

Washington H. Soul Pattinson and Company Limited

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First Floor, 160 Pitt Street Mall, Sydney NSW 2000



ASX Appendix 4E & Preliminary final report 31 July 2010

Lodged with the ASX under Listing Rule 4.3A

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Reporting Period

The reporting period for this report is the financial year ended 31 July 2010.

The previous corresponding period is the financial year ended 31 July 2009.

Results for Announcement to the Market

		Current period 31 July 2010	Previous period 31 July 2009	Change
		\$'000	\$'000	\$'000
Revenue from continuing operations	Up 6.2% to	823,307	774,953	48,354
Profit before non-regular items from ordinary activities after tax attributable to members	Down 19.2% to	181,555	224,685	(43,130)
Profit after tax and non-regular items attributable to members	Down 80.4% to	218,327	1,112,652	(894,325)

Dividends

	Cents per share	Franking %
This period		
1. Final dividend	20.0c	100%
2. Special dividend	12.5c	100%
3. Interim dividend	14.0c	100%
Previous corresponding period		
1. Final dividend	19.0c	100%
2. Special dividend	25.0c	100%
3. Interim dividend	13.0c	100%
Record date for determining entitlements to final and special dividends:	22 Nov 2010	
Date the final and special dividends are payable:	6 Dec 2010	

Comments on above results

- ** The profit of the Group, **after tax and before non-regular items**, attributable to shareholders for the year ended 31 July 2010 was **\$181.6 million**, a decrease of 19.2% over the previous year. This net decrease of \$43.1 million resulted mainly from lower contributions by New Hope Corporation Limited and Pitt Capital Partners Limited.
- ** The profit of the Group, **after tax and non-regular items**, attributable to shareholders was **\$218.3 million**, a decrease of \$894.3 million over the previous year. Last year's result included the Group's \$1.03 billion share of the profit on the sale of New Hope's New Saraji coal project. The result inclusive of non-regular items represents a 140.4% increase over that of 2008.
- ** The net profit on non-regular items for the year was \$36.8 million and was principally composed of gains on deemed disposals, resulting from dilution of the Group's holdings in Brickworks Limited and TPG Telecom Limited.
- ** Ordinary dividends paid/payable for the year increased by 6.3% from the previous year. A special dividend of 12.5cps is also payable for the current period.
- ** Refer Review of Operations for further information.

Earnings per share

	2010	2009
From continuing operations		
Basic Earnings per Share	91.49 cents	466.49 cents
Diluted Earnings per Share	91.49 cents	466.49 cents
From discontinued operations		
Basic Earnings per Share	(0.00) cents	(0.24) cents
Diluted Earnings per Share	(0.00) cents	(0.24) cents
From profit before non-regular items after tax	76.08 cents	94.15 cents

Net tangible assets per security

	2010	2009
Net tangible asset backing per ordinary security	\$11.44	\$10.91

Explanation of Profit after tax

For a further explanation of the year's operating results, please refer to the Review of Operations.

Explanation of Net Profit

For a further explanation of the year's operating results, please refer to the Review of Operations.

Chairman's Review

As attached.

Review of Operations

As attached.

Washington H. Soul Pattinson and Company Limited
Year ended 31 July 2010

Consolidated Income Statement
For the year ended 31 July 2010

	Notes	2010 \$'000	2009 \$'000
Revenue from continuing operations	3(i)	823,307	774,953
Other income	3(i)	70,205	2,429,851
Cost of sales		(393,133)	(259,768)
Selling and distribution expenses		(124,719)	(88,966)
Administration expenses		(33,651)	(46,442)
Other expenses		(1,943)	(4,470)
Impairment of assets	3(i) & 7	(706)	(147,705)
Finance costs		(2,437)	(1,478)
Share of results from equity accounted associates	7	40,985	(5,493)
Profit before income tax		377,908	2,650,482
Income tax (expense)		(86,816)	(798,595)
Profit after tax from continuing operations		291,092	1,851,887
(Loss) after tax from discontinued operations		-	(578)
Profit after tax for the year		291,092	1,851,309
Profit after tax attributable to non-controlling interest		(72,765)	(738,657)
Profit after tax attributable to members of Washington H. Soul Pattinson and Company Limited		218,327	1,112,652

Non statutory information

Profit before non-regular items from ordinary activities after tax attributable to members		181,555	224,685
Profit from non-regular items after income tax attributable to members	3(ii)	36,772	887,967
Profit after tax and non-regular items attributable to members		218,327	1,112,652

The Directors consider that the disclosure of the impact of non-regular items included in profits, enhances the understanding of the results attributable to members. Further details are provided in note 3(ii).

