



Preserving Confidence. Producing Results.

Annual Report
2024



Contents

FLAGSHIP INVESTMENTS

8	CHAIRMAN'S REPORT
11	DIRECTORS' REPORT
21	AUDITOR'S INDEPENDENCE DECLARATION
23	CORPORATE GOVERNANCE STATEMENT
26	FINANCIAL REPORT
52	CONSOLIDATED ENTITY STATEMENT AND DIRECTORS' DECLARATION
54	INDEPENDENT AUDITOR'S REPORT
60	SHAREHOLDER INFORMATION
63	INVESTMENTS
66	CORPORATE DIRECTORY

Welcome

FINANCIAL CALENDAR

Financial year end
30 June 2024

Final dividend
5.2 cents per share

Shares traded ex dividend
14 August 2024

Dividend books closed
15 August 2024

Dividend payment
29 August 2024

ANNUAL GENERAL MEETING

The Annual General Meeting of Flagship Investments Limited:

Will be held at:

The office of
McCullough Robertson Lawyers
Level 11, Central Plaza Two
66 Eagle Street
BRISBANE QLD 4000

Time:

12:00pm (QLD Time)

Date:

Thursday 7 November 2024

INVESTING IN FLAGSHIP INVESTMENTS LIMITED

Investors can purchase shares in Flagship Investments Limited through the Australian Securities Exchange.

ASX code: FSI

Flagship Investments Limited
ABN 99 080 135 913
Registered in Queensland
23 September 1997



FLAGSHIP INVESTMENTS LIMITED DIRECTORS

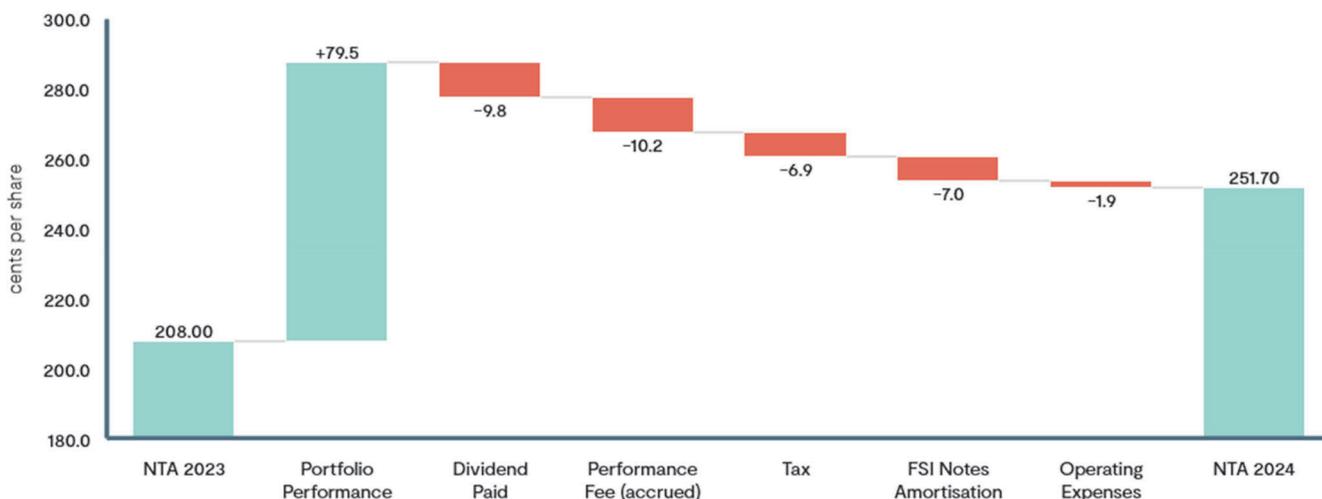
From left to right:
Dominic McGann (Chairman),
Angela Obree (Non-Executive Director) and
Dr Emmanuel (Manny) Pohl AM (Managing Director)

Highlights for 2024

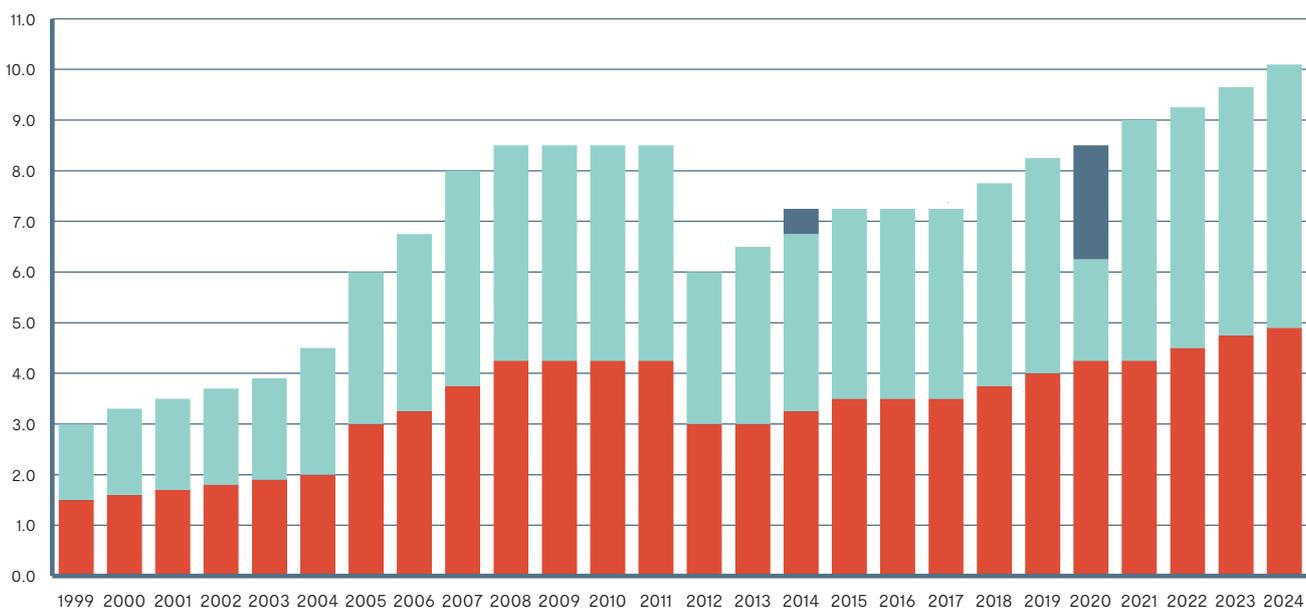
Highlights for the year ending June 2024

- Portfolio performance was a positive 29.0%, outperforming the ASX All Ordinaries Index by 20.7 percentage points which increased by 8.3% over the twelve-month period.
- Dividends paid during the year total 9.8 cents per share, a 3.2% increase on the prior year. Dividend yield (excluding franking credits) is 5.1% based on the closing share price at 30 June 2024.
- FSI remains in a strong position to provide future dividends with retained earnings and franking credits to maintain the dividend for 4.5 years.

Contribution to Net Tangible Assets 'NTA' (before tax on unrealised gains)



Dividends per share as declared



Compound Annual Growth Rate 4.8%* (CPI annual growth rate 2.8%)
 *(includes Special Dividends)

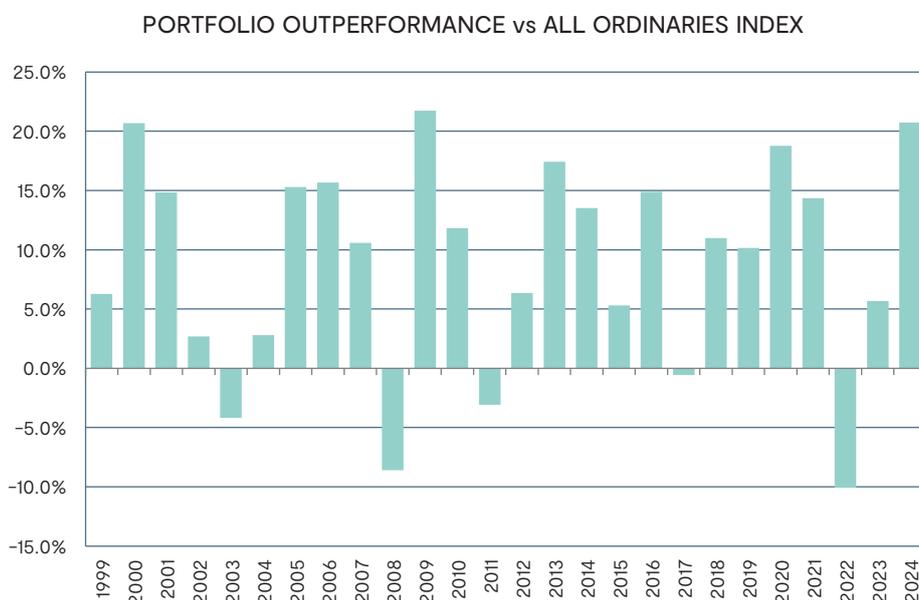
Highlights for 2024

Portfolio Performance

	1 year	3 years p.a.	5 years p.a.	10 years p.a.	Since Inception (1 May 1998) p.a.
Portfolio [^]	29.0%	5.5%	12.4%	12.5%	12.5%
Bank Bill Index	4.4%	2.4%	1.6%	1.9%	3.9%
ASX All Ordinaries Index	8.3%	1.9%	3.6%	4.1%	4.2%
ASX All Ord Accumulation Index	12.5%	6.1%	7.6%	8.3%	8.4%

[^] Source: EC Pohl & Co Pty Ltd

Relative Performance History



Top 10 Investments June 2024

	June 24	June 23
GQG Partners Inc	9.6%	6.2%
CSL Limited	7.3%	4.1%
HUB24 Limited	6.9%	5.5%
Block	6.0%	3.3%
ResMed Inc	5.6%	2.2%
James Hardie Industries PLC	4.7%	3.2%
Xero Ltd	4.6%	3.1%
IDP Education Ltd	4.4%	4.8%
Domino's Pizza Enterprises	4.1%	5.2%
Rio Tinto Limited	3.9%	6.8%
TOTAL	57.1%	44.4%

Overview

Company profile

Flagship Investments Limited (the “Company”) commenced operations in April 1998 and is a Listed Investment Company (LIC) providing investors with access to an expertly crafted quality portfolio of Australian growth companies.

The portfolio is managed by EC Pohl & Co Pty Ltd which has a strong funds management investment team renowned for its stability, track record and sound investment process.

The Manager’s investment strategy centres on the view that the economics of a business drives long-term investment returns and investing in high quality business franchises that have the ability to generate predictable, above-average economic returns will produce superior investment performance.

Mission

Creating Shareholder wealth through active management of a portfolio of ASX listed quality growth companies.

Objectives

The investment objectives of Flagship Investments Limited are:

- To achieve medium to long-term capital growth and income through investing in a diversified portfolio of Australian companies;
- To preserve and enhance the NTA backing per share; and
- To provide Company Shareholders with a fully franked dividend, which over time, will grow at a rate in excess of the rate of inflation.

Investor benefits

The benefits for investors in Flagship Investments Limited are:

- Reduced share investment risk through a diversified investment portfolio;
- Professional and disciplined management of an investment portfolio;
- Fully franked dividend income;
- Access to tax advantages of Listed Investment Company Capital Gains when available;
- Access to a Dividend Reinvestment Plan;
- Easy access to information via the Company’s website www.flagshipinvestments.com.au.

Investment manager

The management of the Company’s investment portfolio is undertaken by EC Pohl & Co Pty Ltd. EC Pohl & Co is a specialist equities fund manager with over twenty years managing the Flagship Investments’ portfolio. Together with its subsidiary ECP Asset Management Pty Ltd, the group manages equity portfolios on behalf of sophisticated investors, listed and unlisted funds and institutional clients. As at 30 June 2023 the group had \$2.4 billion in funds under management.

