Contango Capital Partners Limited

ABN 52 124 184 765

Annual Report - 30 June 2011

Contango Capital Partners Limited

6 September 2011

Dear Shareholder

CONTANGO CAPITAL PARTNERS LIMITED ("CCQ")
RESULTS SUMMARY FOR THE YEAR ENDED 30 JUNE 2011

- Operating profit for the period: $884,000
- No income tax expense has been taken into account due to the significant tax losses available to the Company
- Dividend and interest income from investments amounted to $1.0m
- Loss on financial assets of $396,000
- Increase in value and profit from associate (CAML)
- Costs down 24%
- An interim dividend of 2.5 cents per share was paid on 21 April 2011
- Final dividend for the year of 3 cents proposed for payment in October 2011
- NTA at 30 June 2011 of $1.076
- Share price (including dividends) appreciated by 32.3% compared with a rise of 0.1% for the Diversified Financials Accumulation index
- The Company has no debt

COMMENTARY ON RESULTS

The sovereign debt crisis in Europe weighed on financial markets throughout the year. The heightened volatility undermined investor confidence and weakened support for listed equities. These developments had a negative impact on the valuations of listed fund management companies and the returns that they generated over the year. Over the year to 30 June 2011, the Diversified Financials Accumulation Index was virtually flat. In comparison, CCQ's share price return for the year (including dividends) was 32.3%.

CCQ's key unlisted investment, Contango Asset Management Limited ("CAML"), generated a 10% increase in its profit after tax for the year, despite a significant drop in funds under management (FUM). At 30 June 2011, CAML's FUM was $745m – down from $1,443m at the same time last year.

CAML's investment products performed well over the year. Additionally, it was successful in offering a new business line – a specialised Resources Fund which has performed well since its inception.

Set out below are the one year and since inception returns for CAML's products. All of the products showed good outperformance over the past year. CAML's Small Companies and Microcaps products were both ranked in the first quartile of the Mercer Small Companies – All Funds survey for the year to 30 June 2011.

One Year to 30 June 2011

Product	Benchmark	Contango	Benchmark	Outperformance
Australian Shares	S&P/ASX300 Accum	13.8%	11.9%	+1.9%
Small Companies	S&P/ASX Small Ords Accum	32.6%	16.4%	+16.2%
Microcaps	S&P/ASX Small Ords Accum	36.7%	16.4%	+20.3%
Income Generator	LPT	14.6%	5.7%	+8.9%
Global Unhedged	MSCI Intl unhedged	12.8%	2.7%	+10.1%

Since Inception to 30 June 2011

Product	Contango (pa)	Benchmark (pa)	Outperformance (pa)	Date of Inception
Australian Shares	9.2%	7.7%	1.5%	8 April 1999
Small Companies	12.6%	4.9%	7.7%	28 February 2005
Microcaps	23.4%	8.8%	14.6%	25 March 2004
Income Generator	3.3%	2.1%	1.2%	31 October 2004
Global Unhedged	5.0%	-8.5%	13.5%	2 January 2008

Understanding macroeconomic conditions is a core part of CAML's investment process. These insights assisted CAML in delivering superior performance over the past year, despite the volatile market conditions. CAML's sound investment process and experienced investment staff will support future growth in the business.

Net Tangible Asset Backing

The Net Tangible Asset value of the investment portfolio at 30 June 2011 was $1.076 per share. This represents an increase of 3.3% for 12 months, compared to +0.1% for the ASX300 Diversified Financials Accumulation Index over the same period. Adjusting for dividends paid to shareholders, this represents an increase of 4.1% for the year.

Over the year, the underlying portfolio returned 5.3% and significantly outperformed the diversified financials index.

Portfolio Structure

Details of CCQ's investments as at 30 June 2011 are set out below:

Listed investments	58.0%
Unlisted Investments (49.9% holding in CAML)	36.5%
Cash	5.5%
Total	100.0%

Listed Investments Update

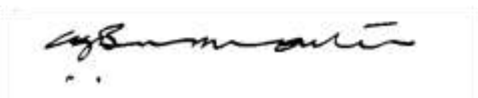
The top five listed holdings as a percentage of the total portfolio value of CCQ as at 30 June 2011 are set out below:

Macquarie Bank	12.6%
TFS Corporation	11.1%
AMP Limited	8.2%
Snowball Group	7.1%
ANZ Banking Group	4.6%

Outlook

Given the uncertain outlook for financial services companies, we have been positioning the portfolio toward fund managers with lower volatility asset classes as their core business lines. More generally, we will continue to follow a cautious approach, recognising the on-going challenges confronting financial markets.

Yours sincerely



Bill Beerworth
Chairman

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Directors' Report

The directors present their report and the audited financial report of Contango Capital Partners Limited, for the financial year ended 30 June 2011. This financial report has been prepared in accordance with Australian Accounting Standards.

Directors

The following persons were directors of Contango Capital Partners Limited at any time during or since the beginning of the financial year and up to the date of this report:

William J Beerworth
Gregory A Bundy
David I Stevens
Glenn Fowles (appointed 30 December 2010)
Stephen L Babidge (resigned 30 December 2010)

Principal Activities

The principal activities of the Company during the financial year were investing in the financial services industry in Australia, New Zealand and Asia.

There has been no significant change in the nature of these activities during the year.

Results

The profit after income tax attributable to the members of Contango Capital Partners Limited was $884,223 (2010: $2,082,922).

Review of Operations

A review of the operations of the Company and the financial results for the financial year are as follows:

- The company continued investing in companies operating in the financial services industry in Australia, New Zealand and Asia.
- Over the 12 months the investment portfolio returned 5.3% before fees and taxes (2010: declined by 0.7%).
- Dividend and interest income amounted to $982,000 (2010: $1,079,000). This decline is attributed to the reduction in the investment portfolio that occurred from the capital repayment paid to shareholders in October 2009.
- The contribution to profit from the investment in the Company's associate (Contango Group Pty Ltd) increased from $757,000 in FY2010 to $906,000 for FY2011. This occurred despite a significant reduction in funds under management (refer to "Significant Changes in the State of Affairs" below).
- Due to volatile investment markets during the year, the Company suffered losses on its listed investment portfolio of $396,000 (2010: Gains of $1,051,000)
- Expenses during the year fell by 24% from FY2010 to FY2011.
- The Net Tangible Asset value as at 30 June 2011 was $1.076 (2010: $1.096). Adjusting for dividends paid to shareholders this represents an increase of 4.1% for the year.
- No income tax expense or benefit has been taken to account due to the significant tax losses available to the Company and the uncertainty of their recovery.

- The increase in the Company's share price, including dividends, was 32.3% compared to the ASX/S&P300 Diversified Financials Accumulation Index which increased by 0.1%

The Company intends to continue investing in accordance with the guidelines which were disclosed in the Company's prospectus.

Dividends Paid, Recommended and Declared

On 2 August 2010, the Company released its revised dividend policy reflecting the intention to pay dividends equivalent to 5% of the Net Tangible Asset backing per share prevailing at 30 June each year. For the year ended 30 June 2010, this amounted to 4 cents per share paid in 5 October 2010. For the year ended 30 June 2011, the total dividend will be 5.5 cents per share – 2.5 cents was paid on 21 April 2011 as an interim dividend and the final dividend of 3 cents is proposed for payment during October 2011. Exact entitlement and payment dates for the 2011 final dividend will be advised to shareholders when the final dividend is formally declared in August 2011. All dividends paid to date by the Company have been fully franked.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Company during the year, however, within the Company's largest investment and investment manager (the 49.99% stake in Contango Group Pty Ltd), the following changes occurred:

- Funds under management of the investment manager declined from $1,443m at 30 June 2010 to $745m at 30 June 2011. The main contributor to this was the loss of a major client during December 2010.
- Also during December 2010, the Chief Investment Officer of the Company's investment manager's, Stephen Babidge, resigned. Stephen's responsibilities have been taken over by David Stevens and investment performance of all products for the year ended 30 June 2011 remains strong.

