

Company Announcements
Australian Stock Exchange, Sydney

31 August 2010

Announcement of Results – Year ended 30 June 2010

Information given to the ASX under Listing Rule 4.3A

Please find attached the Appendix 4E with respect to the Company's results for the year ended 30 June 2010.

Yours sincerely,

Jennifer El-Sibai
Company Secretary

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Appendix 4E
Preliminary Final Report
Lodged with the ASX under Listing Rule 4.3A

Year Ended 30 June 2010

(Previous corresponding period – 30 June 2009)

Results for Announcement to the Market

Revenue from ordinary activities	up	108%	to	\$6,041,597
Profit from ordinary activities after tax attributable to members ¹				\$3,132,907

¹ The result for the previous corresponding period was a loss of \$2,951,612. The change from net loss to net profit prevents disclosure of a meaningful percentage change.

Dividends per share	Amount per security	Franked amount per security
Special Dividend – FY10 (paid)	1 cent	1 cent
Interim Dividend – FY10 (paid)	1 cent	1 cent
Final Dividend – FY10 (proposed)	1.25 cents	1.25 cents

Record date for determining entitlements to the final dividend is

TBA

Explanation of revenue from ordinary activities

Revenues for the period increased by 108% to \$6.04 million (FY09: \$2.9 million). The primary reason for the increase in revenue was the impact of increased management fees, which increased to \$1.8m (FY09 \$1.3m) as a result of improved client numbers as well as portfolio balances increasing on performance. In addition, performance fees of \$2.71 million (FY09 \$0.47 million) were paid by clients as a result of strong performances from all portfolios.

Sales of the online valuation tool StockVal at \$903k (FY09 \$568k) reflect membership numbers growing by 34% from 1,226 to 1,648 as at 30 June 2010.

Revenue from interest income decreased to \$157k (FY09: \$285k). The reduction in interest income reflects the Group's continued participation in its on-market share buyback scheme as well as a significant increase in accrued revenue at the end of the period resulting in lower cash balances for most of the year. Dividend income increased to \$321k (FY09: \$125k). This increase in dividend income was the result of two major investee companies resuming dividends during the year.

FY09 revenue	\$2.90m
Increase in management fees	\$0.51m
Increase in performance fees	\$2.23m
Increase in StockVal revenue	\$0.33m
Impact of lower interest income	(\$0.13m)
Increase in dividend income	\$0.20m
FY10 revenue	\$6.04m

Explanation of profit / (loss) from ordinary activities after tax attributable to members

The Group generated an after-tax profit of \$3.13 million for the year (FY09: loss of \$2.95 million). The primary drivers for the improvement in the result were revenue improvements noted above of \$3.1 million and pre-tax gains on the Company's investments of \$2.49 million (FY09 loss of \$1.29 million). In addition the Group saw a pleasing result from its equity accounted investment Jasco Holdings Limited, contributing \$860k (FY09 \$373k)

Supplementary Appendix 4E information
Consolidated Statement of Comprehensive Income

	Notes	2010 \$	2009 \$
Revenue	1	6,041,597	2,897,515
Net realised and unrealised losses on financial assets at fair value through profit or loss		2,717,235	(1,291,200)
Impairment of available-for-sale financial assets		-	(799,402)
Impairment of goodwill		-	(202,814)
Occupancy expenses		(222,584)	(232,883)
Administration expenses		(5,177,078)	(4,926,160)
Share of net profits of associates accounted for using the equity method		839,868	372,696
Profit / (Loss) before income tax	2	4,199,038	(4,182,248)
Income tax (expense) / benefit		(1,066,131)	1,230,636
Profit / (Loss) for the year		<u>3,132,907</u>	<u>(2,951,612)</u>
Other comprehensive income			
Net value gain on available for sale financial assets		1,120,794	-
Share of other comprehensive income of associates		(88,371)	72,745
Other comprehensive income for the year, net of tax		1,032,423	72,745
Total comprehensive income for the year		<u>4,165,330</u>	<u>(2,878,867)</u>
Profit / (Loss) attributable to members of Clime Investment Management Limited		<u>3,132,907</u>	<u>(2,951,612)</u>
Total comprehensive income attributable to members of Clime Investment Management Limited		<u>4,165,330</u>	<u>(2,878,867)</u>
Earnings per share for profit / (loss) attributable to the ordinary equity holders of the company:			
Basic earnings per share		6.2 cents	(5.8 cents)
Diluted earnings per share		6.2 cents	(5.8 cents)

