreign Investment Review Board (FIRB).



Karen J Wood

**Independent
Non-Executive Director**

B ED, LLB (Hons)

Member of the Audit and Investment Committees.

Ms Wood was appointed to the Board in July 2016. Ms Wood is the Chair of South32 Limited and a Director of the Library Board of Victoria. She is a former senior executive of BHP. During her executive career with that company she served in a number of global roles including as Group Company Secretary, Chief People Officer and President, Corporate Affairs. She retired from BHP in 2014. Following her retirement she chaired the BHP Foundation until 2019. She served on the Takeovers Panel from 2000 to 2012.

Board Members

continued

Meetings of Directors

The number of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2022 and the numbers of meetings attended by each Director were:

	Board		Investment Committee		Audit Committee		Nomination Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
J Paterson	10	10	17	17	-	3 [#]	1	1
RM Freeman	10	10	17	17	-	3 [#]	-	-
BR Brook*	9	8	-	11 [#]	-	2 [#]	-	-
RJ Edgar**	2	2	4	1	1	1	-	-
KJ Fagg	10	8	17	12	3	3	1	1
GB Goldsmith	10	10	17	17	-	3 [#]	1	1
AJM Williams	10	10	17	17	3	3	-	-
KJ Wood	10	9	17	15	3	3	-	-

Attended meetings as non-members.

* BR Brook was appointed to the Board on 1 August 2021.

** RJ Edgar retired from the Board at the 2021 Annual General Meeting.

Retirement, Election and Continuation in Office of Directors

Ms KJ Wood, being eligible, will offer herself for re-election at the forthcoming 2022 Annual General Meeting.

Mr GB Goldsmith, being eligible, will offer himself for re-election at the forthcoming 2022 Annual General Meeting.

Insurance of Directors and Officers

During the financial year, the Company paid insurance premiums to insure the Directors and officers named in this report to the extent allowable by law. The terms of the insurance contract preclude disclosure of further details.

Corporate Governance Statement

A copy of the Company's Corporate Governance Statement for the financial year ended 30 June 2022 can be found on the Company's website at:

djerri.com.au/corporate-governance

Senior Executives



Geoffrey N Driver

**General Manager
Business Development
and Investor Relations**

B Ec, Grad Dip Finance,
MAICD

Mr Driver joined the Company in January 2003. Previously, he was with National Australia Bank Ltd for 18 years in various roles covering business strategy, marketing, distribution, investor relations and business operations. Mr Driver was formerly Chairman of Trust for Nature (Victoria).



Andrew JB Porter

**Chief Financial Officer/
Company Secretary**

MA (Hons) (St And),
FCA, MAICD

Mr Porter joined the Company in January 2005. He is a Chartered Accountant and has had over 25 years of experience in accounting and financial management both in the United Kingdom with Andersen Consulting and Credit Suisse First Boston, and in Australia where he was Regional Chief Operating Officer for the Corporate and Investment Banking Division of CSFB. He is a Director of the Auditing and Assurance Standards Board (AUASB) and a Director of the Anglican Foundation. Mr Porter is a former Chair of The Group of 100 (G100), the peak body for CFOs.



Matthew J Rowe

Company Secretary

BA (Hons), MSc Corp Gov,
FGIA, FCG

Mr Rowe joined the Company in July 2016. He is a Chartered Secretary with over 16 years of experience in corporate governance with a particular focus in Listed Investment Companies. He was previously a corporate governance advisor at a professional services firm which included acting as Company Secretary for three ASX listed companies. Prior to that he was the Company Secretarial Manager for a funds management company based in the United Kingdom.

Remuneration Report

(a) Principles Used to Determine Nature and Amount of Remuneration

The Company has no employees (only Directors). Day-to-day operations and investment activities are carried out under the Board's direction by employees of Australian Investment Company Services Limited (AICS), a company which Djerriwarrh has a 25 per cent shareholding in. Djerriwarrh has two Directors who serve as Directors of AICS (Mr John Paterson and Mr Graham Goldsmith).

The Remuneration Report of the Parent (Australian Foundation Investment Company) includes full details of the basis upon which the executives of AICS are remunerated. Djerriwarrh bears a portion of the cost of this remuneration through the fee which AICS charges.

Djerriwarrh does not pay directly any performance-based remuneration. However, Mr Freeman is made available as Managing Director of Djerriwarrh by Australian Investment Company Services Ltd (AICS) and as part of his remuneration arrangements with AICS, Mr Freeman receives an 'at risk' component which is based on performance, as do other executives (see Section (d)).

Director Remuneration

The Constitution of Djerriwarrh requires approval by the shareholders in general meeting of a maximum amount of remuneration per year to be allocated between and paid to Non-Executive Directors as they determine. At the Company's 2015 Annual General Meeting, the total aggregate amount approved by shareholders for Non-Executive Director remuneration was \$900,000 and there has been no change of the total aggregate amount since that time. In determining remuneration allocated and paid to Non-Executive Directors, the Board takes account of the time demands made on Directors, together with such factors as the general level of fees paid to Australian corporate Directors. Non-Executive Directors do not receive any performance-based remuneration. Remuneration includes SGC where applicable.

The Directors and the Company agreed to freeze Directors' retirement allowances at 30 June 2004. This frozen amount will be paid to qualifying Directors in office prior to that time when they ultimately retire, without further adjustment. The annual amount of remuneration disclosed for each Director excludes any amounts owing in relation to retirement allowances (see Section (c)).

Directors hold office until such time as they retire, resign or are removed from office under the terms set out in the Constitution of the Company. All current Directors have entered into a Directors' Deed in a form approved by shareholders.

(b) Remuneration of Directors

Details of the nature and amounts of each Director's remuneration in respect of the year to 30 June 2022 were as follows:

	Primary Fee \$	Post- employment Superannuation \$	Total Remuneration \$
J Paterson – Chairman (Non-Executive)			
2022	181,364	8,636	190,000
2021	170,090	16,160	186,250
BR Brook – Director (Non-Executive) Appointed 1 August 2021			
2022	79,167	7,916	87,083
RJ Edgar – Director (Non-Executive) Retired 7 October 2021			
2022	23,247	2,325	25,572
2021	85,045	8,080	93,125
KJ Fagg AO – Director (Non-Executive)			
2022	86,364	8,636	95,000
2021	85,045	8,080	93,125
RM Freeman – Managing Director (Executive)			
2022	-	-	-
2021	-	-	-
GB Goldsmith AO – Deputy Chairman (Non-Executive)			
2022	92,841	2,159	95,000
2021	85,045	8,080	93,125
AJM Williams – Director (Non-Executive)			
2022	86,364	8,636	95,000
2021	85,045	8,080	93,125
KJ Wood – Director (Non-Executive)			
2022	92,841	2,159	95,000
2021	91,119	2,006	93,125
Total remuneration: Directors			
2022	642,188	40,467	682,655
2021	601,389	50,486	651,875

(c) Directors' Retirement Allowances

The Board proposed and shareholders approved at the 2004 AGM discontinuing the practice of paying Directors' retirement allowances.

The Directors' retirement allowance provided in past years was equal to the total emoluments that the Director received in the three years immediately preceding retirement, where a Director had held office for five or more years and a proportionate part for less than five years' service.

Only one Director (the Chairman, Mr John Paterson) retains an entitlement to a retirement allowance.

The amount payable which will be paid when he retires, is set out below. This amount was expensed in prior years when the retirement allowance accrued.

	Amount Payable on Retirement \$
J Paterson	44,468
	44,468

Holdings of Securities Issued by the Company

As at 30 June 2022 Directors and Executives who hold stock units issued by the Company for their own benefit or who have an interest in holdings in the name of another party and the total number of such securities are as follows (changes include conversion of DJWN shares to DJW shares):

DJW Ordinary Shares	1 July 2021	Net Changes During the Year	30 June 2022
J Paterson	769,617	109,274	878,891
BR Brook	n/a	-	15,000
RJ Edgar	70,489	-	n/a
KJ Fagg	20,220	-	20,220
RM Freeman	55,013	34,700	89,713
GB Goldsmith	156,889	43,074	199,963
AJM Williams	119,905	18,030	137,935
KJ Wood	219,742	29,486	249,228
GN Driver	56,092	12,628	68,720
AJB Porter	31,402	5,889	37,291
MJ Rowe	1,949	5,759	7,708

DJWN Shares	1 July 2021	Net Changes During the Year	30 June 2022
J Paterson	36,052	(36,052)	n/a
RJ Edgar	21,052	(21,052)	n/a
KJ Fagg	-	-	-
RM Freeman	5,263	(5,263)	n/a
GB Goldsmith	21,052	(21,052)	n/a
AJM Williams	15,789	(15,789)	n/a
KJ Wood	21,052	(21,052)	n/a
GN Driver	3,508	(3,508)	n/a
AJB Porter	-	-	-
MJ Rowe	870	(870)	n/a

It is the Company's policy that no Djerriwarrh shares owned by Directors or Executives are held subject to margin loans.

