

# Appendix 4E

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

## Year Ended 30 June 2024

(Previous corresponding period - Year Ended 30 June 2023)

				\$
Revenue from ordinary activities	down	58%	to	9,036,950
Profit from ordinary activities before tax attributable to members	down	73%	to	4,367,769
Profit from ordinary activities after tax attributable to members	down	67%	to	4,327,465

	Amount per security	Franked amount per security
<b>Dividends paid per share - Fully Paid Ordinary Shares</b>		
First Quarter interim dividend - July to September 2023	1.35c	1.35c
Second Quarter interim dividend - October to December 2023	1.35c	1.35c
Third Quarter interim dividend - January to March 2024	1.35c	1.35c
Final Quarter dividend - April to June 2024 (paid on 26 July 2024)	1.35c	1.35c

Record date for determining entitlements to the final dividend was

5 July 2024

### Explanation of Revenue

Investment income for the year was \$9,036,950 (2023: \$21,459,086). The decrease is the combined effect of decrease in realised gains and increase in unrealised losses on financial assets during the year ended 30 June 2024.

The net realised gains on financial assets at fair value through profit or loss was \$4,830,862 (2023: \$11,192,643) and unrealised losses on financial assets at fair value through profit or loss of \$2,892,787 (2023: gain of \$2,194,298).

### Explanation of Net Profit to members

Profit from ordinary activities after tax attributable to members was \$4,327,465 (2023: \$13,229,218).

Total operating expenses during the year decreased from \$3,091,998 to \$2,770,977. This was mainly due to non-accrual of performance fees payable to the Investment Manager in 2024 (2023: \$376,871).

Finance costs have decreased from \$2,073,452 to \$1,898,204 mainly due to reduced number of notes on which interest was paid on account of on-market buybacks.

## Dividend Policy and Capital Management

The Board intends to maintain its policy of declaring ordinary dividends each quarter. The current portfolio has a high level of income generation from its shares and yielding investments.

The Board reviews the dividend paying capacity of the Company at each quarter based on events affected general economic conditions.

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

The Board has implemented a buyback policy covering ordinary shares. In 2023/24, 1,452,347 ordinary shares and 1,154,488 Convertible Notes were bought back and cancelled. The average discount to Net Tangible Asset backing per share has been between 5% to 10%.

## Dividends

Details of dividends in relation to the financial year ended 30 June 2024 declared or paid during the year or subsequent to the year ended 30 June 2024 are as follows:

Record Date	Payment Date	Type	Amount per security	Total Dividend	Franked amount per security	Foreign sourced dividend amount per security
<b>Fully Paid Ordinary Shares</b>						
6 October 2023	26 October 2023	Interim	1.35 cents	\$1,967,002	1.35 cents	-
4 January 2024	25 January 2024	Interim	1.35 cents	\$1,967,781	1.35 cents	-
5 April 2024	24 April 2024	Interim	1.35 cents	\$1,965,936	1.35 cents	-
5 July 2024	26 July 2024	Final	1.35 cents	\$1,962,828	1.35 cents	-
		<b>Total</b>	<b>5.40 cents</b>	<b>\$7,863,547</b>	<b>5.40 cents</b>	-
<b>Grossed-up dividend yield including franking</b>					<b>7.71 cents</b>	

## Dividend/Distribution Reinvestment Plans

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

## Net tangible assets per security (Cum-Dividend)

	2024 \$	2023 \$
Fully diluted net tangible asset backing per ordinary share - pre-tax	<b>\$0.81</b>	<b>\$0.86</b>
Fully diluted net tangible asset backing per ordinary share - post-tax	<b>\$0.82</b>	<b>\$0.85</b>

**Controlled Entities**

The Company does not have any interest in controlled entities.

**Associates and Joint Venture entities**

The Company does not have any interests in associates or joint venture entities.

**Foreign Accounting standards**

Not applicable.

**Audit**

This report is based on the annual report which is audited.

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# Clime Capital Limited

ABN 99 106 282 777

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## Annual Report

For the year ended 30 June 2024

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Clime Capital Limited

# 2024 Annual Report

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# Chairman's Letter

## Dear Fellow Shareholder,

The Board and I thank you for your continued support over FY24. A year where the company's return to shareholders was primarily driven by the payment of fully franked quarterly dividends rather than capital gain.

Over FY24 the Board declared 5.4 cents (fully franked) dividends, an increase from 5.24 cents (fully franked) in FY23.

As an owner I can report the following key financial results of Clime Capital Limited (CAM) for FY24 were as follows:

1. The Net Profit was \$4.3 million down from \$13.2 million in FY23;
2. The gross return of the portfolio was 5.71%
3. Dividends declared and paid over FY24 were 3% higher than FY23; and
4. Pre-tax NTA at 30 June 2024 was \$0.81 cents (30 June 2023 \$0.86 cents).

From the Statement of Profit and Loss report, I highlight the following key drivers of CAM's results:

1. Investment revenue \$7.1 million (\$8.1 million in FY23)
2. Net realised gains on investments \$4.8 million (\$11.2 m in FY23)
3. Net unrealised loss on investments \$2.9 million (\$2.2 m unrealised gain in FY23).

Pleasingly, expenses before finance costs decreased over the year to \$2.8 million (\$3.1 million in FY23).

Looking at the Statement of Financial Position (Balance Sheet), I note the lift in Net Asset Value (Shareholder Equity) over FY24 from \$120.9 million to \$121.7 million. This lift was after dividends (net of DRP) of \$6.9 million and the buyback of notes and shares of \$2.3 million. During the year CAM undertook an SPP which raised \$4.5 million.

### A focus on growing franked dividends to shareholders

The Board believes that it is important that shareholders understand that the core focus of the manager is to grow the quarterly dividends of CAM and to do so without exposing the company to excessive risk.

There are many offers by Listed Investment Companies (LIC) across the market, and this leads to comparisons of performance that do not always reflect the individual or underlying investment rationale of each LIC. Our focus is on the steady prudent growth in quarterly franked dividends and therefore to generate cash flows to our shareholders throughout the year.

Once received, a shareholder has clear choices available to them. Either to take the cash dividend for personal use, to take the cash dividend for reinvestment elsewhere or to reinvest the dividend back into the company. The choice is a personal one and each choice leads to different outcomes for each investor.

I make this observation because the best long-term return gains accrue to those shareholders who reinvest and allow their investment to compound.

### Our style

CAM's active management style is focussed on generating a yield from our portfolio from two main sources.

First, the receipt of dividends (targeting fully franked) from our portfolio; and second, the net realisation of capital gains in the portfolio that create tax payments that add to the company's franking balance.

Dynamically and consistently adjusting portfolio positioning - based on prevailing market and macro conditions - enables the Manager to adjust the asset allocations with the aim of generating a consistent and steadily growing income return.

Success in our endeavors is measured by the payment of fully franked dividends at a rate that is superior to the share market dividend yield. Indeed, our success has been increasingly acknowledged in CAM's share price. In the final quarter of FY24 the share price of CAM was consistently at or above NTA.

The focus of our Investment Manager is “value based” and can be summarised as follows:

1. To prudently manage the portfolio to generate returns that support a steadily growing dividend stream that is fully franked;
2. To target dividends and dividend growth that is more than the dividend yield (including franking) of the ASX;
3. To maintain the payment of fully franked dividends; and
4. To manage the portfolio to support or steadily grow capital value.

It is pleasing to report that over FY24, CAM declared fully franked ordinary dividends to shareholders of \$7.9 million (\$7.3 million in FY23).

Dividends per share averaged 1.35 cents per share per quarter (fully franked) over FY24.

As the dividends are fully franked it is important for shareholders to understand that 5.4 cents fully franked per share is equivalent to a pretax return of 7.7 cents per share.

#### **CAM convertible notes (CAMG)**

At 30 June, CAM had 34.3 million \$1.00 notes at issue. These notes pay 5.25% interest (per annum) to their holders and the interest is paid quarterly. The notes can be converted into CAM shares on a 1 for 1 basis until 30 November 2025. The notes are also redeemable at the issue price of \$1.00 at maturity (November 2025).

The notes continued to trade below issue price throughout FY24 as the RBA held cash rates at 4.35%. The discount allowed CAM to buy back over \$1.3 million of notes during the year. However, the notes do provide a steady and predictable income flow to their holders whilst providing a suitable level of leverage to the CAM portfolio.

The funding mix of shareholder capital and convertible note debt is appropriately managed. The note interest is tax deductible, and the leverage supports both the portfolio return and growth in dividends to shareholders.

#### **Capital Management**

Over FY24, issued capital increased by a net \$4.4 million from dividend reinvestment and a successful share purchase plan (\$4.5 million). The growth in issued capital was offset by shares bought back through CAM’s ongoing on market buyback scheme by \$1.17 million. The buybacks were undertaken at a discount to pre-tax Net Tangible Asset (NTA) per share and occasionally were undertaken to buyback shares issued under the DRP.

#### **Conclusion**

The portfolio management focus on dividend growth has created a unique style (compared to other LICs) for our investment company. The targeting of Australian equity yield in well managed companies, with the holding of direct syndicated property and income-generating operating assets, present a diversity for investors that has many of the attributes of a well-constructed pension asset portfolio.

Over time, the Board believes that CAM’s offer will be increasingly acknowledged in the market price with an increasing number of self-directed or advised funds taking a shareholding.

In conclusion I would like to acknowledge the long service of Julian Gosse who retired from the Board in FY24. Julian was a foundation director who served on the company’s audit and risk committee and judiciously addressed or attended to several strategic initiatives and complex issues over the last twenty years. I wish Julian all the best and thank him for his service on behalf of shareholders’.

Following her election at the 2023 Annual General Meeting, I also welcome Diana D’Ambra AM to the Board, who has taken the role of our Audit & Risk Committee Chair.

On your behalf, I thank the staff of the Manager for their work during the year. I also thank shareholders for their support of the Company over financial year 2024.



