

**Contango Income Generator Limited**  
**ABN 40 160 959 991**

**Financial report for the**  
**Year ended 30 June 2016**

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The directors present their report together with the financial report of Contango Income Generator Limited ("the Company"), for the financial year ended 30 June 2016 and auditor's report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

## **Directors**

The names of directors in office during the year are:

Ian Ferres – Non-executive Chairman - appointed 26 October 2012  
Mark Kerr – Non-executive Director - appointed 26 October 2012  
Don Clarke – Non-executive Director - appointed 25 November 2014  
George Boubouras – Non-executive Director – appointed 9 June 2015

## **Principal activity**

The principal activity of the Company during the financial year was investment into companies listed on the Australian Securities Exchange (ASX) that are outside the top 30 largest companies and are expected to deliver a sustainable tax effective dividend stream at the time of their purchase.

## **Results**

The profit after income tax attributable to the members of Contango Income Generator Limited was \$2,733,430 (2015: nil). Basic earnings per share amounted to 4.2 cents per share for the year (2015: nil).

## **Review of operations**

The Company was admitted to the official list of ASX on 12 August 2015 after completing a successful initial public offer of shares during July 2015.

The current period profit is primarily attributed to the investment strategy of the investment manager delivering a high level of dividends from the Company's investment portfolio as well as an increase in the value of the underlying Company's investments.

During the year the after-tax Net Tangible Asset ("NTA") value per share of the Company has increased from \$0.98 on the initial listing date to \$0.99 on 30 June 2016. After adjusting for the 3 cent per share of dividend paid the NTA return was +4.0% compared to +3.0% for the ASX All Ordinaries Accumulation Index over the same period.

## **Significant changes in the state of affairs**

There have been no significant changes in the Company's state of affairs during the financial year.

## **After balance date events**

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

## **Likely developments**

The Company will continue to pursue its operating strategy to create shareholder value by investing in companies listed on the Australian Securities Exchange (ASX).

## **Environmental regulation**

The Company's operations are not subject to any significant environmental Commonwealth or State regulations or laws.

## **Dividend paid, recommended and declared**

The interim dividend for the year ended 30 June 2016 of 3 cents per share (50% franked) was paid to shareholders on 24 March 2016.

Total dividends paid or declared during FY16 was \$2,143,922 (2015: \$0).

The final dividend for the year ended 30 June 2016 was declared on 29 August 2016 at 3.5 cents per share and will be 50% franked. The ex-date for entitlement to this dividend will be 13 September 2016 and the dividend will be paid to shareholders on 28 September 2016.

### Share options

Of the 35,725,500 loyalty options granted to subscribers during the completion of the initial public offer of shares in the Company, 33,913,491 vested to option holders after the initial 6 month vesting period. Since then 14,550 options have been exercised into ordinary shares leaving 33,898,941 options on issue. These options have an exercise price of \$1.00 and expire on 30 March 2018.

### Information on directors and company secretary

The qualifications, experience and special responsibilities of each person who has been a director of Contango Income Generator Limited at any time during the year is provided below, together with details of the company secretary as at the year end.

#### **Ian N Ferres** AM, FIAA, FAICD (Chairman and non-executive Director)

Ian has had a distinguished career in the funds management industry. He was employed by National Mutual Limited from 1956 to 1990. His executive positions within National Mutual Limited have included roles as Executive Director from 1983 to 1990, with responsibility for all worldwide equity, property, fixed interest investments and financial/banking ventures from 1975 to 1988, and as Managing Director of Meridian Funds Management 1988 to 1990. Ian was Group Managing Director of Australian Unity from 2002 to 2004.

Ian has been chairman of some 15 entities, and a director of a further 15, since he began a non-executive career in 1990. They have included both Federal and State Government corporations, private companies, both listed and unlisted public companies, and community and charitable organizations.

Ian is currently a director of ASX listed, Contango MicroCap Limited, which at this date is the largest shareholder in the Company. He also holds a number of other non-executive positions including: Consultant, TressCox Lawyers since 2005 and Chairman of Technology Development Investment Limited (and a director of its investee companies).

