Appendix 4E

Preliminary Final Report

Lodged with the ASX under Listing Rule 4.3A

Year Ended 30 June 2023

(Previous corresponding period - Year Ended 30 June 2022)

Revenue from ordinary activities	Up	12%	to	$ 15,387,327
Loss from ordinary activities before tax attributable to members	Down	(>100%)	to	$ (2,341,456)
Loss from ordinary activities after tax attributable to members	Down	(>100%)	to	$ (1,867,667)

Dividends paid per share - Fully Paid Ordinary Shares	**Amount per security**	**Franked amount per security**
Interim dividend – FY23	Nil	Nil
Final dividend – FY23 Proposed	Nil	Nil

Record date for determining entitlements to the final dividend is	Not Applicable

Explanation of Revenue from ordinary activities

Revenues for the period increased to $15.4 million (FY22: $13.7 million).

Key drivers for the increase in revenue is on account of revenue contribution from the newly acquired businesses MTIS Wealth Management Pty Limited, Investment Strategists Accounting Services Pty Limited and Ralton Asset Management Pty Limited during the current financial year.

Group earned a performance fee of $0.5 million in the current financial year against $Nil during the previous year.

The Groups Funds Under Management and Advice are as follows:

	30 June 2023 (millions)	30 June 2022 (millions)
Gross Funds Under Management	1,274	1,207
Funds and Insurance premiums under Advice	4,389	3,915
Total Funds Under Management and Advice	**5,663**	**5,122**

Explanation of Net Profit to members

Loss from ordinary activities after tax attributable to members was $1.9 million for the year (FY22: profit of $0.1 million). This includes a non-cash expense of $1.5 million (FY2022: $1.1 million) on account of depreciation and amortisation of intangible assets.

Administrative expenses increased to $16.1 million, compared to $11.7 million in FY22 mainly due to increase in staff costs, professional and consultancy expenses, and inclusion of operating expenses of newly acquired entities.

Please refer to the Financial Report for further information regarding the Group's performance during the year.

Audit Status

This report is based on the Financial Report which is in the process of being audited.

clime

2023 Financial Report

Clime Investment Management Limited

INTEGRITY | TRANSPARENCY | CONVICTION | PROGRESS

Clime Investment Management Limited

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ABN 37 067 185 899 **P** 1300 788 568

clime.com.au

Corporate Directory

Clime Investment Management Limited

ABN 37 067 185 899

> The shares of Clime Investment Management Limited are listed on the Australian Securities Exchange under the trade symbol CIW.

Directors

John Abernethy
Susan Wynne
Michael Kollo
Ronni Chalmers
Claire Bibby

Chief Executive Officer

Annick Donat

Company Secretary

Andrew Metcalfe

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Auditor

Pitcher Partners
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201 Sussex Street
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Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	Notes	2023 $	2022 $
Revenue	5	**15,387,327**	**13,682,882**
Net realised and unrealised gains/(loss) on financial assets at fair value through profit or loss		53,625	(875,228)
Other income		-	309,943
Depreciation and amortisation expense	6	(1,476,712)	(1,078,239)
Administrative expenses		(16,067,523)	(11,708,267)
Share of results of associate		-	(30,268)
Finance costs	15	(238,173)	(86,850)
(Loss)/profit before income tax		**(2,341,456)**	**213,973**
Income tax benefit/(expense) attributable to operating loss	8(a)	473,789	(115,483)
(Loss)/profit for the year		**(1,867,667)**	**98,490**
Other comprehensive income, net of income tax		-	-
Total comprehensive (loss)/income for the year		**(1,867,667)**	**98,490**
Attributable to:			
Owners of the Company		(1,867,667)	96,905
Non-controlling interest		-	1,585
		(1,867,667)	**98,490**
Earnings/(loss) per share			
Basic - cents per share	24(a)	(2.6)	0.1
Diluted - cents per share	24(b)	(2.6)	0.1

The above consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying Notes.

Consolidated Statement of Financial Position

As at 30 June 2023

	Notes	2023 $	2022 $
ASSETS			
Current Assets			
Cash and cash equivalents	7(a)	2,173,769	8,141,740
Trade and other receivables	10	3,143,628	2,084,765
Current tax assets	9	104,278	238,629
Other current assets	11	360,660	672,548
Financial assets at fair value through profit or loss	12	4,650,301	5,202,686
Total Current Assets		**10,432,636**	**16,340,368**
Non-Current Assets			
Other financial asset	31(c)	295,060	289,545
Investment in associate		-	119,731
Property, plant and equipment	14	136,837	145,373
Right-of-use assets	15	858,890	1,288,334
Deferred tax assets – net	16	926,045	435,681
Contract costs	17	365,040	421,200
Intangible assets	18	18,148,866	11,607,868
Total Non-Current Assets		**20,730,738**	**14,307,732**
Total Assets		**31,163,374**	**30,648,100**
LIABILITIES			
Current Liabilities			
Trade and other payables	19	3,376,840	3,131,451
Lease liabilities	15	477,392	425,835
Contract liabilities		48,091	96,826
Provisions	20	757,898	616,593
Deferred consideration payable	32	1,262,592	-
Total Current Liabilities		**5,922,813**	**4,270,705**
Non-Current Liabilities			
Lease liabilities	15	532,788	1,010,182
Provisions	20	75,776	61,487
Deferred consideration payable	32	1,366,532	-
Total Non-Current Liabilities		**1,975,096**	**1,071,669**
Total Liabilities		**7,897,909**	**5,342,374**
Net Assets		**23,265,465**	**25,305,726**
EQUITY			
Issued capital	21(a)	25,587,865	25,487,865
Reserves	22(a)	333,612	290,137
Accumulated losses	22(b)	(2,656,012)	(482,851)
Equity attributable to owners of the Company		23,265,465	25,295,151
Non-controlling interests		-	10,575
Total Equity		**23,265,465**	**25,305,726**

The above consolidated Statement of Financial Position should be read in conjunction with the accompanying Notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

Consolidated	Notes	Issued capital $	Share-based payments reserve $	Accumulated losses $	Attributable to owners of Company $	Non-controlling interest $	Total $
Balance as at 30 June 2021		**21,539,410**	**294,951**	**1,242,039**	**23,076,400**	**-**	**23,076,400**
Profit for the year		-	-	96,905	96,905	1,585	98,490
Other comprehensive income for the year net of tax		-	-	-	-	-	-
Total comprehensive income for the year net of tax		-	-	96,905	96,905	1,585	98,490
Transactions with equity holders in their capacity as equity holders:						-	
• Issue of ordinary shares by way of placements and share purchase plan		4,139,936	-	-	4,139,936	-	4,139,936
• Transaction cost on issue of ordinary shares		(38,300)	-	-	(38,300)	-	(38,300)
• Shares bought back on-market and cancelled		(474,332)	-	-	(474,332)	-	(474,332)
• Issue of ordinary shares under CIW Employee Share Plan	21(b)	27,400	-	-	27,400	-	27,400
• Transfer from share-based payments reserve to issued capital on completion of EIS loan term		42,850	(42,850)	-	-	-	-
• Transfer of loan repayments to issued capital on completion of EIS loan term		250,901	-	-	250,901	-	250,901
• Recognition of share-based payments	22(a)	-	38,036	-	38,036	-	38,036
• Interest in Ralton AM Pty Limited		-	-	-	-	8,990	8,990
• Dividends paid or provided for	9(a)	-	-	(1,821,795)	(1,821,795)	-	(1,821,795)
Balance as at 30 June 2022		**25,487,865**	**290,137**	**(482,851)**	**25,295,151**	**10,575**	**25,305,726**
Loss for the year		-	-	(1,867,667)	(1,867,667)	-	(1,867,667)
Other comprehensive (loss)/income for the year net of tax		-	-	-	-	-	-
Total comprehensive (loss)/ income for the year net of tax		**-**	**-**	**(1,867,667)**	**(1,867,667)**	**-**	**(1,867,667)**
Transactions with equity holders in their capacity as equity holders:							
• Recognition of share-based payments	22(a)	-	43,475	-	43,475	-	43,475
• Issue of shares for acquisition of Ralton AM Pty Ltd		100,000			100,000	-	100,000
• Adjustment arising from change in non-controlling interest of Ralton AM Pty Ltd		-	-	(16,394)	(16,394)	(10,575)	(26,969)
• Dividends paid or provided for	9(a)	-	-	(289,100)	(289,100)	-	(289,100)
Balance as at 30 June 2023		**25,587,865**	**333,612**	**(2,656,012)**	**23,265,465**	**-**	**23,265,465**

The above consolidated Statement of Changes in Equity should be read in conjunction with the accompanying Notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2023

	Notes	2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Fees received in the course of operations		15,795,127	18,895,498
Expense payments in the course of operations		(17,266,193)	(16,856,762)
Dividends and distributions received		402,649	321,037
Interest received		15,509	17,327
Income tax refund received net of tax payments		(67,144)	(680,524)
Operating cashflows		**(1,120,052)**	**1,696,576**
Proceeds from disposal of financial assets at fair value through profit or loss		617,925	1,019,353
Payments for financial assets at fair value through profit or loss		(15,606)	(1,426,464)
		602,319	**(407,111)**
Net cash (used in)/provided by operating activities	7(b)	**(517,733)**	**1,289,465**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of subsidiaries net of cash acquired	32	(4,014,199)	-
Loan to Associate		(50,000)	(150,000)
Payments for other financial asset at amortised cost		(5,515)	(211)
Payments for property, plant and equipment	14	(61,186)	(55,917)
Payments for intangible assets	18(a)	(498,113)	(612,050)
Net cash used in investing activities		**(4,629,013)**	**(818,178)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares to institutional investors		-	4,139,936
Costs of issue of shares to institutional investors		-	(38,300)
Payments for shares bought back (including transaction costs)	21(e)	-	(474,332)
Principal elements of lease payments		(425,835)	(377,884)
Finance costs on lease liabilities	15	(62,441)	(86,850)
Finance cost - Others		(43,849)	-
Cash received on exercise of employee share incentive plan		-	250,901
Dividends paid to Company's shareholders	9(a)	(289,100)	(1,821,795)
Net cash provided by/(used in) financing activities		**(821,225)**	**1,591,676**
Net (decrease)/increase in cash and cash equivalents		**(5,967,971)**	**2,062,963**
Cash and cash equivalents at beginning of the year		**8,141,740**	**6,078,777**
Cash and cash equivalents at end of the year	7(a)	**2,173,769**	**8,141,740**
Non-cash financing activities			
Issue of shares for acquisition of Ralton AM Pty Ltd		100,000	-

The above consolidated Statement of Cash Flows should be read in conjunction with the accompanying Notes.