The Company’s portfolio of investments comprises companies with a sustainable competitive advantage whose operations cover a wide spectrum of business activities. The portfolio is constructed from the perspective of a business owner, by investing in well managed companies and not simply by tracking the index weighting of various component stocks.

Dr Manny Pohl AM is the Managing Director and major Shareholder of EC Pohl & Co Pty Ltd.

Information on the Investment Manager is available from: www.ecpohl.com & www.ecpam.com

Overview

Environmental, social & governance

The Company is committed to responsible investment and has been recognised by RIAA in this regard. FSI believes that Environmental, Social and Governance (ESG) factors have a material impact on long-term investment outcomes and to hold a portfolio of businesses with a sustainable competitive advantage it is important to incorporate ESG analysis into the investment process.

The Manager achieves this by applying its proprietary 'Pillars of a Quality Franchise' framework. Through the application of this six-pillar framework, ESG and sustainability risks are mitigated by placing a material emphasis on the Sustainability and Management pillars:

- The sustainability pillar focuses on areas of a business where there may be risk to the predictability of business operations through time. This assists mitigation of default risk and uncertainty of business expansion.
- The management pillar focuses on the trustworthiness of management. This assists mitigation of uncertainty by reducing the risk of managerial conduct or failure of business strategy execution.

The other pillars are the Industry, the Business, the Competition and the Financials. The framework puts the investment research through a systematic approach applying logic and measurement. Breaking down the analysis into its components is useful in examining the information and critically analysing areas of importance, which include the long-term sustainability of investments.

By separating out the identified characteristics and focusing on issues specifically (ie Sustainability), the framework provides the Manager with the opportunity to make an unbiased assessment of key business-specific issues that may impact the investment delivering on expectations— leading to predictable investment outcomes.

A key principle of the framework is that each of the pillars are interdependent and interrelated. By applying this lens, the Manager has the ability to assess how the pillars interact with each other which provides for a better understanding of the overall quality of the business.

It is also important to note that even before under-going the Quality Franchise assessment the Manager immediately excludes businesses in a number of industries including weapons, tobacco, gambling, thermal coal, petroleum, old-forest logging, palm oil, and pesticides – a list that is reviewed annually.





[Redacted content]

Chairman's report

Dear Fellow Shareholders,

I am pleased to present the Annual Chairman's Report of Flagship Investments Limited for the 2023-24 Financial Year.

The year in review

Pleasingly, the Flagship Investments' portfolio performed very well during the financial year and delivered a positive return of 29.0%. In doing so, we outperformed the ASX All Ordinaries Index by 20.7 percentage points. This adds to our sustained long-term performance, which is 12.5% since inception, compared to the ASX All Ordinaries Index which has returned 4.2% per annum over the same period.

The Flagship Investments' portfolio contains quality growth companies that have a fundamental sustainable competitive advantage that allows them to thrive in challenging times compared to their peers. Given the economic back-drop of the current environment (including a tight labour market, inflation driven cost pressures and sustained high interest rates), it is these companies that are able to maintain earnings and profit margins to deliver superior investment performance.

Performance of the overall stock market was delivered via some specific market segments over the last twelve months (including Financials, Consumer Discretionary, Technology and Real Estate). While the Investment Manager does not take into consideration the sector weightings, the Flagship Investments' portfolio had significant exposure to quality companies in these sectors (except real estate) and benefited commensurately.

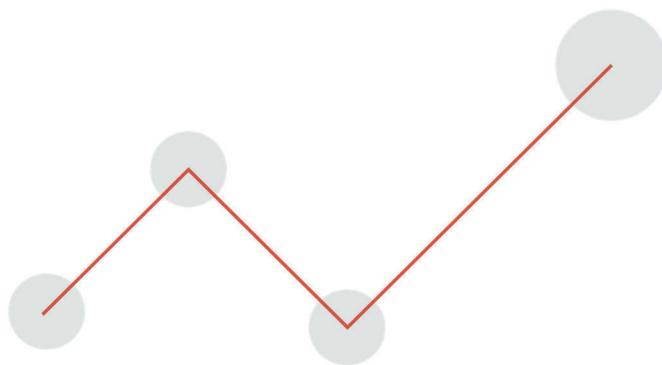
On a macro level, the focus remains on inflation and the response from central banks in setting interest rates. Halfway through the year, a December 2023 poll of economists revealed expectations that interest rates would be cut by September 2024. This became less and less likely as the year progressed, with the Reserve Bank of Australia (RBA) seriously contemplating a rate increase at the June 2024 meeting. While the European Central Bank has already cut rates and the US Federal Reserve may start cutting rates later in the year, the RBA remains hawkish given the stickiness of Australian inflation. While the Australian economy has weakened, the labour market remains tight, the housing market remains resilient and an expansionary federal budget is essentially adding to demand pressure in the economy.

Dividend

Given the ongoing inflationary pressures mentioned above, it is reasonable to assume that our Shareholders are feeling the same cost-of-living pressures which exist in many Australian households. One of the key objectives of Flagship Investments is to provide Shareholders with a fully franked dividend that will grow at a rate in excess of the rate of inflation providing income for our Shareholders as a reward for their investment. Flagship Investments has maintained this commitment growing the dividend at a rate of 4.8% per annum compared to CPI annual growth rate of 2.8%.

Our portfolio of investments continues to perform well, allowing the Board to increase the interim dividend by 3.2% to 4.9 cps, and to increase the final dividend to 5.2 cps. This makes the total FY24 dividend 10.1 cps, a 4.7% increase on the prior year and a 5.2% yield on the closing share price at 30 June 2024.

The FY24 dividends are fully franked and fully attributable to LIC capital gains (please refer to Note 17 of the Financial Statements for additional commentary regarding the LIC Capital gain benefits).



Chairman's report

The investment management team

As has occurred throughout its history, Flagship Investments continues to benefit from the long-standing relationship with EC Pohl & Co. The investment team, led by Dr Manny Pohl AM, continue to diligently apply their process, selecting quality investments and weighting the portfolio for sustainable long-term returns. While the market broadly performed well, it was the active selection and management process of our Investment Manager that delivered the result which is above the market. Our continuing success could not have been achieved without the outstanding contribution of these committed individuals and, on behalf of our Shareholders, I would like to congratulate them on another outstanding year.

New look FSI

During the year, Flagship Investments underwent a full rebrand. The new logo and colour scheme have been designed for Flagship Investments to stand-out in the digital marketplace. Our logo taps into multiple equity touchpoints and communicates a modern forward-thinking enterprise. The colour scheme was chosen to compliment our logo and as a modern, vibrant update to the previous brand. The Board are very happy with the outcomes of this process and are grateful to the Shareholders who have added their comments.

I encourage Shareholders and interested parties to stay up to date with the latest company announcements and insights by subscribing to the monthly Flagship Investments newsletter (subscribe via the FSI Website) as well as connecting with us via social media on Facebook, LinkedIn and YouTube.

The board

I wish to record my appreciation for my fellow Board members for their support and input throughout the past year. The commitment from our Board ensures the best interests of Shareholders and other stakeholders are managed and protected as we continue to grow the Company for the benefit of our Shareholders.

In conclusion, I want to sincerely thank Shareholders for their on-going support.

Yours sincerely



Dominic McGann
Chair





[Redacted content]

Directors' report

Your Directors present their report on Flagship Investments Limited for the financial year ended 30 June 2024.

1. Directors

The following persons were Directors of Flagship Investments Limited for the entire financial year, unless otherwise stated:

D McGann, Dr E Pohl AM and A Obree.

2. Information on Directors



Dominic McGann

Solicitor of the Supreme Court of Queensland, LLB (QIT), LLM (Sydney University), LLM (Bond University)

Non-Executive Chair

Member of Audit and Risk Committee

Experience and expertise

Appointed Non-Executive Director on 8 October 2009.

Appointed Chairman on 4 November 2016.

Extensive experience as a Partner with McCullough Robertson Lawyers and a Solicitor with the Supreme Court of Queensland.

Listed company directorships:

Nil

Other directorships:

- Director of TRI Foundation Limited
- Director of Frazer Family Foundation Pty Ltd
- Chair of Climate-KIC Australia Ltd
- Co-Chair of Carumba Institute
- Member of QUT Council

Former listed company directorships in last 3 years

None

Interests in the Company

447,562 ordinary shares

18,518 convertible notes

Directors' report



Dr Emmanuel Pohl AM

B.Sc (Eng), MBA, DBA, FAICD, MSAFAA, F Fin

Managing Director

Experience and expertise

Managing Director since the inception of the Company in 1997. Extensive experience in the funds management industry.

Listed company directorships

- Managing Director of Athelney Trust Plc

Other directorships

- Chairman of EC Pohl & Co Pty Ltd
- Chairman of ECP Asset Management Pty Ltd
- Chairman of EC Pohl & Co RE Ltd
- Director of Huysamer International Holdings (Pty) Ltd
- Director of ECP UCITS ICAV
- Director of Astuce Group Ltd

Former listed company directorships in last 3 years

Director of Global Masters Fund Limited (June 2023)

Interests in the Company

10,314,956 ordinary shares

1,851,851 convertible notes

Has a relevant interest in shares in the Company and he holds a Power of Attorney arrangement with a number of Shareholders.



Angela Obree

B.Compt, MBA, MAICD

Non-Executive Director

Chair of Audit and Risk Committee

Experience and expertise

Appointed Non-Executive Director on 29 September 2021. Angela has almost 25 years' experience in management consulting in the UK, South Africa, Ireland, and Germany. She is a highly experienced commercial mediator, negotiation expert, and corporate crisis leader.

Listed company directorships

- Director of Global Masters Fund Limited

Other directorships

- Director of Congrua Limited
- Director of ECP Asset Management Pty Ltd
- Director of Freedom Solutions Australia

Former listed company directorships in last 3 years

None

Interests in the Company

Nil ordinary shares

9,691 convertible notes

Directors' report



Scott Barrett

B.Com, CA

Company Secretary

Alternate Director

Chief Financial Officer

Experience and expertise

Appointed Alternate Director since 3 November 2017 for Dominic McGann and November 2022 for Angela Obree.

Scott has 20 years' experience in business management and accounting, leading businesses across Australia and New Zealand. He is the CFO for EC Pohl & Co Pty Ltd and two other ASX Listed Investment Companies.

Listed company directorships

— Alternate Director ECP Emerging Growth Limited

Other directorships

Nil

Former listed company directorships in last 3 years

None

Interests in the Company

27,033 ordinary shares

37,036 convertible notes

Directors' report

3. Principal activities

The principal activity of the Company is investing in securities listed on the Australian Securities Exchange. There have been no significant changes in the nature of this activity during the year.

4. Review of operations

Portfolio performance during the financial year was positive 29.0% compared to the ASX All Ordinaries Index which increased by 8.3%. The company's portfolio of quality growth stocks performed very well compared to the index. The investee companies have been well-positioned to continue growing earnings despite the challenges of a high interest rate environment, tight labour market and inflationary cost pressures. With the era of cheap money now in the past, it was the quality of growth embedded in the businesses that delivered investor returns.

Total comprehensive income increased by \$5,698,000 on the prior year due to the change in fair value after-tax of the investments. A performance fee is payable to the Manager for the outperformance of the portfolio. The Bank Bill Index increased by 4.4% during the year and in accordance with the Management Agreement the performance fee payable is \$2,656,000, an increase of \$1,595,000 on the prior year. The performance fee has a material impact on the stated Net Profit and EPS of the Company, however, at the Total Comprehensive Income line this expense is put in perspective with the overall performance of the business. Total comprehensive earnings per share doubled from 20.4cps last year to 42.4cps in FY2024.