**John Abernethy**  
Chairman



# Corporate Directory

## Clime Capital Limited

ABN 99 106 282 777

### Clime Capital Limited

Clime Capital Limited is a listed investment company and is a reporting entity. It is primarily an investor in securities listed on the Australian Securities Exchange and unlisted unit trusts.

#### Directors

John Abernethy (Chairman)  
Ronni Chalmers  
Marc Schwartz  
Diana D'Ambra AM  
Julian Gosse (resigned on 24 November 2023)

#### Company Secretaries

Tushar Kale (appointed on 2 May 2024)  
Simon Dutton (appointed on 2 May 2024)  
Andrew Metcalfe (resigned on 2 May 2024)

#### Investment Manager

Clime Asset Management Pty Limited  
Level 12  
20 Hunter Street  
Sydney NSW 2000

#### Registered Office

Level 12  
20 Hunter Street  
Sydney NSW 2000

#### Contact Details

Postal Address:  
P.O. Box H90  
Royal Exchange  
Sydney, NSW 1225  
P: 1300 788 568  
W: [www.climecapital.com.au](http://www.climecapital.com.au)

### Share Registry

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

P: 1300 737 760  
F: 1300 653 459  
W: [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

For enquiries relating to shareholdings, dividends (including participation in the dividend reinvestment plan) and related matters, please contact the share registry.

### Auditor

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

### Trustee for Convertible Notes

Equity Trustees Limited  
Level 19, 56 Pitt Street  
Sydney NSW 2000  
W: [www.eqt.com.au](http://www.eqt.com.au)

### Stock Exchange Listing

Clime Capital Limited securities are listed on the Australian Securities Exchange under the following exchange code:

Fully Paid Ordinary Shares	CAM
Convertible Notes	CAMG

# Directors' Report

Your Directors present their report on Clime Capital Limited ("the Company" or "CAM") for the financial year ended 30 June 2024.

## Directors

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

Mr. John Abernethy	- Chairman (Non-Independent) (appointed on 31 July 2009)
Mr. Ronni Chalmers	- Non-Independent Director (appointed on 17 December 2019)
Mr. Marc Schwartz	- Independent Director (appointed on 21 October 2020)
Ms. Diana D'Ambra AM	- Independent Director (appointed on 25 November 2022)
Mr. Julian Gosse	- Independent Director (resigned on 24 November 2023)

## Information on Directors

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

### Experience and expertise

Mr. Abernethy has over 40 years' funds management experience in Australia having been General Manager Investments for NRMA. Mr. Abernethy holds a Bachelor of Commerce (Economics)/LLB from the University of New South Wales.

### Other current directorships in listed companies

Clime Investment Management Ltd (date of appointment: 17 November 1994).  
WAM Research Limited (date of appointment: May 2002).

### Former directorships in last 3 years

None.

### Special responsibilities

Member of Remuneration Committee.  
Member of Nomination Committee.

### Interests in shares

2,180,000 ordinary shares in Clime Capital Limited.

### Interests in convertible notes

140,000 convertible notes in Clime Capital Limited.

**Ms. Diana D'Ambra AM**

Independent Director

**Experience and expertise**

Ms. Diana D'Ambra AM has more than 15 years' non-executive director experience and more than 25 years' experience as a corporate finance executive director at KPMG, delivering corporate finance, mergers, acquisitions and investment advice across many industries including financial and investment services, property development and infrastructure, fast moving consumer goods, and healthcare.

Ms. D'Ambra AM has a Bachelor and Masters of Commerce degrees, is a fellow of Chartered Accountants Australia and New Zealand (FCA), Fellow of the Australian Institute of Company Directors (FAICD), and Fellow of the Governance Institute of Australia (FGIA). Diana has successfully completed the Australia Institute of Company Directors Course (GAICD).

**Other current directorships in listed companies**

None.

**Former directorships in last 3 years**

None.

**Special responsibilities**

Chairman of Audit and Risk Committee.

Member of Remuneration Committee.

Member of Nomination Committee.

**Interests in shares**

113,209 ordinary shares in Clime Capital Limited.

**Interests in convertible notes**

None.

**Mr. Ronni Chalmers**

Non-Independent Director

**Experience and expertise**

Mr. Ronni 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 being an Associate Director during its rapid growth in the 1980s. After a decade at Bankers Trust, Mr. Chalmers left and subsequently 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 degree from the University of New South Wales and is a Fellow of the Financial Services Institute of Australasia.

**Other current directorships in listed companies**

None.

**Former directorships in last 3 years**

Clime Investment Management Limited (date of appointment: 27 September 2021, date of resignation: 3 April 2024).

**Special responsibilities**

Member of Remuneration Committee.

Member of Nomination Committee.

**Interests in shares**

3,107,007 ordinary shares in Clime Capital Limited.

**Interests in convertible notes**

2,454,894 convertible notes in Clime Capital Limited.

**Mr. Marc Schwartz**  
Independent Director

**Experience and expertise**

Mr. Marc Schwartz is an experienced business leader with a diverse career, progressing from Macquarie Bank to the role of Managing Director at Pascoes Pty Ltd. Mr. Schwartz has demonstrated expertise in optimising operational efficiency, devising effective financial strategies and making impactful investment decisions.

Currently, Mr. Schwartz is serving as Executive Director of Gelflex Laboratories, a major player in the contact lens manufacturing industry. Mr. Schwartz holds positions as Founder at Blackfox Property and Past Chair of YPO Sydney Pacific. Mr. Schwartz holds a Bachelor's degree in Computer Science and Mathematics from the University of Western Australia.

**Other current directorships in listed companies**

None.

**Former directorships in last 3 years**

None.

**Special responsibilities**

Member of Audit and Risk Committee.

Member of Remuneration Committee.

Member of Nomination Committee.

**Interests in shares**

35,518 ordinary shares in Clime Capital Limited.

**Interests in convertible notes**

None.

**Mr. Julian Gosse**  
Independent Director  
(resigned on 24 November 2023)

**Experience and expertise**

Mr. Gosse has extensive experience in banking and broking both in Australia and overseas, having worked in London for Rowe and Pitman, in the United States for Janney Montgomery and Scott and in Canada for Wood Gundy. Mr. Gosse has also been involved in the establishment, operation and ownership of several small businesses.

**Other current directorships in listed companies**

WAM Research Limited (date of appointment: June 2023).

**Former directorships in last 3 years**

None.

**Special responsibilities**

Member of Audit and Risk Committee.

Chairman of Remuneration Committee.

Chairman of Nomination Committee.

**Interests in shares**

None.

**Interests in convertible notes**

None.

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## Information on Company Secretaries

**Mr. Tushar Kale**  
**Company Secretary**  
(appointed on 2 May 2024)

Mr. Tushar Kale was appointed to the position of Joint Company Secretary on 2 May 2024.

Mr. Kale was appointed as the CFO of Clime Investment Management Limited (the parent entity of the Investment Manager) in September 2023 and is therefore both experienced and familiar with the affairs of Clime Capital 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.

**Mr. Simon Dutton**  
**Company Secretary**  
(appointed on 2 May 2024)

Mr. Simon Dutton was appointed to the position of Joint Company Secretary on 2 May 2024.

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

**Mr. Andrew Metcalfe**  
**Company Secretary**  
(resigned on 2 May 2024)

Mr. Andrew Metcalfe was appointed to the position of Joint Company Secretary on 11 August 2022 and resigned on 2 May 2024.

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.

## Meetings of Directors

The number of meetings of the Company's Board of Directors, and of each Audit and Risk Committee held during the year ended 30 June 2024, and the number of meetings attended by each Director were:

Director	Board Meetings		Audit and Risk Committee Meetings	
	A	B	A	B
Mr. John Abernethy	4	4	3	3
Mr. Ronni Chalmers	4	4	3	3
Mr. Marc Schwartz	4	4	3	3
Ms. Diana D'Ambra AM	4	4	3	3
Mr. Julian Gosse (resigned on 24 November 2023)	2	2	1	1

A - Number of meetings eligible to attend

B - Number of meetings attended

There were no meetings of Remuneration and Nomination Committees during the current financial year.

## Rotation and election of Directors

Marc Schwartz and Ronni Chalmers were re-elected at the 24 November 2023 AGM. Diana D'Ambra AM was also elected at this AGM. Julian Gosse retired on 24 November 2023 following the conclusion of the 2023 AGM.

## Principal activities

The principal activity of the Company during the financial year was investing in domestic securities and unlisted unit trusts.

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

## Review of operations

### Investment income from ordinary activities

Investment gain for the year was \$9,036,950 (2023: \$21,459,086). The decrease is the combined effect of decrease in realised gains and increase in unrealised losses on financial assets during the year ended 30 June 2024.

### Net profit attributable to members of the Company

Profit from ordinary activities after tax attributable to members was \$4,327,465 (2023: \$13,229,218).

Further information on the operating and financial review of the Company is contained in the Chairman's letter on pages 4 to 5 of the Annual Report.

### Dividends paid or recommended

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

	2024	2023
	\$	\$
<b>Total dividends paid</b>		
Final quarter dividend paid during the year in respect of the prior financial year	1,876,505	1,794,917
First quarter ordinary dividend paid in respect of the September 2023 and 2022 quarter	1,967,002	1,797,627
Second quarter dividend paid in respect of the December 2023 and 2022 quarter	1,967,781	1,825,059
Third quarter dividend paid in respect of the March 2024 and 2023 quarter	1,965,936	1,850,871
<b>Total dividends paid</b>	<b>7,777,224</b>	<b>7,268,474</b>
<b>Total dividends declared not paid</b>		
Final quarter ordinary dividend in respect of the current financial year	1,962,828	1,876,505
<b>Total dividends declared not paid</b>	<b>1,962,828</b>	<b>1,876,505</b>
<b>Total dividends paid or recommended</b>	<b>9,740,052</b>	<b>9,144,979</b>

Prior to the end of the financial year, the Directors declared a fully franked dividend of 1.35 cents per share paid on 26 July 2024 on ordinary shares as at record date 5 July 2024.

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## Significant changes in state of affairs

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

### After balance date events

On 26 July 2024, a fully franked dividend for the quarter ending 30 June 2024 of 1.35 cents per share was paid on ordinary shares.