Notes to the Financial Statements

For the year ended 30 June 2023

1. Corporate information

Clime Investment Management Limited (the Company) is a publicly listed company incorporated and domiciled in Australia. The address of its registered office and principal place of business is Level 12, 20 Hunter Street, Sydney NSW 2000 Australia. The principal activities of the Company and its subsidiaries (the Group) are described in Note 26(a).

2. Summary of significant accounting policies

This Preliminary Final Report, including the Appendix 4E, does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2022 and any public announcements made by the Group during the reporting period in accordance with continuous disclosure requirements of the *Corporations Act 2001*.

The preliminary financial statements include the consolidated entity consisting of Clime Investment Management Limited and its subsidiaries.

The preliminary financial statements comprise the consolidated financial statements of the Group. For the purpose of preparing the consolidated financial statements, the Group is a for-profit entity.

The consolidated entity has adopted all the new or amended Accounting Standards and interpretations issued by the Australian Accounting Standards Board that are mandatory and relevant to the operations and effective for the current reporting period.

New and revised accounting standards effective during the reporting period

There are no new and revised accounting standard that significantly affect the annual financial statements.

New accounting standards and interpretations not yet adopted

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(a) *Basis of preparation*

Significant accounting policies adopted in the preparation of these consolidated financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the consolidated 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 financial assets and liabilities at fair value through profit and loss at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at measurement date.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Equivalent of International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(b) *Principles of consolidation*

Subsidiaries

The consolidated financial statements incorporate the financial statements of Clime Investment Management Limited the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Clime Investment Management Limited and its subsidiaries together are referred to in these financial statements as the "Group" or the "Consolidated Entity". Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group (refer to Note 2(f)).

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group companies are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition- by-acquisition basis.

Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(c) *Revenue recognition*

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled to in exchange for transferring goods and services to a customer. Amounts disclosed as revenue are stated net of the amounts of goods and services tax paid. Revenue is recognised for the major business activities as follows:

(i) Dividend and distribution income

Dividend and distribution income are recorded in the profit or loss on an accrual basis when the Group obtains control of the right to receive the dividend.

(ii) Management fees, advice fees and other fees

Fees and commissions that relate to specific transactions or events are recognised as revenue in the period that the services are provided and performance obligations are satisfied.

(iii) Performance fees

Performance fees are recognised at a point in time as income at the end of the relevant period to which the performance fee relates and when the Group's entitlement to the fee becomes established.

As performance fees are contingent upon performance determined at a future date, they are not recognised over time as they are not able to be measured reliably, and it is probable that there could be a reversal of revenue.

(iv) Authorised representative fees

On a bi-monthly basis, Madison Financial Advisers are billed for AFSL licensing fees in line with the contract between Madison and the Advisers. The Group's obligations under these contracts is to provide support to Advisers and licensing under the Madison AFSL to enable them to provide financial advice. The fees charged to the Advisers are based on a fee structure outlined in the contract with the Advisers.

(v) Investment education and software

The Group operates and distributes the online, web-based equity valuation tool, Clime Direct (formerly known as Stocks in Value). Client subscriptions comprise both online access to the valuation tool as well as access to member training and education services over the period of subscription. Revenue received in respect of client subscriptions is recognised on an accrual basis and amortised over the period of the subscription as this reflects the period over which performance obligations under the subscription are satisfied.

(vi) Interest income

Interest income is recorded in the profit or loss when earned on an accrual basis using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

(d) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and for unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in other comprehensive income and equity are also recognised directly in other comprehensive income and equity, respectively.

Clime Investment Management Limited and its wholly owned subsidiaries have implemented the tax consolidation legislation for the whole of the financial year. Clime Investment Management Limited is the head entity in the tax consolidated group. These entities are taxed as a single entity.

(e) Leases

The Group assesses whether a contract is, or contains, a lease, at inception of the contract.

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less).

For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The incremental borrowing rate depends on the term and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a credit risk adjustment based on bond yields; and an entity- specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Group and the lease does not benefit from a guarantee from the Group.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed
- payments), less any lease incentives receivable;
- variable lease payment that are based on an
- index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Right of use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

(f) Business combinations

The purchase method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued, or liabilities incurred or assumed at the date of exchange. Where equity instruments are issued in an acquisition, the value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value.

Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Acquisition-related costs are recognised in profit or loss as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (refer to Note 2(m)). If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss, but only after a reassessment of the identification and measurement of the net assets acquired.

(f) Business combinations (continued)

Where settlement of any part of cash consideration is deferred, the amounts payable in the future is discounted to its net present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(g) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(h) 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.

(i) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses and have a repayment terms between 30 and 90 days.

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

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

(j) Investments

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

The Group classifies its assets based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. Since the investments do not have contractual cash flows attached the appropriate classification is fair value through profit or loss.

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

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

(iii) Measurement
At initial recognition, the Group measures a financial At initial recognition, the Group measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit or loss.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of 'financial assets at fair value through profit or loss' category are presented in the statement of profit or loss within 'net realised and unrealised gains on financial assets at fair value through profit or loss' in the period in which they arise.

(iv) Offsetting financial instruments
Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position when the Group has 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. As at the end of the reporting period, there were no financial assets or liabilities offset or with the right to offset in the Statement of Financial Position.

(k) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as financial assets at fair value through profit or loss) is based on quoted market prices at the reporting date. Refer to Note 2(j) for further information.

The fair value of financial instruments that are not traded in an active market (for example, unlisted securities) is determined using alternative valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held, if any. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The nominal value less estimated credit adjustments of trade receivables are considered to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(l) Plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Depreciation of assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives of 3-20 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2(g)).

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in profit or loss.

(m) Intangible assets

(i) Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination.

Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for the goodwill is recognised directly in profit or loss in the consolidated Statement of Profit or Loss and Other Comprehensive Income.

An impairment loss recognised for goodwill is not reversed in subsequent periods. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Intangible assets acquired separately
Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

(ii) Intangible assets acquired separately (continued)
Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(iii) Investment Management contracts & relationships
Investment Management contracts have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. When acquired in a business combination, they are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition they are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of investment management contracts over their estimated useful lives (which vary from 10 to 15 years). Investment Management contracts are reviewed for indicators of impairment annually.

(iv) Software licence, customer relationship and customer list
Software licence, customer relationships and customer lists have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. When acquired in a business combination, they are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition they are carried at cost less accumulated amortization and impairment losses. Amortisation is calculated using the straight-line method to allocate the software license, customer relationship and customer list over their useful life of 3 to 15 years. Software license, customer relationship and customer list are reviewed for indicators of impairment annually.

(n) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(o) Contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when the customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

(i) Wages and salaries, annual leave and long service leave
Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled wholly within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities recognised in respect of long service leave are measured as the present value of the estimate future cash outflows to be made by the Group in respect of services provided by employees up to the reporting date.

(ii) Bonus plans
A liability for employment benefits in the form of bonus plans is recognised when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:

- there are formal terms in the plan for determining the amount of the benefit;
- the amounts to be paid are determined before the time of completion of the financial statements; or
- past practice gives clear evidence of the amount of the obligation.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(iii) Superannuation
Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

(iv) Employee benefit on-costs
Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(v) Share-based payments
Share-based compensation benefits are provided to employees via the Clime Investment Management Limited Employee Incentive Scheme and Clime Employee Share Plan.

(p) Employee Incentive Scheme (EIS)

The Company EIS was approved by shareholders at the Company's Annual General Meeting held in October 2007. The EIS provides an opportunity for eligible employees, as determined by the Board from time to time, to purchase shares in the Company via the provision of an interest-free, non-recourse loan.

(p) Employee Incentive Scheme (EIS) (continued)

Shares issued in accordance with the EIS are subject to certain restrictions for the duration of the loan, including continued employment with the Company and share transfer locks. Upon the expiration of the loan term, and the repayment of the outstanding loan balance by relevant employees, the shares become unconditional. Due to certain aspects of the EIS - specifically the share transfer locks and non-recourse nature of the loans - the Company is required to classify shares issued under the EIS as ‘in- substance options’ in accordance with AASB 2 Share- based Payment.

As such, the underlying instruments, consisting of the outstanding employee loans and the issued fully paid ordinary shares, are not recognised in the financial statements. Instead, the fair value of the ‘in-substance options’ granted is recognised as an employee benefit expense with a corresponding increase in the share-based payments reserve. The fair value is measured at grant date and recognised on a straight-line basis over the term of the loans.

