CLIME CAPITAL LIMITED

ABN 99 106 282 777

PRELIMINARY FINAL REPORT FOR THE YEAR ENDED

30 JUNE 2020

Appendix 4E

Preliminary Final Report
Lodged with the ASX under Listing Rule 4.3A
Results for Announcement to the Market

Year Ended 30 June 2020

(Previous corresponding period - Year Ended 30 June 2019)

				$
Revenue from ordinary activities	down	155%	to	(6,576,155)
Loss from ordinary activities before tax attributable to members	down	228%	to	(10,819,064)
Loss from ordinary activities after tax attributable to members	down	197%	to	(6,394,085)

	Amount per security	Franked amount per security
Dividends per share - Fully Paid Ordinary Shares		
Quarterly interim dividend - July to September 2019 (paid)	1.25c	1.25c
Quarterly interim dividend - October to December 2019 (paid)	1.25c	1.25c
Quarterly interim dividend - January to March 2020 (paid)	1.30c	1.30c
Final dividend - April to June 2020 (paid on 30 July 2020)	1.05c	1.05c

Record date for determining entitlements to the final dividend was	13 July 2020

Explanation of Revenue

Investment loss for the year was $6,576,155 (2019: income of $11,976,963). This decrease was primarily due to realised and unrealised losses incurred on financial assets during the year ended 30 June 2020.

The net unrealised loss on financial assets at fair value through profit or loss was $8,996,579 (2019: gain of $1,849,267).

After a strong first half performance and portfolio return, the second half bore the full brunt of the market correction brought about by Covid-19.

Explanation of Net Profit to members

Loss from ordinary activities after tax attributable to members was $6,394,085 (2019: profit of $6,601,175).

Total operating expenses during the year increased from $1,970,730 to $2,592,186. This was mainly due to an increase in legal and professional fees in relation to the acquisition of CBG Capital Limited (CBC).

Finance costs increased from $1,525,586 to $1,804,736 due to the issue of convertible notes as part of the consideration in the acquisition of CBC.

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 Board reviews the dividend paying capacity of the Company at each quarter based on events affects by Covid-19 crisis.

The portfolio also generates franking credits which are beneficial to shareholders.

The Board has implemented a buyback policy covering ordinary shares. In 2019/20, 1,104,298 ordinary shares were bought back and cancelled. The average discount to Net Tangible Asset backing per share has been between 5% to 10%.

Dividends

Details of dividends in relation to the financial year ended 30 June 2020 declared or paid during the year or subsequent to the year ended 30 June 2020 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						
4 October 2019	25 October 2019	Interim	1.25 cents	$1,411,475	1.25 cents	-
6 January 2020	24 January 2020	Interim	1.25 cents	$1,421,415	1.25 cents	-
6 April 2020	24 April 2020	Interim	1.30 cents	$1,473,311	1.30 cents	-
13 July 2020	30 July 2020	Final	1.05 cents	$1,188,964	1.05 cents	-
		Total	**4.85 cents**	**$5,495,165**	**4.85 cents**	-
Grossed-up dividend yield including franking					**6.93 cents**	

Dividend/Distribution Reinvestment Plans

The Company operates a dividend reinvestment plan, which has been applied to all dividends paid during the year and will continue to apply to any future dividends declared.

Net tangible assets per security (Cum-Dividend)

	2020 $	2019 $
Fully diluted net tangible asset backing per ordinary share - pre-tax	**$0.80**	**$0.97**
Fully diluted net tangible asset backing per ordinary share - post-tax	**$0.82**	**$0.94**

Controlled Entities

During the year, the Company successfully completed its takeover offer for CBC. The Company has a relevant interest in 100% of the shares in CBC after completing the compulsory acquisition process on 25 October 2019. CBC delisted from the Australian Securities Exchange on 25 September 2019.

As a result of the takeover, 21,775,883 new CAM shares and 7,068,567 new CAM convertible notes were issued as consideration for the acquisition of CBC.

The Directors have assessed the requirements of AASB 10 Consolidated Financial Statements and have applied the criteria set out in that standard to the operations of the Company. The Company and CBC are considered to be investment entities and as a result, CBC is not consolidated into the financial statements of the Company, but rather accounted for as a financial asset at fair value through profit or loss.

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 unaudited financial statements of the Company which are in the process of being audited.