The Company's investment focus remains unchanged: selecting quality companies that have the ability to grow their earnings and dividends over three to five years. This should ensure continued growth in the future dividends declared and also capital appreciation potential within the portfolio.

5. Earnings per share

Based on profit after income tax

	2024 Cents	2023 Cents
Basic earnings per share	(8.8)	(3.1)
Diluted earnings per share	(2.2)	1.8
Comprehensive earnings per share	42.4	20.4

See Note 18 of the Financial Report.

6. Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the financial year.

7. Matters subsequent to the end of the financial year

Apart from the dividend declared as per item 10, no other matter or circumstance not otherwise dealt with in the Directors' Report or Financial Report, has arisen since the end of the year that has significantly affected, or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

8. Options

No Options have been issued during or since the financial year (30 June 2023 – Nil).

9. Likely developments and expected results of operations

There are no planned changes to principal activities. Any general decline in equity markets may have an adverse effect on results in future years.

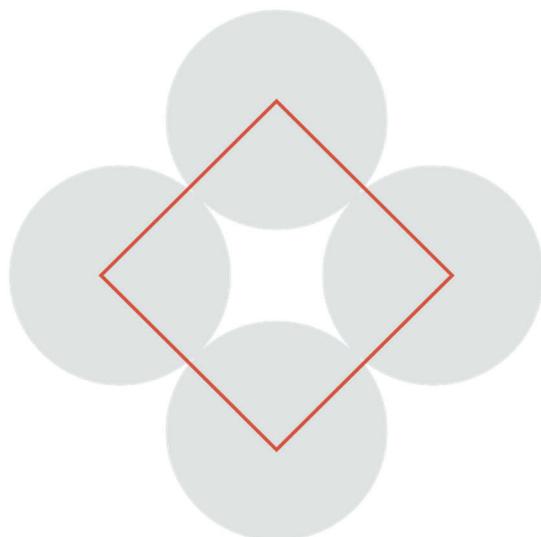
Directors' report

10. Dividends paid

Type	Cents Per Share	Total Amount \$'000's	Date of Payment
The dividends paid to Shareholders during the financial year were as follows			
Final	4.90	1,267	August 2023
Interim	4.90	1,267	February 2024
	9.80	2,534	
Dividends paid by the Company during the preceding year were:			
Final	4.75	1,228	August 2022
Interim	4.75	1,228	February 2023
	9.50	2,456	

The final dividend paid on 30 August 2023 and the interim dividend paid on 22 February 2024, were fully franked and fully attributable to LIC capital gains.

In addition to the above dividends, since the end of the financial year the Directors have recommended the payment of a fully franked final dividend of 5.2 cents per share, totaling \$1,344,578 to be paid on 29 August 2024. This dividend is fully attributable to LIC capital gains.



11. Company secretary

Scott Barrett B.Com, CA

Scott is a Chartered Accountant and commenced as Alternate Director and Company Secretary on 3 November 2017. He is the Chief Financial Officer for EC Pohl & Co. He is also the Company Secretary for two other Listed Investment Companies. Scott has extensive business management and accounting experience working in subsidiaries of multinational groups from the hospitality and property industries.

12. Meetings of directors

The number of Directors' meetings attended by each of the Directors of the Company during the financial year were:

Board		
Director	Eligible To Attend	Attended
Mr D McGann	4	4
Dr E Pohl AM	4	4
Mrs A Obree	4	4
Audit and Risk Committee		
Director	Eligible To Attend	Attended
Mr D McGann	3	3
Dr E Pohl AM	-	-
Mrs A Obree	3	3

13. Environmental issues

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Directors' report

14. Remuneration report (Audited)

The remuneration report is set out under the following main headings:

- (A) Principles used to determine the nature and amount of remuneration
- (B) Details of remuneration
- (C) Service agreements
- (D) Share-based compensation
- (E) Related Party Transactions
- (F) Equity Instrument Disclosure relating to Key Management Personnel

(A) Principles used to determine the nature and amount of remuneration

Fees and payments to Directors reflect the demands which are made on, and the responsibilities of, the Directors. The Board reviews the remuneration of Directors annually.

No remuneration consultants were engaged during the year.

The per annum remuneration (exclusive of non-claimable GST) of the Directors from June 2023.

- Chairman \$45,000
- Other Directors \$40,000

Remuneration of Directors is determined by the Board within the maximum amount of \$200,000 previously approved by the Shareholders.

There is no performance based remuneration for Directors.

(B) Details of remuneration

Details of the remuneration of each Director of Flagship Investments Limited and the executives of the Company are set out in the following table.

(C) Service agreements

As the Company does not employ any staff, there are no employment service agreements entered into by the Company. The Managing Director and Company Secretary are employed by the Investment Manager – EC Pohl & Co Pty Ltd.

(D) Share-based compensation

No share-based compensation exists.

Details of remuneration

Director	Year	Short-Term Benefits		Post-Employment Super	Equity		Total
		Fees	Non-Monetary Benefits		Shares	Options	
		\$	\$	\$	\$	\$	\$
Dominic McGann * Non-executive Chairman	2024	46,125	-	-	-	-	46,125
	2023	46,125	-	-	-	-	46,125
Dr E C Pohl AM * Managing Director	2024	41,000	-	-	-	-	41,000
	2023	41,000	-	-	-	-	41,000
Angela Obree Non-executive Director	2024	40,000	-	-	-	-	40,000
	2023	40,000	-	-	-	-	40,000
Total Directors Remuneration	2024	127,125	-	-	-	-	127,125
	2023	127,125	-	-	-	-	127,125

* Inclusive of non-claimable GST amount

Directors' report

(E) Related party transactions

The following transactions occurred with other related parties:	2024 \$'000	2023 \$'000
Expenses paid or payable by the Company to:		
– EC Pohl & Co Pty Ltd for Performance Fee	2,656	1,061
– EC Pohl & Co Pty Ltd for Administration Fee	47	-
The Performance Fee and Administration fee is payable in accordance with the Management Services Agreement as detailed in Note 24. Dr E C Pohl AM has an interest in the transactions as during the year Dr E C Pohl AM was a Director, employee and Shareholder of EC Pohl & Co Pty Ltd.		
– McCullough Robertson Lawyers for the provision of legal services. D M McGann is a partner of McCullough Robertson Lawyers.	15	-
– Allegiant IRS for insurance advice for D & O Policy. The company is an associate of McCullough Robertson Lawyers, of which D M McGann is a partner.	2	2
All related party transactions are made on an arm's length basis using the standard terms and conditions.		

(F) Equity instrument disclosure relating to key management personnel

The number of shares and convertible notes in the Company held during the financial year by each Director of Flagship Investments Limited, including their related parties and powers of attorney is set out below. There were no shares granted during the year as compensation.

Ordinary Shares	Balance At The Start Of The Year	Number Acquired	Number Disposed	Other Changes During The Year	Balance At The End Of The Year
D M McGann	447,562	-	-	-	447,562
Dr E C Pohl AM	10,158,228	270,289	(198,561)	85,000	10,314,956
A Obree	-	-	-	-	-
Convertible Notes					
D M McGann	18,518	-	-	-	18,518
Dr E C Pohl AM	1,851,851	-	-	-	1,851,851
A Obree	1,851	7,840	-	-	9,691

End of remuneration report

15. General transactions

Other than the Director's remuneration, the Company does not directly contract with any of the Directors.

16. Loans

There are no loans issued to any of the Directors during or since the financial year (30 June 2023 – Nil).

Directors' report

17. Insurance of officers and/or auditors

During the financial year, the Company insured the Directors and Officers against certain liabilities as permitted by the *Corporations Act 2001*. The insurance policy prohibits disclosure of the nature of the cover, the amount of the premium, the limit of liability and other terms.

The Company has entered into an agreement for the purpose of indemnifying Directors and Officers, to the extent permitted by law, against any liability (including the costs and expenses of defending actions for an actual or alleged liability) incurred in their capacity as a Director and Officer of the Company.

The Company has not during or since the financial year indemnified or paid any insurance premiums to indemnify the auditors.

18. Proceedings on behalf of the company

No person has applied to the Court under Section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceeding to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under Section 237 of the *Corporations Act 2001*.

19. Rounding of amounts

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 (rounding in Financials/ Directors' Report). Accordingly, amounts in the Financial Statements and Directors' Report have been rounded to the nearest \$1,000.

20. Non-audit services

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

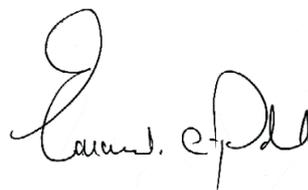
There have been no amounts paid or payable to the auditors for non-audit services provided during the year.

The Directors have considered the position and are satisfied that the provision of any non-audit services (if necessary in future) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Audit and Risk Committee is satisfied that the provision of any non-audit services by the auditor, would not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services would be reviewed by the Audit and Risk 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 APES 110, 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 as required under section 307C of the *Corporation Act 2001* is set out on page 22.

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



Dr Emmanuel (Manny) C Pohl AM
Managing Director

8 August 2024

Auditor's independence declaration



[Redacted content]

Auditor's independence declaration



FLAGSHIP INVESTMENTS LIMITED

ABN 99 080 135 913

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF FLAGSHIP INVESTMENTS LIMITED

I declare that, to the best of my knowledge and belief during the year ended 30 June 2024, there have been:

- i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Augmented Audit Co Pty Ltd
Authorised Audit Company No. 541764

A handwritten signature in black ink, appearing to read 'Jessica Johl', written over a light blue background.

Jessica Johl
Director
8 August 2024

21 Crombie Avenue Bundall, QLD 4217, Australia
Level 1, 180 Main Street, Kangaroo Point, QLD 4169, Australia
PO Box 2498, Southport BC, QLD 4215, Australia

Augmented Audit Co Pty Ltd is an ASIC Authorised Audit Company and General Partner of the AAC Limited Partnership Liability. Liability limited by a scheme approved under Professional Standards Legislation

+617 5510 8358
info@augmentedaudit.com.au

Corporate governance statement



[Redacted content]

Corporate governance statement

For the year ended 30 June 2024

The Directors of Flagship Investments Ltd are committed to excellence in corporate governance. By adopting the ASX Corporate Governance Council's Corporate Governance Principles and incorporating industry best practice, the Company has built a framework that supports our business performance and enhances transparency and accountability which ultimately protects the interests of Shareholders.

Below is a list of the Company's Corporate Governance Framework documents set out against the relevant ASX Governance Principles and Recommendations (4th Edition), the details of which are available on the Company's Website.

The full Corporate Governance Statement for the year ending 30 June 2024 is also available on the website, at www.flagshipinvestments.com.au/corporate-governance/.