Remuneration Report

continued

(d) Executives

Executives are officers who are involved in, concerned with, or who take part in, the management of the affairs of the Company. The Company has four Executives, RM Freeman, Managing Director; GN Driver, General Manager – Business Development and Investor Relations; AJB Porter, Chief Financial Officer; and MJ Rowe who is Company Secretary (30 June 2021: four Executives).

As noted in Section (a), no remuneration is paid to the Executives directly by Djerriwarrh as their services are provided pursuant to an arrangement with AICS as outlined in the Notes to the Financial Statements. However, the Managing Director, General Manager – Business Development and Investor Relations, the Chief Financial Officer and the Company Secretary are all required to purchase Djerriwarrh shares as part of their Annual Incentive Plans.

(e) Incentives

As noted above, Djerriwarrh does not directly pay any incentives. Part of the incentive payments that the Executives are eligible for through AICS is, however, based on the performance of Djerriwarrh. These incentive payments are all 'at risk' and are dependent upon Company and personal performance.

The portion of incentive payments that relate to Djerriwarrh are designed to reflect the risks that the Company and its shareholders face and how the Company has responded to those risks. In particular:

- the key performance indicators chosen to determine performance-related pay are those that the Company considers most relevant to its objectives of improving shareholder wealth over the medium to long term; and
- the focus is on performance over the medium to long term with only a small proportion of incentive being dependent on a single year's performance.

In addition, Executives are required to hold, or to build, a relevant amount of DJW shares.

As well as personal objectives (20 per cent of potential target incentive), which include advice to the Board, succession planning, management of staff, risk management, service levels of internal support functions and promotion of corporate culture and satisfaction of key internal stakeholders a portion of any incentive awarded is based on investment and Company performance (80 per cent of target Annual Incentive, 20 per cent of which is dependent on Djerriwarrh's performance). The portion related to Djerriwarrh's performance takes account of the following factors:

- (a) Growth in net operating result or dividend per share: measured against CPI.
- (b) Management expense ratio (MER): at Board discretion but normally measured against prior years' results.
- (c) Grossed up yield achieved: at Board discretion but currently measured at one percentage point higher outcome than the grossed up yield of the ASX 200 for the year.
- (d) Relative investment return: measure of the return on the portfolio invested (including cash) over the previous one, three, five and 10 years, relative to the S&P/ASX 200 Accumulation Index up to a 7.5 per cent Index growth, then assessed at 70 per cent of the Index growth above 7.5 per cent, reflecting Djerriwarrh's key focus on income, and the effect that option-writing has on Djerriwarrh's portfolio returns in a strongly rising market.
- (e) Gross return (GR): measure of the movement in the net asset backing of the Company (per share) plus the dividends assumed to be reinvested, grossed up for franking credits over the previous one, three, five and 10 years. This return is compared to the S&P/ASX 200 Accumulation Index grossed up for franking credits up to a 7.5 per cent Index return, then assessed at 70 per cent of the Index growth above 7.5 per cent, for the same reasons as (d) above.

For the Managing Director, the total target amount of incentive that can be paid is 100 per cent of the Fixed Annual Remuneration (FAR) whilst for the other executives it is 50 per cent. As noted above, DJW only bears a portion of these costs through the payments that it makes to AICS. For 2021–2022, total incentive included an amount of Long Term Incentive which was based purely on AFIC measures and was charged 100 per cent to AFIC. From 2022–2023, this plan is proposed to be incorporated within the Annual Incentive Plan.

The Board monitors these measures to ensure that they remain consistent and aligned with the objectives of the Company.

Details of the incentives paid during the year, and the outcomes of the relevant measures, including Djerriwarrh's performance against the targets, will be available in the AFIC Annual Report, available on its website afi.com.au.

Non-audit Services

Details of non-audit services performed by the auditors may be found in Note F2 of the Financial Report.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in the *Corporations Act 2001* including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company, or jointly sharing economic risk and rewards.

A copy of the Auditors Independence Declaration is set out on page 22.

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



John Paterson
Chairman

19 July 2022



Auditor's Independence Declaration

As lead auditor for the audit of Djerriwarrh Investments Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been:

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

A handwritten signature in black ink that reads 'Nadia Carlin'.

Nadia Carlin
Partner
PricewaterhouseCoopers

Melbourne
19 July 2022

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FINANCIAL STATEMENTS

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Income Statement

For the Year Ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Dividends and distributions	A3	37,210	28,006
Revenue from deposits and bank bills		2	4
Total revenue		37,212	28,010
Net gains/(losses) on trading portfolio	A3	(30)	70
Income from options written portfolio	A3	12,524	12,129
Income from operating activities		49,706	40,209
Finance costs	B4/D2	(1,420)	(1,815)
Administration expenses	B1	(3,838)	(3,956)
Share of net profit from associate	B1	30	636
Operating result before income tax expense		44,478	35,074
Income tax expense*	B2, E2	(4,039)	(3,789)
Net operating result for the year		40,439	31,285
Net gains/(losses) on open options positions		5,843	(1,104)
Deferred tax on open options positions*	B2, E2	(1,753)	331
		4,090	(773)
Profit for the year		44,529	30,512
		Cents	Cents
Basic earnings per share	A5	18.81	13.36
		2022 \$'000	2021 \$'000
* Total tax expense	B2, E2	5,792	3,458

This Income Statement should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income

For the Year Ended 30 June 2022

	Year to 30 June 2022			Year to 30 June 2021		
	Revenue ¹ \$'000	Capital ¹ \$'000	Total \$'000	Revenue ¹ \$'000	Capital ¹ \$'000	Total \$'000
Profit for the year	40,439	4,090	44,529	31,285	(773)	30,512
Other comprehensive income						
<i>Items that will not be recycled through the Income Statement</i>						
Gains/(losses) for the period	-	(103,590)	(103,590)	-	133,166	133,166
Tax on above	-	30,639	30,639	-	(42,193)	(42,193)
<i>Items that may be recycled through the Income Statement</i>						
Net movement in fair value of swap contracts	-	83	83	-	393	393
Total other comprehensive income	-	(72,868)	(72,868)	-	91,366	91,366
Total comprehensive income	40,439	(68,778)	(28,339)	31,285	90,593	121,878

1. 'Capital' includes realised or unrealised gains or losses (and the tax on those) on securities in the investment portfolio and unrealised gains or losses (and the tax thereon) on options in the options written portfolio. Income in the form of distributions and dividends and realised gains or losses on options is recorded as 'revenue'. All other items, including expenses, are included in 'net operating result', which is categorised under 'revenue'.

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Balance Sheet

As at 30 June 2022

	Note	2022 \$'000	2021 \$'000
Current assets			
Cash	D1	1,454	1,236
Receivables		3,677	5,295
Trading portfolio		974	1,019
Total current assets		6,105	7,550
Non-current assets			
Investment portfolio	A2	783,888	849,078
Deferred tax assets – investment portfolio	B2	15,415	-
Deferred tax assets – other	E2	3,746	6,136
Shares in associate	F5	1,086	1,066
Total non-current assets		804,135	856,280
Total assets		810,240	863,830
Current liabilities			
Payables		2,180	78
Borrowings – bank debt	D2	89,000	65,000
Interest rate hedging contracts	B4	-	83
Tax payable		1,344	2,588
Options sold	A2	3,352	11,544
Total current liabilities		95,876	79,293
Non-current liabilities			
Deferred tax liabilities – investment portfolio	B2	-	15,828
Total non-current liabilities		-	15,828
Total liabilities		95,876	95,121
Net assets		714,364	768,709
Shareholders' equity			
Share capital	A1, D6	689,325	686,297
Revaluation reserve	A1, D3	9,167	85,822
Realised capital gains reserve	A1, D4	(71,008)	(74,712)
Interest rate hedging reserve	B4	-	(83)
Retained profits	A1, D5	86,880	71,385
Total shareholders' equity		714,364	768,709

This Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the Year Ended 30 June 2022

Year Ended 30 June 2022	Note	Share Capital \$'000	Revaluation Reserve \$'000	Realised Capital Gains \$'000	Interest Rate Hedging \$'000	Retained Profits \$'000	Total \$'000
Total equity at the beginning of the year		686,297	85,822	(74,712)	(83)	71,385	768,709
Dividends paid	A4	-	-	-	-	(29,034)	(29,034)
Shares issued under Dividend Reinvestment Plan	D6	3,043	-	-	-	-	3,043
Share issue costs	D6	(15)	-	-	-	-	(15)
Total transactions with shareholders		3,028	-	-	-	(29,034)	(26,006)
Profit for the year		-	-	-	-	44,529	44,529
Other comprehensive income (net of tax)							
Net losses for the period on investments ¹		-	(72,951)	-	-	-	(72,951)
Net movement in fair value of swap contracts		-	-	-	83	-	83
Other comprehensive income for the year		-	(72,951)	-	83	-	(72,868)
Transfer to realised capital gains reserve of cumulative gains on investments sold		-	(3,704)	3,704	-	-	-
Total equity at the end of the year		689,325	9,167	(71,008)²	-	86,880	714,364

1. Consists of an unrealised loss on investments held at the year-end of \$76.7 million (after tax) less cumulative gains on investments sold during the year of \$3.7 million (after tax).

