Contangо.
Asset Management

Contango Asset Management Limited and Controlled Entities

ACN: 080 277 998

Annual Report

2021-2022

Letter from the Chair

Dear Shareholder,

I am pleased to present Contango Asset Management Limited's (Contango or the Company) Annual Report for the year ended 30 June 2022 (**FY2022**).

The 2022 financial year was a tale of two halves, with the first half seeing the Company continuing its strong growth with funds under management (**FUM)** increasing to over $1.2 billion. Since the start of the calendar year however, global markets have been hampered by rising global inflation and geopolitical instability which have led to one of the worst periods that developed equities markets have experienced in over 50 years.

Despite the challenging environment, I am pleased with the progress that the Company has made in the last 12 months with the build out of its marketing and distribution platform and the focus on its strategic priorities for our clients and shareholders. Most important have been:

- The continued strengthening of the Company's relationship with WCM Investment Management, a partnership that has continued to strengthen and grow from inception in 2017.
- The expansion of the Company's national distribution and marketing platform which has allowed it to serve better both new and existing clients.
- The establishment of new investment manager agreements with Vantage Asset Management and Woodbridge Capital and the launch of new products to both the intermediary and highly sought-after direct investor channel.

During the year, the number of direct investors in the Company's product suite grew and Contango was successful in further extending relationships with financial advisers and direct investors. The relatively small net outflows over the June 2022 quarter, and recent inflows since 1 July 2022 highlight the strength and importance of the Company's relationships with financial advisers and investors across the market.

The important components that will secure the continued success of the Company relate to the marketing and distribution of our product set. In this regard, the Company will continue to invest in and build the distribution capability it needs to grow its existing products organically in the advised and self-directed markets.

In recognition of the successful completion of the Company's transition from a product manufacturer to a marketing and distribution platform, and to position it for the next phase of growth, we are now seeking shareholder approval at the upcoming Annual General Meeting (**AGM**) to change the name of the Company from Contango Asset Management Limited to Associate Global Partners Limited. The Board believes that the new name better reflects the Company's stated goal to seek and build quality partnerships with leading investment managers, based on trust and the strength of its expertise, while continuing to deliver exceptional service and results for investors.

My fellow directors and I encourage all shareholders to vote for the resolution at the upcoming AGM.

Importantly, I would like to thank the Company's Chief Executive Officer, Mr Martin Switzer, and his management team for their drive and energy in delivering for our clients and investors throughout this year. The Board is very focused on building on the success of the Company to date and continuing the growth trajectory into FY2023 and future years.

I would also like to thank my fellow Directors for their support and oversight throughout the year, and our loyal shareholders for continuing to support our vision. We look forward to welcoming you to the Annual General Meeting on 9 November 2022.

Yours Sincerely,

Nerida Campbell

Chair
Contango Asset Management Limited

Nerida Campbell

Chair
Contango Asset Management Limited

Managing Director's Report

Dear Shareholder,

I am pleased to present this report for Contango Asset Management Limited and its Controlled Entities (**the Group** or **Contango**) for the year ended 30 June 2022 (**FY2022**).

Overview of Contango

Contango is an independent, multi-boutique asset management firm that partners with, and promotes, high quality fund managers in the Australian managed investments industry.

Contango has developed a distribution platform that provides investment managers with an end-to-end distribution solution which promotes their brand and grows funds under management (**FUM**). Contango's platform consists of an experienced distribution team and access to the highly sought-after direct channel through its unique investor database.

After the Group's successful transition from product manufacturer to a marketing and distribution platform, Contango's objective has been, through its scalable operating structure and business model, to grow FUM and reach profitability in the near term.

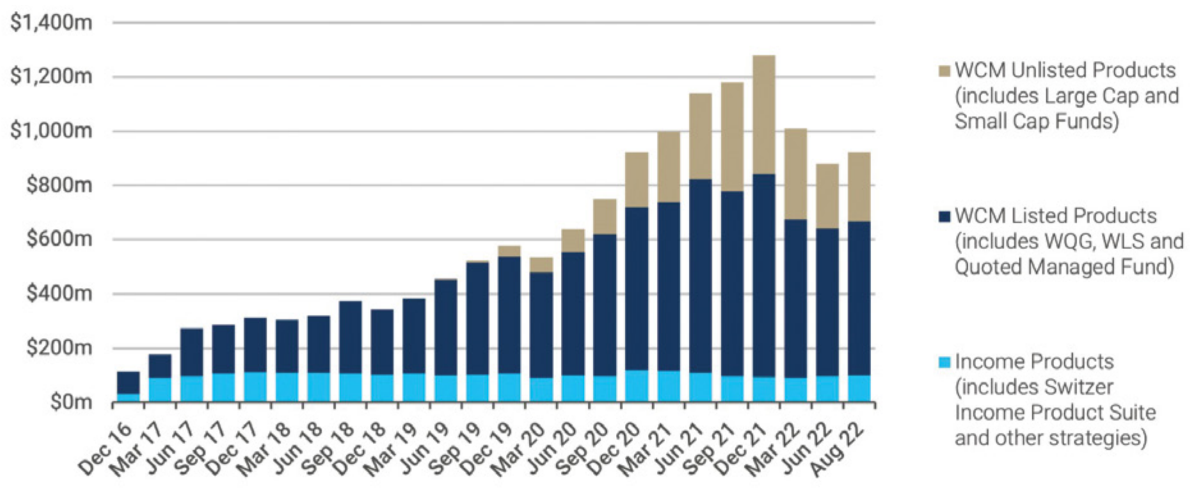
Funds Under Management

The Group's FUM was $892 million as at 30 June 2022 (30 June 2021: $1.140 billion), with positive net inflows of $115.6m during the period. As at 19 August 2022, total FUM was $965 million.

FUM has been challenged since 1 January 2022 as global markets attempt to navigate a flurry of concurrent economic hurdles, including soaring inflation and rising interest rates around the world. The first six months of the 2022 calendar year was the worst opening-half for developed-market equities in over 50 years.

Nonetheless, net fund inflows continued for most of the year and the launch of the Woodbridge Private Credit Fund, managed by Woodbridge Capital, was a meaningful contributor to Contango's inflows for the first time.

The chart below illustrates the quarterly movement in FUM since 31 December 2016 to 19 August 2022:



NB: Excludes Contango Microcap management rights reassigned in October 2017.

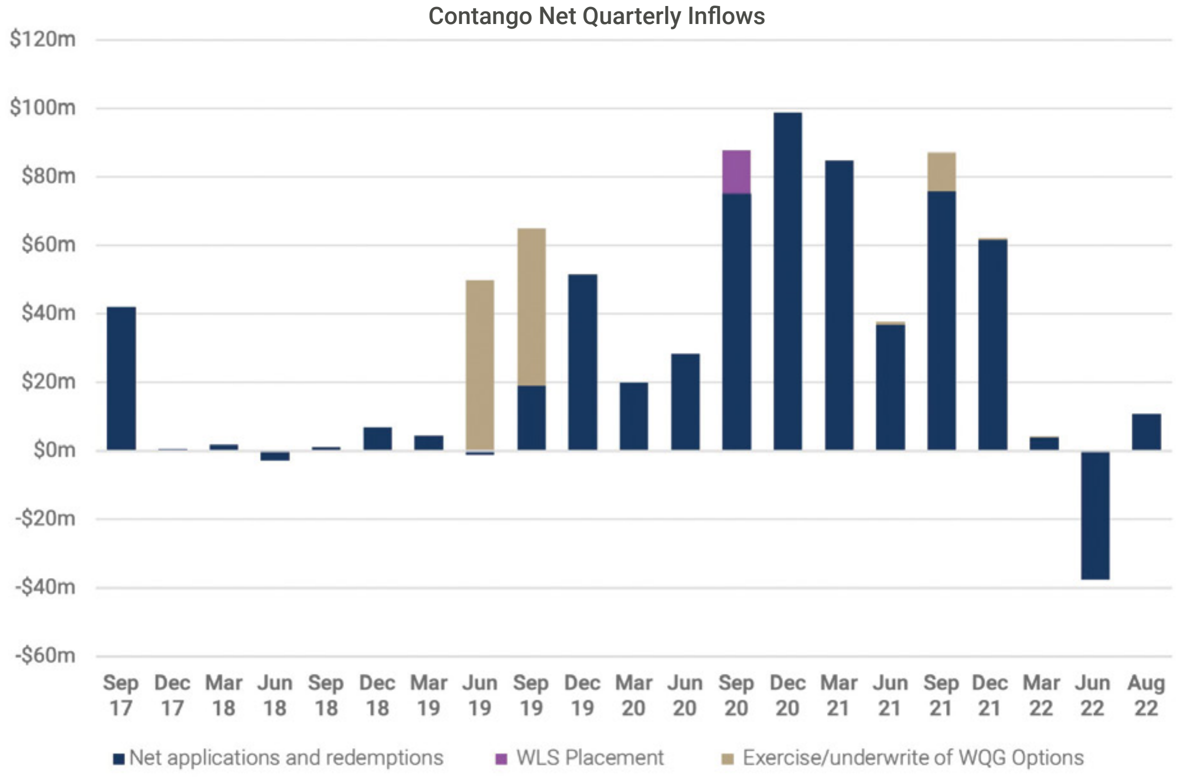
Excludes FUM associated with the Vantage distribution initiative.

Whilst Q3 of the financial year was impacted by significant downward movements in global markets, it was notable that positive net inflows of $3.9 million were achieved during that quarter. The continued negative market sentiment however saw net outflows of $37.7 million in Q4, making it the first quarter since June 2018 that the Group had experienced net outflows. These outflows were predominantly experienced across the WCM small cap product which was the strategy most affected by the market downturn.

Pleasingly, the Group has recorded positive net inflows of $13.7 million in the period since 1 July 2022 to 19 August 2022.

The Board believes that the relatively small net outflows experienced during the period of severe markets stress, and recent net inflows, highlight the strength and importance of Contango's relationships with financial advisers and investors in the market.

The following chart illustrates the quarterly net inflows and outflows since September 2017 to 19 August 2022:



Overview of Results and Operations

The Group's total revenue for FY2022 was up 8.6% to $6,210,000 (FY2021: $5,720,000), while the net loss after tax was down 20% to $642,000 (FY2021: net loss after tax of $800,000).

The Group's investment management, performance, and service fees in FY2022 totalled $6,100,000 (FY2021: $5,318,000). This represented an increase of 15% and was underpinned by the Group's strong growth in FUM across its product suite in the first half of the financial year and a new revenue stream from a limited distribution arrangement with Vantage Asset Management (refer page 11), through the Group's direct wholesale investor platform.

The marked pull back in global equity markets in the half year to June 2022 had a negative impact on second half revenue and contributed to the Group's overall loss result for FY22, which while disappointing is an improvement on the prior year. The Group is well positioned to benefit from a rebound in markets, as seen in July 2022, and from additional revenues expected in FY2023 from the recently launched Woodbridge Private Credit Fund.

Costs associated with strategic initiatives taken throughout FY2022 included activities that directly grew FUM, increased the Company's investor base and further developed the Group's marketing and distribution capabilities.

The Group remains well capitalised, with cash of $6,594,000 and debt of $1,331,000 as at 30 June 2022.

Partnership with WCM

WCM Investment Management (**WCM)** is a global and international equities specialist with total FUM of over A$103.2 billion[1]. Based in Laguna Beach, California, WCM's investment process is based on the belief that corporate culture is the biggest influence on a company's ability to grow its competitive advantage or 'moat'. This investment process has resulted in the WCM Quality Global Growth Equity Strategy Composite outperforming the MSCI World Index by 4.53% per annum since its inception on 31 March 2008.