ASX governance principles

Principle 1

Lay solid foundations for management and oversight

Principle 2

Structure the Board to be effective and add value

Principle 3

Instil a culture of acting lawfully, ethically and responsibly

Principle 4

Safeguard the integrity of corporate reports

Principle 5

Make timely and balanced disclosure

Principle 6

Respect the rights of security-holders

Principle 7

Recognise and manage risk

Principle 8

Remunerate fairly and responsibly

Relevant document / information

Board Charter
Diversity Policy

Board Charter
Diversity Policy

Statement of Values
Code of Conduct Whistleblower Policy

Audit and Risk Committee Charter
Code of Conduct

Disclosure Policy
Communications Policy

Communications Policy
Privacy Policy

Audit and Risk Committee Charter
Risk Management Policy

Board Charter

The Corporate Governance Statement explains the extent to which the Company complies with the ASX Corporate Governance Principles and Recommendations including how the policies above support Corporate Governance in the Company. Under the “if not, why not” approach the Board provides explanations as to why a particular recommendation is not appropriate to its circumstances. For clarity, the Board would like to highlight below the recommendations that have not been adopted and the reasons behind the decision:

ASX governance principles

Compliance statement

<p>Principle 1</p> <p>Lay solid foundations for management and oversight</p>	<p>Compliant</p>
<p>Principle 2</p> <p>Structure the Board to be effective and add value</p> <p>Recommendation 2.1: Establish a Nomination Committee</p>	<p>Compliant except for 2.1:</p> <p>Non-Compliant</p> <p>The Company does not have a Nomination Committee given the size of the Board. The full Board maintains responsibility for nomination of Directors and succession planning.</p>
<p>Principle 3</p> <p>Instil a culture of acting lawfully, ethically and responsibly</p>	<p>Compliant</p>
<p>Principle 4</p> <p>Safeguard the integrity of corporate reports</p>	<p>Compliant</p>
<p>Principle 5</p> <p>Make timely and balanced disclosure</p>	<p>Compliant</p>
<p>Principle 6</p> <p>Respect the rights of security-holders</p>	<p>Compliant</p>
<p>Principle 7</p> <p>Recognise and manage risk</p> <p>Recommendation 7.3: Internal audit function</p>	<p>Compliant except for 7.3:</p> <p>Non-Compliant</p> <p>The Company does not have an internal audit function given the nature of the Company. Instead, the Board, through the Audit and Risk Committee, liaises closely with the Company’s external auditor to identify potential improvements to the Financial risk management and internal control process. The Audit and Risk Committee also interrogate the internal compliance and external audit of the Manager.</p>
<p>Principle 8</p> <p>Remunerate fairly and responsibly</p> <p>Recommendation 8.1 Remuneration Committee</p> <p>Recommendation 8.3: Equity-based remuneration</p>	<p>Compliant except for 8.1 and 8.3</p> <p>Non-Compliant</p> <p>The Company does not have a Remuneration Committee. Instead the full Board develops the remuneration policy balancing the need to attract high quality Directors, establishing appropriate incentives and commercial control of expenses.</p> <p>Not Applicable</p> <p>The Company does not have an equity-based remuneration scheme and does not intend to establish one. Recommendation 8.3 is not applicable.</p>

Financial report

Financial Report

28 — Statement of Profit or Loss and Other Comprehensive Income

29 — Statement of Financial Position

30 — Statement of Changes in Equity

31 — Statement of Cash Flows

32 — Notes to the Financial Statements

53 — Consolidation Statement

53 — Directors' Declaration

54 — Independent Auditor's Report

This Financial Report covers Flagship Investments Limited as an individual entity. There are no controlled entities.

Flagship Investments Limited is a Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

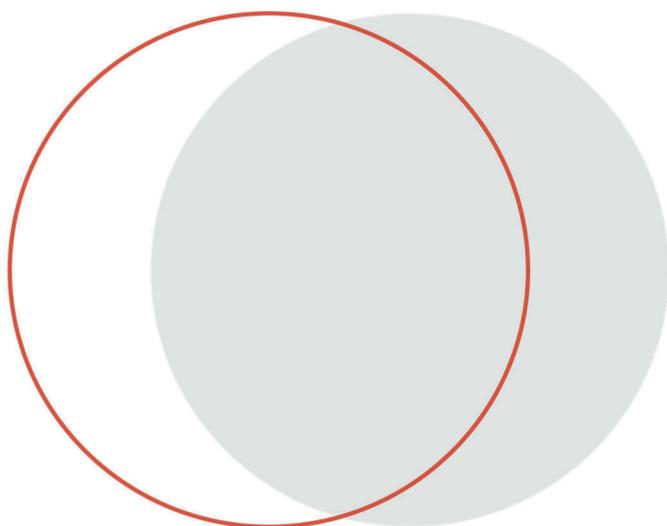
Flagship Investments Limited
Level 12, Corporate Centre One
2 Corporate Court
BUNDALL QLD 4217

The Financial Report was authorised for issue by the Directors on 8 August 2024.

A description of the nature of the Company's operations and its principal activities is included in the Operating and Financial Review.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to the Company. All media releases, Financial Reports and other information are available from the Company at the above address or from our website:

www.flagshipinvestments.com.au



Financial report

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 \$'000	2023 \$'000
Profit/(Loss) for the year			
Other Income	5	1,645	1,794
Other Expenses	6	(495)	(402)
Operating Profit		1,150	1,392
Finance Expense	14	(1,806)	(1,737)
Performance Fee	24	(2,656)	(1,061)
Profit/(Loss) before income tax		(3,312)	(1,406)
Income Tax Credit	7(a)	(1,036)	599
Profit/(Loss) for the year		(2,276)	(807)
Other Comprehensive Income net of income tax			
Items that will not be reclassified subsequently to profit & loss			
Changes in fair value of Financial Assets at fair value through Other Comprehensive Income		18,921	8,683
Income Tax (Expense)/Benefit relating to components of Other Comprehensive Income	7(c)	(5,676)	(2,605)
Other Comprehensive Income for the year, net of tax		13,245	6,078
Total Comprehensive Income for the year		10,969	5,271
Earnings per share:			
		Cents	Cents
Basic earnings per share	18(b)	(8.8)	(3.1)
Diluted earnings per share	18(b)	(2.2)	1.8
Comprehensive earnings per share	18(b)	42.4	20.4

The accompanying Notes form part of these Financial Statements.

Financial report

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Notes	2024 \$'000	2023 \$'000
Assets			
Cash and Cash Equivalents	8	1,684	1,739
Trade Receivables and Other Assets	9	110	150
Intangible Assets	10	5	5
Financial Assets at Fair Value through Other Comprehensive Income	11	86,385	71,770
Total assets		88,184	73,664
Liabilities			
Trade and Other Payables	12	2,696	1,085
Tax Payable	13	1,750	879
Deferred Tax Liability	13	4,131	1,238
Convertible Notes	14	18,735	18,025
Total liabilities		27,312	21,227
Net assets		60,872	52,437
Equity			
Issued Capital	15	36,488	36,488
Other Reserves	16	24,116	13,405
Option Premium on Convertible Notes		507	507
Retained Earnings		(239)	2,037
Total equity		60,872	52,437

The accompanying Notes form part of these Financial Statements.

Financial report

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

2023	Note	Ordinary Shares	Retained Earnings	Asset Revaluation Reserve	Asset Realisation Reserve	Option Premium on Convertible Notes	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2022		36,488	2,844	554	9,229	507	49,622
Profit or loss attributable to members		-	(807)	-	-	-	(807)
Other Comprehensive Income		-	-	6,078	-	-	6,078
Transfer to Asset Realisation Reserve		-	-	(3,513)	3,513	-	-
Dividends paid or provided for	17(a)	-	-	-	(2,456)	-	(2,456)
Balance at 30 June 2023		36,488	2,037	3,119	10,286	507	52,437

2024	Note	Ordinary Shares	Retained Earnings	Asset Revaluation Reserve	Asset Realisation Reserve	Option Premium on Convertible Notes	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2023		36,488	2,037	3,119	10,286	507	52,437
Profit or loss attributable to members		-	(2,276)	-	-	-	(2,276)
Other Comprehensive Income		-	-	13,245	-	-	13,245
Transfer to Asset Realisation Reserve		-	-	(6,557)	6,557	-	-
Dividends paid or provided for	17(a)	-	-	-	(2,534)	-	(2,534)
Balance at 30 June 2024		36,488	(239)	9,807	14,309	507	60,872

The accompanying Notes form part of these Financial Statements.

Financial report

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Dividends received		1,555	1,738
Interest received		130	80
Payments to suppliers and employees		(1,540)	(411)
Interest paid on convertible notes		(1,096)	(1,099)
Net cash provided by/(used in) operating activities	26	(951)	308
Cash flows from investing activities			
Proceeds from sale of investments		32,905	22,116
Income tax paid on gains on sale of investments		(876)	(953)
Payments for investments		(28,599)	(22,201)
Net cash provided by/(used in) investing activities		3,430	(1,038)
Cash flows from financing activities			
Dividends paid	17(a)	(2,534)	(2,456)
Net cash used in financing activities		(2,534)	(2,456)
Net decrease in cash and cash equivalents		(55)	(3,186)
Cash and cash equivalents at the beginning of the year		1,739	4,925
Cash and cash equivalents at end of year	8	1,684	1,739

The accompanying Notes form part of these Financial Statements.

Financial report

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

The functional and presentation currency of Flagship Investments Limited is Australian dollars.

The Company is an entity to which ASIC Corporations Instrument 2016/191 (rounding in Financials / Directors' Report) applies and accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars.

1. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

These financial statements and associated notes comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Material accounting policies adopted in the preparation of these financial statements are presented below. The change from 'significant' to 'material' policies is discussed below in 2(d). Policies are consistent with prior reporting periods unless otherwise stated.

2. Summary of material accounting policies

(a) Balance Sheet Format

The Statement of Financial Position is in a liquidity format. The adoption of a liquidity format results in the removal of the terms "current asset" and "non-current asset" from the Statement of Financial Position, in favour of the general term "assets".

(b) Income Tax

The income tax expense recognised in the Statement of Profit or Loss and Other Comprehensive Income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

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

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in Other Comprehensive Income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

Financial report

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

(c) Financial Instruments

Financial Assets At Fair Value Through Profit Or Loss

Financial assets at fair value through Profit or Loss are Financial Instruments convertible into Equity Instruments. A financial asset is classified in this category if it is so designated by Management and within the requirement of AASB 9 Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the profit or loss in the period in which they arise.

Financial Assets At Fair Value Through Other Comprehensive Income

The Company is a long-term investor in equity instruments. Under AASB 9, these investments are classified as fair value through Other Comprehensive Income. After initial recognition at fair value (being cost), the Company has elected to present in Other Comprehensive Income changes in fair value of equity instruments investments.

Unrealised gains and losses on investments are recognised in the Asset Revaluation Reserve until the investment is sold or otherwise disposed of, at which time the cumulative gain or loss is transferred to the Asset Realisation Reserve.

The Company derecognises an investment when it is sold or it transfers the investment and the transfer qualifies for derecognition in accordance with AASB 9. Upon derecognition, unrealised gains/losses net of tax relating to the investment are transferred from the revaluation reserve to the realisation reserve.

Fair Value Estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and securities) is based on quoted market prices at the Statement of Financial Position date. The quoted market price used for financial assets held by the Company is the closing quoted price.

Convertible Notes

On the 1st of October 2021, the Company issued 7,407,407 Convertible Notes. These compound financial instruments are able to be converted to ordinary shares at the option of the noteholder in accordance with the Note Terms. The liability component is initially recognised as the difference between the compound financial instrument as a whole and the component associated with the conversion feature. Initially the conversion option was considered a derivative liability measured at fair value using observable inputs. The attributable transaction costs are allocated to the liability and derivative components in proportion to their carrying amounts, the derivative portion immediately recognised in the statement of profit or loss.

On 17 June 2022 there was an amendment to the conversion price features of the Note Terms and the conversion option was re-classified as equity. Prior to reclassification the conversion option was remeasured to fair value with the change recognised in the statement of profit or loss.

After initial recognition, the liability component of the compound financial instrument is measured at amortised cost using the effective interest method until extinguished on conversion or maturity of the notes. The carrying amount of the equity component is not remeasured in subsequent periods.

(d) Accounting Standards Adopted

The Company adopted the following accounting standards and interpretations during the period.

