Appendix 4E
Preliminary Final Report
Lodged with the ASX under Listing Rule 4.3A

Year Ended 30 June 2018
(Previous corresponding period – 30 June 2017)

Results for Announcement to the Market

Revenue from ordinary activities	up	66%	$12,952,194
Profit before tax attributable to members	up	64%	$10,509,665
Profit after tax attributable to members	up	54%	$7,952,336

	Amount per security	**Franked amount per security**
Interim Dividend – FY18 (paid 27 October 2017)	1.25 cents	1.25 cents
Interim Dividend – FY18 (paid 25 January 2018)	1.25 cents	1.25 cents
Interim Dividend – FY18 (paid 27 April 2018)	1.25 cents	1.25 cents
Final Dividend – FY18 (paid 27 July 2018)	1.25 cents	1.25 cents
Total Dividends paid on Ordinary Shares	**5.00 cents**	**5.00 cents**

Explanation of revenue from ordinary activities
Revenues for the period increased to $12,952,194 (FY17: $7,823,477). This increase was primarily due to $3.3 million of realised gains on sale of investments in FY18 compared to $3.6 million realised loss in FY17. Increase in realised gains was partially offset by $2.3 million decrease in unrealised gain on marked-to-market investments. Dividend and interest income increased by 6% to $3.3 million compared with $3.1 million in FY17.

Explanation of profit from ordinary activities after tax attributable to members
Profit after tax attributable to members was $7,952,366 (FY17: $5,150,809).

Commentary on results
It is pleasing to reflect on the solid performance by Clime Capital Limited (Clime) in FY18 with pre-tax profit reported at $10.5 million compared to $6.4 million in FY17.

The accompanying financial accounts for FY18 disclose that Clime made both a solid profit and maintained franked dividends on the issued ordinary shares. It is also pleasing to report that the buyback of shares was undertaken at a significant discount to the stated NTA added to the company's shareholder returns.

The Board reports that Clime has achieved a Gross portfolio return of 15.76% p.a and a net of fees return of 12.89% during the financial year ended 30 June 2018.

Dividend Policy and Capital Management

The Board intends to maintain its policy of declaring ordinary dividends each quarter. The current portfolio has a high level of income generation from its shares and yielding investments. The portfolio also generates franking credits which are beneficial to shareholders.

On July 17 2018 the Board declared a 1 for 40 bonus issue of ordinary shares, with an intention to maintain existing quarterly dividends of 1.25 cents per share.

The Board has implemented a buyback policy covering ordinary shares. In 2017/18, 1,009,641 ordinary shares were bought back and cancelled. The average discount to Net Tangible Asset backing per share has on average been greater than 10%.

Supplementary Appendix 4E information

Additional dividend/distribution information

Details of dividends/distributions declared or paid during or subsequent to the year ended 30 June 2018 are as follows:

Record Date	Payment Date	Type	Amount per security	Total Dividend	Franked amount per security	Foreign sourced dividend amount per security
Fully Paid Ordinary Shares						
04 Oct 2017	27 Oct 2017	Interim	1.25 cents	$1,121,406	1.25 cents	-
04 Jan 2018	25 Jan 2018	Interim	1.25 cents	$1,123,121	1.25 cents	-
04 April 2018	27 April 2018	Interim	1.25 cents	$1,123,317	1.25 cents	-
06 July 2018	27 July 2018	Final	1.25 cents	$1,116,704	1.25 cents	-
		Total	**5.00 cents**	**$4,484,548**	**5.00 cents**	
Grossed-up dividend yield including franking					**7.14 cents**	

Dividend/distribution reinvestment plan

The company operates a dividend reinvestment plan.

Net tangible assets per security (Cum-Dividend, Cum-Bonus)

	2018 $	2017 $
Fully diluted net tangible asset backing per ordinary share – pre-tax	**$0.96**	$0.89
Fully diluted net tangible asset backing per ordinary share – post-tax	**$0.95**	$0.90

Controlled Entities
The company did not gain or lose control over any entities during the 12 months ended 30 June 2018.

Associates and Joint Venture entities
The company does not have any interests in associates or joint venture entities.

Foreign Accounting standards
Not applicable.

Audit
This report is based on the Annual Report which is audited.

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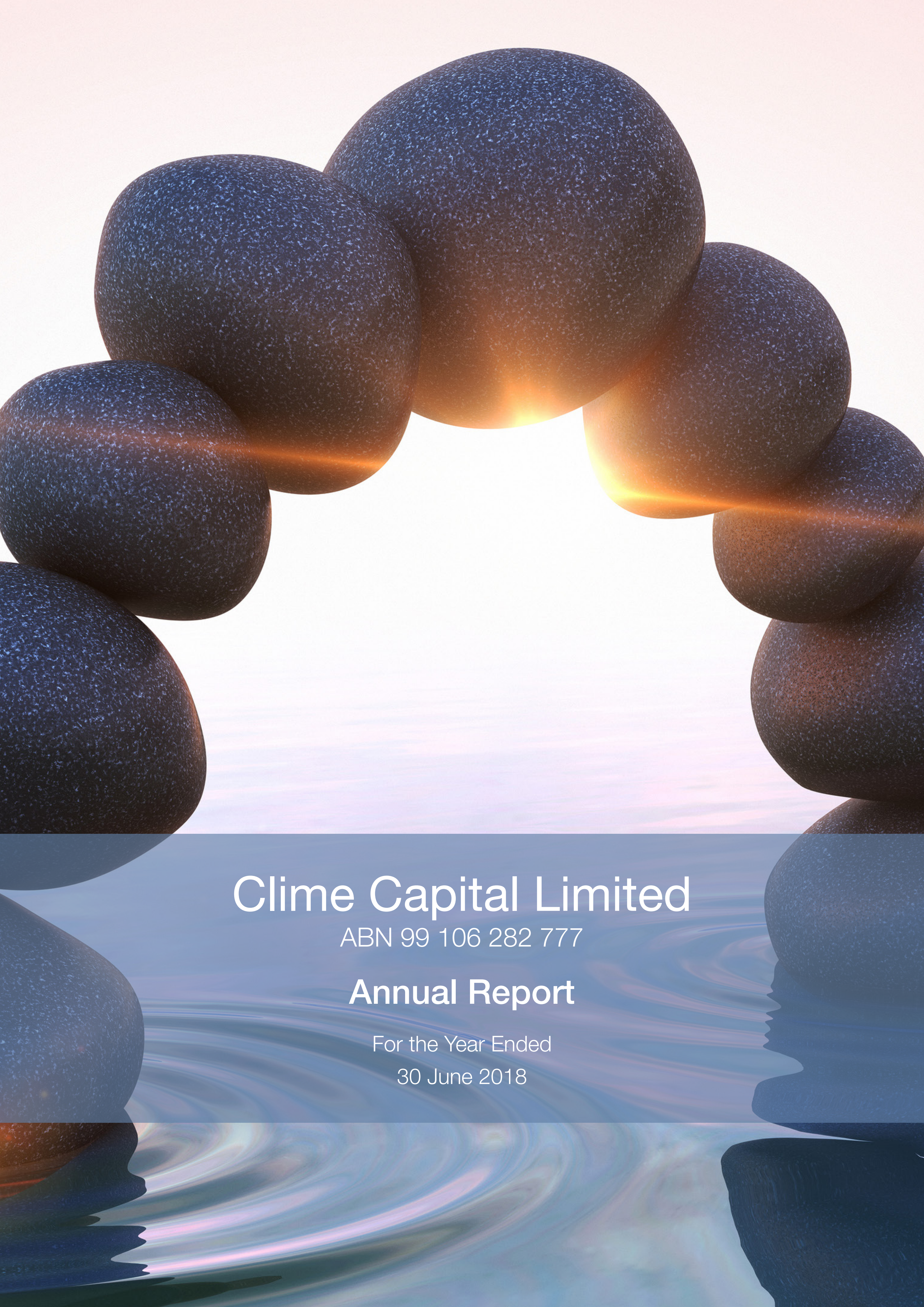

Clime Capital Limited

ABN 99 106 282 777

Annual Report

For the Year Ended

30 June 2018

CLIME CAPITAL LIMITED

ABN 99 106 282 777

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Chairman's Letter

Dear Fellow Shareholder,

The financial year 2018 was a good one for your company.

In reviewing the year, I provide the following financial highlights which I believe should be noted by shareholders.

Pre-tax profit lifted from $6.4 million (FY17) to $10.5 million. I focus on pre-tax results as these do not benefit from tax adjustments, positive or negative over the year.

Following the preliminary review of results the Board declared a 1 for 40 bonus issue. The Board intends, subject to market conditions, to at least maintain current dividends of 5 cents per ordinary share (1.25 cents per quarter) on the incrementally expanded ordinary capital base.

Approximately $4.5 million of fully franked cash dividends were paid to shareholders in FY18. This was lower than the payout of $5.2 million (FY17) as a result of the April 2017 expiry of the company's converting preference shares.

The company's net assets grew over the financial year from $79.9 million to $83.4 million. This growth was after payment of dividends (noted above) and reflected the growth in retained earnings of approximately $3.5 million.

Issued capital marginally declined over the year as shares issued under the company's DRP were offset by buybacks. Over the financial year there were 845,941 DRP shares issued at an average of price 86.8 cents. Over the year 1,009,641 shares were bought back at an average of 85.5 cents. The buybacks were done at a 10% average discount to the prevailing NTA.

During the year the company issued $20.75 million of unsecured convertible notes. The notes were issued at 96 cents, have a term of 4 years and pay quarterly interest at the rate of 6.25% per annum. The notes will also accrue the 1 for 40 bonus issue until and if they are converted by the holder into ordinary shares.

The Board believed the notes provided an attractive investment opportunity for subscribers and positively increased the investable capital for the company's shareholders. The convertible debt introduced leverage into the company's portfolio. At 30 June convertible debt represented less than 20% of total assets.

Outlook and Portfolio Management

Shareholders may have observed that over the last 12 months the portfolio manager has steadily restructured the company's portfolio so that the following characteristics are evident:

a. The Australian listed equity allocation is structured across large, mid and small companies to generate consistent returns from value-based active management;
b. The International equity portfolio has been managed with an eye to value and currency exposure. In the final quarter, as the AUD devalued, the manager reduced the international exposure. Re-entry into international markets requires a strong view both on returns and risk taken being appropriately compensated; and
c. The introduction of an Income Sleeve allocation currently comprised of syndicated unlisted funds focused on high quality property and select agriculture-based (poultry) assets. Today approximately 5.5% of the portfolio is in high yielding unlisted property trusts and 1% in a high yielding agricultural trust. Importantly, the yields generated from this Income Sleeve meaningfully exceeds the cost of the convertible debt and creates a positive yield spread, thus benefiting company shareholders.

The portfolio process and management has therefore created a unique style (compared to other Listed Investment Companies (LICs)) for our investment company. The broadening of Australian equity exposure, ability to harness international equity opportunities and introduction of direct syndicated property and income-generating operating assets present a diversity for investors that has many of the attributes of a well-constructed pension asset portfolio.

The active management style and ability to dynamically adjust portfolio positioning based on prevailing market and macro conditions enables the portfolio manager to adjust the asset allocations with the aim of generating a consistent absolute return. The medium-term targeted rate of return for the portfolio is approximately 6% above the Australian inflation rate (after portfolio costs). The introduction of high quality unlisted assets within the Income Sleeve allocation, the ability to utilize offshore markets and the absolute discretion to protect capital by increasing cash allocations, will allow for the delivery of more consistent and less volatile returns.

