Appendix 4E

Preliminary Final Report

Lodged with the ASX under Listing Rule 4.3A

Year Ended 30 June 2024

(Previous corresponding period - Year Ended 30 June 2023)

Revenue from ordinary activities - continuing operations	Down	(12%)	to	$11,848,120
Loss from continued operations, net of tax	Down	(209%)	to	$(3,312,587)
Loss from discontinued operations, net of tax	Up	42%	to	$(459,006)
Loss after tax attributable to members	Down	(102%)	to	$(3,771,593)

Dividends paid per share - Fully Paid Ordinary Shares	Amount per security	Franked amount per security
Interim dividend – FY24	Nil	Nil
Final dividend – FY24 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 decreased to $11.8 million (FY23: $13.4 million) largely due to fund outflows (including monthly pension payments), reduction in management fees for Clime International Fund, and lower performance fees earned during the year.

The Group’s Funds Under Management and Mandates (FUM) pertaining to continuing operations increased to $1.6 billion as compared to $1.3 billion due to an investment management mandate obtained towards the end of FY24 ($240 million).

As previously announced, Madison Financial Group Pty Ltd and WealthPortal Pty Ltd were divested on 28 June 2024 to Infocus Wealth Management Limited. The Funds Under Advice associated with these entities is, therefore, no longer reported.

Explanation of Net Profit to members

Loss from ordinary activities after tax attributable to members for continuing operations was $3.3 million for the year (FY23: $1.1 million). However, the FY24 results included a number of one-off items such as impairment costs of $0.8, redundancy costs of $0.6 million and other non-recurring expenses of $0.9 million compared to net non-recurring expenses of $0.2 million in FY23. Further, non-cash expenses on account of depreciation and amortisation of intangible assets amounted to $1.36 million (FY23: $1.44 million).

Administrative expenses for continuing operations excluding non-recurring expenses decreased to $11.9 million, compared to $13.1 million in FY23 mainly due to a reduction in staff costs and investment management expenses.

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

Audit Status

This report is based on the audited Consolidated Financial Statements of the Group.

2024 Annual Report

Clime Investment Management Limited

Clever investing made *easy*

Clime Investment Management Limited

Level 12, 20 Hunter Street Sydney NSW 2000 Australia | PO Box H90 Royal Exchange NSW 1225
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
Claire Bibby
Andrew Coleman (appointed on 19 January 2024)
Michael Baragwanath (appointed on 1 July 2024)
Ronni Chalmers (resigned on 3 April 2024)
Michael Kollo (resigned on 3 April 2024)

Chief Executive Officer

Annick Donat (resigned on 31 July 2024)

Acting Managing Director

Michael Baragwanath (appointed on 17 July 2024)

Company Secretary

Tushar Kale (appointed on 1 May 2024)
Simon Dutton (resigned on 16 August 2024)
Andrew Metcalfe (resigned on 1 May 2024)

Head office and registered office

Level 12, 20 Hunter Street
Sydney NSW 2000

P.O. Box H90
Royal Exchange
Sydney NSW 1225

Telephone: 1300 788 568

Email: info@clime.com.au
Website: www.clime.com.au

Share registry

Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000

Telephone +61 2 9290 9600
Facsimile: +61 2 9279 0664
Website: www.boardroomlimited.com.au

Auditor

Pitcher Partners
Level 16, Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000

2024 Annual Report

Clime Investment Management Limited

Contents

Page No.

John Abernethy

Chairman's Report

Dear Fellow Shareholders,

The financial year 2024 continued a challenging period for Clime Investment Management Limited (CIW), extending the difficulties experienced in 2023. As a result, the Board took proactive measures in the second half of the year, initiating the divestment of Madison Financial Group (Madison). This strategic move has already yielded positive results, significantly improving CIW's cash flow and operating profit. As a result, there has been a promising turnaround in CIW's outlook, as seen in the encouraging trading activity in the early weeks of FY25. I will detail the potential extent of this recovery in the outlook commentary below.

Firstly however, I want to outline why CIW divested its ownership of Madison.

The Board observed that the licensing of financial advisers complicated the business of Clime Group, added significantly to our cost of doing business, added to our business risk and without any real benefit to our internal wealth management and advice business. Further, the licensing business had stagnated inside a market for financial advice that was declining under the weight of regulation and growing industry costs.

In summary, the Board determined that the Group was devoting too many resources, and therefore costs, to Madison which was contributing only about 20% to our group revenue and was in an operational loss position.

Our business review had directly led to two key decisions:

1. To direct the executive to reduce operating costs to bring the business back to operating profit (November 2023); and
2. Negotiate the divestment of Madison (announced May 2024).

The first decision led to cost outs which brought the business back to a nominal operating profit in the second half. Whilst this was a substantial turnaround on the first half operating loss of $1.3 million, it clearly was not adequate.

Therefore, following a further review it became clear that the Madison business should be divested to allow CIW to refocus resources on the funds management and direct wealth advice businesses, to allow them to reach their true potential.

Shareholders will recall, through my AGM address, that we openly encouraged interested parties to approach us if they proposed a value adding transaction and which acknowledged the inherent value of our businesses.

The divestment of Madison followed a direct approach from Infocus Wealth Management (Infocus) which followed my AGM address in late November. Unfortunately, the approach by Infocus occurred immediately prior to the requisition of a section 249D meeting of shareholders in December 2023. This meant that meaningful discussions and negotiations were delayed as the Board dealt with the EGM.

Confidential discussions with Infocus recommenced in February, then led to the agreement to divest the Madison licensing and its small platform business effective 30 June. The sale was funded by the issuance by Infocus of a $2 million convertible note to CIW. The term of this note for 3 years and the yield is 8%.

As we noted in various ASX notices the sale of Madison to Infocus creates an important alliance between our two business and which both parties believe will be mutually beneficial. The benefits can be summarised as:

1. The licensing of Clime Private Wealth by Infocus, through a dealer-to-dealer arrangement.
2. A superior offer of licensing services to Madison advisers therefore achieving our requirement to find a highly desirable home for the licensees.
3. The maintenance by CIW of the ProActive Portfolio business that was originally acquired with Madison. This separately managed account business will be managed by CIW with asset consulting services provided by Infocus and offered to Infocus licensees; and
4. The provision by Infocus to CIW of a range of other services, including compliance and client management, that ensure that our Private Wealth will continue to provide a highly professional offer to our clients.

As you can gather, we are pleased to have engaged with Infocus and believe that our convertible note investment will in time convert into equity in a successful and valuable business.

Financial results FY24 and FY25 outlook

The declared result for CIW for FY24 was a loss of $2.9 million before non-cash amortisation charges. This loss includes nonrecurring expenses and write offs as follows:

1. Nonrecurring expenses ($1.53 million) including provisions required to undertake the divestment of Madison (of approximately $0.5 million); and
2. The write down of the carrying value of Clime Direct (approximately $0.8 million).

As noted above the operating result (including the reported Madison operating loss of $0.5 million) improved from a $1.3 million loss (December half) to a $7k operating profit in the June half. Accordingly, I can confirm that outlook for CIW, in FY25, is for an operating result that will benefit from the significant cost reductions that will directly return CIW to sustainable profitability.

As noted in recent ASX announcements, CIW has recently secured solid FUM inflows and won a multi asset mandate which collectively should add well over $1 million in recurrent revenue. To meet this increased business the asset management team will be resourced with experienced appointments – across asset classes.

Further, a reinvigorated and refocused Private Wealth offer will ensure that a better resourced client services team appropriately services both advised and direct product clients. We are pleased to advise that MTIS continues to perform well and FY25 will be focussed on fully merging it into Clime Private Wealth.

Shareholders will note from our recent announcements that approximately $1.5 million in operating costs (above the direct costs of Madison) have been taken out of CIWs business. It is expected that about 50% of these savings will be reinvested in our services leading to an immediate target to return the business to a minimum $2 million annual operating profit.

The reinvigoration of the Clime operations is now under the stewardship of our Acting Managing Director, Michael Baragwanath who joined the Board in early July. It is the intention of the Board, subject to Michael meeting certain KPIs, to appoint Michael as Managing Director if approved for re-election at this year's AGM. The Board and I are pleased to declare that Michael has our full support.

In conclusion

Your Board recognises the disappointing financial results and their impact on the value of your shares. However, we believe the company is on a clear path to recovery, and we are confident that the value of the company's shares will improve over the next 12 months.

Today, CIW directly manages and/or advises on over $1.6 billion in assets for clients and investors. We proudly serve more than 4,000 direct investors or shareholders (in Clime Capital) and approximately 800 direct clients. The target market for both Clime product solutions and advice is huge.

Our strategy is to continue expanding our funds offering to both direct and third-party clients by broadening the asset classes we cover and introducing bundled multi-asset investment solutions. The success we have seen in the early part of FY25 strengthens our confidence to pursue this opportunity with vigour.

As we grow, we anticipate that our operating margin will surpass 15% (return on revenue) in FY25, putting us on track to achieve our target of around 30% return in FY26/27. CIW operates as a high fixed-cost business, where growth in funds is expected to lead to revenue growth that will outpace expenses. However, we are committed to carefully managing expense growth, and the executive team is fully aware of this priority.

In conclusion, I want to express my gratitude to our shareholders for their support during a challenging FY24. I also extend a special thanks to our staff, who have handled the restructuring and resetting of CIW's business with professionalism as well as to my fellow Board Directors who remain focused on the future success of CIW.

I and the Clime team look forward to providing further updates to shareholders in our September quarter update and at the AGM.

Kind regards

John Abernethy
Chairman

Michael Baragwanath

MD Report

Dear Shareholders,

I am pleased to write my first of what I hope will be many annual letters to you as an owner of our company. It is an honour to be appointed to serve your interests in leading Clime and to have had the opportunity to speak with some of you personally.

I am confident that Clime is crossing a significant threshold, and yet, in its 27-year history, it has never been better positioned for growth than it is right now.

About Me

It is customary for a new managing director or CEO to share a bit about themselves. As this is my first appointment in a leadership position for an ASX-listed company, please indulge me.

Careers are funny things; you start with hope, supported by people who not only need you to fulfil tasks but also want to see you develop personally. If you are as fortunate as I have been, you may meet the people you idealised early in your career and, even more fortunately, eventually have the opportunity to work alongside them as peers.

Throughout my career—and indeed my life—I have been surrounded by wise and intelligent people who have generously shared their knowledge. My first step into financial services came when I was asked to house-sit for a work colleague of my then-girlfriend, now wife of nearly 20 years. It was an impressive house with a very cool Supercharged Monaro. As a curious young man, I had to ask the owner what they did for a living and how I could do that job.

The owner, after spending a significant amount of time explaining what a BDM did, loaned me a copy of “Masters of the Market” by Anthony Hughes, Matthew Kidman, and Geoff Wilson, as well as “The Intelligent Investor” by Benjamin Graham. It’s remarkable to now speak with some of our shareholders, including Geoff Wilson and Peter Guy, who featured in the book (and the second edition) that brought me into this industry.

Over the past 18 years, I have worked as a paraplanner, a financial advisor, a risk specialist, a BDM, a distribution manager, a consultant, a division head, and now a managing director.

Expectations are high, and none higher than my own. That’s enough about me. Let’s get down to business.

The Clime Business Today

In the past year, we posted a $3.8 million loss, following a $1.9 million loss the previous year. Historically, Clime has delivered consistent, albeit modest, profits and regular dividends. However, our earnings per share, an important indicator of our competitive edge, has been declining since 2015. This trend is not unique to us; many of our competitors have also experienced flat or negative earnings per share growth, minimal or no dividends, and losses. Last year, less than a quarter of the 44 listed investment managers achieved a return on equity above 15%, and 31% of them, including us, saw negative returns.

Let’s delve into our financials to better understand our current position and discuss the future direction of the company.

- **Funds Management Revenue:** We experienced a decline in funds management revenue, generating $1.3 million less than the previous year. Ideally, we should see growth in revenue from our core business each year. Below, I will outline the steps we have already taken and will be taking to reverse this trend.
- **Write-off of Acquisition Costs:** We wrote off the acquisition cost of Stocks in Value or Clime Direct, amounting to nearly $0.9 million. This amount had been recorded as a balance sheet item (asset) in previous years. Given that the previous version is no longer in use, it is appropriate to reflect this write-down on our balance sheet.
- **Staff Redundancies and Cost Reduction:** During the year, we spent $0.6 million on staff redundancies as part of our effort to reduce operating costs. Other non-recurring costs were largely due to claims for financial advice, which underscores the rationale behind our decision to sell Madison. While many of the Madison claims are insured, we aim to cover any uninsured claims through cash flow. Last year, we sold some of our investments in Clime Capital Limited (CAM) to meet these requirements. We still retain approximately $2 million in CAM, and our preference is to build our investment pools rather than deplete them. Should an acquisition opportunity arise, we would prefer to raise capital

rather than use existing assets. Placements and corporate actions serve as important strategic checkpoints and provide you, our shareholders, with the opportunity to support or oppose our strategic direction.

- **Debt and Lease Commitments:** The company currently has no debt. However, with respect to IFRS 16 and the treatment of leases, it is important to note that our Sydney office lease expires in 2025, and our Melbourne office is a short-term arrangement. We are committed to maintaining a presence in both cities. Shareholders should assume that by next year, we will have 5–7-year leases with a total cost between $950,000 and $1.2 million. Currently, we spend approximately $900,000 on property, with $663,338 attributed to the Sydney office lease and Melbourne being a serviced office.