The fair value of the ‘in-substance options’ at grant date is determined using a binomial distribution to statistically estimate the value of the benefits granted. The valuation model considers the share issue price, the term of the loan, the current price and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the loan.

In order to recognise the impact of employee departures and the resultant early termination of their respective loan agreements, at each balance date the Company revises its estimate of the number of shares that may ultimately become unconditional. The employee benefit expense recognised each period considers the most recent estimate.

Following the expiration of the term of the loan, any repayment received from employees in respect of the amortised loan balance is recognised in contributed equity in the Statement of Financial Position. The balance of the share-based payments reserve relating to those shares is also transferred to contributed equity.

To the extent that an employee chooses not to repay the amortised loan balance at the completion of the loan term (i.e. where the value of the shares is less than the amortised loan balance), then the Company will buy back those shares and the balance of the share-based payments reserve relating to those shares is transferred to a lapsed option reserve.

It should be noted that the application of this accounting policy will result in differences between the number of shares on issue as disclosed in the Group’s statutory reports, and the number of shares on issue as advised to the ASX.

Employee Share Plan (ESP)

The shares under the ESP are granted to all employees (other than directors) at Nil consideration. The fair value of the shares issued under the ESP of $Nil (2022: $27,400) are expensed to the income statement immediately on issue.

(q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

(r) Financial liabilities and equity instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual agreement.

Ordinary 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. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

Repurchase of the Company’s own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company’s own equity instruments.

Financial liabilities are classified as ‘other financial liabilities’. Other financial liabilities, including borrowings are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised costs using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(s) Dividends

A liability is recorded for the amount of any dividend declared on or before the end of the period but not distributed at reporting date.

(t) Earnings per share

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

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to consider 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 potential dilutive ordinary shares.

(u) Goods and services tax

Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

(v) New accounting standards and interpretations for application in future periods

The AASB has issued certain new and amended Accounting Standards and Interpretations that are not mandatory for 30 June 2022 reporting period and hence have not been early adopted by the Group.

These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

(w) Presentation currency and rounding of amounts

These financial statements are presented in Australian Dollars. Australian Dollars are also the functional currency of all entities in the Group.

3. Critical accounting estimates and assumptions

In the application of the Group's accounting policies, which are described in Note 2, the Directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below and in Note 18.

(a) Carrying value assessment of goodwill, investment management contracts and client relationships

The Group tests annually whether goodwill, investment management contracts and client relationships have suffered any impairment, in accordance with the accounting policy stated in Note 2(m). The recoverable amounts of cash-generating units have been determined based on a value-in-use calculation which uses cashflow projections based on financial budgets, normalised EBTIDA for a period of five years and use of assumptions relating to future growth and pre-tax discount rates reflecting a market estimate of the weighted average cost of capital.

The Directors' assessments of the recoverable amounts of the cash-generating units are subject to an element of subjectivity concerning the selection of appropriate benchmarks and transactions. A material adverse change in one or more of the underlying variables applied in the estimates of recoverable amounts, therefore, may impact their recoverable amounts and result in alternative outcomes for the purposes of impairment testing.

(b) Business combinations

Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

(c) Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

(d) Revenue from Madison – Principal versus agent considerations

Revenue from Madison includes revenues collected for services performed by Authorised Representatives (as defined in the *Corporations Act 2001 (Cth))* of Madison. Madison is considered to be acting as agent under the requirements of AASB 15 *Revenue from Contracts with Clients.* Accordingly, payments made to Authorised Representatives are deducted from the gross revenue to arrive at the reported net revenue figure as disclosed in Note 5 of the financial statements.

4. Financial risk management

The Group's activities expose it to various direct and indirect financial risks, including market risk, interest rate risk, credit risk, liquidity risk and fair value risk. Risk management is carried out by senior management under policies and strategies approved by the Board, and Audit Committee. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

(a) Market risk

The Group's activities expose it primarily to other price
The Group's activities expose it primarily to other price risks (see (i) below) and interest rate risks (see (ii) below). Unfavourable economic conditions both domestically and globally can have a significant impact on the investment returns of the investments and investment portfolios.

(i) Other price risk

The Group's activities expose it primarily to equity securities price risk. This arises from the following:

- Investments held by the Group as direct investments; and
- Exposure to adverse movements in equity prices which may have negative flow-on effects to the revenue derived from the management of clients' investment portfolios.

(a) Market risk (continued)

The Group seeks to reduce market risk by adhering to the prudent investment guidelines as documented in the respective product disclosure statements, information memorandum and portfolio construction guidelines.

PRICE RISK SENSITIVITY ANALYSIS

The table below summarises the pre-tax impact of both a general fall and general increase in market prices by 5% at the end of the reporting period. The analysis is based on the assumption that the movements are spread equally over all assets in the investment and trading portfolios.

	30 JUNE 2023		30 JUNE 2022	
	5% INCREASE IN MARKET PRICES	5% DECREASE IN MARKET PRICES	5% INCREASE IN MARKET PRICES	5% DECREASE IN MARKET PRICES
Impact on profit (pre-tax)	$703,369	($703,369)	$ 756,829	($ 756,829)

(ii) Interest rate risk management

The Group is exposed to interest rate risk because at balance date, the Group has a significant proportion of its assets held in interest-bearing bank accounts and deposits at call. As such, the Group's revenues and assets are subject to interest-rate risk to the extent that the cash rate falls over any given period. The majority of the Group's interest-bearing assets are held with reputable banks to ensure the Group obtains competitive rates of return while providing sufficient liquidity to meet cash flow requirements. Given that the Group does not have – nor has it ever had - any material interest-bearing borrowings/liabilities at balance date, the Board and management do not consider it necessary to hedge the Group's exposure to interest rate risk.

INTEREST RATE RISK SENSITIVITY ANALYSIS

The table below summarises the pre-tax impact on the Group's profits due to both a decrease and increase in interest rates by 100 basis points (one percentage point) at the end of the reporting period. The analysis is based on the assumption that the change is based on the weighted average rate of interest on cash at bank and cash on deposit for the year (1.26% weighted average interest rate in 2023 and 0.22% weighted average interest rate in 2022).

	30 JUNE 2023		30 JUNE 2022	
	100 BPS INCREASE IN INTEREST RATE	100 BPS DECREASE IN INTEREST RATE	100 BPS INCREASE IN INTEREST RATE	100 BPS DECREASE IN INTEREST RATE
Impact on profit (pre-tax)	$43,828	($43,828)	$86,975	($86,975)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

(i) Cash and cash equivalents
The maximum credit risk of the Group in relation to cash and cash equivalents is the carrying amount and any accrued unpaid interest. The average weighted maturity of the cash portfolio at any given time is no greater than 90 days. All financial assets that are not impaired or past due are of good credit quality as the counterparties are banks with high credit ratings assigned by credit-rating agencies.

(ii) Trade and other receivables
The maximum credit risk of the Group in relation to trade and other receivables is their carrying amounts. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the ability to close out market positions. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group's management and its Board actively review the liquidity position on a regular basis to ensure the Group is always in a position to meet its debts and commitments on a timely basis.

(i) Maturities of financial liabilities
The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been prepared based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group is liable to meet its obligations. The table includes both interests (where applicable) and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

MATURITY ANALYSIS – GROUP 2023	CARRYING AMOUNT $	CONTRACTUAL CASH FLOWS $	LESS THAN 6 MONTHS $	6 – 12 MONTHS $	1-3 YEARS $
Financial liabilities					
Trade and other payables	2,972,239	2,972,239	2,924,147	-	48,092
Lease liabilities	1,010,180	1,064,659	258,629	258,629	547,401
Deferred consideration payable	2,629,124	2,796,000	700,000	600,000	1,496,000
Total financial liabilities	6,611,543	6,832,898	3,882,776	858,629	2,091,493

MATURITY ANALYSIS – GROUP 2022	CARRYING AMOUNT $	CONTRACTUAL CASH FLOWS $	LESS THAN 6 MONTHS $	6 – 12 MONTHS $	1-3 YEARS $
Financial liabilities					
Trade and other payables	2,900,740	2,900,740	2,803,914	-	96,826
Lease liabilities	1,436,017	1,552,937	244,139	244,139	1,064,659
Total financial liabilities	4,336,757	4,453,677	3,048,053	244,139	1,161,485

Trade and other payables are non-interest bearing, unsecured and generally payable within 30 days from the date of service/supply.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(d) Fair value risk

The Group seeks to reduce market risk by adhering to the prudent investment guidelines of its Investment Committee.

(i) Fair value measurements recognised in the consolidated Statement of Financial Position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liability that are not based on observable market data (unobservable inputs).

All financial instruments that are measured subsequent to initial recognition at fair value comprise financial assets at fair value through profit or loss.

AT 30 JUNE 2023	LEVEL 1 $	LEVEL 2 $	LEVEL 3 $	TOTAL $
Financial assets at fair value through profit or loss				
- Listed equities	4,650,301	-	-	4,650,301
- Unlisted unit trusts	-	-	-	-
	4,650,301	**-**	**-**	**4,650,301**

AT 30 JUNE 2022	LEVEL 1 $	LEVEL 2 $	LEVEL 3 $	TOTAL $
Financial assets at fair value through profit or loss				
- Listed equities	5,137,064	-	-	5,137,064
- Unlisted unit trusts	-	65,622	-	65,622
	5,137,064	**65,622**	**-**	**5,202,686**

(i) Valuation technique

LISTED INVESTMENTS

When fair values of publicly traded equities are based on quoted market prices in an active market, the instruments are included within Level 1 of the hierarchy. The Group values these investments at closing prices at year end.