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

### Future developments

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

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

### Environmental issues

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

### Insurance of officers

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

### Non-audit services

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

During the year, Pitcher Partners Sydney, the Company's auditor, performed taxation and other services for the Company. Details of the amounts paid to the auditors and their related parties are disclosed in Note 3 to the financial statements.



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## Non-audit services (continued)

The Directors are satisfied that the provision of non-audit services during the financial 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 3 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that 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 and 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 company or jointly sharing economic risks and rewards.

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

## Unissued shares

There are 34,294,265 (2023: 35,448,753) unissued ordinary shares of Clime Capital in the form of convertible notes ("CAMG") as at 30 June 2024. Convertible note holders are entitled to convert their CAMG into CAM shares on the ratio of 1 CAM shares for each note held.

As at the date of this report, there are 34,294,265 notes on issue.

## Remuneration Report - Audited

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

The remuneration report is set out in the following sections:

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

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

### A. Directors and other key management personnel details

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

John Abernethy  
Chairman (Non-Independent)

Ronni Chalmers  
Non-Independent Director

Marc Schwartz  
Independent Director

Diana D'Ambra AM  
Independent Director

Julian Gosse  
Independent Director (resigned on 24 November 2023)

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

### B. Principles used to determine the nature and amount of remuneration

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

#### Non-executive Directors

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

#### Directors' fees

The current base remuneration was last reviewed with effect in November 2021. The non-executive directors' fees are inclusive of committee fees.

Non-executive directors' fees are determined within a non-executive directors' base remuneration pool, which is periodically recommended for approval by shareholders. The non-executive directors' base remuneration pool currently stands at \$200,000 per annum.

## C. Details of Remuneration

The Company's Chairman, Mr. John Abernethy provides consulting services to Clime Investment Management Limited (CIW) (the parent company of the Investment Manager). Mr. Abernethy is also the current Non-Executive Chairman of CIW. Mr. Ronni Chalmers was employed by CIW until 21 November 2023 and was also an Executive Director in CIW until 3 April 2024. Both Mr. Abernethy and Mr. Chalmers did not receive any form of direct remuneration from the Company. Instead, CIW received fees from Clime Capital Limited designed to cover the cost of provision of these services. The Company had no other employees and no other key management personnel.

### Amounts of remuneration

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

#### Directors and other key management personnel of Clime Capital Limited

2024	SHORT-TERM EMPLOYEE BENEFITS	POST-EMPLOYMENT BENEFITS	TOTAL (\$)
	CASH SALARY AND FEES (\$)	SUPERANNUATION (\$)	
John Abernethy *	40,364	-	40,364
Ronni Chalmers*	37,933	2,431	40,364
Marc Schwartz	36,364	4,000	40,364
Diana D'Ambra AM	36,364	4,000	40,364
Julian Gosse (resigned on 24 November 2023)	14,685	1,615	16,300
<b>Total key management personnel</b>	<b>165,710</b>	<b>12,046</b>	<b>177,756</b>

  

2023	SHORT-TERM EMPLOYEE BENEFITS	POST-EMPLOYMENT BENEFITS	TOTAL (\$)
	CASH SALARY AND FEES (\$)	SUPERANNUATION (\$)	
John Abernethy *	40,182	-	40,182
Ronni Chalmers*	40,182	-	40,182
Marc Schwartz	36,364	3,818	40,182
Diana D'Ambra AM (appointed on 25 November 2022)	21,838	2,293	24,131
Julian Gosse	36,364	3,818	40,182
<b>Total key management personnel</b>	<b>174,930</b>	<b>9,929</b>	<b>184,859</b>

\*Paid to Clime Investment Management Ltd and not to Mr. John Abernethy or Mr. Ronni Chalmers. After resignation as an employee from Clime Investment Management Limited on 21 November 2023, remuneration was paid directly to Mr Ronni Chalmers by the Company.

## D. Service agreements

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

## E. Related party transactions

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

### (a) Management, performance and other fees

	2024 \$	2023 \$
Clime Asset Management Pty Limited - Note (c) (i)	1,583,100	1,984,435
Clime Investment Management Ltd - Note (c) (ii)	131,423	160,916
	<b>1,714,523</b>	<b>2,145,351</b>

As at 30 June 2024, \$128,077 (2023: \$507,766) of the Company's management fees and performance fees remain unpaid and is included within trade and other payables.

### (b) Dividends

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

### (c) Nature of relationships

#### (i) Clime Asset Management Pty Limited

Mr. John Abernethy is a Director of the Investment Manager, Clime Asset Management Pty Limited (a wholly-owned subsidiary of ASX listed company Clime Investment Management Ltd). Mr. Ronni Chalmers was a Director of the Investment Manager, Clime Asset Management Pty Limited (a wholly-owned subsidiary of ASX listed company Clime Investment Management Ltd) until his resignation on 3 April 2024. Clime Asset Management Pty Limited receives management and performance fees as remuneration for managing the Company's investment portfolio.

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

#### (ii) Clime Investment Management Ltd

Mr. John Abernethy is a Director of Clime Investment Management Limited (CIW) and did not receive any form of remuneration from the Company. Mr. Ronni Chalmers was employed by CIW until 21 November 2023 and was also an Executive Director in CIW until 3 April 2024. Mr. Ronni Chalmers did not receive any form of remuneration from the Company until 21 November 2023. After resignation as an employee from CIW on 21 November 2023, remuneration was paid directly to Mr. Ronni Chalmers by the Company.

As detailed in Note 13, Clime Investment Management Ltd received fees for the provision of the Chairman, a Director and the Company Secretary as well as reimbursement for marketing fees and shared expenses.

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, 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.

## (d) Shareholdings of Directors and Key Management Personnel

### Shareholdings

2024	Balance at 1 July 2023	Shares acquired	Shares disposed	Other changes	Balance at 30 June 2024
<b>Ordinary Shares</b>	(Number)	(Number)	(Number)	(Number)	(Number)
John Abernethy	2,030,000	172,345	(22,345)	-	2,180,000
Ronni Chalmers	3,100,545	6,462	-	-	3,107,007
Julian Gosse (resigned on 24 November 2023)	200,000	24,691	(224,691)	-	-
Marc Schwartz	17,000	18,518	-	-	35,518
Diana D'Ambra AM	70,000	43,209	-	-	113,209
	<b>5,417,545</b>	<b>265,225</b>	<b>(247,036)</b>	<b>-</b>	<b>5,435,734</b>

2024	Balance at 1 July 2023	Convertible Notes acquired	Convertible Notes disposed	Other changes	Balance at 30 June 2023
<b>Convertible Notes</b>	(Number)	(Number)	(Number)	(Number)	(Number)
John Abernethy	140,000	-	-	-	140,000
Ronni Chalmers	2,367,170	87,724	-	-	2,454,894
Julian Gosse (resigned on 24 November 2023)	-	-	-	-	-
Marc Schwartz	-	-	-	-	-
Diana D'Ambra AM	-	-	-	-	-
	<b>2,507,170</b>	<b>87,724</b>	<b>-</b>	<b>-</b>	<b>2,594,894</b>

## F. Additional information

### Performance of Clime Capital Limited

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

#### Performance result - historical analysis

	30 June 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
	\$	\$	\$	\$	\$
Net investment income/(loss)	9,036,950	21,459,086	(15,432,557)	37,533,808	(6,576,155)
Profit/(Loss) for the year before income tax expense	4,367,769	16,293,636	(19,811,179)	31,279,576	(10,819,064)
Profit/(Loss) for the year	4,327,465	13,229,218	(11,824,831)	22,960,875	(6,394,085)
Dividends paid/provided for	7,863,547	7,350,062	7,513,575	5,915,254	5,495,165

#### Movements in shareholder wealth - historical analysis

	30 June 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
Adjusted NTA cum dividend - pre tax <sup>1</sup>	\$0.81	\$0.86	\$0.78	\$0.99	\$0.80
Adjusted NTA cum dividend - post tax <sup>1</sup>	\$0.82	\$0.85	\$0.80	\$0.96	\$0.82
Share price at financial year end	\$0.82	\$0.84	\$0.82	\$0.96	\$0.79
Interim dividends - ordinary shares <sup>2</sup>	4.05cps	3.90cps	4.08cps <sup>3</sup>	3.50cps	3.80cps
Final dividend - ordinary shares <sup>2</sup>	1.35cps	1.34cps	1.28cps	1.25cps	1.05cps
Basic EPS <sup>1,2</sup>	3.00cps	9.42cps	(8.52)cps	19.10cps	(5.85cps)
Diluted EPS <sup>1,2</sup>	3.00cps	8.56cps	(8.52)cps	16.34cps	(5.85cps)

<sup>1</sup> Taking into account the dilutive effect of bonus

<sup>2</sup> Fully franked dividends

<sup>3</sup> Includes special dividend of 0.25 cents per share fully franked, paid on 28 October 2021.

Please note there is no direct relationship between Company performance and Directors fees.

**END OF AUDITED REMUNERATION REPORT**

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## Proceedings on behalf of the Company

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

## Contingent assets and liabilities

As at 30 June 2024, the Company has no contingent liabilities or commitments (2023: Nil).

## Rounding off of amounts

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

## Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 21.

Signed in accordance with a resolution of the Directors.



John Abernethy  
Chairman  
Sydney, 20 August 2024



**Pitcher Partners Sydney**  
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**Auditor's Independence Declaration  
To the Directors of Clime Capital Limited  
ABN 99 106 282 777**

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

- (i) no contraventions of the auditor's independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

A handwritten signature in black ink, appearing to read 'S Whiddett'.