Earnings per share	2010 Cents	2009 Cents
Basic and diluted earnings per share to ordinary equity holders of the company		
Continuing operations	91.49	466.49
Discontinued operations	0.00	(0.24)
Earnings per share from all operations	91.49	466.25

	No. of shares	
Weighted average number of shares used in calculating basic and diluted earnings per share	238,640,580	238,640,580

The above consolidated income statement should be read in conjunction with the accompanying notes.

Washington H. Soul Pattinson and Company Limited
Year ended 31 July 2010

Consolidated Statement of Comprehensive Income
For the year ended 31 July 2010

	2010	2009
	\$'000	\$'000
Profit after tax for the year	291,092	1,851,309
Other comprehensive income		
Net movement in the fair value of long term equity investments, net of tax	67,403	63,713
Net movement in hedge reserve, net of tax	3,269	4,685
Net movement in foreign currency translation reserve, net of tax	(72)	(1,418)
Net movement in equity reserve, net of tax	915	(3,488)
Total other comprehensive income for the year, net of tax	71,515	63,492
Total comprehensive income for the year	362,607	1,914,801
Total comprehensive income attributable to non-controlling interest	(101,763)	(774,818)
Total comprehensive income attributable to members of Washington H. Soul Pattinson and Company Limited	260,844	1,139,983

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Washington H. Soul Pattinson and Company Limited
Year ended 31 July 2010

Consolidated Statement of Financial Position
As at 31 July 2010

	31 July 2010 \$'000	31 July 2009 \$'000
Current assets		
Cash and cash equivalents	109,821	228,530
Term deposits	1,655,365	2,619,238
Trade and other receivables	59,305	48,144
Inventories	53,087	45,421
Investments fair valued through profit and loss	49,011	45,056
Derivative financial instruments	15,673	14,525
Current tax asset	1,689	812
Current assets classified as held for sale	576,211	-
Other assets	346	124
Total current assets	2,520,508	3,001,850
Non-current assets		
Trade and other receivables	4,919	4,607
Equity accounted associates and joint ventures	685,739	526,798
Long term equity investments	547,707	924,907
Other financial assets	5,000	12,553
Derivative financial instruments	11,675	8,157
Property, plant and equipment	458,706	416,121
Exploration and evaluation costs	3,030	2,572
Investment properties	-	35
Deferred tax assets	43,437	38,700
Intangible assets	6,991	8,360
Total non-current assets	1,767,204	1,942,810
Total assets	4,287,712	4,944,660
Current liabilities		
Trade and other payables	64,113	43,264
Interest bearing liabilities	41,193	33,827
Current tax liabilities	24,154	746,156
Provisions	19,941	20,103
Total current liabilities	149,401	843,350
Non-current liabilities		
Deferred tax liabilities	298,592	255,983
Provisions	20,079	17,942
Other	-	122
Total non-current liabilities	318,671	274,047
Total liabilities	468,072	1,117,397
Net assets	3,819,640	3,827,263
Equity		
Share capital	32,900	32,900
Reserves	810,243	768,942
Retained profits	1,937,108	1,841,068
Parent entity interest	2,780,251	2,642,910
Non-controlling interest	1,039,389	1,184,353
Total equity	3,819,640	3,827,263