Contango has an exclusive retail distribution arrangement to distribute WCM's investment strategies into the Australian market. WCM's investment performance has contributed to the Group's growth in FUM over recent years. Since partnering with Contango in June 2017, WCM now has $864 million[2] in FUM in Australia across its suite of retail and wholesale products.

A key priority for the Group over the reporting period was to continue to build WCM's global equities brand in Australia in both the direct and financial advisory markets. Activities that have been undertaken by Contango to achieve this include:

- implementing targeted investor and advisor engagement strategies through:
    - continued involvement in key investment conferences;
    - co-ordination of live-streamed events through channels such as the Switzer Media Network;
- hosting regular investor and advisor webinars with key WCM investment personnel;
- engaging with industry participants such as consultants, research houses and wealth platforms;
- enhancing ongoing digital communication with investors and advisers;
- national advertising campaigns increasing investor and advisor awareness of the WCM brand; and
- individual manager roadshows targeted at the advisor and broker channels.

Whist market conditions have dictated a style shift from growth to value investing in the last 12 months, WCM remains focused on executing its strategy to generate excess returns in the long term: being disciplined in its approach and only choosing the highest-quality companies that have expanding competitive advantages, supported by well-aligned cultures.

Global Equities Update

The WCM "large cap", "small cap" and "long short" strategies have continued to deliver favourable investment returns in the longer term, notwithstanding a pronounced market rotation away from growth towards value investment during the March and June 2022 quarters. On a positive note, growth beat value for the first time this calendar year in June and July 2022. The market weakness in the first half of calendar 2022 has also provided attractive entry points for new additions to the WCM investment portfolios.

WCM Quality Global Growth Equity Strategy Composite

WCM Quality Global Growth Equity Strategy Composite is WCM's "large cap" strategy and delivered a return of 20.01% over the reporting period, trailing its benchmark, the MSCI All Country World Index, which delivered 7.60%.

In July 2022, the large cap strategy outperformed its benchmark, delivering 9.54% versus 5.46%. The strategy has delivered returns in excess of its benchmark over one and three months, five and 10-years, and since inception.

The WCM Quality Global Growth Equity Strategy (ex-Australia) is accessible to Australian retail investors through the

[1] As at 30 June 2022. Source: WCM Investment Management.

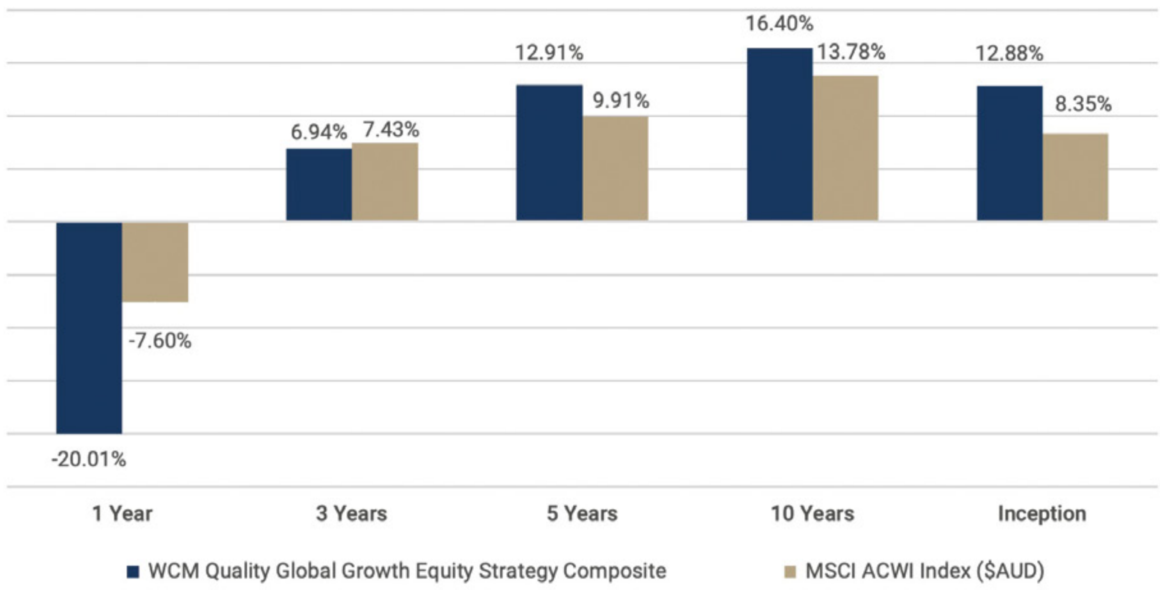
[2] As at 19 August 2022. Source: NAB Asset Servicing.

Group's three investment products, being:

- WCM Global Growth Limited (ASX:WQG), a listed investment company;
- WCM Quality Global Growth Fund (Quoted Managed Fund) (ASX:WCMQ), an exchange-traded managed fund; and
- WCM Quality Global Growth Fund (Managed Fund), an unlisted managed fund offering both hedged and unhedged units.

Each investment product provides exposure to the same underlying portfolio of quality global companies, excluding Australia.

Annualised returns of the WCM Quality Global Growth Equity Strategy Composite[3] versus its benchmark are shown below:



WCM Global Growth Limited (WQG)

WQG is an ASX listed investment company. Since WQG listed in June 2017, Contango has worked in conjunction with the WQG Board to develop strategies to enhance shareholder value and grow the company.

In line with WQG's progressive dividend policy, WQG declared a final FY2022 dividend of 3.0 cents per share, fully franked[4] at the 30% tax rate. This represented a 20% increase over last year's fully franked final dividend of 2.5 cents per share. Furthermore, WQG's present intention is to increase its FY2023 interim dividend to 3.25 cents per share fully franked[4]. WQG's dividend reinvestment plan continues to enjoy strong shareholder participation.

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[3] Data as at 30 June 2022. Performance is in AUD, net of fees and includes the reinvestment of all income. Past performance is not indicative of future performance. WCM applies the same investment principles, philosophy and execution approach of its WCM Quality Global Growth Equity Strategy Composite (QGG), which was created on 31 March 2008, to WCM Global Growth Limited, the WCM Quality Global Growth Fund (Quoted Managed Fund) and the WCM Quality Global Growth Fund (Managed Fund). It should be noted that due to certain factors, there may be variances between the investment returns demonstrated by each portfolio in the future. The benchmark for QGG is the MSCI All Country World Index (MSCI ACWI). For further information please refer to contango.com.au.

[4] WQG dividends are subject to WQG having sufficient profit reserves and franking credits, and meeting corporate, legal and regulatory conditions.

In the first half of FY2022, a total of 7,949,586 WQG options were exercised, raising additional capital for WQG of approximately $11.9 million (net of costs).

Due to adverse global market conditions in the second half of FY2022, and the subsequent decline in WQG's share price, a limited number of options have since been exercised. The options expire on 31 August 2022.

The Contango team will continue to work closely with the Board of WQG to find additional initiatives to reward and recognise the loyalty of WQG shareholders in the future.

As at 30 June 2022, WQG's FUM was $245.6 million.

WCM Quality Global Growth Fund (Quoted Managed Fund) (WCMQ)

WCMQ is an exchange-traded managed fund that is well supported in the direct and intermediary channels and is approved for use on several leading wealth platforms.

At 30 June 2022, WCMQ's FUM was $274 million.

WCMQ paid an unfranked distribution of 39.165 cents per unit to its investors in respect of the year ended 30 June 2022. This represents a 70% increase on distributions per unit from FY2021.

WCM Quality Global Growth Fund (Managed Fund)

The WCM Quality Global Growth Fund (Managed Fund) is available to retail investors through several of Australia's market leading wealth platforms and is included in several model portfolios with various financial planning groups.

At 30 June 2022, the unhedged Class A units had FUM of approximately $87 million and the hedged Class B units had FUM of approximately $59 million, combining for total FUM of $146 million.

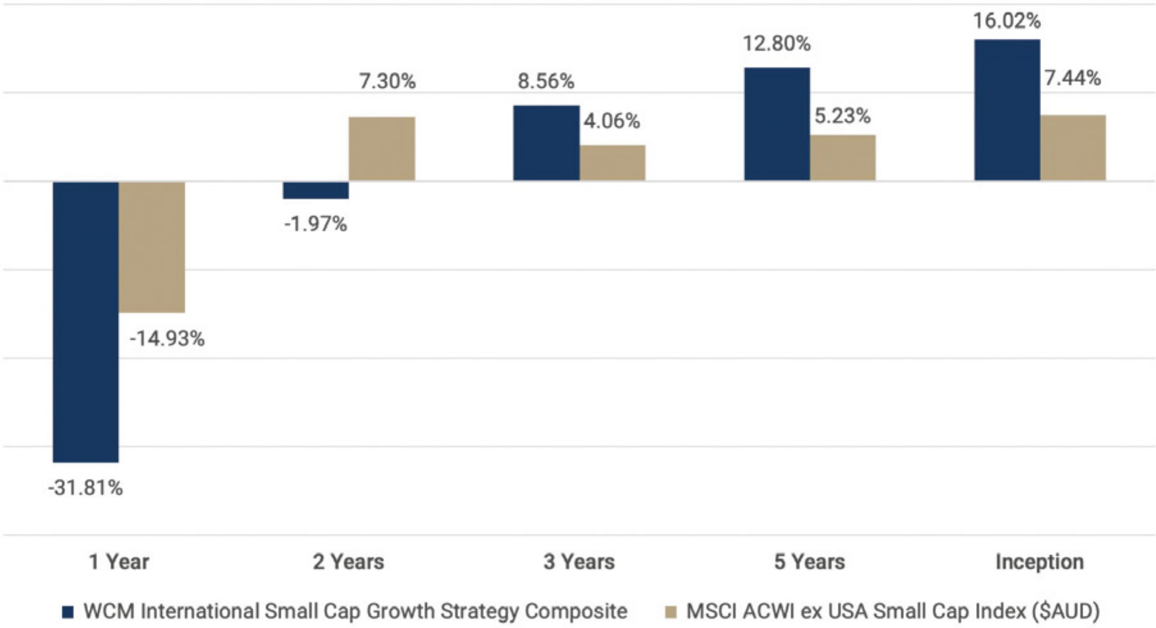
Class A units paid an unfranked distribution of 45.51 cents per unit to its investors. Class B units did not pay a distribution for FY2022, driven primarily by losses on foreign exchange and security disposals. The losses will be carried forward to offset future income.

WCM International Small Cap Growth Strategy Composite

The WCM International Small Cap Growth Strategy Composite delivered a return of -31.81% in FY2022, underperforming its benchmark, the MSCI ACWI ex USA Small Cap Index, which delivered -14.93%. The three and five years and since inception returns for the strategy well exceed its benchmark.

The WCM International Small Cap Growth Strategy Composite is available to wholesale investors via the WCM International Small Cap Growth Fund (Managed Fund), an unlisted managed fund.

Annualised returns of the WCM International Small Cap Growth Strategy Composite[5] versus its benchmark are shown below:



WCM International Small Cap Growth Fund (Managed Fund)

The WCM International Small Cap Growth Fund (Managed Fund) is a wholesale vehicle targeted at leading wealth managers and high net worth investors.

At 30 June 2022, the fund had FUM of approximately $94.5 million.

The fund did not pay a distribution for FY2022, driven primarily by losses on foreign exchange and security disposals. The losses will be carried forward to offset any future income.