This leads me to two concluding remarks.

First, from this point the manager believes that the economic outlook and therefore expected market returns are for "more of the same" – steady if not spectacular growth. The world is growing, with some parts particularly dynamic (China and India). The major economy of the world (United States) is achieving solid growth, with this being supported by the absence of either rising inflation or rapidly rising interest rates. It is a subdued setting that belies the high levels of Government debt, Central Bank balance sheets and household debt in Australia. Indeed, the consistent reaction to managing debt (by Central Banks) has been to hold down interest rates and in this endeavor they have been supported by China (in particular).

Second, the management of the company's portfolio has been appropriately evolved to reflect the company's capital structure and the range of investment opportunities that, uniquely, can be accessed by the permanent capital of a LIC. However, in transforming and adapting the portfolio, there is the logical requirement to also evolve the historic performance incentive for the manager. The absolute return focus requires an appropriate absolute return benchmark - unrelated to the historic pure Australian equity broad market index. This absolute return hurdle rate, with a focus on maintaining capital, requires a high-water mark. Therefore, the board is working with the manager to design an appropriate performance fee structure that captures the reality of the investment environment, our responsive portfolio management and objective to deliver consistent and less volatile returns. This work will result in a recommendation at the forthcoming Annual General Meeting.

The year just passed was a good one and while global uncertainties remain, I expect the next year to also offer a range of attractive investment opportunities – more so because of the diversity of opportunity afforded to the portfolio manager.

Mr. Geoffrey Wilson resigned as a Director of CAM effective 7 March 2018. He was a foundation director of CAM and he actively supported the company's growth since inception. The Board extended its sincere thanks to Mr. Wilson for his services and commitment to the Company.

On your behalf, I thank the staff of the manager for their work during the year. I also thank shareholders for their support of the company over financial year 2018.

John Abernethy
Chairman

CLIME CAPITAL LIMITED
ABN 99 106 282 777
CORPORATE DIRECTORY

Clime Capital Limited	Clime Capital Limited is a listed investment company and is a reporting entity. It is primarily an investor in Securities listed on Australian and International Securities Exchange.
Directors	John Abernethy (Chairman) Julian Gosse Brett Spork Anthony Golowenko
Company Secretary	Biju Vikraman
Investment Manager	Clime Asset Management Pty Limited Level 7, 1 Market Street Sydney NSW 2000
Registered Office	Level 7 1 Market Street Sydney NSW 2000
Contact Details	Postal Address: P.O. Box Q1286 Queen Victoria Building Sydney, NSW 1230 P: (02) 8917 2100 F: (02) 8917 2155 E: www.climecapital.com.au
Share Registry	Boardroom Pty Limited Level 12 225 George Street, Sydney NSW 2000 P: 1300 737 760 F: 1300 653 459 W: www.boardroomlimited.com.au For enquiries relating to shareholdings, dividends (including participation in the dividend reinvestment plan) and related matters, please contact the share registry.
Auditor	Pitcher Partners MLC Centre, 22/19 Martin Place Sydney NSW 2000
Stock Exchange Listing	Clime Capital Limited securities are listed on the Australian Securities Exchange under the following exchange code: Fully Paid Ordinary Shares CAM Convertible Notes CAMG

Your directors present their report on Clime Capital Limited ("the Company") for the financial year ended 30 June 2018.

Directors

The following persons were directors of the Company during the whole of the financial year and up to the date of this report unless otherwise stated:

Mr. John Abernethy	
Mr. Geoffrey Wilson	(resigned on 7 March 2018)
Mr. Julian Gosse	
Mr. Brett Spork	
Mr. Anthony Golowenko	(appointed on 7 March 2018)

Information on Directors

Mr. John Abernethy **Chairman - Non-independent**

Experience and expertise

Mr. John Abernethy was appointed director on 31 July 2009. Mr. Abernethy has over 35 years' funds management experience in Australia having been General Manager Investments of the NRMA. John holds a Bachelor of Commerce (Economics)/LLB from the University of New South Wales.

Other current directorships

Mr. Abernethy is a non-executive director of WAM Research Limited, Australian Leaders Fund Limited, Watermark Market Neutral Fund, Watermark Global Limited, Jasco Holdings Limited, Clime Private Limited, CBG Asset Management Limited and CBG Capital Limited.

Mr. Abernethy is also an executive director of Clime Investment Management Limited.

Former directorships in last 3 years

WAM Active Limited.

Special responsibilities

Member of Remuneration Committee
Member of Nomination Committee

Interests in shares

900,000 ordinary shares in Clime Capital Limited.

Interests in convertible notes

45,000 convertible notes in Clime Capital Limited.

Mr. Julian Gosse **Independent Director**

Experience and expertise

Mr. Julian Gosse was appointed non-executive director in September 2003. He has extensive experience in banking and broking both in Australia and overseas, having worked in London for Rowe and Pitman, in the United States for Janney Montgomery and Scott and in Canada for Wood Gundy. Mr. Gosse has also been involved in the establishment, operation and ownership of several small businesses.

Other current directorships

Mr. Gosse is a non-executive director of Australian Leaders Fund Limited and WAM Research Limited.

Former directorships in last 3 years

Iron Road Limited

Special responsibilities

Chairman of Audit Committee
Chairman of Remuneration Committee
Chairman of Nomination Committee

Interest in shares

None.

Interests in convertible notes

None.

Information on directors (continued)

Mr. Brett Spork **Independent Director**

Experience and expertise

Mr. Brett Spork was appointed independent Director of the Company in May 2011. Mr. Spork has extensive experience in the Funds Management, Banking and Financial Services sectors. Mr. Spork's previous roles include CEO of B.T.I.G., CEO of E*Trade Australia and Executive Director with Macquarie Bank.

Mr. Spork holds a Degree in Business from Queensland University of Technology.

Other current directorships

Shell Cove Capital Management Limited, PM Capital Global Opportunities Fund Limited, PM Asian Opportunities Limited and Primary Markets.com.

Former directorships in last 3 years

None

Special responsibilities

Member of Audit Committee
Member of Remuneration Committee
Member of Nomination Committee

Interests in shares

100,000 ordinary shares in Clime Capital Limited.

Interests in convertible notes

16,667 convertible notes in Clime Capital Limited.

Mr. Anthony Golowenko **Director**

Experience and expertise

Mr. Golowenko was appointed a director of the Company in March 2018. Mr. Golowenko has over 20 years investment experience in domestic and international equities, return enhancing and risk reducing overlays and objective based strategy development. He joined Clime Group in June of 2016 and subsequently implemented an objective-based investment approach and framework of purposeful asset allocation and portfolio design. Anthony holds a Bachelor of Mathematics and Finance degree with First Class Honours from the University of Technology, Sydney, and is a CFA charterholder.

Other current directorships

None.

Former directorships in last 3 years

None.

Special responsibilities

None.

Interests in shares

210,000 ordinary shares in Clime Capital Limited.

Interests in convertible notes

None.

Information on directors (continued)

Company Secretary

Mr. Biju Vikraman was appointed to the position of Company Secretary on 28 September 2015.

Mr. Vikraman holds a Bachelor of Commerce from the University of Mumbai, India and is an Australian and Indian Chartered Accountant. Mr. Vikraman has around 20 years experience in accounting, audit, finance and governance and had held senior roles with big 4 accounting firms and listed entities within Australia, India and Africa.

Mr. Vikraman also holds a Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia.

Meetings of directors
The numbers of meetings of the Company's board of directors, and of each board committee held during the year ended 30 June 2018, and the numbers of meetings attended by each director were:

Director	Board Meetings		Audit Committee Meetings	
	A	B	A	B
Mr. John Abernethy	10	10	2	2
Mr. Geoffrey Wilson	6	4	-	-
Mr. Julian Gosse	10	10	2	2
Mr. Brett Spork	10	10	2	2
Mr. Anthony Golowenko	2	2	-	-

Director	Remuneration Committee Meetings		Nomination Committee Meetings	
	A	B	A	B
Mr. John Abernethy	2	2	1	1
Mr. Geoffrey Wilson	-	-	-	-
Mr. Julian Gosse	2	2	1	1
Mr. Brett Spork	2	2	1	1
Mr. Anthony Golowenko	-	-	-	-

A - Number of meetings eligible to attend
B - Number of meetings attended

Rotation and election of directors
The Company's Constitution requires directors to retire every three years. Mr. Golowenko was appointed in 2018 and being eligible offers himself for election. Mr. Abernethy retires by rotation and, being eligible offers himself for re-election.

Principal activities
The principal activity of the Company during the financial year was investing in securities listed on domestic, international Securities Exchanges and selected unlisted unit trusts.

There were no significant changes in these activities during the current financial year.

Operating result
The net profit after providing for tax amounted to $7,952,336 (2017: $5,150,809).

Review of operations

Investment income from ordinary activities
Investment income for the year was $12,952,194 (2017: $7,823,477). This increase was primarily due to an increase in realised gains on financial assets disposed during the year ended 30 June 2018.

Net profit attributable to members of the Company
Profit from ordinary activities after tax attributable to members was $7,952,336 (2017: $5,150,809).

Further information on the operating and financial review of the Company is contained in the Chairman's letter on pages 1 to 3 of the Annual report.

Dividends paid or recommended

Dividends paid or recommended during the financial year are as follows:

	2018 $	2017 $
Total dividends paid		
Final ordinary dividend paid during the year in respect of the prior financial year	1,118,752	949,192
Converting preference share dividend paid during the year in respect of the prior financial year	-	326,033
Interim ordinary dividend paid in respect of the September 2017 and 2016 quarter	1,121,406	948,336
Converting preference share dividend paid in respect of the September 2017 and 2016 quarter	-	321,796
Interim ordinary dividend paid in respect of the December 2017 and 2016 quarter	1,123,121	950,351
Converting preference share dividend paid in respect of the December 2017 and 2016 quarter	-	321,796
Interim ordinary dividend paid in respect of the March 2018 and 2017 quarter	1,123,317	952,702
Converting preference share dividend paid in respect of the March 2018 and 2017 quarter	-	321,796
Final converting preference share dividend paid in respect of one month period ended in April 2017	-	107,266
Total dividends paid	**4,486,596**	**5,199,268**
Total dividends declared not paid		
Final ordinary dividend in respect of the current financial year	1,116,704	1,118,752
Total dividends declared not paid	**1,116,704**	**1,118,752**
Total dividends paid or recommended	**5,603,300**	**6,318,020**

Prior to the end of the financial year, the directors declared a fully franked dividend of 1.25 cents per share payable on 27 July 2018 on ordinary shares as at record date 6 July 2018.

Significant changes in state of affairs

On 14 December 2017, the Company issued of 22,280,162 unsecured convertible notes at face value of $0.96 per note (14,988,496 notes under Entitlement Offer and 7,291,666 notes under Placement), with a term expiring on 30 November 2021 and fixed interest rate of 6.25% per annum payable quarterly in arrears.

Noteholders have the right to convert some or all of their notes to shares at any time before the maturity date. Convertible Noteholders should note that in accordance with the terms of the Prospectus dated 17 November 2017, CAMG Notes will accrue the bonus issue and upon conversion will receive 1.025 Ordinary shares for every Convertible Note.

No other significant changes in the Company's state of affairs occurred during the year.