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

**Consolidated Statement of Changes in Equity
For the year ended 31 July 2010**

Year ended 31 July 2010	Share Capital \$'000	Retained profits \$'000	Reserves \$'000	Total members equity \$'000	Non-Controlling Interests \$'000	Total \$'000
Total equity at the beginning of the year - 1 August 2009	32,900	1,841,068	768,942	2,642,910	1,184,353	3,827,263
Net profit for the year after tax	-	218,327	-	218,327	72,765	291,092
Other comprehensive income for the year						
Net movement in asset revaluation reserve, net of tax	-	-	39,698	39,698	27,705	67,403
Net movement in hedge reserve	-	-	1,984	1,984	1,285	3,269
Net movement in foreign currency translation reserve	-	-	(80)	(80)	8	(72)
Net movement in equity reserve	-	(164)	1,079	915	-	915
Total comprehensive income for the year	-	218,163	42,681	260,844	101,763	362,607
Transactions with owners						
Dividends declared and paid	-	(111,969)	-	(111,969)	(273,500)	(385,469)
Contributions of equity, net of transaction costs	-	-	-	-	17,982	17,982
Net movement in share based payments reserve	-	-	(1,380)	(1,380)	(1,263)	(2,643)
Exit from Group of subsidiary	-	-	-	-	(100)	(100)
Equity transfer from members on issue of share capital in controlled entities	-	(10,154)	-	(10,154)	10,154	-
Total equity at the end of the year - 31 July 2010	32,900	1,937,108	810,243	2,780,251	1,039,389	3,819,640

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
For the year ended 31 July 2010

Year ended 31 July 2009	Share Capital \$'000	Retained profits \$'000	Reserves \$'000	Total members equity \$'000	Non-Controlling Interests \$'000	Total \$'000
Total equity at the beginning of the year - 1 August 2008	32,900	793,887	744,033	1,570,820	445,175	2,015,995
Net profit for the year after tax	-	1,112,652	-	1,112,652	738,657	1,851,309
Other comprehensive income for the year						
Net movement in asset revaluation reserve, net of tax	-	-	29,674	29,674	34,039	63,713
Net movement in hedge reserve	-	-	2,568	2,568	2,117	4,685
Net movement in foreign currency translation reserve	-	-	(1,423)	(1,423)	5	(1,418)
Net movement in equity reserve	-	-	(3,488)	(3,488)	-	(3,488)
Total comprehensive income for the year	-	1,112,652	27,331	1,139,983	774,818	1,914,801
Transactions with owners						
Dividends declared and paid	-	(58,296)	-	(58,296)	(51,409)	(109,705)
Contributions of equity, net of transaction costs	-	-	-	-	10,546	10,546
Net movement in share based payments reserve	-	-	(2,422)	(2,422)	629	(1,793)
Acquisition of additional ownership in subsidiaries	-	44	-	44	(3,593)	(3,549)
Equity transfer from members on issue of share capital in controlled entities	-	(7,219)	-	(7,219)	8,187	968
Total equity at the end of the year - 31 July 2009	32,900	1,841,068	768,942	2,642,910	1,184,353	3,827,263

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Washington H. Soul Pattinson and Company Limited
Year ended 31 July 2010

Consolidated statement of cash flows

	2010	2009
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers inclusive of GST	729,199	626,789
Receipt of GST on sale of the New Saraji coal project	-	245,000
Payments to suppliers and employees inclusive of GST	(531,978)	(388,656)
Payment of GST on sale of the New Saraji coal project	-	(245,000)
	197,221	238,133
Dividends received	53,846	53,124
Interest received	225,392	40,059
Finance costs	(313)	(280)
Income taxes paid	(805,509)	(65,417)
Net cash (outflow) / inflow from operating activities	(329,363)	265,619
Cash flows from investing activities		
Payment for property, plant and equipment and intangibles	(82,376)	(120,138)
Proceeds from sale of property, plant and equipment	440	2,450,523
Costs incurred on the sale of the New Saraji coal project	-	(670)
Payments for exploration and evaluation activities	(13,860)	(8,289)
Net proceeds from /(payments for) term deposits	855,998	(2,223,898)
Payments for investments	(177,815)	(80,326)
Proceeds from sale of investments	27,698	28,943
Cash outflow from loss of control of a subsidiary	(2,070)	(1,751)
Loans advanced	(3,739)	(1,544)
Loan repayments received	2,117	1,066
Net cash inflow from investing activities	606,393	43,916
Cash flows from financing activities		
Proceeds from issues of equity	14,042	9,967
Dividends paid	(411,911)	(125,385)
Proceeds from interest bearing liabilities	5,314	3,961
Net cash (outflow) from financing activities	(392,555)	(111,457)
Net (decrease) / increase in cash and cash equivalents	(115,525)	198,078
Cash and cash equivalents at the beginning of the year	228,530	34,337
Effects of exchange rate changes on cash and cash equivalents	(3,184)	(3,885)
Cash and cash equivalents at the end of the year	109,821	228,530

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1. Basis of Preparation

This preliminary financial report for the year ended 31 July 2010 has been prepared in accordance with Accounting Standards adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

This report does not include full disclosures of the type normally included in an annual financial report. It is recommended that this report be read in conjunction with the annual financial report for the year ended 31 July 2009 and any public announcements made by Washington H. Soul Pattinson and Company Limited and its controlled entities (“Consolidated entity” or “Group”) during the reporting period in accordance with continuous disclosure requirements of the *Corporations Act 2001*.