Strategic Changes and Future Outlook

In December 2023, we took steps to reduce costs, and in March 2024, we decided to sell Madison. These were crucial changes, but without a turnaround in our core offering—funds management—the company was likely to only to generate insignificant profits. We also need to manage known claims from Madison practices, which remain a short-term liability for Clime.

Strategic Principles for Future Growth

As stated above, at this moment, I strongly believe that Clime has never been better positioned for growth. Thus, to take full advantage of our current position, I will lead our team to focus on three key ideals or principles:

1. Focus on Activities That Create Value – Our primary focus should always be on creating shareholder value, which means lowering costs and increasing margins. There are numerous opportunities within the business, from maximising the take-up of our funds to finding or creating new transactions for our wholesale clients to participate in. By concentrating on value-adding activities, we can ensure sustainable growth and profitability.
2. Life in Service to Others Before Yourself – This is a principle I have always lived by and an approach I will impress upon our staff. I have never found a better way to generate profit than by focusing on service to others. By prioritising the needs and goals of our clients and community, we build trust and loyalty, which in turn drives our success.
3. Invert, Always Invert – One of the best paths for critical thinking that I have found is to invert the problem. Are we focused on success? Flip it to avoiding failures. Reviewing costs? Focus on what to keep, not what to cut, and so on. This approach helps us to see challenges from different perspectives and find innovative solutions.

Clime offers a broad range of managed funds and portfolio solutions that generate consistent cash flow. Recent cost reductions have returned the company to profit. Clime has strong foundations and an excellent scaffold to build on, and we are small enough for incremental changes to have a significant impact.

Success lies in returning to the activities that created the business in the first place: client education, individually managed accounts, and exceptional service. Educating clients, focusing on value investing, and building relationships are core to our operations. We will continue to invest in generating content, but we will modernise its delivery and get closer to our clients.

At Clime we see that "Finfluencers" have filled a space the industry left behind, and we see an opportunity to engage directly with tomorrow's future investors.

Our business offers a broad range of products across asset classes, from income to equities, and a range of SMAs that blend these and other funds into complete solutions. We can be competitive in every major asset class, which means we are not as exposed to trends towards or away from specific strategies or markets such as small caps or fixed income.

Our first order of business is to ensure our current clients are looked after, contacted frequently, and enjoying our services. Then, we will standardise our offerings across the business and explore new markets and opportunities. More information will be presented to shareholders at the Annual General Meeting.

There is a plethora of opportunities in the market for a business like Clime, and I am excited to be part of the team driving it forward.

Kind regards

Michael Baragwanath
Acting Managing Director

Tushar Kale

CFO Report

Review of Financial Results

Below is a summary of the Group's profit and loss outlining various components of the Group's financial performance during the year:

	30 JUNE 2024 ($)	30 JUNE 2023 ($)
Funds management and related activities revenue	7,390,816	8,780,712
Private wealth	3,027,930	2,854,330
Dealership, portfolio management and other fees	608,602	614,564
Investment software	58,337	111,460
Performance fees generated	140,570	490,386
Income from direct investments, net	558,864	457,941
Others	63,001	133,641
Gross income	**11,848,120**	**13,443,034**
Net realised and unrealised (losses)/gains on financial assets at fair value through profit or loss	(92,952)	53,625
Total operating income	**11,755,168**	**13,496,659**
Staff costs before redundancy cost	(7,419,272)	(8,446,339)
Funds administration, custody and investment management expenses	(1,268,548)	(1,393,004)
Sales and marketing expenses	(300,467)	(380,431)
Occupancy costs (excluding depreciation on right-of-use assets)	(264,799)	(271,221)
Other administrative expenses	(2,911,569)	(2,851,527)
Total operating expenses	**(12,164,655)**	**(13,342,522)**
Operating loss for continuing operations	**(409,487)**	**154,137**
Staff redundancy costs	(635,354)	(157,404)
Other non-recurring expenses, net	(861,730)	(21,159)
Total net non-recurring expenses	**(1,497,084)**	**(178,563)**
Loss before depreciation and amortisation for continuing operations	**(1,906,571)**	**(24,426)**
Depreciation of property, plant and equipment	(53,205)	(69,722)
Depreciation of right-of-use assets	(429,444)	(429,444)
Amoritisation of intangibles	(874,869)	(942,539)
Impairment of goodwill and intangibles	(849,484)	-
Total depreciation and amortisation	**(2,207,002)**	**(1,441,705)**

	30 JUNE 2024 ($)	30 JUNE 2023 ($)
Loss from continuing operations before income tax	**(4,113,573)**	**(1,466,131)**
Income tax benefit attributable to operating loss	800,986	392,988
Loss for the year from continuing operations	**(3,312,587)**	**(1,073,143)**
Loss after tax for the year from discontinued operations	**(459,006)**	**(794,524)**
Loss for the year	**(3,771,593)**	**(1,867,667)**

Summary of total equity

The total equity at 30 June comprised the following:

	30 JUNE 2024 ($)	30 JUNE 2023 ($)
Cash and cash equivalents	3,392,763	2,173,769
Other financial asset	288,796	295,060
Trade and other receivables less payables	(1,414,153)	(128,934)
Listed investment company - Clime Capital Limited	1,662,916	4,650,301
Equity accounted investments	-	-
Other tangible assets less liabilities	(259,346)	(4,023,572)
Net tangible assets	**3,670,976**	**2,966,624**
Intangibles, right-of-use assets and contract costs	15,598,976	19,372,796
Deferred tax assets - net	1,586,447	926,045
Total equity	**20,856,399**	**23,265,465**
No. of ordinary shares on issue (excluding EIS)	75,660,265	71,160,265
Equity per share	27.6 cents	32.7 cents
Net tangible assets per share	4.9 cents	4.2 cents

Our Chairman has provided a comprehensive analysis of our financial statements and I echo his sentiment in relation to our results.

Tushar Kale
Chief Financial Officer

Report from the Board

The Directors of Clime Investment Management Limited present the financial report of the Company for the financial year ended 30 June 2024.

To comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

Directors

The names and particulars of the Directors of the Company during or since the end of the financial year are:

J Abernethy
Non-Executive Chairman,
Non-Independent
(Appointed 17 November 1994)

S Wynne
Independent Director
(Appointed 27 September 2021)

C Bibby
Independent Director
(Appointed 18 October 2021)

A Coleman
Independent Director
(Appointed 19 January 2024)

M Baragwanath
Non-Independent Director
(Appointed 1 July 2024)

R Chalmers
Non-Independent Director
(Resigned 3 April 2024)

M Kollo
Independent Director
(Resigned 3 April 2024)

Mr. John Abernethy

Non-Executive Chairman - Non-Independent

Experience and expertise

Mr. Abernethy has over 40 years' funds management experience in Australia and was previously General Manager Investments of the NRMA.

Mr. Abernethy holds a Bachelor of Commerce (Economics)/LLB from the University of New South Wales.

Directorships of other listed companies

Clime Capital Limited (appointed 31 July 2009)
WAM Research Limited (appointed May 2002)

Former Directorships in last 3 years

None

Special responsibilities

Member of Board Audit, Risk & Compliance Committee

Interests in shares and options

5,189,350 ordinary shares

Ms. Susan Wynne

Independent Director

Experience and expertise

Ms. Wynne has more than 30 years corporate and government experience, working across multi disciplined and complex areas and industries with a key focus on strategy, stakeholder management, governance, corporate affairs and public relations. She is currently CEO of Litigation Lending Services and has served as a Councillor on Woollahra Council since 2008 including as Mayor for 5 years and Deputy Mayor for 3 years.

Ms. Wynne is a graduate of Australian Institute of Company Directors, an Affiliate of the Governance Institute of Australia.

Directorships of other listed companies

None

Former Directorships in last 3 years

MoneyMe Limited (resigned 29 November 2023)

Special responsibilities

Chair of Remuneration and Nomination Committee
Member of Board Audit, Risk & Compliance Committee

Interests in shares and options

10,000 ordinary shares

Ms. Claire Bibby
Independent Director

Experience and expertise
Ms. Bibby is a highly experienced lawyer with over 30 years' experience as a lawyer, Executive and Non Executive Director with ASX, multinational, private and NFP organisations and executive coach.

Directorships of other listed companies
Comms Group Limited (appointed 2 October 2019)

Former Directorships in last 3 years
Magnis Energy Technologies Limited (resigned 11 March 2024)

Special responsibilities
Chair of Board Audit, Risk & Compliance Committee
Member of Remuneration and Nomination Committee

Interests in shares and options
None

Mr. Andrew Coleman
Independent Director

Experience and expertise
Mr. Coleman is the Co-Founder, Managing Director and Chief Executive Officer of Teaminvest Private Group Limited and is responsible for sourcing, structuring and overseeing investments and general management. Mr. Coleman previously worked as an investment banker for Credit Suisse in Sydney. Mr. Coleman advised and assisted clients on significant corporate deals in Australia and internationally with a specific focus on mergers and acquisitions and capital raising activity.

Mr. Coleman holds a Bachelor of Economics (Honours) from the University of Sydney.

Directorships of other listed companies
Teaminvest Private Group Limited (appointed on 26 September 2018)

Former Directorships in last 3 years
None

Special responsibilities
Member of Remuneration and Nomination Committee

Interests in shares and options
4,500,000 ordinary shares
(held by Teaminvest Private Group Limited)

Mr. Michael Baragwanath
Non-Independent Director

Experience and expertise
Mr. Baragwanth was appointed as Director on 1 July 2024 and as Acting Managing Director effective 17 July 2024.
Mr. Baragwanath is a senior executive and consutant with over 18 years finacial services experience, including divisional head, various product and distribution roles, managing large scale projects, and serving as a responsible manager for several finacial services licensees.

Mr. Baragwanath holds a Masters of Business Administration (Marketing) from the University of South Australia.

Directorships of other listed companies
None

Former Directorships in last 3 years
None

Special responsibilities
None

Interests in shares and options
24,000 ordinary shares

Mr. Ronni Chalmers

Non-Independent Director
(resigned 3 April 2024)

Experience and expertise
Mr. Chalmers has over 40 years of Australian Equities investment management experience. Mr. Chalmers began his career as a graduate at Bankers Trust Australia, rising to Associate Director during its rapid growth.

Mr. Chalmers has held senior Portfolio Manager / Investment Manager roles with several funds management and insurance companies before founding CBG Asset Management Limited in 2001.

Mr. Chalmers has a Bachelor of Commerce from the University of New South Wales and is a Fellow of the Financial Services Institute of Australasia.

Directorships of other listed companies
Clime Capital Limited (appointed 17 December 2019)

Former Directorships in last 3 years
None

Special responsibilities
None

Interests in shares and options
4,759,723 ordinary shares

Mr. Michael Kollo

Independent Director
(resigned 3 April 2024)

Experience and expertise
Dr. Kollo is a senior investment professional with extensive academic and private sector experience globally.

Dr. Kollo has gained his PhD in Finance from the London School of Economics, and has lectured at the London School of Economics, and at the University of New South Wales.

Directorships of other listed companies
None

Former Directorships in last 3 years
None

Special responsibilities
Member of Remuneration and Nomination Committee

Interests in shares and options
None

Remuneration of key management personnel

Information about the remuneration of key management personnel is set out in the Remuneration report section of this Directors' report.

The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity (the Company), directly or indirectly, including any Director (whether executive or otherwise) of the Group.

Mr. Tushar Kale

Joint Company Secretary
(appointed 1 May 2024)

Experience and expertise
Mr. Kale was appointed as the CFO of Clime Investment Management Limited in September 2023 and is therefore both experienced and familiar with the affairs of Clime Investment Management Limited.

Mr. Kale has over 20 years financial services experience and holds a Bachelor of Economics (Accounting), a Graduate Diploma of Applied Finance and Investments, and is a CPA.

Effective 16 August 2024, Mr. Kale is the sole Company Secretary.

Mr. Simon Dutton

Joint Company Secretary
(resigned 16 August 2024)

Experience and expertise
Mr. Dutton is the Head of Group Risk for Clime Investment Management and is an experienced financial services professional with more than 25 years' experience working across a range of governance, risk, and operational roles within a number of ASX listed companies. Mr. Dutton was appointed to the position of Joint Company Secretary on 1 May 2024.

Mr. Dutton holds a Bachelor of Science (Communication and Technology) and a Diploma of Financial Services (Financial Planning).

Mr. Andrew Metcalfe

Company Secretary
(resigned 1 May 2024)

Experience and expertise
Mr. Andrew Metcalfe held the position of Company Secretary of Clime Investment Management Limited at the end of the financial year. Mr. Metcalfe was appointed to the position of Company Secretary on 21 June 2023.

Mr. Metcalfe (CPA, FGIA, GAICD) is an experienced Chartered Secretary and Governance Adviser with more than 25 years' experience across a broad industry base, having worked with a variety of Board and senior management team of ASX listed companies.