After Balance Date Events

Since the end of the financial year equity markets have fallen. Significant negative movements have the ability to impact the Company's future income and the fair value of investments. Please refer to Note 3 of the financial statements for further information on market risk.

No other matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely Developments

The Company will continue to pursue its operating strategy to create shareholder value.

Environmental Regulation

The operations of the Company are not subject to any particular environmental regulations under a Commonwealth, State or Territory law.

Information on Directors and Company Secretary

The qualifications, experience and special responsibilities of each person who has been a director of Contango Capital Partners Limited at any time during or since the end of the financial year is provided below, together with details of the Company Secretary as at the year end.

Independent Directors

William J Beerworth – Non-executive Chairman and Director

Qualifications
BA LLB (Sydney), LLM SJD (Virginia), MCOM (NSW), MBA (Macquarie)

Appointment - 4 April 2007

Experience and Expertise
Bill is an Investment Banker with a background in corporate law and is Managing Director of Beerworth & Partners Limited, a corporate advisory firm that specialises in mergers and acquisitions. He was educated in Australia and the United States and worked on Wall Street for three years. He was formerly a Director of HSBC Bank Australia and Managing Director of its corporate finance subsidiary; a Senior Partner of Mallesons Stephen Jacqes, one of Australia's leading law firms, where he specialised in corporate law, particularly in Mergers & Acquisitions and IPOs; and was Senior Assistant Secretary of the Australian Attorney General's Department responsible for Corporate and Securities policy. Bill was previously a Director of Australand Holdings Limited, a major diversified listed property company; Chairman of Macquarie Graduate School of Management; a member of the Australian Competition Tribunal; and a member of the Australian Financial System Inquiry – "The Wallis Inquiry" – on the restructure of the Australian financial system. He has been Chairman of Red Hill Education Limited since 25 June 2010 and is Chairman of the Australian Commission on Safety and Quality in Healthcare.

Interest in Shares
Nil (2010: Nil)

Gregory A Bundy – Non-executive Director

Qualifications
Graduate Yale University – BA Political Science

Appointment - 4 April 2007

Experience and Expertise
Gregory has been a prominent participant in various companies and investment markets for over 21 years. Gregory began his career at Merrill Lynch where he was employed for a further 18 years, assuming various senior management positions throughout the Company's worldwide offices. These positions included Vice Chairman of the Asia Pacific Australia Region; Chief Operating Officer of Merrill Lynch Investment Managers (MLIM) Princeton, USA; Chief Executive Officer of Merrill Lynch Australia, Sydney/Melbourne; Managing Director of Merrill Lynch International Equities, New York; and Managing Director of Merrill Lynch Equity Division, Japan, Tokyo.

Interest in Shares and Options
Nil (2010: Nil)

Information on Directors and Company Secretary (continued)

Non - Independent Directors

David I Stevens – Non-executive Director

Qualifications
Bachelor of Economics (Monash University)

Appointment - 28 February 2007

Experience and Expertise
David first began in the investment industry in 1978 and has been associated with over 21 years of first quartile investment performance. His specialist skills are Australian equities, as well as the generalist skills of strategic asset allocation through intimate knowledge of international equities, domestic and fixed interest and domestic property. More recently David joined HSBC Asset Management in 1989.

He became Chief Investment Officer in 1990 and Managing Director from 1992 until his resignation in November 1998. Funds under management at HSBC grew from $700 million to in excess of $6.3 billion during his period as Managing Director. The bulk of these were in Balanced and Australian equity mandates. David is also a Director of Contango MicroCap Limited.

Interest in Shares and Options
36,200 Ordinary Shares in Contango Capital Partners Limited (2010: 36,200).

Glenn Fowles – Non-executive Director and Company Secretary

Qualifications
Bachelor of Business (Accounting and Finance, Massey University, NZ)

Appointment
Secretary - 28 February 2007
Director – 30 December 2010

Experience and Expertise
Glenn has worked in the financial services industry since 1985. His roles at fund management organisations have included that of Company Accountant, Operations Manager, Financial Controller, Finance Director, Chief Operating Officer and Chief Executive Officer. Glenn has extensive experience in all aspects of investment administration, including investment accounting, custody, information systems, compliance and taxation. Glenn is also a Director of Contango Microcap Limited.

Interest in Shares and Options
28,334 Ordinary Shares in Contango Capital Partners Limited (2010: 28,334)

Stephen L Babidge - Non-executive Director

Qualifications
Fellow of the Institute of Chartered Accountants in Australia and Fellow of the Financial Services Institute of Australasia. Bachelor of Arts in Accounting (University of South Australia).

Appointment - 28 February 2007
Resigned - 30 December 2010

Experience and Expertise
Stephen has in excess of 23 years of experience in funds management, investment banking and chartered accounting. Stephen joined HSBC Asset Management Australia Limited in 1987 and, at the time of his resignation in November 1998, was the Executive Director and Chief Investment Officer. His duties included Chairmanship of the Asset Allocation Committee, management of all investment personnel and asset teams, and day to day management of all clients' Australian equity portfolios as Head of Equities. During his period with HSBC, Stephen put together one of the industry's most highly regarded and stable investment teams. Stephen was a director of Contango MicroCap Limited from 14 January 2004 until 7 December 2009.

Interest in Shares and Options
10,000 Ordinary Shares in Contango Capital Partners Limited (2010: 10,000).

Meetings of Directors

The numbers of meetings of the Company's board of directors held during the year ended 30 June 2011, and the numbers of board meetings attended by each director were:

	A	B
William J Beerworth	4	4
Gregory A Bundy	4	4
David I Stevens	4	4
Glenn Fowles	2	2
Stephen L Babidge	2	2

A = Number of meetings attended
B = Number of meetings held during the time the director held office or was a member of the committee during the year

Directors' Interests in Contracts

Directors' interests in contracts are discussed in Note 19 to the financial statements.

Remuneration Report

All of the Directors are also Directors of Contango Asset Management Limited, the investment manager of Contango Capital Partners Limited.

The executive officers of the Investment Manager who are Directors are paid directly by the group's investment manager, Contango Asset Management Limited. The Company itself did not provide these Directors with any remuneration.

The Directors of Contango Capital Partners Limited do not consider that there is any direct correlation between the level of remuneration provided to Directors of Contango Asset Management Limited (and associated subsidiaries) and the management fees paid by Contango Capital Partners Limited to Contango Asset Management Limited in accordance with Contango Capital Partners Limited Constitution, Investment Management Agreement and Prospectus.

The Constitution provides that Directors are entitled to remuneration as determined by the Company in general meeting to be apportioned among them in such manner as the Directors agree and in default of agreement, equally. Under the Constitution, the maximum amount that may be paid per annum to Directors by way of fees is $500,000.

During the year total short-term employee benefits of $105,600 cash (2010: $131,524) was paid in Director's fees, these fees were paid to the independent directors. An amount of $66,000 (2010: $91,924) was paid to Mr Beerworth; and an amount of $39,600 (2010: $39,600) was paid to Mr Bundy.