2. See Note D4.

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Year Ended 30 June 2021	Note	Share Capital \$'000	Revaluation Reserve \$'000	Realised Capital Gains \$'000	Interest Rate Hedging \$'000	Retained Profits \$'000	Total \$'000
Total equity at the beginning of the year		652,854	(20,539)	(59,324) ²	(476)	64,330	636,845
Dividends paid	A4	-	-	-	-	(23,457)	(23,457)
Shares issued under Dividend Reinvestment Plan	D6	2,411	-	-	-	-	2,411
Shares issued under the Share Purchase Plan	D6	31,141	-	-	-	-	31,141
Share issue costs	D6	(109)	-	-	-	-	(109)
Total transactions with shareholders		33,443	-	-	-	(23,457)	9,986
Profit for the year		-	-	-	-	30,512	30,512
Other comprehensive income (net of tax)							
Net gains for the period on investments ¹		-	90,973	-	-	-	90,973
Net movement in fair value of swap contracts		-	-	-	393	-	393
Other comprehensive income for the year		-	90,973	-	393	-	91,366
Transfer to realised capital gains reserve of cumulative losses on investments sold		-	15,388	(15,388)	-	-	-
Total equity at the end of the year		686,297	85,822	(74,712)²	(83)	71,385	768,709

1. Consists of an unrealised gain on investments held at the year-end of \$106.4 million (after tax) less cumulative losses on investments sold during the year of \$15.4 million (after tax).

2. See Note D4.

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Cash Flow Statement

For the Year Ended 30 June 2022

	Note	2022 \$'000 Inflows/ (Outflows)	2021 \$'000 Inflows/ (Outflows)
Cash flows from operating activities			
Sales from trading portfolio		1,217	1,195
Purchases for trading portfolio		-	(964)
Interest received		2	4
Proceeds from entering into options in options written portfolio		16,051	28,779
Payment to close out options in options written portfolio		(5,865)	(17,922)
Dividends and distributions received		29,240	19,344
		40,645	30,436
Administration expenses		(3,831)	(3,956)
Finance costs paid		(1,386)	(1,916)
Income taxes paid		(5,218)	(696)
Net cash inflow/(outflow) from operating activities	E1	30,210	23,868
Cash flows from investing activities			
Sales from investment portfolio		260,972	240,321
Purchases for investment portfolio		(288,958)	(261,402)
Net cash inflow/(outflow) from investing activities		(27,986)	(21,081)
Cash flows from financing activities			
Drawing down/(repayment) of cash advance facilities		24,000	(13,000)
Shares issued under SPP		-	31,141
Share issue costs		(15)	(109)
Dividends paid		(25,991)	(21,046)
Net cash inflow/(outflow) from financing activities		(2,006)	(3,014)
Net increase/(decrease) in cash held		218	(227)
Cash at the beginning of the year		1,236	1,463
Cash at the end of the year	D1	1,454	1,236

For the purpose of the Cash Flow Statement, 'cash' includes cash and deposits held at call.

This Cash Flow Statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

A. Understanding Djerriwarrh's Financial Performance

A1. How Djerriwarrh Manages its Capital

Djerriwarrh's objective is to provide shareholders with attractive total returns including capital growth over the medium to long term and to pay an enhanced level of fully franked dividends.

Djerriwarrh recognises that its capital will fluctuate with market conditions. In order to manage those fluctuations, the Board may adjust the amount of dividends paid, issue new shares, buy back the Company's shares or, where applicable, sell assets to settle any debt. Djerriwarrh's capital consists of its shareholders' equity plus any net borrowings. A summary of the balances in equity (excluding the interest rate hedging reserve) is provided below:

	2022 \$'000	2021 \$'000
Share capital	689,325	686,297
Revaluation reserve	9,167	85,822
Realised capital gains reserve	(71,008)	(74,712)
Retained profits	86,880	71,385
	714,364	768,792

Refer to Notes D3–D6 for a reconciliation of movement for each equity account from period to period.

A2. Investments Held and How They Are Measured

Djerriwarrh has three portfolios of securities: the investment portfolio, the options written portfolio and the trading portfolio. Details of all holdings (except for the specific option holdings) as at the end of the reporting period can be found at the end of the Annual Report.

The investment portfolio holds securities which the Company intends to retain on a long term basis. The options written portfolio and trading portfolio are held for short term trading only. The latter is relatively small in size when utilised. The Company predominantly writes call options but a small number of put options are also written at times (see below). Call options are only written over securities held in the investment portfolio whilst put options are fully backed by cash, cash equivalents or access to liquidity facilities.

The balance and composition of the investment portfolio was:

	2022 \$'000	2021 \$'000
Equity instruments (at market value)	783,888	849,078
	783,888	849,078

The fair value (the price at which the option may be bought) at 30 June of the securities in the options written portfolio was:

	2022 \$'000	2021 \$'000
Call options	(3,126)	(11,530)
Put options	(226)	(14)
	(3,352)	(11,544)

If all call options were exercised, this would lead to the sale of \$252.8 million worth of securities at an agreed price – the 'exposure' (2021: \$327.7 million). If all put options were exercised, this would lead to the purchase of \$13.1 million of securities at an agreed price (2021: \$8.8 million).

\$86.0 million of shares are lodged with ASX Clear Pty Ltd as collateral for sold option positions written by the Company (2021: \$104.0 million). These shares are lodged with ASX Clear under the terms of ASX Clear Pty Ltd which require participants in the Exchange Traded Option market to lodge collateral, and are recorded as part of the Company's investment portfolio.

Notes to the Financial Statements

continued

How Investments Are Shown in the Financial Statements

The accounting standards set out the following hierarchy for fair value measurement:

Level 1: quoted prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices, which can be observed either directly (as prices) or indirectly (derived from prices).

Level 3: inputs for the asset or liabilities that are not based on observable market data.

All financial instruments held by Djerriwarrh are classified as Level 1 (other than options which are Level 2). Their fair values are initially measured at the costs of acquisition and then remeasured based on quoted market prices at the end of the reporting period. Options are valued daily using an independent third-party data provider. OTC options are valued internally using external data reference points.

Net Tangible Asset Backing Per Share

The Board regularly reviews the net asset backing per share both before and after provision for deferred tax on the unrealised gains or losses in Djerriwarrh's long term investment portfolio. Deferred tax is calculated as set out in Note B2. The relevant amounts as at 30 June 2022 and 30 June 2021 were as follows:

	30 June 2022 \$	30 June 2021 \$
Net tangible asset backing per share		
Before tax	2.95	3.32
After tax	3.01	3.26

Equity Investments

The shares in the investment portfolio are designated under the accounting standards as financial assets measured at fair value through 'other comprehensive income' (OCI), because they are equity instruments held for long term capital growth and dividend income, rather than to make a profit from their sale. This means that changes in the value of these shares during the reporting period are included in OCI in the Statement of Comprehensive Income. The cumulative change in value of the shares over time is then recorded in the revaluation reserve. On disposal, the amounts recorded in the revaluation reserve are transferred to the realised capital gains reserve.

Options

Options are classified as financial assets or liabilities at fair value through profit and loss and usually have an expiry date within 12 months from the date that they are sold. Options written are initially brought to account at the amount received upfront for entering into the contract (the premium) and subsequently revalued to current market value.

Securities Sold and How They Are Measured

During the period \$260.1 million (2021: \$242.2 million) of equity securities were sold from the investment portfolio. The cumulative gain (after tax) on the sale of securities was \$3.7 million for the period (2021: \$15.4 million loss), both after tax. This has been transferred from the revaluation reserve to the realised capital gains reserve (see Statement of Changes in Equity). These sales were accounted for at the date of trade.

Where securities are sold from the investment portfolio, any difference between the sale price and the cost is transferred from the revaluation reserve to the realised capital gains reserve and the amounts noted in the Statement of Changes in Equity. This means the Company is able to identify the realised gains out of which it can pay a 'Listed Investment Company' (LIC) gain as part of the dividend, which conveys certain taxation benefits to many of Djerriwarrh's shareholders.

The realised gain or loss on options written is not recognised until the option expires, is exercised or is closed out. All unrealised gains or losses which represent movements in the market value of the options are recognised through the Income Statement.

A3. Operating Income

The total income received from Djerriwarrh's investments in 2022 is set out below.

	2022 \$'000	2021 \$'000
Dividends and distributions		
Dividends from securities held in investment portfolio at 30 June	32,378	24,979
Dividends from investment securities sold during the year	4,796	3,016
Dividends from securities held in trading portfolio at 30 June	36	11
Dividends from trading securities sold during the year	-	-
	37,210	28,006

Dividend Income

Dividends from listed securities are recognised as income when those securities are quoted in the market on an ex-distribution basis. Dividends from unlisted securities are recognised as income when they are received. Capital returns on ordinary shares are treated as an adjustment to the carrying value of the shares.