Directors' meetings

The number of meetings of the Board of Directors and of the Committees of the Board and the individual attendance by Directors at those meetings which they are eligible to attend as members, during the financial year, is summarised in the table below. The table excludes the attendance of those Directors who attended the Board Committee meetings of which they were not a member:

DIRECTORS	BOARD OF DIRECTORS		AUDIT AND RISK COMMITTEE		REMUNERATION COMMITEE	
	Held	Attended	Held	Attended	Held	Attended
Mr. John Abernethy	6	5	2	2	-	-
Ms. Susan Wynne	6	6	2	2	2	2
Ms. Claire Bibby	6	6	2	2	2	2
Mr. Andrew Coleman	3	3	-	-	-	-
Mr. Ronni Chalmers	4	4	-	-	-	-
Mr. Michael Kollo	4	3	-	-	1	-

Rotation and election of Directors

Ms. Claire Bibby was appointed in 2021 and being eligible, offers herself for re-election at the next Annual General Meeting in accordance with the Company's Constitution.

Mr. Andrew Coleman and Mr. Michael Baragwanath were appointed since the last Annual General Meeting and being eligible, offer themselves for election at the next Annual General Meeting in accordance with the Company's Constitution.

Principal activities

During the year, the Group's principal activity was the provision of integrated wealth solutions to clients by operating under Australian Securities and Investments Commission (ASIC) granted Australian Financial Services Licenses (AFSLs).

During the year the principal continuing activities of the Group consisted of:

a. Operating an Individually Managed Accounts Service for wholesale clients, and Separately Managed Accounts, through subsidiaries Clime Asset Management Pty Limited and Ralton AM Pty Limited.

b. Providing tailored private wealth advisory services for retail, wholesale and sophisticated investors through wholly owned subsidiaries Clime Private Wealth Pty Limited, MTIS Wealth Management Pty Limited and ISAS Pty Limited.

c. Acting as investment manager for listed company Clime Capital Limited (ASX:CAM) through wholly owned subsidiary Clime Asset Management Pty Limited.

d. Acting as investment manager for the managed funds Clime Australian Income Fund, Clime Smaller Companies Fund, Clime International Fund, Clime Fixed Interest Fund, Clime All Cap Australian Equities Fund (Wholesale) and Clime Australian Equity Long Short Fund through wholly owned subsidiaries Clime Asset Management Pty Limited and CBG Asset Management Limited (AFSL License terminated on 13 May 2024). For the Clime All Cap Australian Equities Fund (Wholesale), the investment manager was changed from CBG Asset Management Limited to Clime Asset Management Pty Limited with effect from 5 April 2024.

e. Providing licensee services to Financial Advisers licensed through Madison Financial Group Pty Limited. Madison Financial Group Pty Limited has been divested on 28 June 2024.

f. Dealing in various financial products to retail and wholesale investors through AdviceNet Pty Limited, WealthPortal Pty Ltd and ProActive Portfolios Pty Ltd. WealthPortal Pty Ltd has been divested on 28 June 2024.

g. Providing an online equity research and valuation tool for Australian investors to research and value Australian listed companies and investment markets through wholly owned subsidiary Stocks in Value Pty Limited (trading as Clime Direct).

Significant changes in state of affairs

On 28 June 2024, the Company divested 100% of its stake in Madison Financial Group Pty Ltd and WealthPortal Pty Ltd, for a total purchase consideration of $2.10 million. The total purchase consideration has been settled by issue of convertible notes with an interest rate of 8% per annum, maturing after 3 years (or earlier subject to certain conditions). Details of the above discontinued operations are mentioned in Note 33.

On 5 April 2024, the Investment Manager of Clime All Cap Australian Equities Fund was transitioned from CBG Asset Management Pty Ltd to Clime Asset Management Pty Ltd. Subsequently, on 13 May 2024, the AFSL license held by CBG Asset Management Pty Ltd has been cancelled.

Other than the above, there were no significant changes in the state of affairs of the Group during the financial year.

Review of operations

In accordance with the relief provided by Legislative Instrument 2016/188 issued by ASIC, the Company is not required to reproduce information required in the Directors' Report if it has been included elsewhere in the Annual Report. As such, for a detailed review of the operations of the Company, please refer to Chairman's and Managing Director's report from the beginning of page 3.

Operating result

The consolidated result after providing for tax amounted to a loss of $3,771,593 (2023: $1,867,667).

Dividends paid or recommended

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

	2024 $	2023 $
Nil (2023: 0.4 cents per share franked to 100% at 25% corporate income tax rate, final ordinary dividend paid during the year on 27 October 2022 in respect of the prior financial year)	-	289,100
Total dividends paid	**-**	**289,100**

Subsequent events

Michael Baragwanath was appointed as a Director of the Company on 1 July 2024 and Acting Managing Director of the Company on 17 July 2024.

Annick Donat resigned from her position as the Chief Executive Officer effective 31 July 2024.

No other 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.

Future developments

The Group will continue to pursue activities of:

- Primarily investing in equities listed on the Australian and international securities exchanges;
- Providing managed account solutions; and
- Providing advice to wholesale and retail clients.

The Group's future performance is dependent on the performance of the Group's investments. In turn, the performance of these investments is impacted by company-specific and prevailing industry conditions.

In addition, a range of external factors including economic growth rates, interest rates, exchange rates and macro-economic conditions impact the overall equity market and these investments.

As such, we do not believe it is possible or appropriate to predict the future performance of the Group's investments nor its mandates and therefore, the Group's performance.

Shares under option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

NATURE OF OPTIONS	DATE OPTIONS GRANTED	VESTING / EXPIRY DATE	EXERCISE PRICE	NUMBER UNDER OPTION
CIW Employee Incentive Scheme	22 March 2022	21 March 2025	$0.582	350,000
CIW Employee Incentive Scheme	21 August 2023	20 August 2026	$0.358	150,000
			Total	**500,000**

The holders of these options do not have the right, by virtue of the option, to participate in any other share issue of the Company or of any other body corporate or registered scheme.

Rounding off amounts

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, and in accordance with that Corporations Instrument, amounts in the Directors' report and in the financial statements are rounded to the nearest dollar or in certain cases to the nearest one thousand dollars, unless otherwise indicated.

Environmental issues

The Group's operations are minimally affected by environmental regulations.

Risk and compliance control statement

Under Australian Securities Exchange (ASX) Listing Rules and the ASX Corporate Governance Principles and Recommendations issued by the ASX Corporate Governance Council, the Company is required to disclose in its Annual Report the extent of its compliance with the 'ASX Principles and Recommendations'.

The Directors have implemented internal control processes for identifying, evaluating and managing significant risks to the achievement of the Group's objectives. These internal control processes cover financial, operational and compliance risks. The Group's corporate governance practices are outlined in further detail in the Corporate Governance Statement section on the Company's website at www.clime.com.au.

The Directors have received and considered the annual control certification from the Chief Executive Officer/ Managing Director and the Chief Financial Officer in accordance with the principles relating to financial, operational and compliance risks.

Throughout the reporting period, and as at the date of signing of this Annual Report, the Company was in compliance with the ASX Principles and Recommendations to the extent disclosed in the Corporate Governance Statement.

Insurance for Directors and Officers

During the financial year, the Company paid a premium in respect of a contract insuring all Directors and Officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as Directors or Officers of the Company, other than conduct involving a willful breach of duty in relation to the Company. The contract of insurance prohibits disclosure of the nature of the liability and the amount of premium.

No indemnity provided to auditors

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an auditor of the Company or of any of its controlled entities against a liability incurred by an auditor.

Remuneration Report - Audited

This Remuneration report, which forms part of the Directors' Report, sets out information about the remuneration of the Clime Investment Management Limited's key management personnel for the financial year ended 30 June 2024.

The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group. The prescribed details for each person covered by this report are detailed below under the following headings:

A. Key management personnel
B. Remuneration policy
C. Remuneration of key management personnel
D. Service agreements
E. Share-based compensation
F. Related party transactions
G. Additional information

A. Key management personnel

The Directors and other key management personnel of the Group during or since the end of the financial year were:

Non-Executive Directors	Position
John Abernethy (Appointed 17 November 1994)	Non-Executive Chairman
Susan Wynne (Appointed 27 September 2021)	Independent Director
Claire Bibby (Appointed 18 October 2021)	Independent Director
Ronni Chalmers (Resigned 3 April 2024)	Non-Independent Director
Michael Kollo (Resigned 3 April 2024)	Independent Director
Andrew Coleman (Appointed 19 January 2024)	Independent Director
Michael Baragwanath (Appointed 1 July 2024)	Non-Independent Director

Executive Officers	Position
Annick Donat (Resigned 31 July 2024)	Chief Executive Officer
Michael Baragwanath (Appointed 17 July 2024)	Acting Managing Director

The named persons held their current position for the whole of the financial year and since the end of the financial year.

There were no additional persons who were considered key management personnel under the *Corporations Act 2001.*

B. Remuneration Policy

Principles used to determine the nature and amount of remuneration

Key management personnel

Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Group's diverse operations and achieving the Group's strategic objectives. The remuneration packages of executives include a fixed component, a performance-based component, and an equity-based component.

The fixed portion of the package reflects the core performance of their duties. Executives may be given an incentive via a performance-based bonus (as determined by the Remuneration Committee).

Equity based remuneration can be made via shares issued under the CIW Employee Share Plan (ESP) or via the options issued to the executives under the CIW Employee Incentive Scheme (EIS).

The Remuneration Committee is responsible for making recommendations to the Board on remuneration policies and packages applicable to the Board members and senior executives of the Group.

The Board's remuneration policy is to ensure the remuneration package properly reflects the person's duties, responsibilities and the level of performance and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

Directors

Fees and payments to Directors reflect the demands which are made on, and the responsibilities of, the Directors. Remuneration of Independent Directors is determined by the Board within the maximum amount approved by shareholders periodically. The payments to Independent Directors do not include retirement benefits other than statutory superannuation.

Consultation with Independent Directors outside their duties as Directors is treated as external consultation and is subject to additional fees by consent of the Board. The Company has a policy that Independent Directors are not entitled to retirement benefits, may not participate in performance-based incentives, and may not participate in the ESP and EIS.

Directors' fees

The current base remuneration was last reviewed with effect from 1 January 2022. The Independent Directors' fees are inclusive of committee fees.

Independent Directors' fees are determined within an Independent Directors' base remuneration pool, which is periodically recommended for approval by shareholders. The Independent Directors' base remuneration pool currently stands at $300,000 per annum.

Executive Officers' remuneration

The Executive Officers' remuneration framework has four components:

- base pay and benefits;
- short-term performance incentives;
- long-term incentives through participation in the Company's EIS and ESP; and
- other remuneration such as superannuation.

The combination of these comprises the Executive Officers' total remuneration.

Base pay

Structured as a total remuneration package which may be delivered as a combination of cash and prescribed non-financial benefits at the Board's discretion.

Executives are offered a base pay that comprises the fixed component of pay and rewards. Base pay for senior executives is reviewed annually to ensure the Executive's pay is competitive with the market.

Short-Term Incentives (STI)

Executive Officers and senior management have the ability to earn STIs depending on the accountabilities of respective roles and their impact on the Group's performance.

The intention of the STI plan is to recognise and reward the contributions and achievements of individuals for the achievement of their relevant Key Performance Indicators (KPIs). Such KPIs will generally include measures relating to both the Group and the relevant individual, and may include financial, non- financial, human resources, client service, strategy, risk and compliance measures where appropriate. The measures are chosen such that they directly align the individual's reward to the KPIs of the Group and to its strategy and performance.

Long-Term Incentives (LTI)

CIW Employee Incentive Scheme (EIS)

Information on the Company's Employee Incentive Scheme is set out in Note 25.

Each year, the Remuneration Committee considers the appropriate targets and KPIs to link the STI and LTI plans and the level of payout if targets are met. This includes setting any maximum payout under the STI and LTI plan, and minimum levels of performance to trigger payment of the STI. The Remuneration Committee also retains the capacity to pay discretionary bonuses subject to the Executives' respective performances during the year.

CIW Employee Share Plan (ESP)

Information on the Company's Employee Share Plan is set out in Note 21(f).

Shares under the Employee Share Plan are issued to all CIW employees (excluding Directors). 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.

C. Remuneration of key management personnel

Details of the remuneration of key management personnel for the years ended 30 June 2024 and 30 June 2023 are set out in the following tables. STIs are dependent on the satisfaction of performance conditions as set out in the section headed Short-Term Incentives (STI) on page 20. EIS and ESP do not vest unless the relevant vesting hurdles are achieved. All other elements of remuneration are not directly related to performance.

2024	SHORT-TERM EMPLOYEE BENEFITS			POST-EMPLOYMENT BENEFITS	OTHER LONG-TERM BENEFITS	TERMINATION BENEFITS	SHARE-BASED PAYMENTS	
NAME	SALARY AND FEES ($)	NON-MONETARY BENEFITS ($)	OTHER ($)	SUPERANNUATION ($)	LONG SERVICE LEAVE ($)	EMPLOYEE TERMINATION PAYMENTS ($)	OPTIONS (1) & EMPLOYEE SHARE PLAN ($)	TOTAL ($)
Non-Executive Directors								
John Abernethy*	267,636	-	-	7,000	-	-	-	274,636
Susan Wynne	58,824	-	-	6,471	-	-	-	65,295
Claire Bibby	58,824	-	-	6,471	-	-	-	65,295
Andrew Coleman	23,078	-	-	2,539	-	-	-	25,617
Ronni Chalmers**	124,762	-	1,633	16,089	1,633	115,385	2,250	261,752
Michael Kollo	55,888	-	-	6,170	-	-	-	62,058
Executive Officer								
Annick Donat	372,756	7,570	-	27,399	8,115	-	11,993	427,833
Total	**961,768**	**7,570**	**1,633**	**72,139**	**9,748**	**115,385**	**14,243**	**1,182,486**

* Includes $70,636 in his capacity as Director and $204,000 towards consultancy fees.
** Includes $24,109 in his capacity as Director and $237,643 in his capacity as employee and Director.