UNLISTED UNIT TRUSTS

Investments in unlisted unit trusts are recorded at the redemption value per unit as reported by the investment managers of such funds and are included within Level 2 of the hierarchy.

The carrying amounts of other financial asset and trade and other payables, are assumed to approximate their fair values due to their short-term nature.

5. Revenue

	2023 $	2022 $
Revenue from contract with customers		
Revenue from Funds management		
Management fees [1]	8,004,830	9,201,297
Performance fees [2]	490,386	-
Other fees [2]	775,882	831,389
	9,271,098	10,032,686
Revenue from Wealth Solutions		
Advice fees [1]	2,854,330	190,145
Dealership, portfolio management and other fees from Madison Entities [1]	2,558,857	2,793,090
Subscription fees from investment software [1]	111,460	221,914
Other fees [2]	133,641	105,130
	5,658,288	3,310,279
Direct investments income		
Dividends and distributions	402,649	321,168
Interest income	55,292	18,749
	457,941	339,917
TOTAL REVENUE	15,387,327	13,682,882

[1] Revenue from contracts with customers recognised over time
[2] Revenue from contracts with customers recognised at a point in time

Refer to Note 26(b) for an analysis of revenue by segment.

6. Expenses

	2023 $	2022 $
Loss for the year before income tax includes the following specific expenses:		
Employee benefits expense		
Employee benefits expense (excluding superannuation)	9,499,336	6,895,461
Defined contribution superannuation expense	761,299	597,105
Share-based payment expense recognised (Note 25 (c))	43,475	65,436
Total Employee benefits expense	**10,304,110**	**7,558,002**
Finance liabilities measured at amortised cost		
Interest on lease liabilities	62,441	86,850
Unwinding of discount – Deferred consideration payable	131,883	-
Interest - other	43,849	-
Total finance costs	**238,173**	**86,850**
Other expenses		
Rental expenses relating to short-term leases	219,010	54,316
Total occupancy-related costs	**219,010**	**54,316**
Depreciation and amortisation		
Depreciation of property, plant and equipment (Note 14)	69,722	74,534
Depreciation of right-of-use assets (Note 15)	429,444	429,444
Amortisation of contract costs (Note 17)	56,160	56,160
Amortisation of investment management contracts (Note 18 (a))	260,348	300,747
Amortisation of software licences (Note 18 (a))	338,160	115,791
Amortisation of customer relationships and customer lists (Note 18 (a))	322,878	101,563
Total Depreciation and amortisation	**1,476,712**	**1,078,239**

7. Statement of cashflows

(a) Reconciliation of cash

	2023 $	2022 $
For the purposes of the Statement of Financial Position and Statement of Cash Flows, cash and cash equivalents comprise:		
Cash and bank balances	**2,173,769**	**8,141,740**

Cash at bank is interest bearing. Cash at bank and deposits at call bear floating interest rates between 0.1% and 1.88% (2022: 0.02% and 0.40%).

The cash and cash equivalents as at end of 30 June 2023 includes $1.15 million (2022: $1.83 million) of cash held on behalf of Authorised Representatives of Madison Financial Group Pty Limited.

(b) Reconciliation of profit for the year to net cash flows from operating activities

	2023 $	2022 $
(Loss)/profit for the year attributable to the owners of the Company	**(1,867,667)**	**96,905**
Adjustment for non-cash items:		
Depreciation and amortisation expense	**1,476,712**	**1,078,239**
Non-cash share-based payment expense	**43,475**	**65,436**
Share of loss of associate	**-**	**30,268**
Finance costs paid	**194,324**	**86,850**
Change in operating assets and liabilities		
Trade and other receivables and other assets	**(526,343)**	**1,655,700**
Financial assets at fair value through profit or loss	**551,783**	**467,986**
Trade and other payables and contract liabilities	**175,398**	**(1,580,847)**
Current tax asset	**(67,144)**	**(437,902)**
Deferred tax assets and liabilities	**(490,364)**	**(127,138)**
Provisions	**(7,907)**	**(46,032)**
Net cash (used in)/provided by operating activities	**(517,733)**	**1,289,465**

8. Income tax expense

(a) Income tax expense

	2023 $	2022 $
Current tax expense	16,575	242,619
Deferred tax expense	(490,364)	(127,136)
	(473,789)	115,483
Deferred income tax expense included in income tax expense comprises:		
(Increase)/decrease in deferred tax assets (Note 16)	(487,701)	69,530
(Decrease)/increase in deferred tax liabilities (Note 16)	(2,663)	(196,666)
	(490,364)	(127,136)

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	2023 $	2022 $
(Loss)/profit before income tax expense	(2,341,456)	213,973
Tax at the Australian tax rate of 25% (2022: 25%)	(585,364)	53,493
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Amortisation of intangibles	232,735	131,276
Share-based payment expense	10,869	16,359
Tax rate changes	-	(53,889)
Franking credits on dividends	(96,698)	(100,660)
Sundry items	(35,331)	68,904
Income tax expense	(473,789)	115,483

9. Dividends

(a) Dividends provided for and paid during the year

	2023 $	2022 $
Final dividend in respect of the previous financial year – 0.4 cents per share fully franked (2022: 1.5 cents per share fully franked)	**289,100**	**1,097,787**
Interim dividend in respect of the current financial year – $Nil (2022: 1.0 cent per share fully franked)	**-**	**724,008**
	289,100	**1,821,795**
Fully franked portion	**289,100**	**1,821,795**

(b) Dividends not recognised at year end

Proposed fully franked dividend – Nil cents per share (2022: 0.4 cents per share)	**-**	**289,100**

(c) Franking account balance

Amount of franking credits available for subsequent financial years are:		
Franking account balance brought forward	**496,232**	**288,762**
Franking (debits)/ credits arising from income tax (refund)/payment	**(112,455)**	**680,522**
Franking credits from dividends received	**128,931**	**134,213**
Franking debits from payment of dividends	**(96,367)**	**(607,265)**
Balance of franking account at year end	**416,341**	**496,232**
Franking credits that will arise from income tax (receivable)/payable	**(104,278)**	**(238,629)**
Imputation debits that will arise from the payments of dividends declared but not recognised in the financial statements at 25% corporate tax rate (2022: 25%)	**-**	**(96,367)**
Adjusted franking account balance after payment of unrecognised dividend amounts	**312,063**	**161,236**

10. Trade and other receivables - Current

	2023 $	2022 $
Trade receivables	**1,129,692**	1,010,849
Claims receivable (e)	**1,637,366**	705,607
Other receivables	**376,570**	368,309
	3,143,628	2,084,765

a. Trade receivables are generally subject to 30-day terms. No interest is charged on outstanding trade receivables.

b. The Group did not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

c. Trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of the respective clients, historic recovery rates, and actual collection subsequent to the year end, it is expected that these amounts will be received when due. The trade receivables primarily relate to management, performance and licensee fees receivable which are considered low risk as they are usually collected within 30 days.

d. The carrying amounts of trade and other receivables are considered to represent a reasonable approximation of their fair values and are stated at net of expected credit losses.

e. Claims receivable represents amounts paid by the Company for claims (under a limited indemnity) and adjustments related to post-completion revenues of Madison entities. Subsequent to the year-end, an amount of $886,533 was received out of the $2.5 million held in escrow created as part of the acquisition of Madison Entities with SC Australian Holdings 1 Pty Limited.

11. Other current assets

	2023 $	2022 $
Prepayments and deposits	**360,660**	672,548

12. Financial assets at fair value through profit or loss - Current

	2023 $	2022 $
Listed equities	**4,650,301**	5,137,064
Unlisted unit trusts	-	65,622
	4,650,301	5,202,686

13. Investments in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 2(b).

NAME OF ENTITY	COUNTRY OF INCORPORATION	CLASS OF SHARES	EQUITY HOLDING * 2023 %	EQUITY HOLDING * 2022 %
Clime Asset Management Pty Ltd	Australia	Fully Paid Ordinary	**100**	**100**
Stocks In Value Pty Ltd	Australia	Fully Paid Ordinary	**100**	**100**
Clime Private Wealth Pty Ltd	Australia	Fully Paid Ordinary	**100**	**100**
Clime Investors Education Pty Ltd	Australia	Fully Paid Ordinary	**100**	**100**
CBG Asset Management Limited	Australia	Fully Paid Ordinary	**100**	**100**
Madison Financial Group Pty Limited	Australia	Fully Paid Ordinary	**100**	**100**
AdviceNet Pty Limited	Australia	Fully Paid Ordinary	**100**	**100**
ProActive Portfolios Pty Limited	Australia	Fully Paid Ordinary	**100**	**100**
WealthPortal Pty Limited	Australia	Fully Paid Ordinary	**100**	**100**
Ralton AM Pty Limited	Australia	Fully Paid Ordinary	**100**	**75**
MTIS Wealth Management Pty Ltd	Australia	Fully Paid Ordinary	**100**	-
Investment Strategist Accounting Services Pty Ltd	Australia	Fully Paid Ordinary	**100**	-
Optimise Advice Services Pty Ltd	Australia	Fully Paid Ordinary	**100**	-

* The proportion of ownership interest is equal to the proportion of voting power held.