Other responsibilities: member of Audit, Remuneration (Chairman) and Nomination (Chairman) Committees

#### **Mark Kerr** LL.B. (Non-executive Director)

Mark is an experienced director whose other current roles include Non-Executive Chairman of three other ASX listed companies, Contango MicroCap Limited (December 2009 to present); Hawthorn Resources Limited (22 November 2007 to present); and Think Childcare and Education Limited (21 July 2014 to present); and a non-executive director of ASX listed, Alice Queen Limited (23 November 2015 to present).

Mark is a director of Berkeley Consultants Pty Ltd which specialises in public relations and reputation management consultancy. He is also a director and adviser to various other private companies. Mark's community involvement currently extends to being a member of the Victorian Committee of the Juvenile Diabetes Research Foundation and a member of the St Vincent's Institute Charity Golf Day Committee.

Mark was formerly the Non-Executive Chairman of one-time ASX listed company Process Wastewater Technologies Limited from December 2007 to June 2013.

Other responsibilities: member of Audit, Remuneration and Nomination Committees

#### **Don Clarke** LL.B. (Hons) (Non-executive Director)

Don was a corporate partner of the law firm, Minter Ellison, for over 25 years. He has extensive commercial law and business experience from over 30 years advising ASX listed and large private companies across a broad range of industries on corporate law, governance and investment issues. Don is currently a consultant to Minter Ellison, a director and the Deputy Chairman of Webjet Limited (one of Australia's leading on-line travel companies) and a director of several other unlisted public and private companies. He was formerly a director of ASX listed companies, Opthea Limited, Phosphagenics Limited and PolyNovo Limited.

Other responsibilities: member of Audit (Chairman), Remuneration and Nomination Committees

**George Boubouras** B Ec (Non-executive Director)

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.

George has experience managing investments across various asset classes and investment teams and has worked at various firms including: Equity Trustees Ltd, as Chief Investment Officer; UBS Wealth Management, as Chief Investment Officer; Macquarie Group, as an Investment Strategist; and HSBC Asset Management, as Head of Asset Allocation, Fixed Income and Research.

Other responsibilities: Managing Director and Chief Investment Officer of the Company's investment manager.

**Glenn Fowles** B Bus (Company Secretary)

Glenn has worked in the financial services industry since 1985. His roles at fund management organisations have included that of Company Accountant, Operations Manager, Financial Controller, Finance Director, Chief Operating Officer and Chief Executive Officer. Glenn has extensive experience in all aspects of investment administration, including investment accounting, custody, information systems, compliance and taxation. Glenn is a director and company secretary of ASX listed company, Contango MicroCap Limited

Other responsibilities: Chief Financial Officer

**Directors' meetings**

The number of meetings of the board of directors and of each board committee held during the financial year and the numbers of meetings attended by each director were:

<b>Board Meetings</b>						
	<b>Eligible to attend</b>		<b>Attended</b>			
Ian Ferres	10		10			
George Boubouras	10		9			
Don Clarke	10		9			
Mark Kerr	10		10			

  

<b>Committee Attendance</b>						
	<b>Audit</b>		<b>Remuneration</b>		<b>Nomination</b>	
	<b>Eligible</b>	<b>Attended</b>	<b>Eligible</b>	<b>Attended</b>	<b>Eligible</b>	<b>Attended</b>
Ian Ferres	1	1	-	-	-	-
Mark Kerr	1	1	-	-	-	-
Don Clarke	1	1	-	-	-	-

**Indemnification and insurance of directors, officers and auditors**

During the financial year, the Company has paid insurance premiums amounting to \$12,016 (2015: \$0) insuring all the directors and the officers which indemnifies them against any claim made against them subject to the conditions contained within the insurance policy. Further disclosure required under section 300(9) of the *Corporations Act 2001* is prohibited under the policy terms. No indemnities have been given or insurance paid for the auditors of the Company.