After balance date events

On 17 July 2018, the CAM Board of Directors declared a 1 for 40 bonus issue of ordinary shares, with an intention to maintain existing quarterly dividends of 1.25 cents per share.

No other 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.

Future developments

The Company's future performance is dependent on the performance of the Company's investments. In turn, the performance of these investments is impacted by investee Company - specific factors and prevailing industry conditions. In addition, a range of external factors including economic growth rates, interest rates, exchange rates and macro-economic conditions impact the overall equity market and these investments.

As such, we do not believe it is possible or appropriate to accurately predict the future performance of the Company's investments and, therefore, the Company's performance.

Other developments

On 3 January 2018, the Company announced its intention on refreshing its ability to implement an on-market buy back (within the 10/12 limit) for a further 12 month period which will commence from 18 January 2018 and end on 17 January 2019. During this period, the Company has the ability to buy a maximum of 8,984,970 fully paid ordinary shares.

Environmental issues

The Company's operations are not regulated by any significant law of the Commonwealth or of a State or Territory relating to the environment.

Insurance of officers

During the financial year, the Company paid a premium for an insurance policy insuring all directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. In accordance with common commercial practice, the insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium.

Non-audit services

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

During the year Pitcher Partners Sydney, the Company's auditor, did not perform any other non-assurance services in addition to their statutory duties for the Company. PPNSW Services Pty Limited, a related party of the Company's auditor, performed taxation services for the Company.

Details of the amounts paid to the auditors and their related parties are disclosed in Note 3 to the financial statements.

Unissued shares

There are 22,280,162 (2017: nil) unissued ordinary shares of Clime Capital in the form of convertible notes as at the date of this report.

Remuneration report - audited

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001.*

The remuneration report is set out in the following sections:

A Directors and other key management personnel details
B Principles used to determine the nature and amount of remuneration
C Details of remuneration
D Service agreements
E Related Parties Transactions
F Additional information

The information provided in section A-E includes remuneration disclosures that are required under section 300A of the *Corporations Act 2001.*

A Directors and other key management personnel details

The following persons acted as directors and key management personnel of the Company during or since the end of the financial year.

Directors

John Abernethy	Non-Executive Chairman
Geoffrey Wilson	Non-Executive Director (resigned on 7 March 2018)
Julian Gosse	Independent, Non-Executive Director
Brett Spork	Independent, Non-Executive Director
Anthony Golowenko	Non-Executive Director (appointed on 7 March 2018)

There are no other key management personnel apart from the directors.

B Principles used to determine the nature and amount of remuneration

The Remuneration Committee is responsible for making recommendations to the board on remuneration policies and packages applicable to the board members and executives of the Company. The board's remuneration policy is to ensure the remuneration package properly reflects the person's duties, responsibilities and the level of performance, and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

Non-executive directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Remuneration of non-executive directors is determined by the full board within the maximum amount approved by the shareholders from time to time. The payments to non-executive directors do not include retirement benefits other than statutory superannuation. Consultation with non-executive directors outside their duties as directors is treated as external consultation and is subject to additional fees by consent of the Board. The Company has a policy that non-executive directors are not entitled to retirement benefits and may not participate in any bonus scheme (where applicable).

Directors' fees

The current base remuneration was last reviewed with effect in August 2015. The non-executive directors' fees are inclusive of committee fees.

Non-executive directors' fees are determined within a non-executive directors' base remuneration pool, which is periodically recommended for approval by shareholders. The non-executive directors' base remuneration pool currently stands at $150,000 per annum.

Remuneration report - audited (continued)

C Details of remuneration

The Company's Chairman, Mr. John Abernethy, and a director, Mr. Anthony Golowenko are employed by Clime Investment Management Ltd (the parent company of the Investment Manager) and do not receive any form of direct remuneration from the Company. Instead Clime Investment Management Limited receives fees from Clime Capital Ltd designed to cover the cost of provision of these services and Clime Investment Management Ltd. settles this amount directly with the Chairman and the Director. The Company has no other staff and no other key management personnel.

Amounts of remuneration
Details of the remuneration of the directors of Clime Capital Limited for services rendered to the Company are set out below. With the exception of the Company's directors, there are no key management personnel (as defined in AASB 124 *Related Party Disclosures*) employed by the Company.

Key management personnel and other key management personnel of Clime Capital Limited

2018		**Short-term employee benefits**	**Post-employment benefits**	**Total**
		Cash salary	**Superannuation**	
		$	$	$
John Abernethy *		33,750	-	33,750
Geoffrey Wilson	(resigned 7 March 2018)	6,233	592	6,825
Julian Gosse		33,105	3,145	36,250
Brett Spork **		46,250	-	46,250
Anthony Golowenko *	(appointed 7 March 2018)	8,175	-	8,175
Total key management personnel		**127,513**	**3,737**	**131,250**

** $10,000 paid as fees in connection with management of the Placement and the Entitlement Offer.

2017	**Short-term employee benefits**	**Post-employment benefits**	**Total**
	Cash salary	**Superannuation**	
	$	$	$
John Abernethy*	35,000	-	35,000
Geoffrey Wilson	9,132	868	10,000
Julian Gosse	31,963	3,037	35,000
Brett Spork	35,000	-	35,000
Total key management personnel	**111,095**	**3,905**	**115,000**

*Paid to Clime Investment Management Limited and not to Mr. John Abernethy or Mr. Anthony Golowenko.

D Service agreements

There are no other key management personnel apart from the directors.

Remuneration report - audited (continued)

E Related Parties Transactions

All transactions with related entities were made on normal commercial terms and conditions no more favourable than transactions with other parties unless otherwise stated.

(a) Management and Performance Fees

Management and performance fees paid to companies related to the Directors were as follows:

	2018 $	2017 $
Clime Asset Management Pty Ltd - Note (c)(i)	733,709	620,894
Clime Investment Management Ltd - Note (c)(ii)	65,924	59,000
Boutique Asset Management Pty Ltd - Note (c)(iii)	244,568	206,965
	1,044,201	**886,859**

(b) Dividends

All dividends paid and payable by the Company to Directors and Director related entities are on the same basis as to other shareholders.

(c) Nature of Relationships

(i) Clime Asset Management Pty Ltd
Mr John Abernethy is the Director and Chief Investment Officer of the Investment Manager, Clime Asset Management Pty Ltd (a wholly-owned subsidiary of ASX listed company Clime Investment Management Limited). Clime Asset Management Pty Ltd receives management and performance fees as remuneration for managing the Company's investment portfolio.

(ii) Clime Investment Management Ltd
Mr John Abernethy is a Director in Clime Investment Management Ltd. Clime Investment Management Ltd receives management fees as remuneration for the employment of the Chairman, a Director and Secretary as detailed in Note 14. Clime Investment Management Ltd directly owns 6.31% of the share capital of the Company as at 30 June 2018. Clime Investment Management Limited through the Investment Manager has the indirect power to dispose 6.14% of the Company's shares held by the Investment Managers discretionary share portfolio clients.

(iii) Boutique Asset Management Pty Ltd
Boutique Asset Management Pty Ltd, a company in which Mr Geoffrey Wilson is a director, has an assignment from the Investment Manager to receive 25% of all management fees payable by the Company under the Management Agreement.

(d) Shareholdings of Directors and Key Management Personnel

Shareholdings

Ordinary Shares	**Balance at 1 July 2017** (Nos)	**Shares acquired** (Nos)	**Shares disposed** (Nos)	**Balance as at date** (Nos)
John Abernethy (Chairman)	790,000	110,000	-	900,000
Geoffrey Wilson	756,274	-	-	756,274
Brett Spork	100,000	-	-	100,000
Anthony Golowenko	-	210,000	-	210,000
	1,646,274	**320,000**	**-**	**1,966,274**

Convertible notes	**Balance at 1 July 2017** (Nos)	**Convertible notes acquired** (Nos)	**Convertible notes disposed** (Nos)	**Balance as at date** (Nos)
John Abernethy (Chairman)	-	137,500	(92,500)	45,000
Geoffrey Wilson	-	109,125	-	109,125
Brett Spork	-	16,667	-	16,667
Anthony Golowenko	-	25,000	(25,000)	-
	-	**288,292**	**(117,500)**	**170,792**

Remuneration report - audited (continued)

F Additional Information

Performance of Clime Capital Limited

The tables below set out the summary information regarding the Company's earnings and movements in shareholder wealth for the five years to 30 June 2018:

Performance result - historical analysis

	30 June 2018 $	30 June 2017 $	30 June 2016 $	30 June 2015 $	30 June 2014 $
Investment gains/(losses)	12,952,194	7,823,477	(247,717)	457,148	7,882,452
Net profit/(loss) before tax	10,509,665	6,400,566	(1,691,060)	(1,033,869)	6,483,210
Net profit/(loss) after tax	7,952,336	5,150,809	(639,220)	(122,352)	5,121,328
Dividends paid/provided for	4,484,548	5,042,795	5,204,660	5,216,031	4,715,668

Movements in shareholder wealth - historical analysis

	30 June 2018	30 June 2017	30 June 2016	30 June 2015	30 June 2014
Adjusted NTA cum dividend - pre tax[1]	$0.96	$0.89	$0.88	$0.97	$1.05
Adjusted NTA cum dividend - post tax[1]	$0.95	$0.90	$0.89	$0.97	$1.03
Interim dividends - ordinary shares[2]	3.75cps	3.60cps	3.60cps	3.45cps	3.15cps
Final dividend - ordinary shares[2]	1.25cps	1.25cps	1.20cps	1.20cps	1.15cps
Preference share dividends[2]	-	15.00cps	18.00cps	18.75cps	19.00cps
Bonus share issue - ord. shares	-	-	-	-	1 for 25
Basic EPS[1,2]	8.85cps	4.98cps	(2.46cps)	(1.91cps)	5.00cps
Diluted EPS[1,2]	8.35cps	4.98cps	(2.46cps)	(1.91cps)	5.00cps

[1] Taking into account the dilutive effect of bonus and preference shares

[2] Fully franked dividends

END OF AUDITED REMUNERATION REPORT

Proceedings on behalf of the Company

As at the date of this report, no person has applied for leave of Court to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Class action against UGL

On 18 December 2017, the Company commenced a class action proceeding against UGL Pty Limited (formerly UGL Limited) (UGL) on its own behalf and on behalf of persons who acquired in interest in ordinary shares in UGL during the period 8 August 2014 until close of trading on 5 November 2014 inclusive **(claim period)**.

The class action is funded by litigation funder IMF Bentham Limited. Phi Finney McDonald is representing the Company and class members in the class action. Executives of Clime Investment Management Limited will be involved in pursuing the claim.

The class action alleges that during the claim period UGL failed to keep the market informed about problems relating to a major joint venture construction contract that it was undertaking. The problems were not disclosed by UGL until 6 November 2014, when it told the market that the forecast costs of the Ichthys project had increased and the joint venture had recognised a provision. The UGL share price declined by more than 25% by close of trade on 11 November 2014.

The class action alleges that UGL's conduct caused the Company and persons who acquired an interest in ordinary shares in UGL during the claim period to suffer loss.

On 13 April 2018, UGL filed an Amended Defence to the class action. It is expected that UGL will discover documents relevant to the class action by November 2018.

No provision has been made for any potential award of damages. As at 30 June 2018, the Company has no contingent liabilities or commitments (2017: $Nil).