Trading Income and Non-equity Investments

Net gains on the trading and options portfolio are set out below.

	2022 \$'000	2021 \$'000
Net gains		
Net realised gains from securities in the trading portfolio	14	15
Net unrealised gains/(losses) from securities in the trading portfolio	(44)	55
Realised gains on options written portfolio	12,524	12,129
	12,494	12,199

Including the realised gain on options written above, plus the unrealised gain on open options, a total of \$18.4 million before tax was recorded through the Income Statement from options in the options written portfolio (2021: \$11.0 million).

A4. Dividends Paid and Franking Credits

The dividends paid and payable for the year ended 30 June 2022 are shown below:

	2022 \$'000	2021 \$'000
(a) Dividends Paid During the Year		
Final dividend for the year ended 30 June 2021 of 5.75 cents fully franked at 30 per cent paid 27 August 2021 (2021: 5.25 cents fully franked at 30 per cent paid on 28 August 2020)	13,179	11,709
Interim dividend for the year ended 30 June 2022 of 6.75 cents per share fully franked at 30 per cent, paid 23 February 2022 (2021: 5.25 cents fully franked at 30 per cent paid 22 February 2021)	15,855	11,748
	29,034	23,457
(b) Franking Credits		
Balance on the franking account after allowing for tax payable in respect of the current year's profits and the receipt of dividends recognised as receivables	32,085	28,567
Impact on the franking account of dividends declared but not recognised as a liability at the end of the financial year:	(7,115)	(5,684)
Net available	24,970	22,883
These franking account balances would allow Djerriwarrh to frank additional dividend payments up to an amount of:	58,263	53,394

Djerriwarrh's ability to continue to pay franked dividends is dependent upon the receipt of franked dividends from the trading and investment portfolios and on Djerriwarrh paying tax on its other operating activities and on any capital gain.

Notes to the Financial Statements

continued

(c) Dividends Declared After Balance Date

Since the end of the year Directors have declared a final dividend of 7.0 cents per share fully franked at 30 per cent. The aggregate amount of the final dividend for the year to 30 June 2022 to be paid on 26 August 2022, but not recognised as a liability at the end of the financial year is \$16.6 million.

(d) Listed Investment Company Capital Gain Account

	2022 \$'000	2021 \$'000
Balance of the Listed Investment Company (LIC) capital gain account	1,389	2,699
This equates to an attributable amount	1,985	3,855

Distributed LIC capital gains may entitle certain shareholders to a deduction in their tax return, as set out in the dividend statement. LIC capital gains available for distribution are dependent on the disposal of investment portfolio holdings that qualify for LIC capital gains or the receipt of LIC distributions from LIC securities held in the portfolios.

A5. Earnings Per Share

The table below shows the earnings per share based on the profit for the year:

	2022 Number	2021 Number
Basic Earnings Per Share		
Weighted average number of ordinary shares used as the denominator	236,701,342	228,393,128
	\$'000	\$'000
Profit for the year	44,529	30,512
	Cents	Cents
Basic earnings per share	18.81	13.36
Basic Net Operating Result Per Share	\$'000	\$'000
Net operating result	40,439	31,285
	Cents	Cents
Basic net operating result per share	17.08	13.70

Dilution

As there are no options, convertible notes or other dilutive instruments on issue, diluted earnings per share is the same as basic earnings per share. This also applies to diluted net operating result per share.

Excluding the impact of the Woodside/BHP Petroleum merger dividend, the profit for the year would have been \$38.0 million, the net operating result would have been \$33.9 million and the net operating result per share would have been 14.33 cents per share. This compares to a figure last year of 10.94 cents excluding the impact of the Woolworths/Endeavour demerger.

B. Costs, Tax and Risk

B1. Management Costs

The total management expenses for the period are as follows:

	2022 \$'000	2021 \$'000
Administration fees paid to AICS	(2,262)	(2,528)
Share of net profit from AICS as an associate	30	636
Other administration expenses	(1,576)	(1,428)

Administration Fees Paid to AICS

Australian Investment Company Services Limited (AICS) undertakes the day-to-day administration of Djerriwarrh's investments and its operations, including financial reporting. Djerriwarrh has a 25 per cent shareholding in AICS and has two Directors on the AICS Board who are involved in approving the annual expenses budget of the Company (Djerriwarrh), amongst other duties which include oversight of risk management and compliance.

A large proportion of the administration fee paid consists of remuneration payments to the AICS staff. See the Remuneration Report for more details.

Other Administration Expenses

A major component of other administration expenses is Directors' remuneration. This has been summarised below:

	Short Term Benefits \$	Post- employment Benefits \$	Total \$
2022			
Directors	642,188	40,467	682,655
2021			
Directors	601,389	50,486	651,875

Djerriwarrh recognises Directors' retirement allowances that have been crystallised as 'amounts payable'. There are no further retirement allowances that will need to be expensed.

Detailed remuneration disclosures are provided in the Remuneration Report.

The Company does not make loans to Directors.

B2. Tax

Djerriwarrh's tax position, and how it accounts for tax, is explained here. Detailed reconciliations of tax accounting to the financial statements can be found in Note E2.

The income tax expense for the period is the tax payable on this financial year's taxable income, adjusted for any changes in deferred tax assets and liabilities attributable to temporary differences and for any unused tax losses. Deferred tax assets and liabilities (except for those related to the unrealised gains or losses in the investment portfolio) are offset, as all current and deferred taxes relate to the Australian Taxation Office and can legally be settled on a net basis.

A provision has been made for taxes on any unrealised gains or losses on securities valued at fair value through the Income Statement – i.e. the trading portfolio, puttable instruments, convertible notes that are classified as debt and the options written portfolio.

A provision has also been made for any taxes that could arise on sale of securities in the investment portfolio, even though there is no intention to dispose of them. Where Djerriwarrh disposes of such securities, tax is calculated according to the particular parcels allocated to the sale for tax purposes, offset against any capital losses carried forward.

Notes to the Financial Statements

continued

Tax Expense

The income tax expense for the period is shown below:

(a) Reconciliation of Income Tax Expense to Prima Facie Tax Payable

	2022 \$'000	2021 \$'000
Operating result before income tax expense	44,478	35,074
Tax at the rate of 30 per cent (2021 – 30 per cent)	13,343	10,522
Tax offset for franked dividends received	(8,989)	(4,381)
Demerger dividend not taxable	-	(1,892)
Tax effect of sundry items not taxable in calculating taxable income or taxable in current year but not included in income	64	(137)
	4,418	4,112
Over provision in prior years	(379)	(323)
Income tax expense on operating result before net gains on investments	4,039	3,789
Net gains (losses) on open options positions	5,843	(1,104)
Tax at the rate of 30 per cent (2021 – 30 per cent)	1,753	(331)
Tax expense (credit) on net gains on open options positions	1,753	(331)
Total tax expense	5,792	3,458

Deferred Tax – Investment Portfolio

	2022 \$'000	2021 \$'000
Deferred tax (assets)/liabilities on unrealised gains or losses in the investment portfolio	(15,415)	15,828
Opening balance at 1 July	15,828	(31,282)
Tax on realised gains or losses	(604)	4,917
Charged to OCI for ordinary securities on gains or losses for the period	(30,639)	42,193
	(15,415)	15,828

During the second half of the year, a deferred tax asset has arisen on unrealised losses in the investment portfolio. The Company considers its reversal to be probable through the usual course of market movements.

B3. Risk

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. As a Listed Investment Company that invests in tradeable securities, Djerrriwarrh will always be subject to market risk as it invests its capital in securities which are not risk free – the market price of these securities will fluctuate.

A general fall in market prices of 5 per cent and 10 per cent on values at 30 June, if spread equally over all assets in the investment portfolio, would have led to the following reductions (after tax):

	2022 \$'000		2021 \$'000	
	5%	10%	5%	10%
Profit after tax	-	-	-	-
Other comprehensive income	(27,436)	(54,872)	(29,718)	(59,435)

An equity market fall of 5 per cent and 10 per cent would have impacted the options written portfolio and trading portfolio and led to the following increases (after tax) 30 June:

	2022 \$'000		2021 \$'000	
	5%	10%	5%	10%
Profit after tax	83	166	368	737
Other comprehensive income	-	-	-	-

Djerriwarrh seeks to reduce market risk at the investment portfolio level by ensuring that it is not, in the opinion of the Investment Committee, overly exposed to one company or one particular sector of the market. The relative weightings of the individual securities and the relevant market sectors are reviewed by the Investment Committee (normally fortnightly) and risk can be managed by reducing exposure where necessary. Djerriwarrh does not have a minimum or maximum amount of the portfolio that can be invested in a single company or sector.