Share Options

No options over unissued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the end of the financial year.

Indemnification and Insurance of Directors, Officers and Auditors

During the financial year, the Company has paid premiums amounting to $58,226 insuring all the Directors and the officers of the Company which indemnifies Directors, Officers of the Company and the Company of any claim made against Directors, Officers of the Company, and the Company subject to conditions contained in the insurance policy. Further disclosure required under section 300(9) of the Corporations Act 2001 is prohibited under the contract. No indemnities have been given or insurance paid for the auditors of the Company.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the entity.

Non-audit Services

Non-audit services are approved by resolution of the board of directors. During the year, no non-audit services have been provided by the auditors of the entity, Pitcher Partners.

Auditors' Independence Declaration

A copy of the auditors' independence declaration in relation to the audit for the financial year as required under section 307C of the Corporations Act 2001 is provided with this report.

Rounding of Amounts

The amounts contained in the report and in the financial report have been rounded to the nearest thousand dollars (where rounding is applicable) under the option available to the company under ASIC Class Order 98/100. The company is an entity to which the Class Order applies.

This report is signed in accordance with a resolution of the directors.

William J Beerworth
Chairman
Melbourne
Dated this 23rd day of August 2011

Corporate Governance Statement

The directors of the Company are committed to maintaining best practice in corporate governance. When adopting key corporate governance policies the board has had regard to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (2nd Edition) ("ASX Recommendations" or "Principles").

The following statement outlines the Company's compliance with the ASX Recommendations.

1. BOARD OF DIRECTORS

BOARD MEMBERS

The Director's of the Company are as follows.

Director	Date of Appointment
William J Beerworth (Chair)	28 February 2007
Gregory A Bundy	28 February 2007
David I Stevens	28 February 2007
Glenn Fowles	30 December 2010

ROLES AND RESPONSIBILITIES OF THE BOARD

The board has the primary responsibility for the oversight, management and performance of the Company which includes compliance with the Company's corporate governance objectives.

The board is responsible for:

- oversight of strategic financial objectives;
- nomination, appointment and monitoring of the board;
- appointment and monitoring of the investment manager;
- approving and monitoring risk, compliance and corporate governance;
- reporting to shareholders and continuous disclosure;
- approving and monitoring financial and other reporting;
- supervising secretarial and other matters such as convening shareholder meetings; and
- initiating plans and changes, and delegating to committees or the investment manager where appropriate.

BOARD STRUCTURE AND DIRECTOR INDEPENDENCE

Directors are expected to bring independent views and judgment to all board deliberations.

The skills, experience and expertise relevant to the position held by each director in office at the date of this report are described in the Directors' Report on pages 3-5 of this financial report.

The board has reviewed the position and associations of all four directors in office and has determined that Messrs Beerworth and Bundy are independent of the Company. In making this determination the board has had regard to the independence criteria within the ASX Guideline Principles and other information and circumstances that the board considers relevant. The board will assess the independence of any new directors upon appointment and will regularly review each director's independence, as appropriate.

The board's structure is not consistent with the ASX Recommendation in respect of having a majority of independent directors. Given the size and cohesion of the board, and the relationship between the Company and the investment manager the board considers that it has the relevant experience in the industry in which it operates and is appropriately structured to perform its duties in a manner that is in the best interests of the Company and its shareholders from both a long term strategic and operations perspective.

TRAINING

All new directors of the Company receive induction training covering (as appropriate):

- company structure and operations;
- risk management, corporate governance and various employee policies; and
- office procedures and administrative information;

All directors of the Company have access to continuing education to enhance their skills and knowledge.

MEETINGS OF THE BOARD

The board meets formally at least four times a year and on other occasions as required. On the invitation of the board members of the Company's advisers attend and make presentations to the board.

RETIREMENT AND RE-ELECTION

The constitution of the Company sets out the terms for appointment and removal of directors. This requires one third of the directors to retire from office at each annual general meeting. Directors who have been appointed by the board are required to retire from office at the next annual general meeting and are not taken into account in determining the number of directors to retire at that annual general meeting. Directors cannot hold office for a period in excess of three years (or later than the third annual general meeting following their appointment) without submitting themselves for re-election. Retiring directors are eligible for re-election by shareholders.

ACCESS TO INFORMATION AND INDEPENDENT ADVICE

All directors have unrestricted access (subject to law) to all Company records and information held by the Company as well as to the employees of CAML.

Each director is entitled to obtain independent professional advice at the Company's expense for the purpose of assisting them in performing their duties. A director who wishes to obtain such advice must first obtain the approval of the chair (and such approval must not be withheld unreasonably) and must provide the chair with the reason for seeking such advice, the identity of the person from whom the advice will be sought and the likely cost of obtaining such advice. Except in certain circumstances detailed in the board charter, advice obtained in this manner is made available to the board as a whole.

PERFORMANCE ASSESSMENT

To ensure continuing high standards of performance and governance, the board has adopted a formal assessment policy which will come into effect in July 2011. The policy provides for an annual review of the board and individual directors focussing on performance against the requirements of the board as well as other criteria determined by the board.

2. INVESTMENT MANAGEMENT AGREEMENT

The Company has appointed a professional investment manager, Contango Asset Management Limited ("CAML") under an Investment Management Agreement ("IMA"), dated 3 April 2007

The IMA delegates to CAML the responsibility to undertake the investment, operating, compliance and administrative requirements of the Company.

Included within the IMA are details of:

- Investment guidelines and restrictions
- Reporting requirements
- Performance measures
- Remuneration and compensation payable to CAML
- Termination provisions

As a consequence of the IMA and its delegations, the Company has no employees.

All new employees of CAML receive induction training covering (as appropriate):

- company structure and operations;
- risk management, corporate governance and various employee policies;
- office procedures and administrative information; and
- legal and regulatory obligations specific to CAML as holder of an Australian financial services licence.

3. COMMITTEES OF THE BOARD

The board considers that it is not necessary to establish separate board committees at this time. All matters that may be capable of delegation to committees will be dealt with by the full board. External advice is sought on particular matters where the board considers it necessary.

ASX Recommendations states that the board should establish a Nomination Committee, an Audit Committee, and a Remuneration Committee.

NOMINATION COMMITTEE

The board currently has the power and obligation to raise and consider issues which would otherwise be considered by the nomination committee including the nomination and appointment of directors, board evaluations and any other directorships held by board members.

AUDIT COMMITTEE

The functions of an audit committee that are carried out by the board include:

- reviewing and considering the financial statements;
- reviewing the effectiveness and performance of the Company's external auditors; and
- ensuring the independence and competence of the external auditors.

REMUNERATION COMMITTEE

As stated previously, the Company does not presently have any employees.

The maximum amount of remuneration payable to directors is fixed within the Company's constitution.

Under the terms of the IMA between the Company and CAML, directors of the Company who are also employees of CAML (Messrs Stevens and Fowles) are not permitted to receive directors' fees.

Directors who are not employees of CAML (Messrs Beerworth and Bundy) receive directors' fees – the amount of which is reviewed by the full board annually within the restrictions imposed by the Company's constitution.

Performance evaluation and remuneration of the employees of CAML is undertaken independently by CAML's board and is not part of this Company's scope of activities or responsibilities.

4. AUDIT GOVERNANCE

APPOINTMENT OF AUDITORS

The Company's current external auditors are Pitcher Partners.