Material Accounting Policy Information

The Company adopted Disclosure of Accounting Policies (amendments to IAS 1 and IFRS Practice Statement 2). The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments did not result in any changes to the accounting policies themselves, however the customised presentation allows users to focus on entity-specific accounting policies to understand the financial statements.

Financial report

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

(e) New Accounting Standards and Interpretations

The IASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The following table highlights the forthcoming standards which have not been early adopted and are not expected to have a significant impact on the Company's financial statements:

1 Jan 2024	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
1 Jan 2024	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7
1 Jan 2024	Classification of Liabilities as Current or Non-Current – Amendments to IAS 1
1 Jan 2025	Lack of Exchangeability – Amendments to IAS 21
1 Jan 2025	Sale of Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

3. Critical accounting estimates and judgements

(a) Key Estimates

The option feature of the convertible notes was valued using the Black Scholes Method. Key inputs into the calculation include observable data such as dividend yield, share price and exercise price as well as assumptions of stock price volatility (27.5% based on the annualised standard deviation of daily market movement averaged between a three and five year period) and risk free rate of return (based off the five year bond rate at the date of measurement).

There are no other key assumptions or sources of estimation uncertainty that have a risk of causing material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period, as investments are carried at their market value.

(b) Key Judgements

The preparation of Financial Reports in conformity with Australian Account Standards require the use of certain critical accounting estimates. This requires the Board to exercise their judgement in the process of applying the Company's accounting policies.

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. In accordance with AASB 112 Income Taxes, deferred tax liabilities and deferred tax assets have been recognised for Capital Gains Tax (CGT) on the unrealised gains/losses in the investment portfolio at current tax rates.

As the Directors do not intend to dispose of the portfolio, the tax liability/benefit may not be crystallised at the amount disclosed in Note: 12.

In addition, the tax liability/benefit that arises on the disposal of these securities may be impacted by changes in tax legislation relating to treatment of capital gains and the rate of taxation applicable to such gains/losses at the time of disposal.

Financial report

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

(b) Key Judgements (Continued)

The Company has an investment process which is anticipated will deliver medium to long-term capital growth.

The Company does not recognise a deferred tax asset when there are net unrealised losses in the portfolio from short term market fluctuations. The Company holds investments with a three to five-year horizon and therefore the short term tax loss is unlikely to be realised.

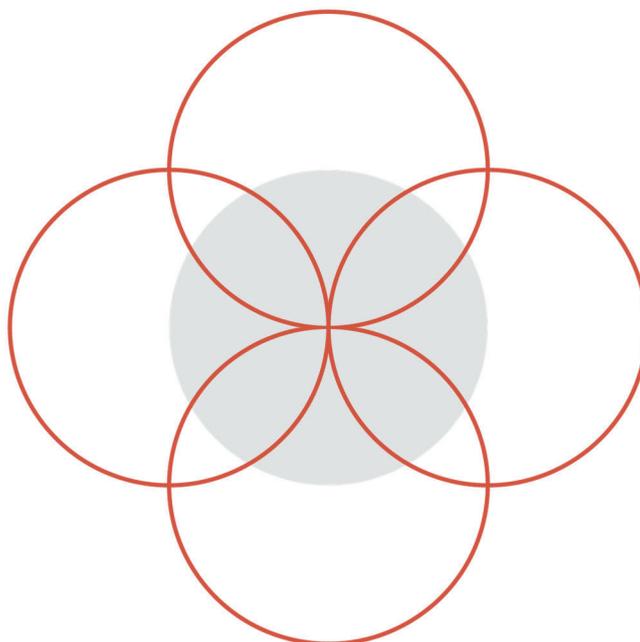
The Company does not hold any securities for short term trading purposes. Therefore, the investment portfolio is classified as Financial Assets at fair value through Other Comprehensive Income.

4. Operating segments

Segment Information

The Company operates in the Investment Industry. Its core business focuses on investing in Australian equities to achieve medium to long-term capital growth and income.

Operating segments have been determined on the basis of reports reviewed by the Managing Director. The Managing Director is considered to be the chief operating decision maker of the Company. The Managing Director considers the business from both a product and geographic perspective and assesses performance and allocates resources on this basis. The Managing Director considers the business to consist of just one reportable segment.



Financial report

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 \$'000	2023 \$'000
5. Revenue and other income			
Dividends received		1,517	1,712
Interest received		128	82
Total revenue and other income		1,645	1,794
6. Other expenses			
Administration fee		47	-
ASX listing and other fees		47	47
Audit fees		29	26
Directors fees		127	127
Insurance		41	41
Marketing		75	64
Share registry		28	29
Convertible note trustee		51	51
Other		50	17
Total other expenses		495	402
7. Income tax expense			
(a) Reconciliation of Income Tax to Accounting Profit:			
Profit/(Loss) before income tax		(3,312)	(1,406)
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2023 - 30%)		(993)	(422)
Add tax effect of:			
Fully franked dividends received and timing differences		112	158
Amortised convertible note expense		213	191
Less Tax effect of:			
Adjustment to prior year return		2	-
Rebateable fully franked dividends		279	452
Other foreign tax credit		87	74
Income tax credit		(1,036)	(599)

Financial report

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 \$'000	2023 \$'000
7. Income tax expense <i>(continued)</i>			
(b) The Major Components of Tax Credit Comprise:			
Current tax credit		1,060	626
Prior year tax adjustment		2	-
Deferred income tax expense:			
Decrease in deferred tax assets	13(a)	(33)	(35)
Decrease in deferred tax liabilities	13(b)	7	8
Income tax credit for continuing operations		1,036	599
(c) The Major Components of Tax Expense Relating to Other Comprehensive Income:			
Current tax expense		(2,810)	(1,506)
Deferred income tax expense:			
(Decrease)/increase in deferred tax assets	13(a)	-	-
Increase in deferred tax liabilities	13(b)	(2,866)	(1,099)
Income tax expense for Other Comprehensive Income		(5,676)	(2,605)
8. Cash and cash equivalents			
Cash at bank		1,684	1,739
Cash and cash equivalents		1,684	1,739
Reconciliation of cash			
Cash and Cash Equivalents reported in the Statement of Cash Flows are reconciled to the equivalent items in the Statement of Financial Position as follows:			
Cash at bank		1,684	1,739
Balance as per Statement of Cash Flows		1,684	1,739
9. Trade receivables and other assets			
Current			
Receivables		57	97
Prepayments		45	46
GST receivable		8	7
Total current trade and other receivables		110	150

Financial report

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 \$'000	2023 \$'000
--	-------	----------------	----------------

10. Intangible assets

Trademarks		5	5
Total intangible assets		5	5

11. Financial assets at fair value through Other Comprehensive Income

Australian listed equity securities			
At beginning of year		71,770	63,649
Additions (at cost)		28,599	21,554
Revaluation		18,921	8,683
Disposals (at sale value)		(32,905)	(22,116)
Australian listed equity securities		86,385	71,770

For listed equity securities, fair value is determined by reference to closing bid prices on the Australian Securities Exchange.

12. Trade and other payables

Current

Accounts payable and accrued expenses		2,696	1,085
Total trade and other payables		2,696	1,085

Contractual cash flows from trade and other payables approximate their carrying amount. Trade and other payables are all contractually due within six months of reporting date

Financial report

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 \$'000	2023 \$'000
13. Tax			
Current year tax credit in profit or loss		(1,060)	(627)
Current year tax payable in Other Comprehensive Income		2,810	1,506
Total Tax Payable		1,750	879
Deferred tax assets	13(a)	(84)	(117)
Deferred tax liabilities	13(b)	4,215	1,355
Net deferred tax liabilities adjusted for deferred tax assets		4,131	1,238
(a) Reconciliations – Deferred Tax Assets			
Gross Movements:			
The overall movement in deferred tax asset accounts is as follows:			
Opening balance		117	152
Charged to profit or loss		(33)	(35)
(Charged)/credited to Other Comprehensive Income		-	-
Closing balance		84	117
The movement in deferred tax assets for each temporary difference during the year is as follows:			
(i) Accruals			
Opening balance		5	5
Credited to profit or loss		1	-
Closing balance		6	5
(ii) Capital raising costs			
Opening balance		112	147
Charged to profit or loss		(34)	(35)
Closing balance		78	112

Financial report

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 \$'000	2023 \$'000
13. Tax (continued)			
(b) Reconciliations – Deferred Tax Liabilities			
Gross Movements:			
The overall movement in the deferred tax liability account is as follows:			
Opening balance		1,355	264
Credited to profit or loss		(7)	(8)
Charged to Other Comprehensive Income		2,866	1,099
Closing balance		4,214	1,355
The movement in deferred tax liability for each temporary difference during the year is as follows:			
(i) Unrealised gain on Financial Assets at fair value			
Opening balance		1,337	238
Charged to Other Comprehensive Income		2,866	1,099
Closing balance		4,203	1,337
(ii) Unfranked dividend receivable			
Opening balance		18	26
Credited to Profit or Loss		(7)	(8)
Closing balance		11	18

Financial report

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 \$'000	2023 \$'000
--	-------	----------------	----------------

14. Convertible notes

On the 1st of October 2021, the Company issued 7,407,407 listed, unsecured, redeemable, convertible notes (ASX: FSIGA) at \$2.70 per note, raising a total of \$20.0 million. The convertible notes carry a fixed interest entitlement of 5.5% per annum paid quarterly with a step-up to 6.5% per annum on 30 September 2024 if the 2-year bank bill swap rate is above 1.2832%. At any time after the second anniversary of the issue date and before 10 days before maturity, the notes can be converted to ordinary shares on a one for one basis - alternatively the note capital will be repaid on the maturity date - 1 October 2026.

Opening balance		18,025	17,387
Finance expense		1,806	1,737
Interest paid to note holders		(1,096)	(1,099)
Total convertible note liability		18,735	18,025

15. Issued capital

(a) Share Capital

Ordinary shares fully paid 25,857,263 (2023: 25,857,263)		36,488	36,488
--	--	--------	--------

(b) Ordinary Shares

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

At the Shareholders meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each Shareholder has one vote on a show of hands.

(c) Movements in Ordinary Share Capital

Date	Details	Number of Shares	Price \$'s	Share Capital \$'000
30 June 2022	Balance	25,857,263		36,488
	Nil Movement *	-	-	-
30 June 2023	Balance	25,857,263		36,488
	Nil Movement *	-	-	-
30 June 2024	Balance	25,857,263		36,488

* The Dividend Reinvestment Plan was facilitated through on-market purchase of shares.

Financial report

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 \$'000	2023 \$'000
16. Reserves			
(a) Asset Revaluation Reserve			
The Asset Revaluation Reserve records fair value movements of long-term investments after provision for deferred tax. When an investment has been sold or de-recognised, the realised gains and losses (after tax) are transferred from the Asset Revaluation Reserve to the Asset Realisation Reserve.		9,807	3,119
(b) Asset Realisation Reserve			
The Asset Realisation Reserve records realised gains and losses from the sale of investments after tax which are transferred from the Asset Revaluation Reserve, net of dividends paid from reserves		14,309	10,286
17. Dividends			
(a) Dividends Paid			
The following dividends were declared and paid:			
Final fully franked ordinary dividend of 4.9 cents (2023 – 4.75 cents) per share paid on 30 August 2023 (2023 – 26 August 2022)		1,267	1,228
Interim fully franked ordinary dividend of 4.9 cents (2023 – 4.75 cents) per share paid on 22 February 2024 (2023 – 23 February 2023)		1,267	1,228
Total dividends paid		2,534	2,456
Dividends paid in cash or satisfied by the issue of shares under the dividend reinvestment plan during the years ended 30 June 2024 and 2023 were as follows:			
Paid in cash		2,197	2,139
Satisfied by issue of shares		-	-
Purchase of shares on market on behalf of Shareholders per DRP rules		337	317
Total dividends paid		2,534	2,456
(b) Proposed Dividends			
Proposed final 2024 fully franked ordinary dividend of 5.2 cents per share to be paid (2023: 4.9 cents)		1,345	1,267
Total proposed dividend		1,345	1,267
The proposed final dividend for FY2024 was declared after the end of the reporting period and therefore has not been provided for in the financial statements. There are no income tax consequences arising from this dividend at 30 June 2024.			