CLIME CAPITAL LIMITED
ABN 99 106 282 777
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
Investment income			
Investment revenue	2	3,440,229	3,956,296
Net realised (loss)/gain on disposal of financial assets at fair value through profit or loss		(1,024,348)	6,130,770
Net unrealised (loss)/gain on financial assets at fair value through profit or loss		(8,996,579)	1,849,267
Gain on disposal of convertible notes		4,543	-
Net foreign exchange gain		-	40,630
Net investment (loss)/income		**(6,576,155)**	**11,976,963**
Other income			
Proceeds from settlement of UGL Class Action		144,013	-
Government grant received		10,000	-
Total other income		**154,013**	**-**
Expenses			
Management fees		(1,063,112)	(1,086,508)
Brokerage costs		(342,477)	(343,497)
Accounting fees		(52,890)	(61,500)
Custody fees		(34,880)	(36,786)
ASX fees		(103,328)	(45,820)
Share registry fees		(116,488)	(83,356)
Directors and company secretarial fees	15(a)	(160,233)	(166,400)
Legal and professional fees		(497,723)	(53,240)
Other administrative expenses		(221,055)	(93,623)
Total expenses before finance costs		**(2,592,186)**	**(1,970,730)**
Finance costs	10	(1,804,736)	(1,525,586)
(Loss)/Profit for the year before income tax expense		**(10,819,064)**	**8,480,647**
Income tax benefit/(expense)	4(a)	4,424,979	(1,879,472)
(Loss)/Profit for the year		**(6,394,085)**	**6,601,175**
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**(6,394,085)**	**6,601,175**
Basic (loss)/earning per share	6	**(5.85cps)**	**7.21cps**
Diluted (loss)/earning per share	6	**(5.85cps)**	**6.71cps**

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 2020

	Note	2020 $	2019 $
Assets			
Cash and cash equivalents	13(a)	8,268,698	4,584,628
Trade and other receivables	7	382,730	864,923
Financial assets at fair value through profit or loss	8	110,639,378	105,119,672
Current tax benefit	4(b)	929,502	-
Prepayments		76,599	4,123
Net deferred tax assets		2,583,468	-
Total assets		**122,880,375**	**110,573,346**
Liabilities			
Trade and other payables	9	555,377	747,117
Dividends payable	5(b)	1,188,964	1,146,500
Current tax liability	4(b)	-	360,531
Net deferred tax liabilities	4(c)	-	1,802,775
Convertible notes	10	27,437,310	20,963,020
Total liabilities		**29,181,651**	**25,019,943**
Net assets		**93,698,724**	**85,553,403**
Equity			
Issued capital	11	101,441,905	81,438,887
Option premium on convertible notes	10	227,904	196,351
Accumulated losses	12(a)	(24,189,794)	(10,361,709)
Profit reserve	12(b)	16,218,709	14,279,874
Total equity		**93,698,724**	**85,553,403**

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 2020

	Note	Issued Capital	Accumulated Losses	Profit Reserve	Option Premium on Convertible Notes	Total Equity
		$	$	$	$	$
Balance at 1 July 2018		**81,317,690**	**(10,443,884)**	**12,336,558**	**196,351**	**83,406,715**
Profit for the year		-	6,601,175	-	-	6,601,175
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		**-**	**6,601,175**	**-**	**-**	**6,601,175**
Transactions with owners in their capacity as owners						
Issue of ordinary shares	11(a)	714,327	-	-	-	714,327
Shares acquired under buy-back	11(a)	(592,484)	-	-	-	(592,484)
Transaction costs on shares acquired under buy-back	11(a)	(923)	-	-	-	(923)
Income tax on transaction costs	11(a)	277	-	-	-	277
Dividends provided for or paid	5	-	-	(4,575,684)	-	(4,575,684)
		121,197	-	(4,575,684)	-	(4,454,487)
Transfer to profit reserve	12	-	(6,519,000)	6,519,000	-	-
		121,197	**(6,519,000)**	**1,943,316**	**-**	**(4,454,487)**
Balance at 30 June 2019		**81,438,887**	**(10,361,709)**	**14,279,874**	**196,351**	**85,553,403**
Loss for the year		-	(6,394,085)	-	-	(6,394,085)
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive loss for the year		**-**	**(6,394,085)**	**-**	**-**	**(6,394,085)**
Transactions with owners in their capacity as owners						
Issue of ordinary shares	11(a)	698,232	-	-	-	698,232
Shares acquired under buy-back	11(a)	(978,280)	-	-	-	(978,280)
Conversion of convertible notes into ordinary shares	11(a)	39,879	-	-	-	39,879
Shares issued via scrip consideration for acquisition	11(a)	19,545,914	-	-	-	19,545,914
Shares issued as compulsory consideration for acquisition	11(a)	698,069	-	-	-	698,069
Convertible notes issued via scrip consideration for acquisition		-	-	-	45,076	45,076
Deferred tax on issue of convertible notes		-	-	-	(13,523)	(13,523)
Transaction costs on shares acquired under buy-back	11(a)	(1,137)	-	-	-	(1,137)
Income tax on transaction costs	11(a)	341	-	-	-	341
Dividends provided for or paid	5	-	-	(5,495,165)	-	(5,495,165)
		20,003,018	-	(5,495,165)	31,553	14,539,406
Transfer to profit reserve	12	-	(7,434,000)	7,434,000	-	-
		20,003,018	**(7,434,000)**	**1,938,835**	**31,553**	**14,539,406**
Balance at 30 June 2020		**101,441,905**	**(24,189,794)**	**16,218,709**	**227,904**	**93,698,724**