If it becomes necessary to replace the external auditors for performance or independence reasons, the board will then formalise a procedure for the selection and appointment of new auditors. Pitcher Partners maintains internal policies to ensure the rotation of its external audit engagement partners.

INDEPENDENCE DECLARATION

The Corporations Act 2001 (Cth) requires external auditors to make an annual independence declaration to the board, declaring that the auditors have maintained independence in accordance with section 307C of the Corporations Act 2001.

NON-AUDIT SERVICES BY EXTERNAL AUDITORS

The board has implemented a process that governs the provision of non-audit services to the Company by the external auditors. In some cases the provision of specific services is not permitted in any circumstances (such as the preparation of accounting records, provision of valuations and provision of internal audit assistance). Some services (such as tax compliance services) are permitted while others require the prior approval of the board (such as tax advice and investigating accounting services).

ATTENDANCE AT ANNUAL GENERAL MEETINGS

The Company's external auditors attend and are available to answer questions at the Company's annual general meetings. Shareholders may submit questions for the external auditors to the company secretary no later than five business days before an annual general meeting.

5. COMPANY POLICIES

CODE OF CONDUCT

The Company has adopted a code of conduct for its directors and CAML has adopted same for its employees and directors. The code of conduct aims to establish Company values and maintain the highest level of ethical standards, corporate behaviour and accountability. The code describes:

- the practices necessary to maintain confidence in the Company's integrity;
- the practices necessary to meet legal obligations and the reasonable expectations of stakeholders; and
- the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

In particular, the code addresses:

- compliance with laws including taxation laws;
- fair dealing;
- confidentiality and protection of Company assets;
- conflicts of interest;
- obligations to shareholders and the financial community;
- trading in Company securities;
- reporting non-compliance and grievances;

Several of these matters are supported by their own specific policies and procedures.

SHARE TRADING

Under the Company's share trading policy, directors of the Company and employees of CAML are prohibited from trading in the Company's shares if they are in possession of market sensitive information. Subject to this, trading by directors of the Company or employees of CAML can occur only at times permitted within the policy which are outside "closed" periods. "Closed" periods are defined as:

- 3 days prior to month-end through to one day after the announcement of the monthly Net Tangible Asset value
- From balance date until 2 days after the release of half-year and full-year results
- 2 weeks prior to and 2 days after any general shareholder meeting of the Company

FINANCIAL REPORTING

The Company's financial report preparation and approval process involves the two directors that are also chief executive officer and chief financial officer of CAML (Mr Stevens and Mr Fowles respectively) providing a statement to the board that, to the best of their knowledge and belief, the Company's financial report presents a true and fair view, in all material respects, of the Company's financial condition and operating results and are in accordance with applicable accounting standards.

RISK MANAGEMENT AND RECOGNITION

The Company is committed to the identification, monitoring and management of risks associated with its business activities. As part of its management and reporting systems, a risk management policy has been established which is founded on the detailed risk management procedures required under the Australian financial services licence held by CAML.

As part of its responsibilities under the IMA, CAML identifies and monitors the risks faced by the Company and recommends mitigation strategies. CAML reports to the board at regular intervals and provides regular reports to the board on issues such as compliance, insurance, and financial issues.

Directors of the Company and employees of CAML are ultimately responsible to their respective boards for the Company's system of internal control and risk management. The chief executive officer and chief financial officer of CAML provide the board with an annual declaration that the statement given relating to the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board.

CONTINUOUS DISCLOSURE

The board has adopted a continuous disclosure and shareholder reporting policy to ensure compliance with the ASX Listing Rules' continuous disclosure requirements.

This policy:

- gives guidance as to the information that may require disclosure;
- gives guidance for dealing with market analysts and the media;
- establishes regular reminders to directors to actively consider whether there is any price sensitive information which needs disclosure; and
- allocates responsibility for approving public disclosures and shareholder communications.

To ensure shareholders have equal and timely access to material information concerning the Company, a monthly announcement is lodged with ASX detailing current performance of the Company

SHAREHOLDER COMMUNICATION

The board has approved, as part of the continuous disclosure policy, the Company's policy to promote effective communication with its shareholders. In addition to its disclosure obligations under the ASX Listing Rules, the Company may communicate with its shareholders via a number of means. These communications can include annual and half-yearly reports, media releases, public announcements and annual general meetings.

The Company is committed to using general meetings of the Company to effectively communicate with shareholders and to allow reasonable opportunity for informed shareholder participation.

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Contango Capital Partners Limited

In relation to the independent audit for the year ended 30 June 2011, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*.

(ii) No contraventions of any applicable code of professional conduct.

T J BENFOLD
Partner
23 August 2011

PITCHER PARTNERS
Melbourne

Statement of Comprehensive Income

	Notes	**30 June 2011 $'000**	30 June 2010 $'000
Revenue		**982**	1,079
Fair value profits / (losses) on financial assets through profit and loss	4	**(396)**	1,051
Management fees	5	**(191)**	(283)
Administration expenses	5	**(417)**	(521)
Share of net profits of associates accounted for using the equity method	10(c)	**906**	757
Profit before income tax		**884**	2,083
Income tax expense	6	**-**	-
Profit from continuing operations		**884**	2,083
Other comprehensive income		**-**	-
Total comprehensive income for the year		**884**	2,083
Profit is attributable to:			
Members of the parent		**884**	2,083
Earnings per share for profit from continuing operations attributable to equity holders of the parent entity:			
Basic earnings per share (cents)	17	**4.5**	10.5
Diluted earnings per share (cents)	17	**4.5**	10.5

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

Statement of Financial Position

	Notes	30 June 2011 $'000	30 June 2010 $'000
Assets			
Cash and cash equivalents	14(b)	**1,062**	590
Receivables	8	**137**	229
Investments in associates	10	**7,770**	7,573
Financial assets held at fair value through profit and loss	9	**12,365**	13,369
TOTAL ASSETS		**21,334**	21,761
Liabilities			
Payables	11	**34**	57
TOTAL LIABILITIES		**34**	57
NET ASSETS		**21,300**	21,704
Equity			
Contributed equity	12	**68,294**	68,294
Accumulated losses	13	**(46,994)**	(46,590)
TOTAL EQUITY		**21,300**	21,704

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

Statement of Changes in Equity

	Notes	Contributed equity $'000	Retained earnings $'000	Total Equity $'000
Balance as at 1 July 2010		**68,294**	**(46,590)**	**21,704**
Profit for the year		-	884	884
Total comprehensive income for the year		**-**	**884**	**884**
Transactions with owners in their capacity as owners:				
Dividends paid	7	-	(1,288)	(1,288)
		-	**(1,288)**	**(1,288)**
Balance as at 30 June 2011		**68,294**	**(46,994)**	**21,300**
Balance as at 1 July 2009		**97,997**	**(48,475)**	**49,522**
Profit for the year		-	2,083	2,083
Total comprehensive income for the year		**-**	**2,083**	**2,083**
Transactions with owners in their capacity as owners:				
Capital repayment	12	(29,703)	-	(29,703)
Dividends paid	7	-	(198)	(198)
		(29,703)	**(198)**	**(29,901)**
Balance as at 30 June 2010		**68,294**	**(46,590)**	**21,704**

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

Statement of Cash Flows

	Notes	30 June 2011 $'000	30 June 2010 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		**(626)**	(1,045)
Interest and security income received		**1,074**	1,140
Net cash provided by operating activities	14(a)	**448**	95
CASH FLOWS FROM INVESTING ACTIVITIES			
Transactions with associates		**710**	384
Proceeds from sale of shares		**9,017**	13,496
Payment for investments		**(8,415)**	(6,091)
Net cash provided by investing activities		**1,312**	7,789
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital repaid to shareholders		**-**	(29,703)
Dividends paid to shareholders	7	**(1,288)**	(198)
Net cash used in financing activities		**(1,288)**	(29,901)
Net increase/(decrease) in cash and cash equivalents		**472**	(22,017)
Cash and cash equivalents at beginning of year		**590**	22,607
Cash and cash equivalents at end of the year	14(b)	**1,062**	590

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

Notes to the Financial Statements

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Notes to the Financial Statements

1. Statement of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied, unless otherwise stated.

(a) Basis of Preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers Contango Capital Partners Limited as a Company. Contango Capital Partners Limited is a company limited by shares, incorporated and domiciled in Australia.

