CONTANGO ASSET MANAGEMENT LIMITED
AND CONTROLLED ENTITIES
ACN: 080 277 998

Annual Report
2017–2018

LETTER FROM THE CHAIRMAN

Roger Amos
Non-executive Chairman
Contango Asset
Management Limited

Dear Shareholder,

Welcome to the 2018 Contango Asset Management Annual Report.

FY18 was a significant year for the Company, and it is with great pleasure we deliver our results to you.

Throughout the year, the Company reviewed its strategic objectives and operating model with a view to focus on the areas of its operations that were growing. As a result, the Company's focus has moved away from institutional wholesale mandates, to the distribution of products to retail clients, including via Switzer Asset Management Limited (SAML). Consequently, the Company restructured its operations, including reducing headcount and relocating its head office to Sydney.

The Company's cost base has been substantially reset, and it is progressing with its objective of launching exchange traded managed funds via SAML.

SAML is a key part of the Company's growth strategy. During FY18, the Company entered into an agreement to acquire the shares in SAML that it did not own. We were pleased to announce this was approved by shareholders and the acquisition was completed in September 2018.

The Company's growth objectives include the development of a suite of products through SAML, leveraging off the self-directed and independent financial advisory segments. As part of this strategy we announced a new exchange traded product, the WCM Quality Global Growth Fund, which started trading in September. Over the coming financial year, the Board intends to continue to invest in the development of new funds.

An important component of the Company's ability to implement its future strategies with success relates to the marketing of our LIC and Exchange Traded Managed Fund (ETMF) mandates, and retaining and attracting key personnel. The Company has invested in its business developmenet team to help drive its FUM growth.

The restructure and new growth plan has been made possible by the drive and energy of the Company's new Chief Exeutive Officer, Mr Martin Switzer, and his management team. To achieve all of this in such a short period of time is a great achievement. I'm very much looking forward to what can be realised with the new strategy in place.

I would like to thank my fellow directors for their diligent oversight during this major period of transition.

Thank you to our shareholders for supporting our vision. Here's to another successful year for CGA, and many more milestones along the way in FY19.

Yours faithfully,

Roger Amos
Chairman

MANAGING DIRECTOR'S REPORT

Martin Switzer
CEO
Contango Asset Management Limited

The 2018 financial year was one of significant change, progression and achievement for Contango Asset Management (CGA). The business made the strategic decision to transition from an institutionally focused fund manager to a specialist listed investment house targeting the self-directed and independent financial adviser (IFA) channels of the retail market.

The rationale for the new strategy was to focus on the parts of the business and industry that are experiencing growth and to concentrate our efforts on where we believe we have a competitive advantage.

In 2018 the business has shifted its focus from a **product manufacturer** to a **marketing and distribution platform** offering high-quality fund managers access to the retail channel of the $2 trillion superannuation industry.

REVISED BUSINESS MODEL

In FY18, we streamlined our operating structure and implemented a revised business model to drive growth and future profitability. These changes included:

- a relocation of operations to Sydney;
- revised cost structures and service provider arrangements; and
- a review of fee structures to leverage profit growth and reward outperformance.

This new model will provide us with the opportunity to build operating scale, increase funds under management and attain sustainable profitability in the years ahead. The change in business direction has also been supported with the acquisition of Switzer Asset Management.

ACQUISITION OF SWITZER ASSET MANAGEMENT

The Switzer brand entered asset management in December 2015 with the purchase of Switzer Asset Management (formerly Halidon Asset Management) and the subsequent launch of the Switzer Dividend Growth Fund (Managed Fund). Within a short period of time, SAM had grown to over $110 million in funds under management (FUM). SAM was a joint venture between CGA and Switzer Financial Group.

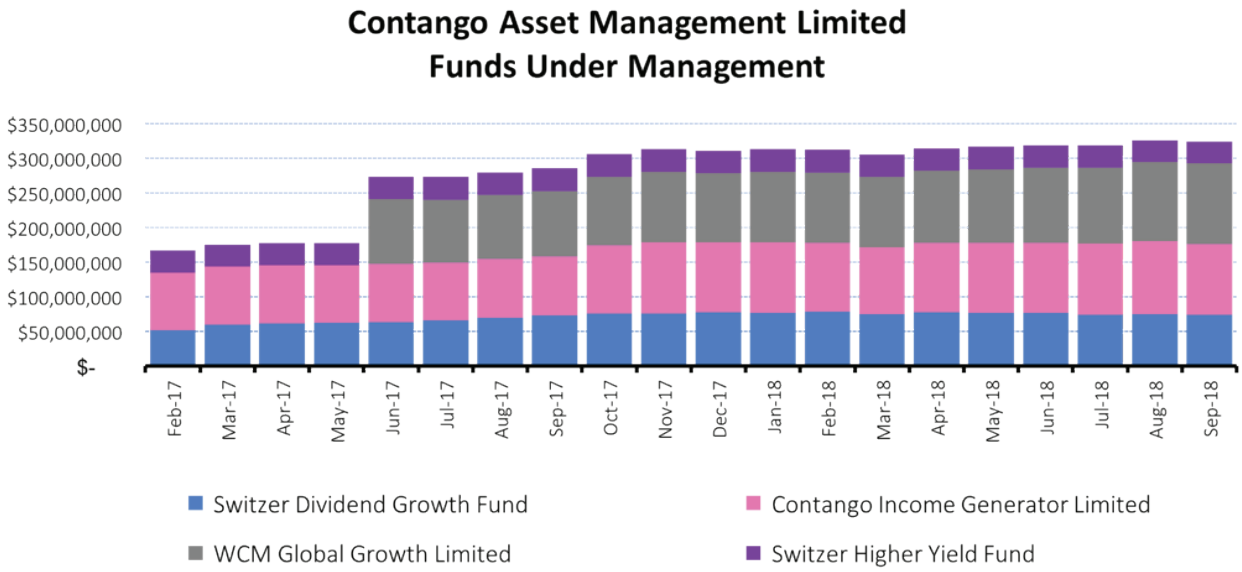
In March 2018, CGA announced its intention to acquire the remaining interest in SAM for an all-scrip consideration representing 15% of CGA's total issued capital.

The intent of the acquisition was to more closely align the distribution, marketing, investment, portfolio management and operational experience of both CGA and Switzer Financial Group (SFG). The acquisition presented a number of advantages to CGA including:

- attractive valuation metrics;
- acquisition of a retail Australian Financial Services Licence;
- use of the respected Switzer name;
- access to extensive retail and IFA networks;
- access to a media platform of direct investors; and
- a pipeline of new funds.

GROWTH IN RETAIL BUSINESS

Despite significant changes to our operating structure the business continued to grow retail funds under management. It should be noted that in the past 17 months we have **generated almost $200 million in retail funds under management (FUM)** via the Switzer Dividend Growth Fund (SWTZ), Contango Income Generator Limited (CIE), and WCM Global Growth Limited (WQG), formerly Contango Global Growth Limited.



This achievement was significant as the Company had no dedicated retail business development personnel and most products had no research house endorsements. These strong performances of retail asset raising support the new direction for the business and demonstrate the significant "brand alpha" associated with the Switzer name.

We also announced the recruitment of an experienced distribution team who will target the IFA market and distribute our product set. This is a key initiative for CGA to achieve our strategic and future growth objectives.

WCM INVESTMENT MANAGEMENT

A key focus in 2018 was the development of our relationship with WCM Investment Management (WCM).

Based in Laguna Beach, California, WCM is a global equities manager whose 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 process has resulted in WCM's flagship portfolio outperforming the MSCI World Index by an annualised 5.2% per annum over the past decade, with assets under management growing from A$200 million to over A$35 billion.

Key developments relating to our relationship with WCM included:

- the announcement to launch a WCM exchanged traded managed fund (ETMF) via our interest in Switzer Asset Management;
- an exclusivity arrangement with CGA and SAM to distribute WCM's Quality Global Growth investment strategy via a listed investment company, ETMF and retail managed fund; and
- the change of name for listed investment company Contango Global Growth Limited to WCM Global Growth Limited.

These developments were consistent with our new strategic direction as a marketing and distribution platform that partners with and promotes best of breed global brands to the self-directed and IFA channels.

Change presents opportunity and I'm confident we've initiated the right changes to our business to deliver a platform for future growth and profitability. I would like to thank our incredible team for their endless efforts throughout the year as well as the ongoing support from our Chairman and directors. I would also like to thank our shareholders and investors for the trust they've placed in us to manage their investments. We do not take this duty lightly and are very grateful for your support.

Sincerely,

Martin Switzer
CEO, Contango Asset Management

FINANCIAL REPORT

FOR THE PERIOD ENDED 30 JUNE 2018

CONTANGO ASSET MANAGEMENT LIMITED
AND CONTROLLED ENTITIES
ACN: 080 277 998

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CORPORATE GOVERNANCE STATEMENT

The Board and management of Contango Asset Management Limited 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* (Third 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 (**Corporate Governance Statement**).

The Corporate Governance Statement is accurate and up to date as at 21 August 2018 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

Your directors present their report, together with the financial statements, of the consolidated entity (referred to hereafter as the Group) consisting of Contango Asset Management Limited (the "Company" or "Parent Entity") and the entities it controlled at the end of, or during, the financial year ended 30 June 2018.

1. GENERAL INFORMATION

DIRECTORS

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

Roger Amos – Non-executive Chairman

George Boubouras – Executive Director (Resigned 27 October 2017)

Charles Aitken – Non-executive Director

Martin Switzer[1] – Executive Director (Appointed 27 October 2017)

Patricia Toh – Non-executive Director

Nerida Campbell – Non-executive Director (Appointed 17 August 2018)

[1] Martin Switzer was a Non-executive Director up until his appointment as Chief Executive Officer and Managing Director on 27 October 2017.

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 skills, experience and expertise of each person who is a director of the Company at the end of the financial year is provided below, together with details of the Company Secretary as at year end.