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 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Proceeds from sale of investments		113,955,854	86,262,720
Payments for purchase of investments		(101,807,515)	(89,166,340)
		12,148,339	(2,903,620)
Dividends and trust distributions received		3,490,555	3,981,170
Interest received		32,793	161,930
Proceeds from settlement of UGL Class Action		144,013	-
Government grant received		10,000	-
Payments for administrative, takeover and other expenses		(1,651,299)	(820,793)
Investment manager's fees paid		(1,077,652)	(1,083,928)
Income tax paid		(1,264,478)	(1,012,406)
Net cash inflow/(outflow) from operating activities	13(c)	**11,832,271**	**(1,677,647)**
Cash flows from financing activities			
Dividends paid net of dividend reinvestment		(4,754,472)	(3,831,561)
Payment for share buy-back including transaction costs		(979,416)	(593,407)
Payments for buy-back of convertible notes including transaction costs		(768,553)	-
Finance costs paid on convertible notes		(1,645,760)	(1,336,585)
Net cash outflow from financing activities		**(8,148,201)**	**(5,761,553)**
Net increase/(decrease) in cash held		**3,684,070**	**(7,439,200)**
Effects of exchange rate movements on cash		-	-
Cash and cash equivalents at beginning of the financial year		4,584,628	12,023,828
Cash and cash equivalents at end of the financial year	13(a)	**8,268,698**	**4,584,628**
Non-cash financing activities			
Shares issued via scrip consideration for acquisition		20,243,983	-
Convertible notes issued via scrip consideration for acquisition		7,173,364	-
Dividends reinvested		698,232	714,327
Conversion of convertible notes into ordinary shares		39,879	-

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 financial assets and financial liabilities.

Key judgements and estimates

Investment entity
The Company owns 100% of the shares on issue in CBG Capital Limited. The Directors have assessed the requirements of AASB 10 Consolidated Financial Statements and have applied the criteria set out in that standard to the operations of the Company. Clime Capital Limited and CBG Capital Limited are considered to be investment entities and as a result, CBG Capital Limited is not consolidated into the financial statements of the Company, but rather accounted for as a financial asset at fair value through profit or loss.

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.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

(b) Investments

Financial instruments

i) Classification
The Company's investments are categorised at fair value through profit or loss. They comprise investments in publicly listed and unlisted companies.

It is considered that the information needs of shareholders in a company of this type are better met by presenting the Statement of Financial Position on a liquidity basis.

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

Financial assets 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.

iii) Measurement
Financial assets 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. Transaction costs on financial assets at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments 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 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Investments (continued)

Convertible notes
The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On issue of the convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in statement of changes in equity as an option premium on convertible notes, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

(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 the 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.

Clime Capital Limited and its wholly owned subsidiary (for income tax purposes), CBG Capital Limited, have implemented the tax consolidation legislation from the acquisition date of 25 October 2019. Clime Capital Limited is the head entity in the tax consolidated group. These entities are taxed as a single entity.

(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 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.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within a few days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected credit loss allowance. To measure the expected credit losses, trade receivables have been grouped based on due date.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(f) Trade and other payables

These amounts represent liabilities for amounts owing by the Company at year 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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' are included in profit or loss in the period in which they arise.

ii) Government grants
Government grants are recognised as revenue where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

ii) Other income
Other income relating to UGL settlement proceeds is recognised on cash basis.

(i) Earnings per share

i) Basic earnings per share
Basic earnings per share is calculated by dividing the profit/(loss) 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/accumulated losses 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) New and amended standards adopted by the Company

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 2019 that have a material impact on the Company.

(n) New accounting standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 July 2020, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

(o) 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 2020 and 30 June 2019.

(p) Rounding of amounts

In accordance with *ASIC Corporations (Rounding in Financial/Director's report) Instrument 2016/191* , the amounts in the financial statements have been rounded to the nearest dollar, unless otherwise stated.

2. INVESTMENT REVENUE

	2020 $	2019 $
Dividends and trust distributions	3,407,436	3,794,367
Interest	32,793	161,929
TOTAL	**3,440,229**	**3,956,296**

3. AUDITOR'S REMUNERATION

	2020 $	2019 $
Remuneration of Pitcher Partners in relation to:		
Audit and review of the financial reports	38,000	30,000
Taxation	27,450	5,200
Corporate Finance	20,000	-
TOTAL	**85,450**	**35,200**

4. TAXATION

(a) Income tax (benefit)/expense

	2020 $	2019 $
The prima facie tax on profit before income tax is reconciled to income tax expense as follows:		
Prima facie tax (benefit)/expense on profit/(loss) before income tax at 30%	(3,245,719)	2,544,194
Adjusted for tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Imputation gross up on dividends received	253,624	303,721
Franking credits on dividends received	(845,415)	(1,012,404)
Withholding tax on dividends received	-	(2,553)
Permanent differences	24,937	80,230
Effect of adjustment in cost base of CBC investments acquired	(624,053)	-
Others	37,557	-
Prior year under/(over) provision	(25,910)	(33,716)
Income tax (benefit)/expense	**(4,424,979)**	**1,879,472**
The applicable weighted average effective tax rates are as follows:	(40.90%)	22.16%