14. Property, plant and equipment

	2023 $	2022 $
Property, plant and equipment - at cost	785,549	724,363
Accumulated depreciation and impairment	(648,712)	(578,990)
Written down value of property, plant and equipment	**136,837**	**145,373**

	2023 $	2022 $
Reconciliation		
Carrying value at beginning of the year	145,373	163,990
Additions during the year	61,186	55,917
Depreciation charge for the year	(69,722)	(74,534)
Carrying amount at end of the year	**136,837**	**145,373**

15. Leases

The Group has a lease contract on its main office in Sydney which has a term of five years. The Group also has leases on its Brisbane and Melbourne offices with lease terms of 12 months or less wherein the Group applies the "short term lease" recognition exemptions for these leases.

Amounts recognised in the Statement of Financial Position

The Statement of Financial Position shows the following amounts relating to leases:

	2023 $	2022 $
Right-of-use assets		
Building under lease arrangement		
At cost	2,147,222	2,147,222
Accumulated depreciation	(1,288,332)	(858,888)
Carrying amount at 30 June	858,890	1,288,334

Reconciliation of the carrying amount of lease assets at the beginning and end of the financial year:	Office Space	Office Space
Carrying amount at 1 July	1,288,334	1,717,778
Additions during the year	-	-
Depreciation	(429,444)	(429,444)
Carrying amount at 30 June	858,890	1,288,334

Lease liabilities		
Current	477,392	425,835
Non-current	532,788	1,010,182
	1,010,180	1,436,017

An analysis of the remaining contractual maturities of lease liabilities is disclosed in Note 4(c).

Lease expenses and cashflows		
Finance costs on lease liabilities	62,441	86,850
Principal elements of lease payments	425,835	377,884
Expenses relating to leases of 12 months or less (for which a lease asset and lease liability have not been recognised)	219,010	54,316
Total cash outflow in relation to leases	707,286	519,050
Depreciation expense on lease assets	429,444	429,444

16. Deferred tax assets and deferred tax liabilities

(a) Deferred tax assets

	2023 $	2022 $
The balance comprises temporary differences attributable to:		
Financial assets at fair value through profit or loss	20,617	54,250
Contract liabilities	12,023	24,206
Employee benefits	255,669	169,520
Accrued expenses	110,395	12,387
Tax losses carried forward on revenue account	349,360	-
Tax losses carried forward on capital account	177,981	177,981
Deferred tax assets	**926,045**	**438,344**
Movements		
Opening balance at 1 July	438,344	507,874
Credited/(charged) to profit or loss (Note 8(a))	487,701	(69,530)
Closing balance at 30 June	**926,045**	**438,344**

(b) Deferred tax liabilities

	2023 $	2022 $
The balance comprises temporary differences attributable to:		
Financial assets at fair value through profit or loss	-	2,663
Deferred tax liabilities	**-**	**2,663**
Movements:		
Opening balance at 1 July	2,663	199,329
Charged to the profit or loss (Note 8(a))	(2,663)	(196,666)
Closing balance at 30 June	**-**	**2,663**
Net deferred tax assets (a – b)	**926,045**	**435,681**

17. Contract Costs

	2023 $	2022 $
Contract Costs	**365,040**	**421,200**

Contract costs represent payments made by the Group to obtain an Investment Management Agreement.

These costs are amortised on a straight-line basis over the period of the Investment Management Agreement as this reflects the period over which the Investment Management Services will be provided.

In FY 2023, amortisation amounting to $56,160 (2022: $56,160) was recognised in the consolidated statement of profit or loss. There was no impairment during the year (2022: $Nil).

18. Intangible assets

	2023 $	2022 $
Goodwill:		
At cost	**12,548,431**	**8,613,884**
Investment management contracts and relationships:		
At cost	5,160,480	5,160,480
Accumulated amortisation	(4,373,741)	(4,113,393)
	786,739	**1,047,087**
Software licences:		
At cost	1,725,727	1,285,613
Accumulated amortisation	(955,293)	(617,132)
	770,434	**668,481**
Customer relationship and customer list:		
At cost	5,077,747	1,990,023
Accumulated amortisation	(1,034,485)	(711,607)
	4,043,262	**1,278,416**
Closing balance at 30 June	**18,148,866**	**11,607,868**

18. Intangible assets (continued)

(a) Reconciliations

2023 - Consolidated	GOODWILL	INVESTMENT MANAGEMENT CONTRACTS & RELATIONSHIPS	SOFTWARE LICENCES	CUSTOMER RELATIONSHIPS & CUSTOMER LISTS	TOTAL
	$	$	$	$	$
Carrying amount at beginning of year	8,613,884	1,047,087	668,481	1,278,416	11,607,868
Additions	3,934,547	-	440,113	3,087,724	7,462,384
Deletions	-	-	-	-	-
Amortisation expense[1]	-	(260,348)	(338,160)	(322,878)	(921,386)
Carrying amount at end of year	**12,548,431**	**786,739**	**770,434**	**4,043,262**	**18,148,866**

2022 - Consolidated	GOODWILL	INVESTMENT MANAGEMENT CONTRACTS & RELATIONSHIPS	SOFTWARE LICENCES	CUSTOMER RELATIONSHIPS & CUSTOMER LISTS	TOTAL
	$	$	$	$	$
Carrying amount at beginning of year	8,613,884	1,347,834	404,222	1,147,979	11,513,919
Additions	-	-	380,050	232,000	612,050
Deletions	-	-	-	-	-
Amortisation expense[1]	-	(300,747)	(115,791)	(101,563)	(518,101)
Carrying amount at end of year	**8,613,884**	**1,047,087**	**668,481**	**1,278,416**	**11,607,868**

[1] Amortisation of $921,386 (2022: $518,101) is included in the consolidated Statement of Profit or Loss and Other Comprehensive Income.

(b) Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to the applicable cash-generating unit for impairment testing. Each cash-generating unit represents a business operation of the Group.

CASH-GENERATING UNIT	FUNDS MANAGEMENT	INVESTMENT SOFTWARE AND EDUCATION	WEALTH MANAGEMENT	TOTAL
	$	$	$	$
2023 - Consolidated				
Balance at the beginning of the year	4,996,884	325,000	3,292,000	8,613,884
Recognised on acquisition (note 32)	206,343	-	3,728,204	3,934,547
Other movements during the year	325,000	(325,000)	-	-
Balance at end of year	**5,528,227**	**-**	**7,020,204**	**12,548,431**
2022 - Consolidated				
Balance at the beginning of the year	4,996,884	325,000	3,292,000	8,613,884
Movements during the year	-	-	-	-
Balance at end of year	**4,996,884**	**325,000**	**3,292,000**	**8,613,884**

(b) Impairment testing of goodwill (continued)

Funds management

The recoverable amount of the cash generating unit has been determined based on a value-in-use calculation which uses cash flow projections based on financial budgets, normalised EBITDA for a period of five years, a pre-tax discount rate of 14.70% per annum and a growth rate of 5% per annum.

Licensee business

The recoverable amount of this cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets, normalised EBITDA for a period of five years, a pre-tax discount rate of 19% (2022: 16%) per annum and a growth rate of 5% per annum.

Management believe that any reasonably possible change in the key assumptions on which the recoverable amount of the cash generating unit is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related cash generating unit.

19. Trade and other payables

	2023 $	2022 $
Unsecured:		
Trade payables	742,426	1,036,148
Dividends on shares issued under the Employee Incentive Scheme	32,562	27,326
Accruals	1,315,647	526,203
Licensee fees payable	1,021,698	1,088,293
Other payables	264,507	453,481
	3,376,840	**3,131,451**

Trade and other payables are generally settled on 30-day terms, where are Licensee fees payable are settled within 15-days. Due to the short-term nature of these payables, their carrying values represent a reasonable approximation of their fair values.

20. Provisions

	2023 $	2022 $
Employee benefits – current		
Annual leave	528,788	417,539
Long service leave	229,110	199,054
	757,898	**616,593**
Employee benefits - non-current		
Long service leave	**75,776**	**61,487**

21. Issued capital

(a) Share capital

	PARENT EQUITY		PARENT EQUITY	
	2023 Shares	2022 Shares	2023 $	2022 $
Ordinary shares				
Fully paid	**71,160,265**	**70,975,080**	**25,587,865**	**25,487,865**

[1] Note that the number of shares on issue above will differ from the number of shares on issue as notified to the Australian Securities and Investments Commission and the Australian Securities Exchange. This is due to the application of AASB 2 Share-based Payment which treats the shares issued under the Employee Incentive Scheme as 'in-substance options' for statutory reporting purposes. Refer to Note 2(p)(v) for further information.

As at 30 June 2023, there are 1,300,000 (2022: 1,300,000) fully paid ordinary shares issued under the Employee Incentive Scheme as 'in- substance options', which are not included in the fully paid ordinary shares disclosed above.

(b) Movements in ordinary share capital

DATES	DETAILS	NUMBER OF SHARES	$
30 June 2021	**Balance**	**64,708,505**	**21,539,410**
September to October 2021	Issue of ordinary shares by way of placements and share purchase plan	6,677,285	4,139,936
September to October 2021	Cost of issuing capital – net of tax	-	(38,300)
December 2021 to June 2022	Shares bought back on-market and cancelled	(806,760)	(473,762)
December 2021 to June 2022	Transaction costs arising from on-market buy-back	-	(570)
December 2021	Transfer of loan repayments to issued capital on completion of Employee Incentive Scheme (EIS) loan term	350,000	250,901
December 2021	Transfer from share-based payments reserve to issued capital on completion of EIS loan term	-	42,850
22 December 2021	Issue of ordinary shares under CIW ESP	46,050	27,400
30 June 2022	**Balance**	**70,975,080**	**25,487,865**
15 December 2022	Issue of shares for acquisition of Ralton AM Pty Ltd	185,185	100,000
30 June 2023	**Balance**	**71,160,265**	**25,587,865**

21. Issued capital (continued)

(c) Terms and conditions

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

(d) On-market share buy-back

During the financial year ended 30 June 2023, Clime Investment Management Limited, in accordance with its on-market share buy-back scheme, did not undertake a share buy-back (2022: 806,760) shares. The number of shares, if any, bought back and cancelled was within the '10/12 limit' imposed by s257B of the *Corporations Act 2001*, and as such, shareholder approval was not required.