Name	Roger Amos
Position	Non-executive Chairman
Qualifications	FCA, FAICD

Roger was appointed to the Board of Tyrian Diagnostics Limited in June 2007 and became Chairman six months later and Roger remained as Chairman following the acquisition of the Contango business and the Company becoming Contango Asset Management Limited. Roger is an independent director of REA Group Limited, Enero Group Limited and 3P Learning Limited. He was a director until May 2012 of Austar United Communications Limited. He was Chairman of Opera Foundation Australia from 2009 to 2014. 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: Chairman

Other current directorships: Roger is a Governor of the Cerebral Palsy Alliance Research Foundation.

Name	George Boubouras
Position	Executive Director (Resigned 27 October 2017)
Qualifications	B.Ec (Hons)

George has over 25 years' experience in financial services and has held senior leadership positions, as the chief investment officer, at various global and domestic firms. George holds a Bachelor of Economics (Honours) and has undertaken further study at Harvard, MIT Sloan School of Management, the University of New South Wales and holds the Stockbrokers Association of Australia RG 146 accreditation.

Special responsibilities: Managing Director and Chief Investment Officer (Resigned 27 October 2017)

Name	Charles Aitken
Position	Non-executive Director

Charles is Chief Executive Officer and Chief Investment Officer of Aitken Investment Management Pty Ltd. He has more than 24 years of equity and futures market experience. He is an expert contributor to the Switzer Super Report, and previously to Alan Kohler's Eureka Report. He appears frequently on Australian and global financial media as an expert on Australian equities and global macroeconomic strategy.

Charles has previously been a Director and head of Sydney Sales Trading for Citigroup, Executive Director and Partner of Southern Cross Equities and Executive Director and Board member of ASX listed Bell Financial Group.

Special Responsibilities: Chair of Remuneration and Nominations Committee

Other current directorships: None

Name	Martin Switzer
Position	Executive Director (Appointed 27 October 2017) Non-executive Director (Resigned 27 October 2017)
Qualifications	B.Ec (Hons)

Before his appointment as Chief Executive Officer, Martin was previously the Chief Operating Officer of Switzer Financial Group, a content and financial services business. He has been a host on the Sky News Business channel, as well as a consultant to the Australian Defence Force Financial Services Consumer Centre.

Special responsibilities: Chief Executive Officer

Other current directorships: Martin is currently a director of WCM Global Growth Ltd, Switzer Asset Management Limited, Switzer Home Loans, is on the board of fashion media business RUSSH and has been a director of the Entrepreneurs Organisation and an ambassador for the Fight Duchenne Foundation.

Name	Patricia Toh
Position	Non-executive Director
Qualifications	B.Com, LLB

Patricia has had 15 years of investment banking and private equity experience. Patricia has previously held positions with Goldman Sachs, Macquarie Capital and GEMS Private Equity. Most recently Patricia was the Group Head of Strategy at Consolidated Press Holdings. Through this role, she was involved in CPH's portfolio company boards, general oversight of assets under management, assessing investment opportunities, and establishing the Hong Kong office.

Special responsibilities: Chair of Risk and Compliance Committee

Other current directorships: None

Name	Nerida Campbell
Position	Non-executive Director
Qualifications	B.Bus, CA, FINSIA, GAICD

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.

COMPANY SECRETARY

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

Name	Hari Morfis
Position	Company Secretary
Qualifications	B. Com, LLB (Hons)

Hari is a legal, risk and governance professional with over 17 years' experience predominantly in financial services. She has extensive corporate and commercial experience having commenced her career as a corporate lawyer at Herbert Smith Freehills. She spent 11 years at UBS in senior legal, risk and compliance roles, most recently as Head of Compliance for the UBS Wealth Management Australia business. She is director of Melbourne Women in Film Festival Limited and Company Secretary of ASX-listed entities WCM Global Growth Limited and Contango Income Generator Limited.

1. PRINCIPAL ACTIVITIES

The principal activities of the Group were providing funds management services conducted by a wholly owned subsidiary, Contango Funds Management Limited (ACN 085 487 421) and by its non-controlling associated entity, Switzer Asset Management Limited (ACN 123 611 978), of which the Group, via its subsidiary, owns 46.25%. Contango Funds Management Limited is the holder of Australian Financial Services Licence 237119 for the provision of funds management services to wholesale clients and is the responsible entity for the registered wholesale Contango Managed Investment Scheme ARSN 099 665 264. Switzer Asset Management Limited is the holder of Australian Financial Services Licence 312247 for the provision of financial services to retail and wholesale clients.

During the year, the Group reviewed its strategic objectives and operating model with a view to focus on the areas of its operations that were growing. As a result, the Group's focus has moved away from institutional wholesale mandates, to distribution of products to retail clients, including via its interest in Switzer Asset Management Limited. Consequently, the Group restructured its operations, including reducing headcount and relocating its head office to Sydney.

There were no other significant changes in the nature of the Group's principal activities during the financial year.

2. BUSINESS MODEL, STRATEGY AND OUTLOOK

BUSINESS MODEL

During the course of the year, the Group transitioned itself from an institutionally focused fund manager to a specialist listed investment house and via its non-controlling associated entity Switzer Asset Management Limited, a fund manager and responsible entity for products issued to retail clients. It manages the LIC mandates for Contango Income Generator Limited (ASX:CIE) and WCM Global Growth Limited (ASX:WQG) and, until October 2017 Contango MicroCap Limited (now known as NAOS Small Cap Opportunities Companies Limited (ASX:NSC)).

STRATEGY

The review of the Contango Group's strategy during the financial year shifted its focus from a product manager to a marketing and distribution platform. As a result, the Group has consolidated its range of in house investment strategies to focus on income-oriented solutions.

Switzer Asset Management Limited is a key part of the Group's growth strategy. The Group has entered into an agreement to acquire the shares in Switzer Asset Management Limited that it does not own. The Group's growth objectives include the development of a suite of products through Switzer Asset Management Limited, leveraging off the self-directed and independent financial advisory segments.

An important component of the Group's ability to implement its future strategies with success relates to the marketing of the LIC and Exchange Traded Managed Fund (ETMF) mandates and retaining and attracting key personnel. The Group has invested in its business development team to help drive its FUM growth. Over the coming financial year, the Board intends to allocate a portion of available working capital towards the development of new funds, marketing and compliance costs.

3. OPERATIONAL REVIEW

The consolidated profit of the Group amounted to $3,462,000 after providing for income tax (2017: loss of $14,148,000). Basic earnings per share were 8.8 cents (2017: loss of 43.0 cents per share).

Operational highlights in the year ended 30 June 2018 included:

- successful capital funding in August 2017, raising $5 million through a placement of 5.5 million new ordinary shares of the Company. The funds raised will help drive continued growth initiatives in new products and across Contango's retail and institutional pipeline;
- in October 2017, Contango Asset Management Limited (CGA) had via its subsidiary Contango Funds Management Limited (CFML) entered into an agreement to assign its investment management mandate of Contango Microcap Limited (CTN) to NAOS Asset Management Limited (NAML). The assignment of the CTN investment management agreement by CFML to NAML was for an aggregate consideration of $12.5 million payable by NAML to CFML. Of the total consideration of $12.5 million, $2 million was paid to CFML upon execution of the contract in October 2017 with a further amount of $3.86 million received in February 2018. The remaining amounts will be received over a four-year period commencing from 30 June 2019, with all conditions precedent having been satisfied. As a result of the transaction, the Group has recognised a pre-tax gain of $9.5 million in the

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2018;

- undertaken an employee scheme share buyback to a total of 5,912,695 ordinary shares that were issued in accordance the Group's Employee Share Incentive Plan and Employee Loan Share Plans. The share buyback required no outlay of cash consideration by the Group in accordance with the rules of the Share Plan;
- entered into an agreement to acquire the remaining equity interest in Switzer Asset Management Limited (SAM) as announced in March 2018. The Company currently owns 46.25% of the share capital of SAM and will increase its ownership interest to 100%. The transaction is subject to shareholder approval at an extraordinary meeting to be held on 12 September 2018. The acquisition of SAM will help further the growth in the Group's business, being listed and exchange traded investments targeted at retail, self-directed and independent financial advisory channels; and
- in June 2018, the Group via its interest in Switzer Asset Management Limited (SAML) proposed to launch an exchange traded manage fund (ETMF) to be managed by Californian-based WCM Investment Management (WCM). WCM has agreed to an exclusivity arrangement with CGA and SAML to distribute its Quality Global Growth investment strategy via a listed investment company, ETMF and retail managed fund.

4. FINANCIAL REVIEW

The net assets of the Group have increased by $7,984,000 from $3,529,000 at 30 June 2017 to $11,513,000 at 30 June 2018. This increase is largely due to the following factors:

- additional funding raised during the year amounting to $5.0 million via a share placement issue; and
- cash consideration of $5.86 million received from NAML for the assignment of the CTN investment management mandate. An impairment charge of $676,000 was also incurred on customer relationships arising from the CTN transaction.

5. OTHER ITEMS

(1) SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than stated above in the Operational Review there were no other significant changes in the state of affairs of the Group during the financial year.

(2) EVENTS AFTER THE REPORTING DATE

On 28 August 2018 the Group provided a $836,188 Subordinated Loan (SL) at an interest rate of 12% to its associated entity Switzer Asset Management Limited (SAM) with no fixed term. The loan is subordinated to all other creditors of SAM.

On 21 March 2018 the Group announced its intention to enter into an agreement to acquire the remaining equity interest in Switzer Asset Management Limited (SAM). The Company currently owns 46.25% of the share capital of SAM and will increase its ownership interest to 100%. The transaction is subject to shareholder approval at an extraordinary meeting to be held on 12 September 2018. If the transaction is approved the interest rate on the SL to SAM will reduce to zero.

The directors are not aware of any other 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.

(3) 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 (2017:$nil).

(4) FUTURE DEVELOPMENTS AND RESULTS

The Group intends to continue to consolidate and grow its position in the funds management sector and expected results of operations in future financial years are likely, in the short term, to reflect the Group's life cycle status as it funds the growth phase of its operations. There are no other likely developments which have not been included in this report.