**Scott Whiddett**  
Partner

**Pitcher Partners**  
Sydney

20 August 2024

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
<b>Investment income</b>			
Investment revenue	2	7,098,875	8,072,145
Net realised gain on disposal of financial assets at fair value through profit or loss		4,830,862	11,192,643
Net unrealised (loss)/gain on financial assets at fair value through profit or loss		(2,892,787)	2,194,298
<b>Net investment income</b>		<b>9,036,950</b>	<b>21,459,086</b>
<b>Expenses</b>			
Management fees		(1,583,100)	(1,607,564)
Performance fees		-	(376,871)
Brokerage costs		(368,334)	(365,606)
Accounting fees		(58,929)	(52,086)
Custody fees		(22,544)	(22,534)
ASX fees		(53,952)	(52,184)
Share registry fees		(125,806)	(92,429)
Directors and company secretarial fees		(201,756)	(208,859)
Legal and professional fees		(15,548)	(61,636)
Other administrative expenses		(341,008)	(252,229)
<b>Total expenses before finance costs</b>		<b>(2,770,977)</b>	<b>(3,091,998)</b>
Finance costs	10	(1,898,204)	(2,073,452)
<b>Profit for the year before income tax expense</b>		<b>4,367,769</b>	<b>16,293,636</b>
Income tax expense	4(a)	(40,304)	(3,064,418)
<b>Profit for the year</b>		<b>4,327,465</b>	<b>13,229,218</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b>4,327,465</b>	<b>13,229,218</b>
<b>Basic earnings per share</b>	6	<b>3.00cps</b>	<b>9.42cps</b>
<b>Diluted earnings per share</b>	6	<b>3.00cps</b>	<b>8.56cps</b>

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

**STATEMENT OF FINANCIAL POSITION**

As at 30 June 2024

	Note	2024 \$	2023 \$
<b>ASSETS</b>			
Cash and cash equivalents	12(a)	12,671,129	17,691,999
Trade and other receivables	7	1,333,328	1,167,429
Financial assets at fair value through profit or loss	8	140,794,623	140,724,092
Current tax benefit	4(b)	190,134	-
Prepayments		8,250	102,080
Net deferred tax assets	4(c)	5,068,845	4,248,921
<b>Total assets</b>		<b>160,066,309</b>	<b>163,934,521</b>
<b>Liabilities</b>			
Trade and other payables	9	2,492,459	4,808,588
Dividends payable	5(b)	1,962,828	1,876,505
Current tax liability	4(b)	-	1,403,978
Convertible notes	10	33,877,464	34,939,523
<b>Total liabilities</b>		<b>38,332,751</b>	<b>43,028,594</b>
<b>Net assets</b>		<b>121,733,558</b>	<b>120,905,927</b>
<b>Equity</b>			
Issued capital	11	129,265,140	124,901,427
Option premium on convertible notes	10	161,310	161,310
Accumulated losses		(45,061,163)	(42,032,628)
Profit reserve		37,368,271	37,875,818
<b>Total equity</b>		<b>121,733,558</b>	<b>120,905,927</b>

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

**STATEMENT OF CHANGES IN EQUITY**  
For the year ended 30 June 2024

	Note	Issued capital	Accumulated Losses	Profit Reserve	Option Premium on Convertible Notes	Total Equity
		\$	\$	\$	\$	\$
<b>Balance at 1 July 2022</b>		125,062,312	(38,182,846)	28,146,880	161,310	115,187,656
Profit for the year		-	13,229,218	-	-	13,229,218
Other comprehensive income		-	-	-	-	-
<b>Total comprehensive loss for the year</b>		-	<b>13,229,218</b>	-	-	<b>13,229,218</b>
<b>Transactions with owners in their capacity as owners</b>						
Issue of ordinary shares under dividend reinvestment plan	11(a)	980,603	-	-	-	980,603
Shares acquired under buy-back	11(a)	(1,137,187)	-	-	-	(1,137,187)
Transaction costs on shares acquired under buy-back	11(a)	(6,144)	-	-	-	(6,144)
Income tax on transaction costs	11(a)	1,843	-	-	-	1,843
Dividends provided for or paid	5	-	-	(7,350,062)	-	(7,350,062)
		(160,885)	-	(7,350,062)	-	(7,510,947)
Transfer to profit reserve		-	(17,079,000)	17,079,000	-	-
		(160,885)	(17,079,000)	9,728,938	-	(7,510,947)
<b>Balance at 30 June 2023</b>		<b>124,901,427</b>	<b>(42,032,628)</b>	<b>37,875,818</b>	<b>161,310</b>	<b>120,905,927</b>
Profit for the year		-	4,327,465	-	-	4,327,465
Other comprehensive income		-	-	-	-	-
<b>Total comprehensive income for the year</b>		-	<b>4,327,465</b>	-	-	<b>4,327,465</b>
<b>Transactions with owners in their capacity as owners</b>						
Issue of ordinary shares under Share Purchase Plan (SPP)	11(a)	4,547,940	-	-	-	4,547,940
Issue of ordinary shares under dividend reinvestment plan	11(a)	984,093	-	-	-	984,093
Shares acquired under buy-back	11(a)	(1,159,866)	-	-	-	(1,159,866)
Transaction costs on shares acquired under on-market buy-back	11(a)	(12,077)	-	-	-	(12,077)
Income tax on transaction costs	11(a)	3,623	-	-	-	3,623
Dividends provided for or paid	5	-	-	(7,863,547)	-	(7,863,547)
		4,363,713	-	(7,863,547)	-	(3,499,834)
Transfer to profit reserve		-	(7,356,000)	7,356,000	-	-
		4,363,713	(7,356,000)	(507,547)	-	(3,499,834)
<b>Balance at 30 June 2024</b>		<b>129,265,140</b>	<b>(45,061,163)</b>	<b>37,368,271</b>	<b>161,310</b>	<b>121,733,558</b>

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

## STATEMENT OF CASH FLOWS AND CONSOLIDATED ENTITY DISCLOSURE STATEMENT

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Proceeds from sale of investments		100,542,294	72,951,505
Payments for purchase of investments		(100,875,168)	(60,196,147)
		(332,874)	12,755,358
Dividends and trust distributions received		7,016,013	7,719,861
Interest received		157,082	87,716
Other income received		11	10,181
Payments for administrative and other expenses		(1,070,199)	(1,119,092)
Investment manager's fees paid		(1,585,918)	(1,598,960)
Performance fees paid		(376,871)	-
Income tax (paid)/ refund		(2,450,717)	1,810,093
<b>Net cash inflow from operating activities</b>	<b>12(c)</b>	<b>1,356,527</b>	<b>19,665,157</b>
<b>Cash flows from financing activities</b>			
Dividends paid net of dividend reinvestment		(6,793,131)	(6,287,871)
Proceeds from issue of ordinary shares under Share Purchase Plan (SPP)		4,547,940	-
Payment for share buy-back including transaction costs		(1,171,943)	(1,143,331)
Payments for buy-back of convertible notes including transaction costs		(1,125,944)	(1,019,715)
Finance costs paid on convertible notes		(1,834,319)	(1,885,183)
<b>Net cash outflow from financing activities</b>		<b>(6,377,397)</b>	<b>(10,336,100)</b>
<b>Net (decrease)/increase in cash held</b>		<b>(5,020,870)</b>	<b>9,329,057</b>
Effects of exchange rate movements on cash		-	80
Cash and cash equivalents at beginning of the financial year		17,691,999	8,362,862
<b>Cash and cash equivalents at end of the financial year</b>	<b>12(a)</b>	<b>12,671,129</b>	<b>17,691,999</b>
<b>Non-cash financing activities</b>			
Dividends reinvested	<b>12(d)</b>	984,093	980,603

### Consolidated Entity Disclosure Statement

Clime Capital Limited is not required to prepare consolidated financial statements by Australian Accounting Standards. Accordingly, in accordance with subsection 295(3A) of the *Corporations Act 2001*, no further information is required to be disclosed in this Consolidated Entity Disclosure Statement.

The above Statement of Cash Flows and Consolidated Entity Disclosure Statement should be read in conjunction with the accompanying Notes to the Financial Statements.

**NOTE 1****Material accounting policies****(a) Basis of preparation**

The financial report covers Clime Capital Limited (the Company) for the year ended 30 June 2024. This financial report is a general purpose financial report prepared in accordance with applicable Accounting Standards, including Australian Accounting Interpretations, the *Corporations Act 2001* and other authoritative pronouncements of the Australian Accounting Standards Board.

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

The financial report was approved by the Directors on 20 August 2024.

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

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

The financial statements are presented in Australian Dollars.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected financial assets and financial liabilities.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current.

All balances are expected to be recovered or settled within 12 months, except for financial assets at fair value through profit or loss, convertible notes and the net deferred tax assets. The Company manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be reliably determined as at reporting date.

**Key judgments and estimates**

The following are the key judgments and estimates adopted by the Company in the preparation of the financial report.

**i) Recovery of deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Future taxable profits are determined based on the historical performance of the Company and the ability of the Company to generate positive performance even when market conditions are uncertain. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Directors have assessed that the Company will be able to generate ongoing taxable income to be able to utilise the deferred tax assets, and that, in particular any tax losses recognised in the balance sheet will remain available for use across future periods.

**(b) Financial instruments****Investments****i) Classification**

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

**ii) Recognition/derecognition**

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

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

**iii) Measurement**

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

**(b) Financial instruments (continued)****Convertible notes**

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

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

**(c) Income tax**

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

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

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

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

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

Clime Capital Limited and its wholly owned subsidiary (for income tax purposes), CBG Capital Limited, have

implemented the tax consolidation legislation from the acquisition date of 25 October 2019. The details of the wholly owned entity are included in Note (p). Clime Capital Limited is the head entity in the tax consolidated group. These entities are taxed as a single entity.

**(d) Cash and cash equivalents**

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

**(e) Trade and other receivables**

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

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

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

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

**(f) Trade and other payables**

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

**(g) Goods and Services Tax (GST)**

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



**(g) Goods and Services Tax (GST) (continued)**

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

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

**(h) Revenue**

**i) Investment income**

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

Interest revenue and distributions from unlisted funds are recognised as they accrue, taking into account the effective yield on the financial asset.

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

**(i) Earnings per share**

**i) Basic earnings per share**

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

**ii) Diluted earnings per share**

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

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

**(j) Dividends**

Provisions for dividends payable are recognised in the reporting period in which they are declared, for the

entire undistributed amount, regardless of the extent to which they will be paid in cash.