Financial report

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 \$'000	2023 \$'000
--	-------	----------------	----------------

17. Dividends *(continued)*

(c) Franked Dividends

The franking credits available for subsequent financial years at a tax rate of 30%		4,050	3,981
---	--	--------------	--------------

The dividend franking account is calculated on a cash basis. It does not take into account:

- Franking credits that will arise from the payment of the current tax liabilities;
- Franking credits that will arise from the receipt of dividends recognised as receivables at the end of the year.

The impact on the franking credit of the dividends proposed after the end of the reporting period is to reduce it by \$576,248 (2023: \$543,003).

The ability to use the franking credits is dependent upon the Company's future ability to declare dividends

(d) Listed Investment Company Capital Gain Account

Balance of the Listed Investment Company (LIC) capital gain account		3,855	2,306
--	--	--------------	--------------

LIC Capital Gains are generated from tax paid on the realised gains of assets that have been held for 12 months. LIC Capital Gains are attached or attributed to dividends and enable some Shareholders to claim a deduction in their tax return

The deductions are generally as follows:
(please consult your tax advisor for details)

1. For an individual – 50% of the attributable amount
2. If the beneficiary of a trust or partner of a partnership is an individual – 50% of the attributable amount
3. For a complying superannuation entity (eg SMSF) – 33 1/3% of the attributable amount
4. If you are a company or a company is the beneficiary of a trust or partnership – 0%

Financial report

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 \$'000	2023 \$'000
18. Earnings per share			
(a) Earnings Used in the Calculation of Basic and Diluted Earnings Per Share			
(i) Profit/(loss) from continuing operations attributable to the owners of the Company		(2,276)	(807)
Adjustment: items in profit or loss relating to convertible notes		1,528	1,408
(ii) Diluted profit/(loss) from continuing operations attributable to the owners of the Company		(747)	601
(iii) Total Comprehensive Income		10,969	5,271
(b) Basic and Diluted Earnings Per Share			
		Cents	Cents
(i) Profit/(loss) from continuing operations attributable to the owners of the Company		(8.8)	(3.1)
(ii) Diluted profit/(loss) from continuing operations attributable to the owners of the Company		(2.2)	1.8
(iii) Total Comprehensive Income		42.4	20.4
Total Comprehensive Income is a more appropriate base for determining earnings per share as it includes profit after income tax and changes in fair value of financial assets.			
(c) Weighted Average Number of Ordinary Shares			
		#Shares	#Shares
(i) Weighted average number of ordinary shares used in the calculation of earnings per share		25,857,263	25,857,263
Effect of dilution from convertible notes		7,407,407	7,407,407
(ii) Weighted average number of ordinary shares used in the calculation of diluted earnings per share		33,264,670	33,264,670

19. Auditor's remuneration

Remuneration of the auditor of the Company for:

Audit or reviewing the financial statements	29	26
Total remuneration of auditors	29	26

Financial report

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

20. Financial risk management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management program focuses on the volatility of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company does not speculate in financial assets. Risk governance is managed through the Board which provides direct oversight on the Company's risk management framework and overall risk management performance.

The Board provides written principles for risk management covering investment portfolio composition as outlined in the Investment Mandate. Risk is managed by the professional, disciplined management of the investment portfolio by EC Pohl & Co Pty Ltd (the Manager).

The Company held the following financial instruments:

	2024	2023
	\$'000	\$'000
Financial Assets		
Cash and cash equivalents	1,684	1,739
Receivables	65	103
Financial Assets at fair value through Other Comprehensive Income	86,385	71,770
Total Financial Assets	88,134	73,612
Financial Liabilities		
Trade and Other Payables	2,696	1,085
Total Financial Liabilities	2,696	1,085

(a) Market Risk

Foreign exchange risk

The Company operates entirely within Australia and is not exposed to material foreign exchange risk.

Equity market risk

The Company is exposed to risk of market price movement through its investments in Australian listed equity securities. Equity investments held by the Company are classified on the Statement of Financial Position as Financial Assets at fair value through Other Comprehensive Income and any movement in the listed equity securities is reflected in Other Comprehensive Income.

The risk to Shareholders is that adverse equity securities market movements have the potential to cause losses in Company earnings or the value of its holdings of financial instruments. The Manager's investment strategy centres on the view that investing in proven high quality businesses with growth opportunities arising from their sustainable competitive advantage will outperform over the longer-term. Consistent with this approach, the Manager has an established risk management framework that includes procedures, policies and functions to ensure constant monitoring of the quality of the investee companies. The objective of the risk management framework is to manage and control risk exposures within acceptable parameters while optimising returns.

Equity market risk is measured as a percentage change in the value of equity instruments held in the portfolio, as compared to the total market index for the same period.

	2024	2023
Portfolio five-year return	12.4%	10.1%
All Ordinaries Index five-year return	3.6%	3.3%

Financial report

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

(b) Sensitivity Analysis

Increases/decreases in an equity security's prices, affect the Company's asset revaluation reserve and Other Comprehensive Income for the year. The analysis is based on the assumption that the Financial Assets at fair value through Other Comprehensive Income had increased/decreased by 5% (2023 - 5%) with all other variables held constant.

Impact on Equity and Other Comprehensive Income for the year:

2024 +/- \$4,319,000

2023 +/- \$3,588,000

Impact on profit or loss is nil.

(c) Cash Flow Interest Rate Risk

The convertible notes issued by the Company have a fixed interest rate coupon of 5.5% per annum with a single step up to 6.5% per annum at 30 September 2024 if the 2-year bank bill swap rate is above 1.2832%. At 30 June 2024 the 2-year bank bill swap rate is 4.3177%.

The Company is exposed to cash flow interest rate risk from holding cash and cash equivalents at variable rates. Revenue from interest forms a very minor portion of the Company's income and therefore exposure to interest rate risk is not significant.

As at the reporting date, the Company had the following cash and cash equivalents:

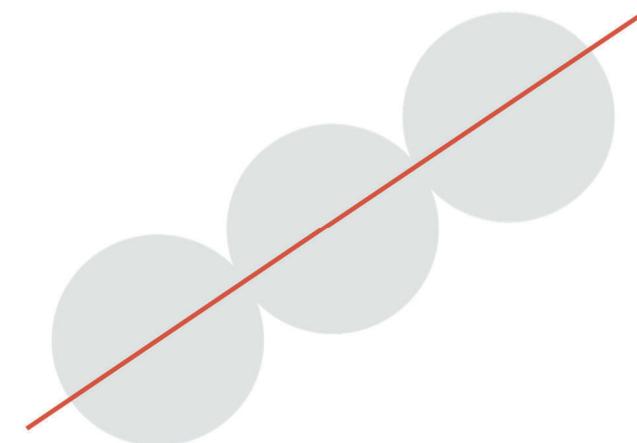
30 June 2024: Balance \$1,684,000
Weighted average interest rate 7.5%

30 June 2023: Balance \$1,739,000
Weighted average interest rate 2.5%

(d) Relative Performance Risk

The Manager aims to outperform the risk-free cash rate over the long-term. However, as the portfolio consists of equity investments these will tend to be more volatile than cash, so there will likely be periods of relative under and over performance compared to the benchmark risk free rate.

Over the long-term the Manager is confident that the portfolio can achieve outperformance through an investment selection process that invests in companies that have a sound business model, display a sustainable competitive advantage and have proven quality management.



Financial report

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

(e) Credit Risk

Credit risk is the risk of a counterparty defaulting on their financial obligations resulting in a loss to the Company. The objective of the Company is to minimise credit risk exposure. Credit risk arises from cash and cash equivalents and Financial Assets at fair value through Other Comprehensive Income. Credit risk is managed by the Manager.

Credit risk arising from cash and cash equivalents is managed by only transacting with counterparties independently rated with a minimum rating of A. The providers of financial services to the Company are rated as AA by Standard and Poor's. Credit risk on cash and cash equivalents is deemed to be low.

Credit risk arising from Financial Assets at fair value through Other Comprehensive Income relates to the risk of counterparties on the ASX defaulting on their financial obligations on transactions for Australian listed equity securities. The credit risk for these transactions is deemed to be low.

The maximum credit risk exposure of the Company at year end is the carrying value of the assets in the Statement of Financial Position.

There is no concentration of credit risk with respect to financial assets in the Statement of Financial Position.

(f) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The objective of the Company is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and distressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable Australian listed equity securities.

The Manager controls liquidity risk by continuously monitoring the balance between equity securities and cash or cash equivalents and the maturity profiles of assets and liabilities to ensure this risk is minimal.

21. Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital structure of the Company consists of equity attributable to members of the Company. The Board monitors the return on capital, which is defined as net operating income divided by total Shareholders' Equity. The Board also monitors the level of dividends to Shareholders.

The capital of the Company is invested by the Investment Manager in accordance with the investment policy established by the Board. The Company has no borrowings beyond the convertible notes issued in October 2021. It is not subject to any externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the year.

Financial report

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

22. Fair value measurements

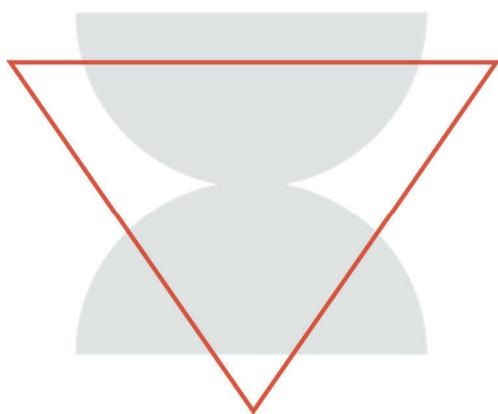
The Company measures the following assets and liabilities at fair value on a recurring basis:

- Financial Assets at fair value through Other Comprehensive Income (FVOCI).
- Financial Assets At fair value through Profit or Loss (FVTPL).

Fair value hierarchy

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: Inputs other than quoted prices included with level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.



The table below shows the assigned level for each asset and liability held at fair value by the Company.

Recurring fair value measurements:

30 June 2024	Financial Assets FVOCI – Listed Equity Securities
Level 1	86,385
Level 2	-
Level 3	-
Total	86,385

30 June 2023	Financial Assets FVOCI – Listed Equity Securities
Level 1	71,770
Level 2	-
Level 3	-
Total	71,770

Transfers between levels of hierarchy

There were no transfers between levels of the fair value hierarchy.

Highest and best use

The current use of each asset measured at fair value is considered to be its highest and best use.

Financial report

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 \$'000	2023 \$'000
23. Related party transactions			
All transactions between related parties are on standard commercial terms and conditions on an arms-length basis.			
The following transactions occurred with related parties:			
EC Pohl & Co Pty Ltd – fees in accordance with the Management Services Agreement as detailed in Note 24.			
– Performance fee		2,656	1,060
– Secondary services administration fee		47	-
Dr E C Pohl AM has an interest in the transaction as during the year Dr E C Pohl AM was a Director, employee and Shareholder of EC Pohl & Co Pty Ltd.			
McCullough Robertson Lawyers for the provision of legal services. D M McGann is a partner of McCullough Robertson Lawyers.		15	-
Allegiant IRS for insurance advice for D & O Policy. The company is an associate of McCullough Robertson Lawyers, of which D M McGann is a partner.		2	2

24. Management services agreement

In accordance with a Management Services Agreement as amended on 10 November 2023 and approved by the Shareholders at the AGM, the Company has agreed to engage the Manager to provide primary and secondary management services.