(5) 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.

6. MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors ("the Board") held during the year ended 30 June 2018, and the number of meetings attended by each director are:

	DIRECTORS' MEETINGS		AUDIT AND RISK COMMITEE		REMUNERATION AND NOMINATIONS COMMITTEE	
	Attended	Held	Attended	Held	Attended	Held
Roger Amos	23	23	4	4	2	2
George Boubouras[1]	9	9			1	1
Charles Aitken	20	23	3	4	2	2
Martin Switzer[2]	21	21	1	1	2	2
Patricia Toh	20	23	4	4	1	1
Nerida Campbell[3]	-	-	-	-	-	-

[1] Resigned on 27 October 2017

[2] Martin Switzer became interim Chief Executive Officer of the Company with effect on 27 October 2017. His appointment as Chief Executive Officer was confirmed on 21 March 2018.

[3] Nerida Campbell appointed non-executive director 17 August 2018.

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

7. INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company, the company secretaries and all executive officers of the Company and of any related body corporate against a liability incurred as such 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.

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 an officer or auditor.

8. PROCEEDINGS ON BEHALF OF 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.

9. 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 30 to the financial statements.

The Board of Directors, in accordance with advice from the Audit 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 30 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 do 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.

10. AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration in accordance with section 307C the *Corporations Act 2001* for the year ended 30 June 2018 has been received and can be found on page 22 of the financial report.

11. 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 off to the nearest thousand dollars (unless otherwise stated).

REMUNERATION REPORT (AUDITED)

The remuneration report for the year ended 30 June 2018 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 of the Board of Directors is established to assist the Board to ensure that the Company:

- has a board of directors with the appropriate skills and experience to undertaken its duties and responsibilities; and
- adopts appropriate remuneration policies and procedures which are designed to meet the needs of the Company and to enhance individual and corporate performance.

The Board's policy for determining the nature and amount of remuneration for KMP of the Group is based on the following:

- The remuneration policy has been developed by the Remuneration Committee and approved by the Board, after having sought advice from external advisors in relation to market trends for non-executive director remuneration.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, and performance incentives.
- Incentives paid in the form of options or rights are intended to align the interest of directors and executives with those of the shareholders.
- The Remuneration Committee reviews key management personnel packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors.

SERVICE AGREEMENTS

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's policies and terms, including remuneration, relevant to the office of director.

Following the resignation of George Boubouras, Martin Switzer took on the role of interim Chief Executive Officer of the Company with effect from 27 October 2017. His total fixed remuneration from this time was $400,000 per annum exclusive of superannuation entitlements. The Group entered into an employment agreement with Martin on 22 August 2018 for no fixed term. With effect from 1 July 2018, Martin's total fixed remuneration is $430,000 per annum plus superannuation. Under his employment agreement, Martin is entitled to incentive awards calculated by reference to the total fixed remuneration. Termination by either party can be made 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.

REMUNERATION DETAILS FOR THE YEAR ENDED 30 JUNE 2018

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Group.

TABLE OF BENEFITS AND PAYMENTS

	SHORT-TERM BENEFITS			POST-EMPLOYMENT		LONG-TERM BENEFITS	Share-based Payments $	Total Remunera-tion $
2018	Cash Salary & Fees $	Bonus $	Non-monetary $	Super-annuation $	Other	Long Service Leave $		
Directors								
Roger Amos	90,000	-	-	8,550	-	-	-	98,550
George Bouboras[1]	373,986	-	-	20,048	100,000	-	-	494,034
Charles Aitken	50,000	-	-	4,750	-	-	-	54,750
Martin Switzer[2]	283,300	-	-	14,949	-	-	-	298,249
Patricia Toh	50,000	-	-	4,750	-	-	-	54,750
Total	**847,286**	**-**	**-**	**53,047**	**100,000**	**-**		**1,000,333**

[1] Resigned on 27 October 2017.

[2] Martin Switzer became interim Chief Executive Officer of the Company with effect on 27 October 2017. His appointment as Chief Executive Officer was confirmed on 21 March 2018.

	SHORT-TERM BENEFITS			POST-EM-PLOYMENT	LONG-TERM BENEFITS	Share-based Payments $	Termination Payments $	Total Remunera-tion $
2017	Cash Salary & Fees $	Bonus $	Non-monetary $	Super-annuation $	Long Service Leave $			
Directors								
Roger Amos	82,500	-	-	7,125	-	-	-	89,625
George Bouboras	375,384	-	-	19,616	-	758,478	-	1,153,478
Charles Aitken	37,500	-	-	3,563	-	126,791	-	167,854
Martin Switzer	37,500	-	-	3,563	-	126,791	-	167,854
Patricia Toh	5,265	-	-	500	-	-	-	5,765
Merilyn Sleigh	5,000	-	-	-	-	-	-	5,000
Simon O'Loughlin	5,000	-	-	-	-	-	-	5,000
Total	548,149	-	-	34,367	-	1,012,060	-	1,594,576

SECURITIES RECEIVED THAT ARE NOT PERFORMANCE RELATED

No members of key management personnel are entitled to receive securities which are not performance based as part of their remuneration package.

DESCRIPTION OF SHARES ISSUED AS REMUNERATION

Details of the shares issued as remuneration to those key management personnel and executives during the year:

DIRECTORS	SHARE-BASED PAYMENTS $	NUMBER OF SHARES
Roger Amos	-	-
George Boubouras	-	-
Charles Aitken	-	-
Martin Switzer	-	-
Patricia Toh	-	-

All options were issued by the Company entitle the holder to ordinary shares in Contango Asset Management Limited and Controlled Entities for each option exercised.

There have not been any alterations to the terms or conditions of any share-based payment arrangements since grant date.

KEY MANAGEMENT PERSONNEL'S OPTIONS AND RIGHTS HOLDINGS

30 JUNE 2018 DIRECTORS	BALANCE AT BEGINNING OF YEAR	GRANTED AS REMUNERATION	EXERCISED	OTHER CHANGES	BALANCE AT THE END OF YEAR	VESTED DURING THE YEAR	VESTED AND EXERCISABLE
Roger Amos	-	-	-	-	-	-	-
George Boubouras	-	-	-	-	-	-	-
Charles Aitken	-	-	-	-	-	-	-
Martin Switzer	-	-	-	-	-	-	-
Patricia Toh	-	-	-	-	-	-	-

30 JUNE 2017 DIRECTORS	BALANCE AT BEGINNING OF YEAR	GRANTED AS REMUNERATION	EXERCISED	OTHER CHANGES	BALANCE AT THE END OF YEAR	VESTED DURING THE YEAR	VESTED AND EXERCISABLE
Roger Amos	-	-	-	-	-	-	-
George Boubouras	-	-	-	-	-	-	-
Charles Aitken	-	-	-	-	-	-	-
Martin Switzer	-	-	-	-	-	-	-
Patricia Toh	-	-	-	-	-	-	-
Merilyn Sleigh	-	-	-	-	-	-	-
Simon O'Loughlin	-	-	-	-	-	-	-

KEY MANAGEMENT PERSONNEL'S SHAREHOLDINGS

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

30 JUNE 2018 DIRECTORS	BALANCE AT BEGINNING OF YEAR	GRANTED AS REMUNERATION	EXERCISED	OTHER CHANGES	BALANCE AT THE END OF YEAR
Roger Amos	107,227	-	-	-	107,227
George Boubouras	3,925,750	-	-	-	3,925,750*[1]
Charles Aitken	211,319	-	-	-	211,319
Martin Switzer	818,469	-	-	20,000	838,469
Patricia Toh	100,000	-	-	-	100,000
	5,162,765	-	-	20,000	5,182,765

* Balance as at the date of resignation 27 October 2017.

[1] On 18 May 2018 the Company exercised its rights under its employee share buyback scheme to acquire 2,425,938 ordinary shares issued under the Employee Loan Share Plan and Employee Share Incentive Plan for nil consideration.

OPTIONS

The number of options on issue at year end are 345,000. Details of the options are set out at Note 21(a).

This director's report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

Director:

Roger Amos
Chairman

AUDITOR'S INDEPENDENCE DECLARATION

Building a better working world

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

As lead auditor for the audit of Contango Asset Management Limited and its subsidiaries for the financial year ended 30 June 2018, 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.

Ernst & Young

Ernst & Young

Luke Slater

Luke Slater
Partner
28 August 2018

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	NOTES	2018 $'000	2017 $'000
Revenue	2	3,530	4,135
Other revenue	2	9,506	13
Total revenue		13,036	4,148
Employee benefits expense		(4,301)	(3,096)
Operations expense		(847)	(590)
Professional services expense		(940)	(514)
Corporate and administrative expenses	3(a)	(3,340)	(3,570)
Share of loss of Associate	8	(39)	(25)
Earnings before depreciation and amortisation, impairment loss, finance costs and income tax		3,569	(3,647)
Depreciation and amortisation	3(b)	(287)	(431)
Impairment loss	11(a)	(676)	(10,311)
Profit / (loss) before finance costs and income tax		2,606	(14,389)
Finance costs		(8)	(48)
Profit / (loss) before income tax		2,598	(14,437)
Income tax (expense)/ credit	4	864	289
Net profit / (loss) for the year		3,462	(14,148)
Other comprehensive income / (loss), net of income tax			
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		3,462	(14,148)
Net profit / (loss) attributable to:			
Members of the parent entity		3,462	(14,148)
Total comprehensive income / (loss) attributable to:			
Members of the parent entity		3,462	(14,148)
Earnings per share attributable to the ordinary equity holders of the Company:			
Basic earnings per share (cents)	20	8.8	(43.0)
Diluted earnings per share (cents)	20	8.3	(43.0)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	NOTES	2018 $'000	2017 $'000
ASSETS			
Current assets			
Cash and cash equivalents	5	5,416	819
Trade and other receivables	6	2,147	1,348
Other assets	7	221	187
Total current assets		7,784	2,354
Non-current assets			
Trade and other receivables	6	4,221	-
Investment accounted for using the equity method	8	308	347
Other financial assets	9	604	504
Property, plant and equipment	10	13	220
Intangible assets	11	-	2,882
Total non-current assets		5,146	3,953
TOTAL ASSETS		12,930	6,307
LIABILITIES			
Current liabilities			
Trade and other payables	12	1,270	823
Borrowings	13	-	750
Provisions	14	147	341
Current tax liability	15	-	-
Total current liabilities		1,417	1,914
Non-current liabilities			
Deferred tax liability	15	-	864
Total non-current liabilities		-	864
TOTAL LIABILITIES		1,417	2,778
NET ASSETS		11,513	3,529
EQUITY			
Issued capital	16	145,431	140,777
Reserves	17	135	267
Accumulated losses	18	(134,053)	(137,515)
TOTAL EQUITY		11,513	3,529

