Appendix 4E

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

Year Ended 30 June 2021

(Previous corresponding period - Year Ended 30 June 2020)

				$
Revenue from ordinary activities	up	671%	to	37,533,808
Profit from ordinary activities before tax attributable to members	up	389%	to	31,279,576
Profit from ordinary activities after tax attributable to members	up	459%	to	22,960,875

	Amount per security	Franked amount per security
Dividends paid per share - Fully Paid Ordinary Shares		
First Quarter interim dividend - July to September 2020	1.125c	1.125c
Second Quarter interim dividend - October to December 2020	1.175c	1.175c
Third Quarter interim dividend - January to March 2021	1.200c	1.200c
Final Quarter dividend - April to June 2021 (paid 28 July 2021)	1.250c	1.250c

Record date for determining entitlements to the final dividend was	6 July 2021

Explanation of Revenue

Investment income for the year was $37,533,808 (2020: loss of $6,576,155). This increase was primarily due to increase in realised and unrealised income on financial assets during the year ended 30 June 2021.

The net unrealised gain on financial assets at fair value through profit or loss was $21,660,862 (2020: loss of $8,996,579).

Explanation of Net Profit to members

Profit from ordinary activities after tax attributable to members was $22,960,875 (2020: loss of $6,394,085).

Total operating expenses during the year increased from $2,592,186 to $4,368,979. This was mainly due to performance fees payable to the Investment Manager of $1,110,756 (2020: Nil) and CBC termination costs of $533,520, which has been fully recovered from the Investment Manager.

Finance costs increased from $1,804,736 to $1,895,263 mainly due to the issue of additional convertible notes issued under the replacement prospectus to eligible unitholders of Clime Australian Value Fund and CBG Australian Equities Fund.

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 by COVID-19 crisis and other 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 2020/21, 726,926 ordinary shares were bought back and cancelled. The average discount to Net Tangible Asset backing per share has been between 5% to 10%.

Dividends

Details of dividends in relation to the financial year ended 30 June 2021 declared or paid during the year or subsequent to the year ended 30 June 2021 are as follows:

Record Date	Payment Date	Type	Amount per security	Total Dividend	Franked amount per security	Foreign sourced dividend amount per security
Fully Paid Ordinary Shares						
9 October 2020	30 October 2020	Interim	1.125 cents	$1,270,525	1.125 cents	-
5 January 2021	29 January 2021	Interim	1.175 cents	$1,377,510	1.175 cents	-
8 April 2021	29 April 2021	Interim	1.200 cents	$1,589,089	1.200 cents	-
6 July 2021	28 July 2021	Final	1.250 cents	$1,678,130	1.250 cents	-
		Total	**4.75 cents**	**$5,915,254**	**4.750 cents**	**-**
Grossed-up dividend yield including franking					**6.785 cents**	

Dividend/Distribution Reinvestment Plans

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

Net tangible assets per security (Cum-Dividend)

	2021 $	2020 $
Fully diluted net tangible asset backing per ordinary share - pre-tax	**$0.99**	$0.80
Fully diluted net tangible asset backing per ordinary share - post-tax	**$0.96**	$0.82

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.

Clime Capital Limited

ABN 99 106 282 777

Annual Report

For the year ended 30 June 2021

Clime Capital Limited

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ABN 99 106 282 777 **P** +61 2 8917 2100 **F** +61 2 8917 2155

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Clime Capital Limited

2021 Annual Report

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CLIME CAPITAL LIMITED
ABN: 99 106 282 777

Chairman's Letter

Dear Fellow Shareholder,

During the financial year 2021, whilst the world continued with its battle to bring COVID-19 under control, the Australian equity market along with many other risk markets, performed strongly.

Our Company, Clime Capital Limited (CAM) benefitted from this positive market tailwind with the portfolio returns achieved by our Manager outperforming benchmarks.

Unlike previous years, the Australian equity market and therefore CAM's portfolio achieved positive returns in both the first and second half. It is noteworthy that CAM's portfolio performance in the June quarter was exceptionally strong. Over the whole year (FY21) the gross portfolio return for the CAM portfolio (pre fees and tax) was 36.2%. The gross return is generated from market value gains (realised and unrealised) on the portfolio which are added to income received. The income received is generated from dividends, interest and trust distributions.

For shareholders the key performance numbers for FY21 to note are as follows:

- NPAT $22.96 million (a record profit result)
- Investment income $3.8 million
- Net Realised Gains $11.5 million
- Net Unrealised Gains $21.6 million

Dividend payments to shareholders amounted to 4.75 cents per share fully franked. Approximately $5.9 million of fully franked cash dividends (net of $0.75 million dividend reinvestment) were paid/payable to shareholders in FY21.

The Directors were to be able to increase the dividend declared in each quarter throughout FY21. The final quarterly dividend (paid in July 2021) was 1.25 cents per share and this was the highest quarterly dividend paid throughout the year.

CAM net assets grew over the financial year from $93.7 million to $128.7 million primarily due to strong portfolio returns. During the year CAM increased issued capital pursuant to a "swap offer" of CAM shares and convertible notes (CAMG) to unit holders in the Clime Australian Growth Fund and the CBG Australian Equities Retail Fund ($4.5 million). A share purchase plan to shareholders raised a further $13 million in March.

Therefore over FY21 issued capital increased by approximately $18 million through the share issues (noted above), dividend reinvestment ($0.75 million), offset by shares purchased back through CAM's ongoing on market buyback ($0.56 million) scheme. Over the year 726,926 shares were bought back at an average price of 78 cents per share. The buybacks were undertaken at a discount to pretax Net Tangible Assets (NTA) per share at each time of no less than 8%.

In December 2017 the company issued listed unsecured convertible notes (CAMG). These notes were issued at 96 cents, mature in November 2021, and pay quarterly interest at the rate of 6.25% per annum. The notes also accrue the 1 for 40 bonus issue (2018) until and if they are converted by the holder into ordinary shares. This means that each CAMG converts into 1.025 CAM.

CAM also issued notes to CBG shareholders as part consideration pursuant to the merger (2019). A further $1.1 million of convertible notes were issued in the swap offer for managed fund units noted above (2020). Over FY21 $1.5 million of CAMG were converted into CAM shares.

At 30 June 2021 there were $27.2 million CAMG on issue representing approximately 16% of the gross assets of CAM.

The Board believes the notes provides an attractive investment opportunity for investors and have increased the investable capital for the company's shareholders. The convertible debt introduced leverage into the company's portfolio, however, it is serviced by tax deductible interest payments.

CAM Portfolio Management outlook

Over FY21 the Manager rebalanced and reset CAM's portfolio so that at 30 June the following was evident:

a. The Australian listed equity allocation was tactically structured across large, mid and small cap companies. A feature throughout FY21 was the strong revaluation of major resource-based companies and emerging growth companies outside the ASX 100. The Manager continued to tactfully hold a low relative exposure to major banks and positioned the portfolio more decisively into major iron ore exporters and a range of mid capitalisation growth companies;

b. Particularly during the June Quarter 2021, the portfolio performance benefitted from a number of takeover bids made for significant positions held by CAM. Companies included APN Property Group, Rhipe Limited, Hansen Technology Limited and Primewest Limited; and

c. The unlisted Income Sleeve allocation has been maintained and tactically added to. It is comprised of syndicated unlisted funds focused on high quality property and select agriculture-based assets. As at 30 June 2021, approximately 6.5% of the portfolio is in high yielding unlisted property trusts and 0.7% in a high yielding agricultural trusts. Importantly, the yields generated from this Income Sleeve meaningfully exceeds the cost of the convertible debt and creates a positive yield spread, thus benefiting company shareholders.

The portfolio process and management has therefore created a unique style (compared to other Listed Investment Companies (LICs)) for our investment company. The broadening of Australian equity exposure, ability to harness international equity opportunities and introduction 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.

The active management style and ability to dynamically adjust portfolio positioning based on prevailing market and macro conditions enables the Manager to adjust the asset allocations with the aim of generating a consistent return.

In conclusion, I note that the year just passed was demanding for the Manager as COVID-19 continually required "at home" or "remote" office management. It was pleasing to see that the management team adopted processes to adapt to the changing circumstances which still endure at the time of writing.

On your behalf, I thank the staff of the Manager for their work during the year and the production of a fantastic result for CAM. I also thank shareholders for their support of the Company over financial year 2021.

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 Australian Securities Exchange.

Directors

John Abernethy (Chairman)
Julian Gosse
Ronni Chalmers
Marc Schwartz (appointed 21 October 2020)

Company Secretary

Biju Vikraman

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
Australia Square
Sydney, NSW 1215
P: (02) 8917 2100
W: www.climecapital.com.au

Share Registry

Boardroom Pty Limited
Level 12
225 George Street, Sydney NSW 2000

P: 1300 737 760
F: 1300 653 459
W: 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

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 2021.

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
Mr. Julian Gosse
Mr. Ronni Chalmers
Mr. Marc Schwartz (appointed 21 October 2020)
Mr. Brett Spork (resigned 23 October 2020)

Information on Directors

Mr. John Abernethy
Chairman - Non-Independent

Experience and expertise
Mr. John Abernethy was appointed Director on 31 July 2009. Mr. Abernethy has over 35 years' funds management experience in Australia and was previously 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
WAM Research Limited and Clime Investment Management Ltd.

Former directorships in last 3 years
Watermark Market Neutral Fund Limited, Watermark Global Limited, Australian Leaders Fund Limited and CBG Capital Limited (CBC).

Special responsibilities
Member of Remuneration Committee.
Member of Nomination Committee.

Interests in shares
1,540,000 ordinary shares in Clime Capital Limited.

Interests in convertible notes
2,850 convertible notes in Clime Capital Limited.