Primary Services

1. managing the investment of the Company's portfolio, including keeping it under review;
2. ensuring investments by the Company are only made in authorised investments;
3. complying with the investment policy of the Company;
4. identifying, evaluating and implementing the acquisition and disposal of authorised investments;
5. provide the Company with monthly investment performance reporting;
6. manage the Company's public and regulatory announcements and notices;
7. promoting investment in the Company by the general investment community; and
8. providing investor relationship services

Secondary Services

1. accounting support;
2. internal audit support;
3. office services;
4. human resources support;
5. corporate support;
6. company secretarial;
7. asset custody services; and
8. information technology services support.

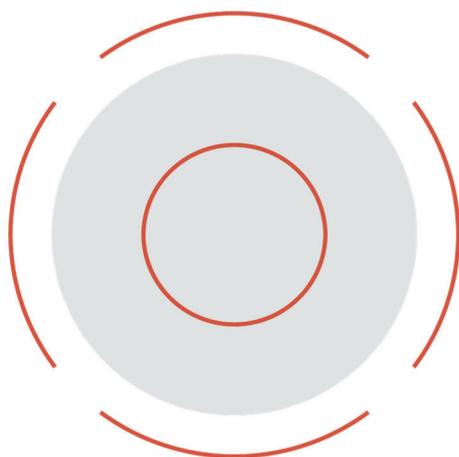
Financial report

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

24. Management services agreement (Continued)

The agreement may be terminated if:

- (a) either party ceases to carry on business, or
- (b) either party enters into liquidation voluntarily or otherwise, or
- (c) either party passes any resolution for voluntary winding-up, or
- (d) a receiver of the property of either party, or any part thereof, is appointed, or
- (e) the Shareholders of the Company at an abnormal meeting called in for that purpose, resolve by binding resolution to terminate the operations, or
- (f) if the Company provides written notice to the Manager in the event of any material and substantial breach of the agreement by the Manager or if the Manager fails to remedy a breach of this agreement within 14 days following written notice of the breach.
- (g) if the Manager provides written notice to the Company in the event of any material and substantial breach of the agreement by the Company or if the Company fails to remedy a breach of this agreement within 14 days following written notice of the breach.
- (h) In recognition of the roles and personal expertise of senior executives retained by the Manager for the purpose of providing the primary services described in clause 3 of the Agreement, the parties agree that the agreement may be terminated, at the option of the Company, if there are major changes to senior executives (or their roles) providing the primary services. The Company shall be entitled to give the Manager a written termination notice upon or after the occurrence of a major change of the kind mentioned and such notice, if given, shall be effective at the end of the next calendar month following the giving of such notice unless the Company and the Manager mutually agree upon another date at which this agreement will terminate.



Under the agreement the Manager will receive a secondary service fee equal to 8 basis points per annum of the Portfolio Value calculated and payable monthly in arrears based on the month-end portfolio value, and a performance fee, payable annually in arrears, equal to 15% of the amount by which the Company's portfolio performance before tax (but after payment of the secondary services fee) exceeds the interest rate payable on bank bills as represented by the Bloomberg Bank Bill Index for that year. If the Company's net performance in the year is less than the interest rate payable on bank bills as represented by the Bloomberg Bank Bill Index for that year, then no performance fee will be payable.

Under the terms of this agreement fees paid or payable were:

	2024	2023
Performance fee	\$2,655,566	\$1,060,779
Secondary service fee	\$46,672	-

Financial report

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 \$'000	2023 \$'000
25. Key management personnel disclosures			
As per the Management Services Agreement, the Company's Secretary and Chief Financial Officer, Mr Scott Barrett is engaged and remunerated by the Manager, EC Pohl & Co Pty Ltd. These roles do not receive any form of direct remuneration from the Company.			
The Company has no other staff and therefore has no Key Management Personnel other than the Directors.			
No member of Key Management Personnel held options over shares in the Company during the year.			
There have been no other transactions with Key Management Personnel or their related entities other than those disclosed in Note 23.			
Detailed remuneration disclosures are provided in sections (A) – (F) of the Remuneration Report on pages 18 and 19.			
The totals of remuneration paid to the key management personnel of Flagship Investments Limited during the year are as follows:			
Short-term Employment benefits paid to the Directors		127	127

26. Cash flow information

Reconciliation of net income result for the year to net cash from operating activities:

Profit for the year	(2,276)	(807)
Cash flows attributed to profit excluded from operating activities		
– Interest expense on convertible notes	710	638
Changes in assets and liabilities		
– decrease in trade and other receivables	40	25
– decrease in current tax liabilities	(1,062)	(626)
– increase/(decrease) in net deferred tax liabilities	26	27
– increase/(decrease) in trade and other payables	1,611	1,051
Cash flow from operations	(951)	308

27. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2024 (30 June 2023: None).

28. Events occurring after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Subsequent to year-end on 9 August 2024, the Directors declared a final 2024 fully franked ordinary share dividend of 5.2 cents per share.

Consolidated entity disclosure statement

Flagship Investments Limited is not required by Australian Accounting Standards (AAS) to prepare consolidated financial statements as it does not have any subsidiaries and as a result subsection 295(3A)(a) of the Corporations Act 2001 to prepare a Consolidated Entity Disclosure Statement does not apply to the Company.

Directors' declaration

The Directors of the Company declare that:

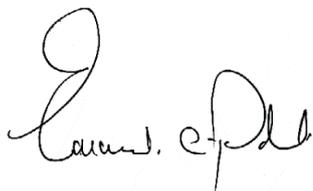
- (a) the Financial Statements and Notes set out on pages 26 to 51 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, which, as stated in Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - (ii) give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date; and

in the Directors' opinion,

- (b) the consolidated entity disclosure statement is true and correct;
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (d) the remuneration disclosures set out on pages 18 and 19 of the Directors' Report (as part of the audited remuneration report) for the year ended 30 June 2024 comply with section 300A of the Corporations Act 2001.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Directors and is signed for and on behalf of the Directors by:



Dr Emmanuel (Manny) C Pohl AM
Managing Director

8 August 2024

Independent auditor's report



FLAGSHIP INVESTMENTS LIMITED
ABN 99 080 135 913

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FLAGSHIP INVESTMENTS LIMITED
(Page 1 of 5)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Flagship Investments Limited (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of material accounting policies and other explanatory information, and the Directors' declaration.

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

- (a) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2024. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

21 Crombie Avenue Bundall, QLD 4217, Australia
Level 1, 180 Main Street, Kangaroo Point, QLD 4169, Australia
PO Box 2498, Southport BC, QLD 4215, Australia

Augmented Audit Co Pty Ltd is an ASIC Authorized Audit Company and General Partner of the AAC Limited Partnership. Liability limited by a scheme approved under Professional Standards Legislation

+617 5510 8358
info@augmentedaudit.com.au

Independent auditor's report



FLAGSHIP INVESTMENTS LIMITED
ABN 99 080 135 913

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FLAGSHIP INVESTMENTS LIMITED
(Page 2 of 5)

KEY AUDIT MATTER	HOW THE KEY AUDIT MATTER WAS ADDRESSED IN OUR AUDIT
<p>Performance fee Refer to Notes 23 and 24 to the financial statements</p> <p>For the year ended 30 June 2024 the Company's statement of profit or loss and other comprehensive income includes the performance fee of \$2,656,000.</p> <p>In accordance with a management service agreement the Company pays a performance fee to a related party to engage a manager to provide primary and secondary management services.</p> <p>This matter is considered a key audit matter due to the risk that if related party transactions are not conducted at arms length, it can significantly impact shareholders in the following ways:</p> <ul style="list-style-type: none"> • Reduced Profits: Unfair pricing can reduce the company's profitability, impacting dividends and stock prices • Distorted Financial Statements: Misleading financial statements can affect investment decisions and market perceptions. 	<p>Our procedures included, inter alia:</p> <ul style="list-style-type: none"> • Reviewing the management service agreement. • Review of the appropriateness of the Company's disclosures in the financial report in accordance with AASB 124. • Verification that the fees are at arms length by performing a comparative analysis of industry standards.
<p>Convertible Note-Host Debt Subsequent Valuation Refer to Notes 2(c) and 14 to the financial statements</p> <p>For the year ended 30 June 2024 the Company's statement of financial position includes the following in relation to convertible notes:</p> <ul style="list-style-type: none"> • Non-current liabilities: Convertible Note of \$18,735,000 • Equity: option premium on convertible notes of \$507,000 <p>On the 1/10/2021 the Company issued 7,407,407 Convertible Notes. These compound financial instruments are able to be converted to share capital at the option of the noteholder in accordance with the Note Terms. After initial recognition, the liability component of the compound financial instrument is measured at amortised cost using the effective interest method.</p> <p>This matter is considered a key audit matter for the following reasons:</p> <ul style="list-style-type: none"> • Complex Valuation: Valuing convertible notes requires significant judgment and estimation, particularly in determining the fair value of the liability and equity components. • Financial Impact: Convertible notes can have a substantial impact on the financial position and performance of the company, influencing both liabilities and equity. • Accounting Treatment: The accounting treatment of convertible notes involves complex considerations, including the allocation between debt and equity, which can affect the financial statements significantly. 	<p>Our procedures included, inter alia:</p> <ul style="list-style-type: none"> • Review the terms and conditions of the convertible notes to understand the conversion features, interest rates, maturity dates, and any other relevant terms. • Verify the initial recognition of the liability component at fair value. • Ensure the proper division of the liability and equity components. • Ensure all calculations, classifications, and measurements comply with AASB 9 requirements. • Review any changes in accounting policies or practices to ensure they are consistent with AASB 9. • Evaluate the effectiveness of internal controls over the recognition, measurement, and disclosure of the liability component.

21 Crombie Avenue Bundall, QLD 4217, Australia
Level 1, 180 Main Street, Kangaroo Point, QLD 4169, Australia
PO Box 2498, Southport BC, QLD 4215, Australia

*Augmented Audit Co Pty Ltd is an ASIC Authorized Audit Company and General Partner of the AAC Limited Partnership Liability
Liability limited by a scheme approved under Professional Standards Legislation*

+617 5510 8358
info@augmentedaudit.com.au

Independent auditor's report



FLAGSHIP INVESTMENTS LIMITED
ABN 99 080 135 913

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FLAGSHIP INVESTMENTS LIMITED
(Page 3 of 5)**

Information Other Than the Financial Report and Auditor's Report Thereon

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Flagship Investments Limited for the year ended 30 June 2024, intended to be included on the Company's or other websites. The Company's Directors are responsible for the integrity of the Company's or other websites. We have not been engaged to report on the integrity of the Company's website. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on websites.

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

21 Crombie Avenue Bundall, QLD 4217, Australia
Level 1, 180 Main Street, Kangaroo Point, QLD 4169, Australia
PO Box 2498, Southport BC, QLD 4215, Australia

Augmented Audit Co Pty Ltd is an ASIC Authorized Audit Company and General Partner of the AAC Limited Partnership. Liability limited by a scheme approved under Professional Standards Legislation

+617 5510 8358
info@augmentedaudit.com.au

Independent auditor's report



FLAGSHIP INVESTMENTS LIMITED
ABN 99 080 135 913

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FLAGSHIP INVESTMENTS LIMITED
(Page 4 of 5)

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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, omitting, misstating or obscuring them, could reasonably be expected to influence the decisions of primary users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors and management.
- Conclude on the appropriateness of Directors and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transaction and events in a manner that achieves fair presentation.