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

2017	ISSUED CAPITAL $'000	SHARE OPTION RESERVE $'000	ACCUMULATED LOSSES $'000	TOTAL $'000
Balance at 1 July 2016	123,626	-	(123,367)	259
Loss attributable to members of the parent entity	-	-	(14,148)	(14,148)
Total comprehensive income for the period	-	-	(14,148)	(14,148)
Transactions with owners in their capacity as owners				
Share-based payment transactions	-	214	-	214
Issue of options	-	53	-	53
Issue of shares, net of transaction costs	17,151	-	-	17,151
Balance at 30 June 2017	140,777	267	(137,515)	3,529
2018	**ISSUED CAPITAL $'000**	**SHARE OPTION RESERVE $'000**	**ACCUMULATED LOSSES $'000**	**TOTAL $'000**
Balance at 1 July 2017	140,777	267	(137,515)	3,529
Profit attributable to members of the parent entity	-	-	3,462	3,462
Total comprehensive income for the period	-	-	3,462	3,462
Transactions with owners in their capacity as owners				
Share-based payment transactions	-	(132)	-	(132)
Issue of options	-	-	-	-
Issue of shares, net of transaction costs	4,654	-	-	4,654
Balance at 30 June 2018	145,431	135	(134,053)	11,513

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	NOTES	2018 $'000	2017 $'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		4,665	3,870
Payments to suppliers and employees		(9,758)	(5,986)
Finance costs paid		(18)	(43)
Interest received		52	18
Income tax refund		-	35
Net cash provided by/(used in) operating activities	31(a)	(5,059)	(2,106)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from assignment of CTN Mandate		5,860	-
Purchase of property, plant and equipment		(8)	(233)
Acquisitions of subsidiary, net of cash acquired		-	(10,273)
Purchase of investments		-	(75)
Payment for transaction costs to acquire businesses		-	(366)
Loans to related parties		(100)	(159)
Net cash used by investing activities		5,752	11,106
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		-	750
Proceeds from issue of new shares		5,000	14,244
Transaction costs relating to issue of new shares		(346)	(1,260)
Repayment of borrowings	31(c)	(750)	-
Net cash used by financing activities		3,904	13,734
Net increase/(decrease) in cash and cash equivalents held		4,597	522
Cash and cash equivalents at beginning of year		819	297
Cash and cash equivalents at end of financial year	5	5,416	819

The accompanying notes form part of these financial statements.

NOTES TO THE 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 and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Contango Asset Management Limited's functional and presentation currency.

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 August 2018.

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. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The financial statements have been prepared on a going concern basis.

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

The following is a summary of significant accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(A) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent Contango Asset Management Limited and all of the subsidiaries (including any structured entities). 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 24.

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.

(B) 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 remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured 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.

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.

(C) TAX CONSOLIDATION

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

(D) INCOME TAX

The income tax expense (income) 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.

(E) 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.

(F) 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.

The estimated useful life for plant and equipment for the period is three years (2017: three years).

(G) FINANCIAL INSTRUMENTS

Initial recognition and measurement:

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either the purchase or sale of the asset (that is, trade date accounting is adopted).

Financial instruments are initially measured 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.

Classification and subsequent measurement:

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or at cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment:

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.

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.

(H) CASH AND CASH EQUIVALENTS

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

(I) TRADE AND OTHER RECEIVABLES

Trade receivables, which generally have 30 day terms, are recognised initially at fair value, less an allowance for impairment. Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Group will not be able to collect the debt.

Objective evidence of impairment includes financial difficulties of the debtor, default payments or debts more than 90 days overdue. On confirmation that the trade receivable will not be collectable an estimated loss of the gross carrying value of the asset is written off against the associated provision.

(J) INVESTMENT IN JOINT VENTURES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its joint venture are accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The Statement of Profit or Loss reflects the Group's share of the results of operations of the joint venture. Any change in other comprehensive income ("OCI") of those investees is presented as part of the Group's other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and joint venture are eliminated to the extent of the interest in the joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss in profit or loss.

(K) 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).

(L) REVENUE RECOGNITION

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

The following specific recognition criteria must also be met before revenue is recognised:

(i) Rendering of services

Management and service fees are recognised upon delivery of the service to the customer.

(ii) Interest revenue

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

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

(M) GOODS AND SERVICES TAX (GST)

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 (ATO). 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 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.

(N) EMPLOYEE BENEFITS

Employee benefit obligations are presented as current liabilities in the Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave, and any other employee benefits expected to be settled within 12 months of the reporting date are measured at the amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as provisions.

(ii) Long-term employee benefit obligations

The provision for employee benefits in respect of long service leave and annual leave which, are not expected to be settled within 12 months of the reporting date, are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

(iii) Bonus plan

The consolidated entity recognises a provision when a bonus is payable in accordance with the employee's contract of employment, and the amount can be reliably measured.

(O) 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.

(P) PROVISIONS

Provisions are recognised when the consolidated entity 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.

(Q) 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 Statement of Financial Position date.

(R) LEASES

The determination of whether an arrangement is or contains a lease is based on the substance of an arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss. There were no finance leases during the year.

Operating lease payments are recognised as an expense in profit and loss on a straight-line basis over the lease term. Lease incentives are recognised in profit or loss as an integral part of the total lease expense.

(S) SHARE-BASED PAYMENTS

The consolidated entity 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 at 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.

(T) 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.

(U) 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) Income tax

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

(ii) Impairment of goodwill

Goodwill is allocated to cash-generating units (CGUs) according to applicable business operations. The recoverable amount of a CGU is based on value in use calculations.

(iii) Customer relationships

The useful life of customer relationships is estimated by management to be the expected period from which the Group is expected to derive benefits from this asset.

(iv) Share-based payments

The Black–Scholes valuation model is used to determine the fair value of equity-settled options. Key assumptions applied in the valuation may require judgement and estimates which includes the estimated number of the awards that will ultimately vest, the expected dividend yield and volatility.

(v) Going concern

As a component of the going concern assessment, the Group has prepared forecasted cash flow from operations over the next 12 months. The key assumptions used in this assessment include acquiring the remaining shares in Switzer Asset Management that it does not own and launching further ETMFs, including WCM Quality Global Growth Fund (Quoted Managed Fund), to be managed by WCM Investment. To support its strategic growth objectives, the Group intends to strengthen its cash position through debt or equity funding sources.

(V) COMPARATIVE FIGURES

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

(W) 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.

(X) NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

The new standards that are applicable to for the first time for the year ended 30 June 2018 are:

- AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses;
- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107; and
- AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014–2016 Cycle.

These standards have introduced new disclosures for the Annual Financial Report but did not affect the Group's accounting policies or any of the amounts recognised in the financial statement.

(Z) NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

Accounting standards issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

AASB 9: Financial Instruments and Associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the Group elect to change its hedge policies in line with the new hedge accounting requirements of the standard, the application of such accounting would be largely prospective.

The financial assets and liabilities of the Group consist of cash, receivables and payables. Therefore, the directors do not expect a material impact on transition to AASB 9.

AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015 8: Amendments to Australian Accounting Standards – Effective Date of AASB 15).

When effective, this standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this standard permit an entity to either:

- restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15);
- or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

The revenue of the Group is primarily derived from management and service fees. These fees are recognised as revenue when services are delivered at which point the performance obligations are satisfied. Therefore, the directors expect that there will be no material impact on transition to AASB 15.

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases and related Interpretations*. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new standard include:

- recognition of a right to use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right to use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The directors expect that the adoption of AASB 16 will result in lease assets and liabilities being recognised on balance sheet and a change in how related expenses are incurred. The financial impact of this had not yet been determined.

AASB 2014 10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (applicable to annual reporting periods beginning on or after 1 January 2018).

This standard amends AASB 10: Consolidated Financial Statements with regards to a parent losing control over a subsidiary that is not a "business" as defined in AASB 3: *Business Combinations* to an associate or joint venture, and requires that:

- a gain or loss (including any amounts in other comprehensive income (OCI)) be recognised only to the extent of the unrelated investor's interest in that associate or joint venture;
- the remaining gain or loss be eliminated against the carrying amount of the investment in that associate or joint venture; and
- any gain or loss from remeasuring the remaining investment in the former subsidiary at fair value also be recognised only to the extent of the unrelated investor's interest in the associate or joint venture. The remaining gain or loss should be eliminated against the carrying amount of the remaining investment.

The application of AASB 2014 10 will result in a change in accounting policies for transactions of loss of control over subsidiaries (involving an associate or joint venture) that are businesses per AASB 3: Business Combinations for which gains or losses were previously recognised only to the extent of the unrelated investor's interest.

The directors do not expect a material impact when this standard is adopted.

AASB 2016 5: Amendments to Australian Accounting Standards – Classification and Measurement of Share based Payment Transactions (applicable from 1 January 2018).

This standard provides guidance on treatment of vesting conditions in a cash-settled share-based payment arrangement that are similar to what has been prescribed for equity-settled, share-based payment arrangements. It also clarifies that, subject to certain exceptions, share based payment transactions with net settlement feature on account of withholding tax obligations should be classified in entirety as equity-settled, share-based payment.