2023	SHORT-TERM EMPLOYEE BENEFITS			POST-EMPLOYMENT BENEFITS	OTHER LONG-TERM BENEFITS	TERMINATION BENEFITS	SHARE-BASED PAYMENTS	
NAME	SALARY AND FEES ($)	NON-MONETARY BENEFITS ($)	OTHER ($)	SUPERANNUATION ($)	LONG SERVICE LEAVE ($)	EMPLOYEE TERMINATION PAYMENTS ($)	OPTIONS (1) & EMPLOYEE SHARE PLAN ($)	TOTAL ($)
Non-Executive Directors								
John Abernethy*	267,636	-	-	6,682	-	-	-	274,318
Susan Wynne	58,618	-	-	6,155	-	-	-	64,773
Claire Bibby	58,618	-	-	6,155	-	-	-	64,773
Ronni Chalmers**	241,930	-	(1,948)	24,893	3,963	-	5,400	274,238
Michael Kollo	54,163	-	-	5,687	-	-	-	59,850
Executive Officer								
Annick Donat	369,936	7,310	20,782	25,292	8,558	-	14,400	446,278
Total	**1,050,901**	**7,310**	**18,834**	**74,864**	**12,521**	**-**	**19,800**	**1,184,230**

* Includes $70,318 in his capacity as Director and $204,000 towards consultancy fees.
** Includes $13,523 in his capacity as Director and $260,715 in his capacity as employee and Director.

(1) The value of the options granted to Key Management Personnel as part of their remuneration is calculated at the grant date using a binomial pricing model. The amounts disclosed as part of remuneration for the financial year have been determined by allocating the grant date value on a straight-line basis over the period from grant date to vesting date.

The relative percentage of those elements of remuneration of Key Management Personnel that are linked to performances are as follows:

	FIXED REMUNERATION		REMUNERATION LINKED TO PERFORMANCE	
NAME	2024	2023	2022	2023
Non-Executive Directors				
John Abernethy	100%	100%	-	-
Susan Wynne	100%	100%	-	-
Claire Bibby	100%	100%	-	-
Andrew Coleman	100%	-	-	-
Ronni Chalmers	99%	98%	-	-
Michael Kollo	100%	100%	-	-
Executive Officer				
Annick Donat	97%	97%	-	-

Short-Term Incentives

No STIs were paid/payable to key management personnel in respect of the year ended 30 June 2024 and 30 June 2023. The STIs, if any, are paid at the discretion of the Remuneration Committee based on exceeding its targets for the financial year.

D. Service Agreements

Remuneration and other terms of employment for Non-Independent Directors and certain Executive Officers are formalised in service agreements with annual adjustments (once agreed by the Remuneration Committee) notified in writing.

Provisions relating to the term of agreement, periods of notice required for termination and relevant termination payments are set out below.

Mr. John Abernethy
Non-Independent Director

- $63,636 per annum plus superannuation as Director's fee
- $204,000 per annum plus GST as consultancy fee for delivering agreed outcomes
- Consultancy agreement for 3 years commencing 1 July 2022 to 30 June 2025 (Expiry Date) as an independent contractor to the Company
- The consultancy agreement continues to apply until a new agreement is executed or the current agreement is terminated
- Notice period for termination by consultant or by Company – twelve (12) weeks written notice.

Ms. Annick Donat
Chief Executive Officer
(resigned 31 July 2024)

- Base salary - $400,155 per annum (inclusive of superannuation) reviewed annually by the Remuneration Committee
- STI – entitled to receive short-term incentives in the form of annual cash bonus based on achieving yearly targets including annual EBITDA, operating cash profit, and operational targets as approved by the Board
- Maximum STI is $200,000 per annum
- Notice period for termination by employee or by Company – three-month written notice.

E. Share-based compensation

Shares provided on exercise of remuneration options

No ordinary shares in the Company were provided to any key management personnel as a result of the exercise of options via the EIS during the year (2023: Nil).

Shareholdings of key management personnel

The numbers of shares (including shares issued under EIS) in the Company held during the year by each key management personnel of the consolidated entity, including their related parties, are set out below.

Loans to Directors and other key management personnel

$218,400 (2023: $300,000) loan to executive officers in relation to the EIS share issued under the Employee Incentive Scheme (refer Note 25(a)).

There were no other loans made to key management personnel of the Group, 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.

NAME	BALANCE AT 1 JULY 2023	GRANTED AS COMPENSATION	OTHER CHANGES DURING THE YEAR	BALANCE AT 30 JUNE 2024
Non-Executive Directors				
John Abernethy	5,129,350	-	60,000	**5,189,350**
Susan Wynne	10,000	-	-	**10,000**
Claire Bibby	-	-	-	**-**
Andrew Coleman	-	-	4,500,000	**4,500,000**
Michael Baragwanath	-	-	24,000	**24,000**
Ronni Chalmers (resigned 3 April 2024)	8,252,008*	-	(3,492,285)	**4,759,723**
Michael Kollo (resigned 3 April 2024)	-	-	-	**-**
Executive Officer				
Annick Donat	403,000**	-	-	**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. 150,000 share options were cancelled during the year.

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

*** Post 30 June 2024, 400,000 shares will be cancelled as Ms. Donat has resigned effective 31 July 2024. Therefore, the holding will be 3,000 shares subsequently.

F. Related party transactions

1. Clime Capital Limited

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

The Group received $131,423 (2023: $160,916) 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 1.39% (2023: 3.98%) of the share capital of the Company as at 30 June 2024. Clime Investment Management Ltd, through the Investment Manager (held on behalf of clients), has the indirect power to dispose 4.87% (2023: 3.66%) of the Company's shares and has the indirect power to dispose 5.83% (2023: 7.55%) 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, a wholly owned subsidiary of Clime Investment Management Ltd, received $1,274,666 (2023: $1,662,038) excluding GST as remuneration for managing Clime Capital Limited's investment portfolio.

iv. All dividends paid and payable by Clime Capital Limited, whose investments are managed by Clime Asset Management Pty Limited, a wholly owned subsidiary of Clime Investment Management Ltd, 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 nil remuneration (2023: $27,385) for managing the investment portfolios and acting as trustee of Clime Fixed Interest Fund. This fund was wound up in FY2023.

3. Clime All Cap Australian Equities Fund (Wholesale)

CBG Asset Management Limited, a wholly owned subsidiary of Clime Investment Management Ltd, during the year received $381,410 (2023: $722,600) 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 nil remuneration (2023: $1,884) for managing the investment portfolios and acting as trustee of Clime Australian Equity Long Short Fund.

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

	30 JUNE 2024 ($)	30 JUNE 2023 ($)
		AMOUNT OWED BY RELATED PARTIES
Clime Capital Limited	137,513	547,921
Clime All Cap Australian Equities Fund (Wholesale)	33,662	26,838
Subsidiaries of Clime Investment Management Limited	11,716,063	9,335,327
		AMOUNT OWED TO RELATED PARTIES
Subsidiaries of Clime Investment Management Limited	32,349,910	24,373,408

G. Additional Information

Performance of Clime Investment Management Limited

The tables below set out the summary information regarding the economic entity's earnings and movements in shareholder wealth for the five years to 30 June 2024:

	30 JUNE 2024 $	30 JUNE 2023 $	30 JUNE 2022 $	30 JUNE 2021 $	30 JUNE 2020 $
Revenue	11,848,120	13,443,034	13,682,882	15,749,533	11,952,222
Net (loss)/profit before tax and amortisation - continuing operations	(1,906,571)	(24,426)	788,234	3,757,012	983,622
Net (loss)/profit before tax - continuing operations	(4,113,573)	(1,466,131)	213,973	3,109,254	534,654
Net (loss)/profit after tax - continuing operations	(3,312,587)	(1,073,143)	98,490	2,277,575	397,428
Net loss after tax - discontinued operations	(459,006)	(794,524)	-	-	-
Net (loss)/profit after tax	(3,771,593)	(1,867,667)	98,490	2,277,575	397,428
Cash dividends paid	-	289,100	1,821,795	1,307,660	1,400,310
Interim dividend - Fully franked[1] (cents per share)	-	-	1.0	1.0	1.0
Final dividend[1,2] (cents per share)	-	-	0.4	1.5	1.0
Share price as at 30 June	0.32	0.38	0.50	0.61	0.50
Basic (loss)/earnings per share (cents per share)	(5.2)	(2.6)	0.1	3.5	0.7
Diluted (loss)/earnings per share (cents per share)	(5.2)	(2.6)	0.1	3.4	0.7
Remuneration linked to share price	Nil	Nil	Nil	Nil	Nil

[1] 100% franked dividends (franked to 100% at 25% for FY2022, 26% for FY2021 and 27.5% for FY2020)
[2] Declared after each respective balance sheet date and not reflected in the financial statements

In addition, Clime Investment Management Limited did not undertake a share buy-back during the current year ended 30 June 2024 and previous year ended 30 June 2023.

Relationship of group performance to remuneration policies

The profitability of the Group is one of the key measures taken into consideration by the Remuneration Committee when determining the quantum of bonuses payable under the STI plan in any given year.

Other performance measures assessed by the Remuneration Committee when determining remuneration packages for key management personnel include:

- Growth in the Group's level of Funds Under Management (FUM);
- Investment returns and performance generated by the Funds Management team in respect of its managed investment products;
- Compliance and risk management based on regulatory requirements;
- Adviser satisfaction and retention;
- Employee satisfaction above a threshold approved by the Remuneration Committee; and
- Client satisfaction (Net Promoter Score).

END OF AUDITED REMUNERATION REPORT

Proceedings on behalf of the Group

No person has applied for leave of Court to bring proceedings on behalf of the Group or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

Non-audit services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 23 to the financial statements.

The Directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Directors are of the opinion that the services as disclosed in Note 23 to the consolidated financial statements do not compromise the external auditor's independence, based on the advice received from the Audit and Risk Committee, for the following reasons:

- All non-audit services have been reviewed and approved to ensure they do not impact the integrity and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants (Including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the Group or jointly sharing economic risks and rewards.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 25.

This Director's report is signed in accordance with a resolution of the Directors made pursuant to s. 298(2) of the *Corporations Act 2001*.

On behalf of the Directors

John Abernethy
Chairman

Claire Bibby
Independent Director

Sydney, 27 August 2024

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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF CLIME INVESTMENT MANAGEMENT LIMITED
ABN 37 067 185 899

In relation to the independent audit of Clime Investment Management Limited for the year ended 30 June 2024, to the best of my knowledge and belief there have been:

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

b) no contraventions of APES 110 *Code of Ethics or Professional Accountants (including Independence Standards)*.

This declaration is in respect of Clime Investment Management Limited and the entities it controlled during the year.

Scott Whiddett
Partner

Pitcher Partners
Sydney

29 August 2024

Consolidated Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Notes	2024 $	2023* $
CONTINUING OPERATIONS			
Revenue	5	**11,848,120**	**13,443,034**
Net realised and unrealised (losses)/gains on financial assets at fair value through profit or loss		(92,952)	53,625
Administrative expenses		(13,473,502)	(13,310,868)
Depreciation, amortisation and impairment	6	(2,207,002)	(1,441,705)
Finance costs	6	(188,237)	(210,217)
Loss before income tax from continuing operations		**(4,113,573)**	**(1,466,131)**
Income tax benefit attributable to operating loss	8(a)	800,986	392,988
Loss for the year from continuing operations		**(3,312,587)**	**(1,073,143)**
DISCONTINUED OPERATIONS			
Loss after tax for the year from discontinued operations	33	(459,006)	(794,524)
Loss for the year		**(3,771,593)**	**(1,867,667)**
Other comprehensive income, net of income tax		-	-
Total comprehensive loss for the year		**(3,771,593)**	**(1,867,667)**
Attributable to:			
Owners of the Company		(3,771,593)	(1,867,667)
Loss per share attributable to owners of the Company			
Basic - cents per share	24	(5.2)	(2.6)
Diluted - cents per share	24	(5.2)	(2.6)
Loss per share from continuing operations attributable to owners of the Company			
Basic - cents per share	24	(4.5)	(1.5)
Diluted - cents per share	24	(4.5)	(1.5)

*Certain amounts have been re-presented to separately show those operations classified as discontinued in the current year as detailed in Note 33 Discontinued operations.

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying Notes to the consolidated financial statements.

Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	2024 $	2023 $
ASSETS			
Current Assets			
Cash and cash equivalents	7(a)	3,392,763	2,173,769
Trade and other receivables	10	2,727,019	3,143,628
Current tax assets	9(c)	-	104,278
Other current assets	11	233,408	360,660
Financial assets at fair value through profit or loss	12	1,662,916	4,650,301
Other financial asset	31(c)	288,796	-
Total Current Assets		**8,304,902**	**10,432,636**
Non-Current Assets			
Other financial asset	31(c)	-	295,060
Financial assets at fair value through profit or loss	13	2,073,937	-
Property, plant and equipment	14	98,385	136,837
Right-of-use assets	15	429,446	858,890
Deferred tax assets – net	16	1,586,447	926,045
Contract costs	17	309,135	365,040
Intangible assets	18	14,860,395	18,148,866
Investment in associate		-	-
Total Non-Current Assets		**19,357,745**	**20,730,738**
Total Assets		**27,662,647**	**31,163,374**
LIABILITIES			
Current Liabilities			
Trade and other payables	19	4,141,172	3,376,840
Lease liabilities	15	532,788	477,392
Contract liabilities		25,199	48,091
Provisions	20	549,254	757,898
Deferred consideration payable	32(a)	1,393,168	1,262,592
Total Current Liabilities		**6,641,581**	**5,922,813**
Non-Current Liabilities			
Lease liabilities	15	-	532,788
Provisions	20	103,659	75,776
Deferred consideration payable	32(a)	61,008	1,366,532
Total Non-Current Liabilities		**164,667**	**1,975,096**
Total Liabilities		**6,806,248**	**7,897,909**
Net Assets		**20,856,399**	**23,265,465**
EQUITY			
Issued capital	21(a)	26,915,802	25,587,865
Reserves	22(a)	368,202	333,612
Accumulated losses	22(b)	(6,427,605)	(2,656,012)
Total Equity		**20,856,399**	**23,265,465**

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

Consolidated	Notes	Issued capital $	Share-based payments reserve $	Accumulated losses $	Attributable to owners of Company $	Non-controlling interest $	Total $
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 income for the year net of tax		-	-	-	-	-	-
Total comprehensive loss 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**
Loss for the year		-	-	(3,771,593)	(3,771,593)	-	(3,771,593)
Other comprehensive income for the year net of tax		-	-	-	-	-	-
Total comprehensive loss for the year net of tax		**-**	**-**	**(3,771,593)**	**(3,771,593)**	**-**	**(3,771,593)**
Transactions with equity holders in their capacity as equity holders:							
• Issue of ordinary shares by way of placements	21(b)	1,350,000	-	-	1,350,000	-	1,350,000
• Cost of issuing capital - net of tax		(22,063)	-	-	(22,063)	-	(22,063)
• Recognition of share-based payments	22(a)	-	34,590	-	34,590	-	34,590
Balance as at 30 June 2024		**26,915,802**	**368,202**	**(6,427,605)**	**20,856,399**	**-**	**20,856,399**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying Notes to the consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Notes	2024 $	2023 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Fees received in the course of operations		16,517,158	15,795,127
Expense payments in the course of operations		(17,339,944)	(17,266,193)
Dividends and distributions received		449,957	402,649
Interest received		77,444	15,509
Income tax refund/(paid), net		278,310	(67,144)
Operating cashflows		**(17,075)**	**(1,120,052)**
Proceeds from disposal of financial assets at fair value through profit or loss		2,895,009	617,925
Payments for financial assets at fair value through profit or loss		-	(15,606)
		2,895,009	**602,319**
Net cashflow from/(used in) operating activities	7(b)	**2,877,934**	**(517,733)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of subsidiaries net of cash acquired	32	-	(4,014,199)
Payment for deferred consideration towards acquisition of subsidiaries	32	(1,300,000)	-
Loan to associate		-	(50,000)
Receipts from/(payments for) other financial asset at amortised cost		6,264	(5,515)
Payments for property, plant and equipment	14	(14,753)	(61,186)
Payments for intangible assets	18(a)	(230,563)	(498,113)
Cash transferred on sale of subsidiaries	33	(850,766)	-
Net cashflow used in investing activities		**(2,389,818)**	**(4,629,013)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares to institutional investors	22(b)	1,350,000	-
Costs of issue of shares to institutional investors		(29,417)	-
Principal elements of lease payments		(477,393)	(425,835)
Finance costs on lease liabilities	15	(39,866)	(62,441)
Finance cost - Others		(72,446)	(43,849)
Dividends paid to Company's shareholders	9(a)	-	(289,100)
Net cashflow from/(used in) financing activities		**730,878**	**(821,225)**
Net increase/(decrease) in cash and cash equivalents		**1,218,994**	**(5,967,971)**
Cash and cash equivalents at beginning of the year		**2,173,769**	**8,141,740**
Cash and cash equivalents at end of the year	7(a)	**3,392,763**	**2,173,769**
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 to the consolidated financial statements.

Notes to the Financial Statements

For the year ended 30 June 2024

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 consolidated financial statements of the Company for the year ended 30 June 2024 comprise of the Company and its subsidiaries (together referred to as the Group). These consolidated financial statements were authorised for issue in accordance with a resolution of the Directors on 27 August 2024.

The principal activities of the Company and its subsidiaries are described in Note 26(a). For the purpose of preparing the consolidated financial statements, the Group is a for-profit entity.

2. Summary of material accounting policies

(a) Basis of preparation

These consolidated financial statements are general purpose financial statements which:

- have been prepared in accordance with the *Corporations Act 2001* and Accounting Standards, Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB);
- comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB); and
- have been prepared on a historical cost basis, except for certain financial assets and liabilities, which are measured 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.

New and revised accounting standards effective during the reporting period

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing on 1 July 2023:

- *AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates [AASB 7, AASB 101, AASB 134 & AASB Practice Statement 2].* The above amendment did not have any impact on the amounts recognised in prior periods and is not expected to significantly affect the current or future periods.

There are no other new standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2023 that have a material impact on the Group.

New accounting standards and interpretations not yet adopted

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective and is unlikely to have a material impact on the Group.

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

(b) Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2024. Control is achieved when the Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Group 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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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.

All intragroup assets and liabilities, equity, income, expenses and cashflows 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.

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.

Non-controlling interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the noncontrolling 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 measured as the amount of interests at initial recognition plus the non- controlling interests' share of subsequent changes in equity.

(c) Business combinations

The Group applies the acquisition method for business combinations in accordance with *AASB 3 Business Combinations.* The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition date fair values of assets transferred, liabilities incurred and the equity interest issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of *AASB 9 Financial Instruments,* is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with AASB 9. Other contingent consideration that is not within the scope of AASB 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

(c) 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.

Where goodwill has been allocated to a cash generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(d) Investment in associates and joint ventures

The Group holds 30% (2023: 30%) interest in James Street Wealth Pty Ltd.

The financial statements of James Street Wealth Pty Ltd are prepared for the same reporting period as the Group. The accounting policies of both companies are aligned with those of the Group. Therefore, no adjustments are made when measuring and recognising the Group's share of the profit or loss of the investees after the date of acquisition.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investment in its associate and joint venture are accounted for using the equity method. The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and noncontrolling interests in the subsidiaries of the associate or joint venture.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(e) Fair value measurement

The Group measures its financial assets and liabilities at fair value at each reporting date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described in Note 4.

(e) Fair value measurement (continued)

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

(f) Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Group expects 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) Management fees
The Group provides investment management services to the customers under:
- Individually Managed Accounts (IMA);
- Managed funds; and
- Separately Managed Accounts (SMA).

Management and administration fees are calculated based on a percentage of the value of customer portfolio's daily balance and funds under management as disclosed in the guide/product disclosure statements for IMAs and managed funds or applicable investment management agreement for mandates. Fees are charged monthly, in arrears and are recognised as revenue in the period that the services are provided, and performance obligations are satisfied over time. Exit fees are charged on Individually Managed Accounts if the customer decides to leave the service within 12 months of joining.

ii) Performance fees
The Group is entitled to earn performance fees on its Individually Managed Accounts when the portfolio outperforms an agreed benchmark and achieves a positive performance since the last time the fee was calculated. Fees are calculated on the anniversary of a customer's initial investment and then on exit, adjusted for additions to the portfolio and part withdrawals.

Performance fees on managed funds are recognised when the funds achieve a positive return exceeding that of the agreed benchmark and high watermark. As performance fees are contingent upon performance determined at a future date, they are not recognised over time since they cannot be measured reliably, and may be subject to a reversal of revenue. Fees are calculated daily/monthly and if applicable, recgonised as revenue and paid from the fund semi-annually and annually in arrears after they can be measured reliably.

iii) Advice, accounting and tax services fees
The Group delivers tailored private wealth advisory services for retail, wholesale and sophisticated investors. Advice fees predominantly consist of ongoing investment advisory services fees relating to invested funds and commissions received from insurance companies and other product providers. Based on the agreement between the Group and the advisers, the advisers act as an authorised representative of the Group and operate under Madison AFSL. As the advisers are employed by the Group, advice revenue earned is retained within the Group. The Group, through one of its wholly owned subsidiaries, also provides accounting and tax services to existing clients Self-Managed Super Funds (SMSF). The revenue associated with these services are recognised over time, as the performance obligations are satisfied by the Group.

iv) Corporate and authorised representative fees
The Group's wholly owned subsidiary, Madison Financial Group Pty Ltd, holds an Australian Financial Services Licence (AFSL). On a monthly basis, the corporate authorised representatives (practices) and authorised representatives (advisers) are charged for licensee services based on a fixed fee structure outlined in the contract with the advisers and practices. The Group's obligation under these contracts is to provide access to Madison's AFSL and support services to advisers and practices to enable them to provide financial advice. Revenue is recognised bi-monthly as services are provided to advisers and practices and performance obligations are satisfied over time.

v) Investment education and software
The Group operates and distributes an online, webbased 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. Receipts from client subscriptions are accounted as contract liabilities and recognised as revenue over the period of the subscription in order to reflect the period over which performance obligations under the subscription are satisfied.

vi) 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.

vii) Interest income
Interest income is recognised 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.

(f) Revenue recognition (continued)

Trade receivables
A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities
A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

(g) Income tax

The income tax expense for the year represents the tax payable on the pre-tax accounting profit adjusted for changes in the 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.

Current tax assets and liabilities for the year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Deferred tax assets and liabilities are recognised for all deductible and taxable temporary differences at the tax rates that are expected to apply to the year when the asset is realised or liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized. Current and deferred tax balances attributable to items recognised directly in other comprehensive income and equity are also recognised directly in other comprehensive income and equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities, and deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Clime Investment Management Limited and its wholly owned subsidiaries are part of a tax-consolidated group under Australian taxation law. As a consequence, all members of the tax-consolidated group are taxed as a single entity. Clime Investment Management Limited is the head entity of the tax consolidated group.

(h) Goods and services tax

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

- 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
- 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.

(i) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) Leases (continued)

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, restoration costs and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

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

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Subsequent to initial recognition, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(j) 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 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).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at *(j) Intangible assets* *(continued)*

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.

(k) 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).

(l) Cash and cash equivalents

Cash and cash equivalents include cash at banks and on hand, 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.

(m) Trade and other receivables

Trade receivables are financial assets 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 term between 30 and 90 days.

The Group applies the AASB 9 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 shared credit risk characteristics and the days past due. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Additional allowances are also taken where specific and known risks have been identified.

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

(n) Investments

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

The Group classifies its financial 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 transferred and the Group has transferred substantially all of the risks and rewards of ownership.

iii) Measurement
At initial recognition, the Group measures investments at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of profit or loss and other comprehensive income.

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.

(o) 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.

(p) 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.

(q) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated 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, to realise the assets and settle the liabilities 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.

(r) 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.

(s) Employee benefits

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 estimated 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.

vi) Employee Incentive Scheme (EIS)
The Company EIS was approved by shareholders at the Company's Annual General Meeting held in October

(s) Employee benefits (continued)

vi) Employee Incentive Scheme (EIS) (continued)
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. 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 Payments.*

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 sharebased 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 consolidated 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.

vii) 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 (2023: $27,400) are expensed to the income statement immediately on issue.

(t) 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 an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

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).

(u) Discontinued operations

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss and other comprehensive income for the current and previous financial year.

Additional disclosures are provided in Note 33. All other notes to the consolidated financial statements include amounts for continuing operations, unless indicated otherwise.

(v) 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.

The Group is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that Corporations Instrument amounts in the directors' report are rounded off to the nearest dollar, unless otherwise indicated.

3. Critical accounting estimates and assumptions

The preparation of the consolidated financial statements requires management and Directors of the Company to make judgements, estimates and assumptions that affects the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities.

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 and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described below :

(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(j) and Note 2(k). The recoverable amounts of cash-generating units (CGU) 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, use of assumptions relating to future growth and pre-tax discount rates reflecting a market estimate of the weighted average cost of capital.

The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill, investment management contracts and client relationships recognised as intangible assets by the Group.

(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 Customers (as amended)*. Accordingly, payments made to Authorised Representatives are deducted from the gross revenue to arrive at the reported net revenue figures as disclosed in Note 33 of the consolidated financial statements.

(e) Recovery of deferred tax assets

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

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 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.

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 2024		30 JUNE 2023	
	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)	$482,544	($482,544)	$703,369	($703,369)

(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 (2.95% weighted average interest rate in 2024 and 1.26% weighted average interest rate in 2023).

	30 JUNE 2024		30 JUNE 2023	
	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)	$26,702	($26,702)	$43,828	($43,828)

(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 2024	CARRYING AMOUNT $	CONTRACTUAL CASH FLOWS $	LESS THAN 6 MONTHS $	6 – 12 MONTHS $	1-3 YEARS $
Financial liabilities					
Trade and other payables	3,557,896	3,557,896	1,852,896	310,000	1,395,000
Lease liabilities	532,788	547,401	273,700	273,701	-
Deferred consideration payable	1,454,176	1,496,000	1,031,667	398,000	66,333
Total financial liabilities	5,544,860	5,601,297	3,158,263	981,701	1,461,333

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

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 2024	LEVEL 1 $	LEVEL 2 $	LEVEL 3 $	TOTAL $
Financial assets at fair value through profit or loss				
- Listed equities (Note 12)	1,662,916	-	-	1,662,916
- Convertible notes (Note 13)	-	-	2,073,937	2,073,937
	1,662,916	**-**	**2,073,937**	**3,736,853**

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
	4,650,301	**-**	**-**	**4,650,301**

(ii) 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.