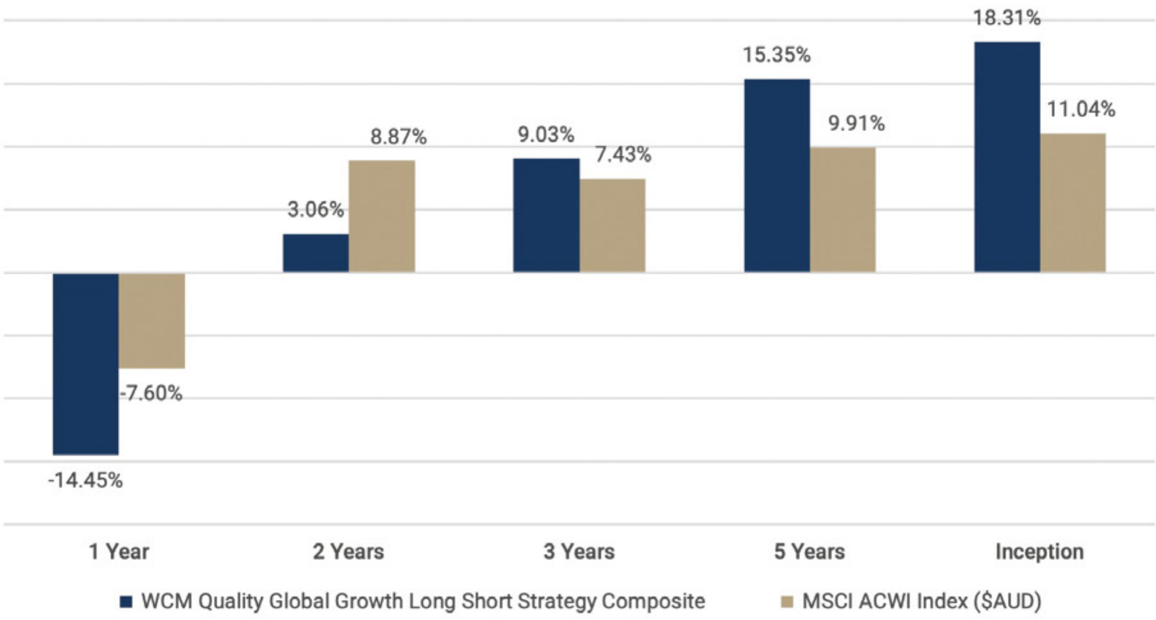
WCM Quality Global Growth Long Short Equity Strategy Composite

The WCM Quality Global Growth Long Short Equity Strategy Composite delivered a return of -14.45% in FY2022, underperforming its benchmark, the MSCI All World Country Index, which returned -7.60%. The returns for the strategy have exceeded its benchmark over three and five years and since inception on 30 June 2014[6].

[5] Data as at 30 June 2022. Performance is in AUD, net of fees and includes the reinvestment of all income. Past performance is not indicative of future performance. WCM applies the same investment principles, philosophy and execution approach of its WCM International Small Cap Growth Composite (SIG), which was created 31 December 2014, to the WCM International Small Cap Growth Fund (Managed Fund). It should be noted that due to certain factors, there may be variances between the investment returns demonstrated by each portfolio in the future. The benchmark for SIG is the MSCI ACWI ex-US Small Cap Index. For further information please refer to contango.com.au

[6] Data as at 30 June 2022. Performance is in AUD, net of fees and includes the reinvestment of all income. Past performance is not indicative of future performance. WCM applies the same investment principles, philosophy and execution approach of its WCM Quality Global Growth Long Short Strategy (QGLS), which was created 30 June 2014, to the Contango Income Generator Limited portfolio. It should be noted that due to certain factors, there may be variances between the investment returns demonstrated by each portfolio in the future. The benchmark for QGLS is the MSCI All Country World Index (MSCI ACWI). For further information please refer to contango.com.au.

Annualised returns of the WCM Quality Global Growth Long Short Equity Strategy Composite versus its benchmark are shown below:



WCM Global Long Short Limited (WLS)

The WCM Quality Global Growth Long Short Equity Strategy is made available to investors via WLS, an ASX listed investment company.

On 24 January 2022, WLS announced that, in response to its share price discount to NTA, an independent board committee had been established to negotiate a restructure of WLS to address this issue.

On 29 April 2022, WLS executed an Implementation Deed for a proposed restructure via a Scheme of Arrangement (**Scheme)** that would provide WLS shareholders with:

- the opportunity to enter and exit a new fund at values much closer to the underlying value of the portfolio; and
- the ability to remain invested in the portfolio, managed by the same investment adviser and employing the same investment strategy, as WLS.

WLS shareholders will be given the opportunity to vote on the Scheme at a meeting expected in late November 2022. If approved, the Scheme will be implemented in early December 2022, subject to court dates.

Income Products Update

New Investment Manager - Woodbridge Capital

On 20 April 2022, Contango advised that it had entered a distribution arrangement with Woodbridge Capital Pty Ltd (**Woodbridge**), a new Australian domiciled private credit investment manager.

The agreement involves distributing Woodbridge strategies to wholesale and institutional clients and launching a wholesale managed fund.

On 26 April 2022, the Woodbridge Private Credit Fund was launched with the purpose of providing investors with exposure to a portfolio of secured, first mortgage real estate loans across commercial real estate, build to rent and agriculture - with an environmental, social and governance (or **ESG**) integrated investment process and philosophy.

The initial interest in the fund has been strong with both financial advisers and direct investors, capitalising on the significant investor interest in private credit strategies emerging in the market. In Q4 of FY2022, the fund was a positive contributor to total FUM for the Group. There is also a strong pipeline for future growth.

In the two months since inception (1 June to 31 July 2022), the Fund has met its investment objectives. The Fund has an objective of returning 6-8% above the RBA cash rate to investors over a 12-month period.

Switzer Dividend Growth Fund (Quoted Managed Fund) (SWTZ)

SWTZ aims to provide investors with tax effective income and long-term capital growth by investing in a core portfolio of blue-chip Australian shares.

At 30 June 2022, SWTZ had 2,245 unitholders and FUM of approximately $66 million. While the current landscape has been challenging for value oriented, yield generation stocks, SWTZ has delivered on its objective of providing a consistent and reliable income stream for its investors.

Since April 2021, SWTZ has been managed by Blackmore Capital Pty Limited (**Blackmore**) and has delivered an annualised return of 5.71% relative to its benchmark, the ASX200 Accumulation Index, which delivered 3.07% to 31 July 2022.

For FY2022, the fund delivered a return of -3.20% net of fees, outperforming its benchmark, which delivered 6.47%. Over the 12-month period, SWTZ paid a distribution yield of 3.37%, or 4.77% including franking credits.

Switzer Higher Yield Fund (Managed Fund) (SHYF)

SHYF is a zero-duration bond fund that seeks to provide investors with an attractive cash yield with low capital volatility by investing in a portfolio of high quality and liquid fixed income securities.

Since December 2020, SHYF has been managed by Coolabah Capital Institutional Investments (**Coolabah**), a leading active credit manager. SHYF was the first fixed income product in Australia to launch as a quoted managed fund and just the third product to use this structure. Investors may purchase and redeem units in SHYF via their broker or directly with Associated Global Partners Limited, the responsible entity.

Since Coolabah's appointment in December 2020, SHYF has delivered a return of 0.87% net of fees, outperforming the RBA Cash Rate of 0.21% to 31 July 2022, but underperforming its benchmark, RBA Cash Rate + 1.5% of 1.67% over the same period.

Other Distribution Initiatives

In Q2 of FY2022, Contango engaged with Vantage Asset Management (**Vantage**) to promote the Vantage Private Equity Growth Fund 5 (**VPEG5**) for a limited period through the Group's direct wholesale investor platform.

Vantage is a leading provider of innovative and well-structured private equity investment opportunities for sophisticated investors. VPEG5 is a 'fund of funds' and was established to provide access to some of the top-performing later expansion and buyout equity funds in Australia.

This initiative resulted in additional revenues to the Group of approximately $160,000, which were received in Q3. Contango will continue to consider these types of suitable opportunities from time to time based on demand from financial advisers and direct investors.

In Q3 of FY222, Contango continued to build-out its distribution capability, with team members now based in Sydney, Melbourne, and Brisbane.

Retail Investor Base

As at 30 June 2022, Contango had 14,787 direct unitholders and shareholders across its product suite. Despite the adverse market conditions experienced in FY2022, this is an increase of 1.59% from last financial year and further extends the Group's relationships with financial advisers and direct investors in its suite of products.

The Year Ahead

Contango's strategic priorities for the year ahead continue to be to grow FUM, deliver exceptional client service, strengthen its existing partnerships and identify new investment managers to introduce via the Group's well-regarded marketing and distribution platform. This will be supported by the ongoing commitment to invest in the future growth of the business in a prudent manner, while maintaining a strong focus on costs.

Contango also intends to seek shareholder approval at the upcoming 2022 Annual General Meeting to change its name to 'Associate Global Partners'. This name change recognises the transformation of the business and aligns the Group with its strategic partners, namely, its clients, investment managers, people and shareholders.

Whilst market conditions in the second half of FY2022 have proved challenging, the Group remains well-capitalised and well-positioned to execute on its strategy in FY2023 and beyond.

Yours sincerely

Martin Switzer

CEO and Managing Director
Contango Asset Management Limited

Martin Switzer

CEO and Managing Director
Contango Asset Management Limited

FINANCIAL REPORT

FOR THE PERIOD ENDED 30 JUNE 2022

Contango Asset Management Limited and Controlled Entities

ACN: 080 277 998

Contents

Corporate Information

This financial report covers the consolidated entity comprising Contango Asset Management Limited and its controlled entities (**the Group**) for the financial year ended 30 June 2022.

The functional and presentation currency of the Group is Australian Dollars (**$**).

Directors

Nerida Campbell (Chair)
Martin Switzer (Chief Executive Officer)
Ken Poutakidis
Jason Billings

Registered Office

Level 6
10 Spring Street
Sydney NSW 2000

Telephone: +61 2 9048 7888

Auditors

Ernst & Young
8 Exhibition St
MELBOURNE VIC 3000

Stock Exchange Listing

The Company is listed on the Australian Securities Exchange
ASX Code – CGA

Company Secretary

Mark Licciardo

Principal Place of Business

Level 6
10 Spring Street
Sydney NSW 2000

Telephone: +61 2 9048 7888

Share Registrar

Link Market Services Limited
Level 12
680 George Street
SYDNEY NSW 2000

Telephone: +61 2 8280 7111

Corporate Governance Statement

The Board and management of Contango Asset Management Limited (**the Company**) are committed to conducting the Group's business in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and has complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) (**Recommendations**) to the extent appropriate to the size and nature of the Group's operations.

The Company has prepared a statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company, identifies any Recommendations that have not been followed and provides reasons for not following such Recommendations (**the Corporate Governance Statement**).

The Corporate Governance Statement is accurate and up to date as at 25 August 2022 and has been approved by the Board.

In accordance with ASX Listing Rules 4.10.3 and 4.7.4, the Corporate Governance Statement is available for review on the Company's website (www.contango.com.au) and will be lodged together with an Appendix 4G at the same time that the Company's Annual Report is lodged with ASX.

The Appendix 4G will identify each Recommendation that needs to be reported against by the Company and will provide shareholders with information as to where relevant governance disclosures can be found.

The Company's corporate governance policies and charters are all available on the Company's website (www.contango.com.au).

Directors' Report

The Directors of Contango Asset Management Limited (**the Company**) present the financial report for the Company and its controlled entities (t**he Consolidated Entity** or **the Group**) for the financial year ended 30 June 2022.