Mr. Julian Gosse
Independent Director

Experience and expertise
Mr. Julian Gosse was appointed Independent Director in September 2003. 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.

Former directorships in last 3 years
Australian Leaders Fund Limited and Greenvale Energy Limited.

Special responsibilities
Chairman of Audit Committee.
Chairman of Remuneration Committee.
Chairman of Nomination Committee.

Interests in shares
None.

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. He began his career as a graduate at Bankers Trust Australia, rising to Associate Director during its rapid growth in the 1980s. After a decade at Bankers Trust he 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 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
CBG Capital Limited (CBC).

Special responsibilities
None.

Interests in shares
719,042 ordinary shares in Clime Capital Limited.

Interests in convertible notes
805,000 convertible notes in Clime Capital Limited.

Mr. Marc Schwartz
Independent Director
(appointed 21 October 2020)

Experience and expertise
Mr. Marc Schwartz has had a very successful business career from being Manager of Structured Finance Products at Macquarie Bank in 2007, to being Managing Director of Pascoes Pty Ltd from 2008 to 2018, which employed 150 people across two manufacturing sites and manufactured or distributed over 400 items to retailers. Marc is currently a Director of Gelflex Laboratories, the largest manufacturer of contact lenses in the Southern Hemisphere. He is also Director of Blackfox Property – a property syndication company and current chair of YPO Sydney Pacific. Marc's specialisation has been in operational and financial efficiency, investment and strategy. Marc holds a Bachelor of Computer Science and Mathematics (majoring in Finance) from the University of Western Australia and is a fellow of the Australian Institute of Company Directors.

Other current directorships in listed companies
None.

Former directorships in last 3 years
Intra Energy Corporation Limited.

Special responsibilities
Member of Audit Committee.

Interests in shares
17,000 ordinary shares in Clime Capital Limited.

Interests in convertible notes
None.

Mr. Brett Spork
Independent Director
(resigned 23 October 2020)

Experience and expertise
Mr. Brett Spork was appointed Independent Director of the Company in May 2011. Mr. Spork has extensive experience in the Funds Management, Banking and Financial Services sectors. Mr. Spork's previous roles include CEO of B.T.I.G., CEO of E*Trade Australia and Executive Director with Macquarie Bank. Mr. Spork holds a Bachelor of Business from Queensland University of Technology.

Other current directorships in listed companies
PM Capital Global Opportunities Fund Limited, Clime Investment Management Ltd and PM Asian Opportunities Limited.

Former directorships in last 3 years
None.

Special responsibilities
Member of Audit Committee.
Member of Remuneration Committee.
Member of Nomination Committee.

Interests in shares
None.

Interests in convertible notes
None.

Mr. Biju Vikraman
Company Secretary

Mr. Biju Vikraman was appointed to the position of Company Secretary on 28 September 2015.

Mr. Vikraman holds a Bachelor of Commerce from the University of Mumbai, India and is an Australian and Indian Chartered Accountant. Mr. Vikraman has around 20 years experience in accounting, audit, finance and governance and had held senior roles with big 4 accounting firms and listed entities within Australia, India and Africa.

Mr. Vikraman also holds a Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia.

Meetings of Directors

The numbers of meetings of the Company's Board of Directors, and of each Board committee held during the year ended 30 June 2021, and the numbers of meetings attended by each Director were:

Director	Board Meetings		Audit Committee Meetings	
	A	B	A	B
Mr. John Abernethy	11	11	-	-
Mr. Julian Gosse	11	10	2	2
Mr. Brett Spork	5	5	1	1
Mr. Ronni Chalmers	11	10	-	-
Mr. Marc Schwartz	7	7	1	1

Director	Remuneration Committee Meetings		Nomination Committee Meetings	
	A	B	A	B
Mr. John Abernethy	1	1	1	1
Mr. Julian Gosse	1	1	1	1
Mr. Brett Spork	-	-	-	-
Mr. Ronni Chalmers	-	-	-	-
Mr. Marc Schwartz	-	-	-	-

A - Number of meetings eligible to attend
B - Number of meetings attended

Rotation and election of Directors

The Company's Constitution requires Directors to retire every three years. Mr. Abernethy retires by rotation and, being eligible offers himself for re-election. Mr. Schwartz was appointed in 2020 and being eligible offers himself for election.

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 income for the year was $37,533,808 (2020: loss of $6,576,155). This was primarily due to increase in realised and unrealised income on financial assets during the year ended 30 June 2021.

Net profit attributable to members of the Company

Profit from ordinary activities after tax attributable to members was $22,960,875 (2020: loss of $6,394,085).

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:

	2021 $	2020 $
Total dividends paid		
Final quarter ordinary dividend paid during the year in respect of the prior financial year	1,188,964	1,146,503
First quarter dividend paid in respect of the September 2020 and 2019 quarter	1,270,525	1,411,475
Second quarter ordinary dividend paid in respect of the December 2020 and 2019 quarter	1,377,510	1,421,415
Third quarter ordinary dividend paid in respect of the March 2021 and 2020 quarter	1,589,089	1,473,311
Total dividends paid	**5,426,088**	**5,452,704**
Total dividends declared not paid		
Final quarter ordinary dividend in respect of the current financial year	1,678,130	1,188,964
Total dividends declared not paid	**1,678,130**	**1,188,964**
Total dividends paid or recommended	**7,104,218**	**6,641,668**

Prior to the end of the financial year, the Directors declared a fully franked dividend of 1.25 cents per share payable on 28 July 2021 on ordinary shares as at record date 6 July 2021.

Significant changes in state of affairs

1. Effective 1 July 2020, CBC's investment portfolios were merged with the CAM investment portfolios.

2. On 1 December 2020, the Company announced the successful completion of its offer to unit holders of Clime Australian Value Fund and CBG Australian Equities Retail Fund. Under this offer, 4,233,415 CAM shares were issued at an issue price of $0.80 (being the pre-tax unaudited Net Tangible Assets value as at 4 November 2020) and 1,175,950 CAM Notes were issued at a face value of $0.96.

3. On 29 January 2021, 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 15 February 2021 and ends on 14 February 2022. During this period, the Company has the ability to buy a maximum of 11,723,484 fully paid ordinary shares. During the 2021 financial year, 726,926 ordinary shares were bought back and cancelled.

4. On 16 February 2021, the Company announced the successful completion of a $3.1 million institutional placement of new fully paid ordinary shares to eligible institutional investors at an issue price of $0.87 per Share.

5. On 16 March 2021, the Company announced the successful completion of its share purchase plan (SPP) that raised $9.9 million from eligible shareholders at an issue price of $0.87 per Share. The SPP was partially underwritten by Sanlam Wealth Pty Ltd up to $3.1 million.

6. On 4 June 2021, the Company announced its intention to refresh its ability to implement an on-market buy-back of Convertible Notes on Issue for the period which commenced from 4 June 2021 and ends on 30 November 2021. During this period, the Company has the ability to buy a maximum of 5,000,000 Convertible Notes on Issue. During the 2021 financial year, 25,000 Convertible Notes were bought back and cancelled.

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

After balance date events

No 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 COVID-19, 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 wilful 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, did not perform any other non-assurance services in addition to their statutory duties for the Company. PPNSW Services Pty Limited and Pitcher Partners Legal NSW Pty Ltd, related parties of the Company's auditor, performed taxation and corporate finance services for the Company.

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 28,748,232 (2020: 28,501,880) unissued ordinary shares of CAM in the form of convertible notes as at the date of this report. Convertible note holders are entitled to convert their CAMG in to CAM shares on the ratio of 1.025 CAM shares for each note held.

As at the date of this report, there are 28,047,056 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
Non-Executive Chairman

Julian Gosse
Independent, Non-Executive Director

Ronni Chalmers
Non-Independent Director

Marc Schwartz
Independent, Non-Executive Director
(appointed 21 October 2020)

Brett Spork
Independent, Non-Executive Director
(resigned 23 October 2020)

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 2019. 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 $180,000 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), and a Director, Mr. Ronni Chalmers is employed by CIW and 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 staff 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.

Key management personnel and other key management personnel of Clime Capital Limited

2021	SHORT-TERM EMPLOYEE BENEFITS	POST-EMPLOYMENT BENEFITS	TOTAL ($)
	CASH SALARY AND FEES ($)	SUPERANNUATION ($)	
John Abernethy *	30,000	-	30,000
Julian Gosse	36,530	3,470	40,000
Brett Spork (resigned 23 October 2020)	12,391	-	12,391
Ronni Chalmers*	30,000	-	30,000
Marc Schwartz (appointed 21 October 2020)	26,405	2,508	28,913
Total key management personnel	**135,326**	**5,978**	**141,304**

2020	SHORT-TERM EMPLOYEE BENEFITS	POST-EMPLOYMENT BENEFITS	TOTAL ($)
	CASH SALARY AND FEES ($)	SUPERANNUATION ($)	
John Abernethy *	30,000	-	30,000
Julian Gosse	36,530	3,470	40,000
Brett Spork**	50,000	-	50,000
Ronni Chalmers (appointed 17 December 2019)*	16,233	-	16,233
Anthony Golowenko (resigned 1 July 2019)*	-	-	-
Total key management personnel	**132,763**	**3,470**	**136,233**

*Paid to Clime Investment Management Ltd and not to Mr. John Abernethy, Mr. Ronni Chalmers or Mr. Anthony Golowenko.
**Includes $10,000 paid to Mr. Brett Spork for consultancy fees in relation to the Company's takeover of CBC.

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

	2021 $	2020 $
Clime Asset Management Pty Limited - Note (c)(i)	2,520,023	797,334
CBG Asset Management Limited - Note (c)(ii)	533,520	279,532
Clime Investment Management Ltd - Note (c)(iii)	162,867	90,233
	3,216,410	**1,167,099**

As at 30 June 2021, $1,246,742 (2020: $78,309) of the Company's management fees and performance fees remain unpaid and within payables.