CONVERTIBLE NOTES

When fair values of financial assets or liabilities are based on unobservable inputs, the instruments are included within Level 3 of the hierarchy. The Group values these investments at fair value at year end. Refer Note 13 for details of significant unobservable inputs.

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

	2024 $	2023 $
Revenue from contracts with customers		
Revenue from Funds management		
Management fees [1]	6,969,395	8,013,289
Performance fees [2]	140,570	490,386
Other fees [2]	421,421	767,423
	7,531,386	**9,271,098**
Revenue from Wealth Solutions		
Advice fees [1]	3,027,930	2,854,330
Dealership, portfolio management and other fees [1]	608,602	614,564
Subscription fees from investment software [1]	58,337	111,460
Other fees [2]	63,001	133,641
	3,757,870	**3,713,995**
Direct investments income		
Dividends and distributions	517,334	402,649
Interest income	41,530	55,292
	558,864	**457,941**
TOTAL REVENUE	**11,848,120**	**13,443,034**

[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

	2024 $	2023 $
Loss for the year before income tax includes the following specific expenses:		
Employee benefits expense		
Employee benefits expense (excluding superannuation)	7,373,715	7,945,226
Defined contribution superannuation expense	646,322	615,042
Share-based payment expense recognised (Note 25 (c))	34,590	43,475
Total employee benefits expense	**8,054,627**	**8,603,743**
Finance liabilities measured at amortised cost		
Interest on lease liabilities	39,866	62,441
Unwinding of discount – Deferred consideration payable	125,052	131,883
Interest - other	23,319	15,893
Total finance costs	**188,237**	**210,217**
Other expenses		
Rental expenses relating to short-term leases	224,933	208,780
Total occupancy-related costs	**224,933**	**208,780**
Depreciation, amortisation and impairment		
Depreciation of property, plant and equipment (Note 14)	53,205	69,722
Depreciation of right-of-use assets (Note 15)	429,444	429,444
Amortisation of investment management contracts (Note 18 (a))	260,817	260,348
Amortisation of software licences (Note 18 (a))	231,371	303,153
Amortisation of customer relationships and customer lists (Note 18 (a))	326,776	322,878
Amortisation of contract costs (Note 17)	55,905	56,160
Impairment of goodwill and software licences (Note 18(a))	849,484	-
Total depreciation, amortisation and impairment	**2,207,002**	**1,441,705**

7. Statement of cashflows

(a) Reconciliation of cash

	2024 $	2023 $
For the purposes of the consolidated statement of financial position and consolidated statement of cash flows, cash and cash equivalents comprise:		
Cash and bank balances	**3,392,763**	**2,173,769**

Cash at bank is interest bearing. Cash at bank and deposits at call bear floating interest rates between 0.14% and 0.85% (2023: 0.1% and 1.88%).

The cash and cash equivalents as at end of 30 June 2024 includes nil balance (2023: $1.15 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

	2024 $	2023 $
Loss for the year attributable to the owners of the Company	(3,771,593)	(1,867,667)
Adjustment for non-cash items:		
Depreciation, amortisation and impairment expense	2,207,002	1,476,712
Non-cash share-based payment expense	34,590	43,475
Finance costs paid	188,237	194,324
Change in operating assets and liabilities		
Trade and other receivables and other assets	447,058	(526,343)
Financial assets at fair value through profit or loss	2,987,385	551,783
Trade and other payables and contract liabilities	1,498,558	175,398
Income tax refund	(278,310)	(67,144)
Deferred tax assets and liabilities	(277,812)	(490,364)
Provisions	(157,181)	(7,907)
Net cashflow from/(used in) operating activities	**2,877,934**	**(517,733)**

8. Income tax expense

(a) Income tax expense

	2024 $	2023 $
Current tax benefit/(expense)	-	(16,575)
Deferred tax benefit on continuing operations	800,986	409,563
Deferred tax benefit on discontinued operations	26,916	80,801
	827,902	**473,789**
Deferred income tax expense included in income tax expense comprises:		
Refund of prior year tax losses	(167,500)	-
Increase in deferred tax assets (Note 16)	(660,402)	(487,701)
Decrease in deferred tax liabilities (Note 16)	-	(2,663)
	(827,902)	**(490,364)**

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

	2024 $	2023 $
Loss before income tax expense (including discontinued operations)	**(4,599,495)**	**(2,341,456)**
Tax at the Australian tax rate of 25% (2023: 25%)	(1,149,874)	(585,364)
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Amortisation of intangibles	199,862	232,735
Impairment of goodwill and intangibles	212,371	-
Share-based payment expense	8,647	10,869
Franking credits on dividends	(94,103)	(96,698)
Sundry items	(4,805)	(35,331)
Income tax benefit	**(827,902)**	**(473,789)**

9. Dividends

(a) Dividends provided for and paid during the year

	2024 $	2023 $
Final dividend in respect of the previous financial year – Nil (2023: 0.4 cents per share fully franked)	-	289,100
Interim dividend in respect of the current financial year – Nil (2023: Nil)	-	-
	-	289,100
Fully franked portion	-	289,100

(b) Dividends not recognised at year end

Proposed fully franked dividend – Nil (2023: Nil)	**-**	**-**

(c) Franking account balance

Amount of franking credits available for subsequent financial years are:		
Franking account balance brought forward	416,341	496,232
Franking debits arising from income tax refund	(279,135)	(112,455)
Franking credits from dividends received	125,470	128,931
Franking credits transferred from MTIS and ISAS	186,762	-
Franking debits from payment of dividends	-	(96,367)
Balance of franking account at year end	**449,438**	**416,341**
Franking credits that will arise from income tax (receivable)/payable	-	(104,278)
Adjusted franking account balance after payment of unrecognised dividend amounts	449,438	312,063

10. Trade and other receivables - Current

	2024 $	2023 $
Trade receivables	611,646	1,129,692
Claims receivable (e)	490,127	1,637,366
Claims receivable against provision (f)	1,392,500	-
Other receivables	232,746	376,570
	2,727,019	**3,143,628**

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. During the financial year, the Company paid $460,106 to settle claims related to a Madison adviser. This amount is expected to be fully recovered and hence, recognised as a receivable.

f. As at the date of divestment in Madison Financial Group Pty Ltd – 28 June 2024, further potential claim payments of $1,392,500 subject to ongoing investigations were recognised as provision for claims (Note 19 (a)). These claims are expected to be fully recovered from the associated adviser(s) and therefore, have been recognised as receivable as at the reporting date.

11. Other current assets

	2024 $	2023 $
Prepayments and deposits	**233,408**	**360,660**

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

	2024 $	2023 $
Listed equities	**1,662,916**	**4,650,301**

13. Financial assets at fair value through profit or loss - Non-current

Convertible notes of $2,073,937 (face value of $1 per note), issued by Infocus Wealth Management Limited ('Infocus') and received by the Company on 28 June 2024 as consideration for the sale of Madison Financial Group Pty Ltd and WealthPortal Pty Ltd to Infocus, have been recognised as financial assets at fair value through profit or loss (refer Note 33). These notes bear interest of 8% payable bi-annually and will mature after 36 months, i.e. on 28 June 2027. The Company has an option to redeem the notes in cash or convert the notes to equity on the maturity date.

As the divestment was completed on 28 June 2024, the consideration as per the sale purchase contract has been considered as the fair value of the convertible notes as at 30 June 2024 (refer Note 33 for details and allocation of the consideration). The sale purchase contract includes terms that if the aggregate net revenue generated from the subsidiaries sold (i.e., Madison Financial Group Pty Ltd and WealthPortal Pty Ltd) is less than $1,682,421 in the 12-month period immediately prior to the date, i.e., 18 months from completion, the consideration will be reduced on a $ for $ basis. Based on a thorough assessment performed by the Company, no indicators of a decrease in consideration due to reduction in forecasted revenue have been identified. Accordingly, no fair value adjustments have been made to the contract consideration. Management will continue to evaluate the compliance with contract terms at each reporting date and accordingly, recognise the appropriate fair value loss, if any, in subsequent periods.

14. Property, plant and equipment

	2024 $	2023 $
Property, plant and equipment - at cost	339,423	785,549
Accumulated depreciation and impairment	(241,038)	(648,712)
Written down value of property, plant and equipment	**98,385**	**136,837**
Reconciliation		
Carrying value at beginning of the year	136,837	145,373
Additions during the year	14,753	61,186
Depreciation charge for the year	(53,205)	(69,722)
Carrying amount at end of the year	**98,385**	**136,837**

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 consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	2024 $	2023 $
Right-of-use assets		
Building under lease arrangement		
At cost	2,147,222	2,147,222
Accumulated depreciation	(1,717,776)	(1,288,332)
Carrying amount at 30 June	**429,446**	**858,890**

Lease liabilities		
Current	532,788	477,392
Non-current	-	532,788
	532,788	**1,010,180**

Lease expenses and cashflows		
Finance costs on lease liabilities	39,866	62,441
Principal elements of lease payments	477,393	425,835
Expenses relating to leases of 12 months or less (for which a lease asset and lease liability have not been recognised)	374,823	356,446
Total cash outflow in relation to leases	892,082	844,722
Depreciation expense on lease assets	**429,444**	**429,444**

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

16. Deferred tax assets and deferred tax liabilities

(a) Deferred tax assets

	2024 $	2023 $
The balance comprises temporary differences attributable to:		
Financial assets at fair value through profit or loss	20,373	20,617
Contract liabilities	6,300	12,023
Employee benefits	205,608	255,669
Accrued expenses	719,262	110,395
Tax losses carried forward on revenue account	456,923	349,360
Tax losses carried forward on capital account	177,981	177,981
Deferred tax assets	**1,586,447**	**926,045**
Movements		
Opening balance at 1 July	926,045	438,344
Credited to profit or loss (Note 8(a))	660,402	487,701
Closing balance at 30 June	**1,586,447**	**926,045**

(b) Deferred tax liabilities

	2024 $	2023 $
The balance comprises temporary differences attributable to:		
Financial assets at fair value through profit or loss	-	-
Deferred tax liabilities	**-**	**-**
Movements:		
Opening balance at 1 July	-	2,663
Credited to the profit or loss (Note 8(a))	-	(2,663)
Closing balance at 30 June	**-**	**-**
Net deferred tax assets (a – b)	**1,586,447**	**926,045**

17. Contract Costs

	2024 $	2023 $
Contract costs	**309,135**	**365,040**

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 2024, amortisation amounting to $55,905 (2023: $56,160) was recognised in the consolidated statement of profit or loss and other comprehensive income. There was no impairment during the year (2023: $Nil).

18. Intangible assets

	2024 $	2023 $
Goodwill:		
At cost	**10,819,090**	**12,548,431**
Investment management contracts and relationships:		
At cost	5,160,480	5,160,480
Accumulated amortisation	(4,634,558)	(4,373,741)
	525,922	**786,739**
Software licences:		
At cost	1,682,299	1,725,727
Accumulated amortisation	(1,070,870)	(955,293)
	611,429	**770,434**
Customer relationship and customer list:		
At cost	3,966,683	5,077,747
Accumulated amortisation	(1,062,729)	(1,034,485)
	2,903,954	**4,043,262**
Closing balance at 30 June	**14,860,395**	**18,148,866**

18. Intangible assets (continued)

(a) Reconciliations

2024 - Consolidated	GOODWILL	INVESTMENT MANAGEMENT CONTRACTS & RELATIONSHIPS	SOFTWARE LICENCES	CUSTOMER RELATIONSHIPS & CUSTOMER LISTS	TOTAL
	$	$	$	$	$
Carrying amount at beginning of year	12,548,431	786,739	770,434	4,043,262	18,148,866
Additions	-	-	230,563	-	230,563
Disposals (Note 33)	(1,038,054)	-	-	(812,532)	(1,850,586)
Amortisation expense[1]	-	(260,817)	(231,371)	(326,776)	(818,964)
Impairment[2]	(691,287)	-	(158,197)	-	(849,484)
Carrying amount at end of year	**10,819,090**	**525,922**	**611,429**	**2,903,954**	**14,860,395**

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**

[1] Amortisation of $818,964 (2023: $921,386) is included in the consolidated statement of profit or loss and other comprehensive income.
[2] During the year, the Group has impaired goodwill of $691,287 pertaining to the acquisition of Stocks In Value Pty Ltd and software licences of $158,197 in line with the refocus on the Group's core business of funds and individual account management. The impairment has been recognised in the consolidated statement of profit or loss within 'Depreciation, amortisation and impairment.'

(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	LICENSEE SERVICES	TOTAL
	$	$	$	$
2024 - Consolidated				
Balance at the beginning of the year	5,528,227	-	7,020,204	12,548,431
Derecognised on divestment (Note 33)	-	-	(1,038,054)	(1,038,054)
Impairment	(691,287)	-	-	(691,287)
Other movements during the year	3,728,204	-	(3,728,204)	-
Balance at end of year	**8,565,144**	**-**	**2,253,946**	**10,819,090**
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**

(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 15.4% (2023: 14.7%) 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.