Rounding off of amounts

In accordance with *Australian Securities and Investments Commission Corporation (Rounding in Financial/Director's report) instrument 2016/191* , the amounts in the directors' report have been rounded to the nearest dollar, unless otherwise stated.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 15.

Signed in accordance with a resolution of the directors.

John Abernethy
Chairman

Sydney, 15 August 2018

PITCHER PARTNERS
ACCOUNTANTS • AUDITORS • ADVISORS

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF CLIME CAPITAL LIMITED
ABN 99 106 282 777

In relation to the independent audit for the year ended 30 June 2018, to the best of my knowledge and belief there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

b) no contraventions of any applicable code of professional conduct.

This declaration is in respect of Clime Capital Limited.

Mark Godlewski

Mark Godlewski
Partner

Pitcher Partners
Sydney

15 August 2018

CLIME CAPITAL LIMITED
ABN 99 106 282 777
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 $	2017 $
Investment income			
Investment revenue	2	3,259,098	3,066,126
Net realised gain/(loss) on disposal of financial assets at fair value through profit or loss		3,324,431	(3,649,038)
Net unrealised gain on financial assets at fair value through profit or loss		6,279,184	8,566,602
Net foreign exchange gain/(loss)		89,481	(160,213)
Total investment income		**12,952,194**	**7,823,477**
Expenses			
Management fees		(978,277)	(827,859)
Administrative expenses		(331,434)	(274,871)
Brokerage costs		(178,446)	(181,181)
Directors and company secretarial fees	15(a)	(155,250)	(139,000)
Total expenses		**(1,643,407)**	**(1,422,911)**
Finance cost	10	(799,122)	-
Profit for the year before income tax expense		**10,509,665**	**6,400,566**
Income tax expense	4(a)	(2,557,329)	(1,249,757)
Profit for the year		**7,952,336**	**5,150,809**
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**7,952,336**	**5,150,809**
Basic earning per share	6	**8.85cps**	**4.98cps**
Diluted earning per share	6	**8.35cps**	**4.98cps**

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements which follow.

CLIME CAPITAL LIMITED
ABN 99 106 282 777
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 $	2017 $
Assets			
Cash and cash equivalents	13(a)	12,023,828	14,105,918
Trade and other receivables	7	587,483	586,736
Financial assets at fair value through profit or loss	8	94,308,137	66,273,851
Current tax benefit	4(b)	34,931	821,001
Deferred tax assets	4(c)	-	470,171
Prepayments		51,007	22,988
Total assets		**107,005,386**	**82,280,665**
Liabilities			
Trade and other payables	9	376,500	1,289,081
Dividends payable	5(b)	1,116,704	1,118,752
Deferred tax liabilities	4(c)	1,331,448	-
Convertible notes	10	20,774,019	-
Total liabilities		**23,598,671**	**2,407,833**
Net assets		**83,406,715**	**79,872,832**
Equity			
Issued capital	11	81,317,690	81,447,946
Option premium on convertible notes		196,351	-
Retained earnings	12(a)	(10,443,884)	(10,471,220)
Profit reserve	12(b)	12,336,558	8,896,106
Total equity		**83,406,715**	**79,872,832**

The above Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements which follow.

CLIME CAPITAL LIMITED
ABN 99 106 282 777
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Note	Issued Capital $	Retained Earnings $	Profit Reserve $	Option premium on convertible notes $	Total Equity $
Balance at 1 July 2016		**81,159,617**	**(9,822,029)**	**8,138,901**	**-**	**79,476,489**
Profit for the year		-	5,150,809	-	-	5,150,809
Total comprehensive income for the year		**-**	**5,150,809**	**-**	**-**	**5,150,809**
Transactions with owners in their capacity as owners						
Ordinary shares:						
Issue of shares	11(a)	18,319,377	-	-	-	18,319,377
Shares acquired under buy-back	11(a)	(298,169)	-	-	-	(298,169)
Transaction costs on shares acquired under buy-back	11(a)	(794)	-	-	-	(794)
Income tax on transaction costs	11(a)	238	-	-	-	238
Dividends provided for or paid	5	-	-	(3,970,141)	-	(3,970,141)
Total ordinary shares		18,020,652	-	(3,970,141)	-	14,050,511
Preference shares:						
Shares acquired under buy-back	11(c)	(115,297)	-	-	-	(115,297)
Transaction costs on shares acquired under buy-back	11(c)	(149)	-	-	-	(149)
Income tax on transaction costs	11(c)	45	-	-	-	45
Dividends provided for or paid	5	-	-	(1,072,654)	-	(1,072,654)
Conversion of converting preference shares into ordinary shares	11(c)	(17,616,922)	-	-	-	(17,616,922)
Total preference shares		(17,732,323)	-	(1,072,654)	-	(18,804,977)
Transfer to profit reserve		-	(5,800,000)	5,800,000	-	-
		288,329	**(5,800,000)**	**757,205**	**-**	**(4,754,466)**
Balance at 30 June 2017		**81,447,946**	**(10,471,220)**	**8,896,106**	**-**	**79,872,832**
Profit for the year		-	7,952,336	-	-	7,952,336
Total comprehensive income for the year		**-**	**7,952,336**	**-**	**-**	**7,952,336**
Transactions with owners in their capacity as owners						
Ordinary shares:						
Issue of shares	11(a)	734,866	-	-	-	734,866
Issue of convertible notes	10	-	-	-	280,502	280,502
Deferred tax on issue of convertible notes		-	-	-	(84,151)	(84,151)
Shares acquired under buy-back	11(a)	(864,146)	-	-	-	(864,146)
Transaction costs on shares acquired under buy-back	11(a)	(1,394)	-	-	-	(1,394)
Income tax on transaction costs	11(a)	418	-	-	-	418
Dividends provided for or paid	5	-	-	(4,484,548)	-	(4,484,548)
Total ordinary shares		(130,256)	-	(4,484,548)	196,351	(4,418,453)
Transfer to profit reserve	12	-	(7,925,000)	7,925,000	-	-
		(130,256)	**(7,925,000)**	**3,440,452**	**196,351**	**(4,418,453)**
Balance at 30 June 2018		**81,317,690**	**(10,443,884)**	**12,336,558**	**196,351**	**83,406,715**

The above Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements which follow.

CLIME CAPITAL LIMITED
ABN 99 106 282 777
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 $	2017 $
Cash flows from operating activities			
Proceeds from sale of investments		59,387,008	86,554,350
Payments for purchase of investments		(78,654,057)	(82,480,693)
		(19,267,049)	4,073,657
Dividends and trust distributions received		3,079,973	2,829,341
Interest received		98,706	281,303
Payments for administrative and other expenses		(728,052)	(559,617)
Investment manager's fees paid		(955,207)	(826,975)
Income tax paid		(53,373)	(656,530)
Net cash (outflow)/inflow from operating activities	13(c)	**(17,825,002)**	**5,141,179**
Cash flows from financing activities			
Dividends paid net of dividend reinvestment		(3,751,730)	(4,496,813)
Proceeds from issue of convertible notes (net of raising costs)		20,874,342	-
Payment for share buy-back including transaction costs		(865,540)	(414,409)
Interest paid on convertible notes		(618,943)	-
Net cash inflow/(outflow) from financing activities		**15,638,129**	**(4,911,222)**
Net (decrease)/increase in cash held		**(2,186,873)**	**229,957**
Effects of exchange rate movements on cash		104,783	73,877
Cash and cash equivalents at beginning of the financial year		14,105,918	13,802,084
Cash and cash equivalents at end of the financial year	13(a)	**12,023,828**	**14,105,918**

The above Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements which follow.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements are general purpose financial statements prepared in accordance with applicable Accounting Standards, including Australian Accounting Interpretations, the *Corporations Act 2001* and other authoritative pronouncements of the Australian Accounting Standards Board.

Clime Capital Limited is a publicly listed company, incorporated and domiciled in Australia.

The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, 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. The Directors revalue the trading portfolio on a daily basis.

The following are the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(b) Investments

i) Classification
The Company's investments are categorised as at fair value through profit or loss. They comprise:

- derivative financial instruments (options); and
- investments in publicly listed and unlisted companies and fixed interest securities.

It is considered that the information needs of shareholders in a company of this type are better met by stating investments at fair value rather than historical cost and by presenting the Statement of Financial Position on a liquidity basis.

ii) Valuation
All investments are classified as "held-for-trading" investments and are recognised at fair value.

iii) Recognition/derecognition
The Company recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

iv) Measurement

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in profit or loss.

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the reporting date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Income tax

The charge for current income tax expense is based on the taxable income for the year. It is calculated using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Current and deferred taxes are recognised in profit or loss except where they relate to items that may be recognised directly in equity, in which case they are adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law.

(d) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(e) Trade and other receivables

Receivables may include amounts for dividends, interest and securities sold. Dividends are receivable when they have been declared and are legally payable. Interest is accrued at the balance date from the time of last payment. Amounts receivable for securities sold are recorded when a sale has occurred.

Such assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment.

If evidence of impairment exists, an impairment loss is recognised in the statement of comprehensive income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

If in a subsequent period the amount of an impairment loss previously recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the statement of comprehensive income.

(f) Trade and other payables

These amounts represent liabilities for amounts owing by the Company at period end which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Amounts payable for securities purchased are recorded when the purchase has occurred.

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as being part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as an asset or liability in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Revenue

i) Investment income

Dividend income is recognised in profit or loss on the day on which the relevant investment is first quoted on an "ex-dividend" basis.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in profit or loss in the period in which they arise.

ii) Impairment of financial assets

Financial assets, other than those at fair value through profit and loss, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

(iii) Bills of Exchange

Bills receivable are held at face value less unearned discount. Revenue and costs are recognised on an effective yield basis.

(i) Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Potential ordinary shares are anti-dilutive when their conversion to ordinary shares would increase earnings per share or decrease the loss per share from continuing operations. The calculation of diluted earnings per share does not assume conversion, exercise or other issue of potential ordinary shares that would have an anti-dilutive effect on earnings per share.

(j) Dividends

Provisions for dividends payable are recognised in the reporting period in which they are declared, for the entire undistributed amount, regardless of the extent to which they will be paid in cash.

(k) Profit reserve

The profits reserve is made up of amounts transferred from current and retained earnings that are preserved for future dividend payments.

(l) Issued capital

Ordinary and preference shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(m) New and revised accounting requirements applicable to the current year reporting period

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2017 that have a material impact on the Company.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards (to the extent relevant to the Company) and interpretations is set out below:

- AASB 9 *Financial Instruments* (and applicable amendments) (effective from 1 January 2018)

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The standard is not applicable until the reporting period commencing 1 January 2018 but is available for early adoption. The directors do not expect this to have a significant impact on the recognition and measurement of the Company's financial instruments as they are carried at fair value through profit or loss. The derecognition rules have not changed from the previous requirements, and the Company does not apply hedge accounting. AASB 9 introduces a new impairment model. However, as the Company's investments are held at fair value through profit or loss, the change in impairment rules will not impact the Company.