Compliance with IFRS

The financial statements of Contango Capital Partners Ltd also comply with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

The financial report was authorised for issue by the directors at the date of the Directors' report.

(b) Financial Instruments

Financial Assets at Fair Value Through Profit or Loss

Investments in listed securities are carried at fair value through profit and loss. They are measured at their fair value at each reporting date and any increment or decrement in fair value from the prior period is recognised in the profit and loss of the current period. Fair value of listed investments are based on closing bid prices at the reporting date.

Non-listed investments for which fair value cannot be reliably measured, are carried at cost and tested for impairment.

Loans and Receivables

Loans and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Financial Liabilities

Financial liabilities include trade payables, other creditors and amounts due to Director-related entities.

1. Statement of Significant Accounting Policies (continued)

(c) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand and at banks, short-term deposits with original maturities of three months or less held at call with financial institutions and bank overdrafts.

(d) Revenue

Revenue from the sale of investments is recognised when the significant risks and rewards of ownership of the investments have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest revenue is recognised when it becomes receivable on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend and trust distribution revenue is recognised when the right to receive a dividend or distribution has been established. Dividends received from associates are accounted for in accordance with the equity method.

All revenue is stated net of the amount of goods and services tax (GST).

(e) Income Tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the Australian corporate income tax rate (30%) adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

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

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

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Securities within the portfolio are treated on capital account for the purposes of the income tax calculation.

1. Statement of Significant Accounting Policies (continued)

(f) Receivables

Receivables may include amounts for interest and securities sold where settlement has not yet occurred. Interest is accrued at the reporting date from the time of last payment using the effective interest rate method. Receivables also include any loans to subsidiaries or associates made during the year.

(g) Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Purchases of securities and investments that are unsettled at reporting date are included in payables and are normally settled within three business days of trade date.

(h) Goods and Services Tax (GST)

The Company incurs GST on the investment management fees charged by the Fund Manager. The Company qualifies for Reduced Input Tax Credits (RITC's) at a rate of 75% hence investment management fees have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the cash flow statement on a gross basis.

(i) New Accounting Standards and Interpretations

The Australian Accounting Standards Board has issued a number of new accounting standards and interpretations that have recently been issued or amended but not yet effective for the annual reporting period ended 30 June 2011, and have not been applied in preparing these financial statements

None of these are expected to have a significant impact on the financial statements of the Company except for:

- AASB 9: Financial Instruments;
- AASB 2009 – 11: Amendments arising from the issuance of AASB 9 Financial Instruments;
- AASB 2010 – 7: Amendments arising from the issuance of AASB 9 Financial Instruments.

These standards have a mandatory application date for future report periods. The Company has decided against early adoption of these standards and the extent of the impact has not yet been determined.

1. Statement of Significant Accounting Policies (continued)

(j) Equity Accounting for Associates

The Company's investment in its associate is accounted for using the equity method of accounting in the financial statements.

The associate is an entity that the Company has significant influence, as the Company has over 20% of the voting rights.

Under the equity method, investments in the associates are carried in the statement of financial position at cost plus post-acquisition changes in the Company's share of net assets of the associate. After application of the equity method, the Company determines whether it is necessary to recognise any impairment loss with respect to the Company's net investment in its associate.

The Company's share of its associates' post-acquisition profits or losses is recognised in the statement of comprehensive income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from the associate reduce the carrying amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The reporting date of the associate and the Company is identical and the associate's accounting policies conform to those used by the Company for like transactions and events in similar circumstances.

(k) Rounding of Amounts

The Company is an entity of the kind referred to in Class Order 98/100 (as amended) issued by the Australian Securities and Investments Commission relating to the ''rounding off'' of amounts in the financial report. Amounts in the financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

(l) Comparative Figures

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

2. Critical Accounting Estimates and Judgements

The Company makes certain estimates and assumptions concerning the future, which, by definition will seldom represent actual results. Estimates and judgements are based on past performance and management's expectation for the future. The estimates and assumptions that have a significant inherent risk in respect of estimates based on future events, which could have a material impact on the assets and liabilities in the next financial year, are discussed below:

Income Taxes

Income tax benefits are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax assets are recognised for deductible temporary differences and management considers that it is probable that future taxable profits will be available to utilise these temporary differences.

No deferred tax asset has been recognised at 30 June 2011 because of the uncertainty of tax loss utilisation in the future. The value of the deferred tax asset not taken to account is $15,574,474 (2010: $15,520,606).

3. Financial Risk Management

(a) Objectives, Strategies, Policies and Processes

The Company's activities expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk, liquidity risk and fair value risk.

The company's overall risk management program focuses on ensuring compliance with the Company's prospectus and seeks to maximise the returns derived for the level of risk to which the company is exposed. Financial risk management is carried out by an Investment Manager under policies approved by the Board of Directors of the Company (the 'Board').

The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and ratings analysis for credit risk.

As part of its risk management strategy, the company uses a range of diversified investments to manage exposures resulting from changes in interest rates, foreign currencies, equity price risks, and exposures arising from forecast transactions.

(b) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: price risk, foreign currency risk and interest rate risk. Market risk is managed and monitored using sensitivity analysis, and minimised through ensuring that all investment activities are undertaken in accordance with established mandates and investment strategies.

The sensitivity of the Company's equity and profit/(loss) before income tax to price risk, foreign exchange risk and interest rate risk is measured by the reasonably possible movements approach. This approach is determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates and foreign exchange rates, historical correlation of the Company's investments with the relevant benchmarks and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Company invests. As a result, historic variations in the risk variables are not a definitive indicator of future variations in the risk variables.

(i) Price risk

Equity price risk is the risk that the fair value of equities will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

3. Financial Risk Management (continued)

Equity price risk exposure arises from the Company's investment portfolio. The investments are classified on the balance sheet as at fair value through profit or loss. All securities investments present a risk of loss of capital. Except for equities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from equities sold short can be unlimited. Exposure to short sold equities as at 30 June 2011 is nil (2010: nil).

The Investment Manager mitigates this price risk through diversification and a careful selection of securities and other financial instruments within specified limits set by the Board.

The Company's overall market positions are monitored on a daily basis by the Company's Investment Manager and are reviewed on a quarterly basis by the Board of Directors.

Compliance with the company's investment management agreement is reported to the Board on a monthly basis.