4. TAXATION (CONTINUED)

	2020 $	2019 $
(b) Current tax benefit/(liability)		
Income Tax	929,502	(360,531)
(c) Net deferred tax assets/(liabilities)		
Deferred tax assets		
Deferred tax assets comprise the estimated tax deductible at the current income tax rate of 30% on the following items:		
Carried forward tax losses	2,587,315	1,355,924
Other temporary differences	357,328	159,920
	2,944,643	1,515,844
Deferred tax liabilities		
Deferred tax liabilities comprise the estimated tax payable at the current income tax rate of 30% on the following items:		
Tax on net unrealised gains on investment portfolio	(359,221)	(3,075,042)
Other temporary differences	(1,954)	(243,577)
	(361,175)	(3,318,619)
Net deferred tax assets/(liabilities)	**2,583,468**	**(1,802,775)**
(d) Income tax (benefit)/expense recognised in the profit or loss		
Current income tax (benefit)/expense	(3,245,719)	2,544,194
Deferred tax relating to the origination and reversal of temporary differences	(1,153,350)	(631,006)
Prior year under/(over) provision	(25,910)	(33,716)
	(4,424,979)	**1,879,472**

5. DIVIDENDS

	2020 $	2019 $
(a) Paid in the current year		
Dividends paid in the current year		
A fully franked final dividend on ordinary shares in respect of the 2019 financial year of 1.25 cents per share was paid on 26 July 2019 (2019: A fully franked final dividend on ordinary shares in respect of the 2018 financial year of 1.25 cents per share was paid on 27 July 2018)	1,146,503	1,116,704
A fully franked dividend on ordinary shares for the quarter ended 30 September 2019 of 1.25 cents per share was paid on 25 October 2019 (2019: A fully franked dividend on ordinary shares for the quarter ended 30 September 2018 of 1.25 cents per share was paid on 26 October 2018)	1,411,475	1,141,629
A fully franked dividend on ordinary shares for the quarter ended 31 December 2019 of 1.25 cents per share was paid on 24 January 2020 (2019: A fully franked dividend on ordinary shares for the quarter ended 31 December 2018 of 1.25 cents per share was paid on 24 January 2019)	1,421,415	1,142,503
A fully franked dividend on ordinary shares for the quarter ended 31 March 2020 of 1.3 cents per share was paid on 24 April 2020 (2019: A fully franked dividend on ordinary shares for the quarter ended 31 March 2019 of 1.25 cents per share was paid on 26 April 2019)	1,473,311	1,145,052
`	**5,452,704**	**4,545,888**

5. DIVIDENDS (CONTINUED)

(b) Provided for in the current year

	2020 $	2019 $
A fully franked dividend in respect of the 2020 year of 1.05 cents per share was payable on ordinary shares as at 30 June 2020 (2019: A fully franked dividend in respect of the 2019 year of 1.25 cents per share was payable on ordinary shares as at 30 June 2019)	1,188,964	1,146,500
	1,188,964	**1,146,500**

(c) Dividend franking account

	2020 $	2019 $
Franking account balance	176,152	61,341
Impact on franking account balance of dividends not recognised, payable on 30 July 2020 (2019: 26 July 2019)	(509,556)	(491,357)
	(333,404)	**(430,016)**

6. EARNINGS PER SHARE

	2020	2019
Basic (loss)/earning per share	**(5.85cps)**	**7.21cps**
Diluted (loss)/earning per share	**(5.85cps)**	**6.71cps**

Reconciliation of (losses)/earnings used in calculating basic and diluted earnings per share:

		2020	2019
Basic (loss)/earning per share			
Total comprehensive (loss)/income for the year	$	(6,394,085)	6,601,175
(Losses)/Earnings used in calculating basic earnings per share	$	(6,394,085)	6,601,175
Weighted average number of ordinary shares used in the calculation of basic earnings per share	Nos	109,245,331	91,535,709
Diluted earning per share			
(Losses)/Earnings used in calculating basic earnings per share	$	(6,394,085)	6,601,175
Add: interest expense on convertible notes (net of tax)	$	1,263,315	1,067,910
(Losses)/Earnings used in calculating diluted earnings per share	$	(5,130,770)	7,669,085
Weighted average number of ordinary shares used in the calculation of basic earnings per share	Nos	109,245,331	91,535,709
Adjustments for calculation of diluted earnings per share:			
- Convertible notes	Nos	27,688,690	22,837,166
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	Nos	136,934,021	114,372,875

7. TRADE AND OTHER RECEIVABLES

	2020 $	2019 $
Unsettled trades	198,153	593,796
Income receivable	156,861	239,980
Other debtors	27,716	31,147
	382,730	**864,923**

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 these amounts.

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

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020 $	2019 $
Listed equities - domestic	76,698,091	90,148,514
Unlisted equities - domestic	25,867,686	-
Listed convertible notes	-	2,697,947
Unlisted unit trusts	8,073,601	12,273,211
	110,639,378	**105,119,672**

9. TRADE AND OTHER PAYABLES

	2020 $	2019 $
Accrued expenses	52,036	105,216
Amount payable to related parties	78,309	92,849
Unsettled trades	425,032	549,052
	555,377	**747,117**

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

Notes issued under Entitlement Offer and Placement

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.

Notes issued under Takeover Bid Offer of CBG Capital Limited

On 13 September 2019, pursuant to the CBC Takeover Bid Offer guidelines, the Company issued 6,822,270 unsecured convertible notes to CBC shareholders who accepted this Offer. Subsequent to this, the Company issued 246,297 unsecured convertible notes to CBC shareholders who were compulsorily acquired. Both of these issuances operated on the same terms as the existing Notes.