**(k) Profit reserve**

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

**(l) Issued capital**

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

**(m) New and amended accounting standards adopted by the Company**

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing 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 108, AASB 134 & AASB Practice Statement 2]. This standard has had no material impact on the Company.

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 Company.

**(n) New accounting standards and interpretations not yet adopted**

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted and are unlikely to have a material impact on the Company.

**(o) Rounding of amounts**

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

**(p) Investment entity accounting**

CAM owns 100% of the shares on issue in CBG Capital Limited. CBG Capital Limited is domiciled in Australia. The Directors have assessed the requirements of *AASB 10 Consolidated Financial Statements* and have applied the criteria set out in that standard to the operations of the Company. CAM is therefore considered to be an investment entity and as a result, the wholly owned entity of the Company is not consolidated into the financial statements, but rather is accounted for as financial assets at fair value through profit or loss, like other investments in the investment portfolio held by the Company.

**NOTE 2**

Investment revenue

	2024 \$	2023 \$
Dividends and trust distributions	6,941,793	7,984,429
Interest	157,082	87,716
<b>Total</b>	<b>7,098,875</b>	<b>8,072,145</b>

**NOTE 3**

Auditor's remuneration

Remuneration of Pitcher Partners in relation to:

Audit and review of the financial reports	77,296	101,753
Taxation	8,635	8,223
<b>Total</b>	<b>85,931</b>	<b>109,976</b>

**NOTE 4**

Taxation

(a) Income tax expense

The prima facie tax on profit before income tax is reconciled to income tax expense as follows:

Prima facie tax expense on profit before income tax at 30%	1,310,331	4,888,091
Adjusted for tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Imputation gross up on dividends received	596,907	779,424
Franking credits on dividends received	(1,989,690)	(2,598,080)
Franked dividend accrued	151,903	-
Prior year over provision	(29,147)	(5,017)
<b>Income tax expense</b>	<b>40,304</b>	<b>3,064,418</b>

The applicable weighted average effective tax rates are as follows:

0.92%	18.81%
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**NOTE 4**

Taxation (continued)

**(b) Current tax benefit/(liability)**

	2024 \$	2023 \$
Income Tax	190,134	(1,403,978)

**(c) Net deferred tax assets/(liabilities)**

**Deferred tax assets**

Deferred tax assets comprise the estimated tax deductible at the current income tax rate of 30% on the following items:

Tax on net unrealised losses on investment portfolio	2,417,632	-
Carried forward tax losses	2,548,407	4,659,159
Other temporary differences	286,636	357,669
	<u>5,252,675</u>	<u>5,016,828</u>

**Deferred tax liabilities**

Deferred tax liabilities comprise the estimated tax payable at the current income tax rate of 30% on the following items:

Tax on net unrealised gains on investment portfolio	-	(680,617)
Other temporary differences	(183,830)	(87,290)
	<u>(183,830)</u>	<u>(767,907)</u>

**Net deferred tax assets**

	<u>5,068,845</u>	<u>4,248,921</u>
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**(d) Income tax expense recognised in the profit or loss**

Current income tax expense	809,866	2,342,188
Deferred tax relating to the origination and reversal of temporary differences	(740,415)	727,247
Prior year over provision	(29,147)	(5,017)
<b>Total income tax expense</b>	<u>40,304</u>	<u>3,064,418</u>

**NOTE 5**

Dividends

**(a) Paid in the current year**

	2024 \$	2023 \$
A fully franked final dividend on ordinary shares in respect of the 2023 financial year of 1.34 cents per share was paid on 28 July 2023 (2023: A fully franked final dividend on ordinary shares in respect of the 2022 financial year of 1.28 cents per share was paid on 28 July 2022)	1,876,505	1,794,917
A fully franked dividend on ordinary shares for the quarter ended 30 September 2023 of 1.35 cents per share was paid on 26 October 2023 (2023: A fully franked dividend on ordinary shares for the quarter ended 30 September 2022 of 1.28 cents per share was paid on 27 October 2022)	1,967,002	1,797,627
A fully franked dividend on ordinary shares for the quarter ended 31 December 2023 of 1.35 cents per share was paid on 25 January 2024 (2023: A fully franked dividend on ordinary shares for the quarter ended 31 December 2022 of 1.30 cents per share was paid on 25 January 2023)	1,967,781	1,825,059
A fully franked dividend on ordinary shares for the quarter ended 31 March 2024 of 1.35 cents per share was paid on 24 April 2024 (2023: A fully franked dividend on ordinary shares for the quarter ended 31 March 2023 of 1.32 cents per share was paid on 28 April 2023)	1,965,936	1,850,871
	<b>7,777,224</b>	<b>7,268,474</b>

**(b) Provided for in the current year**

A fully franked dividend in respect of the June 2024 quarter of 1.35 cents per share was payable on ordinary shares as at 30 June 2024 (2023: A fully franked dividend in respect of the June 2023 quarter of 1.34 cents per share was payable on ordinary shares as at 30 June 2023)	1,962,828	1,876,505
	<b>1,962,828</b>	<b>1,876,505</b>

**(c) Dividend franking account**

Franking credits balance based on a tax rate of 30%	1,547,948	416,692
Imputation credits that will arise from the payment of the current tax (refund due)/ liability	(190,134)	1,403,978
Imputation credits that will arise from the receipt of dividends recognised as receivables at the reporting date	182,702	343,731
Impact on franking account balance of dividends, paid on 26 July 2024 (2023: 28 July 2023)	(841,212)	(804,216)
	<b>699,304</b>	<b>1,360,185</b>

**NOTE 6**

Earnings per share

	2024 \$	2023 \$
Basic earnings per share	3.00cps	9.42cps
Diluted earnings per share	3.00cps	8.56cps

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

**Basic earnings per share**

Total comprehensive income for the year	\$	4,327,465	13,229,218
Earnings used in calculating basic earnings per share	\$	4,327,465	13,229,218
Weighted average number of ordinary shares used in the calculation of basic earnings per share	Nos	144,274,498	140,368,976

**Diluted earnings per share**

Earnings used in calculating basic earnings per share	\$	4,327,465	13,229,218
Add: interest expense on convertible notes (net of tax)	\$	1,328,743	1,451,416
Earnings used in calculating diluted earnings per share	\$	5,656,208	14,680,634
Weighted average number of ordinary shares used in the calculation of basic earnings per share	Nos	144,274,498	140,368,976
Adjustments for calculation of diluted earnings per share:			
- Convertible Notes	Nos	31,948,769	31,192,124
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	Nos	176,223,267	171,561,100

**NOTE 7**

Trade and other receivables

	2024 \$	2023 \$
Unsettled trades	253,361	-
Income receivable	1,039,068	1,113,299
Other debtors	40,899	54,130
	<b>1,333,328</b>	<b>1,167,429</b>

**Terms and conditions**

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

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

**NOTE 8**

Financial assets at fair value through profit or loss

Listed equities - domestic	128,972,503	125,214,676
Unlisted unit trusts	11,822,120	15,509,416
	<b>140,794,623</b>	<b>140,724,092</b>

**NOTE 9**

Trade and other payables

Accrued expenses	76,748	66,131
Amount payable to related parties	128,077	507,766
Unsettled trades	2,287,634	4,234,691
	<b>2,492,459</b>	<b>4,808,588</b>

**Terms and conditions**

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

**NOTE 10**

Convertible Notes

The Company has on issue a total of 34,294,265 Notes, each with a face value of \$1.00 as of 30 June 2024, with a term expiring on 30 November 2025.

In accordance with the Note terms and Note Prospectus, the quarterly interest rate applicable on all Notes on and from 1 December 2021 is 5.25% p.a.

Noteholders have the right to convert some or all of their notes to shares at any time before the maturity date.

The equity element is presented in equity, under the heading of “option premium on convertible notes”. The effective interest rate of the liability element on initial recognition is 5.98% per annum.

The Convertible Notes are presented in the statement of financial position as follows:

	2024 \$	2023 \$
Proceeds from issue of Convertible Notes (net of raising costs)	35,704,715	35,704,715
Liability component at the date of issue	(35,474,272)	(35,474,272)
Equity component at the date of issue	230,443	230,443
Deferred tax on issue of Convertible Notes	(69,133)	(69,133)
<b>Equity component at the end of the year</b>	<b>161,310</b>	<b>161,310</b>

	2024 \$	2023 \$
Liability component at the beginning of the year	34,939,523	35,770,969
Interest expense for the year calculated at effective interest rates	1,898,204	2,073,452
Finance costs paid	(1,834,319)	(1,885,183)
Convertible notes (CAMG) bought back	(1,125,944)	(1,019,715)
<b>Liability component at the end of the year</b>	<b>33,877,464</b>	<b>34,939,523</b>

**Fair value**

Fair value of the convertible notes as at 30 June 2024 amounting to \$33,608,380 (30 June 2023: \$34,420,739) was determined by reference to the published price quotation of \$0.98 (30 June 2023: \$0.971) on the convertible note ticker ASX:CAMG as at 30 June 2024.

**On-market buy-back of convertible notes**

In accordance with the on-market buy-back announcement the Company has bought back a total of 1,154,488 (2023:1,043,835) notes with a face value \$1.00 per note during the financial year.

**NOTE 11**

Issued capital

	2024 \$	2023 \$
Issued and paid-up capital		
145,394,675 (2023: 140,037,695) ordinary fully paid shares	129,265,140	124,901,427

**(a) Movements in ordinary share capital**

	Notes	Number of shares 2024	Number of shares 2023	2024 \$	2023 \$
Balance at beginning of the year		140,037,695	140,227,903	124,901,427	125,062,312
Issue of ordinary shares under Share Purchase Plan (SPP)	11(b)	5,611,300	-	4,547,940	-
Shares acquired under buy-back	11(c)	(1,452,347)	(1,377,814)	(1,159,866)	(1,137,187)
Transaction cost on shares acquired under buy-back		-	-	(12,077)	(6,144)
Income tax on transactions costs		-	-	3,623	1,843
Dividend reinvestment plan		1,198,027	1,187,606	984,093	980,603
Balance at the end of the year		<b>145,394,675</b>	<b>140,037,695</b>	<b>129,265,140</b>	<b>124,901,427</b>

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

**NOTE 11**

## Issued capital (continued)

**(b) Share Purchase Plan (SPP)**

On 4 October 2023, the Company announced the successful completion of its share purchase plan (SPP) that raised \$4.5 million from eligible shareholders at an issue price of \$0.81 per share.