1. General Information

Directors

The names of the Directors in office at any time during, or since the end of, the financial year are:

NERIDA CAMPBELL
Non Executive Chair

MARTIN SWITZER
Managing Director and Chief Executive Officer

JASON BILLINGS
Non-Executive Director (appointed 1 February 2022)

KEN POUTAKIDIS
Non-Executive Director

ROGER AMOS
Non Executive Chair (resigned 31 January 2022)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Information on Directors

The qualifications, experience and special responsibilities of each person who has been a Director of the Company at any time during the year is provided below, together with details of the Company Secretaries as at the year end.

Nerida Campbell

B.Bus, CA, FINSIA, GAICD
Independent Non Executive Chair

Nerida was appointed to the board on 17 August 2018 following a 25-year career in the financial services industry. Most recently she acted as the Chief Operating Officer of Magellan Financial Group Limited, having also held the roles of Chief Financial Officer and Company Secretary. Prior to this, Nerida was the CFO of UBS AG Australia, and had roles at ABN Amro Australia Limited, Bankers Trust Australia Limited and Ernst and Whinney. She was also a member of the ASX Disciplinary Tribunal Panel.

SPECIAL RESPONSIBILITIES
Chair (since 1 February 2022)
Chair of Audit and Risk Committee (until 1 February 2022)

Martin Switzer

B. Econ (Hons)
Executive Director

Martin has held the positions of Managing Director and Chief Executive Officer of the Company since 27 October 2017. Prior to that he was a Director of the Company since 26 August 2016. Martin has over 20 years' experience in the financial services industry.

SPECIAL RESPONSIBILITIES
Managing Director and Chief Executive Officer

OTHER CURRENT DIRECTORSHIPS
Martin is currently a director of WCM Global Growth Limited and WCM Global Long Short Limited

Jason Billings

B.Ec, LLB (Hons), CPA
Independent Non-Executive Director (appointed 1 February 2022)

Jason has over 25 years' experience in the financial services industry, most recently focused on funds management at Fidelity International. Prior to this, he held roles with Goldman Sachs and UBS. He has significant experience in global equity markets, being based in Hong Kong for around 20 years. Jason currently serves on the Finance and Audit Committees of two large not-for-profit organisations.

SPECIAL RESPONSIBILITIES
Chair of Audit and Risk Committee (since 1 February 2022)

Ken Poutakidis

B Bus
Independent Non-Executive Director

Ken is a corporate advisor and corporate finance executive with over 20 years of finance experience. He is Managing Director and Founder of Avenue Advisory, a boutique advisory firm providing corporate finance and capital markets advice to emerging companies. He has previously served as Chair of the Board and Non-Executive Director for numerous publicly listed ASX companies.

SPECIAL RESPONSIBILITIES
Chair of Remuneration and Nomination Committee

Roger Amos

FCA, FAICD
Independent Non Executive Chair (resigned 31 January 2022)

Roger was appointed to the Board of the Company in June 2007 and became Chair six months later. He was a former director of Austar United Communications Limited, Enero Group Limited and REA Group Limited. He was also a director of 3P Learning Limited. Roger previously had a long and distinguished career with the international accounting firm KPMG, retiring in June 2006 after 25 years as a partner.

SPECIAL RESPONSIBILITIES
Chair (until 31 January 2022)

OTHER CURRENT DIRECTORSHIPS
Roger is an independent director of HT & E Limited

Company Secretaries

The following persons held the position of Company Secretary during the financial year:

Mark Licciardo
Appointed 26 November 2021

Kristy Do
Appointed 12 July 2021
Resigned 26 November 2021

Anthony Rule
Appointed 13 March 2019
Resigned 8 October 2021

Mark Licciardo

Mark is the founder of Mertons Corporate Services, now part of Acclime Australia and is responsible for Acclime Australia's Listed Services Division. He is also an ASX-experienced director and chair of public and private companies, with expertise in the listed investment, infrastructure, bio-technology and digital sectors. He currently serves as a director on a number of Australian company boards as well as foreign controlled entities and private companies. During his executive career, Mark held roles in banking and finance, funds management, investment and infrastructure development businesses, including being the Company Secretary for ASX:100 companies Transurban Group and Australian Foundation Investment Company Limited. Mark holds a Bachelor of Business degree in accounting, a Graduate Diploma in Governance and is a Fellow of the Chartered Governance Institute, the Governance Institute of Australia and the Australian Institute of Company Directors.

2. Principal Activities

The principal activity of the Group was the provision of funds management services to retail and wholesale clients.

3. Review of Financial Results and Operations

The Group's total revenue for the year was $6,210,000 (30 June 2021: $5,720,000). The Group's net loss after tax for the year was $642,000 (30 June 2021: net loss after tax $800,000). Refer to the Managing Director's Report on page 3 for further information, including details on the Group's results, strategy and future outlook.

4. Significant Changes in State of Affairs

Other than stated above in the Review of Financial Results and Operations, there were no other significant changes in the state of affairs of the Group during the financial year.

5. Events After the Reporting Date

The Directors are not aware of any matters or circumstances that have arisen since the end of the financial year which significantly affect or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

6. Dividends Paid or Recommended

No dividends were paid or provided for during the financial year and no dividend is recommended in respect of the year (2021: $nil).

7. Future Developments and Results

Refer to the Managing Director's Report on page 3 for information on future developments and results.

8. Environmental Issues

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

9. Meetings of Directors

The number of meetings of the Company's Board of Directors and its committees held during the year ended 30 June 2022, and the number of meetings attended by each Director are:

	Directors' Meetings		Audit and Risk Committee		Remuneration and Nomination Committee	
	Attended	Held	Attended	Held	Attended	Held
Roger Amos	5	5	4	4	1	1
Martin Switzer	9	9	N/A	N/A	N/A	N/A
Nerida Campbell	9	9	6	6	3	3
Ken Poutakidis	9	9	6	6	3	3
Jason Billings	4	4	2	2	2	2

Held: represents the number of meetings held during the time the Director held office and which the Director was eligible to attend.

10. Indemnification and Insurance of Officers and Auditors

During the financial year, the Company paid a premium in respect of a contract insuring the Directors, the Company Secretaries, and all executive officers of the Company and of any related body corporate against a liability incurred as such by a Director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and officers' liability, costs and charges, as such disclosure is prohibited under the terms of the contract. To the extent permitted by law and professional regulations, the Company has agreed to indemnify its auditor, Ernst & Young, as part of the terms of its engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made by the Company to Ernst & Young in this respect during or since the financial year ended 30 June 2022.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such by an officer or auditor.

11. Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave 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 of those proceedings.

12. Non Audit Services

Details of the amounts paid or payable to the auditor for non audit services provided during the financial year by the auditor are outlined in Note 28 to the Consolidated Financial Statements.

The Board of Directors, in accordance with advice from the Audit and Risk Committee, is satisfied that the provision of non audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed in Note 28 did not compromise the external auditor's independence for the following reasons:

- all non audit services are reviewed and approved to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with *APES 110: Code of Ethics for Professional Accountants* set 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.

13. Auditor’s Independence Declaration

The auditor’s independence declaration in accordance with section 307C the *Corporations Act 2001* for the year ended 30 June 2022 has been received and can be found on page 27 of the financial report.

14. Rounding of Amounts

The Company has applied the relief available to it under *ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191*. Accordingly, amounts in the financial statements have been rounded to the nearest thousand dollars (unless otherwise stated).

15. Options

There are no options on issue at year end (2021: 172,500). Details of the options are set out at Note 20(a) to the consolidated financial statements.

Remuneration Report (Audited)

The Remuneration Report for the year ended 30 June 2022 outlines the Director and executive remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001* and its regulations. For the purposes of this Report, key management personnel (**KMP**) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director of the parent company.

Remuneration Policy

The Remuneration and Nomination Committee assists the Board to ensure that the Group:

- has a Board of Directors with the appropriate skills and experience to undertake its duties and responsibilities; and
- adopts appropriate remuneration policies and procedures which are designed to meet the needs of the Group and to enhance individual employee and corporate performance.

Non-Executive Directors' Remuneration

On appointment to the Board, all Non Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration, relevant to the office of Director. The term of service for all Non-Executive Directors is three years. The Remuneration and Nomination Committee sets the framework for Non-Executive Director remuneration.

Non-Executive Directors receive a fixed annual fee and compulsory superannuation contributions. They do not receive bonuses or incentive payments. The maximum annual aggregate total remuneration for Non-Executive Directors is $350,000 which was approved by shareholders at the annual general meeting of the Company held on 29 November 2004.

Executive Remuneration

The Remuneration and Nomination Committee reviews and makes recommendations to the Board on the Group's executive and employee remuneration and incentive policies. The Group aims to reward its executives and employees based on their position and responsibility through a combination of fixed and variable components of remuneration.

- All executives and employees receive a salary package comprising a base salary (which is based on factors such as length of service and experience), superannuation and fringe benefits and they may also be eligible to receive performance incentives.
- Short term incentives may be paid each year to executives and employees as a reward for the achievement of annual performance objectives.
- Performance incentives paid as share-based payments in the form of options or rights are intended to align the interests of executives with those of the Group's shareholders.

The Remuneration and Nomination Committee reviews executive salary packages annually by reference to the Group's performance, the individual executive's performance and comparable industry sector remuneration information.

The Group entered into an employment agreement with Martin Switzer as Managing Director on 22 August 2018 for no fixed term. During the financial year this agreement was amended with changes announced to the Australian Securities Exchange on 23 March 2022. Since 1 October 2021, Mr Switzer's total fixed remuneration has been $470,000 per annum plus compulsory superannuation contributions.

Executive remuneration (continued)

Under his amended agreement, Mr Switzer is entitled to short-term incentive (**STI**) awards calculated by reference to his total fixed remuneration. Mr Switzer's STI award may be up to a maximum of 50% of his total fixed remuneration, dependent on achieving specified financial and non-financial metrics that have been set by the Board. Any STI award is payable in cash, shares in the Company or a combination of both, at the discretion of the Board. Mr Switzer is also eligible for a long-term incentive (**LTI**) award comprising a grant of up to 1.5 million Performance Rights in the Company which may be granted on achieving specific pre-determined FUM targets on or before 30 June 2024. Any Performance Rights granted would vest in three equal tranches, the first being on 30 June 2024 and then on 30 June 2025 and 30 June 2026, subject to Mr Switzer continuing to be employed by the Company.

Termination of Mr Switzer's employment agreement can be made by either party with six months' notice (or payment in lieu), other than where employment is terminated for cause, in which case the Company can terminate with no notice period.

The following table of benefits and payment details represents the components of the current year and comparative year remuneration expense for each KMP of the Group. Such amounts have been calculated in accordance with Australian Accounting Standards.

Table of Benefits and Payments

		Short-term Benefits		Post-employment			Long-term Benefits		
	Year	Cash Salary & Fees $	Bonus $	Non monetary $	Superannuation $	Other $	Long Service Leave $	Share-based Payments $	Total Remuneration $
Directors									
Nerida Campbell	**2022**	**66,666**	**-**	**-**	**6,667**	**-**	**-**	**-**	**73,333**
	2021	47,500	-	-	4,513	-	-	-	52,013
Martin Switzer[1]	**2022**	**450,984**	**-**	**-**	**23,568**	**-**	**21,554**	**-**	**496,106**
	2021	384,517	100,000	-	21,694	-	10,462	67,350[2]	584,023
Jason Billings[3]	**2022**	**20,834**	**-**	**-**	**2,083**	**-**	**-**	**-**	**22,917**
	2021	-	-	-	-	-	-	-	-
Ken Poutakidis	**2022**	**50,000**	**-**	**-**	**5,000**	**-**	**-**	**-**	**55,000**
	2021	47,500	-	-	4,513	-	-	-	52,013
Roger Amos	**2022**	**52,500**	**-**	**-**	**5,250**	**-**	**-**	**-**	**57,750**
	2021	85,500	-	-	8,123	-	-	-	93,623
Total	**2022**	**640,984**	**-**	**-**	**42,568**	**-**	**21,554**	**-**	**705,106**
	2021	565,017	100,000	-	38,843	-	10,462	67,350	781,672

[1] Cash bonus was granted on 30 June 2021, which represents 24% of Mr Switzer's total base salary. This amount was paid on 14 February 2022
[2] The share-based payment amount in 2021 includes: 70,000 performance rights issued in December 2019 which vested in June 2021 ($23,600); and 60,303 shares ($43,750 issued in lieu of salary in 2021 when all salaries were temporarily reduced due to impact of COVID on the Company. The issue was approved by shareholders at the 2021 AGM and used a VWAP of $0.7255).
[3] Jason Billings was appointed as a non-executive director on 1 February 2022.