**Proceedings on behalf of the Company**

No person has applied for leave of Court to bring proceedings on behalf of the Company.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

## **Non-audit and other assurance services provided by auditor**

Non-audit services are approved by the audit committee. Other assurance services provided by the auditors (Pitcher Partners) of the company during the year related to the issuance of an Investigating Accountants Report and attendance at the Due Diligence Committee for the Contango Income Generator Limited initial public offer prospectus. The directors are satisfied that the provision of non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

<b>Amounts paid and payable to Pitcher Partners for:</b>	<b>2016</b>	<b>2015</b>
<u>Audit and other assurance services</u>		
Audit and review of financial reports	<b>62,000</b>	-
Other assurance services	<b>17,500</b>	-
Total remuneration for audit and other assurance services	<b>79,500</b>	-
<u>Other non-audit services</u>		
Taxation services	<b>15,450</b>	-
Total remuneration for non-audit services	<b>15,450</b>	-
Total remuneration of Pitcher Partners	<b>94,950</b>	-

## **Rounding of amounts**

In accordance with ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar.

## **ASX Corporate Governance Statement**

The Board of Directors of Contango Income Generator Limited is responsible for corporate governance. The Board has chosen to prepare the Corporate Governance Statement (CGS) in accordance with the third edition of the ASX Corporate Governance Council's Principles and Recommendations under which the CGS may be made available on the Company's website.

Accordingly, a copy of the Company's CGS is available on the Contango website at <http://contango.com.au/wp-content/uploads/2015/12/CIE-Corporate-Governance-Statement.pdf>

## **Remuneration Report (audited)**

The directors present the company's remuneration report for the year ended 30 June 2016 which details the remuneration information for directors and other key management personnel.

The Company's Remuneration Committee consists of three Board members - Mr Ferres, Mr Kerr, and Mr Clarke and is Chaired by Mr Ferres.

Only directors of the company who are not employees of the company's investment manager have been paid remuneration in the form of directors' fees. There are three directors to which this applies - Mr Ferres, Mr Kerr and Mr Clarke.

The amount paid to these directors is fixed at a set amount each year and is not related to the performance of the company.

The other director, Mr Boubouras, is Managing Director and Chief Investment Officer of the company's investment manager - Contango Asset Management Limited ("CAML"). The company pays management fees to CAML which remunerates Mr Boubouras directly. The amount of fees paid by the company to CAML is not directly linked to the remuneration that it pays to Mr Boubouras.

A remuneration consultant has not been engaged by the Company to provide recommendations in respect of this report.

For the year ended 30 June 2016, the amounts paid (excluding GST) as Short Term Compensation and Post Employment Benefits are outlined below. No amounts were paid in FY15

#### Director's Remuneration

	Appointment Date	Short-Term Compensation FY16	Post Employment Benefits FY16	Total FY16	Total FY15
Ian Ferres	26 October 2012	37,671	3,579	41,250	-
Mark Kerr	26 October 2012	33,333	3,333	36,666	-
Don Clarke	25 November 2014	36,667	-	36,667	-
George Boubouras	9 June 2015	-	-	-	-
<b>TOTAL</b>		<b>107,671</b>	<b>6,912</b>	<b>114,583</b>	<b>-</b>

#### Directors' interests in shares and options

Directors' relevant interests in ordinary shares and options of Contango Income Generator Limited are detailed below.

	Ordinary Shares			Options		
	Opening balance	Movement	30/06/16 Holding	Opening balance	Movement	30/06/16 Holding
Ian Ferres	-	-	-	-	-	-
Mark Kerr	-	95,957	<b>95,957</b>	-	40,000	<b>40,000</b>
Don Clarke	-	65,957	<b>65,957</b>	-	25,000	<b>25,000</b>
George Boubouras	-	35,957	<b>35,957</b>	-	10,000	<b>10,000</b>

None of the directors held any shares or options during the financial year ended 30 June 2015.

Messrs Ferres and Kerr are also directors of Contango MicroCap Limited ("CTN"). CTN owns 30,000,002 ordinary shares and 15,000,000 options in the Company.

All directors' interests in shares were purchased as 'on-market' transactions and are not part of any component of their remuneration.

All directors' interests in options were vested loyalty options from the on-market purchase of shares under the initial offer and are not part of any component of remuneration.