There are no other standards that are not yet effective and that are expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

	2018 $	2017 $
2. INVESTMENT REVENUE		
Dividends received	3,149,380	2,860,288
Interest	109,718	205,838
TOTAL	**3,259,098**	**3,066,126**
3. AUDITORS' REMUNERATION		
Remuneration of Pitcher Partners in relation to:		
Audit and review of the financial reports	36,500	36,064
Taxation	5,200	4,000
TOTAL	**41,700**	**40,064**
4. TAXATION		
(a) Income tax expense		
The prima facie tax on profit before income tax is reconciled to income tax expense as follows:		
Prima facie tax expense on profit/loss before income tax at 30%	3,152,900	1,920,170
Adjusted for tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Imputation gross up on dividends received	248,926	263,637
Franking credits on dividends received	(829,755)	(878,791)
Withholding tax on dividends received	(12,969)	(13,205)
Permanent differences	(1,773)	(42,054)
Income tax expense	**2,557,329**	**1,249,757**
The applicable weighted average effective tax rates are as follows:	24.33%	19.53%
(b) Current tax benefit		
Income Tax	34,931	821,001

4. TAXATION (CONTINUED)

(c) Net deferred tax (liabilities)/assets

	2018 $	2017 $
Deferred tax liabilities		
Deferred income tax comprises the estimated tax payable at the current income tax rate of 30% on the following items:		
Tax on unrealised gains on investment portfolio	(2,603,995)	(851,590)
Other temporary differences	(243,578)	8,469
	(2,847,573)	(843,121)
Deferred tax assets		
Deferred tax assets comprises the estimated tax deductible at the current income tax rate of 30% on the following items:		
Tax losses for the year	1,355,924	1,294,579
Costs associated with the issue of shares deductible in future years	160,201	18,713
	1,516,125	1,313,292
Net deferred tax (liabilities)/assets	**(1,331,448)**	**470,171**

(d) Income tax expense recognised in the profit or loss

	2018 $	2017 $
Current income tax expense	3,152,900	1,920,170
Deferred tax relating to the origination and reversal of temporary differences	(595,571)	(670,413)
	2,557,329	**1,249,757**

5. DIVIDENDS

(a) Paid in the current year

	2018 $	2017 $
Dividends paid in the current year		
A fully franked final dividend on ordinary shares in respect of the 2017 financial year of 1.25 cents per share was paid on 28 July 2017 (2017: A fully franked final dividend on ordinary shares in respect of the 2016 financial year of 1.2 cents per share was paid on 22 July 2016)	1,118,752	949,192
A fully franked dividend on converting preference shares in respect of the 2016 financial year of 4.5 cents per share was paid on 21 July 2016)	-	326,033
A fully franked dividend on ordinary shares for the quarter ended 30 September 2017 of 1.25 cents per share was paid on 27 October 2017 (2017: A fully franked dividend on ordinary shares for the quarter ended 30 September 2016 of 1.2 cents per share was paid on 21 October 2016)	1,121,406	948,336
2018: Nil (2017: A fully franked dividend on converting preference shares for the quarter ended 30 September 2016 of 4.5 cents per share was paid on 20 October 2016)	-	321,796
A fully franked dividend on ordinary shares for the quarter ended 31 December 2017 of 1.25 cents per share was paid on 25 January 2018 (2017: A fully franked dividend on ordinary shares for the quarter ended 31 December 2016 of 1.2 cents per share was paid on 25 January 2017)	1,123,121	950,351
2018: Nil (2017: A fully franked dividend on converting preference shares for the quarter ended 31 December 2016 of 4.5 cents per share was paid on 24 January 2017)	-	321,796
A fully franked dividend on ordinary shares for the quarter ended 31 March 2018 of 1.25 cents per share was paid on 27 April 2018 (2017: A fully franked dividend on ordinary shares for the quarter ended 31 March 2017 of 1.2 cents per share was paid on 28 April 2017)	1,123,317	952,702

	2018 $	2017 $
5. DIVIDENDS (CONTINUED)		
(a) Paid in the current year (continued)		
Dividends paid in the current year (continued)		
2018: Nil (2017: A fully franked dividend on converting preference shares for the quarter ended 31 March 2017 of 4.5 cents per share was paid on 27 April 2017)	-	321,796
2018: Nil (2017: A fully franked final dividend on converting preference shares for the period of one month ended 30 April 2017 of 1.5 cents per share was paid on 12 May 2017)	-	107,266
	4,486,596	**5,199,268**
(b) Provided for in the current year		
A fully franked dividend in respect of the 2018 year of 1.25 cents per share was payable on ordinary shares as at 30 June 2018 (2017: A fully franked dividend in respect of the 2017 year of 1.25 cents per share was payable on ordinary shares as at 30 June 2017)	1,116,704	1,118,752
	1,116,704	**1,118,752**
(c) Dividend franking account		
Franking account balance	(21,034)	1,020,047
Impact on franking account balance of dividends not recognised, paid on 27 July 2018 (2017: 28 July 2017)	(478,588)	(479,465)
	(499,622)	**540,582**

6. EARNINGS PER SHARE

	2018	2017
Basic earning per share	**8.85cps**	**4.98cps**
Diluted earning per share	**8.35cps**	**4.98cps**

Reconciliation of earnings used in calculating basic and diluted earnings per share:

	2018	2017
Basic earning per share		
Total comprehensive income for the year	7,952,336	5,150,809
Less: dividends provided or paid - converting preference shares	-	(1,072,654)
Earnings used in calculating basic earnings per share (adjusted for preference dividends paid during the year)	7,952,336	4,078,155
Weighted average number of ordinary shares used in the calculation of basic earnings per share	89,808,420	81,926,074
Diluted earning per share		
Earnings used in calculating basic earnings per share (adjusted for preference dividends paid during the year)	7,952,336	4,078,155
Add: interest expense on convertible notes (net of tax)	559,385	-
Earnings used in calculating diluted earnings per share	8,511,721	4,078,155
Weighted average number of ordinary shares used in the calculation of basic earnings per share	89,808,420	81,926,074
Adjustments for calculation of diluted earnings per share:		
- Convertible notes	12,180,638	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	101,989,058	81,926,074

In accordance with the original prospectus for converting preference shares (CAMPA) dated 16 March 2007, the balance of outstanding CAMPA were converted into ordinary shares on 30 April 2017. Accordingly, 9,919,524 new ordinary shares were issued on conversion of CAMPA.

7. TRADE AND OTHER RECEIVABLES

	2018 $	2017 $
Unsettled trades	131,101	218,445
Income receivable	426,784	346,365
Other debtors	29,598	21,926
	587,483	**586,736**

Terms and conditions

Income receivable represents dividends and interest accrued and receivable at reporting date. Unsettled trades are non-interest bearing and are secured by the Australian Securities Exchange - National Guarantee Fund. They are settled within 2 days of the sale being executed. Other debtors consists of GST receivables that can be recovered from the Australian Tax Office. No interest is applicable to any of these amounts.

The maximum credit risk exposure in relation to receivables is the carrying amount.

8. INVESTMENTS

	2018 $	2017 $
Financial assets at fair value through profit or loss		
(1) Listed equities - domestic	82,288,152	48,250,097
Listed equities - international	3,199,653	5,755,512
(2) Trusts		
Listed unit trusts	2,217,947	10,268,242
Unlisted unit trusts	6,602,385	2,000,000
Total financial assets at fair value through profit or loss	**94,308,137**	**66,273,851**
Amounts expected to be recovered:		
- within 12 months	87,705,752	64,273,851
- after 12 months	6,602,385	2,000,000
	94,308,137	**66,273,851**

9. TRADE AND OTHER PAYABLES

	2018 $	2017 $
Accrued expenses	87,122	114,701
Amount payable to related parties	90,269	67,199
Unsettled trades	199,109	1,107,181
	376,500	**1,289,081**

Terms and conditions

Unsettled trades are non-interest bearing and are secured by the Australian Securities Exchange - National Guarantee Fund. They are settled within 2 days of the purchase being executed.

10. CONVERTIBLE NOTES

On 14 December 2017, the Company issued of 22,280,162 unsecured convertible notes at face value of $0.96 per note (14,988,496 notes under Entitlement Offer and 7,291,666 notes under Placement), with a term expiring on 30 November 2021 and fixed interest rate of 6.25% per annum payable quarterly in arrears.

Noteholders have the right to convert some or all of their notes to shares at any time before the maturity date. Convertible Noteholders should note that in accordance with the terms of the Prospectus dated 17 November 2017, CAMG Notes will accrue the bonus issue and upon conversion will receive 1.025 Ordinary shares for every Convertible Note.

The equity element is presented in equity, under the heading of "option premium on convertible notes". The effective interest rate of the liability element on initial recognition is 7.27% per annum.

10. CONVERTIBLE NOTES (CONTINUED)

The initial fair value of the liability portion of the bond was determined using a market interest rate for an equivalent non-convertible bond at issue date. The liability is subsequently recognised on an amortised cost basis until extinguished on conversion or maturity of the notes. The remainder of the proceeds is allocated to the conversion option and recognised in shareholders' equity, net of income tax, and not subsequently remeasured.

The convertible notes are presented in the statement of financial position as follow:

	2018 $
Proceeds from issue of convertible notes (net of raising costs)	20,874,342
Liability component at the date of issue	(20,593,840)
Equity component	280,502
Liability component at the date of issue	20,593,840
Interest expense calculated at effective interest rate of 7.27%	799,122
Interest paid	(618,943)
Liability component at 30 June 2018	**20,774,019**
Classification of liability component as at 30 June 2018:	
- Current	109,875
- Non-current	20,664,144
	20,774,019

Fair value
Fair value of the convertible notes as at 30 June 2018 amounting to $21,834,559 was determined by reference to published price quotation $0.98 of convertible note ticker ASX:CAMG as at 30 June 2018.

11. ISSUED CAPITAL

	2018 $	2017 $
Issued and paid-up capital		
(a) 89,336,308 (2017: 89,500,008) ordinary fully paid shares	81,317,690	81,447,946

	Number of shares 2018	Number of shares 2017	$ 2018	$ 2017
(a) Movements in ordinary share capital				
Balance at beginning of the year	89,500,008	79,099,297	81,447,946	63,427,294
Shares issued on conversion of converting preference shares	-	9,919,524	-	17,616,922
Shares buy-back	(1,009,641)	(379,668)	(864,146)	(298,169)
Transaction cost on shares buy-back	-	-	(1,394)	(794)
Income tax relating to share issue costs	-	-	418	238
Dividend reinvestment plan	845,941	860,855	734,866	702,455
Balance at the end of the year	**89,336,308**	**89,500,008**	**81,317,690**	**81,447,946**

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders meetings. In the event of winding up the Company, ordinary shareholders rank after noteholders and creditors and are fully entitled to any proceeds on liquidation.

On 3 January 2018, the Company announced its intention on refreshing its ability to implement an on-market buy back (within the 10/12 limit) for a further 12 month period which commences from 18 January 2018 and ends on 17 January 2019. During this period, the Company has the ability to buy a maximum of 8,984,970 fully paid ordinary shares.

11. ISSUED CAPITAL (CONTINUED)

(b) On-market share buy-back - ordinary shares

In accordance with its on-market share buy-back scheme, Clime Capital Limited bought back 1,009,641 (2017: 379,668) ordinary shares during the year. The number of shares bought back and cancelled during the 12 month period was within the '10/12 limit' imposed by s257B of the *Corporations Act 2001,* and as such, shareholder approval was not required. The shares were acquired at an average price of $0.86 per share (2017: $0.79), with prices ranging from $0.840 cents to $0.880 cents (2017: $0.765 cents to $0.805 cents). Cost of $864,146 (2017: $298,169), plus $976 (2017: $556) transaction costs net of tax, was deducted from contributed equity.

The shares bought back in the years ended 30 June 2018 and 30 June 2017 were cancelled immediately.