An increase of 5% at the reporting date of the underlying investments' prices for Australian equities would have increased profit or loss from operating activities by $618,248 (2010: $668,435). A decrease of 5% at the reporting date of the underlying investments' prices for Australian equities would have decreased profit or loss from operating activities by $618,248 (2010: $668,435). There would have been no impact on equity other than the related retained earnings change due to operating profit or loss. The analysis has been performed on the same basis for 2010.

(ii) Foreign exchange risk

The entity has no significant direct exposure to foreign exchange risk.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The company's interest bearing financial assets and financial liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The company has established limits on investments in interest bearing assets, which are monitored on a daily basis. The company may use derivatives to hedge against unexpected increases in interest rates. The risk is measured using sensitivity analysis. The entity has no direct exposure to derivatives.

In accordance with the company's policy, the Company monitors the company's overall interest sensitivity on a daily basis, and the Board of Directors reviews it on a quarterly basis. Compliance with the company's policy is reported to the Board on a monthly basis. The table below summarises the company's exposure to interest rate risks. It includes the company's assets and liabilities at fair values, categorised by the maturity dates:

3. Financial Risk Management (continued)

30 June 2011	Floating interest rate	Non-interest bearing	Total carrying amount as per Balance Sheet	Weighted average effective interest rate
	$'000	$'000	$'000	
(i) Financial assets				
Cash and cash equivalents	1,062	-	1,062	4.07
Trade and other receivables	-	137	137	-
Investments in Associates	-	7,770	7,770	-
Financial Assets at Fair Value		12,365	12,365	
Total financial assets	**1,062**	**20,272**	**21,334**	-
(ii) Financial liabilities				
Payables	-	34	34	-
Total financial liabilities	-	**34**	**34**	-

30 June 2010	Floating interest rate	Non-interest bearing	Total carrying amount as per Balance Sheet	Weighted average effective interest rate
(i) Financial assets				
Cash and cash equivalents	590	-	590	3.85
Trade and other receivables	-	229	229	-
Investments in Associates	-	7,573	7,573	-
Financial Assets at Fair Value		13,369	13,369	
Total financial assets	**590**	**21,171**	**21,761**	-
(ii) Financial liabilities				
Payables	-	57	57	-
Total financial liabilities	**-**	**57**	**57**	**-**

(c) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk primarily arises from investments in debt securities. Other credit risk arises from cash and cash equivalents, and deposits with banks and other financial institutions.

With respect to credit risk arising from the financial assets of the company, the Company's exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these investments as disclosed in the Statement of Financial Position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

3. Financial Risk Management (continued)

(c) Credit Risk (continued)

The Company holds no collateral as security or any other credit enhancements. There are no financial assets that are past due or impaired, or would otherwise be past due or impaired.

Contango Capital Partners Limited manages credit risk by diversifying the exposure among counter parties and operating in liquid markets. Contango Capital Partners Limited does not have any significant concentration of credit risk on an individual basis.

(d) Liquidity Risk

Liquidity risk is the risk that a company will encounter difficulty in meeting obligations associated with financial liabilities. This risk is controlled through the Company's investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the company maintains sufficient cash and cash equivalents to meet normal operating requirements.

In accordance with the Company's policy, the Investment Manager monitors the Company's liquidity position on a daily basis, and the Board reviews it on a quarterly basis. Compliance with the Company's policy is reported to the Board on a monthly basis.

Maturity analysis for financial liabilities

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statements of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month	1-3 months	3-12 months	12-60 months
At 30 June 2011				
Payables	34	-	-	-
Total	34	-	-	-
At 30 June 2010				
Payables	57	-	-	-
Total	57	-	-	-

(e) Fair Values of Financial Assets and Financial Liabilities

The carrying amounts of all the Company’s financial assets and financial liabilities in the Statement of Financial Position are all at fair value.

For the years ended 30 June 2011 and 30 June 2010, the Company did not have any financial assets and financial liabilities that were determined using valuation techniques. The fair value measurements of all of the Company's financial assets and liabilities for the years then ended were determined directly, in full or in part, by reference to quoted prices that were available from various sources, such as exchanges, dealers, brokers, industry groups and pricing services.

The investment in associate, however, was accounted for by application of the equity accounting principles explained in Note 1(j).

3. Financial Risk Management (continued)

(e) Fair Values of Financial Assets and Financial Liabilities (continued)

Financial asset and liabilities measured and recognised at fair value have been determined by the following fair value measurement hierarchy:

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

All of the Company's Financial Assets and Financial Liabilities as at 30 June 2011 ($12,365,000) and 2010 ($13,369,000) are defined as Level 1.

4. Revenue

	30 June 2011 $'000	30 June 2010 $'000
Interest income	**36**	223
Dividend and trust distribution income	**946**	856
Fair value gains/(losses) on financial assets at fair value through profit and loss	**(396)**	1,051
	586	2,130

5. Profit from Continuing Operations

Profit from continuing operations before income tax has been determined after the following specific expenses:

Management fees	**191**	283
Other operating expenses	**417**	521
	608	804

6. Income Tax

	30 June 2011 $'000	30 June 2010 $'000
(a) The components of tax expense:		
Current tax	**-**	-
Deferred tax	**-**	-
Total income tax expense	**-**	-
(b) Prima facie tax payable		
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:		
Profit from continuing operations before income tax	**884**	2,083
Tax at the statutory income tax rate of 30% (2010 - 30%)	**265**	625
Tax effect of amounts which are not assessable in calculating taxable income:		
- Non-deductible legal expenses	**-**	11
- Accounting profit of associate	**-**	-
- Imputation of franking credits	**(552)**	(402)
- Tax losses/(benefits) not brought to account this year	**287**	(233)
Sub-total	**-**	-
Reversal of deferred tax assets	**-**	-
Income tax expense	**-**	-
(c) Deferred tax asset not brought to account:		
Temporary differences	**3,957**	4,118
Revenue tax losses	**1,135**	875
Capital tax losses	**10,482**	10,528
	15,574	15,521

	30 June 2011 \$'000	30 June 2010 \$'000

7. Dividends

(a) Dividends paid

	30 June 2011 \$'000	30 June 2010 \$'000
Prior year dividend – 4 cents per share (2010: 1 cent)	**792**	198
Current year interim dividend of 2.5 cents per share (2010: nil)	**496**	-
	1,288	198

(b) Dividend proposed but not provided for in these financial statements

	30 June 2011 \$'000	30 June 2010 \$'000
Franked dividend – 3 cents per share (2010: 4 cents)	**594**	792

As a consequence of a recent preliminary view expressed in an ATO Draft Fact Sheet dated 21 June 2011, this dividend may be determined to be sourced indirectly from share capital and may be unfrankable. A final position on this will be sought prior to the Directors declaring the final dividend.

(c) Franking credit balance

	30 June 2011 \$'000	30 June 2010 \$'000
Balance of franking account at year–end	**1,592**	1,336

On the basis that the proposed dividend of 3 cents per share for payment in October 2011 is fully franked the franking credit balance will reduce by \$254,602 at that time.

8. Receivables

	30 June 2011 \$'000	30 June 2010 \$'000
Accrued dividend/trust distributions	**121**	212
Other debtors	**16**	17
	137	229

9. Other Financial Assets

Designated at fair value through profit and loss comprise:

	30 June 2011 \$'000	30 June 2010 \$'000
Listed equities	**12,365**	13,369
	12,365	13,369

10. Equity Accounted Investments

	30 June 2011 $'000	30 June 2010 $'000
Investment in associates	**7,770**	7,573

Interests are held in the following associated companies:
Name of Company: Contango Group Pty Ltd (ordinary shares)
Country of Incorporation: Australia
Ownership interest held by entity: 49.996%

(a) Principal Activity

Contango Group Pty Ltd is the parent company of Contango Asset Management Limited, a wholesale fund management company in Australia.