#### Consequences of Company's performance on shareholder wealth

The following table summarises company performance and key performance indicators:

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Revenue	\$3,488,882	-	-	-
Increase in revenue	100%	-	-	-
Profit before tax	\$2,933,877	-	-	-
Change in share price	-8%	-	-	-
Dividend paid to shareholders	\$2,143,922	-	-	-
Return of capital	-	-	-	-
Total remuneration of KMP	\$114,583	-	-	-
Total performance based remuneration	-	-	-	-

Signed in accordance with a resolution of the directors.



Ian Ferres  
Chairman  
Melbourne  
14 September 2016



CONTANGO INCOME GENERATOR LIMITED

AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF CONTANGO INCOME GENERATOR LIMITED

In relation to the independent audit for the year ended 30 June 2016, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of any applicable code of professional conduct.



N R BULL  
Partner

14 September 2016



PITCHER PARTNERS  
Melbourne



**Statement of Comprehensive Income  
For the year ended 30 June 2016**

	Notes	2016 \$	2015 \$
<b>Revenue and other income</b>			
Revenue	4	3,488,882	-
Fair value gain on financial assets through profit and loss	4	901,629	-
		<u>4,390,511</u>	-
<b>Less:</b>			
Management fees		602,219	-
Transaction costs		271,371	-
Listing, custody and registry costs		212,939	-
Accounting and legal costs		149,361	-
Directors' remuneration		114,583	-
Other administration expenses		106,161	-
		<u>1,456,634</u>	-
<b>Profit before income tax</b>		2,933,877	-
Income tax expense	5	200,447	-
<b>Net profit from continuing operations</b>		<u>2,733,430</u>	-
<b>Profit for the year</b>		<u>2,733,430</u>	-
<b>Total comprehensive income for the year</b>		<u>2,733,430</u>	-
<b>Earnings per share for comprehensive income to the equity holders of the parent entity:</b>			
Basic earnings per share	16	4.2 cents	0.0 cents
Diluted earnings per share	16	4.2 cents	0.0 cents

The above statement should be read in conjunction with the accompanying notes.

**Statement of Financial Position  
As at 30 June 2016**

	Notes	2016 \$	2015 \$
<b>ASSETS</b>			
Cash and cash equivalents	7	<b>14,342,309</b>	2
Receivables	8	<b>1,305,758</b>	-
Investments at fair value	9	<b>61,458,789</b>	-
Deferred tax asset	5	<b>308,318</b>	-
<b>TOTAL ASSETS</b>		<b>77,415,174</b>	2
<b>LIABILITIES</b>			
Payables	10	<b>281,057</b>	-
<b>TOTAL LIABILITIES</b>		<b>281,057</b>	-
<b>NET ASSETS</b>		<b>77,134,117</b>	2
<b>EQUITY</b>			
Contributed capital	11	<b>76,544,609</b>	2
Reserves	12(a)	<b>5,946,728</b>	-
Accumulated losses	12(b)	<b>(5,357,220)</b>	-
<b>Equity attributable to owners of Contango Income Generator Limited</b>		<b>77,134,117</b>	2

The above statement should be read in conjunction with the accompanying notes.

**Statement of Changes in Equity  
For the year ended 30 June 2016**

	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total Equity \$
<b>Balance as at 30 June 2014</b>	<b>2</b>	-	-	<b>2</b>
Profit for the year	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>
<b>Balance as at 30 June 2015</b>	<b>2</b>	-	-	<b>2</b>
Profit for the year	-	-	2,733,430	2,733,430
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>2,733,430</b>	<b>2,733,430</b>
<b>Transactions with owners in their capacity as owners:</b>				
Net proceeds from share issues	76,540,954	-	-	76,540,954
Transfer to Dividend Reserve	-	8,090,650	(8,090,650)	-
Dividend reinvestment	3,653	-	-	3,653
Dividends paid – note 6	-	(2,143,922)	-	(2,143,922)
	<b>76,544,607</b>	<b>5,946,728</b>	<b>(8,090,650)</b>	<b>74,400,685</b>
<b>Balance as at 30 June 2016</b>	<b>76,544,609</b>	<b>5,946,728</b>	<b>(5,357,220)</b>	<b>77,134,117</b>

The above statement should be read in conjunction with the accompanying notes.