	2018 Number of shares	2017 Number of shares	2018 $	2017 $
(c) Movements in converting preference share capital				
Balance at beginning of the year	-	7,245,177	-	17,732,323
Shares buy-back	-	(94,159)	-	(115,297)
Transaction cost on shares buy-back	-	-	-	(149)
Income tax relating to share issue costs	-	-	-	45
Conversion of converting preference shares into ordinary shares	-	(7,151,018)	-	(17,616,922)
Balance at the end of the year	-	-	-	-

In accordance with the original prospectus for converting preference shares (CAMPA) dated 16 March 2007, the balance of outstanding CAMPA were converted into ordinary shares on 30 April 2017. Accordingly, 9,919,524 new ordinary shares were issued on conversion of CAMPA.

Prior to conversion, holders of converting preference shares carried a right to be paid a quarterly dividend equal to 7.5% of the issue price annually, subject to the availability of profits and the Directors, at their discretion, determining to pay that dividend. The dividends payable were non-cumulative.

(d) Capital risk management

The Company's capital structure currently consist of equity and retained earnings and convertible notes. The operating cash flows of the Company are used to finance short term capital. The capital risk management is continuously reviewed as the Company has surplus cash available for investment.

12. RESERVES AND RETAINED PROFITS

	2018 $	2017 $
(a) Retained earnings		
Balance at the beginning of the year	(10,471,220)	(9,822,029)
Net profit attributable to members of the Company	7,952,336	5,150,809
Transfer to profit reserve	(7,925,000)	(5,800,000)
Balance at end of financial year	**(10,443,884)**	**(10,471,220)**

12. RESERVES AND RETAINED PROFITS (CONTINUED)

	2018 $	2017 $
(b) Profit reserve		
Balance at the beginning of the year	8,896,106	8,138,901
Transfer from retained earnings	7,925,000	5,800,000
Dividends provided for or paid	(4,484,548)	(5,042,795)
Balance at end of financial year	**12,336,558**	**8,896,106**

Profit reserve is made up of amounts allocated from retained earnings that are preserved for future dividend payments.

13. CASH FLOW INFORMATION

(a) Reconciliation of cash

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise:

	2018	2017
Cash at bank	12,023,828	14,105,918
Total cash and cash equivalents	**12,023,828**	**14,105,918**

(b) Reconciliation of liabilities arising from financing activities

Liabilities arising from financing activities are liabilities for which cash flows are, or will be, classified as 'cash flows from financing activities' in the statement of cash flows. Changes in the carrying amount of such liabilities, which comprise lease liabilities, are summarised below.

	2018 $	2017 $
Balance at the beginning of the year	-	-
Convertible notes issued	20,593,840	-
Interest accrued	799,122	-
Payments made	(618,943)	-
Balance at the end of the year	**20,774,019**	**-**

(c) Reconciliation of net loss attributable to members of the Company to net cash inflow/(outflow) from operating activities

	2018	2017
Profit attributable to members of the Company	7,952,336	5,150,809
Changes in assets and liabilities:		
Increase in trade and other receivables	(1,095)	(150,110)
(Increase)/decrease in investments at fair value through profit or loss	(28,139,069)	2,436,491
(Increase)/decrease in prepayments	(28,019)	17
(Increase)/decrease in deferred tax asset	-	1,249,756
(Decrease) in trade and other payables	(912,233)	(2,889,254)
Increase in deferred tax liability	1,801,619	-
Increase in deferred tax option premium on convertible notes	(84,151)	-
Increase in income tax on transactions costs	418	-
Increase in finance costs	799,122	-
Decrease/(increase) in current tax benefit	786,070	(656,530)
Net cash (outflow)/inflow from operating activities	**(17,825,002)**	**5,141,179**

(c) Non-cash transaction

During the current year the Company entered in to the following financing activities which were not reflected in the cash flows.

	2018	2017
Dividends Reinvested	734,866	702,455
Conversion of converting preference shares into ordinary shares	-	17,616,922
Total non-cash transactions	**734,866**	**18,319,377**

14. RELATED PARTY TRANSACTIONS

All transactions with related entities were made on normal commercial terms and conditions no more favourable than transactions with other parties unless otherwise stated.

(a) Management and Performance Fees

Management and performance fees paid to companies related to the Directors were as follows:

	2018 $	2017 $
Clime Asset Management Pty Ltd - Note (c)(i)	733,709	620,894
Clime Investment Management Ltd - Note (c)(ii)	65,924	59,000
Boutique Asset Management Pty Ltd - Note (c)(iii)	244,568	206,965
	1,044,201	**886,859**

As at 30 June 2018, $90,269 (2017: $67,199) of the year's management fee remain unpaid and within payables.

(b) Dividends

All dividends paid and payable by the Company to Directors and Director related entities are on the same basis as to other shareholders.

(c) Nature of Relationships

(i) Clime Asset Management Pty Ltd

Mr John Abernethy is the Director and Chief Investment Officer of the Investment Manager, Clime Asset Management Pty Ltd (a wholly-owned subsidiary of ASX listed company Clime Investment Management Limited). Clime Asset Management Pty Ltd receives management and performance fees as remuneration for managing the Company's investment portfolio.

(ii) Clime Investment Management Ltd

Mr John Abernethy is a Director in Clime Investment Management Ltd. Clime Investment Management Ltd receives management fees as remuneration for the employment of the Chairman and Secretary as detailed in Note 15. Clime Investment Management Ltd directly owns 6.31% of the share capital of the Company as at 30 June 2018. Clime Investment Management Limited through the Investment Manager has the indirect power to dispose 6.14% of the Company's shares held by the Investment Managers discretionary share portfolio clients.

(iii) Boutique Asset Management Pty Ltd

Boutique Asset Management Pty Ltd, a company in which Mr Geoffrey Wilson is a director, has an assignment from the Investment Manager to receive 25% of all management fees payable by the Company under the Management Agreement.

15. KEY MANAGEMENT PERSONNEL DISCLOSURE

The Company's Chairman (Mr. John Abernethy), director (Mr. Anthony Golowenko) and Secretary (Mr. Biju Vikraman) are employed by Clime Investment Management Ltd and do not receive any form of direct remuneration from the Company. Instead Clime Investment Management Limited receives fees from the Company designed to cover the cost of provision of these services. Clime Asset Management Pty Ltd as the Manager receives a management and performance fee from the Company as detailed below. The Company has no other staff and therefore has no key management personnel other than the Directors.

There have been no other transactions with Key Management Personnel or their related entities other than those disclosed in Note 14.

The names and position held of the Company's key management personnel (including Directors) in office at any time during the financial year are:

John Abernethy	- Non-Executive Chairman
Geoffrey Wilson	- Non-Executive Director (resigned on 7 March 2018)
Julian Gosse	- Non-Executive Director
Brett Spork	- Non-Executive Director
Anthony Golowenko	- Non-Executive Director (appointed on 7 March 2018)

15. KEY MANAGEMENT PERSONNEL DISCLOSURE (CONTINUED)

(a) Remuneration of Directors and Other Key Management Personnel

In accordance with Section 300A of the *Corporations Act 2001* , all detailed information regarding the remuneration of Directors and other key management personnel has been included in the Remuneration Report in the Directors' Report of the Annual Report.

A summary of the remuneration of Directors and other key management personnel for the current and previous financial year is set out below:

	2018 $	2017 $
Cash salary, fees and commissions*	127,513	111,095
Short-term employee benefits	**127,513**	**111,095**
Superannuation	3,737	3,905
Post-employment benefits	**3,737**	**3,905**
Total employment benefits	**131,250**	**115,000**

*$10,000 paid as fees in connection with management of the Placement and the Entitlement Offer.

(b) Shareholdings

2018

	Balance at 1 July 2017 (Nos)	Shares acquired (Nos)	Shares disposed (Nos)	Balance at 30 June 2018 (Nos)
Ordinary Shares				
John Abernethy (Chairman)	790,000	110,000	-	900,000
Geoffrey Wilson	756,274	-	-	756,274
Brett Spork	100,000	-	-	100,000
Anthony Golowenko	-	210,000	-	210,000
	1,646,274	**320,000**	**-**	**1,966,274**

	Balance at 1 July 2017 (Nos)	Convertible notes acquired (Nos)	Convertible notes disposed (Nos)	Balance at 30 June 2018 (Nos)
Convertible Notes				
John Abernethy (Chairman)	-	137,500	(92,500)	45,000
Geoffrey Wilson	-	109,125	-	109,125
Brett Spork	-	16,667	-	16,667
Anthony Golowenko	-	25,000	(25,000)	-
	-	**288,292**	**(117,500)**	**170,792**

2017

	Balance at 1 July 2016 (Nos)	Shares acquired (Nos)	Shares disposed (Nos)	Balance at 30 June 2017 (Nos)
Ordinary Shares				
John Abernethy (Chairman)	629,660	160,340	-	790,000
Geoffrey Wilson	756,274	-	-	756,274
Brett Spork	60,496	39,504	-	100,000
	1,446,430	**199,844**	**-**	**1,646,274**

(c) Options to acquire ordinary shares

There were no shares or options granted during the reporting period as compensation. There were no un-exercised options relating to compensation at 30 June 2018 and 30 June 2017.

16. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives, Policies and Procedures

The Company's accounting policies are included in Note 1, while the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at reporting date, are included under the appropriate note for that instrument.

Risks arising from holding financial instruments are inherent in the Company's activities, and are managed through a process of ongoing identification, measurement and monitoring. The Company is exposed to credit risk, liquidity risk and market risk. The Company is responsible for identifying and controlling the risks that arise from these financial instruments.

The risks are measured using a method that reflects the expected impact on the results and equity of the Company from reasonably possible changes in the relevant risk variables. Information about these risk exposures at the reporting date, measured on this basis, is disclosed below. Information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment mandate limits, is also monitored by the Company. These mandate limits reflect the investment strategy of the Company, as well as the level of risk that the Company is willing to accept, with additional emphasis on selected industries.

This information is prepared and reported to relevant parties within the Company on a regular basis as deemed appropriate.

Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company monitors its exposure to ensure concentrations of risk remain within acceptable levels and either reduces exposure or uses derivative instruments to manage the excessive risk concentrations when they arise.

(b) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The credit risk on financial assets, excluding investments, of the Company which have been recognised on the Statement of Financial Position, is the carrying amount. The Company is not materially exposed to any individual credit risk.

Credit is not considered to be a material risk to the Company as any cash and fixed interest securities held by the Company or in its portfolios are invested with financial institutions that have a Standard and Poor’s long term rating AA-. Also the majority of maturities are within three months.

None of the assets exposed to a credit risk are overdue or considered to be impaired.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. This risk is controlled through the Company’s investment in financial instruments, which under market conditions are readily convertible to cash. In addition, the Company maintains sufficient cash and cash equivalents to meet normal operating requirements. Accordingly, the entity is not considered to be exposed to material liquidity risks in relation to its financial instruments.

Maturity analysis for financial liabilities

Financial liabilities of the Company comprise trade and other payables which have no contractual maturities but are typically settled within 30 days.

(d) Market risk

Market risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

By its nature, as a listed investment company that invests in tradeable securities in various securities exchanges, the Company will always be subject to market risk and risks of changes in foreign currency exchange rates as it invests its capital in securities which are not risk free. The market prices of these securities can and do fluctuate in accordance with multiple factors.