	30 June 2011 $'000	30 June 2010 $'000
(b) Share of associate's consolidated balance sheet		
Current assets	**5,005**	3,264
Non-current assets	**381**	276
Current liabilities	**(2,547)**	(899)
Non-current liabilities	**-**	-
Net Assets	**2,839**	2,641
(c) Share of associate's consolidated profit		
Share of associates':		
Profit before income tax	**1,581**	1,472
Income tax expense	**(484)**	(446)
Elimination of upstream transactions	**(191)**	(269)
Profit after income tax	**906**	757
(d) Carrying amount of investment in associates		
Balance at the beginning of the period	**7,573**	7,200
- Share of associated entity profit	**906**	757
- Transactions with associate entity	**191**	269
- Impairment	**-**	-
- Dividends received	**(900)**	(653)
Balance at the end of period	**7,770**	7,573

	30 June 2011 $'000	30 June 2010 $'000

11. Payables

	30 June 2011 $'000	30 June 2010 $'000
Unsettled trades	**-**	5
Sundry creditors and accruals	**34**	52
	34	57

12. Contributed Capital

	2011		2010	
	No. of Shares	**$'000**	No. of Shares	$'000
(a) Issued and paid up capital				
Ordinary shares fully paid	**19,802,414**	**68,294**	19,802,414	68,294
Fully paid ordinary shares carry one vote per share and carry the right to dividends				
(b) Movements in shares on issue				
Beginning of the financial year	**19,802,414**	**68,294**	99,011,920	97,997
Capital repayment	**-**	**-**	-	(29,703)
Five-for-one share consolidation	**-**	**-**	(79,209,506)	-
End of the financial year	**19,802,414**	**68,294**	19,802,414	68,294

(c) Capital Management

The Board effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. At the core of this management is the belief that shareholder value should be preserved. Shareholder value will be preserved through the management of the level of dividends to shareholders, share issues as well as the use of share buy-backs. These capital management initiatives will be used when deemed appropriate by the Board.

During 2011, the Company paid dividends of $1,287,157 (2010: $198,024). A final fully franked dividend for the year ending 30 June 2011 of 3 cents per share (2010: $0.04) will be paid in October 2011 in accordance with the Company's announced dividend policy and subject to the ATO ruling referred to in Note 7(b).

13. Retained Earnings/(Accumulated losses)

	30 June 2011 $'000	30 June 2010 $'000
Balance at the beginning of year	**(46,590)**	(48,475)
Net profit attributable to members of the company	**884**	2,083
Dividends paid for the year	**(1,288)**	(198)
Balance at end of year	**(46,994)**	(46,590)

14. Cash Flow Information

(a) Reconciliation of cash flow from operations with profit after income tax

	30 June 2011 $'000	30 June 2010 $'000
Net profit for the year	**884**	2,083
Non Cash Items		
(Gains)/Losses on investments	**396**	(1,051)
Equity accounted profit after tax	**(906)**	(757)
Changes in assets and liabilities		
Decrease in income receivables	**92**	78
Decrease in expense payables	**(18)**	(258)
Net cash inflow from operating activities	**448**	95

(b) Reconciliation of Cash

	30 June 2011 $'000	30 June 2010 $'000
Cash balance comprises:		
- Cash at bank	**1,062**	590
Closing cash balance	**1,062**	590

15. Commitments

The Company has no commitments as at 30 June 2011 (2010: Nil).

16. Contingencies

The Company has no contingent liabilities at 30 June 2011 (2010: nil).

17. Earnings Per Share

(a) Earnings per share	**30 June 2011**	30 June 2010
Basic earnings per share ($)	**4.5**	10.5
Diluted earnings per share ($)	**4.5**	10.5
Earnings used in calculation of earnings per share ($)	**884,223**	2,082,922
Weighted average number of shares used in the calculation of basic earnings per share	**19,802,414**	19,802,414
Weighted average number of shares used in the calculation of diluted earnings per share	**19,802,414**	19,802,414

18. Directors' Compensations

The company paid short-term employee benefits to the independent Directors, William Beerworth and Gregory Bundy, totalling $105,600 (2010: $131,524)as directors fees during the period.

The activities of the company are managed by Contango Asset Management Limited and its associated subsidiaries ('the Fund Manager'). The company pays the Fund Manager a management fee and a performance fee in accordance with the Contango Capital Partners Limited constitution, Investment Management Agreement and Prospectus.

The non-independent Directors of the Company are also employees of the Fund Manager, Contango Asset Management Limited. Amounts paid to the Fund Manager are disclosed in Note 21.

The Directors of Contango Capital Partners Limited do not consider that there is any direct correlation between the level of remuneration provided to Directors of Contango Asset Management Limited (and associated subsidiaries) and the management fees paid by Contango Capital Partners Limited to Contango Asset Management Limited in accordance with Contango Capital Partners Limited Constitution, Information Management Agreement and Prospectus.

Loans to Key Management Personnel

During the period there were no loan arrangements entered into or outstanding with Directors or associates.

Remuneration Options

No options were granted as remuneration.

19. Directors' Equity Holdings

Number of shares directly or indirectly held in Contango Capital Partners Limited by Key Management Personnel is disclosed below:

	Balance 01/07/09 Shares	**Received as Remuneration Shares**	**Net change – Share Consolidation**	**Balance 30/06/10 Shares**
Directors				
William J Beerworth (Chairman)	-	-	-	-
Gregory A Bundy (Director)	-	-	-	-
David I Stevens (Director)	181,000	-	(144,500)	36,200
Stephen L Babidge (Director)	50,000	-	(40,000)	10,000

	Balance 01/07/10 Shares	**Received as Remuneration Shares**	**Net change - Other * Shares**	**Balance 30/06/11 Shares**
Directors				
William J Beerworth (Chairman)	-	-	-	-
Gregory A Bundy (Director)	-	-	-	-
David I Stevens (Director)	36,200	-	-	36,200
Stephen L Babidge (Director)	10,000	-	-	10,000
Glenn Fowles (Director)	28,334	-	-	28,334

No options were granted as remuneration during year ended 30 June 2011 (2010: nil).

* Net change other relates to on-market transactions during the year.

20. Remuneration of Auditors

During the year the following fees were paid or payable for services provided by the auditor, its related practices and non related audit firms:

	30 June 2011 $'000	30 June 2010 $'000
(a) Audit services		
Pitcher Partners		
Audit and review of financial reports	**59**	51
(b) Non-audit services		
Pitcher Partners		
Taxation services and other assurances	**-**	-
	59	51

21. Related Party Disclosures

Transactions with Entities with Joint Control or Significant Influence of the Company

The company purchased 49.996% of the issued capital of Contango Group Pty Ltd for $15,000,000 in May 2007, a Director related party. The Company also entered into a management agreement with Contango Asset Management Limited, the Fund Manager, for a period of 10 years, which expires in February 2017. As contained in this agreement and detailed in the prospectus, the management fee is 1.75% per annum of funds under management and a performance fee of 15% of any out performance above the benchmark is payable. For the purposes of this calculation the benchmark is the 90 Bank Bill interest rate plus 5% per annum.

The investment in associate, however, was accounted for by application of the equity accounting principles as explained in Note 1 (j).