(e) Employee Incentive Scheme ("EIS")

As at 30 June 2023, there are 1,300,000 (2022: 1,300,000) EIS 'in-substance' options on issue. Share options granted under the Company's EIS carry rights to dividends and voting rights. Refer to Note 25(a) for a schedule of the movements in EIS options on issue during the year.

No new share options were granted under the Company's EIS in the current financial year.

(f) Employee Share Plan ("ESP")

During FY2023, the Company did not issue any new shares (FY2022: 46,050) under the Clime Employee Share Plan.

The participants under the ESP are entitled to dividends and are subject to a 3-year lock-in- period in accordance with the plan rules. The fair value of these shares issued, if any, are immediately expensed to profit or loss account.

Refer to Note 25(b) for the shares issued under ESP for the year.

(g) Capital Risk Management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure and to reduce the cost of capital.

The Group's capital structure currently consists of total equity, as recognised in the Statement of Financial Position.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid, return capital to shareholders, issue new shares from time to time or buy back its own shares. The Group's strategy is unchanged from 2022.

22. Reserves and retained earnings

(a) Reserves

	2023 $	2022 $
Share-based payments reserve	**333,612**	**290,137**
Movements		
Share-based payments reserve		
Balance 1 July	**290,137**	**294,951**
Share-based payment expense recognised	**43,475**	**38,036**
Transfer to issued capital on completion of EIS loan term	-	**(42,850)**
Balance 30 June	**333,612**	**290,137**

(b) Accumulated losses

	2023 $	2022 $
Movements in retained earnings were as follows:		
Balance 1 July	(482,851)	1,242,039
Net (loss)/profit for the year attributable to owners of the Group	(1,867,667)	96,905
Adjustment arising from change in non-controlling interest - Ralton AM Pty Ltd	(16,394)	-
Dividends (Note 9)	(289,100)	(1,821,795)
Balance 30 June	**(2,656,012)**	**(482,851)**

(c) Nature and purpose of reserves

Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options issued to employees but not exercised.

23. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Parent Entity (Pitcher Partners) and its related practices:

	2023 $	2022 $
Audit and review of financial statements - Pitcher Partners	293,110	159,057
Taxation matters - Pitcher Partners	12,854	12,745
Other matters - Pitcher Partners	-	1,000
Total services provided by Pitcher Partners	**305,964**	**172,802**
Other auditors (excluding Pitcher Partners)		
Audit and review of financial statements - KPMG	9,424	8,310
Others	11,550	1,020
	20,974	**9,330**

24. Earnings/(loss) per share

(a) Basic and diluted earnings/(loss) per share

	2023 CENTS	2022 CENTS
Basic and diluted earnings/(loss) per share	**(2.6)**	**0.1**

(b) Diluted earnings per share

(Loss)/profit attributable to the ordinary equity holders of the Group used in calculating basic and diluted earnings/(loss) per share	**(1,867,667)**	**96,905**

(c) Reconciliations of weighted average numbers of shares

	2023 $	2022 $
Weighted average number of ordinary shares used in the calculation of basic earnings per share	**71,075,029**	**69,451,157**
Weighted average number of ordinary shares deemed to be issued for no consideration in respect of - Employee Incentive Scheme	**-**	**1,571,781**
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	**71,075,029**	**71,022,938**

(d) Options issued under Employee Incentive Scheme

Options granted under the Employee Incentive Scheme are considered to be anti-dilutive and have not been included in the determination of basic and diluted earnings/(loss) per share.

25. Share-based payments

(a) Employee Incentive Scheme (EIS)

The Clime Investment Management Limited EIS was approved by shareholders at the Company's Annual General Meeting held on 25 October 2007.

The EIS provides an opportunity for eligible employees, as determined by the Board from time to time, to purchase shares in the Company via the provision of an interest-free, non-recourse loan.

Shares issued in accordance with the EIS are subject to certain restrictions for the duration of the loan, including continued employment with the Company and share transfer locks. Upon the expiration of the loan term, and the repayment of the outstanding loan balance by relevant employees, the shares become unconditional. Shares issued under the EIS rank equally with other fully paid ordinary shares.

Due to certain aspects of the EIS - specifically the share transfer locks and non-recourse nature of the loans - the Company is required to classify shares issued under the EIS as 'in-substance options' in accordance with AASB 2 Share-based Payment.

It should be noted that the application of this accounting policy will therefore result in differences between the number of shares on issue as disclosed in the Company's statutory reports, and the number of shares on issue as advised to the Australian Securities Exchange.

There were no in-substance options granted during the current financial year.

Set out below is a summary of in-substance options previously granted under the plan:

GRANT DATE	VESTING / EXPIRY DATE	EXERCISE PRICE	BALANCE AT START OF THE YEAR	GRANTED DURING THE YEAR	EXERCISED DURING THE YEAR	TRANSFERRED/ FORFEITED DURING THE YEAR	BALANCE AT THE END OF THE YEAR	VESTED AND EXERCISABLE AT END OF THE YEAR
2023			NUMBER	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER
30/04/2021	29/04/2024	$0.575	400,000	-	-	-	400,000	-
23/06/2021	22/06/2024	$0.573	550,000	-	-	-	550,000	-
22/03/2022	21/03/2025	$0.582	350,000	-	-	-	350,000	-
Total			**1,300,000**	**-**	**-**	**-**	**1,300,000**	**-**
Weighted average exercise price				**$0.576**				

(a) EIS (continued)

GRANT DATE	VESTING / EXPIRY DATE	EXERCISE PRICE	BALANCE AT START OF THE YEAR	GRANTED DURING THE YEAR	EXERCISED DURING THE YEAR	TRANSFERRED/ FORFEITED DURING THE YEAR	BALANCE AT THE END OF THE YEAR	VESTED AND EXERCISABLE AT END OF THE YEAR
2022			NUMBER	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER
25/10/2013	03/01/2022	$0.829	100,000	-	(100,000)	-	-	-
11/09/2015	03/01/2022	$0.700	150,000	-	(150,000)	-	-	-
20/07/2016	03/01/2022	$0.630	100,000	-	(100,000)	-	-	-
30/04/2021	29/04/2024	$0.575	400,000*	-	-	-	400,000	-
23/06/2021	22/06/2024	$0.573	1,050,000	-	-	(500,000)	550,000	-
22/03/2022	21/03/2025	$0.582	-	350,000	-	-	350,000	-
Total			**1,800,000**	**350,000**	**(350,000)**	**(500,000)**	**1,300,000**	-
Weighted average exercise price				**$0.576**				

* In-substance options granted to the Chief Executive Officer.

The weighted average contractual life of in-substance options outstanding at the end of the period was 1.14 years (2022: 2.14 years).

The assessed fair value at grant date of in-substance options granted to the individuals is allocated equally over the period from grant date to vesting date. Fair values at grant date are determined by using a binomial distribution model to statistically estimate the future probability of the in-substance options vesting and the amounts that these in-substance options would be worth. The valuation was performed as at the grant date of each in-substance option issued.

The model inputs for in-substance options granted during the previous financial year ended 30 June 2022 included:

- in-substance options are granted via an interest free, non-recourse loan and vest based on the terms discussed above;
- in-substance options become unconditional on the date of their vesting following the repayment of the outstanding loan balance;
- exercise price: The forecast outstanding loan principal at the expiration of the loan term is equivalent to the exercise price variable in a standard option valuation. The forecast outstanding loan principal is $0.56 per share (for in-substance options issued with a three-year term);
- vesting date: 3 years from the grant date;
- expected price volatility of the Company's shares: between 30.2% and 34.3%;
- risk-free interest rate: 1.35%; and
- discount rate: 12%.

The fair values per in-substance option at the grant date were:

NUMBER OF OPTIONS	GRANT DATE	EXERCISE PRICE	VALUE PER OPTION AT GRANT DATE	VESTING / EXPIRY DATE
400,000	30/04/2021	$0.575	$0.108	29/04/2024
550,000	23/06/2021	$0.573	$0.108	22/06/2024
350,000	22/03/2022	$0.582	$0.120	21/03/2025
1,300,000				

(b) ESP

There were no shares granted under the ESP during the current financial year. The fair value of the shares issued under the ESP of $Nil (2022: $ 27,400) was expensed to the Statement of Comprehensive Income immediately on issue.

(c) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year as part of the employee benefit expense were as follows:

	2023 $	2022 $
Option expense		
Employee Incentive Scheme	43,475	38,036
Employee Share Plan Scheme	-	27,400
	43,475	**65,436**

26. Segment information

(a) Description of segments

Our internal reporting system produces reports in which business activities are presented in a variety of ways. Based on these reports, the Directors, who are responsible for assessing the performance of various components of the business and making resource allocation decisions as Chief Operating Decision Makers (CODM), evaluate business activities in a number of different ways.

During the year ended 30 June 2023, the Group made a reclassification of its operating segments following the acquisition of MTIS Wealth Management Pty Limited, Investment Strategists Accounting Services Pty Limited and Ralton AM Pty Limited.