As the Group has adopted AASB 101 *Presentation of Financial Statements* during the current year, the Group provides current terms adopted under the new standard and previously used terms under the old standard:

Old terminology	New terminology
Balance Sheet	Statement of financial position
Cash Flow statement	Statement of cash flows
Minority Interest or Outside Equity interest	Non controlling interest

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

‘Plain English’ terminology	AASB terminology
Share capital	Contributed equity
Investments fair valued through profit and loss	Other financial assets at fair value through profit and loss
Long term equity investments	Available for sale financial assets
Equity accounted associates and joint ventures	Investments accounted for using the equity method
Term deposits	Held to maturity investments

The accounting policies are consistent with those of the previous financial year.

The following new Accounting Standards have been adopted in preparing this year end financial report:

AASB 101 Presentation of Financial Statements

The revised Standard requires the presentation of a statement of comprehensive income which presents all items of recognised income and expense either in one statement or in two linked statements. The Consolidated Entity has elected to present two statements.

AASB 8 *Operating Segments* replaces AASB 114 *Segment Reporting*. The accounting policy for identifying segments is now based on internal management reporting information that is regularly reviewed by the chief operating decision maker. AASB 8 disclosures are shown below, including the revised comparative information.

The Consolidated entity has elected not to adopt any other new standards or amendments that are issued but not yet effective.

This preliminary report was authorised by the directors on 23rd September 2010.

Notes to the Consolidated Financial Statements

2. Segment Information

Business segments

The Group is organised into the following divisions by product and service type:

Continuing operations

Investing activities

The Group engages in investments, including cash, term deposits, and equity investments.

Coal mining

The Group engages in coal mining activities including exploration, development, production, processing, associated transport infrastructure and ancillary activities. Coal mining operations are managed as a single integrated coal chain including transportation and infrastructure.

Consulting

The Group is involved in the provision of consulting services.

Discontinued operations

Bakery

In the prior year, the Group controlled KH Foods Limited, an entity involved in the manufacture and sale of bakery products.

Notes to the Consolidated Financial Statements

2. Segment Information

Business segments

Year ended 31 July 2010

	Investing activities	Coal mining	Consulting	Intersegment eliminations/ unallocated	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	166,510	643,196	3,144	10,457	823,307
Intersegment revenue	415,380	-	2,823	(418,203)	-
Total revenue	581,890	643,196	5,967	(407,746)	823,307
Share of results from equity accounted associates	40,688	-	(31)	328	40,985
Other income	70,205	127	(127)	-	70,205
Total segment revenue/income	692,783	643,323	5,809	(407,418)	934,497
Segment results	651,147	142,797	(157)	(415,879)	377,908
Income tax (expense)					(86,816)
Net profit/(loss) for the year					291,092
Impairment (expense) write back included in segment results					
- Impairment (expense) of long term equity investments	(3,215)	-	-	-	(3,215)
- Impairment reversal of associates	1,487	-	-	-	1,487
- Impairment reversal of other assets	1,022	-	-	-	1,022
Total impairment (expense)	(706)	-	-	-	(706)
Segment assets	3,735,137	570,631	14,433	(32,489)	4,287,712
Investments in associates	692,388	-	-	(6,649)	685,739
Depreciation / amortisation (expense)	(1,815)	(37,983)	(81)	-	(39,879)