(b) Dividends

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

(c) Nature of Relationships

(i) Clime Asset Management Pty Limited

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

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

(ii) CBG Asset Management Limited

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

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

(iii) Clime Investment Management Ltd

Mr. John Abernethy is a Director of Clime Investment Management Ltd (CIW) and provides consulting services to CIW, and Mr. Ronni Chalmers is employed by CIW and did not receive any form of remuneration from the company. As detailed in Note 14, Clime Investment Management Ltd received management fees as remuneration for the employment of the Chairman, a Director and the Company Secretary as well as reimbursement for marketing fees and a portion of legal fees incurred for issue of replacement prospectus to eligible fund unit holders. Clime Investment Management Ltd directly owns 4.38% (2020: 5.29%) of the share capital of the Company as at 30 June 2021. Clime Investment Management Ltd, through the Investment Manager, has the indirect power to dispose 2.94% (2020: 3.55%) of the Company's shares held by the Investment Manager's Individually Managed Accounts (IMAs).

(d) Shareholdings of Directors and Key Management Personnel

Shareholdings

2021	Balance at 1 July 2020	Shares acquired/ Bonus	Shares disposed	Other changes	Balance at 30 June 2021
Ordinary Shares	(Number)	(Number)	(Number)	(Number)	(Number)
John Abernethy (Chairman)	1,012,000	528,000	-	-	1,540,000
Brett Spork (resigned 23 October 2020)	102,500	-	(7,012)	(95,488)	-
Ronni Chalmers	650,078	68,964	-	-	719,042
Julian Gosse	-	-	-	-	-
Marc Schwartz (appointed 21 October 2020)	-	17,000	-	-	17,000
	1,764,578	**613,964**	**(7,012)**	**(95,488)**	**2,276,042**

2021	Balance at 1 July 2020	Convertible notes acquired	Convertible notes disposed	Other changes	Balance at 30 June 2021
Convertible notes	(Number)	(Number)	(Number)	(Number)	(Number)
John Abernethy (Chairman)	47,850	-	(45,000)	-	2,850
Brett Spork (resigned 23 October 2020)	16,667	-	(16,667)	-	-
Ronni Chalmers	805,000	-	-	-	805,000
Julian Gosse	-	-	-	-	-
Marc Schwartz (appointed 21 October 2020)	-	-	-	-	-
	869,517	**-**	**(61,667)**	**-**	**807,850**

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

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

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

Shareholdings

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

*Mr. Chalmers' holdings were acquired in relation to the scrip for scrip takeover of CBC.

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 2021:

Performance result - historical analysis

	30 June 2021 $	30 June 2020 $	30 June 2019 $	30 June 2018 $	30 June 2017 $
Net investment income/(loss)	37,533,808	(6,576,155)	11,976,963	12,952,194	7,823,477
Profit/(Loss) for the year before income tax expense	31,279,576	(10,819,064)	8,480,647	10,509,665	6,400,566
Profit/(Loss) for the year	22,960,875	(6,394,085)	6,601,175	7,952,336	5,150,809
Dividends paid/provided for	5,915,254	5,495,165	4,575,684	4,484,548	5,042,795

Movements in shareholder wealth - historical analysis

	30 June 2021	30 June 2020	30 June 2019	30 June 2018	30 June 2017
Adjusted NTA cum dividend - pre tax[1]	$0.99	$0.80	$0.97	$0.94	$0.87
Adjusted NTA cum dividend - post tax[1]	$0.96	$0.82	$0.94	$0.92	$0.88
Share price at financial year end	$0.96	$0.79	$0.97	$0.84	$0.85
Interim quarterly dividends - ordinary shares[2]	3.50cps	3.80cps	3.75cps	3.75cps	3.60cps
Final quarter dividend- ordinary shares[2]	1.25cps	1.05cps	1.25cps	1.25cps	1.25cps
Preference share dividends[2]	-	-	-	-	15.00cps
Bonus share issue - ord. shares	-	-	1 for 40	-	-
Basic EPS[1,2]	19.10cps	(5.85cps)	7.21cps	8.64cps	4.85cps

[1] Taking into account the dilutive effect of bonus and preference shares
[2] Fully franked dividends

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

END OF AUDITED REMUNERATION REPORT

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 2021, the Company has no contingent liabilities or commitments (2020: $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 20.

Signed in accordance with a resolution of the Directors.

John Abernethy
Chairman
Sydney, 17 August 2021

PITCHER PARTNERS

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Sydney NSW 2001

p. +61 2 9221 2099
e. sydneypartners@pitcher.com.au

Auditor's Independence Declaration

To the Directors of Clime Capital Limited

ABN 99 106 282 777

In relation to the independent audit for the year ended 30 June 2021, to the best of my knowledge and belief there have been:

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

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

This declaration is in respect of Clime Capital Limited.

Mark Godlewski

Mark Godlewski
Partner

Pitcher Partners
Sydney

17 August 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2021

	Note	2021 $	2020 $
Investment income			
Investment revenue	2	3,792,650	3,440,229
Net realised gain/(loss) on disposal of financial assets at fair value through profit or loss		11,546,376	(1,024,348)
Net unrealised gain/(loss) on financial assets at fair value through profit or loss		21,660,862	(8,996,579)
CBC termination cost recovered		533,520	-
Gain on cancellation of convertible notes bought back		400	4,543
Net investment income/(loss)		**37,533,808**	**(6,576,155)**
Other income			
Proceeds from settlement of UGL Class Action		-	144,013
Government grant received		10,010	10,000
Total other income		**10,010**	**154,013**
Expenses			
Management fees		(1,409,267)	(1,063,112)
Performance fees		(1,110,756)	-
Brokerage costs		(426,070)	(342,477)
Accounting fees		(58,312)	(52,890)
Custody fees		(28,180)	(34,880)
ASX fees		(69,733)	(103,328)
Share registry fees		(104,262)	(116,488)
Directors and company secretarial fees		(165,304)	(160,233)
Legal and professional fees		(34,371)	(497,723)
CBC termination cost paid		(533,520)	-
Other administrative expenses		(429,204)	(221,055)
Total expenses before finance costs		**(4,368,979)**	**(2,592,186)**
Finance costs	10	(1,895,263)	(1,804,736)
Profit/(Loss) for the year before income tax expense		**31,279,576**	**(10,819,064)**
Income tax (expense)/benefit	4(a)	(8,318,701)	4,424,979
Profit/(Loss) for the year		**22,960,875**	**(6,394,085)**
Other comprehensive income for the year		-	-
Total comprehensive income/(loss) for the year		**22,960,875**	**(6,394,085)**
Basic earnings/(losses) per share	6	**19.10cps**	**(5.85cps)**
Diluted earnings/(losses) per share	6	**16.34cps**	**(5.85cps)**

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

	Note	2021 $	2020 $
ASSETS			
Cash and cash equivalents	13(a)	6,615,753	8,268,698
Trade and other receivables	7	1,013,672	382,730
Financial assets at fair value through profit or loss	8	155,730,657	110,639,378
Current tax benefit	4(b)	886,729	929,502
Prepayments		43,713	76,599
Net deferred tax assets	4(c)	-	2,583,468
Total assets		**164,290,524**	**122,880,375**
Liabilities			
Trade and other payables	9	3,240,376	555,377
Dividends payable	5(b)	1,678,130	1,188,964
Convertible notes	10	27,211,011	27,437,310
Net deferred tax liabilities	4(c)	3,464,040	-
Total liabilities		**35,593,557**	**29,181,651**
Net assets		**128,696,967**	**93,698,724**
Equity			
Issued capital	11	119,394,527	101,441,905
Option premium on convertible notes	10	227,904	227,904
Accumulated losses	12(a)	(24,185,919)	(24,189,794)
Profit reserve	12(b)	33,260,455	16,218,709
Total equity		**128,696,967**	**93,698,724**

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

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

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2021

	Note	Issued capital	Accumulated Losses	Profit Reserve	Option Premium on Convertible Notes	Total Equity
		$	$	$	$	$
Balance as at 1 July 2019		**81,438,887**	**(10,361,709)**	**14,279,874**	**196,351**	**85,553,403**
Loss for the year		-	(6,394,085)	-	-	(6,394,085)
Other comprehensive income		-	-	-	-	-
Total comprehensive loss for the year		**-**	**(6,394,085)**	**-**	**-**	**(6,394,085)**
Transactions with owners in their capacity as owners						
Issue of ordinary shares	11(a)	698,232	-	-	-	698,232
Shares acquired under buy-back	11(a)	(978,280)	-	-	-	(978,280)
Conversion of convertible notes into ordinary shares	11(a)	39,879	-	-	-	39,879
Shares issued via scrip consideration for acquisition	11(a)	19,545,914	-	-	-	19,545,914
Shares issued as compulsory consideration for acquisition	11(a)	698,069	-	-	-	698,069
Convertible notes issued via scrip consideration for acquisition		-	-	-	45,076	45,076
Deferred tax on issue of convertible notes		-	-	-	(13,523)	(13,523)
Transaction costs on shares acquired under buy-back	11(a)	(1,137)	-	-	-	(1,137)
Income tax on transaction costs	11(a)	341	-	-	-	341
Dividends provided for or paid	5	-	-	(5,495,165)	-	(5,495,165)
		20,003,018	-	(5,495,165)	31,553	14,539,406
Transfer to profit reserve	12	-	(7,434,000)	7,434,000	-	-
		20,003,018	**(7,434,000)**	**1,938,835**	**31,553**	**14,539,406**
Balance at 30 June 2020		**101,441,905**	**(24,189,794)**	**16,218,709**	**227,904**	**93,698,724**
Profit for the year		-	22,960,875	-	-	22,960,875
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		**-**	**22,960,875**	**-**	**-**	**22,960,875**
Transactions with owners in their capacity as owners						
Issue of ordinary shares	11(a)	17,164,186	-	-	-	17,164,186
Transaction costs on issue of ordinary shares	11(a)	(211,146)	-	-	-	(211,146)
Shares acquired under buy-back	11(a)	(567,476)	-	-	-	(567,476)
Conversion of convertible notes into ordinary shares	11(a)	1,504,123	-	-	-	1,504,123
Transaction costs on shares acquired under buy-back	11(a)	(584)	-	-	-	(584)
Income tax on transaction costs	11(a)	63,519	-	-	-	63,519
Dividends provided for or paid	5	-	-	(5,915,254)	-	(5,915,254)
		17,952,622	-	(5,915,254)	-	12,037,368
Transfer to profit reserve	12	-	(22,957,000)	22,957,000	-	-
		17,952,622	**(22,957,000)**	**17,041,746**	**-**	**12,037,368**
Balance at 30 June 2021		**119,394,527**	**(24,185,919)**	**33,260,455**	**227,904**	**128,696,967**