Supplementary Appendix 4E Information
Consolidated Statement of Financial Position

	Notes	2010 \$	2009 \$
ASSETS			
Current Assets			
Cash and cash equivalents		4,093,925	4,185,259
Trade and other receivables		2,100,207	958,206
Other current assets		82,927	123,011
Assets classified as held for sale		603,149	-
Financial assets at fair value through profit or loss		9,129,098	7,093,258
Total Current Assets		<u>16,009,306</u>	<u>12,359,734</u>
Non-Current Assets			
Investments accounted for using the equity method		6,667,573	6,591,483
Available-for-sale financial assets		3,189,055	1,615,137
Other financial assets		73,109	15,458
Plant and equipment		108,114	118,659
Deferred tax assets		-	968,971
Intangible assets		4,679,825	5,382,321
Total Non-Current Assets		<u>14,717,676</u>	<u>14,692,029</u>
Total Assets		<u>30,726,982</u>	<u>27,051,763</u>
LIABILITIES			
Current Liabilities			
Payables		923,907	1,057,178
Unearned revenue		965,330	652,472
Provisions		72,324	48,217
Interest bearing liabilities		764	1,509
Current tax liabilities		(1,407)	(1,173)
Total Current Liabilities		<u>1,960,918</u>	<u>1,758,203</u>
Non-Current Liabilities			
Interest bearing liabilities		-	580
Deferred tax liabilities		585,164	-
Total Non-Current Liabilities		<u>585,164</u>	<u>580</u>
Total Liabilities		<u>2,546,082</u>	<u>1,758,783</u>
Net Assets		<u>28,180,900</u>	<u>25,292,980</u>
EQUITY			
Contributed equity		27,091,996	27,454,839
Reserves		1,426,501	321,180
Retained profits	3	(337,597)	(2,483,039)
Parent entity interest		28,180,900	25,292,980
Total Equity		<u>28,180,900</u>	<u>25,292,980</u>

Supplementary Appendix 4E Information
Consolidated Statement of Changes in Equity

	Notes	2010 \$	2009 \$
Total equity at the beginning of the year		<u>25,292,980</u>	<u>29,155,076</u>
Net increase in available-for-sale revaluation reserve		1,120,794	-
Net increase / (decrease) in foreign currency translation reserve		<u>(88,371)</u>	<u>72,745</u>
Net income recognised directly in equity		1,032,423	72,745
Profit / (Loss) for the year		<u>3,132,907</u>	<u>(2,951,612)</u>
Total recognised income and expense for the year		<u>4,165,330</u>	<u>(2,878,867)</u>
Net increase in share-based payments reserve		72,896	39,579
Net decrease in minority interests		-	(44,770)
Transactions with equity holders in their capacity as equity holders:			
On-market share buy-back, incl. transaction costs		(362,841)	(797,022)
Dividends provided for or paid		<u>(987,465)</u>	<u>(181,016)</u>
		<u>(1,350,306)</u>	<u>(978,038)</u>
Total equity at the end of the year		<u>28,180,900</u>	<u>25,292,980</u>
Total recognised income and expense for the year is attributable to:			
Members of Clime Investment Management Limited		<u>3,132,907</u>	<u>(2,951,612)</u>
		<u>3,132,907</u>	<u>(2,951,612)</u>