Notes to the Consolidated Financial Statements

2. Segment Information (continued)

Business segments

Year ended 31 July 2009	Investing activities \$'000	Coal mining \$'000	Consulting \$'000	Intersegment eliminations/ unallocated \$'000	Total continuing operations \$'000	Discontinued operations - Bakery \$'000	Intersegment eliminations/ unallocated \$'000	Total discontinued operations \$'000	Consolidated \$'000
Revenue from external customers	217,850	540,834	4,755	11,514	774,953	202	-	202	775,155
Intersegment revenue	82,083	-	31,272	(113,355)	-	-	-	-	-
Total revenue	299,933	540,834	36,027	(101,841)	774,953	202	-	202	775,155
Share of results from equity accounted associates	(1,915)	-	87	(3,665)	(5,493)	-	-	-	(5,493)
Other income	(10,326)	2,411,177	-	29,000	2,429,851	-	-	-	2,429,851
Total segment revenue/income	287,692	2,952,011	36,114	(76,506)	3,199,311	202	-	202	3,199,513
Segment results	94,896	2,614,561	24,883	(83,858)	2,650,482	(473)	247	(226)	2,650,256
Income tax (expense)					(798,595)			-	(798,595)
(Loss) on disposal of discontinued after tax					-	(352)	-	(352)	(352)
Net profit/(loss) for the year					1,851,887			(578)	1,851,309
Impairment (expense) included in segment results									
- Impairment (expense) of long term equity investments	(14,480)	-	-	-	(14,480)	-	-	-	(14,480)
- Impairment (expense) of associates	(127,901)	-	-	-	(127,901)	-	-	-	(127,901)
- Impairment (expense) of goodwill	(4,953)	-	-	-	(4,953)	-	-	-	(4,953)
- Impairment (expense) of other assets	(371)	-	-	-	(371)	-	-	-	(371)
Total impairment (expense)	(147,705)	-	-	-	(147,705)	-	-	-	(147,705)
Segment assets	4,442,098	508,343	29,894	(35,675)	4,944,660	-	-	-	4,944,660
Investments in associates	536,244	-	327	(9,773)	526,798	-	-	-	526,798
Depreciation / amortisation (expense)	(2,125)	(28,622)	(147)	-	(30,894)	-	-	-	(30,894)

Washington H. Soul Pattinson and Company Limited
Year ended 31 July 2010

Notes to the Consolidated Financial Statements

3. Profit for the year

(i) Profit before income tax expense

Profit from continuing operations for the year includes the following items that are significant because of their size, nature or incidence:

	2010	2009
	\$'000	\$'000
(a) Revenue		
Sales revenue	667,269	577,101
Dividend revenue	19,693	21,834
Interest revenue	117,933	169,029
Other	18,412	6,989
	823,307	774,953
	2010	2009
	\$'000	\$'000
(b) Other income		
Gain on sale of the New Saraji coal project	-	2,440,352
Gain on deemed disposal of equity accounted associates	60,665	-
Gains/(losses) on financial assets fair valued through profit or loss	8,692	(19,161)
Net gain on sale of long term equity investments	1,914	6,525
Net (losses)/ gains on sale of related entities	(1,023)	1,936
Other	(43)	199
	70,205	2,429,851
	2010	2009
	\$'000	\$'000
(c) Expenses		
Reversal/(Impairment) of equity accounted associates (1)	1,487	(127,901)
Impairment of long term equity investments (2)	(3,215)	(14,480)
Impairment of goodwill	-	(4,953)
Reversal/(Impairment) of other assets	1,022	(371)
	(706)	(147,705)

(1) The recoverable amount of investments in equity accounted associates has been assessed as at 31 July 2010. Where the carrying values of the investments exceeded the recoverable amounts, the investment has been impaired. At each reporting date, an assessment is made as to whether there are any circumstances that indicate that the impairment recognised has decreased or no longer exists. Where evidence supports a reduction in the impairment, the impairment expense may be reversed through profit. During the year ended 31 July 2010, a previously recognised impairment expense relating to Clover Corporation Limited of \$1.49 million was reversed.

(2) In accordance with AASB 139, a 'prolonged decline in the fair value of an investment in an equity instrument below its cost is objective evidence of impairment'. Where an 'available for sale' financial asset's market bid price is lower than the original cost and management consider the investment to be 'impaired', the Group has recognised an impairment expense in respect of these investments. An impairment recognised for an 'available for sale' financial asset is prohibited from being reversed in subsequent periods. Any future increments in the bid price of an impaired investment is to be recognised as a fair value increment in the asset revaluation reserve.