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

	Note	2021 $	2020 $
Cash flows from operating activities			
Proceeds from sale of investments		101,014,014	113,955,854
Payments for purchase of investments		(111,817,789)	(101,807,515)
		(10,803,775)	12,148,339
Dividends and trust distributions received		3,538,564	3,490,555
Interest received		7,498	32,793
Other income received		547,026	-
Proceeds from settlement of UGL Class Action		-	144,013
Government grant received		10,010	10,000
Payments for administrative, takeover and other expenses		(1,777,630)	(1,651,299)
Investment manager's fees paid		(1,351,590)	(1,077,652)
Income tax paid		(2,164,901)	(1,264,478)
Net cash inflow/(outflow) from operating activities	13(c)	**(11,994,798)**	**(11,832,271)**
Cash flows from financing activities			
Dividends paid net of dividend reinvestment		(4,678,389)	(4,754,472)
Proceeds from issue of convertible notes		1,128,912	-
Proceeds from issue of shares		16,205,341	-
Payment for share buy-back including transaction costs		(568,060)	(979,416)
Payments for buy-back of convertible notes including transaction costs		(24,030)	(768,553)
Finance costs paid on convertible notes		(1,721,921)	(1,645,760)
Net cash inflow/(outflow) from financing activities		**10,341,853**	**(8,148,201)**
Net increase/(decrease) in cash held		**(1,652,945)**	**3,684,070**
Cash and cash equivalents at beginning of the financial year		8,268,698	4,584,628
Cash and cash equivalents at end of the financial year	13(a)	**6,615,753**	**8,268,698**
Non-cash financing activities			
Shares issued via scrip consideration for acquisition		-	20,243,983
Convertible notes issued via scrip consideration for acquisition		-	7,173,364
Dividends reinvested		747,699	698,232
Conversion of convertible notes into ordinary shares		1,504,123	39,879

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

NOTE 1

Significant accounting policies

(a) Basis of preparation

These financial statements are general purpose financial statements prepared in accordance with applicable Accounting Standards, including Australian Accounting Interpretations, the *Corporations Act 2001* and other authoritative pronouncements of the Australian Accounting Standards Board.

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

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

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

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

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

Key judgements and estimates

Investment entity

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

The following are the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Recovery of deferred tax assets

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

(b) 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.

The fair value of financial assets traded in active markets is based on their quoted market prices at the reporting date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices.

(b) Financial instruments (continued)

Investments (continued)

iv) Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. No assets and liabilities were offset in the statement of financial position as at 30 June 2021 and 30 June 2020.

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), CBC, have implemented the tax consolidation legislation from the acquisition date of 25 October 2019. Clime Capital Limited is the head entity in the tax consolidated group. These entities are taxed as a single entity.

(d) Cash and cash equivalents

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

(e) Trade and other receivables

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

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

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

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

(f) Trade and other payables

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

(g) Goods and Services Tax (GST)

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

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

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

(h) Revenue

i) Investment income

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

Interest revenue 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

ii) Government grants

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

iii) Other income

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

(i) Earnings per share

i) Basic earnings per share

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

ii) Diluted earnings per share

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

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

(j) Dividends

Provisions for dividends payable are recognised in the reporting period in which they are declared, for the entire undistributed amount, regardless of the extent to which they will be paid in cash.

(k) Profit reserve

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

(l) Issued capital

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

(m) New and amended standards adopted by the Company

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2020 that have a material impact on the Company.

(n) New accounting standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 July 2021, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

(o) 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.

NOTE 2

Investment revenue

	2021 $	2020 $
Dividends and trust distributions	3,785,152	3,407,436
Interest	7,498	32,793
Total	**3,792,650**	**3,440,229**

NOTE 3

Auditor's renumeration

Remuneration of Pitcher Partners in relation to:		
Audit and review of the financial reports	42,103	38,000
Taxation	30,433	27,450
Corporate Finance	1,169	20,000
TOTAL	**73,705**	**85,450**

NOTE 4

Taxation

(a) Income tax expense/(benefit)

The prima facie tax on profit before income tax is reconciled to income tax expense as follows:		
Prima facie tax expense/(benefit) on profit/(loss) before income tax at 30%	9,383,873	(3,245,719)
Adjusted for tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Imputation gross up on dividends received	271,092	253,624
Franking credits on dividends received	(903,640)	(845,415)
Permanent differences	(61,684)	24,937
Effect of adjustment in cost base of CBC investments acquired	-	(624,053)
Others	(3,000)	37,557
Prior year under/(over) provision	(367,940)	(25,910)
Income tax (benefit)/expense	**8,318,701**	**(4,424,979)**
The applicable weighted average effective tax rates are as follows:	26.59%	(40.90%)

NOTE 4

Taxation (continued)

(b) Current tax benefit/(liability)

	2021 $	2020 $
Income Tax	886,729	929,502

(c) Net deferred tax (liabilities)/assets

	2021 $	2020 $
Deferred tax assets		
Deferred tax assets comprise the estimated tax deductible at the current income tax rate of 30% on the following items:		
Carried forward tax losses	2,961,802	2,587,315
Other temporary differences	357,669	357,328
	3,319,471	2,944,643
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	(6,767,471)	(359,221)
Other temporary differences	(16,040)	(1,954)
	(6,783,511)	(361,175)
Net deferred tax (liabilities)/assets	**(3,464,040)**	**2,583,468**

(d) Income tax expense/(benefit) recognised in the profit or loss

	2021 $	2020 $
Current income tax expense/(benefit)	1,121,695	(3,245,719)
Deferred tax relating to the origination and reversal of temporary differences	7,564,946	(1,153,350)
Prior year under/(over) provision	(367,940)	(25,910)
	8,318,701	**(4,424,979)**

NOTE 5

Dividends

(a) Paid in the current year

	2021 $	2020 $
Dividends paid in the current year		
A fully franked final quarter dividend on ordinary shares in respect of the 2020 financial year of 1.05 cents per share was paid on 30 July 2020 (2020: A fully franked final quarter dividend on ordinary shares in respect of the 2019 financial year of 1.25 cents per share was paid on 26 July 2019)	1,188,964	1,146,503
A fully franked dividend on ordinary shares for the quarter ended 30 September 2020 of 1.125 cents per share was paid on 30 October 2020 (2020: A fully franked dividend on ordinary shares for the quarter ended 30 September 2019 of 1.25 cents per share was paid on 25 October 2019)	1,270,525	1,411,475
A fully franked dividend on ordinary shares for the quarter ended 31 December 2020 of 1.175 cents per share was paid on 29 January 2021 (2020: A fully franked dividend on ordinary shares for the quarter ended 31 December 2019 of 1.25 cents per share was paid on 24 January 2020)	1,377,510	1,421,415
A fully franked dividend on ordinary shares for the quarter ended 31 March 2021 of 1.20 cents per share was paid on 29 April 2021 (2020: A fully franked dividend on ordinary shares for the quarter ended 31 March 2020 of 1.30 cents per share was paid on 24 April 2020)	1,589,089	1,473,311
	5,426,088	**5,452,704**

(b) Provided for in the current year

	2021 $	2020 $
A fully franked final quarter dividend in respect of the 2021 year of 1.25 cents per share was payable on ordinary shares as at 30 June 2021 (2020: A fully franked final quarter dividend in respect of the 2020 year of 1.05 cents per share was payable on ordinary shares as at 30 June 2020)	1,678,130	1,188,964
	1,678,130	**1,188,964**

(c) Dividend franking account

	2021 $	2020 $
Franking credit balance at 30 June 2021	933,391	176,152
Impact on franking account balance of dividends not recognised, payable on 28 July 2021 (2020: 30 July 2020)	(719,199)	(509,556)
	214,192	**(333,404)**

NOTE 6

Earnings/(Losses) per share

		2021 $	2020 $
Basic earnings/(losses) per share		**19.10cps**	**(5.85cps)**
Diluted earnings/(losses) per share		**16.34cps**	**(5.85cps)**

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

Basic earnings/(losses) per share			
Total comprehensive income/(loss) for the year	$	22,960,875	(6,394,085)
Earnings/(Losses) used in calculating basic earnings per share	$	22,960,875	(6,394,085)
Weighted average number of ordinary shares used in the calculation of basic earnings per share	Nos	120,224,516	109,245,331
Diluted earnings/(losses) per share			
Earnings/(Losses) used in calculating basic earnings per share	$	22,960,875	(6,394,085)
Add: interest expense on convertible notes (net of tax)	$	1,326,684	1,263,315
Earnings/(Losses) used in calculating diluted earnings per share	$	24,287,559	(5,130,770)
Weighted average number of ordinary shares used in the calculation of basic earnings per share	Nos	120,224,516	109,245,331
Adjustments for calculation of diluted earnings per share:			
- Convertible notes	Nos	28,413,818	27,688,690
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	Nos	148,638,334	136,934,021

NOTE 7

Trade and other receivables

	2021 $	2020 $
Unsettled trades	574,184	198,153
Income receivable	389,943	156,861
Other debtors	49,545	27,716
	1,013,672	**382,730**

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 consists of GST receivables that can be recovered from the Australian Tax Office. No interest is applicable to these amounts.