	30 June 2011 $'000	30 June 2010 $'000
Management fees paid to Contango Asset Management Limited	**191**	269

22. Segment Information

Business segments

The company operates in the one business segment of investment management within Australia. Consequently, no segment reporting is provided in the Company's financial statements.

23. Economic Dependency

Other than the contents of the investment management agreement between the Company and the investment manager, Contango Asset Management Limited, the Company has no economic dependency on any other entity.

24. Subsequent Events

Since the end of the financial year equity markets have fallen. Significant negative movements have the ability to impact the Company's future income and the fair value of investments. Please refer to Note 3 for further information on market risk.

There has been no other matter or circumstance, which has arisen since 30 June 2011 that has significantly affected or may significantly affect:

(a) the operations, in financial years subsequent to 30 June 2011, of the Company, or

(b) the results of those operations, or

(c) the state of affairs, in financial years subsequent to 30 June 2011, of the Company.

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 15 to 36, are in accordance with the Corporations Act 2001:

    (a) Comply with Accounting Standards in Australia and the *Corporations Regulations 2001*; and

    (b) As stated in Note 1, the financial statements also comply with International Financial Reporting Standards; and

    (c) Give a true and fair view of the financial position of the entity as at 30 June 2011 and its performance for the year ended on that date.

2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001 by the relevant executives of Contango Capital Partners Limited who perform the functions of Chief Executive Officer and Chief Financial Officer as they relate to the Company.

This declaration is made in accordance with a resolution of the Directors.

William Beerworth
Director

Melbourne
23 August 2011

CONTANGO CAPITAL PARTNERS LIMITED
ABN 52 124 184 765

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CONTANGO CAPITAL PARTNERS LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Contango Capital Partners Limited, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

CONTANGO CAPITAL PARTNERS LIMITED
ABN 52 124 184 765

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CONTANGO CAPITAL PARTNERS LIMITED

Opinion

In our opinion:

(a) the financial report of Contango Capital Partners Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in page 6 of the directors' report for the year ended 30 June 2011. The directors of the company 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.

Opinion

In our opinion, the Remuneration Report of Contango Capital Partners Limited for the year ended 30 June 2011 complies with section 300A of the *Corporations Act 2001*.

T J BENFOLD

Partner

23 August 2011

PITCHER PARTNERS

Melbourne

Company Particulars

Contango Capital Partners Limited ACN 124 184 765
The Company was incorporated as a limited liability company in Victoria on 28/02/2007. The Company is a Listed Investment Company with its securities listed only on the Australian Stock Exchange.

Registered office
Level 24
360 Collins Street
Melbourne Victoria 3000
Telephone (03) 9222 2333

Directors
William J Beerworth
Gregory A Bundy
David I Stevens
Glenn Fowles

Company secretary
Glenn Fowles

Auditor
Pitcher Partners
Level 19
15 William Street
Melbourne Victoria 3000

Investment custodian
National Australia Bank Limited
500 Bourke Street
Melbourne VIC 3000

Share registrar
Computershare Investor Services Pty Ltd
Yarra Falls

452 Johnston Street
Abbotsford Victoria 3067
Telephone 1300 850 505

Additional Information for Listed Public Companies

A. SHAREHOLDER DATA

The Company has one class of security on issue – ordinary shares, and these are quoted on the Australian Securities Exchange Ltd.

(i) Distribution of equity securities

Analysis of numbers of equity holders by size of ordinary shareholding as at 15 August 2011:

	Number of holdings	Total shares held	Percentage of total
1 - 1,000	265	235,024	1.19
1,001 - 5,000	599	1,690,298	8.54
5,001 - 10,000	155	1,180,231	5.96
10,000 - 100,000	105	3,236,584	16.34
100,000 and over	21	13,460,277	67.97
	1,145	19,802,414	100.00

(ii) Top 20 registered shareholders

The twenty largest holders of the Company's ordinary shares as at 15 August 2011 are listed below:

Position and name	Shareholding	%
1 RBC DEXIA INVESTOR SERVICES AUST NOMS PTY LTD <BKCUST A/C>	3,938,302	19.89
2 NATIONAL NOMINEES LIMITED	2,025,873	10.23
3 GINGA PTY LTD <TG KLINGER SUPER FUND A/C>	1,500,000	7.57
4 AYERSLAND PTY LTD	1,119,864	5.66
5 MRS KATHRYN MARGARET EVANS	583,590	2.95
6 AUSTRALIAN EXECUTOR TRUSTEES LIMITED <NO 1 ACCOUNT>	520,786	2.63
7 MR DONALD GORDON & MRS GWENNETH EDNA MACKENZIE	500,693	2.53
8 JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	476,261	2.41
9 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	370,237	1.87
10 MR VICTOR JOHN PLUMMER	362,000	1.83
11 MARIELLE PTY LTD <SEEKERS SUPER FUND A/C>	266,918	1.35
12 RED WINE PTY LTD <REX BEVAN SUPER FUND A/C>	260,056	1.31
13 SANOLU PTY LIMITED	250,800	1.27
14 MR REB MEWS & MRS WK MEWS <MEWS SUPER FUND A/C>	244,180	1.23
15 MOAT INVESTMENTS PTY LTD <MOAT INVESTMENT A/C>	231,194	1.17
16 GINGA PTY LTD <TG KLINGER S/F A/C>	195,263	0.99
17 GEFWEB NOMINEES PTY LIMITED <SUPER FUND A/C>	150,000	0.76
18 PARAMOR SUPER PTY LTD <THE PARAMOR SUPER FUND A/C>	121,660	0.61
19 MR NS & MRS BSY TULLOCH <THE TULLOCH SUPER FUND A/C>	117,600	0.59
20 MR PM & MRS VM ANTAW <PETAVIC SUPER FUND A/C>	116,000	0.59
Total Top 20 Holders	**13,351,277**	**67.44**

(iii) Substantial Shareholders

The names and holdings of substantial shareholders advised to the Company as at 15 August 2011 are:

Wilson Asset Management Group	3,938,302 shares (19.9%)	notified 4 August 2011
Contango Asset Management Limited	2,402,707 shares (12.1%)	notified 9 August 2010
Ayresland Pty Ltd	991,573 shares (5.0%)	notified 18 March 2011

B. ON-MARKET BUY BACK

The Company announced its intention to commence an on-market buy-back on 2 August 2010, permitting it to buy-back up to 1,980,241 shares between 17 August 2010 and 16 August 2011. For the year-ended 30 June 2011 no buy-back activity has been undertaken under this program.

C. INVESTMENTS

As at 30 June 2011, the following companies were held within the Company's investment portfolio:

AMP LIMITED (AMP)
ANZ BANKING GROUP (ANZ)
ASPEN GROUP STAPLED (APZ)
CENTURIA CAPITAL LTD (CNI)
EPICURE QATAR EQ OPP (EQEO)*
INVESTORFIRST LTD (INQ)
K2 ASSET MGT HLDGS (KAM)
MACQUARIE GROUP LTD (MQG)
PRIME FINANCIAL GRP (PFG)
SNOWBALL GROUP (SNO)
TIDEWATER INVESTMENT (TDI)
TFS CORPORATION LTD (TFC)
THE TRUST CO LTD (TRU)

* listed on AIM (London) stock exchange

D. TRANSACTION DATA

Over the 12 months ended 30 June 2011, the Company executed 11 purchase transactions and 7 sale transactions. The total brokerage paid or accrued during this period was $51,231.