Washington H. Soul Pattinson and Company Limited
Year ended 31 July 2010

Notes to the Consolidated Financial Statements

3. Profit for the year (continued)

(ii) Non-regular items after income tax expense attributable to members:

The Directors consider the disclosure of the impact of non-regular items enhances the understanding of the results attributable to members. Details of these items are as follows:

	2010	2009
	\$'000	\$'000
Profit on disposal of investments	670	8,452
Profit on sale of the New Saraji coal project	-	1,031,082
Gain on deemed disposal of equity accounted associates	42,443	-
Loss of control of a controlled entity	(1,047)	(352)
Impairment expense	(1,157)	(138,498)
Share of non-regular items from associates	(6,734)	(43,382)
Tax credits	2,597	32,286
Other non-regular items	-	(1,621)
	36,772	887,967

4. Balance sheet reclassification

Current asset classified as held for sale

At 31 July 2010, the controlled entity, New Hope Corporation Limited (New Hope) held an investment in Arrow Energy Limited (Arrow). At this time Arrow had accepted a takeover offer from CS CSG (Australia) Pty Ltd and as a result New Hope's investment in Arrow has been reclassified as a current asset held for sale. The Arrow investment was previously classified as a non current asset, long term equity investment. Further information regarding the Arrow takeover is provided in note 9.

Washington H. Soul Pattinson and Company Limited
Year ended 31 July 2010

Notes to the Consolidated Financial Statements

5. Dividends

		\$'000	Amount per security CPS	Franking per security CPS
Final dividend 2010	Final dividend not recognised in retained profits, to be paid on 6 December 2010	47,728	20.0c	20.0c
	Previous corresponding year, paid on 7 December 2009	45,342	19.0c	19.0c
Special dividend	Special dividend not recognised in retained profits, to be paid on 6 December 2010	29,830	12.5c	12.5c
	Previous corresponding year, paid on 7 December 2009	59,660	25.0c	25.0c
Interim dividend	Interim dividend paid on 13 May 2010	33,410	14.0c	14.0c
	Previous corresponding year, paid on 14 May 2009	31,023	13.0c	13.0c

No dividend reinvestment plans were in operation during the reporting period.

Total number of ordinary shares on issue for the whole of the reporting period was 238,640,580.

6. Controlled entities acquired or disposed

Entities no longer controlled

During the year ended 31 July 2010, the Group ceased to control the following entities:

Souls Fund Management Limited (SFM)

SFM was disposed of on 11 November 2009. From this date, SFM was no longer controlled by the Group.

Rundle Capital Limited (Rundle) – Held by Pitt Capital Partners

Rundle was disposed of on 1 October 2009. From this date, Rundle was no longer controlled by the Group.

Washington H. Soul Pattinson and Company Limited
Year ended 31 July 2010

Notes to the Consolidated Financial Statements

7. Details of investments and results in Associates

Name of associated entity	Group's percentage of holding at balance date *		Contribution to Group net profit for the year **	
	July 2010 %	July 2009 %	2010 \$000	2009 \$000
Associates – held by WHSP				
Brickworks Limited (i)	44.6	49.4	12,982	(24,100)
Australian Pharmaceutical Industries Limited (ii)	24.6	24.6	5,478	3,879
Ruralco Holdings Limited	23.5	23.5	2,675	2,177
TPG Telecom Limited (formerly SP Telemedia Limited) (iii)	26.6	28.5	15,350	4,939
Apex Healthcare Berhad	30.3	30.3	2,909	1,930
Clover Corporation Limited	28.6	28.6	(276)	880
Keith Harris & Company (Far East) Pte Limited	49.0	49.0	312	271
Associates – held by Controlled entities***				
Ampcontrol Pty Limited	45.0	45.0	3,166	3,448
Austgrains Pty Limited	48.0	48.0	(1,611)	25
Belaroma Coffee Pty Ltd	40.0	40.0	197	109
InterRISK Australia Pty Ltd	40.0	40.0	333	499
SODA Brands Limited (iv)	25.1	-	(837)	-
Specialist Oncology Property Pty Limited	31.4	31.4	329	135
Supercorp Pty Limited	30.2	30.2	(22)	315
Share of results from equity accounted associates before impairment			40,985	(5,493)
Impairment of investment in associates (refer note 3i)				
- Australian Pharmaceutical Industries Limited			-	(101,137)
- Ruralco Holdings Limited			-	(18,557)
- Reversal/(expense) other associates			1,487	(8,207)
Total impairment of investment in associates			1,487	(127,901)
Share of results and impairment from equity accounted associates			42,472	(133,394)

* The percentage holding represents the Group's total holding in each associate.