Securities Received That are not Performance Related

No KMP of the Group are entitled to receive securities which are not performance based linked as part of their remuneration package.

Description of Shares Issued as Remuneration

There were no shares issued as remuneration to KMP during the year.

KMP Shareholdings

The number of ordinary shares in the Company held by each KMP of the Group during the financial year is as follows:

	Opening Balance 1 July 2021	Net Acquisitions/ (Disposals)	Closing Balance 30 June 2022
Directors			
Nerida Campbell	**95,000**	-	**95,000**
Martin Switzer	**7,128,137**	60,303	**7,188,440**
Jason Billings	**-**	200,000	**200,000**
Ken Poutakidis	**566,666**	-	**566,666**
Roger Amos[1]	**203,624**	(203,624)[1]	**-**
	7,993,427	56,679	**8,050,106**

KMP Shareholdings (continued)

The number of shares or units held by each KMP and their related parties in the Group's listed investment companies or funds is as follows:

	Opening Balance 1 July 2021	Net Acquisitions/ (Disposals)	Closing Balance 30 June 2022
WCM Global Growth Limited			
Martin Switzer	**20,299**	21,270	**41,569**
Ken Poutakidis	**37,447**	1,365	**38,812**
Roger Amos[1]	**63,496**	(63,496)[1]	**-**
WCM Quality Global Growth Fund (Quoted Managed Fund)			
Nerida Campbell	**20,000**	-	**20,000**
Martin Switzer	**17,300**	2,000	**19,300**
WCM International Small Cap Growth Fund (Managed Fund)			
Nerida Campbell	**9,987**	620	**10,607**
Martin Switzer	**-**	3,399	**3,399**
Jason Billings	**-**	11,461	**11,461**
WCM Global Long Short Limited			
Martin Switzer	**120,000**	-	**120,000**
Roger Amos[1]	**39,000**	(39,000)[1]	**-**
Switzer Dividend Growth Fund (Quoted Managed Fund)			
Martin Switzer	**62,450**	(62,450)	**-**
Switzer Higher Yield Fund (Managed Fund)			
Nerida Campbell	**755**	-	**755**

[1] Mr Amos retired during the year and is therefore no longer a KMP at year end. The removal of his holdings information from the tables above does not necessarily represent a disposal of securities by Mr Amos

End of Audited Remuneration Report

This Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

Director:

Nerida Campbell
Chair

Dated this 25th day of August 2022

Auditor's Independence Declaration

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Building a better working world

Auditor's Independence Declaration to the Directors of Contango Asset Management Limited

As lead auditor for the audit of the financial report of Contango Asset Management Limited for the financial year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Contango Asset Management Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Luke Slater

Luke Slater
Partner
25 August 2022

Financial Statement

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 June 2022

	Notes	**30 June 2022 $'000**	30 June 2021 $'000
Revenue and other income			
Investment management fees	2(a)	**5,492**	4,776
Performance fees	2(a)	**55**	128
Service fees	2(a)	**553**	414
Effective interest income on discounted receivable		**109**	210
Government grant income		**-**	183
Other income		**1**	9
Total revenue		**6,210**	5,720
Expenses			
Employee benefits expense		**3,296**	3,433
Corporate and administrative expenses	3(a)	**1,558**	1,375
Direct Fund expenses		**1,345**	1,122
Professional services expense		**436**	364
Finance costs	3(b)	**105**	114
Depreciation and amortisation expense	3(c)	**112**	112
Total expenses		**6,852**	6,520
Net loss after income tax		**(642)**	(800)
Income tax credit	4	**-**	-
Net loss after income tax		**(642)**	(800)
Other comprehensive loss, net of income tax			
Other comprehensive loss		**-**	-
Total comprehensive loss attributable to members of the Company		**(642)**	(800)
Loss per share attributable to the ordinary equity holders of the Company:		**Cents**	**Cents**
Basic loss per share	19	**(1.34)**	(1.69)
Diluted loss per share	19	**(1.34)**	(1.69)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the Year Ended 30 June 2022

	Notes	**30 June 2022 $'000**	30 June 2021 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	**6,594**	5,525
Trade and other receivables	6	**1,232**	2,878
Other assets	7	**258**	220
Total current assets		**8,084**	8,623
Non-Current Assets			
Other financial assets	8	**96**	96
Property, plant and equipment		**20**	19
Right-of-use asset	9	**208**	312
Goodwill	10	**4,806**	4,806
Total non-current assets		**5,130**	5,233
Totals Assets		**13,214**	13,856
LIABILITIES			
Current Liabilities			
Trade and other payables	11	**2,406**	2,644
Provisions	12	**256**	143
Lease liabilities	13	**142**	98
Borrowings	14	**829**	-
Total current liabilities		**3,633**	2,885
Non-Current Liabilities			
Provisions	12	**29**	52
Lease liabilities	13	**150**	293
Borrowings	14	**502**	1,252
Total non-current liabilities		**681**	1,597
Total Liabilities		**4,314**	4,482
NET ASSETS		**8,900**	9,374
EQUITY			
Issued capital	15	**150,373**	150,193
Reserves	16	**66**	78
Accumulated losses	17	**(141,539)**	(140,897)
Total Equity		**8,900**	9,374

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2022

2021

	Notes	Issued capital $'000	Share-based Payment Reserve $'000	Accumulated losses $'000	Total $'000
Balance at 1 July 2020		**149,839**	**43**	**(140,097)**	**9,785**
Loss for the year		-	-	(800)	(800)
Total comprehensive loss for the year		**-**	**-**	**(800)**	**(800)**
Transactions with owners in their capacity as owners					
Issue of share capital, net of transaction costs	15	354	-	-	354
Share-based payments	16	-	35	-	35
Balance at 30 June 2021		**150,193**	**78**	**(140,897)**	**9,374**

2022

	Notes	Issued capital $'000	Share-based Payment Reserve $'000	Accumulated losses $'000	Total $'000
Balance at 1 July 2021		**150,193**	**78**	**(140,897)**	**9,374**
Loss for the year		-	-	(642)	(642)
Total comprehensive loss for the year		**-**	**-**	**(642)**	**(642)**
Transactions with owners in their capacity as owners		-	-	-	-
Issue of share capital, net of transaction costs	15	104	-	-	104
Transfer between equity	15	76	(76)		
Share-based payments	16	-	64	-	64
Balance at 30 June 2022		**150,373**	**66**	**(141,539)**	**8,900**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2022

	Notes	30 June 2022 $'000	30 June 2021 $'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**8,009**	7,805
Receipts from governments and others		**-**	183
Payments to suppliers and employees		**(8,737)**	(8,204)
Interest received		**1**	9
Finance costs paid		**(97)**	(100)
Net cash outflow from operating activities	29(a)	**(824)**	(307)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		**(9)**	(4)
Proceeds from discounted receivable		**1,826**	1,826
Net cash inflow from investing activities		**1,817**	1,822
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings	29(b)	**79**	-
Repayment of lease liabilities	29(b)	**(107)**	(34)
Proceeds from issue of share capital		**104**	103
Net cash inflow from financing activities		**76**	69
Net increase in cash and cash equivalents held		**1,069**	1,584
Cash and cash equivalents at beginning of year		**5,525**	3,941
Cash and cash equivalents at end of financial year	5	**6,594**	5,525

The Consolidated Statement of Cash Flows is to the read in conjunction with the accompanying Notes to the Consolidated Financial Statements.

Notes to the Financial Statements

For the year ended 30 June 2022

Contents of the notes to financial statements

Note 1 Statement of Significant Accounting Policies

General information

The consolidated financial statements and notes represent those of Contango Asset Management Limited as a group consisting of Contango Asset Management Limited (**the Company**) and the entities it controlled at the end of, or during, the year (**the Group**). The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Contango Asset Management Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

The consolidated financial statements were authorised for issue, in accordance with a resolution of Directors, and signed on the same date as the Directors' Declaration.

Basis Of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared on a going concern basis and under the historical cost convention except for the measurement at fair value of selected non current assets, financial assets and financial liabilities.

Accounting standards issued but not yet effective

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current year. New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group are:

- AASB 2020-7: Amendments to Australian Accounting Standards – COVID -19 Related Rent Concessions: Tier 2 disclosures (AASB 16 and AASB 1060)
- AASB 2021-3: Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021
- AASB 2020-1: Amendments to Australian Accounting Standards – Classifications of Liabilities as Current or Non-Current
- AASB 2020-6: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date
- AASB 2017-5: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates (amends AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2)
- AASB 2020-9: Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments

(a) Current vs non-current classification

The Group presents assets and liabilities in the Consolidated Statement of Financial Position based on a current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within 12 months after the reporting period

Or

- Cash or cash equivalent except if it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in the normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent company, Contango Asset Management Limited, and all of its subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 23.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

(c) Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired, and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

Contingent consideration classified as an asset or liability is re-measured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(d) Goodwill

Goodwill is carried at cost less accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

i. the consideration transferred
ii. any non controlling interest (determined under either the full goodwill or proportionate interest method), and
iii. the acquisition date fair value of any previously held equity interest over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value measurements in any pre existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash generating units or groups of cash generating units, representing the lowest level at which goodwill is monitored and not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

(e) Tax consolidation

Contango Asset Management Limited and its wholly owned subsidiaries are consolidated for tax purposes.

The Company and its wholly owned Australian subsidiaries have formed a tax-consolidated group with effect from 1 July 2003. The head entity within the group is Contango Asset Management Limited.

The members of the tax-consolidated group are identified in Note 23. Tax expense/credit, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the "separate taxpayer within group" approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation.

Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group). Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the Company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement.

(f) Income tax

The income tax expense (credit) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination. Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(g) Property, plant and equipment

All classes of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of property, plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

Depreciation

The depreciable amounts of all fixed assets are calculated using the diminishing balance method over their estimated useful lives commencing from the time the asset is held ready for use.

Class of Fixed Asset	Depreciation Rate
Furniture & Fittings	20%
Office Computers and Machines	40%

(h) Financial instruments

Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Group becomes party to the contractual provisions to the instrument.

Financial instruments (except trade and other receivables) are initially recognised at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain any significant financing component or if the practical expedient was applied as specified in *AASB 15 Revenue from Contracts with Customers* para 63.

All financial assets and financial liabilities of the Group are subsequently measured at amortised cost.

i. Financial assets at amortised cost

All financial assets are subsequently classified and measured at amortised cost when both of the following criteria are met:

- the business model's objective is to hold the financial asset to collect contractual cash flows; and
- the contractual cash flows consist solely of payments of principal and interest.