The Group does not have a policy of cash-settled, share-based awards or net settlement features in equity-settled plans, therefore this standard is not expected to impact the Group's financial statements.

AASB 2017 1: Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014 2016 Cycle and Other Amendments (applicable to annual reporting periods beginning on or after 1 January 2018).

This standard amends AASB 140: *Investment Property* to clarify that a change in use of a property is evidenced only by acts indicating actual change in use and not merely due to change in management intentions.

This standard also amends AASB 128: *Investments in Associates and Joint Ventures* to provide that the election to measure investment in an associate or joint venture that is held through venture capital organisations or a mutual fund, unit trust and similar entities including investment linked insurance funds at fair value through profit or loss, should be made at the time of initial recognition of the investment in associate or joint venture. Similarly, the election by an entity that is not an investment entity to retain fair value measurements used by its investment entity associate or joint venture for its subsidiaries, has to be made at the later of:

- the date of initial recognition of the associate or joint venture;
- date when the investment entity associate or joint venture becomes a parent; and
- date when the associate or joint venture becomes an investment entity.

The above amendments are required to be retrospectively applied in accordance with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*. This standard is not expected to impact the Group's financial statements.

AASB 2017-6: Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation (applicable to annual reporting periods beginning on or after 1 January 2019).

This standard amends AASB 9 to permit an entity to measure its financial assets with prepayment feature at amortised cost or fair value through other comprehensive income notwithstanding the type of event or circumstances causing the early termination of the contract and the fact whether the entity pays or receives a reasonable compensation for the early termination.

The transitional provisions of the standard require retrospective application of the amendments. However, the directors do not expect a material impact on the Group's financial statements when this standard is adopted.

AASB 2017-7: Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures (applicable to annual reporting periods beginning on or after 1 January 2019).

This amendment to AASB 128 clarifies that an entity should apply the requirements in AASB 9 to its long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture and that are not equity-accounted. However the loss allocation and impairment requirements in AASB 128 are required to be applied after accounting for such interests in accordance with AASB 9.

The directors do not expect a material impact on the Group's financial statements when this standard is adopted.

AASB 2018-1: Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle (applicable to annual reporting periods beginning on or after 1 January 2019).

The standard amends:

- AASB 3 *Business Combinations* to clarify that an entity remeasures its previously held interest in a joint operation when it obtains control of the business;
- AASB 11 *Joint Arrangements* to clarify that an entity does not remeasure its previously held interest in a joint operation when it obtains joint control of the business;
- AASB 112 Income Taxes to clarify that an entity accounts for all income tax consequences of dividend payments according to where the entity originally recognised the past transactions or events that generated the distributable profits; and
- AASB 123 Borrowing Costs to clarify that an entity treats any borrowing originally made to develop a qualifying asset as part of general borrowings when the asset is ready for its intended use or sale.

The above amendments are required to be prospectively applied. In the opinion of the directors, although the amendments to AASB 3 and AASB 11 mentioned above may have an impact on the financial statements of the Group it is impracticable to make a reasonable estimate of the impact on initial application. The amendments to AASB 112 and AASB 123 are not expected to have a material impact on the Group's financial statements since the current accounting policies of the Group are already aligned with the amended standards.

AASB 2018-2: Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement (applicable to annual reporting periods beginning on or after 1 January 2019).

The standard amends AASB 119 to specify how an entity accounts for defined benefit plans when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments require an entity to use the assumptions used for the re-measurement of the net defined benefit liability or asset to determine the current service cost and the net interest for the remainder of the reporting period after a plan event occurs. The standard also clarifies that, when a plan event occurs, an entity recognises the past service cost or a gain or loss on settlement separately from its assessment of the asset ceiling.

The directors do not expect a material impact on the Group's financial statements when this interpretation is adopted.

Interpretation 22: Foreign Currency Transactions and Advance Consideration.

This interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

Interpretation 22 mandatorily applies to for-profit entities for annual reporting periods beginning on or after 1 January 2018, with early application permitted. The directors do not expect a material impact on the Group's financial statements when this standard is adopted.

Interpretation 23: Uncertainty over Income Tax Treatments (applicable from annual reporting periods beginning on or after 1 January 2019).

This interpretation clarifies that when determining the taxable profit (loss), tax base, unused tax loss, unused tax credit and tax rates, the probability of the "uncertain tax treatment" being accepted by the taxation authority has to be taken into account. Any change in facts and circumstances that impacts the judgement or estimates required by this interpretation has to be recognised with prospective effect.

The directors do not expect a material impact on the Group's financial statements when this interpretation is adopted.

NOTE 2: REVENUE

	2018 $'000	2017 $'000
Revenue		
Investment management and service fees	3,478	4,117
Interest income	52	18
Total revenue	3,530	4,135
Other Income		
Other income	-	13
Gain on assignment of CTN Investment mandate[1]	9,506	-
Total other income	9,506	13

[1] During the year, the Group via its subsidiary Contango Funds Management Limited (CFML) entered into an agreement to assign its investment management mandate of Contango Microcap Limited (CTN) to NAOS Asset Management Limited (NAML).

The assignment of the CTN mandate was made for an aggregate consideration of $12.5 million, of which $2 million was paid to CFML upon execution of the contract in October 2017 with a further amount of $3.86 million received in February 2018. The remaining amount receivable from NAML of $6.64 million will be received over a four-year period commencing from 30 June 2019.

As a result of the transaction, the Group recognised a pre-tax gain of $9.506 million in the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2018. The net gain is the total consideration of $12.5 million less the carrying value of customer relationships transferred in the sale of $1.977 million, and less a discount of $1.017 million applied to the remaining amount that will be received over a four-year period.

NOTE 3:

		2018 $'000	2017 $'000
(A) CORPORATE AND ADMINISTRATIVE EXPENSES			
Advertising		250	214
Accounting, audit, acquisition and relisting costs		806	1,353
Insurance		150	97
IT expenses		53	80
Office and communication costs		211	54
Travel and accommodation		552	385
Share-based payments		(132)	1,196
Loyalty incentive costs		487	-
Loss on disposal of assets		155	-
Other		808	191
Total corporate and administrative expenses		3,340	3,570
(B) DEPRECIATION AND AMORTISATION			
Depreciation – plant and equipment	10	58	20
Amortisation – customer relationships	11	229	411
Total depreciation and amortisation		287	431

NOTE 4: INCOME TAX EXPENSE

	2018 $'000	2017 $'000
(A) THE MAJOR COMPONENTS OF TAX EXPENSE COMPRISE:		
Current tax	-	-
Derecognition of deferred tax liabilities	864	289
	864	289
(B) NUMERICAL RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE:		
Profit/ (loss) before income tax expense	2,598	(14,437)
Prima facie income tax (expense)/ benefit at the statutory rate of 27.5% (2017: 27.5%)	(714)	3,970
Effect of amounts which are non-deductible/assessable in calculating taxable income		
Non-allowable items	(346)	(2,834)
Tax losses not recognised as deferred tax assets	-	(847)
Recoupment of prior year losses not previously brought to account	1,924	-
Income (expense)/benefit reported in the Consolidated Statement Profit or Loss and Other Comprehensive Income	864	289
(C) THE AMOUNT OF DEDUCTIVE TEMPORARY DIFFERENCES AND UNUSED TAX LOSSES FOR WHICH NO DEFERRED TAX ASSET HAS BEEN RECOGNISED:		
Potential tax benefit at 27.5% (2017: 27.5%)	1,169	2,712

In prior year the Group disclosed a potential tax benefit not brought to account as $469,000 which was incorrect and should have been $2,712,000. The Group incorrectly assessed the tax losses that would be available for offset in future years.

A tax asset will not be recognised until it becomes probable that the tax consolidated group will obtain the benefit of these losses, because:

i. it derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised, or

ii. the losses are transferred to an eligible entity, and

iii. the tax consolidated group continues to comply with the conditions for deductibility imposed by tax legislation, and there are no tax legislation changes that adversely affect the ability of the consolidated tax entity to realise the benefit from the deductions for the losses.

NOTE 5: CASH AND CASH EQUIVALENTS

	2018 $'000	2017 $'000
Cash at bank	5,416	819

NOTE 6: TRADE AND OTHER RECEIVABLES

	2018 $'000	2017 $'000
CURRENT		
Trade receivables	263	1,257
Sundry debtors	214	45
GST receivable	118	46
NAML receivable[1]	1,552	-
Total current trade and other receivables	2,147	1,348
NON-CURRENT		
NAML receivable[1]	4,071	-
Other receivable	150	-
Total non-current trade and other receivables	4,221	-
Total trade and other receivables	6,368	1,348

[1] The NAML receivable relates to the deferred consideration payable by NAML to CFML over the four-year period in accordance with the conditions of the arrangement disclosed in Note 2. This has been measured at amortised cost using the effective interest method.

The ageing of trade receivables as at 30 June 2018 is less than 30 days (2017: 30 days). There are no trade receivables which are past due and impaired as at 30 June 2018 (2017: nil).

NOTE 7: OTHER ASSETS

	2018 $'000	2017 $'000
CURRENT		
Prepayments	112	110
Accrued income	109	77
Total other assets	221	187

NOTE 8: INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

	PRINCIPAL PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	**PERCENTAGE INTEREST (%) 2018**	PERCENTAGE INTEREST (%) 2017
(A) INFORMATION ABOUT ASSOCIATES AND JOINT VENTURES			
Switzer Asset Management Limited	Australia	**46.25**	46.25

The Group has a 46.25% interest in Switzer Asset Management Limited (ACN: 123 611 978). The Group's interest in Switzer Asset Management Limited is accounted for using the equity method in the consolidated financial statements.