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

NOTE 8

Financial assets at fair value through profit or loss

	2021 $	2020 $
Listed equities - domestic	144,502,646	76,698,091
Unlisted equities - domestic	-	25,867,686
Unlisted unit trusts	11,228,011	8,073,601
	155,730,657	**110,639,378**

NOTE 9

Trade and other payables

Accrued expenses	112,305	52,036
Amount payable to related parties	1,246,742	78,309
Unsettled trades	1,881,329	425,032
	3,240,376	**555,377**

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

Notes issued under Entitlement Offer and Placement

On 14 December 2017, the Company issued 22,280,162 unsecured convertible notes at face value of $0.96 per note (14,988,496 notes under Entitlement Offer and 7,291,666 notes under Placement), with a term expiring on 30 November 2021 and fixed interest rate of 6.25% per annum payable quarterly in arrears.

Noteholders have the right to convert some or all of their notes to shares at any time before the maturity date. Convertible Noteholders should note that in accordance with the terms of the Prospectus dated 17 November 2017, CAMG Notes will accrue the bonus issue and upon conversion will receive 1.025 Ordinary shares for every Convertible Note.

The equity element is presented in equity, under the heading of "option premium on convertible notes". The effective interest rate of the liability element on initial recognition is 7.27% per annum.

Notes issued under Takeover Bid Offer of CBG Capital Limited

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

The equity element is presented in equity, under the heading of "option premium on convertible notes". The effective interest rate of the liability element on initial recognition is 6.22% per annum for those under the initial takeover and 5.74% per annum for those under the compulsory acquisition.

Notes issued under CAM Replacement prospectus

On 2 December 2020, pursuant to lodgement of replacement prospectus offer guidelines, the Company issued 1,175,950 CAM Notes. This issuance operated on the same terms as existing Notes.

The initial fair value of the liability portion of the bond was determined using a market interest rate for an equivalent non-convertible bond at issue date. The liability is subsequently recognised on an amortised cost basis until extinguished on conversion or maturity of the notes. The remainder of the proceeds is allocated to the conversion option and recognised in option premium on convertible notes, net of income tax, and not subsequently remeasured.

NOTE 10

Convertible notes (continued)

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

	2021 $	2020 $
Proceeds from issue of convertible notes (net of raising costs)	29,176,618	28,047,706
Liability component at the date of issue	(28,851,040)	(27,722,128)
Equity component at the date of issue	325,578	325,578
Deferred tax on issue of convertible notes	(97,674)	(97,674)
Equity component at the end of the year	**227,904**	**227,904**
Classification of liability component at the end of the year:		
- Current	27,211,011	140,557
- Non-current	-	27,296,753
	27,211,011	**27,437,310**
Liability component at the beginning of the year	27,437,310	20,963,020
Proceeds from issue of convertible notes (net of raising costs)	1,128,912	7,128,289
Interest expense for the year calculated at effective interest rates	1,895,263	1,804,736
Finance costs paid	(1,721,921)	(1,645,760)
Convertible notes bought back	(24,430)	(773,096)
Conversion of convertible notes into ordinary shares	(1,504,123)	(39,879)
Liability component at the end of the year	**27,211,011**	**27,437,310**

Fair value

Fair value of the convertible notes as at 30 June 2021 amounting to $27,243,454 (30 June 2020: $27,817,835) was determined by reference to the published price quotation of $0.970 (30 June 2020: $0.976) on the convertible note ticker ASX:CAMG as at 30 June 2021.

NOTE 11

Issued capital

	2021 $	2020 $
Issued and paid-up capital		
134,210,421 (2020: 113,234,687) ordinary fully paid shares	119,394,527	101,441,905

(a) Movements in ordinary share capital

	Notes	Number of shares 2021	Number of shares 2020	2021 $	2020 $
Balance at beginning of the year		113,234,687	91,720,037	101,441,905	81,438,887
Issue of ordinary shares	11(b)	19,209,765	-	16,416,487	-
Transaction costs on issue of ordinary shares		-	-	(211,146)	-
Income tax on transactions costs		-	-	63,519	341
Shares acquired under buy-back	11(e)	(726,926)	(1,104,298)	(567,476)	(978,280)
Conversion of convertible notes into ordinary shares		1,605,981	42,582	1,504,123	39,879
Issue of ordinary shares as scrip consideration for acquisition of CBC on 13 September 2019	11(b)	-	21,017,112	-	19,545,914
Issue of ordinary shares as compulsory consideration for acquisition of CBC on 25 October 2019	11(b)	-	758,771	-	698,069
Transaction cost on shares acquired under buy-back		-	-	(584)	(1,137)
Dividend reinvestment plan		886,914	800,483	747,699	698,232
Balance at the end of the year		**134,210,421**	**113,234,687**	**119,394,527**	**101,441,905**

NOTE 11

Issued capital (continued)

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

(b) Issue of Shares under Clime Capital Limited's Replacement prospectus to Eligible Fund Unit Holders

During the year, Clime Capital Limited successfully completed its offer to unit holders of Clime Australian Value Fund and CBG Australian Equities Fund. Application money received under the offer was applied 75% to the subscription of CAM Shares and 25% to the subscription of CAM Notes. Under the offer, 4,233,415 CAM shares were issued at an issue price of $0.80 (being the pre-tax unaudited Net Tangible Assets value as at 4 November 2020) and 1,175,950 CAM Notes were issued at a face value of $0.96.

(c) Institutional placement

On 16 February 2021, the Company announced the successful completion of a $3.1 million institutional placement of new fully paid ordinary shares to eligible institutional investors at an issue price of $0.87 per share.

(d) Share purchase plan (SPP)

On 16 March 2021, the Company announced the successful completion of its share purchase plan (SPP) that raised $9.9 million from eligible shareholders at an issue price of $0.87 per share. The SPP was partially underwritten by Sanlam Wealth Pty Ltd up to A$3.1 million.

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

On 29 January 2021, 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 15 February 2021 and ends on 14 February 2022. During this period, the Company has the ability to buy a maximum of 11,723,484 fully paid ordinary shares.

In accordance with its on-market share buy-back scheme, Clime Capital Limited bought back 726,926 (2020: 1,104,298) ordinary shares during the year. The number of shares bought back and cancelled during the 12 month period was within the '10/12 limit' imposed by s257B of the *Corporations Act 2001*, and as such, shareholder approval was not required. The shares were acquired at an average price of $0.781 per share (2020: $0.886), with prices ranging from $0.7623 cents to $0.900 cents (2020: $0.730 cents to $0.965 cents). An amount of $567,746 (2020: $978,280), plus $409 (2020: $797) transaction costs net of tax, was deducted from contributed equity.

The shares bought back in the years ended 30 June 2021 and 30 June 2020 were cancelled immediately.

(f) 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 converible 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.

NOTE 11

Issued capital (continued)

(g) Dividend reinvestment plan

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

NOTE 12

Reserves and accumulated losses

(a) Accumulated losses

	2021 $	2020 $
Balance at the beginning of the year	(24,189,794)	(10,361,709)
Net profit/(loss) attributable to members of the Company	22,960,875	(6,394,085)
Transfer to profit reserve	(22,957,000)	(7,434,000)
Balance at end of year	**(24,185,919)**	**(24,189,794)**

(b) Profit reserve

	2021 $	2020 $
Balance at the beginning of the year	16,218,709	14,279,874
Transfer from accumulated losses	22,957,000	7,434,000
Dividends provided for or paid	(5,915,254)	(5,495,165)
Balance at end of year	**33,260,455**	**16,218,709**

NOTE 13

Cash flow information

(a) Reconciliation of cash

	2021 $	2020 $
For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise:		
Cash at bank	6,615,753	8,268,698
Total cash and cash equivalents	**6,615,753**	**8,268,698**

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

	2021 $	2020 $
Profit/(loss) attributable to members of the Company	22,960,875	(6,394,085)
Adjustment:		
Finance costs	1,895,263	1,804,736
Gain on cancellation of convertible notes bought back	(400)	(4,543)
Shares issued via scrip consideration for acquisition	-	20,243,983
Convertible notes issued via scrip consideration for acquisition	-	7,173,364
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(630,942)	482,193
Increase in investments at fair value through profit or loss	(45,091,279)	(5,519,706)
Decrease/(increase) in prepayments	32,886	(72,473)
Increase/(decrease) in trade and other payables	2,684,999	(191,740)
Increase/(decrease) in net deferred tax asset/liability	6,047,508	(4,386,243)
Increase in deferred tax option premium on convertible notes	-	(13,523)
Increase in income tax on transactions costs	63,519	341
(Increase)/decrease in current tax benefit	42,773	(929,502)
Decrease in current tax liability	-	(360,531)
Net cash (outflow)/inflow from operating activities	**(11,994,798)**	**11,832,271**

NOTE 13

Cash flow information (continued)

(d) Non-cash transactions

	2021 $	2020 $
During the year the Company entered into the following financing activities which were not reflected in the cash flows.		
Shares issued via scrip consideration for acquisition	-	20,243,983
Convertible notes issued via scrip consideration for acquisition	-	7,173,364
Dividends reinvested	747,699	698,232
Conversion of convertible notes into ordinary shares	1,504,123	39,879
Total non-cash transactions	**2,251,822**	**28,155,458**

NOTE 14

Related party transactions

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

(a) Management, performance and other fees

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

	Note	2021 $	2020 $
Clime Asset Management Pty Limited	(c)(i)	2,520,023	797,334
CBG Asset Management Limited	(c)(ii)	533,520	279,532
Clime Investment Management Ltd	(c)(iv)	162,867	90,233
		3,216,410	**1,167,099**

As at 30 June 2021, $1,246,742 (2020: $78,309) of the Company's management fees and performance fees remain unpaid and within payables.