Trade and other receivables with maturities of less than 12 months are initially recognised at their transaction price less lifetime expected losses and subsequently measured at amortised cost.

ii. Financial liabilities at amortised cost

A financial liability is subsequently measured at amortised cost or fair value through profit and loss. The Group has only financial liabilities at amortised cost using the effective interest rate method.

iii. Impairment of financial assets

Impairment of financial assets is recognised based on the lifetime expected credit loss which is determined when the credit risk on a financial asset has increased significantly since initial recognition. In order to determine whether there has been a significant increase in credit risk since initial recognition, the entity compares the risk of default as at the reporting date with risk of default as at initial recognition using reasonable and supportable data, unless the financial asset is determined to have a low credit risk at the reporting date.

For trade and other receivables, the simplified approach is used, which requires recognition of a loss allowance based on the lifetime expected credit losses. As a practical expedient, the Group uses a provision matrix based on historical information and adjusted for forward looking estimates in order to determine the lifetime expected credit losses.

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

iv. Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks and short-term deposits with an original maturity of three months or less held at call with financial institutions.

(j) Impairment of assets

Goodwill and other assets that have an indefinite useful life are not amortised but are tested annually for impairment in accordance with *AASB 136 Impairment of Assets*. The depreciable amount of intangible assets with a finite life is amortised over its useful life. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

For the purposes of impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash generating units).

(k) Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised so as to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled, in exchange for those goods or services.

Revenue is recognised in accordance with the following five-step process:

1. Identifying the contract with the customer.
2. Identifying the performance obligations in the contract.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations in the contract.
5. Recognising revenue as and when the performance obligations are satisfied.

Investment management fees and service fees represent revenue from contracts with customers. Revenue arising from investment management contracts relates to performance obligations satisfied over time and as such revenue is recognised on a progressive basis. An output method is used to recognise revenue from such contracts which involves reference to the amounts invoiced to the customer for the services rendered during the period. This is because management believes that the amounts invoiced directly reflect the value of output transferred to the customer. In the case of amounts received in advance for services to be performed these are recognised as contract liabilities and are not reclassified to revenue until the performance obligation is satisfied.

Variable consideration may arise in some fund management contracts from performance fees. Performance fees may be earned where a fund's investment return after management fees exceeds the applicable benchmark. Performance fees are subject to a high-water mark, and a cap for each calculation period, with the exception of WCM International Small Cap Growth Fund (Managed Fund) which does not have a cap. An amount of the performance fees received are payable to the fund's investment manager. Variable consideration is estimated using either the expected value method or most likely amount method, as appropriate to the circumstances and recognised as revenue at the end of each reporting period until the contracts are settled.

Government grant income

Government grant income is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. The Group presents government grant income in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on a gross basis and as "Government grant income."

Interest income

Interest income is recognised using the effective interest method.

(l) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (**GST**), except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the acquisition of the asset or as part of an item of expense.

Receivables and payables in the Consolidated Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Consolidated 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.

(m) Employee benefits

i. Short term employee benefit obligations

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employee renders the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

ii. Long term employee benefit obligations

The Group's liabilities for long service leave are included in other long-term benefits as they are not expected to be settled wholly within 12 months after the end of the period in which the employee renders the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, periods of service and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Group presents long-term employee benefit obligations as non-current liabilities in the Consolidated Statement of Financial Position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period, in which case the obligations are presented as current provisions.

(n) Trade and other payables

Trade payables and other payables represent liabilities for goods and services provided to the Group prior to the end of the period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 7–60 days of recognition.

(o) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

(p) Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the Consolidated Statement of Financial Position date.

(q) Leases

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. All contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under *AASB 137 Provisions, Contingent Assets and Contingent Liabilities*. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group applies *AASB 136* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy (as outlined in Note 1(g)).

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Corporate and administrative expense" in the profit or loss.

(r) Share-based payments

The Group provides benefits to its employees in the form of share based payments, whereby employees render services in exchange for shares or rights over shares (equity settled transactions). The cost of these equity settled transactions with employees is measured by reference to the fair value of the equity instrument at the date on which they are granted. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is measured at the market bid price at grant date. The fair value of shares issued where the shares are treated as an option is determined using the Black-Scholes valuation model. In respect of share based payments that are dependent on the satisfaction of service conditions, the number of shares expected to vest is reviewed and adjusted at each reporting date.

The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date). The amount recognised for services received as consideration for these equity instruments granted is adjusted to reflect the best estimate of the number of equity instruments that eventually vest.

(s) Share capital

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

(t) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group:

i. Impairment of goodwill

Goodwill acquired in a business combination is tested for impairment at least annually and when there is an indication that there may be impairment. For the purposes of impairment testing, goodwill arising from the acquisition of Switzer Asset Management Limited (**SAM**) has been allocated to the Group's sole cash generating unit, being its investment management business.

In assessing whether there may be an indication of impairment, the Directors have compared at 30 June 2022 the Group's carrying value of the cash generating unit with the recoverable amount, being the cash generating unit's fair value less costs to sell, using a percentage of funds under management (**FUM**) approach using a multiple of between 1.2% to 1.4%. (2021: 1.3% – 1.8%) The FUM multiple was derived from trading multiples of comparable companies and transaction multiples of recent comparable company acquisitions that have occurred in the market.

(u) Comparative figures

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

(v) Rounding of amounts

The amounts in the consolidated financial statements and Directors' Report have been rounded to the nearest $1,000 (where rounding is applicable) where noted ($'000) under the option available to the Company under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. The Company is an entity to which this legislative instrument applies.

Note 2 Revenue

(a) Revenue from customer contracts

	2022 000's $	2021 000's $
Investment management fees	**5,492**	4,776
Performance fees	**55**	128
Service fees	**553**	414
Total revenue from customer contracts	**6,100**	5,318

Note 3 Expenses

(a) Corporate and administrative expenses

	2022 000's $	2021 000's $
Marketing and distribution expense	**394**	284
Audit fees	**195**	162
Occupancy expense	**33**	40
Legal expenses	**117**	165
Listing and Registry expense	**97**	102
IT, office and communication expense	**85**	73
Insurance expense	**263**	247
Other expenses	**374**	302
Total corporate & administrative expenses	**1,558**	1,375

(b) Finance costs

	2022 000's $	2021 000's $
Interest expense	**97**	105
Interest expense on lease liability	**8**	9
Total finance costs	**105**	114

(c) Depreciation and amortisation

	2022 000's $	2021 000's $
Depreciation – plant and equipment	**8**	8
Amortisation – right-of-use asset	**104**	104
Total depreciation and amortisation	**112**	112

Note 4 Income Tax Expense

(a) The major components of tax expense comprise

	2022 000's $	2021 000's $
Current tax	-	-
	-	-

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

	2022 000's $	2021 000's $
Loss before income tax expense	**(642)**	(800)
Prima facie income tax benefit at the statutory rate of 25% (2021: 26%)	**161**	208
Effect of amounts which are non-deductible/assessable in calculating taxable income		
- Tax losses not recognised as deferred tax assets	**(161)**	(208)
Income (expense)/benefit reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	**-**	-

(c) Unrecognised deferred tax asset

The amount of deductable temporary differences and unused tax losses for which no deferred tax asset has been recognised:

	2022 000's $	2021 000's $
Potential tax benefit at 25% (2021: 26%)	**3,134**	3,001

Deferred tax assets have not been recognised to the extent that it is not probable that taxable profit will be available against which the losses can be utilised. The Group also has accumulated income and capital losses from prior years' activity that have not been recognised because of uncertainty about their availability under applicable tax legislation.

Note 5 Cash and Cash Equivalents

	2022 000's $	2021 000's $
Cash at bank	**6,594**	5,525

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Note 6 Trade and Other Receivables

	2022 000's $	2021 000's $
CURRENT		
Trade receivables	**1,110**	1,320
Accrued income	**22**	-
NAML receivable[1]	**-**	1,552
Other receivable	**100**	6
Total current trade and other receivables	**1,232**	

[1] The NAML receivable as at 30 June 2021 is the deferred consideration payable by NAOS Asset Management Limited (**NAML**) to Contango Funds Management Limited, a controlled entity of the Group, over a one-year period in accordance with the conditions of the arrangement. The NAML receivable has been measured at amortised cost using the effective interest method. The NAML receivable was received on 28 June 2022.

The ageing of trade receivables as at 30 June 2022 is less than 30 days (2021: less than 30 days). There are no trade receivables which are past due and impaired as at 30 June 2022 (2021: nil).

Note 7 Other Assets

	2022 000's $	2021 000's $
CURRENT		
Prepayments	**258**	220
Total other assets	**258**	220

Note 8 Other Financial Assets

	2022 000's $	2021 000's $
NON CURRENT		
Other financial assets[1]	**96**	96
Total other financial assets	**96**	96

[1] Other financial assets are interest bearing deposits supporting bank guarantees for short term premises leases and are refunded upon termination of the lease contract.

Note 9 Right-of-use Asset

	2022 000's $	2021 000's $
Leased office space		
Right-of-use asset	**416**	416
Accumulated amortisation	**(208)**	(104)
Total right-of-use asset	**208**	312

(a) Movements in carrying amounts of right-of-use assets

	2022 000's $	2021 000's $
Opening balances at 1 July 2021	**312**	416
Additions	**-**	-
Amortisation expense	**(104)**	(104)
Net carrying amount	**208**	312

The Group leases an office space in Sydney, which has a lease term of 4 years and commenced on 1 July 2020. The Group does not have any leases which contain variable lease payments.

(b) *AASB 16* related amounts recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income

	2022 000's $	2021 000's $
Amortisation charge related to right-of-use asset	**104**	104
Interest expense on lease liabilities	**8**	9
Short-term lease expenses	**4**	4
	116	117

Note 10 Goodwill

	2022 000's $	2021 000's $
Goodwill at cost	**8,636**	8,636
Accumulated impairment loss	**(3,830)**	(3,830)
Total goodwill	**4,806**	4,806

(a) Movements in carrying amounts of goodwill

	Goodwill 000's $
Opening value at 1 July 2020	**4,806**
Impairment loss	-
Closing value at 30 June 2021	**4,806**
Opening value at 1 July 2021	**4,806**
Impairment loss	-
Closing value at 30 June 2022	**4,806**

(b) Impairment

Goodwill acquired in a business combination is tested for impairment at least annually and when there is an indication that there may be impairment. The Group performed its annual impairment test in June 2022.

In assessing impairment, the Directors have compared the Group's carrying value of the cash generating unit at 30 June 2022 with the recoverable amount, being the cash generating unit's fair value less costs to sell, using a percentage of FUM approach of between 1.2% to 1.4% (2021: 1.3% to 1.8%). There has been no change in the valuation technique since the prior year. The FUM percentage was derived from trading valuations of comparable companies and valuations of recent comparable company acquisitions that have occurred in the market. This valuation approach provided headroom of $3.6 million in the carrying value of goodwill over its impairment value and indicated that FUM would have to fall to $650 million or the percentage of FUM used would need to be as low as 0.9% before an impairment arose. The Directors therefore concluded that the goodwill is not impaired at 30 June 2022.

Note 11 Trade and Other Payables

	2022 000's $	2021 000's $
CURRENT		
Trade payables	**329**	112
GST payable	**454**	412
Accrued expenses	**1,623**	2,120
Total current trade and other receivables	**2,406**	2,644

Refer to Note 21 for further information on financial risk management.