Supplementary Appendix 4E Information
Consolidated Cash Flow Statement

	Notes	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of financial assets at fair value through profit or loss		2,057,837	1,498,153
Payments for financial assets at fair value through profit or loss		<u>(1,765,106)</u>	<u>(1,489,322)</u>
		292,731	8,831
Fees received in the course of operations (inclusive of goods and services tax)		4,405,783	2,855,015
Expense payments in the course of operations (inclusive of goods and services tax)		(5,260,187)	(4,634,867)
Dividends received		423,702	31,156
Dividends received from associates		725,973	165,924
Interest received		176,954	270,158
Interest paid		(483)	(595)
Income taxes (paid) / refund received		<u>3,680</u>	<u>118,834</u>
Net cash (outflow) from operating activities		<u>768,153</u>	<u>(1,185,544)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of available-for-sale financial assets		13,679	-
Payments for available-for-sale financial assets		<u>-</u>	<u>(16,226)</u>
		13,679	(16,226)
Proceeds from disposal of financial assets at fair value through profit or loss		500,000	-
Payments for financial assets at fair value through profit or loss		<u>-</u>	<u>-</u>
		500,000	-
Proceeds from disposal of subsidiaries, net of cash divested		-	(12,240)
Payments for property, plant & equipment		<u>(25,790)</u>	<u>(35,385)</u>
Net cash inflow/(outflow) from investing activities		<u>487,889</u>	<u>(63,851)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal repaid on finance leases		(1,327)	(1,213)
Payments for shares bought back		(362,218)	(796,223)
Share issue and buy-back transaction costs		(623)	(799)
Dividends paid to company's shareholders		<u>(983,208)</u>	<u>(236,184)</u>
Net cash (outflow) from financing activities		<u>(1,347,376)</u>	<u>(1,034,419)</u>
Net (decrease) in cash held		(91,334)	(2,283,814)
Cash at beginning of year		<u>4,185,259</u>	<u>6,469,073</u>
Cash at end of year	4(a)	<u><u>4,093,925</u></u>	<u><u>4,185,259</u></u>

Supplementary Appendix 4E Information
Notes to the Financial Statements

	2010	2009
	\$	\$
1. Revenue from Operations		
Management fees and commissions	1,822,592	1,316,246
Performance fees	2,709,447	474,454
Consulting fees	24,800	20,000
Director fees	58,500	62,962
Dividends received from:		
- other companies	321,209	124,778
Interest	156,593	284,666
Investment software and education	903,491	568,765
Other income	44,965	45,644
	<u>6,041,597</u>	<u>2,897,515</u>
Total revenue from continuing operations		
	<u>6,041,597</u>	<u>2,897,515</u>
2. Profit / (Loss) Before Income Tax		
Profit / (loss) before income tax includes the following specific expenses:		
<i>Finance costs - net</i>		
Interest and finance charges paid / payable	23,735	7,519
<i>Employee benefits expense (excluding superannuation)</i>	2,693,183	2,454,893
<i>Defined contribution superannuation expense</i>	192,796	142,618
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	160,677	171,348
<i>Impairment of investment in Headline Group Limited</i>	-	799,402
<i>Impairment of goodwill</i>	-	202,814
<i>Depreciation & amortisation</i>	135,683	154,034
3. Retained profits		
Movements in retained profits were as follows:		
Balance 1 July	(2,483,039)	649,589
Net profit / (loss) for the year	3,132,907	(2,951,612)
Dividends	(987,465)	(181,016)
Balance 30 June	<u>(337,597)</u>	<u>(2,483,039)</u>

Supplementary Appendix 4E Information
Notes to the Financial Statements
4. Notes to the Cash Flow Statement
a) Reconciliation of cash

Cash balance comprises:

Cash at Bank	862,659	713,498
Cash on Deposit	3,231,266	3,471,761
	<u>4,093,925</u>	<u>4,185,259</u>

b) Reconciliation of profit / (loss) after income tax to net cash inflow/(outflow) from operating activities