The Company seeks to reduce market risk by attempting to invest in equity securities where there is a significant 'margin of safety' between the underlying companies' value and share price. The Company does not have set parameters as to a minimum or maximum margin of safety. The Company does set broad parameters regarding the maximum amount of the portfolio that can be invested in a single company or sector to ensure an appropriate level of diversification.

16. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Market risk (continued)

(i) Interest rate risk

The Company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows, the risk is measured using sensitivity analysis on page 34.

The table below summarises the Company's exposure to interest rates risk. It includes the Company's assets and liabilities at fair values, categorised by the earlier of contractual repricing or maturity date.

2018	Weighted Average Effective Interest Rate %	Floating Interest Rate $	Non Interest Bearing $	Fixed Interest Rate $	Total $
Financial Assets					
Cash and cash equivalents	1.15%	12,023,828	-	-	12,023,828
Trade and other receivables		-	557,885	-	557,885
Financial assets held at fair value through profit and loss		-	94,308,137	-	94,308,137
Total Financial Assets		**12,023,828**	**94,866,022**	**-**	**106,889,850**
Financial Liabilities					
Management fee payable and unsettled trades		-	289,378	-	289,378
Dividends payable		-	1,116,704	-	1,116,704
Convertible notes	7.27%	-	-	20,774,019	20,774,019
Total Financial Liabilities		**-**	**1,406,082**	**20,774,019**	**22,180,101**

2017	Weighted Average Effective Interest Rate %	Floating Interest Rate $	Non Interest Bearing $	Fixed Interest Rate $	Total $
Financial Assets					
Cash and cash equivalents	0.92%	14,105,918	-	-	14,105,918
Trade and other receivables		-	566,062	-	566,062
Financial assets held at fair value through profit and loss		-	66,273,851	-	66,273,851
Total Financial Assets		**14,105,918**	**66,839,913**	**-**	**80,945,831**
Financial Liabilities					
Management fee payable and unsettled trades		-	1,174,380	-	1,174,380
Dividends payable		-	1,118,752	-	1,118,752
Total Financial Liabilities		**-**	**2,293,132**	**-**	**2,293,132**

16. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Market risk (continued)

(ii) Other Price Risk

Other Price Risk is the risk that fair value of equities decreases as a result of changes in market prices, whether those changes are caused by factors specific to the individual stock or factors affecting the broader market. Other price risk exposure arises from the Company's investment portfolio.

(iii) Summarised sensitivity analysis

The following table summarises the sensitivity of the Company's operating profit and equity to other price risk, interest rate risk and foreign exchange rate risk. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates, historical correlation of the Company's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the securities in which the Company invests. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

	Price risk		Interest rate risk Impact on profit and loss/equity		Foreign exchange rate risk	
	-10%	**+10%**	**-100 bps**	**+100 bps**	**-10%**	**+10%**
30 June 2018	(9,430,814)	9,430,814	(86,126)	86,126	(439,198)	439,198
30 June 2017	(6,627,385)	6,627,385	(150,129)	150,129	(819,011)	819,011

No effect on other comprehensive income would result from price, interest rate or foreign exchange rate risk in 2018 or 2017.

17. FAIR VALUE MEASUREMENT

The Company measures and recognises financial assets and liabilities held at fair value through profit or loss on a recurring basis.

The Company has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

(a) Fair value in an active market (Level 1)

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and listed equity securities) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

The Company values its investments in accordance with the accounting policies set out in Note 1 of the financial statements. For the majority of its investments, the Company relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets held by the Company is the current bid price; the quoted market price for financial liabilities is the current asking price. When the Company holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

17. FAIR VALUE MEASUREMENT (CONTINUED)

(b) Fair value in an inactive or unquoted market (Level 2 and Level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Company holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

(c) Recognised fair value measurements

The carrying amounts of trade receivables and trade payables are reasonable approximations of their fair values due to their short-term nature.

The table below presents the Company's financial assets and liabilities measured and recognised at fair value as at 30 June.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
At 30 June 2018				
Financial assets at fair value through profit or loss				
Listed equities - domestic	82,288,152	-	-	82,288,152
Listed equities - international	3,199,653	-	-	3,199,653
Listed unit trusts	2,217,947	-	-	2,217,947
Unlisted unit trusts	-	-	6,602,385	6,602,385
Total financial assets at fair value through profit or loss	**87,705,752**	**-**	**6,602,385**	**94,308,137**
At 30 June 2017				
Financial assets at fair value through profit or loss				
Listed equities - domestic	48,250,097	-	-	48,250,097
Listed equities - international	5,755,512	-	-	5,755,512
Listed unit trusts	10,268,242	-	-	10,268,242
Unlisted unit trusts	-	2,000,000	-	2,000,000
Total financial assets at fair value through profit or loss	**64,273,851**	**2,000,000**	**-**	**66,273,851**

(d) Transfer between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

At the end of 30 June 2018, the unlisted unit trusts previously categorised as Level 2 has been transferred to Level 3.

17. FAIR VALUE MEASUREMENT (CONTINUED)

(e) Reconciliation of recurring level 3 fair value movements

2018	Level 3 Unlisted unit trusts $'000
Opening balance	-
Purchases	4,592,385
Transfers in	2,000,000
Total gains recognised in profit or loss	10,000
Closing balance	**6,602,385**

$10,000 (2017: $Nil) of the total gains and losses recognised in profit or loss in respect to level 3 fair value remeasurements are unrealised as they are attributable to assets and liabilities held at the end of the reporting period.

(f) Valuation processes used for level 3 fair value measurements

The Company Income Sleeve investments are typically unlisted syndicated investments with a medium term investment horizon. The value of investment was initially recorded at cost / acquisition price. The Manager of these unlisted funds issues periodic updates (quarterly or half yearly) to communicate the performance of underlying assets, summary financial information and periodically, independent valuation of the trust's underlying assets. An independent external valuation is generally done annually and communicated to the investors through the regular fund update. The Company reviews these updates and will reflect the investment valuation based on the independent valuation if and when it changes. Otherwise, investments in level 3 are stated at cost / acquisition price.

(g) Sensitivity analysis for recurring level 3 fair value measurements

Significant observable and unobservable inputs which affect the valuation of the underlying business of the syndicated unlisted investments include interest rates and general economic condition, including but not limited to level of economic growth, inflation, wage data, terms of trade, business activity and business and consumer confidence. To illustrate, when interest rates go up, all else being equal and in isolation, the value of the syndicated unlisted investment goes down. However, the interrelationship between key valuation inputs means individual measures do not generally move in isolation. For example, when general economic conditions such as the level of economic growth, business activity and consumer confidence improve, in isolation the value of the unlisted investment goes up. This may be offset by an accompanying increase in interest rates by Central Banks to moderate strong economic activity, which as outlined above would act to reduce the value of the syndicated unlisted investment.

(h) Fair value of financial instruments not carried at fair value

Receivables and payables are carried at amortised cost when the time value of money is material, otherwise they are carried at their nominal amounts. Due to their short-term natures, the carrying amounts of receivables and payables approximate their fair values.

Net assets attributable to unit holders' carrying value differs from its fair value (deemed to be redemption price for individual units) due to differences in valuation inputs. This difference is not material in the current or prior year.

18. OFFSETTING FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. No assets and liabilities were offset in the statement of financial position as at 30 June 2018 and 30 June 2017.

19. SEGMENT INFORMATION

The Company is organised into one main segment which operates solely in the business of investment management within Australia.

The Company operates in Australia and holds all assets through an Australian Custodian.

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The directors are of the opinion that the current financial position and performance of the Company is equivalent to the operating segments identified above and as such no further disclosure has been provided.

20. CONTINGENT ASSETS AND LIABILITIES

Class action against UGL
On 18 December 2017, the Company commenced a class action proceeding against UGL Pty Limited (formerly UGL Limited) (UGL) on its own behalf and on behalf of persons who acquired in interest in ordinary shares in UGL during the period 8 August 2014 until close of trading on 5 November 2014 inclusive **(claim period)**.

The class action is funded by litigation funder IMF Bentham Limited. Phi Finney McDonald is representing the Company and class members in the class action. Executives of Clime Investment Management Limited will be involved in pursuing the claim.

The class action alleges that during the claim period UGL failed to keep the market informed about problems relating to a major joint venture construction contract that it was undertaking. The problems were not disclosed by UGL until 6 November 2014, when it told the market that the forecast costs of the Ichthys project had increased and the joint venture had recognised a provision. The UGL share price declined by more than 25% by close of trade on 11 November 2014.

The class action alleges that UGL's conduct caused the Company and persons who acquired an interest in ordinary shares in UGL during the claim period to suffer loss.

On 13 April 2018, UGL filed an Amended Defence to the class action. It is expected that UGL will discover documents relevant to the class action by November 2018.

No provision has been made for any potential award of damages. As at 30 June 2018, the Company has no contingent liabilities or commitments (2017: $Nil).

21. EVENTS SUBSEQUENT TO REPORTING DATE

On 17 July 2018, the CAM Board of Directors declared a 1 for 40 bonus issue of ordinary shares, with an intention to maintain existing quarterly dividends of 1.25 cents per share.

No other 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.

22. COMPANY DETAILS

The registered office and principal place of business of the Company is:

Level 7
1 Market Street
Sydney NSW 2000

CLIME CAPITAL LIMITED
ABN 99 106 282 777
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2018

The directors declare that:

(a) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001,* including compliance with Accounting Standards, and giving a true and fair view of the financial position and performance of the Company;

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

(c) In the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated on Note 1(a) of the financial statements;

(d) The directors have been given the declarations required by S.295A of the *Corporations Act 2001; and*

(e) The remuneration disclosures contained in the Remuneration Report comply with S300A of the *Corporations Act 2001.*

Signed in accordance with a resolution of the directors made pursuant to S.295(5) of the *Corporations Act 2001* .

On behalf of the directors

John Abernethy
Chairman

Sydney, 15 August 2018

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CLIME CAPITAL LIMITED
ABN 99 106 282 777

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of Clime Capital Limited (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration.

Opinion

In our opinion, the financial report of Clime Capital Limited is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the year ended on that date; and

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

Basis of 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 on 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 of the current period. We have communicated the key audit matters to the Audit and Risk Committee, but they are not a comprehensive reflection of all matters that were identified by our audit and that were discussed with the Committee. 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.

Key audit matter	*How our audit addressed the matter*
Existence and valuation of Financial Assets ***Refer to Note 8: Investments and Note 17: Fair value measurement***	
We focused our audit effort on the existence and valuation of the Company's financial assets as they are its largest asset and represent the most significant impact of the Company's net tangible assets and profits. The quantum of investments held inherently makes financial assets a key audit matter. Therefore, we focused on whether the investments were owned by the Company and whether the financial assets had been appropriately valued to market price in an active market at the period end.	Our procedures included, amongst others: ▪ Obtaining an understanding of the investment management process and controls; ▪ Reviewing and evaluating audit report on internal controls (ASAE 3402 *Assurance Reports on Controls at a Service Organisation*) for the Custodian; ▪ Reviewing the independent audit report on internal controls (ASAE 3402 *Assurance Reports on Controls at a Service Organisation*) for the current financial year for the Investment Administrator; ▪ Making enquiries as to whether there have been any changes to these controls or their effectiveness from the periods to which the audit reports relate and where necessary performing additional procedures; ▪ Obtaining a confirmation of the investment holdings directly from the Custodian; ▪ Assessing the Company's valuation of individual investment holding to independent sources; ▪ Evaluating the accounting treatment of revaluations of financial instruments to ensure current/deferred tax and realised/unrealised gains or losses; ▪ Assessing the adequacy of disclosures in the financial statements.