The revised Group's reportable segments under AASB 8 Operating Segments are as follows:

- Investment Management
- Licensee Services
- Corporate Centre

Investment Management

The Group's Investment Management businesses provides a range of investment management services through Clime Asset Management Pty Ltd, CBG Asset Management Limited and Ralton AM Pty Limited businesses.

These businesses generate operating revenue (investment management and performance fees) as remuneration for managing the investment portfolios of individuals, corporations and mandates.

The Group's private wealth business through Clime Private Wealth Pty Limited, MTIS Wealth Management Pty Limited, and Investment Strategists Accounting Services Pty Limited delivers tailored private wealth advisory services for its wholesale, sophisticated and retail clients.

Revenue generated from external subscriptions to the Group's proprietary web-based investment software, Stocks In Value Pty Limited (trading as Clime Direct), are also included within this segment.

Licensee Services

Licensee Services includes the businesses of Madison Financial Group Pty Limited, AdviceNet Pty Limited, WealthPortal Pty Limited, ProActive Portfolios Pty Limited and Optimise Advice Services Pty Limited.

These entities generate operating revenue in the form of Licensee fees from Authorised Representatives (Madison and Optimise) and portfolio management fees (AdviceNet, ProActive and WealthPortal).

Corporate Centre

Corporate centre includes the results of the Group's investments held in Clime Capital Limited and Group costs including unallocated group employees, and unallocated expenses relating to Group's support functions.

The previous year's information has been restated to reflect the above change.

(b) Reportable Segments

2023	INVESTMENT MANAGEMENT	LICENSEE SERVICES	INTER-SEGMENT ELIMINATIONS	CORPORATE CENTRE	CONSOLIDATED
	$	$	$	$	$
Segment revenue					
Sales to external clients	12,143,749	2,558,857	-	226,780	14,929,386
Intersegment sales	-	476,008	(476,008)	-	-
Investment income	-	-	-	457,941	457,941
Other income	-	-	-	-	-
Total segment revenue	**12,143,749**	**3,034,865**	**(476,008)**	**684,721**	**15,387,327**
Net realised and unrealised gains on financial assets at fair value through profit or loss	-	-	-	53,625	53,625
Net group result before tax	3,017,593	24,875	-	(5,383,924)	(2,341,456)
Income tax benefit/(expense)	-	-	-	-	473,789
Loss for the year					**(1,867,667)**
Depreciation and amortisation expense	324,765	35,008	-	1,116,939	1,476,712

2022	INVESTMENT MANAGEMENT	LICENSEE SERVICES	INTER-SEGMENT ELIMINATIONS	CORPORATE CENTRE	CONSOLIDATED
	$	$	$	$	$
Segment revenue					
Sales to external clients	10,393,821	2,793,090	-	156,054	13,342,965
Intersegment sales	-	64,554	(64,554)	-	-
Investment income	-	-	-	339,917	339,917
Other income	-	309,943	-	-	309,943
Total segment revenue	**10,393,821**	**3,167,587**	**(64,554)**	**495,971**	**13,992,825**
Net realised and unrealised gains on financial assets at fair value through profit or loss	-	-	-	(875,228)	(875,228)
Net group result before tax	3,799,660	498,422	-	(4,084,109)	213,973
Income tax expense	-	-	-	-	(115,483)
Profit for the year	**-**				**98,490**
Depreciation and amortisation expense	546,566	-	-	531,673	1,078,239

(c) Segment assets and liabilities

Information about the segment assets and liabilities are not regularly reviewed by the CODM. As a result, information relating to segment assets and liabilities are not presented. The Group operates in the geographical segments of Australia.

(d) Information about major clients

Included in revenues arising from the funds management business of $12.1 million (2022: $10.4 million) (see Note 26 (b) above) are revenues of approximately $1.7 million (2022: $1.3 million) which arose from services provided to the Group's largest client.

27. Subsequent Events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

28. Contingent liabilities, contingent assets and commitments

During the previous financial year, a claim was instigated against one of the advisers operating under Madison's Australian Financial Services Licence.

The investigation has progressed and we are currently finalising the mediation process.

The Board believes that any potential liabilities will be covered against the escrow account created as part of the acquisition of Madison Entities with SC Australian Holdings 1 Pty Limited and security claims against the adviser.

Capital expenditure commitments

The Group has no contracted material capital expenditure commitments as at 30 June 2023 (2022: $Nil).

29. Key Management Personnel disclosures

(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:

	SHORT-TERM EMPLOYEE BENEFITS	POST-EMPLOYMENT BENEFITS	LONG- SERVICE LEAVE	SHARE- BASED PAYMENTS	TOTAL
	$	$	$	$	$
2023					
Remuneration of Directors and other Key Management Personnel	**1,050,902**	**74,864**	**48,654**	**19,800**	**1,194,220**
2022					
Remuneration of Directors and other Key Management Personnel	**952,951**	**61,192**	**36,134**	**20,693**	**1,070,970**

(b) Equity instrument disclosures relating to Directors and other Key Management Personnel

(i) Shareholdings

The numbers of shares (including shares issued under Employee Incentive Scheme (EIS)) in the Company held during the year by each Director of Clime Investment Management Limited and other Key Management Personnel of the consolidated entity, including their personally related entities, are set out below.

	BALANCE AT THE START OF THE YEAR	RECEIVED DURING THE YEAR ON THE EXERCISE OF OPTIONS	OTHER CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
2023	No.	No.	No.	No.
Mr. John Abernethy	**4,911,844**	-	217,506	**5,129,350**
Ms. Susan Wynne	**10,000**	-	-	**10,000**
Mr. Michael Kollo	**-**	-	-	**-**
Mr. Ronni Chalmers	**8,164,887**	-	87,121	**8,252,008***
Ms. Claire Bibby	**-**	-	-	**-**
Ms. Annick Donat	**403,000**	-	-	**403,000****

	BALANCE AT THE START OF THE YEAR	RECEIVED DURING THE YEAR ON THE EXERCISE OF OPTIONS	OTHER CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
2022	No.	No.	No.	No.
Mr. John Abernethy	**4,430,404**	-	481,440	**4,911,844**
Ms. Susan Wynne	**-**	-	10,000	**10,000**
Mr. Michael Kollo	**-**	-	-	**-**
Mr. Ronni Chalmers	**-**	-	8,164,887	**8,164,887***
Ms. Claire Bibby	**-**	-	-	**-**
Mr. Brett Spork	**35,000**	-	(35,000)	**-**
Mr. Neil Schafer	**624,058**	-	(624,058)	**-**
Mr. Peter Beaumont	**-**	-	-	**-**
Ms. Annick Donat	**401,500**	-	1,500	**403,000****

* Includes 150,000 shares issued under Employee Incentive Scheme and 1,500 shares issued under Employee Share Plan Scheme to Mr. Ronni Chalmers issued prior to the appointment as a Director.

** Includes 400,000 shares issued under Employee Incentive Scheme and 3,000 shares issued under Employee Share Plan Scheme to Ms. Annick Donat.

(c) Loans to Directors and other Key Management Personnel

$300,000 (2022: $302,200) loan to Executive Officers in relation to the EIS shares issued under the Employee Incentive Scheme (refer Note 25(a)).

There were no other loans made to Directors of Clime Investment Management Limited or other Key Management Personnel of the consolidated entity, including their personally related entities, at any stage during the financial year.

As described in Note 25(a), notional non-recourse loans exist in relation to “in substance” options issued under the Employee Incentive Scheme.

30. 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. Details of transactions between the Group and other related parties are disclosed below.

(a) Parent Entity
The Parent Entity within the Group is CIW (Clime Investment Management Limited).

(b) Subsidiaries
Interests in subsidiaries are set out in Note 13.

(c) Key Management Personnel
Disclosures relating to Key Management Personnel are set out in Note 29.

(d) Other related party transactions

1. Clime Capital Limited

i. Mr. John Abernethy and Mr. Ronni Chalmers are Directors of Clime Capital Limited.

   The Group received $160,916 (2022: $156,160) as management fees for the services rendered by two Directors and Company Secretary, reimbursement for marketing fees and shared expenses to Clime Capital Limited.

ii. Clime Investment Management Ltd directly owns 3.98% (2022: 4.44%) of the share capital of the Company as at 30 June 2023. Clime Investment Management Ltd, through the Investment Manager (held on behalf of clients), has the indirect power to dispose 3.66% (2022: 2.98%) of the Company's shares and has the indirect power to dispose 7.55% (2022: 9.17%) of the Company's Convertible Notes held by the Investment Manager's Individually Managed Accounts (IMAs) and other managed funds.

iii. Clime Asset Management Pty Limited, received $1,662,038 (2022: $1,308,541) excluding GST as remuneration for managing Clime Capital Limited's investment portfolio in full.

iv. All dividends paid and payable by Clime Capital Limited to its Directors and their related entities are on the same basis as to other shareholders.

2. Clime Fixed Interest Fund

Clime Asset Management Pty Limited during the year received $27,385 (2022: $77,928) as remuneration for managing the investment portfolios and acting as trustee of Clime Fixed Interest Fund. This fund was wound up during the current financial year.

3. Clime All Cap Australian Equities Fund (Wholesale) (formerly Clime CBG Australian Equities Fund (Wholesale))

CBG Asset Management Limited, during the year received $722,600 (2022: $677,171) as remuneration for managing the investment portfolios and acting as trustee of Clime All Cap Australian Equities Fund (Wholesale).