Note 12 Provisions

	2022 000's $	2021 000's $
CURRENT		
Annual leave	**211**	143
Long service leave	**45**	-
	256	143
NON-CURRENT		
Long service leave	**29**	52
Total provisions	**285**	195

Movement in carrying amounts

	Employee Benefits 000's $
Opening balance at 1 July 2020	**331**
Additional provisions	150
Provisions used	(286)
Closing balance at 30 June 2021	**195**
Opening balance at 1 July 2021	**195**
Additional provisions	230
Provisions used	(140)
Closing balance at 30 June 2022	**285**

Note 13 Lease Liabilities

	2022 000's $	2021 000's $
Maturity Analysis		
Year 1	**148**	105
Year 2	**152**	147
Year 3	**-**	152
Total lease liabilities	**300**	404
Less: interest payable	**(8)**	(13)
	292	391
Analysed as:		
Current	**142**	98
Non-current	**150**	293
	292	391

The Group does not face a significant liquidity risk with regard to its lease liabilities.

Note 14 Borrowings

	2022 000's $	2021 000's $
CURRENT		
Borrowings	**79**	-
Other unsecured loans	**750**	-
	829	-
NON-CURRENT		
Other unsecured loans	**502**	1,252
Total borrowings	**1,331**	1,252

Borrowings at 30 June 2022 consisted of the following arrangements:

- $502,000 unsecured loan repayable on 28 August 2028 at a fixed interest rate of 8% per annum, with interest paid in arrears annually;
- $750,000 unsecured loan repayable on 6 December 2022 at a fixed interest rate of 8% per annum, with interest paid in arrears annually; and
- $79,000 relates to Insurance premium funding repayment over 10 months with a fixed interest rate of 3%.

Note 15 Issued Capital

	2022 000's $	2021 000's $
48,155,888 (2021: 47,873,085) ordinary shares	**150,373**	150,193

Movements in ordinary share capital

	Number of shares	000's
Opening balance – 1 July 2020	**47,278,818**	**149,839**
Ordinary shares issued to employees	421,767	250
Pacific Point Partners Limited – options exercised	172,500	104
Closing balance – 30 June 2021	**47,873,085**	**150,193**
Opening balance – 1 July 2021	**47,873,085**	**150,193**
Pacific Point Partners Limited – options exercised	172,500	104
Ordinary shares issued to the Managing Director & CEO	60,303	44
Performance rights vested	50,000	32
Closing balance – 30 June 2022	**48,155,888**	**150,373**

Note 16 Reserves

	2022 000's $	2021 000's $
Share-based payment reserve		
Opening balance	**78**	43
Transfer to issued capital	**(76)**	(97)
Performance rights forfeited	**-**	(48)
Recognition of share based expense relating to Managing Director & CEO	**-**	44
Recognition of share based expense relating to employees	**64**	136
Closing balance at the end of the reporting period	**66**	78

The share-based payment reserve is used to recognise the value of equity benefits provided to the Managing Director and Chief Executive Officer, and employees as part of their remuneration.

Note 17 Accumulated Losses

	2022 000's $	2021 000's $
Opening balance	**(140,897)**	(140,097)
Net loss attributable to shareholders	**(642)**	(800)
Accumulated losses at the end of the reporting period	**(141,539)**	(140,897)

Note 18 Dividends

No dividend has been declared or paid in respect to the financial year ended 30 June 2022 (2021: $nil).

Note 19 Earnings per Share

Basic earnings per share (**EPS**) is calculated by dividing the profit or loss for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	2022 Cents	2021 Cents
Basic loss per share		
Total loss per share attributable to the ordinary equity holders of the Company	**(1.34)**	(1.69)
Dilutive loss per share		
Total loss per share attributable to the ordinary equity holders and potential ordinary equity holders of the Company	**(1.34)**	(1.69)

The following section reflects the income and share data used in the basic and diluted EPS computations:

(a) Earnings used to calculate basic and diluted EPS

	2022 000's $	2021 000's $
Basic loss per share		
Loss attributable to the ordinary equity holders of the Company used in calculating basic loss per share	**(642)**	(800)
Diluted loss per share		
Loss attributable to the ordinary equity holders of the Company used in calculating diluted loss per share	**(642)**	(800)

The share options and performance rights disclosed in Note 20 are anti-dilutive because the Company is in a loss position and are therefore not included in the calculation of the diluted losses per share.

(b) Weighted average number of shares used as the denominator in calculation of earnings per share

	2022 No.	2021 No.
Weighted average number of ordinary shares used in calculating basic earnings per share	**47,951,859**	47,470,372
Weighted average number of ordinary shares adjusted for the effect of dilution	**48,066,859**	47,470,372

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

Note 20 Share-based Payments

(a) Share options to Pacific Point Partners Limited

In September 2016 the Company issued 345,000 options to Pacific Point Partners Limited in partial consideration of it providing a loan to assist the Company in the acquisition of the Contango funds management business. Each option entitles the holder to subscribe for one share. The options have an exercise price of $0.60 each, were granted on 26 September 2016 and are exercisable at any time after the one-year anniversary of the grant date until the fifth-year anniversary of the grant date. The fair value at grant date was estimated using a Black Scholes pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of the share options was estimated on the grant date using the following assumptions:

Exercise price ($)	0.60
Dividend yield (%)	0.00
Expected Volatility (%)	25.00
Risk free interest rate (%)	1.70
Fair value per option ($)	0.15

Movements during the year

	2022		2021	
	Number	**Weighted Average Exercise Price $**	Number	Weighted Average Exercise Price $
Options outstanding as at 1 July	**172,500**	**0.60**	**345,000**	**0.60**
Exercised	(172,500)[2]	0.60	(172,500)[1]	0.60
Options outstanding as at 30 June	-		**172,500**	**0.60**
Options exercisable as at 30 June	-		**172,500**	

[1] 172,500 options were exercised on 3 May 2021 at an exercise price of $0.60.
[2] 172,500 options were exercised on 1 July 2021 at an exercise price of $0.60.

(b) Performance rights

On 15 December 2020, the Company issued 150,000 performance rights to certain employees within the business. The performance rights were independently valued using the Black-Scholes options pricing model. The expected life of the performance rights is 18 months with the sole vesting condition being that the employee is employed by the Group on the vesting date. The fair value of the performance rights at grant date is $126,000. The share-based payment expense recognised in the 30 June 2022 reporting period was $29,793 (2021: $34,206).

The fair value of the performance rights was estimated on the grant date using the following assumptions:

Exercise price ($)	0.00
Dividend yield (%)	0.00
Expected Volatility (%)	70.00
Risk free interest rate (%)	0.10
Fair value per option ($)	0.84

On 6 October 2021, the Company issued a further 65,000 performance rights to key executives within the business. The fair value of the performance rights at grant date is $58,500. The share-based payment expense recognised in the 30 June 2022 reporting period was $34,359 (2021: $NIL).

The fair value of the performance rights was estimated on the grant date using the following assumptions:

Exercise price ($)	0.00
Dividend yield (%)	0.00
Expected Volatility (%)	70.00
Risk free interest rate (%)	0.08
Fair value per option ($)	0.90

Movements during the year

	2022		2021	
	Number	**Weighted Average Exercise Price $**	Number	Weighted Average Exercise Price $
Performance rights outstanding as at 1 July	**150,000**	**-**	**350,000**	**-**
Granted during the year	65,000	-	150,000	-
Forfeited during the year	(50,000)[3]	-	(140,000)[1]	-
Exercised during the year	(50,000)[4]	0.63	(210,000)[2]	0.46
Performance rights outstanding as at 30 June	**115,000**	**-**	**150,000**	**-**

[1] 140,000 performance rights were forfeited by two employees as they did not meet the vesting condition in 2021
[2] 210,000 shares vested and were converted to ordinary shares on 16 June 2021
[3] 50,000 performance rights were forfeited by one employee as they did not meet the vesting condition in 2022
[4] 50,000 shares vested and were converted to ordinary shares on 15 June 2022

Note 21 Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of foreign exchange risk and aging analysis for credit risk.

Risk management is the responsibility of the Board of Directors.

Market risk

Foreign currency risk

The Group was not subject to any material foreign exchange risk in the 2022 and 2021 financial years.

Price risk

Price risk is the risk that management and performance fees will increase or decrease as a result of changes in equity prices in local currency (caused by factors specific to the individual stock or the market as a whole), exchange rate movements, or a combination of both.

For illustrative purposes, an increase of 10% in average FUM would have had the following impact:

	2022 000's $	2021 000's $
10% increase in average value of FUM would result in:		
- higher base management fees	**515**	546
Impact on net profit after tax and equity	**493**	546

A decrease of 10% in the risk factor above would have an equal but opposite impact to net profit, comprehensive income, and equity.

Assumptions and explanatory notes

Changes in market prices may impact inflows to, and outflows from, the Group's FUM. This impact has not been estimated.

Interest rate risk

The Group's main interest rate risk arises from cash and cash equivalents, the majority of which is held in various at call deposits at variable rates and various short term deposits with interest rates fixed for the terms of the deposit. During 2021 and 2022, the Group's cash at bank at variable rates was denominated in Australian dollars. As at the reporting date, the Group had the following variable rate cash at bank:

	2022		2021	
	Weighted Average Interest Rate	**Balance**	Weighted Average Interest Rate	Balance
Cash at bank	0.03	6,594	0.02	5,525
Net exposure to cash flow interest rate risk	-	**6,594**	-	**5,525**

Sensitivity

The following table illustrates sensitivities to the Group's exposure to changes in interest rates. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit 000's $	Equity 000's $
Year ended 30 June 2022		
+/ 0.5% in interest rates	26	26
Year ended 30 June 2021		
+/ 0.05% in interest rates	3	3

Credit risk

The Group was not subject to any material credit risk in the 2022 financial year.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash reserves, including the availability of funding through committed credit facilities. The Group manages liquidity risk by regularly monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the simple nature of the underlying businesses, the Group aims to simplify funding by minimising credit lines and investing surplus funds in very liquid deposits at call or short-term deposits.

Financial liability and financial asset maturity analysis

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period between the reporting date and the contractual maturity date. Cash flows realised from financial assets reflect management's expectations as to the timing of their realisation. Actual timing may differ from that disclosed. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within 1 year 000's $	1 to 5 years 000's $	Over 5 years 000's $	Total 000's $
Group – 2022				
Financial liabilities due for payment				
Trade and other payables (Note 11)	2,406	-	-	2,406
Lease Liabilities (Note 13)	142	150	-	292
Borrowings (Note 14)	829	-	502	1,331
Total expected outflows	**3,377**	**150**	**502**	**4,029**
Financial assets – cash flows realisable				
Cash and cash equivalents	6,594	-	-	6,594
Trade and other receivables (Note 6)	1,232	-	-	1,232
Other financial assets (Note 8)	-	96	-	96
Total anticipated inflow on financial instruments	**7,826**	**96**	**-**	**7,922**
Net inflow / (outflow) on financial instruments	**4,449**	**(54)**	**(502)**	**3,893**

	Within 1 year 000's $	1 to 5 years 000's $	Over 5 years 000's $	Total 000's $
Group – 2021				
Financial liabilities due for payment				
Trade and other payables (Note 11)	2,644	-	-	2,644
Lease Liabilities (Note 13)	98	293	-	391
Borrowings (Note 14)	-	750	502	1,252
Total expected outflows	**2,742**	**1,043**	**502**	**4,287**
Financial assets – cash flows realisable				
Cash and cash equivalents	5,525	-	-	5,525
Trade and other receivables (Note 6)	2,878	-	-	2,878
Other financial assets (Note 8)	-	96	-	96
Total anticipated inflow on financial instruments	**8,403**	**96**	**-**	**8,499**
Net inflow / (outflow) on financial instruments	**5,661**	**(947)**	**(502)**	**4,212**

Fair value

Fair value estimation

The fair values of the Group's financial assets and financial liabilities are presented in the table below and can be compared with their carrying values as presented in the Consolidated Statement of Financial Position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted, and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

The net fair values of cash and cash equivalents and non interest bearing monetary financial assets and financial liabilities of the Group approximate their carrying amounts.