Djerriwarrh's investment exposures by sector is as below:

	2022 %	2021 %
Energy	2.60	2.93
Materials	9.90	11.17
Industrials	12.77	14.90
Consumer Staples	8.24	7.62
Banks	14.21	14.67
Other Financials (including real estate)	22.21	22.53
Telecommunications	6.84	5.98
Healthcare	11.48	10.66
Other – Consumer Discretionary, Information Technology and Utilities	11.56	9.39
Cash	0.19	0.15

Securities representing over 5 per cent of the combined investment and trading portfolio (including options) at 30 June were:

	2022 %	2021 %
CSL	6.5	
Transurban	6.4	
BHP	5.9	
Westpac	5.4	
CBA	5.3	
CSL		6.2
Westpac		5.9
BHP		5.6
Transurban		5.3

No other security represents over 5 per cent of the Company's investment and trading portfolios.

The writing of call options provides some protection against a fall in market prices as it generates income to partially compensate for a fall in capital values. Options are only written against securities that are held in the trading or investment portfolios although stock may be purchased on-market to meet call obligations.

Djerriwarrh is also not directly exposed to material currency risk as most of its investments are quoted in Australian dollars.

Notes to the Financial Statements

continued

Interest Rate Risk

Djerriwarrh is not currently materially exposed to interest rate risk as all its cash investments and borrowings are short term for a fixed interest rate.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Djerriwarrh is exposed to credit risk from cash, receivables and securities in the investment portfolio respectively. None of these assets are overdue. The risk in relation to each of these items is set out below.

Cash

All cash investments not held in a transactional account are invested in short term deposits with Australia's 'big four' commercial banks or cash management trusts which invest predominantly in securities with an A1+ rating.

In the unlikely event of a bank default or default on the underlying securities in the cash trust, there is a risk of losing the cash deposits and any accrued unpaid interest.

Receivables

Outstanding settlements are on the terms operating in the securities industry, which usually require settlement within two days of the date of a transaction. Receivables are non-interest bearing and unsecured. In the event of a payment default, there is a risk of losing any difference between the price of the securities sold and the price of the recovered securities from the discontinued sale. Receivables also include dividends from securities that have passed the record date for the distribution but have not paid as at balance date.

Trading and Investment Portfolios

Interest-bearing securities that are not equity securities carry credit risk to the extent of their carrying value. This risk would be realised in the event of a shortfall on winding up of the issuing companies. As at 30 June 2022, no such investments are held (2021: nil).

Liquidity Risk

Liquidity risk is the risk that an entity will not be able to meet its financial liabilities.

Djerriwarrh monitors its cash flow requirements daily. The Investment Committee also monitors the level of contingent payments on a regular basis by reference to known sales and purchases of securities, dividends and distributions to be paid or received, put options that may require Djerriwarrh to purchase securities, and facilities that need to be repaid. Djerriwarrh ensures that it has either cash or access to short term borrowing facilities sufficient to meet these contingent payments.

Djerriwarrh's inward cash flows depend upon the dividends received. Should these drop by a material amount, Djerriwarrh would amend its outward cash flows accordingly or draw down on more debt. Djerriwarrh's major cash outflows are the purchase of securities and dividends paid to shareholders, and both of these can be adjusted by the Board and management. Furthermore, the assets of Djerriwarrh are largely in the form of readily tradeable securities which can be sold on-market if necessary.

The table below analyses Djerriwarrh's financial liabilities into relevant maturity groupings. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less Than 6 Months \$'000	6–12 Months \$'000	Greater Than 1 Year \$'000	Total Contractual Cash Flows \$'000	Carrying Amount \$'000
30 June 2022					
Non-derivatives					
Payables	2,180	-	-	2,180	2,180
Borrowings	89,000	-	-	89,000	89,000
	91,180	-	-	91,180	91,180
Derivatives					
Options written*	13,121	-	-	13,121	3,352
	13,121	-	-	13,121	3,352

30 June 2021

Non-derivatives					
Payables	78	-	-	78	78
Borrowings	65,000	-	-	65,000	65,000
	65,078	-	-	65,078	65,078
Derivatives					
Options written*	8,755	-	-	8,755	11,544
Interest rate swaps	113	-	-	113	83
	8,868	-	-	8,868	11,627

* In the case of call options, there are no contractual cash flows as if the option is exercised the contract will be settled in the securities over which the option is written. The contractual cash flows for put options written are the cash sums the Company will pay to acquire securities over which the options have been written, and it is assumed for the purpose of the above disclosure that all options will be exercised (i.e. maximum cash outflow).

B4. Interest Rate Swaps

	2022 \$000	2021 \$000
Opening balance at 1 July	(83)	(476)
Movement for year (net of tax)	83	393
Fair value of interest rate swap agreements at 30 June	-	(83)

C. Unrecognised Items

Directors are not aware of any material contingent liabilities or contingent assets other than those already disclosed elsewhere in the Financial Report.

Notes to the Financial Statements

continued

Further notes to the financial statements are included here. These are grouped into three sections:

- D. Balance Sheet Reconciliations
- E. Income Statement Reconciliations
- F. Further Information

D. Balance Sheet Reconciliations

This section provides information about the basis of calculation of line items in the financial statements.

D1. Current Assets – Cash

	2022 \$'000	2021 \$'000
Cash at bank and in hand (including on-call)	1,454	1,236

Cash holdings yielded an average floating interest rate of 0.08 per cent (2021: 0.12 per cent). All cash investments are held in a transactional account or an over-night 'at call' account invested in cash management trusts which invest predominantly in securities with an A1+ rating.

D2. Credit Facilities

The Company was party to agreements under which Commonwealth Bank of Australia and National Australia Bank (NAB) would extend cash advance facilities. Details of the facilities are given below.

	2022 \$'000	2021 \$'000
Commonwealth Bank of Australia – cash advance facility	130,000	110,000
Amount drawn down at 30 June	79,000	55,000
Undrawn facilities at 30 June	51,000	55,000
National Australia Bank – cash advance facility	20,000	10,000
Amount drawn down at 30 June	10,000	10,000
Undrawn facilities at 30 June	10,000	0
Total short term loan facilities	150,000	120,000
Total drawn down at 30 June	89,000	65,000
Total undrawn facilities at 30 June	61,000	55,000

The above borrowings, with the exception of the NAB facility, are unsecured. Repayment of facilities is done either through the use of cash received from distributions or the sale of securities, or by rolling existing facilities into new ones. Facilities are usually drawn down for no more than three months and hence are classified as current liabilities when drawn.

The current debt facilities are as follows:

Facility Provider	Amount	Expiry Date
Commonwealth Bank	\$30 million	29 June 2023
Commonwealth Bank	\$50 million	31 October 2023
Commonwealth Bank	\$20 million	31 December 2023
Commonwealth Bank	\$30 million	31 December 2024
National Australia Bank	\$20 million	26 July 2022
Total facilities	\$150 million	

The debt facility with National Australia Bank is structured in the form of a securities lending arrangement. The terms of the agreement require that securities be pledged as collateral for the drawn secured borrowings under that facility and that such securities satisfy a minimum value of \$11 million (110 per cent of the total drawn facility). These securities are held by the National Australia Bank but included as part of the Company's investment portfolio. As at 30 June 2022 the market value of the securities pledged as collateral was \$13.3 million (2021: \$15.6 million).

D3. Revaluation Reserve

	2022 \$'000	2021 \$'000
Opening balance at 1 July	85,822	(20,539)
Gains/(losses) on investment portfolio	(103,590)	133,166
Deferred tax on above	30,639	(42,193)
Cumulative taxable realised (gains)/losses (net of tax)	(3,704)	15,388
	9,167	85,822

This reserve is used to record increments and decrements on the revaluation of the investment portfolio as described in accounting policy Note A2.

D4. Realised Capital Gains Reserve

	2022 \$'000			2021 \$'000		
	Taxable Realised Gains (Net of Tax)	Difference Between Tax and Accounting Costs	Total	Taxable Realised Gains (Net of Tax)	Difference Between Tax and Accounting Costs	Total
Opening balance at 1 July	(11,474)	(63,238)	(74,712)	451	(59,775)	(59,324)
Dividends paid	-	-	-	-	-	-
Cumulative taxable realised (losses)/gains for period	1,757	2,551	4,308	(16,840)	(3,463)	(20,303)
Tax on realised gains/(losses)	(604)	-	(604)	4,915	-	4,915
	(10,321)	(60,687)	(71,008)	(11,474)	(63,238)	(74,712)

This reserve records gains or losses after applicable taxation arising from disposal of securities in the investment portfolio as described in Note A2. The difference between tax and accounting costs is a result of realised gains or losses being accounted for on an average cost basis, whilst taxable gains or losses are made based on the specific cost of the actual stock sold – i.e. on a parcel selection basis. These differences also include non-taxable realised gains or losses, e.g. losses under off-market buy-backs.

Note that LIC gains paid to shareholders also include the LIC gains received from other LICs that Djerriwarrh invests in.

D5. Retained Profits

	2022 \$'000	2021 \$'000
Opening balance at 1 July	71,385	64,330
Dividends paid	(29,034)	(23,457)
Profit for the year	44,529	30,512
	86,880	71,385

This reserve relates to past profits.