	2018 $'000	2017 $'000
(B) SUMMARISED FINANCIAL INFORMATION		
Summarised Statement of Financial Position of Switzer Asset Management Limited:		
Current assets	**866**	623
Non-current assets	**67**	30
Current liabilities	**(243)**	(79)
Non-current liabilities	**(519)**	(319)
Equity	**171**	255
Group's share of equity	**79**	118
Summarised Statement of Comprehensive Income of Switzer Asset Management Limited:		
Revenue	**881**	446
Administration expenses	**(1,002)**	(522)
Profit/(loss) before tax	**(121)**	(76)
Income tax expense	**36**	22
Profit/(loss) for the period (continuing operations)	**(85)**	(54)
Total comprehensive income for the period (continuing operations)	**(85)**	(54)
Group's share of profit/(loss) for the period	**(39)**	(25)

The associate entity had no contingent liabilities or capital commitments as at 30 June 2018 (2017: nil).

The loss in Switzer Asset Management Limited amounted to $(85,000) after providing for income tax (2017: $54,000). At 30 June 2018, the Group reduced the value of its investment in Switzer Asset Management Limited by its share of the joint venture's loss of $39,000 This reduced the value of the investment to $308,000.

NOTE 8: INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

	2018 $'000	2017 $'000
(C) RECONCILIATION TO CARRYING AMOUNTS		
Opening balance	347	-
Amounts acquired as part of business combination	-	372
Amounts invested during the year	-	-
Share of losses during the year	(39)	(25)
Closing balance	308	347

The Group performs its annual impairment test at year end of its interest in Switzer Asset Management Limited and when circumstances indicate the carrying value may be impaired. The Group's impairment test for its interest in the joint venture assumes that sales will increase by 10% in the 2018 year as a result of an increase in funds under management and costs will reduce by 5% as a result of the one-off costs being incurred in the 2017 year for the development of the Exchange Traded Products (ETP).

NOTE 9: OTHER FINANCIAL ASSETS

	2018 $'000	2017 $'000
NON-CURRENT		
Other financial asset[1]	345	345
Loan to Switzer Asset Management Limited (Note 25(b))	259	159
	604	504

[1]Other financial assets are interest-bearing deposits supporting bank guarantees for operating leases and are refunded upon termination of the lease contract

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	2018 $'000	2017 $'000
Furniture, fixtures and fittings		
At cost	-	187
Accumulated depreciation	-	(9)
Total furniture, fixtures and fittings	-	178
Computer equipment		
At cost	26	46
Accumulated depreciation	(13)	(4)
Total computer equipment	13	42
Total property, plant and equipment	13	220

Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	FURNITURE, FIXTURES AND FITTINGS $'000	COMPUTER EQUIPMENT $'000	TOTAL $'000
2017			
Opening balance at 1 July 2016	-	-	-
Additions	208	66	274
Disposals	(19)	(15)	(34)
Depreciation expense	(11)	(9)	(20)
Closing balance at 30 June 2017	178	42	220
2018			
Opening balance at 1 July 2017	178	42	220
Additions	8	-	8
Disposals	(136)	(21)	(157)
Depreciation expense	(50)	(8)	(58)
Closing balance at 30 June 2018	-	13	13

NOTE 11: INTANGIBLE ASSETS

	2018 $'000	2017 $'000
Goodwill	9,760	9,760
Accumulated impairment loss	(9,760)	(9,760)
	-	-
Customer relationships	1,867	3,844
Accumulated amortisation and impairment loss	(1,867)	(962)
	-	2,882
Total intangibles	-	2,882

	GOODWILL $'000	CUSTOMER RELATIONSHIPS $'000	TOTAL $'000
(A) MOVEMENTS IN CARRYING AMOUNTS OF INTANGIBLE ASSETS			
Opening value at 1 July 2016	-	-	-
Additions through business combinations	9,760	3,844	13,604
Amortisation charge	-	(411)	(411)
Impairment loss	(9,760)	(551)	(10,311)
Closing value at 30 June 2017	-	2,882	2,882
Opening value at 1 July 2017	-	2,882	2,882
Disposal of asset[1]	-	(1,977)	(1,977)
Amortisation charge	-	(229)	(229)
Impairment loss	-	(676)	(676)
Closing value at 30 June 2018	-	-	-

[1] The disposal amount of customer relationships relates to the CTN transaction disclosed in Note 2.

(B) IMPAIRMENT

Customer relationships represent the value of relationships with customers (primarily investment management agreements) existing at the date of acquisition of the Contango business – September 2016. During the year, an impairment charge of $676,000 has been recognised against customer relationships based on the assessment of net cash flows expected from remaining investment management agreements in place at 31 December 2017, less cost of operations.

The impairment charge recognised forms part of the one reporting segment as disclosed in Note 29.

NOTE 12: TRADE AND OTHER PAYABLES

	2018 $'000	2017 $'000
CURRENT		
Trade payables	447	355
GST payable	43	49
Accrued expenses	758	360
Interest payable on short-term loan	-	10
Other payables	22	49
Total trade and other payables	1,270	823

Refer to Note 22 for further information on financial risk management.

NOTE 13: BORROWINGS

	2018 $'000	2017 $'000
CURRENT		
Other unsecured loans	-	750
Total current borrowings	-	750

Summary of borrowing arrangements

Borrowings consisted of an unsecured loan repayable at an interest rate of 5.25%. The loan was repaid on 5 September 2017.

NOTE 14: PROVISIONS

	2018 $'000	2017 $'000
CURRENT		
Annual leave	113	204
Long service leave	34	137
	147	341

	EMPLOYEE BENEFITS $'000
MOVEMENT IN CARRYING AMOUNTS	
Opening balance at 1 July 2017	341
Additional provisions	279
Provisions used	(473)
Closing balance at 30 June 2018	147

NOTE 15: TAX LIABILITIES

	2018 $'000	2017 $'000
(A) CURRENT TAX LIABILITY		
Provision for income tax	-	-
(B) DEFERRED TAX LIABILITY		
Deferred tax liability on customer relationships consists of:		
Opening balance	864	-
Acquired during the year	-	1,153
Reduction through impairment and amortisation of intangible	(864)	(289)
Closing balance at the end of the reporting period	-	864

NOTE 16: ISSUED CAPITAL

	2018 $'000	2017 $'000
41,908,361 (2017: 42,265,500) ordinary shares	145,431	140,777

	NUMBER OF SHARES $'000	$'000
MOVEMENTS IN ORDINARY SHARES CAPITAL		
Opening balance 1 July 2017	42,265,500	140,777
Issue of shares, net of transactions costs	5,555,556	4,654
Cancellation of shares	(5,912,695)	-
At the end of the reporting period	41,908,361	145,431

On the 28 August 2017, Contango Asset Management Limited had issued placement shares to a total of 5.5 million at a price of $0.90 per share. The placement shares were issued on the same terms as, and rank equally in all respects with the existing fully paid ordinary shares in the Company.

EMPLOYEE SHARE PLANS:

The shares issued under the Employee Share Incentive Plan (ESIP) and Employee Loan Share Plan (ELSP) are treated as options under Australian Accounting Standards. 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 the reserve account, refer to the Consolidated Statement of Changes in Equity. The fair value of any shares issued are measured at the market bid price at grant date. In respect of share-based payments that are dependent on the satisfaction of conditions, the number of shares expected to vest is reviewed and adjusted at each reporting 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.

During the year, the Company has undertaken a share buyback of 1,369,344 fully paid ordinary shares issued under ESIP and 4,543,351 fully paid ordinary shares issued under ELSP for nil cash consideration pursuant to the respective share-buy back agreements.

NOTE 17: RESERVES

	2018 $'000	2017 $'000
Share option reserve		
Opening balance	267	-
Recognition of share-based payments	-	214
Issue of share options	-	53
Cancellation of share options	(132)	-
	135	267
Total reserves	135	267

The share option reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

NOTE 18: ACCUMULATED LOSSES

	2018 $'000	2017 $'000
Opening balance	(137,515)	(123,367)
Net profit/ (loss) attributable to the shareholders	3,462	(14,148)
Accumulated losses at end of the year	(134,053)	(137,515)

NOTE 19: DIVIDENDS

No dividend has been declared or paid in respect to the financial year ended 30 June 2018 (2017: $nil).

NOTE 20: EARNINGS PER SHARE

Basic 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.

	2018 CENTS	2017 CENTS
Basic earnings (loss) per share		
Total profit/ (loss) per share attributable to the ordinary equity holders of the Company	8.8	(43.0)
Dilutive earnings (loss) per share		
Total profit/ (loss) per share attributable to the ordinary equity holders and potential ordinary equity holders of the Company	8.3	(43.0)

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

	2018 $'000	2017 $'000
(A) RECONCILIATION OF EARNINGS TO PROFIT OR LOSS FROM CONTINUING OPERATIONS		
Basic earnings per share		
Profit/ (loss) attributable to the ordinary equity holders of the Company used in calculating basic loss per share	3,462	(14,148)
Diluted earnings per share		
Profit/ (loss) attributable to the ordinary equity holders of the Company used in calculating diluted loss per share	3,462	(14,148)
(B) EARNINGS USED TO CALCULATE OVERALL EARNINGS PER SHARE		
Earnings used to calculate overall earnings per share	3,462	(14,148)

	2018 NO.	2017 NO.
(C) WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR IN CALCULATION OF EARNINGS PER SHARE		
Weighted average number of ordinary shares used in calculating basic earnings per share	39,214,130	32,896,924
Effects of dilution from:		
Pacific Point Partners Options	48,501	-
ELSP Options	689,914	-
ESIP Options	1,847,747	-
Weighted average number of ordinary shares adjusted for the effect of dilution	41,800,292	32,896,924

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 21: SHARE-BASED PAYMENTS

(A) SHARE OPTIONS TO PACIFIC POINT PARTNERS LIMITED

Contango Asset Management Limited (formerly Tyrian Diagnostics Ltd) had issued 345,000 share options to Pacific Point Partners Limited in partial consideration of it providing a loan to assist in the acquisition of the Contango business in September 2016. The Options have an exercise price of $0.60 each, granted on 26 September 2016 and are exercisable at any time after the one year anniversary of the date of grant until the fifth year anniversary of the date of grant. The fair value at grant date is estimated using a Black–Scholes pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of options was estimated on the date of grant 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	$0.1527

For the year ended 30 June 2018, these options have vested and are exercisable by Pacific Point Partners Limited.