(b) Dividends

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

NOTE 14

Related party transactions (continued)

(c) Nature of relationships

(i) Clime Asset Management Pty Limited

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

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

(ii) CBG Asset Management Limited

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

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

(iii) Termination of CBG Capital Limited Investment Agreement

Total Investment Income includes an amount of $533,520 received from the Investment Manager as reimbursement of termination costs paid to CBG Asset Management Limited for terminating the investment management agreement, of CBG Capital Limited's portfolios, following the merger of CBG Capital Limited's portfolios into Clime Capital Limited with effect from 1 July 2020.

(iv) Clime Investment Management Ltd

Mr. John Abernethy is a Director of Clime Investment Management Ltd (CIW) and provides consulting services to CIW, and Mr. Ronni Chalmers is employed by CIW and did not receive any form of remuneration from the company. As detailed in Note 14, Clime Investment Management Ltd received management fees as remuneration for the employment of the Chairman, a Director and the Company Secretary as well as reimbursement for marketing fees and a portion of legal fees incurred for issue of replacement prospectus to eligible fund unit holders. Clime Investment Management Ltd directly owns 4.38% (2020: 5.29%) of the share capital of the Company as at 30 June 2021. Clime Investment Management Ltd, through the Investment Manager, has the indirect power to dispose 2.94% (2020: 3.55%) of the Company's shares held by the Investment Manager's Individually Managed Accounts (IMAs).

NOTE 15

Key management personnel disclosure

The Company has no staff and therefore has no Key Management personnel other than the Directors.

There have been no other transactions with Key Management Personnel or their related entities other than those disclosed in Note 14.

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

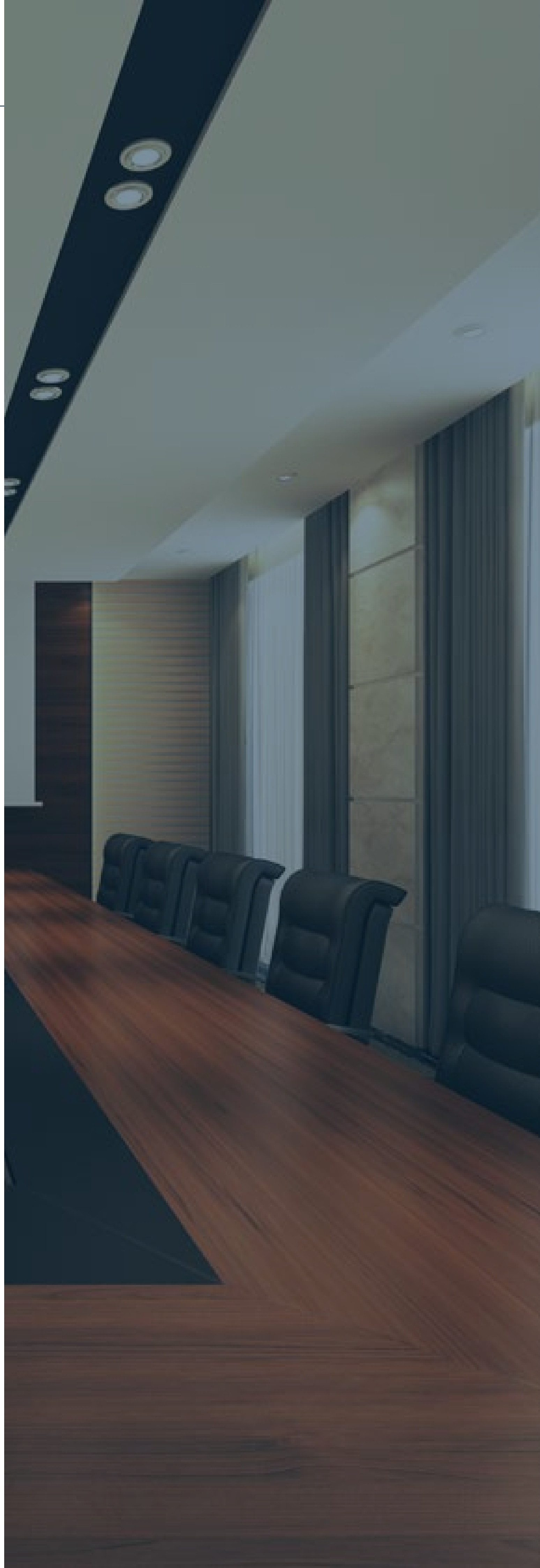
John Abernethy
Non-Executive Chairman

Julian Gosse
Non-Executive Director

Ronni Chalmers
Non-Independent Director

Brett Spork
Non-Executive Director
(resigned 23 October 2020)

Marc Schwartz
Independent, Non-Executive Director
(appointed 21 October 2020)



NOTE 15

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:

	2021 $	2020 $
Cash salary and fees*	135,326	132,763
Short-term employee benefits	**135,326**	**132,763**
Superannuation	5,978	3,470
Post-employment benefits	**5,978**	**3,470**
Total employment benefits	**141,304**	**136,233**

* Includes $60,000 (2020: $46,233) paid/payable to Clime Investment Management Ltd for the services rendered by the Chairman and one of the Directors. During year ended 2020, it also includes $10,000 paid to a Non-Executive Independent Director for consultancy fees in relation to the Company's takeover of CBC.

(b) Shareholdings

2021	Balance at 1 July 2020	Shares acquired/ Bonus	Shares disposed	Other changes	Balance at 30 June 2021
Ordinary Shares	(Number)	(Number)	(Number)	(Number)	(Number)
John Abernethy (Chairman)	1,012,000	528,000	-	-	1,540,000
Brett Spork (resigned 23 October 2020)	102,500	-	(7,012)	(95,488)	-
Ronni Chalmers	650,078	68,964	-	-	719,042
Julian Gosse	-	-	-	-	-
Marc Schwartz (appointed 21 October 2020)	-	17,000	-	-	17,000
	1,764,578	**613,964**	**(7,012)**	**(95,488)**	**2,276,042**

(b) Shareholdings (continued)

2021	Balance at 1 July 2020	Convertible notes acquired	Convertible notes disposed	Other changes	Balance at 30 June 2021
Convertible notes	(Number)	(Number)	(Number)	(Number)	(Number)
John Abernethy (Chairman)	47,850	-	(45,000)	-	2,850
Brett Spork (resigned 23 October 2020)	16,667	-	(16,667)	-	-
Ronni Chalmers	805,000	-	-	-	805,000
Julian Gosse	-	-	-	-	-
Marc Schwartz (appointed 21 October 2020)	-	-	-	-	-
	869,517	**-**	**(61,667)**	**-**	**807,850**

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

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

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

(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 2021 and 30 June 2020.

NOTE 16

Financial instruments

(a) Financial Risk Management Objectives, Policies and Procedures

The Company's accounting policies are included in Note 1, while the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at reporting date, are included under the appropriate note for that instrument.

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

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

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

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

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

(b) Credit risk

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

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

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

(c) Liquidity risk

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

Maturity analysis for financial liabilities

Financial liabilities of the Company comprise trade and other payables which have no contractual maturities but are typically settled within 30 days.

NOTE 16

Financial instruments (continued)

(d) Market risk

Market risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

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

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

(i) Interest rate risk

The Company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows, the risk is measured using sensitivity analysis on Note 16(d)(iii).

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

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

2021	Weighted Average Effective Interest Rate	Floating Interest Rate	Non Interest Bearing	Fixed Interest Rate	Total
	%	$	$	$	$
Financial Assets					
Cash and cash equivalents	0.11%	6,615,753	-	-	6,615,753
Trade and other receivables		-	964,127	-	964,127
Financial assets at fair value through profit or loss		-	155,730,657	-	155,730,657
Total Financial Assets		**6,615,753**	**156,694,784**	**-**	**163,310,537**
Financial Liabilities					
Management fee payable and unsettled trades		-	3,128,071	-	3,128,071
Dividends payable		-	1,678,130	-	1,678,130
Convertible notes	7.14%	-	-	27,211,011	27,211,011
Total Financial Liabilities		**-**	**4,806,201**	**27,211,011**	**32,017,212**

NOTE 16

Financial instruments (continued)

(d) Market risk (continued)

(i) Interest rate risk (continued)

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

(ii) Other price risk

Other price risk is the risk that fair value of equities decreases as a result of changes in market prices, whether those changes are caused by factors specific to the individual stock or factors affecting the broader market. Other price risk exposure arises from the Company's investment portfolio.

(iii) Summarised sensitivity analysis

The following table summarises the sensitivity of the Company's operating profit and equity to other price risk 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.

	Price risk		Interest rate risk	
	Impact on profit or loss/equity			
	-10%	+10%	-100 bps	+100 bps
30 June 2021	(15,573,066)	15,573,066	(67,704)	67,704
30 June 2020	(11,063,938)	11,063,938	(68,355)	68,355

No effect on other comprehensive income would result from price or interest rate risk in 2021 or 2020.