Profit / (loss) for the year	3,132,907	(2,951,612)
Depreciation and amortisation	135,683	154,034
Impairment of assets	-	1,002,216
Non-cash employee benefits expense – ESOP and EIS	72,896	39,579
Share of profits of associates	(839,868)	(372,696)
Dividends received from associates	593,069	298,828
Net realised losses / (gains) on financial assets at fair value through profit or loss	-	3,991
Change in operating assets and liabilities:		
Trade & sundry debtors and other assets	(1,101,918)	(399,500)
Financial assets at fair value through profit or loss	(2,035,840)	1,293,885
Trade & sundry creditors	(767,601)	993,664
Deferred tax assets and liabilities	1,554,484	(1,230,636)
Provisions & other non-current operating liabilities	24,107	(16,124)
Current tax liability	234	(1173)
Net cash (outflow) from operating activities	<u>768,153</u>	<u>(1,185,544)</u>

Supplementary Appendix 4E Information

Notes to the Financial Statements

5. Segment Result

	Funds Management \$	Investment Software \$	Direct Investments \$	Total Continuing Operations \$	Consolidated \$
2010					
Segment revenue					
Sales to external customers	4,580,627	903,628	-	5,484,255	5,484,255
Other revenue	-	-	3,195,036	3,195,036	3,195,036
Total segment revenue	4,580,627	903,628	3,195,036	8,679,291	8,679,291
Unallocated revenue					79,541
Consolidated revenue					8,758,832
Segment result					
Segment result	943,311	(487,545)	3,195,036	3,650,802	3,650,802
Unallocated revenue less unallocated expenses					548,236
Profit before income tax					4,199,038
Income tax expense					(1,066,131)
Profit for the year					3,132,907

	Funds Management \$	Investment Software \$	Direct Investments \$	Total Continuing Operations \$	Consolidated \$
2009					
Segment revenue					
Sales to external customers	1,790,700	568,765	-	2,359,465	2,359,465
Other revenue	-	-	(881,755)	(881,755)	(881,755)
Total segment revenue	1,790,700	568,765	(881,755)	1,477,710	1,477,710
Unallocated revenue					128,605
Less: Investment gains on Direct Investments not included in consolidated revenue					
Consolidated revenue					1,606,315
Segment result					
Segment result	(111,268)	(917,983)	(1,883,971)	(2,913,221)	(2,913,221)
Unallocated revenue less unallocated expenses					(1,269,027)
Profit before income tax					(4,182,248)
Income tax benefit					1,230,636
Profit for the year					(2,951,612)

Supplementary Appendix 4E Information

Further Information

Additional dividend/distribution information

Details of dividends/distributions declared or paid during or subsequent to the year ended 30 June 2010 are as follows:

Dividends per share	Amount per security	Franked amount per security
Special Dividend – FY10 (paid)	1 cent	1 cent
Interim Dividend – FY10 (paid)	1 cent	1 cent
Final Dividend – FY10 (proposed)	1.25 cents	1.25 cents

Dividend/distribution reinvestment plan

The Company does not currently operate a dividend/distribution reinvestment plan.

Net tangible assets per security

	2010 \$	2009 \$
Net tangible asset backing per ordinary share	\$0.456*	\$0.401*

*The net tangible asset backing figures represent net assets at balance date adjusted to exclude identifiable intangibles and goodwill of \$1,203k and \$4,080k respectively.

Controlled Entities

Name of Entity: Total Fund Services Limited

Date Control Lost: 27 April 2010

Contribution of such entities to the reporting entities profit from ordinary activities during the period: (\$85,186)

Consolidated loss from ordinary activities of the controlled entities whilst controlled during the whole of the previous corresponding period: (\$131,413)

Associates and Joint Venture entities

Name of Associate	Reporting Entity's Holding		Contribution to Net Profit/(Loss)	
	Current Period	Previous Corresponding Period	Current Period	Previous Corresponding Period
Jasco Holdings Limited	23.05%	25.42%	\$859,716	\$372,696
Total Fund Services Limited	50.00%	100%	(\$85,186)	(\$131,413)

Supplementary Appendix 4E Information

Further Information

Foreign Accounting standards

Not applicable.

Audit

This report is based on accounts that are in the process of being audited.

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