Accuracy of Management and Performance Fees *Refer to Note 14: Related party transactions*	
We focused our audit effort on the accuracy of management and performance fees as they are a significant expense of the Company and their calculation may require adjustments for events such as payment of company dividends and taxes, capital raisings and capital reductions in accordance with the Investment Management Agreement between the Company and the Investment Manager. In addition to their quantum, as these transactions are made with related parties, there are additional inherent risks associated with these transactions, including the potential for these transactions to be made on terms and conditions more favourable than if they had been with an independent third-party.	Our procedures included, amongst others: ▪ Making enquiries with the Investment Manager and the Directors with respect to any significant events during the period and associated adjustments made as a result, in addition to having reviewed ASX announcements; ▪ We reviewed the independent audit report on internal controls (ASAE 3402 Assurance Reports on Controls at a Service Organisation) for the current financial year for the Investment Administrator; ▪ Considered the treatment of events that may be significant to the calculation of management and performance fees; ▪ Recalculating management and performance fees in accordance with our understanding of the Investment Management Agreement; ▪ Testing key inputs used in the calculation of the management and performance fees and performed a reasonableness test; ▪ Assessing the adequacy of disclosures made in the financial statements in relation to these related party transactions.

Other information

The Directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 consistent 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.

Directors' Responsibility for the Financial Report

The Directors of Clime Capital Limited 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 controls as the Directors determine are necessary to enable the preparation of the financial report that 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.

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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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 transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 13 of the Directors' Report for the year ended 30 June 2018. In our opinion, the Remuneration Report of Clime Capital Limited for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of Clime Capital Limited are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Mark Godlewski

Mark Godlewski
Partner

Pitcher Partners

Pitcher Partners
Sydney

15 August 2018

CLIME CAPITAL LIMITED
ABN 99 106 282 777

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report.

A. Distribution of Equity Shareholders and Convertible Noteholders (as at 6 August 2018)

Analysis of numbers of equity security holders & convertible note holders by size of holding:

	No. of Holders	
	Ordinary Shares	**Convertible Note**
1 - 1,000	255	61
1,001 - 5,000	398	95
5,001 - 10,000	376	65
10,001 - 100,000	1,051	169
100,001 and over	136	43
	2,216	**433**

B. Equity Share Holders & Convertible Note Holders

The names of the twenty largest holders of quoted equity securities are listed below as at 6 August 2018.

	Ordinary Shares	
Name	**No. of Shares**	**Percentage of issued shares**
CLIME INVESTMENT MANAGEMENT LTD	5,636,182	6.301
J P MORGAN NOMINEES AUSTRALIA LIMITED	5,416,948	6.056
DI IULIO HOMES PTY LIMITED <DI IULIO SUPER FUND A/C>	2,522,678	2.820
SANOLU PTY LIMITED	2,290,204	2.560
GLEN RANELAGH PTY LTD	1,973,164	2.206
MR ORLANDO BERARDINO DI IULIO & MS CATHARINA MARIA KOOPMAN	1,474,306	1.648
HEATHERS SUPER PTY LTD <HEATHERS FAMILY S/F A/C>	1,129,268	1.263
JOHN E GILL OPERATIONS PTY LTD	1,123,258	1.256
MR VICTOR JOHN PLUMMER	1,020,393	1.141
DOUBLE PTY LIMITED & ABERNETHY SMSF PTY LTD <ABERNETHY SUPER FUND A/C>	900,000	1.006
DYNASTY PEAK PTY LTD <THE AVOCA SUPER FUND A/C> & MRS KAREN GREER	756,274	0.846
MR PAUL WILHELM MCCAULEY & MRS LISA-GAYE MCCAULEY <ASAP SUPER FUND A/C>	675,366	0.755
EMERALD SHARES PTY LIMITED <EMERALD UNIT A/C>	650,000	0.727
MRS MARITA TOOHER	641,158	0.717
HUDSON RETIREMENT PTY LTD <SEAGULLS SUPER A/C>	639,987	0.716
MR RICHARD MILLER	550,000	0.615
MR MARK JOHN TOYE & MR STEPHEN WILLIAM TOYE <SWT SUPER FUND A/C>	500,000	0.559
MR MICHAEL ANTHONY FOX & MRS SUSAN ELIZABETH FOX	500,000	0.559
BARRY GEORGE FORBES & CARLA FORBES <FORBES SUPER FUND A/C>	453,105	0.507
MR FRANCIS MAXWELL HOOPER	439,000	0.491
	29,291,291	**32.749**

CLIME CAPITAL LIMITED
ABN 99 106 282 777

ASX ADDITIONAL INFORMATION

The names of the twenty largest holders of quoted convertible notes are listed below as at 6 August 2018.

Name	Convertible Note No. of Notes	 Percentage of issued notes
J P MORGAN NOMINEES AUSTRALIA LIMITED	4,446,827	19.959
NORA GOODRIDGE INVESTMENTS PTY LIMITED	2,083,333	9.351
MRS NICOLE ISABELLA CORBETT <THE PRINCESS A/C>	513,993	2.307
MR VICTOR JOHN PLUMMER	500,000	2.244
CLENDON HOUSE INVESTMENTS PTY LTD	429,166	1.926
CONTEMPLATOR PTY LTD <ARG PENSION FUND A/C>	416,667	1.870
HOMM PTY LTD <ROBBERG A/C>	318,948	1.432
JACQUELINE KAY PTY LTD <PAUL CHALMERS SUPER FUND A/C>	312,500	1.403
DR GRAEME PETER DORAHY & MRS JEAN ELIZABETH DORAHY <DORAHY SUPER FUND A/C>	298,206	1.338
PETER JOHN PAUL FROHLICH & PETER RICHARD MOHAY <EST THOMAS FROHLICH A/C>	260,417	1.169
MR KYM GREGORY HAINES & MRS DEBORAH DIANNE HAINES <THE HAINES SUPER FUND A/C>	260,416	1.169
MRS ELIZA JANE GRIFFIN	255,517	1.147
ACCMARK MGMT SERVICES PTY LTD <ACCMARK MGMT SERV PF A/C>	216,666	0.972
MR ELTON RICHARD EDWARDS & MRS JULIE MAE EDWARDS <EDWARDS SUPER FUND A/C>	213,541	0.958
AUSTRALIAN EXECUTOR TRUSTEES LIMITED <NO 1 ACCOUNT>	212,500	0.954
MR ROBERT JOHN WILSON <WILSON PSHIP A LTD PSHIP A/C>	208,334	0.935
LAWSAM PTY LTD	208,333	0.935
JETOSEA PTY LTD	208,333	0.935
TORRES INDUSTRIES PTY LTD	208,333	0.935
P & J WALL PTY LTD <WALL FAMILY SUPER FUND A/C>	208,332	0.935
	11,780,362	**52.874**

Unquoted equity securities

There are no unquoted equity securities on issue as at the date of this report.

C. Substantial Holders

Substantial holders in the company are set out below (based on voting interest in fully paid ordinary shares) as at 6 August 2018

Name	No. of shares held	Percentage of issued shares
Clime Investment Management Limited - Direct	5,636,182	6.30%
Clime Investment Management Limited - Indirect	5,353,945	5.99%

D. Voting Rights

The voting rights attaching to each class of equity securities are set out below:

Fully Paid Ordinary Shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

ASX ADDITIONAL INFORMATION

E. Investments held at the balance date

	No. of shares held	Fair Value at 30 June 2018
Domestic securities		
1300 Smiles Limited	213,685	1,367,584
Australia & New Zealand Banking Group Limited	122,600	3,462,224
APN Property Group	4,881,201	2,196,540
Afterpay Touch Group Ltd	247,000	2,309,450
Amcor Limited	73,200	1,054,812
Axsesstoday Limited	770,840	1,695,848
Betashares Australian Equities Strong Bear Hedge Fund	64,700	888,331
Bingo Industries Limited	962,251	2,578,833
Boral Limited	447,360	2,921,261
Bravura Solutions Limited	662,550	2,126,786
CSL Limited	9,075	1,748,027
Citadel Group Ltd	338,081	2,221,192
Collins Foods Ltd	581,531	3,239,128
Commonwealth Bank of Australia	37,900	2,761,773
Convenience Retail REIT	512,550	1,389,011
Credit Corp Group	158,139	2,857,572
Eclipx Group Limited	747,524	2,369,651
Elanor Investor Group	1,263,744	2,603,313
Electro Optic System Holding	792,355	2,321,600
Folkestone Ltd	1,464,000	1,610,400
Hansen Technologies Ltd	850,760	2,679,894
IPH Limited	352,750	1,569,738
Janus Henderson Group PLC	90,450	3,766,338
Jumbo Interactive Ltd	578,179	2,890,895
Kangaroo Island Plantation Timbers Ltd	517,660	1,112,969
National Australia Bank Limited	110,200	3,020,582
Navigator Global Investments Limited	699,099	3,733,189
Nick Scali Ltd	297,933	2,005,089
Orora Ltd	733,950	2,620,202
Qube Holdings Limited	415,000	1,000,150
Ramsay Healthcare Limited	40,183	2,169,078
Rio Tinto Limited	18,400	1,535,296
Runge Ltd	2,116,410	1,312,174
Seek Limited	107,300	2,340,213
Shriro Holdings Limited	79,627	91,571
Speedcast International Limited	412,764	2,546,754
Stockland Property Trust	208,800	828,936
Veris Ltd	6,882,032	1,686,098
Webjet Limited	288,000	3,873,597
		84,506,099
Income Sleeve - Syndicated unlisted investments		
Bluewater Square Syndicate	1,500,000	1,500,000
Elanor Commercial Property Fund	1,586,521	1,602,386
Elanor Metro And Prime Regional Hotel Fund	1,500,000	1,500,000
Hunters Plaza Syndicate	1,000,000	1,000,000
Southern Cross Poultry Fund Investment Trust	1,000,000	940,000
Southern Cross Poultry Fund Operating Trust	1,000,000	60,000
		6,602,386
International securities		
Alphabet Inc Class A	500	764,154
Fresenius Medical Care AG & Co KGaA	10,000	681,464
Netease.com Inc - ADR	450	153,890
Proshares Short S&P500	12,200	484,301
Reckitt Benckiser-Spon ADR	37,750	843,799
Tencent Holdings ADR	4,000	272,044
		3,199,652
		94,308,137

ASX ADDITIONAL INFORMATION

F. During the year ended 30 June 2018, the Company recorded 1,828 transactions in securities (including options). $178,446 (excluding GST) in brokerage was paid or accrued for the year.

G. Investment Manager

The Company has an Investment Management Agreement with the Investment Manger, Clime Asset Management Pty Limited, a 100% subsidiary of Clime Investment Management Limited (ASX:CIW).

Base fee

The Investment Manager is entitled to a monthly base fee calculated as 0.08334% (excluding GST) of the market value of all assets less total indebtedness of the Company. The Investment Manager has excluded deferred tax assets from the calculation of the base fee, thereby reducing the base fee amount.

Performance fee

The Investment Manager is entitled to a performance fee calculated as 20% (excluding GST) of the amount by which the absolute dollar value of the investment performance (after deducting the base fee) exceeds the All Ordinaries Accumulation Index for the annual period, provided that the performance is positive.

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