Notes to the Financial Statements

continued

D6. Share Capital

Date	Details	Note	Number of Shares '000	Issue Price \$	Paid-up Capital \$'000
1/7/2020	Balance		224,253		652,854
28/8/2020	Dividend Reinvestment Plan	(i)	484	2.52	1,220
28/8/2020	Dividend Substitution Share Plan	(ii)	26	2.52	n/a
22/2/2021	Dividend Reinvestment Plan	(i)	412	2.89	1,191
22/2/2021	Dividend Substitution Share Plan	(ii)	18	2.89	n/a
3/3/2021	Share Purchase Plan	(iii)	10,926	2.85	31,141
	Costs of issue		-	-	(109)
30/6/2021	Balance		236,119		686,297
27/8/2021	Dividend Reinvestment Plan	(i)	420	3.10	1,303
27/8/2021	Dividend Substitution Share Plan	(ii)	27	3.10	n/a
23/2/2022	Dividend Reinvestment Plan	(i)	558	3.12	1,740
23/2/2022	Dividend Substitution Share Plan	(ii)	36	3.12	n/a
	Costs of issue		-	-	(15)
30/6/2022	Balance		237,160		689,325

- (i) Shareholders elect to have all or part of their dividend payment reinvested in new ordinary shares under the Dividend Reinvestment Plan (DRP). The price of the new DRP shares is based on the average selling price of shares traded on the Australian Securities Exchange and Cboe in the five days after the shares begin trading on an ex-dividend basis.
- (ii) The Company has a Dividend Substitution Share Plan (DSSP) whereby shareholders may elect to forgo a dividend and receive shares instead. Pricing for the DSSP shares is done as per the DRP shares.
- (iii) The Company had a Share Purchase Plan (SPP) during the previous corresponding period. Shareholders could apply for up to \$30,000 worth of new securities. Shares were issued at a 5 per cent discount to the five-day VWAP calculated up to and including the day on which the SPP closed, being the 22 February 2021. New shares issued under the SPP were entitled to 50 per cent of the final dividend paid on 27 August 2021. The SPP shares converted to ordinary shares on 9 August 2021.

All shares have been fully paid, rank pari passu (except as related to dividends as noted above) and have no par value.

E. Income Statement Reconciliations

E1. Reconciliation of Net Cash Flows From Operating Activities to Profit

	2022 \$'000	2021 \$'000
Profit for the year	44,529	30,512
Net profit from associate	(20)	(444)
(Increase) decrease in trading portfolio	45	(1,019)
Demerger dividend (non-cash)	-	(6,305)
Increase (decrease) in options written portfolio	(8,192)	(139)
Dividends received as securities under DRP investments	(6,515)	-
Decrease (increase) in current receivables	1,618	(3,097)
– Less increase (decrease) in receivables for investment portfolio	(1,899)	1,898
Increase (decrease) in deferred tax	(28,853)	41,841
– Less (increase) decrease in deferred tax on investment portfolio	31,243	(47,110)
– Add increase (decrease) in CGT losses carried forward	(604)	4,985
Increase (decrease) in current payables	2,102	(103)
– Less decrease (increase) in payables for investment portfolio	(2,000)	-
Increase (decrease) in provision for tax payable	(1,244)	2,917
– Less CGT provision	-	(68)
Net cash flows from operating activities	30,210	23,868

E2. Tax Reconciliations

Tax Expense Composition

	2022 \$'000	2021 \$'000
Charge for tax payable relating to the current year	4,385	4,133
Over provision in prior years	(379)	(323)
Decrease (increase) in deferred tax assets (excluding capital losses)	1,786	(352)
	5,792	3,458

Amounts Recognised Directly Through Other Comprehensive Income

	2022 \$'000	2021 \$'000
Capital losses	-	4,985
Capital losses carried forward from previous year	-	(68)
Capital gains absorbed by brought-forward losses	(604)	-
Net increase in deferred tax assets/liabilities relating to capital gains tax on the movement in gains or losses in the investment portfolio	31,243	(47,110)
	30,639	(42,193)

Deferred Tax Assets

The deferred tax balances are attributable to:

	2022 \$'000	2021 \$'000
(a) Tax on unrealised (gains)/losses in the options written portfolio	(522)	1,230
(b) Tax on unrealised (gains)/losses in the trading portfolio	(3)	(16)
(c) Provisions and expenses charged to the accounting profit which are not yet tax deductible	14	14
(d) Interest and dividend income receivable which is not assessable for tax until receipt	(194)	(145)
(e) Capital losses	4,451	5,053
	3,746	6,136
Movements:		
Opening balance at 1 July	6,136	867
Credited/charged to Income Statement	(1,786)	352
Credited/charged to other comprehensive income	(604)	4,917
	3,746	6,136

Deferred tax assets arise when provisions and expenses have been charged but are not yet tax deductible. These assets are realised when the relevant items become tax deductible, as long as enough taxable income has been generated to claim the assets against, and as long as there are no changes to the tax legislation that affect Djerriwarrh's ability to claim the deduction.

E3. Reconciliation of Profit Before Tax

The Board considers Djerriwarrh's operating result after tax to be a key measure of Djerriwarrh's performance. This amount excludes the impact of unrealised gains/losses on options and any gains or losses on Djerriwarrh's investment portfolio. It reconciles to Djerriwarrh's profit before tax as follows:

	2022 \$'000	2021 \$'000
Operating result after income tax expense	40,439	31,285
Add back income tax expense	4,039	3,789
Net gains (losses) on open options positions	5,843	(1,104)
Profit for the year before tax	50,321	33,970

Notes to the Financial Statements

continued

F. Further Information

This section covers information that is not directly related to specific line items in the financial statements, including information about related party transactions and other statutory information.

F1. Related Parties

All transactions with related parties were made on normal commercial terms and conditions and approved by independent Directors. The only such transactions were in connection with the services provided by AICS (see Notes B1 and F5).

F2. Remuneration of Auditors

During the year the auditor earned the following remuneration:

	2022 \$	2021 \$
PricewaterhouseCoopers		
Audit or review of financial reports	150,143	148,146
Permitted non-audit services		
Taxation compliance services	19,197	18,355
Total remuneration	169,340	166,501

F3. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Board, through its sub-committees, has been identified as the chief operating decision-maker, as it is responsible for allocating resources and assessing performance of the operating segments.

Description of Segments

The Board makes the strategic resource allocations for Djerriwarrh. Djerriwarrh has therefore determined the operating segments based on the reports reviewed by the Board, which are used to make strategic decisions.

The Board is responsible for Djerriwarrh's entire portfolio of investments and considers the business to have a single operating segment. The Board's asset allocation decisions are based on a single, integrated investment strategy, and Djerriwarrh's performance is evaluated on an overall basis.

Segment Information Provided to the Board

The internal reporting provided to the Board for Djerriwarrh's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of Australian Accounting Standards, except that net assets are reviewed both before and after the effects of unrealised capital gains tax on investments (as reported in Djerriwarrh's Net Tangible Asset announcements to the ASX).

Other Segment Information

Revenues from external parties are derived from the receipt of dividend, distribution and interest income, and income arising on the trading portfolio and realised income from the options portfolio.

Djerriwarrh is domiciled in Australia and most of Djerriwarrh's income is derived from Australian entities or entities that maintain a listing in Australia. Djerriwarrh has a diversified portfolio of investments, with only one investment comprising more than 10 per cent of Djerriwarrh's income from operating activities – BHP (26.5 per cent including the Woodside/BHP Petroleum merger dividend) (2021: Woolworths (17.6 per cent) due to the demerger dividend from the Endeavour demerger).

F4. Summary of Other Accounting Policies

This general purpose Financial Report has been prepared in accordance with Australian Accounting Standards, Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. This Financial Report has been authorised for issue on 19 July 2022 in accordance with a resolution of the Board and is presented in the Australian currency. The Directors of Djerriwarrh have the power to amend and reissue the Financial Report.

Djerriwarrh has attempted to improve the transparency of its reporting by adopting 'plain English' where possible. Key 'plain English' phrases and their equivalent AASB terminology are as follows:

Phrase	AASB Terminology
Market value	Fair value for actively traded securities
Cash	Cash and cash equivalents
Share capital	Contributed equity
Options	Derivatives written over equity instruments that are valued at fair value through profit or loss

Other terminology used in the report is defined as follows:

Phrase	Definition
Net operating result	Total operating income after operating expenses and income tax are deducted

Djerriwarrh complies with International Financial Reporting Standards (IFRS). Djerriwarrh is a 'for profit' entity.

Djerriwarrh has not applied any Australian Accounting Standards or AASB Interpretations that have been issued as at balance date but are not yet operative for the year ended 30 June 2022 ('the inoperative standards'). The impact of the inoperative standards has been assessed and the impact has been identified as not being material. Djerriwarrh only intends to adopt other inoperative standards at the date at which their adoption becomes mandatory.

Basis of Accounting

The financial statements are prepared using the valuation methods described in Note A2. All other items have been treated in accordance with the historical cost convention.