4. Clime Australian Equity Long Short Fund (Wholesale)

Clime Asset Management Pty Limited, during the year received $1,884 (2022: $2,034) as remuneration for managing the investment portfolios and acting as trustee of Clime Australian Equity Long Short Fund.

(e) Outstanding balances as at year end

The following balances, prior to group elimination, were outstanding at the end of the reporting period:

	AMOUNT OWED BY RELATED PARTIES		AMOUNT OWED TO RELATED PARTIES	
	30 JUNE 2023 ($)	30 JUNE 2022 ($)	30 JUNE 2023 ($)	30 JUNE 2022 ($)
Clime Capital Limited	547,921	131,239	-	-
Clime All Cap Australian Equities Fund (Wholesale)	26,838	42,963	-	-
Subsidiaries of Clime Investment Management Limited	9,335,327	8,791,583	24,373,408	21,656,843

31. Parent Entity disclosures

The following information relates to the Parent Entity Clime Investment Management Limited. The information presented has been prepared using accounting policies that are consistent with those presented in Note 2.

(a) Financial position

	2023 $	2022 $
Assets		
Current assets	10,489,887	14,534,113
Non-current assets	29,751,101	25,405,086
Total Assets	**40,240,988**	**39,939,199**
Liabilities		
Current liabilities	11,033,597	8,522,351
Non-current liabilities	1,070,085	2,707,267
Total Liabilities	**12,103,682**	**11,229,618**
Net Assets	**28,137,306**	**28,709,581**
Equity		
Issued capital	25,587,865	25,487,865
Profit reserve	24,849,832	24,849,832
Accumulated losses	(22,634,003)	(21,918,253)
Share-based payments reserve	333,612	290,137
Total Equity	**28,137,306**	**28,709,581**

(b) Financial performance

(Loss)/Profit for the year	(426,651)	3,907,976
Other comprehensive income/(loss)	-	-
Total comprehensive income	**(426,651)**	**3,907,976**

(c) Guarantees entered into by the Parent Company

The parent company provides cash backed guarantees for the lease agreement of office premises. During the year these guarantees amounted to $288,797 (2022: $288,797) and is secured by a charge over other financial assets of $295,060 (2022: $289,545).

(d) Commitments

The Entity has contracted $232,560 (2022: $230,400) for the operating lease commitments of short-term office leases.

32. Business Combinations and acquisition of non-controlling interest

A. Acquisition of MTIS Wealth Management Pty Ltd and Investment Strategist Accounting Pty Ltd

On 14 August 2022, the Company acquired 100% of the share capital of MTIS Wealth Management Pty Limited ("MTIS") and Investment Strategists Accounting Services Pty Limited (''ISAS"), with the Group obtaining beneficial ownership and rights from 1 July 2022.

MTIS is a diversified wealth management, advisory and accounting/tax services business. MTIS offers similar and complementary services to Clime Private Wealth and expands the Group's presence in Melbourne's CBD, creating new market opportunities for the Group. The Group will obtain synergies from merging the Melbourne offices and by providing administration support and AFS Licensing support by MFG.

	$
Details of the purchase consideration	
Cash	3,969,511
Equity instruments	-
Deferred consideration payable	2,497,241
Total consideration	6,466,752

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed has been provisionally allocated as follows:

	$
Assets and liabilities acquired	
Cash and cash equivalents	129,862
Identifiable intangible assets	2,963,037
Payables	(354,351)
Total identifiable assets acquired and liabilities assumed	2,738,548
Goodwill	3,728,204
Total consideration	**6,466,752**

The contingent consideration payable reflects maximum deferred consideration payable based on successful business performance criteria extending to July 2025 revising from 30 September 2024 previously agreed. Changes to the carrying value of deferred consideration payable on account of the revision payment terms of $98,624 is recognised through Goodwill.

The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is $2,796,000.

Acquisition-related costs (included in administration expenses in the statement of profit or loss and other comprehensive income) amounted to $27,367.

MTIS contributed $2.70 million revenue and $0.53 million to the Group's pre-tax profit for the period between the date of acquisition (effective 1 July 2022) and the reporting date.

Business Combinations and acquisition of non-controlling interest (continued)

Goodwill on acquisitions

The consolidated goodwill of the Group has increased by $3.93 million since 30 June 2022 to $12.55 million reflecting the MTIS, ISAS and Ralton business acquisitions. None of the goodwill is expected to be deductible for income tax purposes.

B. Acquisition of minority interest in Ralton AM Pty Ltd

On 24 February 2022, the Company acquired 75% of the share capital of Ralton AM Pty Limited ("Ralton") with the Company acquiring the remaining 25% of Ralton on 18 November 2022 for a total consideration of $300,000.

Ralton is a specialist Australian equities managed accounts provider with a value-oriented investment approach managing portfolios on behalf of retail and institutional clients. The Group will derive synergies from bringing the investment management capability and separately managed accounts / managed discretionary accounts ("SMA/MDA") operations of both businesses together providing a platform for growth.

	$
Details of the purchase consideration	
Cash paid	200,000
Shares issued	100,000
Total consideration	**300,000**

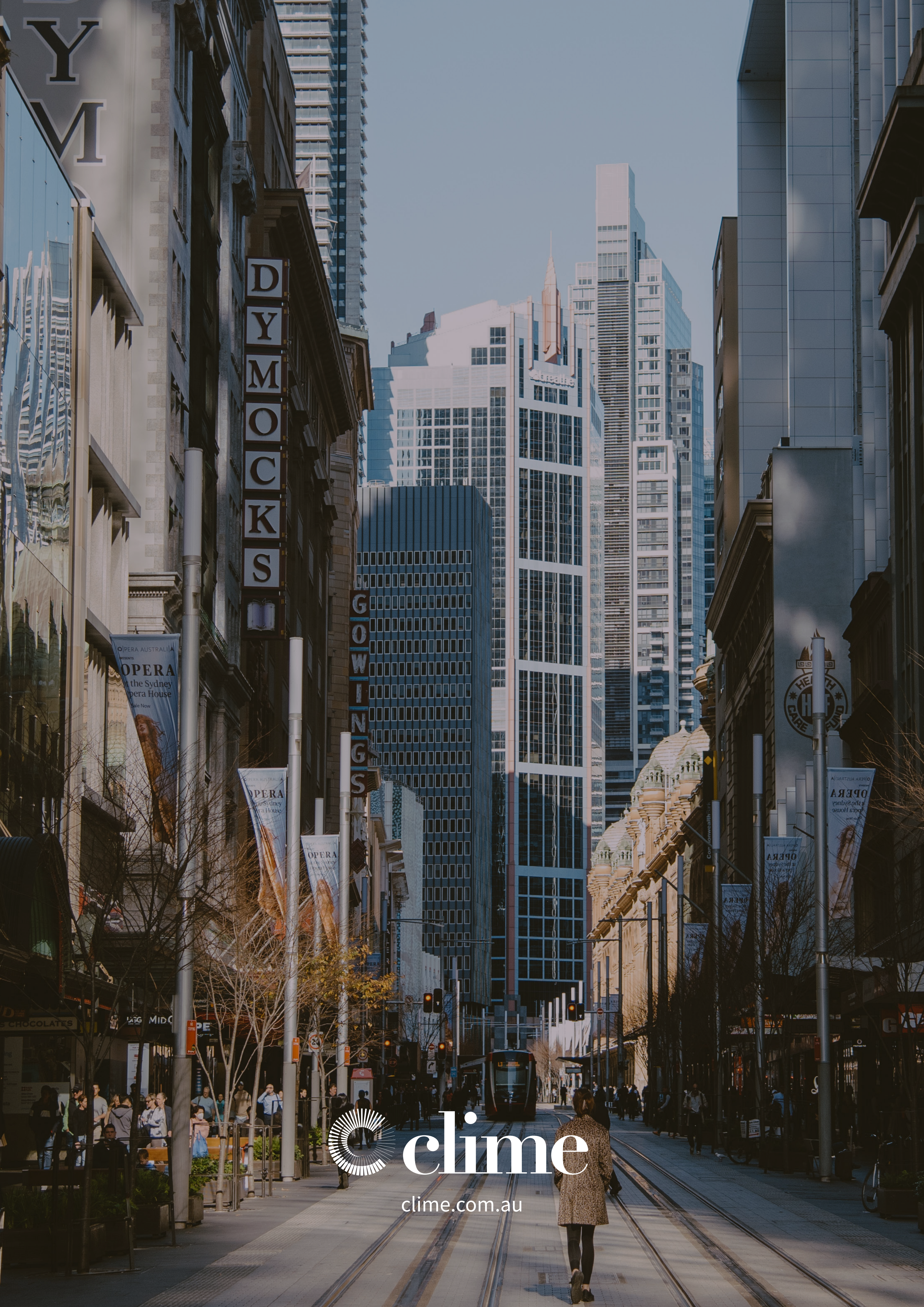
Acquisition-related costs (included in administration expenses in the statement of profit or loss and other comprehensive income) amount to $13,104.

Ralton contributed $0.21 million revenue and $34,000 to the Group's pre-tax profit during the current financial year.

Net cash outflow on acquisitions

$3,969,511 and $200,000 of purchase consideration in MTIS and Ralton respectively, was fully paid in cash and has been provisionally allocated as follows:

	MTIS $	Ralton $	Total $
Total purchase consideration paid in cash	3,969,511	200,000	4,169,511
Cash and cash equivalents	(129,862)	(25,450)	(155,312)
Net cash flow	**3,839,649**	**174,550**	**4,014,199**



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