**Statement of Cash Flows**  
**For the year ended 30 June 2016**

	Notes	2016 \$	2015 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(1,196,692)	-
Sale of investments		16,931,829	-
Payment for investments		(78,333,734)	-
Dividends received		2,738,794	-
Interest received		310,190	-
<b>Net cash used in operating activities</b>	13(a)	<b>(59,549,613)</b>	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from shares issued net of raising costs	11	76,032,189	-
Dividends paid net of amounts reinvested	12	(2,140,269)	-
<b>Net cash provided by financing activities</b>		<b>73,891,920</b>	-
<b>Net increase in cash and cash equivalents</b>		<b>14,342,307</b>	-
Cash and cash equivalents at beginning of year	13(b)	2	2
<b>Cash and cash equivalents at end of the year</b>	13(b)	<b>14,342,309</b>	2

The above statement should be read in conjunction with the accompanying notes.

## Notes to the Financial Statements

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The accompanying notes form part of these financial statements.

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of preparation of the financial report**

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers the activities of Contango Income Generator Limited. The Company is limited by shares, incorporated and domiciled in Australia. The Company is a for-profit entity for the purpose of preparing the financial statements.

The financial report was authorised for issue by the directors on 29 August 2016.

*Compliance with IFRS*

The financial statements of Contango Income Generator Limited also comply with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

*Historical cost convention*

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

The Statement of Financial Position has been presented in order of liquidity.

*Critical accounting estimates*

The preparation of the financial report requires the use of certain estimates and judgements in applying the entity's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2.

**(b) Accounting for profits and losses**

At the conclusion of each calendar month, the Company records profits earned to Retained Earnings with the intention of transferring undistributed Retained Earnings to Dividend Reserve at the conclusion of the financial period. Losses incurred at the end of each calendar month are transferred to Accumulated Losses. The above process enables the Directors to declare or determine to pay dividends from the Reserve to shareholders at a future date.

**(c) Going concern**

The financial report has been prepared on a going concern basis.

**(d) Revenue**

Revenue from the sale of investments is recognised when the significant risks and rewards of ownership of the investments have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates are accounted for in accordance with the equity method.

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

**(f) 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

**(g) Income tax**

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

#### *Deferred tax balances*

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

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. No deferred tax asset or liability is recognised in relation to temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

### **(h) Accounting standards issued but not yet effective at 30 June 2016**

#### *AASB 9 Financial Instruments*

Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics tests. All investments in equity instruments using AASB 9 are to be measured at fair value.

AASB 9 amends measurement rules for financial liabilities that the entity elects to measure at fair value through profit and loss. Changes in fair value attributable to changes in the entity's own credit risk are presented in other comprehensive income.

Chapter 6 *Hedge Accounting* supersedes the general hedge accounting requirements in AASB 139 *Financial Instruments: Recognition and Measurement*, which many consider to be too rules-based and arbitrary. Chapter 6 requirements include a new approach to hedge accounting that is intended to more closely align hedge accounting with risk management activities undertaken by entities when hedging financial and non-financial risks. Some of the key changes from AASB 139 are as follows:

- to allow hedge accounting of risk components of non-financial items that are identifiable and measurable (many of which were prohibited from being designated as hedged items under AASB 139);
- changes in the accounting for the time value of options, the forward element of a forward contract and foreign-currency basis spreads designated as hedging instruments; and
- modification of the requirements for effectiveness testing (including removal of the 'brightline' effectiveness test that offset for hedging must be in the range 80-125%).

Revised disclosures about an entity's hedge accounting have also been added to AASB 7 *Financial Instruments: Disclosures*.

Impairment of assets is now based on expected losses in AASB 9 which requires entities to measure:

- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The effective date is annual reporting periods beginning on or after 1 January 2018.

The available-for-sale investments held will be classified as fair value through other comprehensive income and will no longer be subject to impairment testing. The impairment loss recognised in the current year financial statements in relation to these statements was \$0. Hedge accounting is likely to be applied to more of the entity's transactions in future transactions – the impact on the reported financial position and performance is dependent on the volume and value of future derivatives. Other impacts on the reported financial position and performance have not yet been determined.