NOTE 17

Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTE 17

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 2021	$	$	$	$
Financial assets at fair value through profit or loss				
Listed equities - domestic	144,502,646	-	-	144,502,646
Unlisted unit trusts	-	-	11,228,011	11,228,011
Total financial assets at fair value through profit or loss	**144,502,646**	**-**	**11,228,011**	**155,730,657**
At 30 June 2020				
Financial assets at fair value through profit or loss				
Listed equities - domestic	76,698,091	-	-	76,698,091
Unlisted equities - domestic	-	25,867,686	-	25,867,686
Unlisted unit trusts	-	-	8,073,601	8,073,601
Total financial assets at fair value through profit or loss	**76,698,091**	**25,867,686**	**8,073,601**	**110,639,378**

(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.

Year ended 30 June 2021
Effective 1 July 2020, the investment portfolio of CBC, which is mainly composed of listed equities, has been merged with the CAM investment portfolio. As a result, the former Level 2 investment relating investment in CBG Capital Limited is now made up of various Level 1 investments from the investment portfolio of CBC.

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

Year ended 30 June 2020
Management have transferred the Company's investments in amount of $2,237,239 from Level 3 to Level 1 as Elanor Commercial Property Fund (ASX: ECF) was listed on ASX on 6 December 2019 and quoted market price was available at the end of the year.

The Company owns 100% of the shares on issue in CBC. As a result of this acquisition, CBC delisted from the Australian Securities Exchange on 25 September 2019. At this point the Company's investment in CBC transferred from Level 1 to Level 2. In previous periods, the Directors have assessed the requirements of AASB 10 Consolidated Financial Statements and have applied the criteria set out in that standard to the operations of the Company. Clime Capital Limited and CBG Capital Limited are considered to be investment entities and as a result, CBG Capital Limited is not consolidated into the financial statements of the Company, but rather accounted for as a financial asset at fair value through profit or loss and was classified as a Level 2 investment in fair value hierarchy.

NOTE 17

Fair value measurement (continued)

(e) Reconciliation of recurring level 3 fair value movements

	Level 3 Unlisted unit trusts
	$
Opening balance - 1 July 2019	12,273,211
Net transfers into/(out) of	(2,237,239)
Purchases	2,231
Return of capital	(336,700)
Sales	(1,502,231)
Total losses recognised in profit or loss	(125,671)
Closing balance - 30 June 2020	**8,073,601**
Net transfers into/(out) of	-
Purchases	2,512,813
Sales	(125,000)
Total losses recognised in profit or loss	766,597
Closing balance - 30 June 2021	**11,228,011**

$766,597 (30 June 2020: loss of $125,671) of the net gains recognised in profit or loss in respect to Level 3 fair value measurements are unrealised as they are attributable to assets held at the end of the reporting period.

(f) Valuation inputs and relationships to fair value

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

Description	Fair value $'000	Unobservable inputs	Range of inputs (probability - weighted average)	Relationships of unobservable inputs to fair value
At 30 June 2021				
Unlisted unit trusts	11,228,011	Reported net asset value by investment manager	N/A	Direct
At 30 June 2020				
Unlisted unit trusts	8,073,601	Reported net asset value by investment manager	N/A	Direct

NOTE 17

Fair value measurement (continued)

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

The Company's Income Sleeve investments are typically unlisted syndicated investments with a medium term investment horizon. The value of investment was initially recorded at cost / acquisition price. The Manager of these unlisted funds issues periodic updates (quarterly or half yearly) to communicate the performance of underlying assets, summary financial information and periodically, independent valuation of the trust's underlying assets. An independent external valuation is generally done annually and communicated to the investors through the regular fund update.

The Company reviews these updates and will reflect the investment valuation based on the independent valuation if and when it changes. As observable prices are not available for these securities, the Company has relied on valuations provided by managers of the underlying funds, based on the net asset value per unit reported by those trusts, in order to derive the fair value of the units.

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

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

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

Receivables and payables are carried at amortised cost when the time value of money is material, otherwise they are carried at their nominal amounts.

Due to their short-term natures, the carrying amounts of receivables and payables approximate their fair values.

NOTE 18

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 19

Contingent assets and liabilities

As at 30 June 2021, the Company has no contingent liabilities or commitments (2020: $Nil).

NOTE 20

Events subsequent to reporting date

No 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 21

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) The Directors have been given the declarations required by S.295A of the *Corporations Act 2001*; and

(e) 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, 17 August 2021

PITCHER PARTNERS

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CLIME CAPITAL LIMITED

ABN 99 106 282 777

Report on 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 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration.

In our opinion
a) the 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 2021 and of its performance for the year ended on that date; 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.

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.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the matter</th></tr>
<tr><td colspan="2">Existence and valuation of Financial Assets
Refer to Note 8: Financial Assets at Fair Value through Profit or Loss and Note 17: Fair Value Measurement</td></tr>
<tr><td>We focused our audit effort on the valuation and existence of the Company's financial assets as they are its largest asset and represent the most significant driver of the Company's Net Tangible Assets and Profits.

At 30 June 2021, the statement of financial position includes financial assets at fair value through profit or loss of $155,730,657.

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 or other observable markets, and are therefore classified as:

Level 1, where the valuation is based on quoted prices on the ASX; or

Level 2, where the valuation inputs are other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Their remaining assets are considered to be Level 3, where the financial asset is not traded in an active market and fair value is determined using valuation techniques as there are judgements involved in determining the fair value of investments as models used to value these investments include inputs which may not be market observable and are therefore estimated based on assumptions.

Given the significance of the balance, the key audit matter for us was whether the Company has accurately recorded the fair value of these financial assets and has ownership at year end.</td><td>Our procedures included, amongst others:
• Obtaining an understanding of and evaluating the investment management process and controls;
• Reviewing and evaluating the audit reports on internal controls (ASAE 3402 Assurance Reports on Controls at a Service Organisation) for the current financial year for the Custodian and Investment Manager;
• Making enquiries as to whether there have been any changes to these controls or their effectiveness from the periods to which the audit reports relate to and obtaining bridging letters and confirmations from the Custodian and Investment Manager;
• Obtaining a confirmation of the investment holdings directly from the Custodian;
• Assessing the appropriateness of the Company's valuation of individual investment holdings with reference to independent sources such as investor quarterly reports from the Investment Manager;
• Evaluating the accounting treatment of revaluations of financial instruments to ensure the correct recognition of current/deferred tax and realised/unrealised gains or losses; and
• Assessing the adequacy of disclosures in the financial statements.</td></tr>
</table>

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<table>
<tr><th></th><th></th></tr>
<tr><td colspan="2">Accuracy, Completeness and Occurrence of Management and Performance Fees
Refer to Note 14: Related Party Transactions</td></tr>
<tr><td>We focused our audit effort on the accuracy, completeness and occurrence of management and performance fees as they are significant expenses of the Company and their calculation requires adjustments and key inputs.

Adjustments include company dividends, tax payments, capital raisings, capital reductions and other relevant expenses.

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.

In addition to their quantum, as some of these transactions are made with related parties, there are additional inherent risks associated with these transactions, including the potential for these transactions to be made on terms and conditions more favourable than if they had been with an independent third-party (e.g. fees charged in excess of those mandated under the Investment Management Agreement).</td><td>Our procedures included, amongst others:
• Obtaining an understanding of and evaluating the processes and controls for calculating the management and performance fees;
• 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;
• 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;
• Testing of key inputs such as portfolio movements, application of the relevant index benchmarking, set percentage used in the calculation of management and performance fees, as well as performing a recalculation in accordance with our understanding of the Investment Management Agreement; and
• Assessing the adequacy of disclosures made in the financial statements.</td></tr>
</table>

Other information

The Directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2021 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 consistent 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 Clime Capital Limited are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the Directors determine are necessary to enable the preparation of the financial report that is free from material 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 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 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.
- Conclude on the appropriateness of the Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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 14 to 18 of the Directors' Report for the year ended 30 June 2021. In our opinion, the Remuneration Report of Clime Capital Limited for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of Clime Capital Limited 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.

Mark Godlewski

Pitcher Partners

Mark Godlewski
Partner

Pitcher Partners
Sydney

17 August 2021

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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 3 August 2021)

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

	No. of Holders	
	Ordinary Shares	Convertible Note
1 - 1,000	336	90
1,001 - 5,000	488	130
5,001 - 10,000	408	77
10,001 - 100,000	1,619	205
100,001 and over	257	52
	3,108	**554**

B. Equity Share Holders & Convertible Note Holders

The names of the twenty largest holders of quoted equity securities are listed below as at 3 August 2021.

Name	Ordinary Shares No. of shares	Ordinary Shares % of issued shares
CLIME INVESTMENT MANAGEMENT LTD	5,741,212	4.272
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	4,689,952	3.490
DI IULIO HOMES PTY LIMITED <DI IULIO SUPER FUND A/C>	1,774,727	1.321
DOUBLE PTY LIMITED & ABERNETHY SMSF PTY LTD <ABERNETHY SUPER FUND A/C>	1,540,000	1.146
JACQUELINE KAY PTY LTD <STAFF S/F A/C>	1,351,278	1.006
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,251,099	0.931
HEATHERS SUPER PTY LTD <HEATHERS FAMILY S/F A/C>	1,191,982	0.887
JOHN E GILL OPERATIONS PTY LTD	1,151,340	0.857
NORA GOODRIDGE INVESTMENTS PTY LIMITED	1,149,425	0.855
GLEN RANELAGH PTY LTD	1,059,588	0.788
SANOLU PTY LIMITED	976,527	0.727
ROPA PTY LIMITED	912,346	0.679
GREAT D PTY LTD <GREAT D SUPER FUND A/C>	900,000	0.670
MR PAUL WILHELM MCCAULEY & MRS LISA-GAYE MCCAULEY <ASAP SUPER FUND A/C>	809,342	0.602
GLEN RANELAGH PTY LIMITED	742,906	0.553
MR PETER MICHAEL ANTAW & MRS VICTORIA MARY ANTAW <PETAVIC SUPER FUND A/C>	738,963	0.550
HUDSON RETIREMENT PTY LTD <SEAGULLS SUPER A/C>	726,830	0.541
MR RONNI DAVID CHALMERS & SAVOIR SUPERANNUATION PTY LTD <LOCOPE SUPER FUND A/C>	719,042	0.535
MR MICHAEL ANTHONY FOX & MRS SUSAN ELIZABETH FOX	700,000	0.521
STONEHOUSE SUPERANNUATION PTY LTD <STONEHOUSE SUPER FUND A/C>	590,000	0.439
	28,716,559	**21.369**

The names of the twenty largest holders of quoted convertible notes are listed below as at 3 August 2021.