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 6.22% per annum for those under the initial takeover and 5.74% per annum for those under the compulsory acquisition.

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.

10. CONVERTIBLE NOTES (CONTINUED)

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

	2020 $	2019 $
Proceeds from issue of convertible notes (net of raising costs)	28,047,706	20,874,342
Liability component at the date of issue	(27,722,128)	(20,593,840)
Equity component at the date of issue	325,578	280,502
Deferred tax on issue of convertible notes	(97,674)	(84,151)
Equity component at the end of the year	**227,904**	**196,351**
Classification of liability component at the end of the year:		
- Current	140,557	110,273
- Non-current	27,296,753	20,852,747
	27,437,310	**20,963,020**
Liability component at the beginning of the year	20,963,020	20,774,019
Interest expense for the year calculated at effective interest rates	1,804,736	1,525,586
Finance costs paid	(1,645,760)	(1,336,585)
Proceeds from issue of convertible notes (net of raising costs)	7,128,289	-
Convertible notes bought back	(773,096)	-
Conversion of convertible notes into ordinary shares	(39,879)	-
Liability component at the end of the year	**27,437,310**	**20,963,020**

Fair value

Fair value of the convertible notes as at 30 June 2020 amounting to $27,817,835 (30 June 2019: $22,280,162) was determined by reference to the published price quotation of $0.976 (30 June 2019: $1.00) on the convertible note ticker ASX:CAMG as at 30 June 2020.

11. ISSUED CAPITAL

	2020 $	2019 $
Issued and paid-up capital		
113,234,687 (2019: 91,720,037) ordinary fully paid shares	101,441,905	81,438,887

		Number of shares 2020	Number of shares 2019	2020 $	2019 $
(a) Movements in ordinary share capital					
Balance at beginning of the year		91,720,037	89,336,308	81,438,887	81,317,690
Shares acquired under buy-back	Note 11 (c)	(1,104,298)	(658,689)	(978,280)	(592,484)
Conversion of convertible notes into ordinary shares		42,582	-	39,879	-
Issue of ordinary shares as scrip consideration for acquisition of CBG on 13 September 2019	Note 11 (b)	21,017,112	-	19,545,914	-
Issue of ordinary shares as compulsory consideration for acquisition of CBG on 25 October 2019	Note 11 (b)	758,771	-	698,069	-
Issue of shares pursuant to a 1 for 40 bonus issue on 24 September 2018		-	2,229,124	-	-
Transaction cost on shares acquired under buy-back		-	-	(1,137)	(923)
Income tax on transactions costs		-	-	341	277
Dividend reinvestment plan		800,483	813,294	698,232	714,327
Balance at the end of the year		**113,234,687**	**91,720,037**	**101,441,905**	**81,438,887**

11. ISSUED CAPITAL (CONTINUED)

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.

(b) Acquisition of CBG Capital Limited

During the year, Clime Capital Limited (CAM) successfully completed its takeover offer for CBG Capital Limited (CBC). The offer consideration was 0.8441 CAM share and 0.2740 CAM Convertible note for every CBC share. The Non-Executive Directors of CBC recommended that CBC shareholders accept the takeover offer on 18 June 2019.

On 30 August 2019, the takeover bid was declared free of the defeating conditions and the offer closed on 9 September 2019 with CAM receiving acceptances for 96.57% of the shares on issue in CBC. The Company subsequently proceeded with the compulsory acquisition of the remaining CBC shares which was completed on 25 October 2019. As a result, CAM has a relevant interest in 100% of the shares in CBC, which was delisted from the ASX on 25 September 2019.

CBC is a wholly owned subsidiary of CAM. The investment in CBC has been accounted for as a financial asset at fair value through profit or loss (FVTPL), consistent with the Company's accounting policies. See Note 1(a) for further information. Since acquisition until 30 June 2020, the net unrealised gain on the CBC investment amounted to $680,951 and is included under net unrealised gain/(loss) on financial assets at fair value through profit or loss category of the Statement of Profit or Loss and Other Comprehensive Income.

The successful takeover of CBC resulted in the issuance of 21,775,883 new CAM shares and 7,068,567 new CAM convertible notes. Total takeover costs amounted to $689,578 (inclusive of GST) for the year ended 30 June 2020.

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

On 10 January 2020, the Company announced its intention to refresh its ability to implement an on-market buy-back (within the 10/12 limit) for a further 12-month period which commenced from 28 January 2020 and ends on 27 January 2021. During this period, the Company has the ability to buy a maximum of 11,371,317 fully paid ordinary shares.

In accordance with its on-market share buy-back scheme, Clime Capital Limited bought back 1,104,298 (2019: 658,689) 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 $0.886 per share (2019: $0.90), with prices ranging from $0.730 cents to $0.965 cents (2019: $0.830 cents to $0.935 cents). An amount of $978,280 (2019: $592,484), plus $797 (2019: $646) transaction costs net of tax, was deducted from contributed equity.

The shares bought back in the years ended 30 June 2020 and 30 June 2019 were cancelled immediately.