### **(i) Financial instruments**

#### *Classification*

The company classifies its financial instruments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

*Financial Assets at Fair Value Through Profit or Loss*

Investments in listed securities are carried at fair value through profit and loss. They are measured at their fair value at each reporting date and any increment or decrement in fair value from the prior period is recognised in the profit and loss of the current period. Fair value of listed investments are based on closing bid prices at the reporting date.

Non-listed investments for which fair value cannot be reliably measured, are carried at cost and tested for impairment.

*Derivative financial instruments*

The company may hold derivative financial instruments for trading purposes only.

Derivatives are initially recognised at fair value and applicable transaction costs are recognised in profit or loss as they are incurred. After initial recognition, derivatives that are not designated in a qualifying hedge relationship are measured at fair value and changes in value are recognised immediately in profit or loss.

*Financial Liabilities*

Financial liabilities include trade and other payables, tax payable and borrowings.

**(j) Goods and services tax (GST)**

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

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

**(k) Comparatives**

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

**(l) Rounding of amounts**

The company has applied the relief available under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and accordingly, the amounts in the consolidated financial statements and in the directors' report have been rounded to the nearest dollar.

**NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

Certain accounting estimates include assumptions concerning the future, which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below:

**(a) Income tax**

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

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

**(b) Fair value measurements**

Certain financial assets and liabilities are measured at fair value. Fair values have been determined in accordance with fair value measurement hierarchy. Refer to Note 3 for the details of the fair value measure key assumptions and inputs.



### **NOTE 3: FINANCIAL RISK MANAGEMENT**

#### **(a) Objectives, strategies, policies and processes**

The Company's activities may expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk, liquidity risk and risk relating to fair value.

The Company's overall risk management program focuses on ensuring compliance with the Company's Prospectus and seeks to maximise the returns derived for the level of risk to which the Company is exposed. Financial risk management is carried out by an Investment Manager under policies approved by the Board of Directors of the Company ('the Board').

The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, price risks, and ratings analysis for credit risk.

As part of its risk management strategy, the Company uses derivatives and other investments, including share price and warrants, to manage exposures resulting from changes in interest rates, equity price risks, and exposures arising from forecast transactions.

#### **(b) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: price risk and interest rate risk. Market risk is managed and monitored using sensitivity analysis, and minimised through ensuring that all investment activities are undertaken in accordance with established mandates and investment strategies.

The sensitivity of the Company's equity and profit/(loss) before income tax to price risk is measured by the reasonably possible movements approach. This approach is determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates, historical correlation of the Company's investments with the relevant benchmarks and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Company invests. As a result, historic variations in the risk variables are not a definitive indicator of future variations in the risk variables.

Once management determines that an investment may be affected by a reasonably possible movement, the effect of this movement on the Company's equity and profit/(loss) is monitored.

##### *(i) Price risk*

Equity price risk is the risk that the fair value of equities will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Equity price risk exposure arises from the Company's investment portfolio. The investments are classified on the balance sheet as at fair value through profit or loss. All securities investments present a risk of loss of capital. Except for equities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from equities sold short can be unlimited. At 30 June 2016, the Company had no short sold positions (2015: nil).

Derivatives are traded sparingly and used to provide short-term exposure to the general equity market.

The Investment Manager mitigates this price risk through diversification and a careful selection of securities and other financial instruments within specified limits set by the Board.

The Company's overall market positions are monitored on a daily basis by the Company's Investment Manager and are reviewed on a monthly basis by the Board of Directors.

The Company's net assets include investments in debt and equity securities and related derivatives. At 30 June, the overall market exposures were as follows:

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Securities designated at fair value through profit or loss	<b>61,458,789</b>	-
	<b>61,458,789</b>	-

*(ii) Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest bearing financial assets and financial liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Company has established limits on investments in interest bearing assets, which are monitored on a daily basis. The Company may use derivatives to hedge against unexpected increases in interest rates. No such investments were held at 30 June 2016 (2015: nil).

The interest rate risk is measured using sensitivity analysis.

In accordance with the Company's policy, the Company monitors the Company's overall interest sensitivity on a daily basis, and the Board of Directors reviews it on a quarterly basis. Compliance with the Company's policy is reported to the Board on a monthly basis.