	Convertible note	
Name	No. of notes	% of issued notes
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,822,490	6.498
TADMARO PTY LIMITED	1,660,082	5.919
MR COLIN JOHN VAUGHAN & MRS ROBIN VAUGHAN <C&R VAUGHAN SUPER FUND A/C>	1,336,331	4.765
INVESTMENT MANAGEMENT CO PTY LTD <VANTAGE INVESTMENT FUND A/C>	1,309,564	4.669
DR GRAEME PETER DORAHY & MRS JEAN ELIZABETH DORAHY <DORAHY SUPER FUND A/C>	915,924	3.266
MR RONNI DAVID CHALMERS & SAVOIR SUPERANNUATION PTY LTD <LOCOPE SUPER FUND A/C>	805,000	2.870
ABBAWOOD NOMINEES PTY LTD <ABBOTT FAMILY S/F NO 1 A/C>	750,000	2.674
JACQUELINE KAY PTY LTD <STAFF S/F A/C>	739,940	2.638
CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	634,711	2.263
CLENDON HOUSE INVESTMENTS PTY LTD	507,778	1.810
MR MICHAEL ALAN LUCAS & MRS ANNE LUCAS	503,510	1.795
VANTAGE CAPITAL MANAGEMENT PTY LTD	500,000	1.783
CONTEMPLATOR PTY LTD <ARG PENSION FUND A/C>	416,667	1.486
NATIONAL NOMINEES LIMITED	383,948	1.369
MRS JEAN ELIZABETH DORAHY	383,000	1.366
BURROWS MANAGEMENT PTY LIMITED <BURROWS MANAGEMENT A/C>	350,000	1.248
ABBAWOOD NOMINEES PTY LIMITED <ABBOTT FAMILY ACCOUNT>	330,000	1.177
MR DICK ROBERT LISTER & MRS JAN LOUISE LISTER <LUMEN S/F A/C>	295,511	1.054
MS SUPAPORN RUDEE	287,000	1.023
ROPA PTY LIMITED	284,960	1.016
	14,216,416	**50.688**

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 3 August 2021.

Name	No. of shares held	% of issued shares
	Ordinary Shares	
Clime Investment Management Limited - Direct	5,741,212	4.27%
Clime Investment Management Limited - Indirect	4,636,092	3.45%

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 2021
A2 Milk Company Ltd	274,543	1,647,258
Adairs Ltd	849,005	3,608,271
Amcor Limited	307,807	4,657,120
Austal Limited	948,143	1,943,693
Australia & New Zealand Banking Group Limited	161,894	4,557,316
BHP Billiton Limited	165,295	8,028,378
Brickworks Limited	204,493	5,126,640
City Chic Collective Limited	453,033	2,487,151
Codan Ltd	129,142	2,328,430
Electro Optic System Holding	1,200,772	5,175,327
Family Zone Cyber Safety Ltd	2,578,659	1,547,195
Fortescue Metals Group	137,550	3,210,417
Goodman Group	170,917	3,618,313
Hansen Technologies Ltd	692,660	4,301,419
Insurance Australia Group Limited	323,252	1,667,980
Integral Diagnostics Ltd	923,898	4,804,270
Jumbo Interactive Ltd	295,062	5,243,252
Lycopodium Limited	590,531	3,188,867
Mach7 Technologies	6,127,078	6,525,338
Macquarie Group Limited	23,658	3,700,821
Macquarie Telcom Group Ltd	33,675	1,782,418
Mineral Resources Ltd	97,401	5,233,356
National Australia Bank Limited	240,521	6,306,461
Navigator Global Investments Limited	2,907,033	5,189,054
Nick Scali Ltd	342,351	4,012,354
Oz Minerals Limited	171,918	3,864,717
Rhipe Limited	1,940,305	4,055,237
RPM Global Holdings	4,584,697	8,160,761
Seven Group Holdings Ltd	206,190	4,195,967
Sonic Healthcare Limited	176,703	6,785,395
Straker Translations Ltd	1,381,493	2,680,096
Wesfarmers Limited	75,070	4,436,637
Westpac Banking Corporation	305,940	7,896,311
Woodside Petroleum	114,202	2,536,426
		144,502,646

E. Investments held at the balance date (continued)

Income Sleeve - Syndicated listed/unlisted investments	No. of shares held	Fair value at 30 June 2021
APN Nowra Property Fund	1,500,000	1,685,400
APN Regional Property Fund	348,529	657,918
Bluewater Square Syndicate	1,500,000	1,155,000
Burke Street Fund	1,227,813	1,227,813
Elanor Metro and Prime Regional Hotel Fund	1,820,000	1,820,000
Elanor Waverly Gardens Syndicate	1,000,000	1,000,000
Hunters Plaza Syndicate	1,000,000	1,340,000
Primewest Agricultural Trust No 1	1,160,000	1,151,880
Southern Cross Poultry Fund Investment Trust	1,000,000	1,110,000
Southern Cross Poultry Fund Operating Trust	1,000,000	80,000
		11,228,011
		155,730,657

F. During the year ended 30 June 2021, the Company recorded 1,292 transactions in securities. $426,070 (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 wholly owned 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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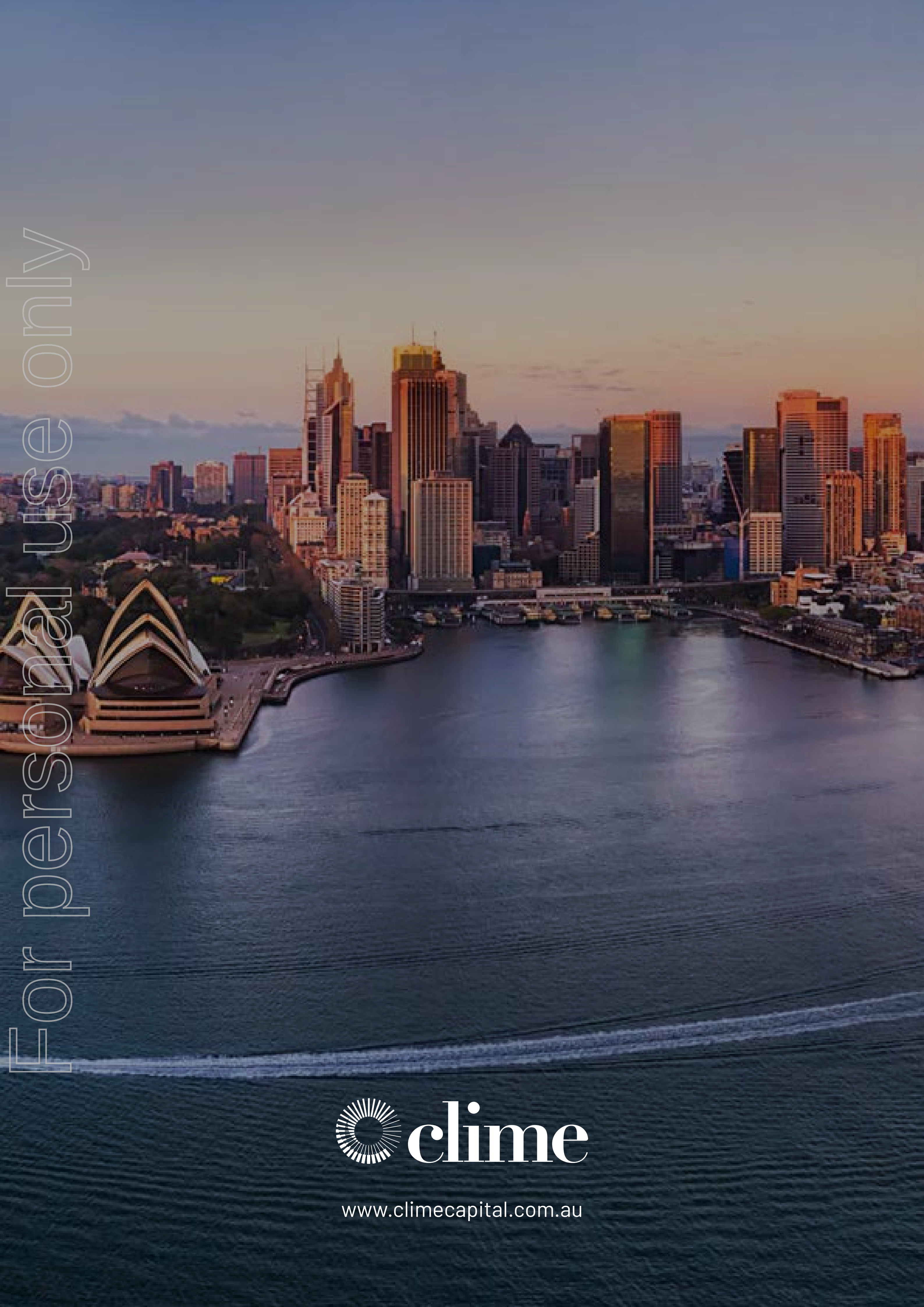

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