NOTE 21: SHARE-BASED PAYMENTS (CONTINUED)

	2018		2017	
	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
MOVEMENTS DURING THE YEAR				
Options outstanding as at 1 July	345,000	$0.60	-	-
Granted during the year	-	-	345,000	$0.60
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Options outstanding as at 30 June	345,000	$0.60	345,000	$0.60
Options exercisable as at 30 June	345,000		-	

(B) EMPLOYEE SHARE PLANS

The Group had established the Employee Loan Share Plan (ELSP) and Employee Share Incentive Plan (ESIP) in September 2016. The key details of the share plans are as follows:

- Only certain employees of the Group are eligible to participant in the share plans, which is for fully paid ordinary shares in the capital of the Company. The Company loans the employee an amount equal to the acquisition price of the shares at zero interest.
- The loan amount for shares acquired under the ESIP and is repayable in instalments during the three years after the acquisition of shares.
- The loan amount for shares acquired under the share plans is repayable within 30 days after the seventh anniversary of the date of acquisition of shares.
- A third of the shares are locked until the fifth anniversary of the date of acquisition of the shares. A further third of the shares are locked until the sixth anniversary of the date of acquisition of the shares. The final third of the shares are locked until the seventh anniversary of the date of acquisition of the shares.
- If an employee who is a participant ceases to be an employee during the relevant loan period or prior to the fifth anniversary of the date of acquisition due to dismissal the shares will become "Leaver Shares" and may be purchased by the Company or employee pursuant to the put/call option arrangements.

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

	ELSP	ESIP
Exercise price	$0.60	nil
Dividend yield (%)	0.00	0.00
Expected volatility (%)	25.00	25.00
Risk-free interest rate (%)	1.70	1.70
Life	6.0, 6.5 and 7.0 years	6.0, 6.5 and 7.0 years
Calculated fair value per share: between	$0.17 and $0.18	$0.60
Model used	Black-Scholes	Black-Scholes

Estimated likelihood of employees remaining an employee over the term of the share plans is assessed annually. For the year ended 30 June 2018, the Group has undertaken an employee share scheme buyback on 17 January 2018 with respect to 1,369,344 fully paid ordinary shares issued under ESIP and 4,543,351 fully ordinary shares under ELSP. This resulted in a forfeiture of rights to the options which the Group has recognised a reversal of $142,612 in share-based payment expenses cumulated from prior periods. For unvested options, the Group has recognised $10,767 in regard to shares issued under the share plans in profit or loss (2017: $214,168).

ELSP	2018		2017	
	NUMBER	**WEIGHTED AVERAGE EXERCISE PRICE**	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
MOVEMENTS DURING THE YEAR				
Options outstanding as at 1 July	**5,705,604**	**$0.60**	-	-
Granted during the year	-	-	5,705,604	$0.60
Forfeited during the year	**(4,543,351)**	**$0.60**	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Options outstanding as at 30 June	**1,162,253**	**$0.60**	5,705,604	$0.60
Options exercisable as at 30 June	-		-	

(B) EMPLOYEE SHARE PLANS (CONTINUED)

ESIP	2018		2017	
	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
MOVEMENTS DURING THE YEAR				
Options outstanding as at 1 July	2,003,301	-	-	-
Granted during the year	-	-	2,003,301	-
Forfeited during the year	(1,369,344)	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Options outstanding as at 30 June	633,957	-	2,003,301	-
Options exercisable as at 30 June	-		-	

NOTE 22: FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and price 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 carried out by the Board of Directors.

MARKET RISK

Foreign currency risk

The Group was not subject to any material foreign exchange risk in the 2018 and 2017 financial years.

Price risk

The Group was not subject to any material price risk in the 2018 and 2017 financial years, including equities securities price risk and commodities price risk.

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 2017 and 2018, the Group's cash on hand at variable rate was denominated in Australian dollars. As at the reporting date, the Group had the following variable rate cash on hand:

	2018		2017	
	WEIGHTED AVERAGE INTEREST RATE %	**BALANCE $'000**	WEIGHTED AVERAGE INTEREST RATE %	BALANCE $'000
Cash at bank	1.01	5,416	1.31	819
Net exposure to cash flow interest rate risk		5,416		819

Sensitivity

The following table illustrates sensitivities to the Group's exposures to changes in interest rates, exchange rates and commodity and equity prices. 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	EQUITY $'000
Year ended 30 June 2018		
+/ 1.00% in interest rates	55	55
Year ended 30 June 2017		
+/ 1.00% in interest rates	8	8

Credit risk

The Group has conducted a credit risk assessment on the NAML receivable (disclosed in Note 6) and have determined that the credit risk is minimal given NAML has been paying instalments in line with the agreement terms and there have been no liquidity issues identified affecting the recoverability of this balance.

The Group was not subject to any material credit risk in the 2018 financial year.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group manages liquidity risk by continuously 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, and consistently negative cash flows from operations, 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 realisation. Actual timing may therefore differ from that disclosed. The amounts disclosed in the table are the contractual undiscounted cash flows.

NOTE 22: FINANCIAL RISK MANAGEMENT (CONTINUED)

	WITHIN 1 YEAR $'000	1 TO 5 YEARS $'000	OVER 5 YEARS $'000	TOTAL $'000
Group 2017				
Financial liabilities due for payment				
Trade payables (Note 12)	(823)	-	-	(823)
Borrowings	(750)	-	-	(750)
Total expected outflows	(1,573)	-	-	(1,573)
Financial assets cash flows realisable				
Cash and cash equivalents	819	-	-	819
Trade and other receivables	1,348	-	-	1,348
Other financial assets	-	-	504	504
Total anticipated inflow on financial instruments	2,167	-	504	2,671
Net inflow on financial instruments	594	-	504	1,098
Group 2018				
Financial liabilities due for payment				
Trade payables (Note 12)	1,270	-	-	1,270
Total expected outflows	1,270	-	-	1,270
Financial assets cash flows realisable				
Cash and cash equivalents	5,416	-	-	5,416
Trade and other receivables	2,255	5,130	-	7,385
Other financial assets	-	-	604	604
Total anticipated inflow on financial instruments	7,671	5,130	604	13,405
Net inflow on financial instruments	6,401	5,130	604	12,135

Fair value

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to 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 value of cash and cash equivalents and non-interest-bearing monetary financial assets and financial liabilities of the Group approximate their carrying amounts.

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

	2018		2017	
	NET CARRYING VALUE $'000	**NET FAIR VALUE $'000**	NET CARRYING VALUE $'000	NET FAIR VALUE $'000
Financial assets				
Cash and cash equivalents	5,416	5,416	819	819
Trade and other receivables	7,385	7,385	1,348	1,348
Other financial assets	604	604	504	504
Total financial assets	13,405	13,405	2,671	2,671
Financial liabilities				
Trade and other payables	1,270	1,270	823	823
Borrowings	-	-	750	750
Total financial liabilities	1,270	1,270	1,573	1,573

CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern, so that it can 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 to adjust its capital structure is the issue of new shares. 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 commit to interest repayments. There are also regulatory capital requirements of the wholly owned subsidiary, Contango Funds Management Limited which the Group considers in managing its overall capital requirements.

NOTE 23: PARENT ENTITY

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

	2018 $'000	2017 $'000
Statement of Financial Position		
Current assets	3,223	66
Non-current assets	3,247	2,882
Total Assets	6,470	2,948
Current liabilities	129	774
Non-current liabilities	-	864
Total liabilities	129	1,638
Issued capital	145,431	140,777
Accumulated losses	(139,225)	(139,734)
Share option reserve	135	267
Total equity	6,341	1,310
Statement of Profit or Loss and Other Comprehensive Income		
Total profit/ (loss) for the year	(2,588)	(16,367)
Total other comprehensive income	-	-
Total comprehensive income	(2,588)	(16,367)

Contingent liabilities

The parent entity has no contingent liabilities as at 30 June 2018 (2017: nil).

Contractual commitments

The parent entity did not have any commitments as at 30 June 2018 (2017: nil).

NOTE 24: INTERESTS IN SUBSIDIARIES

COMPOSITION OF THE GROUP

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

	PRINCIPAL PLACE OF BUSINESS / COUNTRY OF INCORPORATION	**PERCENTAGE OWNED 2018 %**	PERCENTAGE OWNED 2017 %
Subsidiaries:			
CAM SPV Pty Ltd	Australia	**100**	100
2735 CSM Holdings Pty Ltd	Australia	**100**	100
Contango Funds Management Limited	Australia	**100**	100
Contango International Pty Limited	Australia	**100**	100
Contango Group Services Pty Ltd	Australia	**100**	100

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

NOTE 25: 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 and owns 100% of the controlled entities.

(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 26: Key Management Personnel Disclosures and the remuneration report in the directors' report.

(iii) Subsidiaries

Interests in subsidiaries are set out in Note 24.

(A) TRANSACTIONS WITH RELATED PARTIES

Other than the loan to associates outlined below and remuneration to key management personnel, the Group had no related party transactions during the year.

(B) LOANS TO/FROM RELATED PARTIES

During the year, the Group provided a zero-interest subordinated loan of $259,469 (2017: $159,469) to its associate Switzer Asset Management Limited (SAM) with no fixed term. The loan is subordinated to all other creditors of SAM.

	$'000
Balance of loan at beginning of the year	159
Loans advanced	100
Balance at the end of the year	259

NOTE 26: KEY MANAGEMENT PERSONNEL DISCLOSURES

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

	2018 $'000	2017 $'000
Short-term employee benefits	831	548
Post-employment benefits	53	34
Other long-term benefits	-	-
Termination benefits	100	-
Share-based payments	-	1,012
	984	1,594

NOTE 27: CONTINGENT LIABILITIES

In the opinion of the directors, the Company did not have any contingencies at 30 June 2018 (30 June 2017: none).