Fair Value of Financial Assets and Liabilities

The fair value of cash and non-interest bearing monetary financial assets and liabilities of Djerriwarrh approximates their carrying value.

Rounding of Amounts

Djerriwarrh is a company of the kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Financial Report. Amounts in the Financial Report have been rounded off in accordance with that Instrument, to the nearest thousand dollars, or in certain cases, to the nearest dollar.

F5. Associate Accounting

Associates are entities over which the Company has significant influence but not control, generally accompanied by a shareholding of between 20 and 50 per cent of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost, in the Company's financial statements.

The Company has one associate – Australian Investment Company Services (AICS), incorporated in Australia, in which it has a 25 per cent shareholding. AICS provides investment and administrative services to the Company and to other Listed Investment Companies, including its Parent, Australian Foundation Investment Company (AFIC) which holds the other 75 per cent.

The Company's share of its associate's post-acquisition profits or losses is recognised in the Income Statement, and its share of post-acquisition movements in reserves is recognised in net income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

DIRECTORS' DECLARATION

In the Directors' opinion:

- (1) the financial statements and notes set out on pages 24 to 43 are in accordance with the *Corporations Act 2001* including:
 - (a) complying with accounting standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- (2) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note F4 to the financial statements confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

This declaration has been made after receiving the declarations required to be made to the Directors by the Managing Director and the Chief Financial Officer regarding the financial statements in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2022. The declarations received were that, in the opinion of the Managing Director and the Chief Financial Officer to the best of their knowledge, the financial records of the Company have been properly maintained, that the financial statements comply with accounting standards and that they give a true and fair view.



John Paterson
Chairman

Melbourne
19 July 2022

INDEPENDENT AUDIT REPORT



Independent auditor's report

To the members of Djerriwarrh Investments Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Djerriwarrh Investments Limited (the Company) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the balance sheet as at 30 June 2022
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the cash flow statement for the year then ended
- the income statement for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

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

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

Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

INDEPENDENT AUDIT REPORT

continued



Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Company, its accounting processes and controls and the industry in which it operates.



Materiality

- For the purpose of our audit we used overall materiality of \$7.14 million, which represents approximately 1% of the Company's net assets.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose net assets as the benchmark because, in our view, net assets is:
 - the metric against which the performance of the Company is most commonly measured
 - the key driver of the business and the determinant of the Company's value.
- We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable net asset related thresholds.

Audit Scope

- Our audit focused on assessing the financial statements for risks of material misstatement in account balances or disclosures, and designing and performing audit procedures to obtain reasonable assurance that the financial statements as a whole were free of material misstatement due to fraud or error. This included identifying areas of higher risk, based on quantitative and qualitative assessments of the Company's operations and activities.



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 for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit Committee.

Key audit matter	How our audit addressed the key audit matter
<p>Existence and valuation of Investment Portfolio <i>Refer to note A2</i></p> <p>\$783.9m</p> <p>The Investment Portfolio consists mainly of listed Australian equities.</p> <p>Whilst there is no significant judgement in determining the valuation of the Company's investments, investments represent a key measure of the Company's performance and comprise a significant proportion of total assets in the balance sheet. The fluctuations in investment valuation will also impact the realised and unrealised gains/(losses) recognised in the statement of comprehensive income, which also affects the deferred tax provisions. Given the pervasive nature investments have on the Company's key financial metrics, we determined the existence and valuation of investments to be a key audit matter.</p>	<ol style="list-style-type: none"> 1) Agreed all the investment quantity holdings at 30 June 2022 to third party registry sources 2) Obtained the purchases and sales listing for the year ended 30 June 2022, and <ul style="list-style-type: none"> • Agreed a sample of purchases and sales to original contracts; and • Agreed a sample of original contracts to the purchases and sales listing. 3) Performed a reconciliation of the opening investment balances and the number of units, plus addition/subtraction of purchases, sales and other relevant transactions, and agreeing back to the 30 June 2022 closing investment balances and units. 4) Agreed all listed equities investment prices to third party market pricing sources.

INDEPENDENT AUDIT REPORT

continued



Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our auditor's report.



Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 18 to 20 of the directors' report for the year ended 30 June 2022.

In our opinion, the remuneration report of Djerriwarrh Investments Limited for the year ended 30 June 2022 complies with section 300A of the Corporations Act 2001.

Responsibilities

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

A handwritten signature in dark ink, appearing to read 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in dark ink, appearing to read 'Nadia Carlin'.

Nadia Carlin
Partner

Melbourne
19 July 2022

OTHER INFORMATION

Information About Shareholders

At 18 July 2022 there were 16,815 holdings of ordinary shares. These holdings were distributed in the following categories:

Size of Holding	Shareholdings (at 14 July 22)	Percentage of Shares in Issue
1 to 1,000	2,008	0.39
1,001 to 5,000	5,080	6.17
5,001 to 10,000	3,644	11.54
10,001 to 100,000	5,556	57.70
100,001 and over	241	24.20
Total	16,529	100.00

20 largest percentage held by holders	9.4%
Average shareholding	14,348

There were 493 shareholdings of less than a marketable parcel of \$500 (171 shares).

Voting Rights of Ordinary Shares

The Constitution provides for votes to be cast:

- (i) on a show of hands, 1 vote for each shareholder; and
- (ii) on a poll, 1 vote for each fully paid ordinary share.

Major Shareholders

The 20 largest holdings of ordinary shares as at 18 July 2022 are listed below:

Rank	Name	Shares	% Shares
1	Australian Foundation Investment Company Limited	7,505,346	3.16
2	Bruce Teele	2,547,318	1.07
3	HSBC Custody Nominees (Australia) Limited	2,516,520	1.06
4	Miss Margaret Frances Erskine	1,890,526	0.80
5	John Paterson	878,891	0.37
6	Nulis Nominees (Australia) Limited <Navigator Mast Plan Sett A/C>	637,634	0.27
7	National Nominees Limited	633,902	0.27
8	Netwealth Investments Limited <Wrap Services A/C>	585,456	0.25
9	BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd <Drp A/C>	546,718	0.23
10	Mr Bevan Robert Johnson + Mrs Karen Jane Johnson	459,403	0.19
11	Invia Custodian Pty Limited <Inverary Super Fund A/C>	455,105	0.19
12	Australian Executor Trustees Limited <No 1 Account>	453,717	0.19
13	P N B W Pty Ltd <F & Ja Arrowsmith Family A/C>	420,156	0.18
14	Lavender Purple Pty Ltd <Lavender Purple A/C>	416,500	0.18
15	Mr Gregory Bruce Hill	410,000	0.17
16	Ross Barker	404,682	0.17
17	Mr Ian Stanley Fraser + Mr Andrew Tweedie + Mr Andrew Stanley Fraser <Joe White Bequest Cap A/C>	396,360	0.17
18	Miss Lillian Johnson	378,907	0.16
19	Miss Grace Johnson	378,906	0.16
=19	Mr Mason Johnson	378,906	0.16

Sub-underwriting

During the year the Company did not participate as a sub-underwriter in any issues of securities.

Substantial Shareholders

The Company has not been notified of any substantial shareholders.

Transactions in Securities

During the year ended 30 June 2022, the Company recorded 1,575 transactions in securities (including options). \$1,272,319 (including GST) in brokerage was paid or accrued for the year.

Holdings of Securities

As at 30 June 2022

Details of the Company's portfolios are given below. The list should not be used to evaluate portfolio performance or to determine the net asset backing per share (which is advised to the Australian Securities Exchange each month and recorded on the toll free telephone service at 1800 780 784).

Individual holdings in the portfolios may change significantly during the course of the year. In addition, holdings may be subject to call options or sale commitments by which they may be sold at a price significantly different from the market price prevailing at the time of the exercise or sale.

Unless otherwise stated, the securities in this list are fully paid ordinary shares, trust units, stapled securities or convertible notes.