** Contribution to Group net profit represents the amount included in profit after tax before minority interest.

*** Investments in these associates are held by a controlled entity, Souls Private Equity Limited.

Changes in holdings of associates

(i) During the year, Brickworks Limited completed share issues to their employees (September 2009) and to ordinary shareholders (November 2009).

WHSP did not participate in the Brickworks Limited share issues, resulting in WHSP's percentage holding in Brickworks decreasing by 4.9% to 44.6%.

In accordance with accounting standards, a 'deemed disposal' was considered to have taken place and a gain of \$49.1 million (less tax \$14.8 million) has been recognised in profit.

(ii) Australian Pharmaceutical Industries Limited (API) raised capital through an institutional placement and completed an equity raising (November 2009). WHSP maintained its percentage shareholding in API by participating in these offers.

(iii) WHSP participated in the TPG Telecom Limited (TPG) dividend reinvestment plan (DRP) issues on 25 November 2009 and 27 May 2010. During the year, TPG raised capital through an institutional placement on the 10 February 2010 and issued shares to employees in accordance with their employee share plan. WHSP did not participate in either of these issues.

The cumulative effect of the above share issues resulted in WHSP decreasing its shareholding by 1.9% to 26.6%.

Notes to the Consolidated Financial Statements

7. Details of investments and results in Associates (continued)

In accordance with accounting standards, a 'deemed disposal' was considered to have taken place and a gain of \$11.6 million (less tax \$3.5 million) has been recognised in profit.

(iv) As a result of a capital raising by SODA Brands Limited (SODA), on the 18th December 2009, the Group's shareholding in SODA was reduced from 50.3% to 47.9%. From the date of this change in shareholding, SODA ceased to be accounted for as a subsidiary of SPEL and is equity accounted as an associate entity.

8. Contingent liabilities

New Hope Corporation Limited has decreased its estimate of contingent liabilities to \$14.3 million (from \$14.5 million at 31 July 2009) in respect of undertakings and guarantees. No losses are anticipated in respect of these contingent liabilities.

Souls Private Equity Limited has recognised an estimate of \$6 million of contingent liabilities in the current year in respect of a guarantee over the Trade Finance Facility of Austgrains Pty Limited.

There are no other material changes to contingent liabilities of the Group since 31 July 2009.

9. Events occurring after the balance sheet date

As at 31 July 2010 New Hope Corporation Limited held 122.6 million shares in Arrow Energy Limited at a total cost of \$110.0 million, equivalent to 16.7% of the company.

As at balance date, the shareholders of Arrow Energy Limited had accepted an offer from CS CSG (Australia) Pty Ltd to purchase all of their shares in Arrow Energy Limited. The offer consisted of a scheme to move certain assets held by Arrow Energy Limited into a new entity, Dart Energy Limited, and for CS CSG (Australia) Pty Ltd to then purchase the shares of Arrow Energy Limited. This scheme was approved by the Federal Court of Australia on 16 July 2010. The Implementation Date for the Acquisition Scheme was 23 August 2010.

As a result of the offer from CS CSG (Australia) Pty Ltd being accepted, New Hope Corporation Limited received \$4.70 for each of the shares in Arrow Energy Limited. Based on the settlement price of \$4.70 per share, the value of New Hope Corporation Limited's investment in Arrow Energy Limited as at 31 July 2010 was \$576.2 million, representing an unrealised gain before tax of \$466.2 million (after tax gain of \$326.3 million).

The issue of shares in Dart Energy Limited took place on 28 July 2010, with New Hope Corporation Limited receiving a total of 61,299,067 shares in Dart Energy Limited. New Hope Corporation Limited consequently transferred 7.79% of the cost base of its investment in Arrow Energy Limited to the cost base of its investment in Dart Energy Limited to reflect the portion of assets transferred.

Other than declared in this report, no other events have occurred after balance date which would materially affect the full year financial report.

10. Other significant information

Please refer to the review of operations contained in this report.

11. Audit

This report is based on financial statements that are in the process of being audited.