At 30 June 2016, cash and cash equivalents to the value of \$14,342,309 (2015: \$2) are the only financial instrument subject to interest rate risk. The weighted average interest rate applicable for the year was 1.8% (2015: 2.2%).

**(c) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk primarily arises from investments in debt securities and from trading derivative products. Other credit risk arises from cash and cash equivalents, and deposits with banks and other financial institutions.

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values. At 30 June 2016 the Company had no derivative exposure (2015: nil).

The investment manager manages credit risk by diversifying the exposure among counter parties and operating in liquid markets. The Company does not have any significant concentration of credit risk on an industry basis. Deposits are held with AAA rated institutions.

With respect to credit risk arising from the financial assets of the Company, other than derivatives, the Company's exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these investments as disclosed in the Statement of Financial Position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

The Company holds no collateral as security or any other credit enhancements. There are no financial assets that are past due or impaired, or would otherwise be past due or impaired.

**(d) Liquidity risk**

Liquidity risk is the risk that a Company will encounter difficulty in meeting obligations associated with financial liabilities. This risk is controlled through the Company's investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Company maintains sufficient cash and cash equivalents to meet normal operating requirements.

The Company may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Company may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer. No such investments were held at the Statement of Financial Position date.

In accordance with the Company's policy, the Investment Manager monitors the Company's liquidity position on a daily basis, and the Board reviews it on a quarterly basis.

*Maturity analysis for financial liabilities*

The table below analyses the Company's financial liabilities, excluding gross settled derivative financial liabilities, into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month	1-3 months	3-12 months	12-60 months
	\$	\$	\$	\$
<b>At 30 June 2016</b>				
Payables	281,057	-	-	-
Tax payable	-	-	-	-
Borrowings	-	-	-	-
<b>Total financial liabilities</b>	<b>281,057</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 30 June 2015</b>				
Payables	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(e) Fair values of financial assets and financial liabilities**

The carrying amounts of the Company's financial assets and financial liabilities in the Statement of Financial Position are all at fair value.

For the years ended 30 June 2016 and 30 June 2015, the Company did not have any financial assets and financial liabilities that were determined using valuation techniques. The fair values of the Company's financial assets and liabilities for the years then ended were determined directly, in full, by reference to quoted prices from the Australian Securities Exchange. Financial asset and liabilities measured and recognised at fair value have been determined by the following fair value measurement hierarchy:

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

The Company held \$61,458,789 (2015: \$0) Level 1 Financial Assets and Liabilities as at 30 June 2016.

**(f) Sensitivity**

A 10% change (increase or decrease) in the market price across all shares held within the Company's investment portfolio would deliver a corresponding change to the profit after tax of the company of \$4.3m (2015: nil).

<b>NOTE 4: REVENUE</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue comprises</b>		
Dividends	3,178,692	-
Interest	310,190	-
	<b>3,488,882</b>	<b>-</b>
<b>Fair value gain on financial assets through profit and loss comprises:</b>		
Realised and unrealised gains on portfolio investments	901,629	-

**NOTE 5: INCOME TAX**

	2016 \$	2015 \$
<b>(a) Components of tax expense:</b>		
Current tax	-	-
Deferred tax	200,447	-
	<b>200,447</b>	-
<b>(b) Prima facie tax payable</b>		
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:		
Profit before tax from continuing operations	2,933,877	-
Total profit before income tax	<b>2,933,877</b>	-
Prima facie income tax payable on profit before income tax at 30% (2015: 30%)	880,163	-
Add/(less) tax effect of:		
- non-allowable items	62	-
- dividend income	(679,778)	-
Income tax expense attributable to profit	<b>200,447</b>	-
<b>(c) Deferred tax</b>		
<i>Deferred tax assets</i>		
The balance relates to:		
Tax losses carried forward	134,801	-
Capital raising costs	418,912	-
	<b>553,714</b>	-
<i>Deferred tax liabilities</i>		
The balance comprises:		
Financial assets at fair value through profit or loss	(160,047)	-
Accruals	(85,349)	-
	<b>(245,396)</b>	-
<i>Net deferred tax assets</i>	<b>308,318</b>	-
<b>(d) Deferred income tax expense / (revenue) included in income tax expense comprises</b>		
Increase in deferred tax assets	(44,949)	-
Increase in deferred tax liabilities	245,396	-
	<b>200,447</b>	-
<b>(e) Deferred income tax related to items charged directly to equity</b>		
Increase in deferred tax assets	(508,765)	-
	<b>(508,765)</b>	-