Code	Company Name	Number Held	Number Held	Market Value
		2021 '000	2022 '000	2022 \$'000
AIA*	Auckland International Airport	744	2,409	15,608
ALQ	ALS	127	127	1,361
ALX*	Atlas Arteria	1,634	959	7,301
AMC*	Amcor	1,108	293	4,896
AMH	AMCIL	10,599	10,599	11,394
AMP	AMP	602	602	575
ANZ*	Australia and New Zealand Banking Group	487	487	10,723
ARB	ARB Corporation	284	335	9,463
ASX*	ASX	385	258	20,976
BHP*	BHP	973	1,133	46,035
BWP*	BWP Trust	3,134	3,134	12,187
BXB*	Brambles	1,103	285	3,011
CAR*	Carsales.com	1,113	1,192	21,877
CBA*	Commonwealth Bank of Australia	352	461	41,511
COH*	Cochlear	0	37	7,378
COL*	Coles Group	934	1,536	27,241
CPU*	Computershare	107	46	1,123
CSL*	CSL	184	188	50,422
DMP	Domino's Pizza Enterprises	0	78	5,321
EQT	EQT Holdings	675	804	21,067
FCL	FINEOS Corporation	1,105	1,399	2,070
FPH	Fisher & Paykel Healthcare Corporation	344	396	7,056
GMG*	Goodman Group	1,068	677	12,070
IAG*	Insurance Australia Group	3,304	3,304	14,343
IRE*	IRESS	1,476	1,206	13,828
IVC	InvoCare	616	406	4,247
JBH*	JB Hi-Fi	0	480	18,443
JHX	James Hardie Industries	314	645	20,492
MFT	Mainfreight (NZX listed)	275	275	17,380
MGR	Mirvac Group	4,113	8,900	17,578
MIR	Mirrabooka Investments	4,215	4,215	12,349
MQG*	Macquarie Group	158	160	26,288

Code	Company Name	Number Held	Number Held	Market Value
		2021 '000	2022 '000	2022 \$'000
NAB*	National Australia Bank	1,024	629	17,173
NWL	Netwealth Group	384	384	4,669
PNI	Pinnacle Investment Management Group	433	1,144	8,039
PXA	PEXA Group	292	292	4,054
REA	REA Group	0	71	7,940
REH	Reece	323	410	5,649
RHC*	Ramsay Health Care	187	200	14,316
RIO*	Rio Tinto	79	59	6,052
RMD	ResMed	348	288	8,823
SCP	SCA Property Group	0	3,005	8,264
SEK*	Seek	227	195	4,094
SHL	Sonic Healthcare	124	57	1,870
STO*	Santos	0	1,373	10,149
TCL*	Transurban Group	3,136	3,484	49,717
TLS*	Telstra Corporation	7,875	5,122	19,626
TPW	Temple & Webster	452	452	1,502
WBC*	Westpac Banking Corporation	1,917	2,146	41,832
WDS*	Woodside Energy	360	322	10,174
WES*	Wesfarmers	350	828	34,630
WOW*	Woolworths	1,108	1,051	37,322
Total				781,510

* Indicates that options were outstanding against part the holding.

Major Transactions in the Investment Portfolio

Acquisitions	Cost (\$'000)
Wesfarmers	27,110
JB Hi-Fi	21,911
James Hardie Industries	20,160
Commonwealth Bank	19,037
BHP	18,066
Macquarie Group (includes \$5 million from participation in placement at \$194 per share)	15,977
Coles	13,969

Disposals	Proceeds (\$'000)
Sydney Airport*	22,916
Macquarie Group (because of the exercise of call options)	14,130
Amcor (the majority of which was because of the exercise of call options)	13,391
National Australia Bank (because of the exercise of call options)	12,912
Woolworths (because of the exercise of call options)	12,800
Oil Search* (because of merger with Santos)	12,355

* Complete disposal.

New Companies Added to the Portfolio

JB Hi-Fi
 Santos (because of merger with Oil Search)
 REA Group
 Domino's Pizza Enterprises
 SCA Property Group
 Cochlear

Issues of Securities

Issue	Type	Price	Remarks
23 February 2022	DRP/DSSP	3.12	Nil discount
27 August 2021	DRP/DSSP	3.10	Nil discount
3 March 2021	SPP-DJWN	2.85	Nil discount
22 February 2021	DRP/DSSP	2.89	Nil discount
28 August 2020	DRP/DSSP	2.52	Nil discount
20 February 2020	DRP	3.26	5 per cent discount
27 August 2019	DRP	3.31	2.5 per cent discount
21 February 2019	DRP	3.03	5 per cent discount
27 August 2018	DRP	3.29	2.5 per cent discount
21 February 2018	DRP	3.33	5 per cent discount
25 August 2017	DRP	3.44	5 per cent discount
21 February 2017	DRP	3.53	5 per cent discount
24 August 2012	DRP	3.66	2.5 per cent discount
17 February 2012	DRP	3.59	2.5 per cent discount
24 August 2011	DRP	3.47	2.5 per cent discount
18 February 2011	DRP	4.05	2.5 per cent discount
24 August 2010	DRP	3.89	5 per cent discount
19 February 2010	DRP	4.16	5 per cent discount
25 August 2009	DRP	4.02	5 per cent discount
20 February 2009	DRP	3.07	5 per cent discount
15 August 2008	DRP	4.10	-
16 February 2008	DRP	5.05	-
9 August 2007	DRP	5.11	-
12 March 2007	DRP	4.78	-
11 October 2006	Rights issue	4.00	1 to 5 rights Issue
10 August 2006	DRP	4.62	-
8 March 2006	DRP	4.29	-
26 August 2005	DRP	3.95	-
16 March 2005	DRP	3.68	-
26 August 2004	DRP	3.43	-
9 July 2004	Convertible note issue	3.90	Maturing 30 September 2009
5 March 2004	DRP	3.48	-
22 December 2003	SAP	3.22	-
22 August 2003	DRP	3.50	-
7 March 2003	DRP	3.27	-
19 December 2002	SAP	3.14	-
19 August 2002	SAP	3.57	-
7 March 2002	DRP	3.73	-
4 October 2001	SAP	3.51	-
29 June 2001	DRP	3.53	-
8 March 2001	DRP	3.15	-
16 August 2000	DRP	3.27	-
27 April 2000	SAP	3.28	-
7 March 2000	DRP	3.47	-
11 August 1999	DRP	3.54	-
28 April 1999	SAP	3.36	-
15 March 1999	DRP	3.47	-
11 September 1998	DRP	3.27	-
27 March 1998	DRP	3.60	-
30 October 1997	Rights issue	4.00	1 to 5 rights issue of convertible notes
11 September 1997	DRP	3.35	-
27 March 1997	DRP	2.76	-
13 September 1996	DRP	2.58	-
29 March 1996	DRP	2.73	-
27 September 1995	DRP	2.47	-
22 June 1995	New issue	2.60	-
24 March 1995	DRP	2.34	-
23 September 1994	DRP	2.34	-
21 June 1994	New issue	2.57	-
31 March 1994	DRP	2.56	-
24 September 1993	DRP	2.30	-
26 March 1993	DRP	2.13	-
25 September 1992	DRP	2.17	-
1 January 1992	New issue	2.29	-
18 June 1990	New issue	2.00	-
9 April 1990	New issue	2.00	-
22 December 1989	Initial allotment	2.00	-

Note that for the shares issued under the DSSP, the price shown is the indicative price used to determine the number of shares issued to participants. Shares issued under the DSSP are issued at nil cost. Shareholders who sell shares issued under the DSSP should consult their tax adviser as to the correct treatment of such sales for taxation purposes.

Company Particulars

Djerriwarrh Investments Limited

ABN 38 006 862 693

Directors

John Paterson, Chairman
Robert M Freeman, Managing Director
Bruce R Brook
Kathryn J Fagg AO
Graham B Goldsmith AO
Alice JM Williams
Karen J Wood

Company Secretaries

Matthew J Rowe
Andrew JB Porter

Auditor

PricewaterhouseCoopers
Chartered Accountants

Country of Incorporation

Australia

Registered Office and Mailing Address

Level 21, 101 Collins Street
Melbourne Victoria 3000

Contact Details

Telephone (03) 9650 9911
Facsimile (03) 9650 9100
Email invest@djerrri.com.au
Website djerrri.com.au

For enquiries regarding net asset backing (as advised each month to the Australian Securities Exchange):

Telephone 1800 780 784 (toll free)

Shareholder Information

Share Registrar

Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnston Street
Abbotsford Victoria 3067

Shareholder

Enquiry Line 1300 653 915
+61 3 9415 4190 (from overseas)
Facsimile (03) 9473 2500
Website investorcentre.com/contact

For all enquiries relating to shareholdings, dividends and related matters, please contact the Share Registrar as above.

Securities Exchange Code

DJW Ordinary shares

Annual General Meeting

Time 10.00am
Date Thursday 13 October 2022
Venue Melbourne City Conference Centre
Location 333 Swanston Street
Melbourne Victoria 3000

The AGM will be a hybrid meeting with a physical meeting and access via an online platform. Further details are provided in the Notice of Annual General Meeting.

Adelaide Shareholder Meeting

Time 12.00pm
Date Monday 17 October 2022
Venue Adelaide Convention Centre
North Terrace Adelaide
Location Hall E1 and E2

Perth Shareholder Meeting

Time 12.00pm
Date Tuesday 18 October 2022
Venue Perth Convention Centre
21 Mounts Bay Road Perth
Location Meeting Rooms 1 and 2

Canberra Shareholder Meeting

Time 12.00pm
Date Friday 21 October 2022
Venue Park Hyatt Hotel
120 Commonwealth Avenue Canberra
Location Federation Ballroom

Brisbane Shareholder Meeting

Time 12.00pm
Date Monday 24 October 2022
Venue Brisbane Convention Centre
Cnr Merivale and Glenelg Streets
South Bank Brisbane
Location Sky Room

Sydney Shareholder Meeting

Time 12.00pm
Date Tuesday 25 October 2022
Venue Wesley Conference Centre
220 Pitt Street Sydney
Location Auditorium