Licensee services

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 15.4% (2023: 19%) 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

	2024 $	2023 $
Unsecured:		
Trade payables	508,112	742,426
Dividends on shares issued under the Employee Incentive Scheme	32,562	32,562
Accruals	1,751,407	1,315,647
Provisions for claims (a)	1,392,500	-
Licensee fees payable	-	1,021,698
Other payables	456,591	264,507
	4,141,172	**3,376,840**

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.

(a) Provision for claims of $1,392,500 relates to existing Madison claims in progress as at the date of divestment (28 June 2024). These are expected to be fully recovered from the adviser and hence, an equivalent receivable has been recorded as disclosed in Note 10(f) above.

20. Provisions

	2024 $	2023 $
Employee benefits – current		
Annual leave	352,639	528,788
Long service leave	196,615	229,110
	549,254	**757,898**
Employee benefits - non-current		
Long service leave	**103,659**	**75,776**

21. Issued capital

(a) Share capital

	PARENT EQUITY		PARENT EQUITY	
	2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares				
Fully paid	**75,660,265**	**71,160,265**	**26,915,802**	**25,587,865**

[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 Payments* which treats the shares issued under the Employee Incentive Scheme as 'in-substance options' for statutory reporting purposes. Refer to Note 2(s)(vi) for further information.

As at 30 June 2024, there are 500,000 (2023: 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 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**
19 January 2024	Issue of ordinary shares to Teaminvest Private Group Limited	4,500,000	1,350,000
January to March 2024	Cost of issuing capital – net of tax	-	(22,063)
30 June 2024	**Balance**	**75,660,265**	**26,915,802**

(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 2024, Clime Investment Management Limited, in accordance with its on-market share buy-back scheme, did not undertake a share buy-back (2023: Nil) 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 2024, there are 500,000 (2023: 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.

150,000 new share options were granted under the Company's EIS in the current financial year.

(f) Employee Share Plan ("ESP")

During FY2024, the Company did not issue any new shares (FY2023: Nil) 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.

(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 2023.

22. Reserves and retained earnings

(a) Reserves

	2024 $	2023 $
Share-based payments reserve	**368,202**	**333,612**
Movements		
Share-based payments reserve		
Balance 1 July	333,612	290,137
Share-based payment expense recognised	34,590	43,475
Transfer to issued capital on completion of EIS loan term	-	-
Balance 30 June	**368,202**	**333,612**

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

(b) Accumulated losses

	2024 $	2023 $
Movements in retained earnings were as follows:		
Balance 1 July	(2,656,012)	(482,851)
Net loss for the year attributable to owners of the Group	(3,771,593)	(1,867,667)
Adjustment arising from change in non-controlling interest - Ralton AM Pty Ltd	-	(16,394)
Dividends (Note 9)	-	(289,100)
Balance 30 June	**(6,427,605)**	**(2,656,012)**

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:

	2024 $	2023 $
Audit and review of financial statements - Pitcher Partners	266,331	293,110
Other services		
Taxation matters - Pitcher Partners	26,006	12,854
Total services provided by Pitcher Partners	**292,337**	**305,964**
Other auditors (excluding Pitcher Partners)		
Audit and review of financial statements - KPMG	9,928	9,424
Others	15,800	11,550
	25,728	**20,974**

24. Earnings/(loss) per share

(a) Basic and diluted loss per share

	2024 CENTS	2023 CENTS
Basic and diluted loss per share	**(5.2)**	**(2.6)**
Basic and diluted loss per share for continuing operations	**(4.5)**	**(1.5)**
Basic and diluted loss per share for discontinued operations	**(0.6)**	**(1.1)**

The following table reflects the income data used in the basic and diluted EPS calculations:

	2024 $	2023 $
Loss attributable to the ordinary equity holders of the Group		
Continuing operations	(3,312,587)	(1,073,143)
Discontinued operations	(459,006)	(794,524)
Loss attributable to the ordinary equity holders of the Group for basic and diluted loss per share	**(3,771,593)**	**(1,867,667)**

(b) Reconciliations of weighted average numbers of shares

	2024 $	2023 $
Weighted average number of ordinary shares used in the calculation of basic earnings per share	**73,164,364**	**71,075,029**
Weighted average number of ordinary shares deemed to be issued for no consideration in respect of - Employee Incentive Scheme	-	-
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	**73,164,364**	**71,075,029**

(c) 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.

150,000 in-substance options were 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
2024			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	-
22/08/2023	20/08/2026	$0.358	-	150,000*	-	-	150,000	-
Total			**1,300,000**	**150,000**	**-**	**(950,000)**	**500,000**	**-**
Weighted average exercise price				**$0.515**				

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

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) Employee Incentive Scheme (EIS) (continued)

The weighted average contractual life of in-substance options outstanding at the end of the period was 1.02 years (2023: 1.14 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 current and previous financial year ended 30 June 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 $0.53 (2023: $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 for options outstanding as at 30 June 2024 were:

NUMBER OF OPTIONS	GRANT DATE	EXERCISE PRICE	VALUE PER OPTION AT GRANT DATE	VESTING / EXPIRY DATE
350,000	22/03/2022	$0.582	$0.120	21/03/2025
150,000	21/08/2023	$0.358	$0.059	20/08/2026
500,000				

Refer to the Remuneration Report on pages 17 to 24, for additional information in relation to the EIS.

(b) Employee Share Plan (ESP)

There were no shares granted under the ESP during the current and previous financial year.

(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:

	2024 $	2023 $
Option expense		
Employee Incentive Scheme	34,590	43,475
Employee Share Plan Scheme	-	-
	34,590	**43,475**

Refer to the Remuneration Report on pages 17 to 24. for additional information in relation to the Employee Incentive Scheme and Employee Share Plan Scheme.

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.

The 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).

Madison Financial Group Pty Limited and WealthPortal Pty Limited have been divested on 28 June 2024. Accordingly, these entities have been excluded from the segment reporting below.

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.

(b) Reportable Segments

2024	INVESTMENT MANAGEMENT	LICENSEE SERVICES	INTER-SEGMENT ELIMINATIONS	CORPORATE CENTRE	CONSOLIDATED
	$	$	$	$	$
Segment revenue					
Sales to external clients	10,557,878	648,778	-	142,600	11,349,256
Intersegment sales	(19,826)	(40,174)	-	-	(60,000)
Investment income	-	-	-	558,864	558,864
Other income	-	-	-	-	-
Total segment revenue	**10,538,052**	**608,604**	**-**	**701,464**	**11,848,120**
Net realised and unrealised losses on financial assets at fair value through profit or loss	-	-	-	(92,952)	(92,952)
Net group result before tax	2,019,687	463,995	-	(6,597,255)	(4,113,573)
Income tax benefit	-	-	-	800,986	800,986
Loss for the year					**(3,312,587)**
Depreciation, amortisation and impairment expense	(761,798)	-	-	(1,445,204)	(2,207,002)

2023	INVESTMENT MANAGEMENT	LICENSEE SERVICES	INTER-SEGMENT ELIMINATIONS	CORPORATE CENTRE	CONSOLIDATED
	$	$	$	$	$
Segment revenue					
Sales to external clients	12,143,749	614,564	-	226,780	12,985,093
Intersegment sales	-	-	-	-	-
Investment income	-	-	-	457,941	457,941
Other income	-	-	-	-	-
Total segment revenue	**12,143,749**	**614,564**	**-**	**684,721**	**13,443,034**
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	900,200	-	(5,383,924)	(1,466,131)
Income tax benefit	-	-	-	392,988	392,988
Loss for the year					**(1,073,143)**
Depreciation and amortisation expense	(324,765)	-	-	(1,116,940)	(1,441,705)

(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 investment management business of $10,538,052 (2023: $12,143,749) (see Note 26(b) above) are revenues of approximately $1,274,666 (2023: $1,662,038) which arose from services provided to the Group's largest client.

27. Subsequent Events

Michael Baragwanath was appointed as a Director of the Company on 1 July 2024 and Acting Managing Director of the Company on 17 July 2024.

Annick Donat has resigned from her position as the Chief Executive Officer effective 31 July 2024.

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 was concluded and the balance in escrow account created as part of the acquisition of Madison Entities with SC Australian Holdings 1 Pty Limited has been received by the Company.

As at 30 June 2024, the Group did not have any outstanding material contingent liabilities.

Capital expenditure commitments

The Group has no contracted material capital expenditure commitments as at 30 June 2024 (2023: 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	TERMINATION BENEFITS	SHARE- BASED PAYMENTS	TOTAL
	$	$	$	$	$	$
2024						
Remuneration of Directors and other Key Management Personnel	**970,971**	**72,139**	**9,748**	**115,385**	**14,243**	**1,182,486**
2023						
Remuneration of Directors and other Key Management Personnel	**1,077,045**	**74,864**	**12,521**	**-**	**19,800**	**1,184,230**

Further information regarding the identity of key management personnel and their compensation can be found in the Audited Remuneration Report contained in the Directors' Report on pages 17 to 24 of this Annual Report.

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

(i) Options provided as remuneration and shares issued on exercise of such options
Details of options provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options, can be found in the Remuneration Report on pages 17 to 24.

(ii) 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 Group, 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
2024	No.	No.	No.	No.
Mr. John Abernethy	**5,129,350**	-	60,000	**5,189,350**
Ms. Susan Wynne	**10,000**	-	-	**10,000**
Ms. Claire Bibby	**-**	-	-	**-**
Mr. Andrew Coleman	**-**	-	4,500,000	**4,500,000**
Mr. Ronni Chalmers (resigned 3 April 2024)	**8,252,008***	-	(3,492,285)	**4,759,723**
Mr. Michael Kollo (resigned 3 April 2024)	**-**	-	-	**-**
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
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****

* 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. 150,000 share options were cancelled during the year.

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

***Post 30 June 2024, 400,000 shares will be cancelled as Ms. Donat has resigned effective 31 July 2024. Therefore, the holding will be 3,000 shares subsequently.

(c) Loans to Directors and other key management personnel

$218,400 (2023: $300,000) 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 Group, 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 34.

(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 $131,423 (2023: $160,916) 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 1.39% (2023: 3.98%) of the share capital of the Company as at 30 June 2024. Clime Investment Management Ltd, through the Investment Manager (held on behalf of clients), has the indirect power to dispose 4.87% (2023: 3.66%) of the Company's shares and has the indirect power to dispose 5.83% (2023: 7.55%) 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, a wholly owned subsidiary of Clime Investment Management Ltd, received $1,274,666 (2023: $1,662,038) excluding GST as remuneration for managing Clime Capital Limited's investment portfolio.

iv. All dividends paid and payable by Clime Capital Limited, whose investments are manged by Clime Asset Management Pty Limited, a wholly owned subsidiary of Clime Investment Management Ltd, 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 nil remuneration (2023: $27,385) 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, a wholly owned subsidiary of Clime Investment Management Ltd, during the year received $381,410 (2023: $722,600) 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 nil remuneration (2023: $1,884) 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 2024 ($)	30 JUNE 2023 ($)	30 JUNE 2024 ($)	30 JUNE 2023 ($)
Clime Capital Limited	137,513	547,921	-	-
Clime All Cap Australian Equities Fund (Wholesale)	33,662	26,838	-	-
Subsidiaries of Clime Investment Management Limited	11,716,063	9,335,327	32,349,910	24,373,408

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

	2024 $	2023 $
Assets		
Current assets	14,023,579	10,489,887
Non-current assets	31,312,311	29,751,101
Total Assets	**45,335,890**	**40,240,988**
Liabilities		
Current liabilities	20,686,967	11,033,597
Non-current liabilities	514,992	1,070,085
Total Liabilities	**21,201,959**	**12,103,682**
Net Assets	**24,133,931**	**28,137,306**
Equity		
Issued capital	26,915,802	25,587,865
Profit reserve	24,849,831	24,849,832
Accumulated losses	(27,999,904)	(22,634,003)
Share-based payments reserve	368,202	333,612
Total Capital and reserves	**24,133,931**	**28,137,306**

(b) Financial performance

Loss for the year	(5,651,380)	(426,651)
Other comprehensive income/(loss)	-	-
Total comprehensive loss	**(5,651,380)**	**(426,651)**

(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 $288,796 (2023: $288,797) and is secured by a charge over other financial assets of $288,796 (2023: $295,060).

(d) Commitments

The parent company has contracted $232,560 (2023: $232,560) 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 Madison.

The details of the purchase consideration as recorded in the prior year were as follows:

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

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed were provisionally allocated in FY23 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 extension of payment period 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 in FY23.

The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement as at 30 June 2023 was $2,796,000.

Acquisition-related costs (included in administration expenses in the statement of profit or loss and other comprehensive income in FY23) amounted to $27,367.

Changes during year ended 30 June 2024

During the year, the payment terms associated with the deferred consideration payable were revised which impacted the fair value of residual deferred consideration payable. As a result, a loss of $20,120 due to the change in fair value measurements has been recognised in the consolidated statement of profit or loss and other comprehensive income. During the year, $1,300,000 was paid towards part settlement of deferred consideration. The total consideration paid till 30 June 2024 towards the acquisition was $5,269,511 (2023: $3,969,511).