(d) Capital risk management

The Company's capital structure currently consists of share capital, retained earnings/accumulated losses and convertible notes. The operating cash flows of the Company are used to finance short term capital needs. The capital risk management is continuously reviewed throughtout the year as the Company has surplus cash available for investment.

(e) Dividend reinvestment plan

The Company has established a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisified by the issue of new ordinary shares rather than by being paid in cash. Shares are issued under the plan at a price determined by the Director from time to time in accordance with the *Corporations Act 2001* and the ASX Listing Rules.

12. RESERVES AND ACCUMULATED LOSSES

	2020 $	2019 $
(a) Accumulated losses		
Balance at the beginning of the year	(10,361,709)	(10,443,884)
Net (loss)/profit attributable to members of the Company	(6,394,085)	6,601,175
Transfer to profit reserve	(7,434,000)	(6,519,000)
Balance at end of year	**(24,189,794)**	**(10,361,709)**

12. RESERVES AND ACCUMULATED LOSSES (CONTINUED)

(b) Profit reserve

	2020 $	2019 $
Balance at the beginning of the year	14,279,874	12,336,558
Transfer from accumulated losses	7,434,000	6,519,000
Dividends provided for or paid	(5,495,165)	(4,575,684)
Balance at end of year	**16,218,709**	**14,279,874**

Profit reserve is made up of amounts allocated from current and retained earnings/accumulated losses 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:

	2020 $	2019 $
Cash at bank	8,268,698	4,584,628
Total cash and cash equivalents	**8,268,698**	**4,584,628**

(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 convertible notes, are summarised in Note 10.

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

	2020 $	2019 $
(Loss)/profit attributable to members of the Company	(6,394,085)	6,601,175
Adjustment:		
Finance costs	1,804,736	1,525,586
Gain on disposal of convertible notes	(4,543)	-
Shares issued via scrip consideration for acquisition	20,243,983	-
Convertible notes issued via scrip consideration for acquisition	7,173,364	-
Changes in assets and liabilities:		
Decrease/(increase) in trade and other receivables	482,193	(277,440)
Increase in investments at fair value through profit or loss	(5,519,706)	(10,811,535)
(Increase)/decrease in prepayments	(72,473)	46,884
Increase/(decrease) in trade and other payables	(191,740)	370,617
(Decrease)/increase in net deferred tax asset/liability	(4,386,243)	471,327
Increase in deferred tax option premium on convertible notes	(13,523)	-
Increase in income tax on transactions costs	341	277
(Increase)/decrease in current tax benefit	(929,502)	34,931
(Decrease)/increase in current tax liability	(360,531)	360,531
Net cash inflow/(outflow) from operating activities	**11,832,271**	**(1,677,647)**

(d) Non-cash transactions

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

	2020 $	2019 $
Shares issued via scrip consideration for acquisition	20,243,983	-
Convertible notes issued via scrip consideration for acquisition	7,173,364	-
Dividends reinvested	698,232	714,327
Conversion of convertible notes into ordinary shares	39,879	-
Total non-cash transactions	**28,155,458**	**714,327**

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, performance and other fees

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

	2020 $	2019 $
Clime Asset Management Pty Limited - Note (c)(i)	797,334	814,881
CBG Asset Management Limited - Note (c)(ii)	279,532	-
Clime Investment Management Ltd - Note (c)(iii)	90,233	84,000
	1,167,099	**898,881**

As at 30 June 2020, $78,309 (2019: $92,849) of the Company's management fees 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 Limited

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

Management and performance fees paid and payable are determined by the underlying Investment Management Agreement, the terms of which entitle the Investment Manager to a management fee, calculated as a percentage of funds under management, and a performance fee, should performance targets outlined in the Investment Management Agreement be achieved.

(ii) CBG Asset Management Limited

Mr. John Abernethy and Ronni Chalmers are Directors of CBC's Investment Manager, CBG Asset Management Limited (a wholly-owned subsidiary of ASX listed company Clime Investment Management Ltd). CBG Asset Management Limited receives management and performance fee as remuneration for managing CBC's investment portfolio. CBG Asset Management Limited became a related party on 25 October 2019 after the Company completed its compulsory acquisition of CBC.

Management and performance fees paid and payable are determined by the underlying Investment Management Agreement, the terms of which entitle the Investment Manager to a management fee, calculated as a percentage of funds under management, and a performance fee, should performance targets outlined in the Investment Management Agreement be achieved.

(iii) Clime Investment Management Ltd

Mr. John Abernethy is a Director of Clime Investment Management Ltd. As detailed in Note 14, Clime Investment Management Ltd received management fees as remuneration for the employment of the Chairman, a Director and the Company Secretary as well as reimbursement for marketing fees. Clime Investment Management Ltd directly owns 5.29% (2019: 6.28%) of the share capital of the Company as at 30 June 2020. Clime Investment Management Ltd, through the Investment Manager, has the indirect power to dispose 3.55% (2019: 5.26%) of the Company's shares held by the Investment Manager's individually managed accounts.

15. KEY MANAGEMENT PERSONNEL DISCLOSURE

The Company has no 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.