NOTE 28: CAPITAL AND LEASING COMMITMENTS

(A) FINANCE LEASES

There were no finance lease commitments for the year (2017: nil).

(B) OPERATING LEASES

Non-cancellable operating leases contracted for but not recognised in the financial statements:

	2018 $'000	2017 $'000
Minimum lease payments under non-cancellable operating leases:		
not later than one year	144	412
between one year and five years	112	653
later than five years	-	-
	256	1,065

Operating leases have been have been taken out for the rental of premises. Lease payments are increased on an annual basis to reflect market rentals.

NOTE 29: SEGMENT INFORMATION

The Group operates solely in the business of providing funds management services. 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 Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows. The CODM has been identified as the Chief Executive Officer.

NOTE 30: AUDITORS' REMUNERATION

	2018 $'000	2017 $'000
Auditors of the parent entity		
Remuneration of the auditor for:		
auditing or reviewing the financial statements	95,000	67,500
taxation services	-	5,600
preparation of Investigating Accountant's Report and member of Due Diligence Committee	-	27,500
	95,000	100,600
Auditors of subsidiary entities		
Remuneration of the auditor for:		
auditing or reviewing the financial statements	80,000	147,441
taxation services	-	10,300
due diligence services	-	-
	80,000	157,741

The auditor of the Company is Ernst & Young.

NOTE 31: CASH FLOW INFORMATION

	2018 $'000	2017 $'000
(A) RECONCILIATION OF RESULT FOR THE YEAR TO CASH FLOWS FROM OPERATING ACTIVITIES		
Reconciliation of net income to net cash provided by operating activities:		
Profit/ (loss) for the year after income tax	3,462	(14,148)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
impairment loss	676	10,311
depreciation and amortisation	287	431
employee share option expense	(132)	267
net (gain)/loss on disposal of property, plant and equipment	155	33
(gain)/loss on revaluation of investment in associate	39	22
(gain) on disposal of intangible asset	(9,506)	-
unrealised gain on investment	-	(45)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
(increase)/decrease in trade and other receivables	839	(500)
(increase)/decrease in other assets	(152)	527
increase/(decrease) in trade and other payables	381	1,578
increase/(decrease) in income taxes payable	-	35
increase/(decrease) in deferred tax liability	(864)	(289)
increase/(decrease) in provisions	(244)	(328)
Cash flow from operations	(5,059)	(2,106)
(B) LOAN FACILITIES		
Amount unutilised	-	-
Amount utilised	-	750
	-	750

(C) RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	1 JULY 2017 $'000	CASH FLOWS $'000	FOREIGN EXCHANGE MOVEMENT $'000	FAIR VALUE CHANGES $'000	OTHER $'000	30 JUNE 2018 $'000
Short-term borrowings	750	(750)	-	-	-	-
Total liabilities from financing activities	750	(750)	-	-	-	-

	1 JULY 2016 $'000	CASH FLOWS $'000	FOREIGN EXCHANGE MOVEMENT $'000	FAIR VALUE CHANGES $'000	OTHER $'000	30 JUNE 2017 $'000
Short-term borrowings	-	750	-	-	-	750
Total liabilities from financing activities	-	750	-	-	-	750

NOTE 32: EVENTS OCCURRING AFTER THE REPORTING DATE

On 28 August 2018 the Group provided a $836,188 subordinated loan (SL) at an interest rate of 12% to its associated entity Switzer Asset Management Limited (SAM) with no fixed term. The loan is subordinated to all other creditors of SAM.

On 21 March 2018 the Group announced its intention to enter into an agreement to acquire the remaining equity interest in Switzer Asset Management Limited (SAM). The Company currently owns 46.25% of the share capital of SAM and will increase its ownership interest to 100%. The transaction is subject to shareholder approval at an extraordinary meeting to be held on 12 September 2018. If the transaction is approved the interest rate on the SL to SAM will reduce to zero.

The directors are not aware of any other 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 33: 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 2018 are in accordance with the *Corporations Act 2001* and:
    a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the financial statements, 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 Chief Executive Officer and Chief Finance 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.
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:

Roger Amos
Chairman

INDEPENDENT AUDITOR'S REPORT

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8 Exhibition Street
Melbourne VIC 3000 Australia
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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 (the Group), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and 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 of the Group.

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 Group's financial position as at 30 June 2018 and of its 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* (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.

Key audit matter	How our audit addressed the key audit matter
Going concern	
The Group's financial report has been prepared on a going concern basis. As described in Note 1(u), the Directors' assessment that the Group will be able to continue to meet its obligations as and when they fall due, was based upon their FY19 Board-approved cash flow forecasts. The Going concern basis of accounting is fundamental to the preparation of the financial report and given the judgements and assumptions relating to future events contained in the cash flow forecasts this was considered a key audit matter	Our audit procedures included the following: ► Evaluated the assumptions made in the Board-approved cash flow forecasts. Our valuation specialists were involved where considered necessary. ► Consideration of a range of sensitivities and scenario analysis to the cash flow forecasts. ► Consideration of the historical accuracy of the Group's cash flow forecasting. ► Assessment of the adequacy of going concern disclosures and the disclosure of the key assumptions that support going concern assumption.
Amounts received and receivable from NAOS Asset Management Limited	
During the year the Group assigned its investment management mandate of Contango Microcap Limited to NAOS Asset Management Limited (NAOS) for an aggregate consideration of $12.5 million. $5.9 million of this was received in 2018 and the remaining receivable over a four year period commencing from 30 June 2019. The Group has recognised a pre-tax gain of $9.5 million in the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2018. This was a key audit matter due to the value of income recognised and the current and the non-current receivables held on the balance sheet of $5.6 million, which are disclosed in Note 6.	Our audit procedures included the following: ► Agreed the amounts received from NAOS during the year to cash receipt and independently confirmed the current and non-current receivables with NAOS. ► Assessed the Group's assessment of the recoverability of the current and non-current receivable with NAOS. ► Tested the calculation of the discounted receivable, being a net present value calculation, which also involved our valuation specialists determining whether an appropriate discount rate had been used. ► Assessed the adequacy of the disclosures in respect of the pre-tax gain recognised and the current and non-current receivables recorded in the financial report.

Application of carry forward tax losses to income tax payable	
As described in Note 4, judgement is exercised by the Group in assessing whether the unused tax losses can be applied to offset current income tax. This was a key audit matter due to the significance of the judgements made by the Group in relation to utilising its carried forward tax losses, including assessing whether the Group satisfied the tests set out in the relevant income tax legislation related to the availability of tax losses.	Our audit procedures included the following: ▶ Assessed the appropriateness of the assumptions the Group applied for the calculation of the current income tax payable including the application of carry forward tax losses. ▶ Involved our taxation specialists to assess the reasonableness of the Group's assessment that carried forward tax losses can be applied to current income tax payable. ▶ Assessed the adequacy of the disclosures in respect of the application of carried-forward tax losses 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 2018 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 we do not and will 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.

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.

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, related safeguards.

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 10 to 15 of the Directors' Report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Contango Asset Management Limited and its subsidiaries for the year ended 30 June 2018, 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
Date: 28 August 2018

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

ASX ADDITIONAL INFORMATION

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 2018.

SUBSTANTIAL SHAREHOLDERS

The number of substantial shareholders and their associates are set out below.

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.

Options

No voting rights.

DISTRIBUTION OF EQUITY SECURITY HOLDERS

Analysis of the number of shareholders by size of holding at 31 July 2018 is presented below:

HOLDING	NUMBER OF HOLDERS	NUMBER OF ORDINARY SHARES	PERCENTAGE OF SHARES ON ISSUE %
1 – 1,000	653	121,305	0.29
1,001 – 5,000	142	377,220	0.90
5,001 – 10,000	71	567,268	1.35
10,001 – 100,000	234	8,975,327	21.42
100,001 and over	60	31,867,241	76.04
Total	1,160	41,908,361	100
Number of holders with less than a marketable parcel of ordinary shares	620	90,905	0.22

TWENTY LARGEST SHAREHOLDERS

The names of the 20 largest shareholders of the Company as at 31 July 2018 are listed below

HOLDER NAME	NUMBER OF ORDINARY SHARES	PERCENTAGE OF SHARES ON ISSUE %
NATIONAL NOMINEES LIMITED	7,543,172	18.00
PACIFIC POINT PARTNERS LIMITED	4,224,393	10.08
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,388,889	3.31
PACIFIC POINT PARTNERS LIMITED	1,388,889	3.31
MR ROBERT DARIUS FRASER	1,250,000	2.98
AET SFS PTY LTD	833,334	1.99
SHAWN REX BURNS	739,616	1.76
MR VICTOR JOHN PLUMMER	708,923	1.69
CITICORP NOMINEES PTY LIMITED	668,176	1.59
TC CORPORATE P/L	600,000	1.43
MRS TRACY FRASER	579,444	1.38
MR PETER WILLIAM SWITZER & MRS MAUREEN ELIZABETH SWITZER & MR MARTIN FRANCIS SWITZER	576,817	1.38
MR VICTOR JOHN PLUMMER	555,556	1.33
BISCUIT TIN PTY LTD	528,298	1.26
WARRIOR 1995 PTY LTD	528,296	1.26
MR HARVEY JAY BLACKNEY	500,000	1.19
DR DAVID JOHN RITCHIE & DR GILLIAN JOAN RITCHIE	500,000	1.19
ROBERT NAIRN PTY LTD	500,000	1.19
SAGRADA FAMILIA HOLDINGS PTY LTD	400,000	0.95
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	350,704	0.84
Total shares held by the 20 largest shareholders	24,364,507	58.14
Total ordinary shares on issue	41,908,361	

UNISSUED EQUITY SECURITIES

Options issued.

SECURITIES EXCHANGE

The Company is listed on the Australian Securities Exchange.

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