The potential undiscounted amount of all future payments that the Group is required to make under the deferred consideration arrangement as at 30 June 2024 is $1,496,000 and will be settled in cash by the purchaser on or before 31 July 2025 revising from previously agreed 30 September 2024.

The discounted value of the deferred consideration payable as at 30 June 2024 is as follows:

	$
Details of Deferred consideration payable	
- Non-current	61,008
- Current	1,393,168
Total	**1,454,176**

(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 for FY23) amount to $13,104.

33. Discontinued Operations

(a) Divestment of Madison Financial Group Pty Ltd and WealthPortal Pty Ltd

The Company sold its 100% stake in subsidiaries Madison Financial Group Pty Ltd and WealthPortal Pty Ltd on 28 June 2024 to Infocus Wealth Management Limited. The results of these subsidiaries have been reported as discontinued operations in the current period and the prior period comparatives were re-presented in the statement of profit or loss and other comprehensive income. Financial information relating to the discontinued operation for the period to the date of disposal is set out below:

(b) Financial performance and cash flow information

The financial performance and cash flow information presented are for the period ended 28 June 2024 and the year ended 30 June 2023.

	2024 $	2023 $
Revenue	3,028,968	1,944,293
Expenses	(3,514,890)	(2,819,618)
Loss before income tax	**(485,922)**	**(875,325)**
Income tax credit	26,916	80,801
Loss from discontinued operations	**(459,006)**	**(794,524)**
Net cash outflow from operating activities	(691,156)	(468,149)
Net cash inflow from investing activities	-	-
Net cash outflow from financing activities	128,606	(573,896)
Net decrease in cash generated by the subsidiary	**(562,550)**	**(1,042,045)**
Cash and cash equivalents at beginning of the year	**1,413,316**	**2,455,361**
Cash and cash equivalents at end of the year	**850,766**	**1,413,316**

(c) Details of sale of subsidiaries

	2024 $
Consideration received or receivable	
8% Convertible notes redeemable after 3 years	2,073,937
Other receivables (8% Convertible notes redeemable after 3 years – to be issued in FY25)	30,421
Total consideration	**2,104,358**
Carrying amount of net assets sold	**2,104,358**

The carrying amounts of assets and liabilities as at the date of sale (28 June 2024) were:

	28 June 2024 $
Bank balances	850,766
Trade and other receivables	31,590
Prepayments	100,030
Intangible assets	1,850,586
GST credit balances	2,723
Total assets	2,835,695
Trade creditors and other payables	717,145
Provision for annual leave	14,192
Total liabilities	**731,337**
Net assets	**2,104,358**

34. 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* 2024 %	2023 %
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 (divested on 28 June 2024)	Australia	Fully Paid Ordinary	-	100
AdviceNet Pty Limited	Australia	Fully Paid Ordinary	100	100
ProActive Portfolios Pty Limited	Australia	Fully Paid Ordinary	100	100
WealthPortal Pty Limited (divested on 28 June 2024)	Australia	Fully Paid Ordinary	-	100
Ralton AM Pty Limited	Australia	Fully Paid Ordinary	100	100
MTIS Wealth Management Pty Ltd	Australia	Fully Paid Ordinary	100	100
Investment Strategist Accounting Service Pty Ltd	Australia	Fully Paid Ordinary	100	100
Optimise Advice Services Pty Ltd	Australia	Fully Paid Ordinary	100	100

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

Consolidated Entity Disclosure Statement

For the year ended 30 June 2024

Name of entity	Type of entity	Country of incorporation	Percentage of share capital held	Australian tax resident or foreign tax resident
Clime Asset Management Pty Ltd	Body corporate	Australia	100%	Australian
Stocks In Value Pty Ltd	Body corporate	Australia	100%	Australian
Clime Private Wealth Pty Ltd	Body corporate	Australia	100%	Australian
Clime Investors Education Pty Ltd	Body corporate	Australia	100%	Australian
CBG Asset Management Limited	Body corporate	Australia	100%	Australian
Madison Financial Group Pty Limited (divested on 28 June 2024)	Body corporate	Australia	0%	Australian
AdviceNet Pty Limited	Body corporate	Australia	100%	Australian
ProActive Portfolios Pty Limited	Body corporate	Australia	100%	Australian
WealthPortal Pty Limited (divested on 28 June 2024)	Body corporate	Australia	0%	Australian
Ralton AM Pty Limited	Body corporate	Australia	100%	Australian
MTIS Wealth Management Pty Ltd	Body corporate	Australia	100%	Australian
Investment Strategist Accounting Service Pty Ltd	Body corporate	Australia	100%	Australian
Optimise Advice Services Pty Ltd	Body corporate	Australia	100%	Australian
James Street Wealth Pty Ltd	Body corporate	Australia	30%	Australian

At the end of the financial year, no entity within the consolidated Group was a trustee of a trust within the consolidated entity, a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity.

Directors’ Declaration

The Directors declare that:

a. in the Directors’ opinion, the attached consolidated financial statements and notes thereto, as set out on pages 26 to 70, are in accordance with the *Corporations Act 2001*, including compliance with Accounting Standards, and giving a true and fair view of the consolidated financial position and performance of the Group;

b. in the Director’s opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;

c. in the Directors’ opinion, the attached consolidated financial statements are in compliance with International Financial Reporting Standards, as stated in Note 2 to the consolidated financial statements;

d. in the Directors’ opinion, the consolidated entity disclosure statement is true and correct;

e. the Directors have been given the declarations required by S295A of the *Corporations Act 2001*; and

f. the remuneration disclosures contained in the Remuneration Report comply with S300A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Board of Directors made pursuant to S295(5) of the *Corporations Act 2001.*

On behalf of the Directors by:

John Abernethy
Chairman

Claire Bibby
Independent Director

27 August 2024

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CLIME INVESTMENT MANAGEMENT LIMITED
ABN 37 067 185 899

Report on the Audit of the Financial Report

We have audited the accompanying financial report of Clime Investment Management Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies, the consolidated entity disclosure statement and the Directors' Declaration.

Opinion

In our opinion:

a) the accompanying financial report of Clime Investment Management Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

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

Basis for Opinion

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

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

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

Independent Auditor's Report
To the Members of Clime Investment Management Limited
ABN 37 067 185 899

Key Audit Matters

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

Key audit matter	***How our audit addressed the matter***
Accuracy of Management and Performance Fees ***Refer to Note 5: Revenue and Note 30: Related party transactions***	
Management fees and Performance fees account for $6,969,395 and $140,570 of the Group's $11,848,120 reported revenue from continuing operations in 2024. We focused our audit effort on the accuracy of management fees and performance fees given their significance to the revenue of the Group and the calculation includes key inputs such as portfolio movements, relevant index benchmarking and set percentages in accordance with the Investment Management Agreements. In addition to their quantum, as some of these transactions are made with related parties, there are additional inherent risks associated with these transactions, including the potential for these transactions to be charged in excess of those mandated under the management agreement. We therefore identified accuracy of management and performance fees as a key audit matter.	Our procedures included, amongst others: • Obtaining an understanding of and evaluating the design and implementation of management's processes and controls for calculating the management fees including those performed by an independent service organisation; • Reviewing the independent auditor's report on internal controls (ASAE 3402 Assurance Reports on Controls at a Service Organisation) for the Investment Administrator for the current financial year; • Making enquiries with management and the directors with respect to any significant events during the year and associated adjustments made as a result, in addition to reviewing ASX announcements and Board meeting minutes; • Testing a sample of key inputs such as company dividends, income tax payments, capital raisings, capital reductions as well as any other relevant expenses used in the calculation of management fees; • Testing of key inputs such as portfolio movements, application of the relevant index benchmarking, set percentage used in the calculation of management fees, as well as performing a recalculation in accordance with our understanding of the Investment Management Agreements; and • Assessing the appropriateness of the accounting policy in relation to management fees and the adequacy of disclosures in the financial statements.

Independent Auditor's Report
To the Members of Clime Investment Management Limited
ABN 37 067 185 899

Key Audit Matters (Continued)

Key audit matter	***How our audit addressed the matter***
Impairment Assessment of Intangible Assets ***Refer to Note 18: Intangible Assets***	
At 30 June 2024 the Group's consolidated statement of financial position has intangible assets totalling $14,860,395. The assessment of impairment of the Group's intangible assets incorporates significant management judgement surrounding the assumptions and estimates used in calculating their recoverable amount. Key assumptions and estimates include financial and cash flow forecasts, discount rates, and growth rates. We therefore identified valuation of intangible assets as a key audit matter.	Our procedures included, amongst others: • Obtain an understanding of and evaluating the design and implementation of management's processes and controls regarding the determination of the recoverable amount of the intangible assets; • Challenging key assumptions and estimates (e.g., cash flow forecasts, discount rates and growth rates) used to determine the recoverable amount of the intangible assets; • Performing sensitivity analysis on recoverable amount calculations performed by management; and • Assessing the appropriateness of the accounting policy in relation to impairment and the adequacy of disclosures in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's Annual Report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

Independent Auditor's Report
To the Members of Clime Investment Management Limited
ABN 37 067 185 899

Other Information (Continued)

for such internal controls as the Directors determine is necessary to enable the preparation of:

(i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

(ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

PITCHER PARTNERS

Independent Auditor's Report
To the Members of Clime Investment Management Limited
ABN 37 067 185 899

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

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

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 23 of the Directors' Report for the year ended 30 June 2024. In our opinion, the Remuneration Report of Clime Investment Management Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

SMWhiddett	Pitcher Partners
S M Whiddett	**Pitcher Partners**
Partner	Sydney

29 August 2024

Shareholder Information

The shareholder information set out below was applicable as at 20 August 2024:

A. Distribution of Equity Securities

Analysis of numbers of equity security holders by size of holding:

ORDINARY SHARES	NUMBER OF HOLDERS
1 - 1,000	49
1,001 - 5,000	180
5,001 - 10,000	58
10,001 - 100,000	156
100,001 and over	57
	500

B. Equity Security Holders

The names of the twenty largest holders of quoted equity securities are listed below:

		ORDINARY SHARES
ORDINARY SHARES	NO OF SHARES	PERCENTAGE OF ISSUED SHARES
Citicorp Nominees Pty Limited	11,997,403	15.75
Torres Industries Pty Limited & Nagarit Pty Limited <Nagarit Super Fund A/C>	7,470,576	9.81
Mr David Schwartz <David Schwartz Fam Hlds A/C> & Related Entities	5,508,573	7.23
Primewest Management Ltd <Primewest Property Fund A/C>	5,434,783	7.14
Double Pty Limited & Abernethy Smsf Pty Ltd <Abernethy Super Fund A/C>	5,351,350	7.03
Mr Ronni Chalmers, Locope Pty Ltd & Vivre Investments Pty Ltd	4,594,887	6.03
PHC Investments Limited	4,501,351	5.91
Teaminvest Private Group Limited	4,500,000	5.91
Mr Wen Ding	3,497,924	4.59
Netwealth Investments Limited <Wrap Services A/C>	1,585,535	2.08
Ruminator Pty Ltd	1,574,645	2.07
Robansheil Pty Limited	1,178,833	1.55
Luton Pty Ltd	1,074,012	1.41
National Nominees Limited	960,690	1.26
Di Lulio Homes Pty Limited <Di Iulio Super Fund A/C>	840,951	1.10
Clodene Pty Ltd	813,522	1.07
Capital Property Corporation Pty Limited	742,309	0.97
Garrett Smythe Ltd	634,474	0.83
Barrob Bondi Pty Ltd <The Townson Superfund A/C>	609,453	0.80
Arcelia Pty Ltd <Round Hill Retire/Fund A/C>	485,334	0.64
	63,356,605	**83.18**

C. Equity Security Holders

Substantial holders in the Company are set out below:

		ORDINARY SHARES
ORDINARY SHARES	NO OF SHARES	PERCENTAGE OF ISSUED SHARES
Citicorp Nominees Pty Limited	11,997,403	15.75
Torres Industries Pty Limited & Nagarit Pty Limited <Nagarit Super Fund A/C>	7,470,576	9.81
Mr David Schwartz <David Schwartz Fam Hlds A/C> & Related Entities	5,508,573	7.23
Primewest Management Ltd <Primewest Property Fund A/C>	5,434,783	7.14
Double Pty Limited & Abernethy Smsf Pty Ltd <Abernethy Super Fund A/C>	5,351,350	7.03
Mr Ronni Chalmers, Locope Pty Ltd & Vivre Investments Pty Ltd	4,594,887	6.03
PHC Investments Limited	4,501,351	5.91
Teaminvest Private Group Limited	4,500,000	5.91

D. Voting rights

Subject to any restrictions from time to time affecting any class of shares, on a show of hands every member present in person shall have one vote and upon a poll every member present or by proxy or attorney shall have one vote for each share held.

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 all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

Contact Details

Mr. Tushar Kale is the sole Company Secretary from 16 August 2024.

The address of the registered office and principal place of business in Australia is:

Level 12
20 Hunter Street
Sydney NSW 2000

Telephone: 1300 788 568

E. Other Information

Annual General Meeting

The Annual General Meeting of Clime Investment Management Limited is expected to be held on 22 November 2024.

Stock Exchange Listing

The shares of the Company are listed on the Australian Securities Exchange under the exchange code CIW. Quotation has been granted for all the ordinary shares of the Company on all member exchanges of the Australian Securities Exchange. The home exchange is Sydney.

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Clime Investment Management Limited

ABN 37 067 185 899

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