15. KEY MANAGEMENT PERSONNEL DISCLOSURE (CONTINUED)

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
Julian Gosse	- Non-Executive Director
Brett Spork	- Non-Executive Director
Ronni Chalmers	- Non-Independent Director (appointed 17 December 2019)
Anthony Golowenko	- Non-Executive Director (resigned 1 July 2019)

(a) Remuneration of Directors and Other Key Management Personnel

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

	2020 $	2019 $
Cash salary and fees	132,763	136,530
Short-term employee benefits	**132,763**	**136,530**
Superannuation	3,470	3,470
Post-employment benefits	**3,470**	**3,470**
Total employment benefits	**136,233**	**140,000**

* Includes $46,233 (2019: $60,000) paid/payable to Clime Investment Management Ltd for the services rendered by the Chairman and one of the Directors. Also includes $10,000 paid to a Director for consultancy fees in relation to the Company's takeover of CBC.

(b) Shareholdings

2020	Balance at 1 July 2019 (Nos)	Shares acquired/ Bonus (Nos)	Shares disposed (Nos)	Other changes (Nos)	Balance at 30 June 2020 (Nos)
Ordinary Shares					
John Abernethy (Chairman)	990,000	22,000	-	-	1,012,000
Brett Spork	102,500	-	-	-	102,500
Ronni Chalmers (appointed 17 December 2019)	-	-	-	650,078	650,078
Anthony Golowenko (resigned 1 July 2019)*	215,250	-	-	(215,250)	-
	1,307,750	**22,000**	**-**	**434,828**	**1,764,578**

	Balance at 1 July 2019 (Nos)	Convertible notes acquired (Nos)	Convertible notes disposed (Nos)	Other changes (Nos)	Balance at 30 June 2020 (Nos)
Convertible Notes					
John Abernethy (Chairman)	45,000	2,850	-	-	47,850
Brett Spork	16,667	-	-	-	16,667
Ronni Chalmers (appointed 17 December 2019)	-	-	-	805,000	805,000
	61,667	**2,850**	**-**	**805,000**	**869,517**

*Mr. Chalmers' holdings were acquired in relation to the scrip for scrip takeover of CBC.
**Mr. Golowenko ceased being a key management person on 1 July 2019.

15. KEY MANAGEMENT PERSONNEL DISCLOSURE (CONTINUED)

(b) Shareholdings (continued)

2019	Balance at 1 July 2018 (Nos)	Shares acquired (Nos)	Shares disposed (Nos)	Balance at 30 June 2019 (Nos)
Ordinary Shares				
John Abernethy (Chairman)	900,000	90,000	-	990,000
Brett Spork	100,000	2,500	-	102,500
Anthony Golowenko (resigned 1 July 2019)	210,000	5,250	-	215,250
	1,210,000	**97,750**	**-**	**1,307,750**

2019	Balance at 1 July 2018 (Nos)	Convertible notes acquired (Nos)	Convertible notes disposed (Nos)	Balance at 30 June 2019 (Nos)
Convertible Notes				
John Abernethy (Chairman)	45,000	-	-	45,000
Brett Spork	16,667	-	-	16,667
	61,667	**-**	**-**	**61,667**

(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 2020 and 30 June 2019.

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.

16. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Credit risk (continued)

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.

(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 Note 16(d)(iii).

Interest rate risk is actively managed by the Investment Manager. The majority of the Company's interest bearing assets are held with reputable banks to ensure the Company obtains competitive rates of return while providing sufficient liquidity to meet cash flow requirements.

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.

2020	Weighted Average Effective Interest Rate %	Floating Interest Rate $	Non Interest Bearing $	Fixed Interest Rate $	Total $
Financial Assets					
Cash and cash equivalents	0.22%	8,268,698	-	-	8,268,698
Trade and other receivables		-	355,014	-	355,014
Financial assets at fair value through profit or loss		-	110,639,378	-	110,639,378
Total Financial Assets		**8,268,698**	**110,994,392**	**-**	**119,263,090**
Financial Liabilities					
Management fee payable and unsettled trades		-	503,341	-	503,341
Dividends payable		-	1,188,964	-	1,188,964
Convertible notes	7.14%	-	-	27,437,310	27,437,310
Total Financial Liabilities		**-**	**1,692,305**	**27,437,310**	**29,129,615**

16. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Market risk (continued)

(i) Interest rate risk (continued)

2019	Weighted Average Effective Interest Rate %	Floating Interest Rate $	Non Interest Bearing $	Fixed Interest Rate $	Total $
Financial Assets					
Cash and cash equivalents	1.04%	4,584,628	-	-	4,584,628
Trade and other receivables		-	833,776	-	833,776
Financial assets at fair value through profit or loss		-	105,119,672	-	105,119,672
Total Financial Assets		**4,584,628**	**105,953,448**	**-**	**110,538,076**
Financial Liabilities					
Management fee payable and unsettled trades		-	641,901	-	641,901
Dividends payable		-	1,146,500	-	1,146,500
Convertible notes	7.27%	-	-	20,963,020	20,963,020
Total Financial Liabilities		**-**	**1,788,401**	**20,963,020**	**22,751,421**

(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.