The carrying values less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature.

	2022		2021	
	Carrying Value 000's	Fair value 000's	Carrying Value 000's	Fair value 000's
Financial assets				
Cash and cash equivalents	**6,594**	**6,594**	5,525	5,525
Trade and other receivables	**1,232**	**1,232**	2,878	2,878
Other financial assets	**96**	**96**	96	96
Total financial assets	**7,922**	**7,922**	8,499	8,499
Financial liabilities				
Trade and other payables	**2,406**	**2,406**	2,644	2,644
Lease liabilities	**292**	**292**	391	391
Borrowings	**1,331**	**1,331**	1,252	1,332
Total financial liabilities	**4,029**	**4,029**	4,287	4,367

Capital risk management

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern, so that the Group can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. As the Group incurs net cash outflows from operations and has large accumulated losses, the primary method used by the Group to adjust its capital structure is the issue of new shares and borrowings. The Group has determined that where possible it will issue ordinary shares, rather than issue hybrid forms of securities, so as to avoid any restrictions on its use of capital or commitment to interest repayments. There are also regulatory capital requirements

Note 22 Parent Entity

Set out below is the supplementary information about the parent entity.

	2022 000's $	2021 000's $
Statement of Financial Position		
Current assets	**4,952**	4,930
Non current assets	**3,097**	3,097
Total Assets	**8,049**	8,027
Current liabilities	**2,016**	1,614
Non-current liabilities	**-**	-
Total Liabilities	**2,016**	1,614
Issued capital	**150,328**	150,193
Accumulated losses	**(144,295)**	(143,780)
Total Equity	**6,033**	6,413
Statement of Profit or Loss and Other Comprehensive Income		
Total loss for the year	**(1,189)**	(1,308)
Total other comprehensive loss	**-**	-
Total comprehensive loss	**(1,189)**	(1,308)

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022 (2021: nil).

Contractual commitments

The parent entity had no commitments as at 30 June 2022 (2021: nil).

Note 23 Interests in Subsidiaries and Controlled Entities

Composition of the Group

The subsidiaries listed below have share capital consisting solely of ordinary shares which are held directly by the Company. The proportion of ownership interests held equals the voting rights held by the Company. Each subsidiary's principal place of business is also its country of incorporation.

	Principal place of business / Country of Incorporation	Percentage Owned (%) 2022	Percentage Owned (%) 2021
Subsidiaries:			
CAM SPV Pty Limited	**Australia**	**100**	100
2735 CSM Holdings Pty Limited	**Australia**	**100**	100
Contango Funds Management Limited	**Australia**	**100**	100
Contango International Management Pty Limited	**Australia**	**100**	100
Contango Group Services Pty Limited	**Australia**	**100**	100
Associate Global Partners Limited[1]	**Australia**	**100**	100

[1] Switzer Asset Management Limited changed name to Associate Global Partners on 20 April 2022.

Note 24 Related Parties

i. Entities exercising control over the Group:

The ultimate parent entity, which exercises control over the Group, is Contango Asset Management Limited which is incorporated in Australia.

ii. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 25 and the Remuneration Report in the Directors' Report.

iii. Subsidiaries and controlled entities

Interests in subsidiaries and controlled entities are set out in Note 23.

iv. Related party transactions

The Group has an existing marketing and distribution agreement with Switzer Financial Group Pty Limited and paid $200,000 (2021: $200,000 for this service during the period. There are no amounts payable outstanding at 30 June 2022. Martin Switzer (Managing Director of Contango Asset Limited) has a financial interest in Switzer Financial Group.

Note 25 Key Management Personnel Disclosures

Key management personnel remuneration included within employee expenses for the year is shown below:

	2022 000's $	2021 000's $
Short term employee benefits	**688,362**	665,017
Post-employment benefits	**47,306**	38,843
Other long-term benefits	**21,554**	10,462
Share-based payments	**-**	67,350
	757,222	781,672

Note 26 Contingent Liabilities

The Group has no material contingencies at 30 June 2022 (2021: nil).

Note 27 Segment Information

The Group has a sole operating segment of funds management. Revenue, profit, net assets and other financial information reported to and monitored by the Chief Operating Decision Maker (**CODM**) for the single identified operating segment are the amounts reflected in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows. The CODM has been identified as the Managing Director and Chief Executive Officer.

Note 28 Auditor's Remuneration

	2022 000's $	2021 000's $
Audit and review of financial statements		
Fees for auditing the statutory financial report of the group and auditing the statutory financial reports of any controlled entities	**153,800**	150,000
Total audit and review of financial statements	**153,800**	150,000
Other statutory assurance services (AFSL)	**11,000**	11,000
Non-Audit Services		
- Taxation compliance advice	**55,375**	31,000
Total non-audit services	**55,375**	31,000
Total services provided by Ernst & Young	**220,175**	192,000

Note 29 Cash Flow Information

(a) Reconciliation of result for the year to cash flows from operating activities

	2022 000's $	2021 000's $
Loss for the year after income tax	**(642)**	(800)
Non cash flows in profit:		
- depreciation and amortisation	**112**	112
- employee share option expense	**20**	35
- effective interest on NAML receivable	**(109)**	(210)
- interest expense on lease liability	**8**	9
- shares issued	**44**	252
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- increase in trade and other receivables	**(71)**	(183)
- increase in other assets	**(38)**	(54)
- (decrease) / increase in trade and other payables	**(238)**	668
- increase / (decrease) in provisions	**90**	(136)
Outflow from operations	**(868)**	**(307)**

(b) Reconciliation of liabilities arising from financing activities

	1 July 2021 000's $	Cash Flows 000's $	Foreign Exchange Movement 000's $	Fair Value Changes 000's $	Other 000's $	30 June 2022 000's $
Borrowings	1,252	79	-	-	-	1,331
Lease liability	391	(107)	-	-	8	292
Total liabilities from financing activities	**1,643**	**(28)**	**-**	**-**	**8**	**1,623**

	1 July 2020 000's $	Cash Flows 000's $	Foreign Exchange Movement 000's $	Fair Value Changes 000's $	Other 000's $	30 June 2021 000's $
Borrowings	1,252	-	-	-	-	1,252
Lease liability	416	(34)	-	-	9	391
Total liabilities from financing activities	**1,668**	**(34)**	**-**	**-**	**9**	**1,643**

Note 30 Events Occurring After the Reporting Date

There are no matters or circumstances that have arisen since the end of the financial year which significantly affect or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Note 31 Company Details

The registered office of the Company is:

Contango Asset Management Limited
Level 6
10 Spring Street
Sydney NSW 2000

Directors' Declaration

The Directors of the Company declare that:

1. the financial statements and notes for the year ended 30 June 2022 are in accordance with the *Corporations Act 2001* and:
   a. comply with Accounting Standards, which, as stated in Note 1 to the consolidated financial statements under the heading Basis of Preparation, constitutes explicit and unreserved compliance with International Financial Reporting Standards (**IFRS**); and
   b. give a true and fair view of the financial position and performance of the consolidated group;
2. the Managing Director and Chief Financial Officer have given the declarations required by *Section 295A* that:
   a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
   b. the financial statements and notes for the financial year comply with the Accounting Standards; and
   c. the financial statements and notes for the financial year give a true and fair view; and
3. 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.

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

Director:

Nerida Campbell
Chair

Dated this 25th day of August 2022

Independent Auditor's Report

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Independent Auditor's Report to the Members of Contango Asset Management Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Contango Asset Management Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a) Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2022 and of its consolidated financial performance for the year ended on that date; and

b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

We 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 judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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Goodwill impairment testing

Why significant	How our audit addressed the key audit matter
On 13 September 2018 the Group acquired the remaining 53.75% equity interest in Switzer Asset Management Limited (SAML) which generated a significant goodwill asset. As at 30 June 2022, the carrying value of goodwill was $4.8m. As described in Note 10, the Group has performed an annual impairment test to assess the carrying value of goodwill as at 30 June 2022. This was a key audit matter due to the judgements applied in the impairment testing.	Our audit procedures included the following: ▸ Involved our valuation specialists to assess the key assumptions used in the impairment analysis, as well as test the mathematical accuracy of the impairment model. ▸ Evaluated the sensitivity analysis performed by the Group focusing on where a reasonably possible change in assumptions could cause the carrying amount to exceed its recoverable amount. ▸ Benchmarked the implied valuations to comparable company valuation multiples. ▸ Assessed the adequacy of the disclosures associated with the goodwill impairment assessment in the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's 2022 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

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

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

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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 to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year 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 Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 20 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Contango Asset Management Limited for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Ernst & Young

Ernst & Young

Luke Slater

Luke Slater
Partner
Melbourne
25 August 2022

Additional Information for Listed Public Companies

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 31 July 2022.

Substantial Shareholders

The relevant interests of substantial shareholders and their associates as disclosed to the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
NAOS Asset Management Limited	12,425,986	25.78%
Switzer Financial Group Pty Limited	7,378,251	15.31%
Pacific Point Partners Limited, Robert Rankin	4,613,282	9.57%

Voting Rights

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.

Distribution of Shareholders

Analysis of the number of shareholders by size of holding at 31 July 2022 is presented below:

Holding	Number of Holders	Number of Ordinary Shares	Percentage of Shares on Issue %
1 – 1,000	99	21,593	0.04%
1,001 – 5,000	110	306,178	0.64%
5,001 – 10,000	61	481,852	1.00%
10,001 – 100,000	242	8,705,420	18.06%
100,001 and over	47	38,690,845	80.26%
Total	**559**	**48,205,888**	**100.00%**
Number of holders with less than a marketable parcel of ordinary shares	99	21,593	0.04%

20 Largest Shareholders

The names of the 20 largest shareholders of the Company as at 31 July 2022 are listed below:

Holder name	Number of Ordinary Shares	Percentage of Shares on Issue
NATIONAL NOMINEES LIMITED	12,593,934	26.13%
SWITZER FINANCIAL GROUP PTY LTD	6,166,668	12.79%
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD	4,613,282	9.57%
KST GROUP PTY LTD	1,397,728	2.90%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,396,876	2.90%
GOLD TIGER INVESTMENTS PTY LTD	1,264,479	2.62%
MR ROBERT DARIUS FRASER	1,250,000	2.59%
MRS TRACY FRASER	1,078,887	2.24%
TC CORPORATE P/L	600,000	1.24%
MS MAUREEN ELIZABETH SWITZER + MR PETER WILLIAM SWITZER + MR MARTIN SWITZER	576,817	1.20%
HARVEY BLACKNEY SUPERANNUATION PTY LTD	541,000	1.12%
WILLYAMA ASSET MANAGEMENT PTY LTD	507,000	1.05%
BODIAM CAPITAL PTY LTD	500,000	1.04%
SAGRADA FAMILIA HOLDINGS PTY LTD	483,333	1.00%
JARHAMCHE PTY LTD	333,710	0.69%
KEISER INVESTMENTS PTY LTD	333,333	0.69%
CALAMA HOLDINGS PTY LTD	332,531	0.69%
MR RICHARD PHILLIP AMLAND + MRS KIRSTY LEA AMLAND	314,308	0.65%
EUCLID PTY LIMITED	312,000	0.65%
PACIFIC POINT PARTNERS LIMITED	263,536	0.55%
Total shares held by the 20 largest shareholders	**34,859,422**	**72.31%**
Total ordinary shares on issue	**48,205,888**	**100.00%**

Securities Exchange

The Company is listed on the Australian Securities Exchange (ASX code: CGA).

Contango.
Asset Management

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