21 Crombie Avenue Bundall, QLD 4217, Australia
Level 1, 180 Main Street, Kangaroo Point, QLD 4169, Australia
PO Box 2498, Southport BC, QLD 4215, Australia

*Augmented Audit Co Pty Ltd is an ASIC Authorised Audit Company and General Partner of the AAC Limited Partnership Liability
Liability limited by a scheme approved under Professional Standards Legislation*

+617 5510 8358
info@augmentedaudit.com.au

Independent auditor's report



FLAGSHIP INVESTMENTS LIMITED
ABN 99 080 135 913

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FLAGSHIP INVESTMENTS LIMITED
(Page 5 of 5)

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

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

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our audit report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report
Opinion on the Remuneration Report

We have audited the remuneration report for the year ended 30 June 2024.

In our opinion the remuneration report of Flagship Investments Limited for the year ended 30 June 2024 complies with s300A 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 s300A 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.

AUGMENTED AUDIT CO PTY LTD
Authorised Audit Company No. 541764

JESSICA JOHL RCA
DIRECTOR
8 August 2024

21 Crombie Avenue Bundall, QLD 4217, Australia
Level 1, 180 Main Street, Kangaroo Point, QLD 4169, Australia
PO Box 2498, Southport BC, QLD 4215, Australia

Augmented Audit Co Pty Ltd is an ASIC Authorised Audit Company and General Partner of the AAC Limited Partnership Liability
Liability limited by a scheme approved under Professional Standards Legislation

+617 5510 8358
info@augmentedaudit.com.au

Shareholder information

Flagship Investments has only one class of equity security, being Fully Paid Ordinary Shares.

The Shareholder information set out below was applicable as at 30 July 2024.

(1) Twenty largest shareholders

Shareholders	Ordinary Shares	%
Citicorp Nominees Pty Limited	8,988,136	34.76%
Global Masters Fund Limited	1,042,185	4.03%
Mr Gregory John Burton & Mrs Catherine Beatrice Burton <GJ Burton Personal Super A/C>	741,338	2.87%
Mr Hank Van Lieshout	714,486	2.76%
Mrs Sylvia Maria Valmadre	682,940	2.64%
Noonbah Pty Ltd <Noonbah A/C>	530,000	2.05%
Mr Dominic Martin McGann	447,562	1.73%
Cidel Bank & Trust Inc <CBT The Fragrance A/C>	436,083	1.69%
Dr Susanna Elizabeth Swanepoel	416,667	1.61%
Bond Street Custodians Limited <HEF - Q01843 A/C>	373,000	1.44%
Burton Holdings (QLD) Pty Ltd <The CB A/C>	367,866	1.42%
Quantum Electronics Pty Ltd <Quantum Elec PI S/Fund A/C>	360,843	1.40%
Mrs Erika Haberfield	307,520	1.19%
Primary Community Aged Care Pty Ltd <Ardmillan A/C>	284,781	1.10%
Rennin Pty Ltd <Reynard Super Fund A/C>	240,918	0.93%
Burton Holdings (QLD) Pty Ltd <Burton Family A/C>	236,646	0.92%
Burton Investment Pty Limited	217,021	0.84%
Pohl Foundation Pty Ltd <The Pohl Foundation A/C>	214,247	0.83%
EVJ Holdings Pty Ltd <Edwina A/C>	210,148	0.81%
Mr Edwin Henry Buckland & Mrs Enid Olive Buckland <Buckland Super Fund A/C>	200,000	0.77%
Total	17,012,387	65.79%

Shareholder information (continued)

(2) Distribution of securities

Fully Paid Ordinary Shares

Distributions	Number of Shareholders	% of shares held
1 to 1,000	118	0.2%
1,001 to 5,000	171	1.9%
5,001 to 10,000	116	3.5%
10,001 to 100,000	193	20.8%
100,001 and over	34	73.6%
Total	632	100.0%
Holdings of less than a marketable parcel	41	0.01%

(3) Substantial shareholdings

The names of the Shareholders who have notified the Company of a substantial holding in accordance with section 671B of the *Corporations Act 2001* are:

Substantial Shareholder	Number of Shares	% of total
Dr E C Pohl AM *	10,158,228	39.3%
Mr G J Burton	1,305,407	5.0%

* Has the power to control voting and/or the disposal of securities in accordance with a Power Of Attorney in relation to 1,481,324 shares.

(4) Voting rights

On a show of hands every Shareholder present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(5) On-market buy back

There is no current on-market buy back.

Investments

(1) Holdings of securities as at 30 June 2024

Individual investments at 30 June 2024 are listed below. The list should not, however, be used to evaluate portfolio performance or to determine the net asset backing per share at other dates. Individual holdings in the portfolio may change during the course of the year.

Code	Company	Shares	Market Value \$'000	%
Ordinary shares				
ARB	ARB Corporation Limited	40,000	1,505.2	1.71
C79	Chrysos Corporation Limited	350,000	1,991.5	2.26
CAR	CAR Group Limited	80,000	2,820.0	3.20
CBA	Commonwealth Bank of Australia	20,000	2,547.6	2.89
COH	Cochlear Limited	6,000	1,992.9	2.26
CSL	CSL Limited	21,915	6,469.5	7.35
CTD	Corporate Travel Management Limited	100,000	1,326.0	1.51
DMP	Domino's Pizza Enterprises Limited	100,000	3,589.0	4.08
FCL	Fineos Corporation Holdings PLC	835,542	1,412.1	1.60
FPH	Fisher & Paykel Healthcare Corporation Limited	40,000	1,110.8	1.26
GQG	GQG Partners Inc.	3,000,000	8,490.0	9.64
GYG	Guzman Y Gomez Limited	30,387	833.2	0.95
HUB	HUB24 Limited	130,403	6,070.3	6.89
IEL	Idp Education Limited	253,084	3,834.2	4.35
JDO	Judo Capital Holdings Limited	1,100,000	1,386.0	1.57
JHX	James Hardie Industries PLC	87,000	4,115.1	4.67
LOV	Lovisa Holdings Limited	100,000	3,287.0	3.73
MP1	Megaport Limited	100,000	1,122.0	1.27
MQG	Macquarie Group Limited	13,000	2,661.0	3.02
NAN	Nanosonics Limited	414,392	1,239.0	1.41
NWL	Netwealth Group Limited	80,000	1,773.6	2.01
NXL	Nuix Limited	600,000	1,848.0	2.10
PWH	Pwr Holdings Limited	90,000	988.2	1.12
REA	REA Group Ltd	5,000	983.3	1.12
RIO	Rio Tinto Limited	29,000	3,451.0	3.92
RMD	ResMed Inc.	170,000	4,947.0	5.62
SEK	Seek Limited	150,000	3,204.0	3.64
SQ2	Block Inc.	55,000	5,289.4	6.01
WTC	Wisetech Global Limited	20,000	2,006.0	2.28
XRO	Xero Limited	30,000	4,092.0	4.66
			86,384.9	98.10
Cash				
	Cash (including dividends receivable)		1,669.3	1.90
Grand total			88,054.2	100.0

(2) Transactions and brokerage

There were 110 (2023: 69) transactions in securities during the year on which brokerage of \$187,930 (2023: \$125,175) was paid.

Investment performance

Annual percentage change

Year to	Portfolio Return Pre Fees	Portfolio Return After Fees [^]	Net Tangible Assets (NTA)*	All Ordinaries Index	All Ordinaries Accumulation Index
June-99	16.4%	14.4%	14.6%	10.1%	14.1%
June-00	33.6%	30.4%	25.3%	12.9%	16.8%
June-01	20.0%	15.2%	8.8%	5.1%	8.8%
June-02	-5.0%	-6.3%	-9.3%	-7.6%	-4.5%
June-03	-9.4%	-10.2%	-14.6%	-5.2%	-1.1%
June-04	20.5%	19.0%	14.4%	17.7%	22.4%
June-05	35.1%	31.0%	24.1%	19.8%	24.7%
June-06	34.7%	31.6%	19.8%	19.0%	24.2%
June-07	35.9%	32.8%	21.6%	25.4%	30.3%
June-08	-24.1%	-25.8%	-31.3%	-15.5%	-12.1%
June-09	-4.2%	-4.2%	-8.0%	-26.0%	-22.1%
June-10	21.4%	19.6%	6.7%	9.5%	13.8%
June-11	4.6%	4.6%	-1.7%	7.7%	12.2%
June-12	-4.9%	-4.9%	-8.2%	-11.3%	-7.0%
June-13	32.9%	29.5%	15.7%	15.5%	20.7%
June 14	26.2%	23.5%	15.8%	12.7%	17.6%
June-15	6.6%	6.2%	-1.4%	1.3%	5.7%
June-16	12.3%	10.9%	5.7%	-2.6%	2.0%
June-17	8.0%	7.1%	0.6%	8.5%	13.1%
June-18	20.1%	17.8%	8.5%	9.1%	13.7%
June-19	16.7%	14.8%	6.4%	6.5%	11.0%
June-20	8.4%	7.4%	0.9%	-10.4%	-7.2%
June-21	40.7%	36.2%	29.3%	26.4%	30.2%
June-22	-21.1%	-21.1%	-29.9%	-11.1%	-7.4%
June-23	15.4%	13.9%	7.8%	9.7%	14.8%
June-24	29.0%	26.0%	21.0%	8.3%	12.5%

Note:

[^] Fees include Performance fees and Underwriting fees.

* NTA (Net Tangible Assets) is after tax on realised gains and all operating expenses and payment of dividends to Shareholders. It excludes tax provision on unrealised gains.

Corporate directory

Flagship Investments Limited

ABN 99 080 135 913
Registered in Queensland on
23 September 1997

Board Of Directors

Dominic M McGann
Non-Executive Chairman

Dr Emmanuel (Manny) C Pohl AM
Managing Director

Angela Obree
Non-Executive Director

Company Secretary

Scott W Barrett

Registered Office

Level 12
Corporate Centre On
2 Corporate Court
Bundall Qld 4217

Tel: +61 (0) 7 5644 4405
Fax: +61 (0) 7 5574 1457

Toll Free: 1800 Flagship
1800 352 474

Email: contact@flagshipinvestments.com.au

Postal Address

PO Box 7536
Gold Coast Mail Centre
Bundall Qld 9726

Auditors

Augmented Audit Co Pty Ltd
21 Crombie Avenue
Bundall Qld 4217

Email: info@augmentedaudit.com.au

Investment Manager

EC Pohl & Co Pty Ltd
ACN 154 399 916

Level 12, Corporate Centre One
2 Corporate Court
Bundall Qld 4217

Tel: +61 (0) 7 5644 4400
Fax: +61 (0) 7 5574 1457

Share Registry

Boardroom Pty Limited
GPO Box 3993
Sydney Nsw 2001

Toll Free: 1300 737 760
International: +61 (0) 2 9290 9600
Fax: +61 (0) 2 9279 0664

Email: enquiries@boardroomlimited.com.au

Solicitors

Mccullough Robertson Lawyers
Level 11
Central Plaza Two
66 Eagle Street
Brisbane Qld 4000

Tel: +61 (0) 7 3233 8888
Fax: +61 (0) 7 3229 9949

Website Address

www.flagshipinvestments.com.au

Follow Us



[/flagshipinvestmentslimited](#)



[/flagship-investments-limited-fsi/](#)



ABN 99 080 135 913

Level 12, Corporate Centre One
2 Corporate Court
Bundall QLD 4217

flagshipinvestments.com.au