Impact on profit (pre-tax)

	Price risk		Interest rate risk	
	Impact on profit or loss/equity			
	-10%	**+10%**	**-100 bps**	**+100 bps**
30 June 2020	(11,063,938)	11,063,938	(68,355)	68,355
30 June 2019	(10,511,967)	10,511,967	(92,208)	92,208

No effect on other comprehensive income would result from price, interest rate or foreign exchange rate risk in 2020 or 2019.

17. FAIR VALUE MEASUREMENT

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

The Company has no assets 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).

17. FAIR VALUE MEASUREMENT (CONTINUED)

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

The fair value of financial assets 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 closing quoted last prices at the end of the reporting period.

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.

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

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

	Level 1 $	Level 2 $	Level 3 $	Total $
At 30 June 2020				
Financial assets at fair value through profit or loss				
Listed equities - domestic	76,698,091	-	-	76,698,091
Unlisted equities - domestic	-	25,867,686	-	25,867,686
Unlisted unit trusts	-	-	8,073,601	8,073,601
Total financial assets at fair value through profit or loss	**76,698,091**	**25,867,686**	**8,073,601**	**110,639,378**
At 30 June 2019				
Financial assets at fair value through profit or loss				
Listed equities - domestic	90,148,514	-	-	90,148,514
Unlisted unit trusts	-	-	12,273,211	12,273,211
Listed convertible notes	2,697,947	-	-	2,697,947
Total financial assets at fair value through profit or loss	**92,846,461**	**-**	**12,273,211**	**105,119,672**

17. FAIR VALUE MEASUREMENT (CONTINUED)

(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.

Management have transferred the Company's investments in amount of $2,237,239 from level 3 to level 1 as Elanor Commercial Property Fund (ASX: ECF) was listed on ASX on 6 December 2019 and quoted market price was available at the end of the year.

The Company's wholly owned investment in CBG Capital Limited (CBC), included in Level 2 of the hierarchy, was acquired as a result of the successful takeover completed during the period. CBC was delisted from the ASX on 25 September 2019. The investment has been valued at its underlying net asset backing at the end of the reporting period. The Company's initial interest in CBC before the completion of the takeover bid, representing its holding in the entity previously listed on the ASX, was historically included in Level 1 of the hierarchy and valued using its quoted last price on the ASX. As a result of the takeover, the investment was transferred from Level 1 to Level 2 in the hierarchy during the year upon completion of the takeover.

There were no other transfers between levels in the fair value hierarchy at the end of the reporting period.

(e) Reconciliation of recurring level 3 fair value movements

	Level 3 Unlisted unit trusts $
Opening balance - 1 July 2018	6,602,385
Purchases	5,644,853
Total gains recognised in profit or loss	25,973
Closing balance - 30 June 2019	**12,273,211**
Net transfers into/out of	(2,237,239)
Purchases	2,231
Return of capital	(336,700)
Sales	(1,502,231)
Total losses recognised in profit or loss	(125,671)
Closing balance - 30 June 2020	**8,073,601**

$125,671 (30 June 2019: $25,973) of the total gains and losses recognised in profit or loss in respect to level 3 fair value measurements are unrealised as they are attributable to assets held at the end of the reporting period.

(f) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (a) and (b) above for the valuation techniques adopted.

Description	Fair value $'000	Unobservable inputs	Range of inputs (probability - weighted average)	Relationships of unobservable inputs to fair value
As at 30 June 2020				
Unlisted unit trusts	8,073,601	Reported net asset value by investment manager	N/A	Direct
As at 30 June 2019				
Unlisted unit trusts	12,273,211	Reported net asset value by investment manager	N/A	Direct

17. FAIR VALUE MEASUREMENT (CONTINUED)

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

The Company's 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. As observable prices are not available for these securities, the Company has relied on valuations provided by managers of the underlying funds, based on the net asset value per unit reported by those trusts, in order to derive the fair value of the units.

(h) 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 conditions, 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.

(i) 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.

18. 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.

19. CONTINGENT ASSETS AND LIABILITIES

Settlement of class action against UGL

As previously advised, on 18 December 2017, CAM (on its own behalf and on behalf of group members in the proceeding) commenced a class action proceeding against UGL Pty Limited (formerly UGL Ltd).

On 9 August 2019, CAM announced that an in-principle settlement was reached by parties, with such settlement requiring an agreement of key terms and approval of the Federal Court of Australia. On or around 9 September 2019, an agreement was reached between the parties as to the key terms of the in-principle settlement. On 17 December 2019, the Federal Court of Australia approved the settlement, made orders providing for how the settlement sum is to be distributed and otherwise dismissed the proceeding. On 5 February 2020, the Federal Court of Australia handed down its judgment approving settlement.

The settlement resolves the proceeding on terms favourable to CAM and group members. Distribution of the settlement sum to eligible group members took place prior to 30 June 2020.

As at 30 June 2020, the Company has no contingent liabilities or commitments (2019: $Nil).

20. EVENTS SUBSEQUENT TO REPORTING DATE

Effective 1 July 2020, the CBC investment portfolio was merged with the CAM investment portfolio.

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,

21. COMPANY DETAILS

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

Level 12
20 Hunter Street
Sydney NSW 2000