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

On 8 March 2024, the Company announced its intention to refresh its ability to implement an on-market buy-back (within the 10/12 limit) for a further 12-month period which commenced from 11 March 2024 and ends on 7 March 2025. During this period, the Company has the ability to buy a maximum of 14,574,980 fully paid ordinary shares.

In accordance with its on-market share buy-back scheme, Clime Capital Limited bought back 1,452,347 (2023: 1,377,814) ordinary shares during the year. The number of shares bought back and canceled during the 12 month period was within the '10/12 limit' imposed by s257B of the *Corporations Act 2001*, and as such, shareholder approval was not required. The shares were acquired at an average price of \$0.799 per share (2023: \$0.825), with prices ranging from \$0.760 to \$0.830 (2023: \$0.790 to \$0.865). An amount of \$1,159,866 (2023: \$1,137,187), plus \$8,454 (2023: \$4,301) transaction costs net of tax, was deducted from contributed equity.

The shares bought back in the years ended 30 June 2024 and 30 June 2023 were canceled immediately.

**(d) Capital risk management**

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

The Company's capital structure currently consists of total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as convertible notes less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or securities, undertake on-market buy-back or sell financial assets to reduce debt.

The Company would look to raise capital when an opportunity to invest in financial assets, business or company is seen as value adding relative to the current net tangible assets and Company's share price at the time of investment.

The Company is subject to certain financing covenants under the terms of the convertible notes issue and meeting these are given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

**(e) Dividend reinvestment plan**

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

**NOTE 12**

Cash flow information

**(a) Reconciliation of cash**

	2024 \$	2023 \$
For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise:		
Cash at bank	12,671,129	17,691,999
<b>Total cash and cash equivalents</b>	<b>12,671,129</b>	<b>17,691,999</b>

**(b) Reconciliation of liabilities arising from financing activities**

Liabilities arising from financing activities are liabilities for which cash flows are, or will be, classified as 'cash flows from financing activities' in the statement of cash flows. Changes in the carrying amount of such liabilities, which comprise convertible notes, are summarised in Note 10.

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

	2024 \$	2023 \$
Profit attributable to members of the Company	4,327,465	13,229,218
Adjustments:		
Finance costs	1,898,204	2,073,452
Changes in assets and liabilities:		
Increase in trade and other receivables	(165,899)	(268,144)
Increase in investments at fair value through profit or loss	(70,531)	(4,866,354)
Decrease/(increase) in prepayments	93,830	(10,051)
(Decrease)/increase in trade and other payables	(2,316,129)	4,632,525
(Increase)/decrease in net deferred tax asset	(819,924)	732,727
Increase in income tax on transactions costs	3,623	1,843
(Increase)/decrease in current tax benefit/liability	(1,594,112)	4,139,941
<b>Net cash inflow from operating activities</b>	<b>1,356,527</b>	<b>19,665,157</b>

**(d) Non-cash transactions**

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

	2024 \$	2023 \$
Dividends reinvested	984,093	980,603
<b>Total non-cash transactions</b>	<b>984,093</b>	<b>980,603</b>



**NOTE 13**

## Related party transactions

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

**(a) Management, performance and other fees**

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

	Note	2024 \$	2023 \$
Clime Asset Management Pty Limited	(c) (i)	1,583,100	1,984,435
Clime Investment Management Ltd	(c) (ii)	131,423	160,916
		<u>1,714,523</u>	<u>2,145,351</u>

As at 30 June 2024, \$128,077 (2023: \$507,766) of the Company's management fees and performance fees remain unpaid and is included with in trade and other payables.

**(b) Dividends**

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

**(c) Nature of relationships****(i) Clime Asset Management Pty Limited**

Mr. John Abernethy is a Director of the Investment Manager, Clime Asset Management Pty Limited (a wholly-owned subsidiary of ASX listed company Clime Investment Management Ltd). Mr. Ronni Chalmers was a Director of the Investment Manager, Clime Asset Management Pty Limited (a wholly-owned subsidiary of ASX listed company Clime Investment Management Ltd) until his resignation on 3 April 2024. Clime Asset Management Pty Limited receives management and performance fee as remuneration for managing the Company's investment portfolio.

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

**(ii) Clime Investment Management Ltd**

Mr. John Abernethy is a Director of Clime Investment Management Limited (CIW) and did not receive any form of remuneration from the Company. Mr. Ronni Chalmers was employed by CIW until 21 November 2023 and was also an Executive Director in CIW until 3 April 2024. Mr. Ronni Chalmers did not receive any form of remuneration from the Company until 21 November 2023. After resignation as an employee from CIW on 21 November 2023, remuneration was paid directly to Mr. Ronni Chalmers by the Company.

As detailed in Note 13(a), Clime Investment Management Ltd received fees for the provision of the Chairman, a Director and the Company Secretary as well as reimbursement for marketing fees and shared expenses.

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, 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.

**NOTE 14**

Key management personnel disclosure

The Company has no employees and therefore has no key management personnel other than the Directors.

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

**John Abernethy**

- Chairman (Non-Independent) (appointed on 31 July 2009)

**Ronni Chalmers**

- Non-Independent Director (appointed on 17 December 2019)

**Marc Schwartz**

- Independent Director (appointed on 21 October 2020)

**Diana D'Ambra AM**

- Independent Director (appointed on 25 November 2022)

**Julian Gosse**

- Independent Director (resigned on 24 November 2023)

**NOTE 14**

Key management personnel disclosure (continued)

**(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:

	2024 \$	2023 \$
Cash salary and fees*	165,710	174,930
<b>Short-term employee benefits</b>	<b>165,710</b>	<b>174,930</b>
Superannuation	12,046	9,929
<b>Post-employment benefits</b>	<b>12,046</b>	<b>9,929</b>
<b>Total employment benefits</b>	<b>177,756</b>	<b>184,859</b>

\* Includes \$56,199 (2023: \$80,364) paid/payable to Clime Investment Management Ltd for the services rendered by the Chairman and one of the other Directors.

**(b) Shareholdings**

2024	Balance at 1 July 2023	Shares acquired	Shares disposed	Other changes	Balance at 30 June 2024
	(Number)	(Number)	(Number)	(Number)	(Number)
<b>Ordinary Shares</b>					
John Abernethy	2,030,000	172,345	(22,345)	-	2,180,000
Ronni Chalmers	3,100,545	6,462	-	-	3,107,007
Marc Schwartz	17,000	18,518	-	-	35,518
Diana D'Ambra AM	70,000	43,209	-	-	113,209
Julian Gosse (resigned on 24 November 2023)	200,000	24,691	(224,691)	-	-
	<b>5,417,545</b>	<b>265,225</b>	<b>(247,036)</b>	<b>-</b>	<b>5,435,734</b>

**NOTE 14**

Key management personnel disclosure (continued)

**(b) Shareholdings (continued)**

2024	Balance at 1 July 2023	Convertible Notes acquired	Convertible Notes disposed	Other changes	Balance at 30 June 2024
	(Number)	(Number)	(Number)	(Number)	(Number)
<b>Convertible Notes</b>					
John Abernethy	140,000	-	-	-	140,000
Ronni Chalmers	2,367,170	87,724	-	-	2,454,894
Marc Schwartz	-	-	-	-	-
Diana D'Ambra AM	-	-	-	-	-
Julian Gosse (resigned on 24 November 2023)	-	-	-	-	-
	<b>2,507,170</b>	<b>87,724</b>	<b>-</b>	<b>-</b>	<b>2,594,894</b>

2023	Balance at 1 July 2021	Shares acquired	Shares disposed	Other changes	Balance at 30 June 2022
	(Number)	(Number)	(Number)	(Number)	(Number)
<b>Ordinary Shares</b>					
John Abernethy	1,720,000	370,000	(60,000)	-	2,030,000
Ronni Chalmers	719,042	2,381,503	-	-	3,100,545
Marc Schwartz	17,000	-	-	-	17,000
Diana D'Ambra AM	-	70,000	-	-	70,000
Julian Gosse	-	200,000	-	-	200,000
	<b>2,456,042</b>	<b>3,021,503</b>	<b>(60,000)</b>	<b>-</b>	<b>5,417,545</b>

2023	Balance at 1 July 2021	Convertible Notes acquired	Convertible Notes disposed	Other changes	Balance at 30 June 2022
	(Number)	(Number)	(Number)	(Number)	(Number)
<b>Convertible Notes</b>					
John Abernethy	122,093	20,643	(2,736)	-	140,000
Ronni Chalmers	975,000	1,392,170	-	-	2,367,170
Marc Schwartz	-	-	-	-	-
Diana D'Ambra AM	-	-	-	-	-
Julian Gosse	-	-	-	-	-
	<b>1,097,093</b>	<b>1,412,813</b>	<b>(2,736)</b>	<b>-</b>	<b>2,507,170</b>

All acquisitions and disposals have been made on normal terms and conditions applicable to any equity/note holder.

**(c) Options to acquire ordinary shares**

There were no shares or options granted during the reporting period as compensation. There were no un-exercised options relating to compensation at 30 June 2024 and 30 June 2023.

## NOTE 15

### Financial instruments

#### (a) Financial Risk Management Objectives, Policies and Procedures

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

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

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

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

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

#### (b) Credit risk

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

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

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

#### (c) Liquidity risk

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

#### *Maturity analysis for financial liabilities*

Financial liabilities of the Company comprise trade and other payables and convertible notes which have no contractual maturities but are typically settled within 30 days, except convertible notes which will be settled on 30 November 2025, unless redeemed earlier.

#### d) Market risk

Market risk represents the risk that the fair value or future cash flows of financial assets at fair value through profit or loss will fluctuate because of changes in market prices.

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

**NOTE 15**

Financial instruments (continued)

**(d) Market risk (continued)**

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

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

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

**(i) Interest rate risk**

The Company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows, the risk is measured using sensitivity analysis on Note 15(d)(ii).

2024	Weighted Average Effective Interest Rate	Floating Interest Rate	Non Interest Bearing	Fixed Interest Rate	Total
	%	\$	\$	\$	\$
<b>Financial Assets</b>					
Cash and cash equivalents	1.99%	12,671,129	-	-	12,671,129
Trade and other receivables	-	-	1,292,429	-	1,292,429
Financial assets at fair value through profit or loss	-	-	140,794,623	-	140,794,623
<b>Total Financial Assets</b>		<b>12,671,129</b>	<b>142,087,052</b>	<b>-</b>	<b>154,758,181</b>
<b>Financial Liabilities</b>					
Management fee payable and unsettled trades		-	2,415,771	-	2,415,771
Dividends payable		-	1,962,828	-	1,962,828
Convertible notes	5.85%	-	-	33,877,464	33,877,464
<b>Total Financial Liabilities</b>		<b>-</b>	<b>4,378,599</b>	<b>33,877,464</b>	<b>38,256,063</b>

**NOTE 15**

Financial instruments (continued)

(d) Market risk (continued)

(i) Interest rate risk (continued)

2023	Weighted Average Effective Interest Rate	Floating Interest Rate	Non Interest Bearing	Fixed Interest Rate	Total
	%	\$	\$	\$	\$
<b>Financial Assets</b>					
Cash and cash equivalents	0.96%	17,691,999	-	-	17,691,999
Trade and other receivables	-	-	1,113,299	-	1,113,299
Financial assets at fair value through profit or loss	-	-	140,724,092	-	140,724,092
<b>Total Financial Assets</b>		<b>17,691,999</b>	<b>141,837,391</b>	<b>-</b>	<b>159,529,390</b>
<b>Financial Liabilities</b>					
Management fee payable and unsettled trades		-	4,742,457	-	4,742,457
Dividends payable		-	1,876,505	-	1,876,505
Convertible notes	6.05%	-	-	34,939,523	34,939,523
<b>Total Financial Liabilities</b>		<b>-</b>	<b>6,618,962</b>	<b>34,939,523</b>	<b>41,558,485</b>

(ii) Summarised sensitivity analysis

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

Impact on profit (pre-tax)	Price risk		Interest rate risk	
	Impact on profit or loss/equity			
	-10%	+10%	-100 bps	+100 bps
30 June 2024	(14,079,462)	14,079,462	(79,122)	79,122
30 June 2023	(14,072,409)	14,072,409	(91,183)	91,183

No effect on other comprehensive income would result from price or interest rate risk in 2024 or 2023.

**NOTE 16****Fair value measurement**

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

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

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

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

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

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

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

The quoted market price used for financial assets held by the Company is the closing quoted last prices at the end of the reporting period.

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

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

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

The fair value of financial assets that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions. Refer to Note 16(f) for valuation inputs.

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

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

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

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



**NOTE 16**

Fair value measurement (continued)

**(c) Recognised fair value measurements**

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

	Level 1	Level 2	Level 3	Total
At 30 June 2024	\$	\$	\$	\$
<b>Financial assets at fair value through profit or loss</b>				
Listed equities - domestic	128,972,503	-	-	128,972,503
Unlisted unit trusts	-	-	11,822,120	11,822,120
<b>Total financial assets at fair value through profit or loss</b>	<b>128,972,503</b>	<b>-</b>	<b>11,822,120</b>	<b>140,794,623</b>
<b>At 30 June 2023</b>				
<b>Financial assets at fair value through profit or loss</b>				
Listed equities - domestic	125,214,676	-	-	125,214,676
Unlisted unit trusts	-	-	15,509,416	15,509,416
<b>Total financial assets at fair value through profit or loss</b>	<b>125,214,676</b>	<b>-</b>	<b>15,509,416</b>	<b>140,724,092</b>

**(d) Transfer between Levels**

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

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

**NOTE 16**

Fair value measurement (continued)

(e) Reconciliation of recurring level 3 fair value movements

	Level 3 Unlisted unit trusts
	\$
Opening balance - 1 July 2022	15,368,157
Purchases	-
Sales	-
Total gains recognised in profit or loss	141,259
<b>Closing balance - 30 June 2023</b>	<b>15,509,416</b>
Net transfers into/out of	-
Purchases	-
Sales	(687,500)
Total losses recognised in profit or loss	(2,999,796)
<b>Closing balance - 30 June 2024</b>	<b>11,822,120</b>

Losses of \$2,999,796 (30 June 2023: gains of \$141,259) of the net unrealised gain/(loss) on financial assets at fair value through profit or loss recognised in profit or loss in respect to level 3 fair value measurements are unrealised as they are attributable to assets held at the end of the reporting period.

(f) Valuation inputs and relationships to fair value

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

Description	Fair value	Unobservable inputs	Range of inputs (probability-weighted average)	Relationships of unobservable inputs to fair value
<b>At 30 June 2024</b>				
Unlisted unit trusts	11,822,120	Reported net asset value by the respective investment managers of the underlying unlisted unit trusts	N/A	Direct
<b>At 30 June 2023</b>				
Unlisted unit trusts	15,509,416	Reported net asset value by the respective investment managers of the underlying unlisted unit trusts	N/A	Direct

**NOTE 16**

## Fair value measurement (continued)

**(g) Valuation processes used for Level 3 fair value measurements**

The Company's Income Sleeve investments are typically unlisted syndicated investments with a medium term investment horizon. The value of investment was initially recorded at cost / acquisition price. The Manager of these unlisted funds issues periodic updates (quarterly or half yearly) to communicate the performance of underlying assets, summary financial information and periodically, independent valuation of the trust's underlying assets. An independent external valuation is generally done annually and communicated to the investors through the regular fund update. The Company reviews these updates and will reflect the investment valuation based on the independent valuation. As observable prices are not available for these securities, the Company has relied on valuations provided by managers of the underlying funds, based on the net asset value per unit reported by those trusts, in order to derive the fair value of the units.

**(h) Sensitivity analysis for recurring Level 3 fair value measurements**

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

**(i) Fair value of financial instruments not carried at fair value**

Trade receivables and payables not explained above are carried at amortised cost.

**NOTE 17**

## Segment information

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

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

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

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

**NOTE 18**

## Contingent liabilities, contingent assets and commitments

As at 30 June 2024, the Company has no contingent liabilities, contingent assets or commitments (2023: Nil).

**NOTE 19**

## Events subsequent to reporting date

On 26 July 2024, a fully franked dividend for the quarter ended 30 June 2024 of 1.35 cents per share was paid on ordinary shares.

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

**NOTE 20**

## Company details

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

Level 12  
20 Hunter Street  
Sydney NSW 2000

# Directors' Declaration

The Directors declare that:

- a. In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with Accounting Standards, and giving a true and fair view of the financial position and performance of the Company;
- b. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- c. In the Directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated on Note 1(a) of the financial statements;
- d. In the Directors' opinion, the consolidated entity disclosure statement is true and correct;
- e. The Directors have been given the declarations required by S.295A 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 Directors made pursuant to S.295(5) of the *Corporations Act 2001*.

On behalf of the Directors



John Abernethy  
Chairman

Sydney, 20 August 2024



**Pitcher Partners Sydney**  
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**Independent Auditor's Report**  
**To the Members of Clime Capital Limited**  
**ABN 99 106 282 777**

## **Report on the Audit of the Financial Report**

### *Opinion*

We have audited the accompanying financial report of Clime Capital Limited ("the Company"), which comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement, and the Directors' declaration.

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

- i. giving a true and fair view of the Company's financial position as at 30 June 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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (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.

Adelaide | Brisbane | Melbourne | Newcastle | Perth | Sydney



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*Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. 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
<p><b>Existence and Valuation of Financial Assets</b>  <b>Refer to Note 8: Financial assets at fair value through profit or loss and Note 16: Fair value measurement</b></p>	
<p>The Company's financial assets are its largest asset and represent the most significant driver of the Company's Net Tangible Assets and operating result.</p> <p>The majority of the Company's investments are considered to be non-complex in nature with fair value based on readily observable data from the ASX and are therefore classified as Level 1.</p> <p>The remaining investments are considered to be Level 3, where the investment is not traded in an active market and fair value is determined using valuation techniques where there are judgements involved in determining the fair value of the investments. The models used to value these investments include inputs which may not be market observable and are therefore estimated based on assumptions.</p> <p>Given the significance of the investments balance, the key audit matter for us was whether the Company has accurately recorded the fair value and has ownership at year end.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of and evaluating the investment management processes and controls including those controls performed by a service organisation;</li> <li>▪ Reviewing and evaluating the independent auditor's report on the design and operating effectiveness of internal controls (ASAE 3402 <i>Assurance Reports on Controls at a Service Organisation</i>) for the Administrator and Custodian;</li> <li>▪ Making enquiries as to whether there have been any changes to these controls or their effectiveness from the periods to which the auditor's report relate to.</li> <li>▪ Obtaining confirmation of the investment holdings directly from the Custodian;</li> <li>▪ For level 1 securities, comparing the investment valuation of the Company at last sale price ensuring that the last sale price is within the bid-ask spread obtained from independent pricing sources.</li> <li>▪ For level 3 securities, selecting a sample of investments to review in detail, assessing management's assumptions and significant judgements used in determining the fair value of each investment.</li> <li>▪ Evaluating the accounting treatment of revaluations of financial assets for current/deferred tax and unrealised gains or losses; and</li> <li>▪ Assessing the adequacy of disclosures in the financial statements.</li> </ul>

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*Key Audit Matters (Continued)*

Key audit matter	How our audit addressed the matter
<b>Accuracy of Management and Performance Fees</b> <b>Refer to Note 9: Trade and other payables and Note 13: Related party transactions</b>	
<p>Management and performance fees are significant expenses of the Company, and their calculation requires adjustments and key inputs.</p> <p>Adjustments include company dividends, tax payments, capital raisings, capital reductions and other relevant expenses.</p> <p>The calculation of management and performance fees includes key inputs such as portfolio movements, relevant index benchmarking and set percentages in accordance with the Investment Management Agreement between the Company and the Investment Manager.</p> <p>In addition to their quantum, as these transactions are made with related parties, there are additional inherent risks associated with these transactions, including the fees charged being in excess of those mandated under the Investment Management Agreement.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of and evaluating the design and implementation of the processes and controls for calculating the management and performance fees;</li> <li>• Making enquiries with the Investment Manager and those charged with governance with respect to any significant events during the period and associated adjustments made as a result, in addition to reviewing ASX announcements and Board meeting minutes;</li> <li>• Testing of adjustments such as company dividends, tax payments, capital raisings, capital reductions as well as any other relevant expenses used in the calculation of management and performance fees;</li> <li>• Testing of key inputs including the value of the portfolio and application of the correct fee percentage in accordance with our understanding of the Investment Management Agreement; and</li> <li>• Assessing the adequacy of disclosures made in the financial statements.</li> </ul>

*Other Information*

The Directors are responsible for the other information. The other information comprises the information included in the Company'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.





*Responsibilities of the Directors 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

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

*Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.





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

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

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, actions taken to eliminate threats or safeguards applied.

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 15 to 19 of the Directors' Report for the year ended 30 June 2024. In our opinion, the Remuneration Report of Clime Capital Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

*Responsibilities*

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.

**Scott Whiddett**  
Partner

23 August 2024

**Pitcher Partners**  
Sydney

# ASX Additional Information

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

## A. Distribution of Equity Shareholders and Convertible Noteholders (as at 6 August 2024)

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

	No. of Holders	
	Ordinary Shares	Convertible Note
1 - 1,000	329	57
1,001 - 5,000	431	73
5,001 - 10,000	322	50
10,001 - 100,000	1,417	203
100,001 and over	293	58
	<b>2,792</b>	<b>441</b>

## B. Equity Share Holders and Convertible Note Holders

The names of the twenty largest holders of quoted equity securities are listed below as at 6 August 2024.

Name	Ordinary Shares	
	No. of shares	% of issued shares
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	5,634,189	3.9
NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	4,684,161	3.2
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	3,523,923	2.4
DOUBLE PTY LIMITED AND ABERNETHY SMSF PTY LIMITED	2,180,000	1.5
MR RICHARD MILLER	1,855,000	1.3
GLEN RANELAGH PTY LTD	1,802,494	1.2
CASTREX PTY LTD <ARTHUR TOWNSEND WILL A/C>	1,706,552	1.2
JACQUELINE KAY PTY LTD <STAFF S/F A/C>	1,351,278	0.9
SHJ NOMINEES PTY LTD <SHJ SUPER FUND A/C>	1,350,312	0.9
HEATHERS SUPER PTY LTD <HEATHERS FAMILY S/F A/C>	1,191,982	0.8
JOHN E GILL OPERATIONS PTY LTD	1,151,340	0.8
MR PETER MICHAEL ANTAW & MRS VICTORIA MARY ANTAW <PETAVIC SUPER FUND A/C>	1,097,000	0.8
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,093,148	0.8
GREAT D PTY LTD <GREAT D SUPER FUND A/C>	1,000,000	0.7
IZA NOMINEES PTY LTD <LAURIE PENSION FUND A/C>	995,645	0.7
ROPA PTY LIMITED	912,346	0.6
MR PAUL WILHELM MCCAULEY & MRS LISA-GAYE MCCAULEY <ASAP SUPER FUND A/C>	809,342	0.6
CODA FOUNDATION PTY LTD <CHRYSALIS FOUNDATION A/C>	800,000	0.5
MR MICHAEL ANTHONY FOX & MRS SUSAN ELIZABETH FOX	800,000	0.5
HUDSON RETIREMENT PTY LTD <SEAGULLS SUPER A/C>	726,830	0.5
	<b>34,665,542</b>	<b>23.8</b>

The names of the twenty largest holders of quoted Convertible Notes are listed below as at 6 August 2024.

Name	Convertible note	
	No. of notes	% of issued notes
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	2,811,178	8.2
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,335,394	6.8
MUTUAL TRUST PTY LTD	1,743,915	5.1
TADMARO PTY LIMITED	1,352,118	3.9
MR COLIN JOHN VAUGHAN & MRS ROBIN VAUGHAN <C&R VAUGHAN SUPER FUND A/C>	1,290,000	3.8
MR RONNI DAVID CHALMERS SAVOIR SUPERANNUATION PTY LTD <LOCOPE SUPER FUND A/C>	1,245,000	3.6
DR GRAEME PETER DORAHY & MRS JEAN ELIZABETH DORAHY <DORAHY SUPER FUND A/C>	1,014,936	3.0
JACQUELINE KAY PTY LTD <STAFF S/F A/C>	710,343	2.1
NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	677,488	2.0
MR ANTHONY MICHAEL GIUFFRE	650,000	1.9
PHILIP HOLDINGS PTY LTD <PHILIP FAMILY A/C>	600,000	1.7
CLENDON HOUSE INVESTMENTS PTY LTD	587,467	1.7
PRESS FORM HOLDINGS PTY LTD	500,000	1.5
CAPITOL SECURITIES PTY LTD	489,600	1.4
HARRINGTON PROVIDENT FUND PTY LTD <GA&L HARRINGTON PROV A/C>	426,869	1.2
HAZELWOOD SECURITIES PTY LTD	410,200	1.2
MR REGINALD RAYMOND CALDWELL	391,192	1.1
CITICORP NOMINEES PTY LIMITED	369,015	1.1
MR DICK ROBERT LISTER & MRS JAN LOUISE LISTER <LUMEN S/F A/C>	351,000	1.0
THE CORPORATION OF THE TRUSTEES OF THE ORDER OF THE SISTERS OF MERCY IN QLD <CONGREGATION A/C>	349,256	1.0
	<b>18,304,971</b>	<b>53.3</b>

#### Unquoted equity securities

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

### C. Substantial Holders

Substantial holders in the company are set out below (based on voting interest in fully paid ordinary shares) as at 6 August 2024.

Name	Ordinary Shares	
	No. of shares held	% of issued shares
Clime Investment Management Limited - Direct	2,151,955	1.5
Clime Investment Management Limited - Indirect	4,777,501	3.3

## D. Voting Rights

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

### Fully Paid Ordinary Shares

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

## E. Investments held at the balance date

Listed domestic securities	No. of shares held	Fair value at 30 June 2024
Australia & New Zealand Banking Group Limited	232,181	6,556,791
BHP Billiton Limited	338,683	14,454,990
Capstone Copper Corp Cdi	142,529	1,567,819
Commonwealth Bank of Australia	44,463	5,663,697
CSL Limited	10,700	3,158,747
Dalrymple Bay Infrastructure	517,323	1,531,276
GQG Partners Inc	1,024,027	2,897,996
Intelligent Monitoring Group	1,468,750	631,563
Light and Wonder Inc	27,690	4,402,710
Lycopodium Limited	143,927	1,840,826
Macquarie Group Limited	17,745	3,632,224
MMA Offshore Limited	889,585	2,295,129
Newmont Corporatio Cdi	74,000	4,696,780
Nick Scali Ltd	139,079	1,920,681
NRW Holdings Limited	582,559	1,800,107
QBE Insurance Group Limited	260,000	4,521,400
Qube Holdings Limited	304,999	1,113,246
Resmed Inc CDI's	110,000	3,201,000
Westpac Banking Corporation	350,000	9,530,500
Whitehaven Coal Limited	190,000	1,453,500
Worley Limited	269,931	4,043,566
Ampol Limited	130,000	4,204,200
APA Group	481,325	3,845,787
Aurizon Holdings Limited	1,038,423	3,790,244
Cettire Ltd	569,619	666,454
Coles Group Ltd	154,165	2,625,430
Dicker Data Limited	124,915	1,206,679
Electro Optic System Holding	945,583	1,475,109
GPT Group Property Trust	639,000	2,556,000
Incitec Pivot Limited	1,467,763	4,256,513
IPH Limited	375,832	2,356,467
Metcash Limited	430,810	1,525,067
Monadelphous Group	112,665	1,446,619
Nib Holdings LTD	474,967	3,491,007
Pilbara Minerals Ltd	885,099	2,717,256
Straker Ltd	2,902,402	1,407,665
Telstra Group Ltd	1,610,400	5,829,648
Woodside Energy Group Ltd	165,112	4,657,810
		<b>128,972,503</b>

## E. Investments held at the balance date (continued)

Income Sleeve - Syndicated listed/unlisted investments	No. of shares held	Fair value at 30 June 2024
Elanor Hotel Accommodation Fund	1,820,000	1,801,800
Primewest Agricultural Trust No 1	1,160,000	1,392,000
Southern Cross Poultry Fund Investment T	1,000,000	1,310,000
Bluewater Square Syndicate	1,500,000	315,000
Burke Street Fund	1,227,813	1,068,197
Centuria Government Income Property Fund	1,000,000	720,000
Centuria Healthcare Property Fund	1,617,647	1,421,426
Elanor Waverly Gardens Syndicate	1,000,000	880,000
Hunters Plaza Syndicate	1,000,000	920,000
Dexus Regional Property Fund	348,529	24,920
Northgate Geraldton Trust	1,250,000	1,031,250
Southern Cross Poultry Fund Operating Tr	1,000,000	20,000
St Georges Terrace Fund	257,732	917,527
		<hr/>
		11,822,120
		<hr/>
<b>Total</b>		<b>140,794,623</b>

F. During the year ended 30 June 2024, the Company recorded 343 transactions in securities. \$368,334 (excluding GST) in brokerage was paid or accrued for the year.

### G. Investment Manager

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

#### Base fee

The Investment Manager is entitled to a monthly base fee calculated as 0.08334% (excluding GST) of the market value of all assets less total indebtedness of the Company.

#### Performance fee

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



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