**NOTE 6: DIVIDENDS**

**2016**                      2015  
\$                                \$

**(a) Dividends paid or declared**

Interim dividend paid for current financial year at \$0.03 per share 50% franked at 30% tax rate (2015: nil)

<b>2,143,922</b>	-
<b>2,143,922</b>	-

The final dividend for the financial year ended 30 June 2016 (2015: nil) was declared on 29 August 2016 at 3.5 cents per share and will be 50% franked. The ex-date for entitlement to this dividend will be 13 September 2016 and the dividend will be paid to shareholders on 28 September 2016.

**(b) Franking account**

Balance of franking account on a tax paid basis at financial year-end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables and franking debits arising from payment of proposed dividends.

<b>511,611</b>	-
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**NOTE 7: CASH AND CASH EQUIVALENTS**

Cash at bank and on deposit

<b>14,342,309</b>	-
<b>14,342,309</b>	-

**NOTE 8: RECEIVABLES**

Unsettled sales

**844,745**                      -

Other receivables

**461,013**                      -

<b>1,305,758</b>	-
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**NOTE 9: INVESTMENTS**

*Financial assets at fair value through profit and loss*

Shares in listed entities

**61,458,789**                      -

Investments at fair value through profit and loss

**61,458,789**                      -

**NOTE 10: PAYABLES**

Trade payables

**201,057**                      -

Other payables

**80,000**                      -

<b>281,057</b>	-
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**NOTE 11: CONTRIBUTED CAPITAL**

**2016**  
\$  
**2015**  
\$

**(a) Shares on issue**

Ordinary shares fully paid **78,131,699** 2

Fully paid ordinary shares carry one vote per share and the right to dividends.

**(b) Movements in shares on issue**

	<b>2016</b>	<b>2016</b>	2015	2015
	<b>No of Shares</b>	<b>\$</b>	<b>No of Shares</b>	<b>\$</b>
Beginning of the financial year	2	2	2	2
Issued during the year:				
– Shares issued from initial public offer	<b>71,451,000</b>	<b>71,451,000</b>	-	-
– Shares issued from placement of shares	<b>5,572,053</b>	<b>5,237,730</b>	-	-
– Shares issued from share purchase plan	<b>1,090,166</b>	<b>1,024,792</b>	-	-
– Costs (net of tax) associated with capital raisings	-	<b>(1,187,118)</b>	-	-
– Dividend reinvestment scheme	<b>3,928</b>	<b>3,653</b>	-	-
– Shares issued from options exercise	<b>14,550</b>	<b>14,550</b>	-	-
End of the financial year	<b>78,131,699</b>	<b>76,544,609</b>	2	2

**(c) Rights of each type of share**

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share gives entitlement to one vote when a poll is called.

**(d) Share Options**

There are 33,898,941 options on issue expiring on 31 March 2018 and exercisable into ordinary shares at \$1.00 per option (2015: nil).

**(e) Capital Management**

The Company's capital is invested to:

- achieve of a long term real rate of return for investors over and above the return of the S&P/ASX All Ordinaries Accumulation Index;
- deliver the regular payment of dividends; and
- preserve the capital base of the Company.

The Directors have the additional discretion to undertake capital management initiatives such as on-market share buy-back of shares to assist with these investment objectives.

**NOTE 12: RESERVES AND ACCUMULATED LOSSES**

	2016 \$	2015 \$
<b>(a) Dividend Payment Reserve</b>		
Balance at the beginning of year	-	-
Transfer from Accumulated Losses	8,090,650	-
Dividend payments	(2,143,922)	-
Balance at end of year	<u>5,946,728</u>	-
<b>(b) Accumulated Losses</b>		
Balance at the beginning of year	-	-
Profits attributable to members of Contango Income Generator Limited	2,733,430	-
Transfer to Dividend Reserve	(8,090,650)	-
Balance at end of year	<u>(5,357,220)</u>	-

**NOTE 13: CASH FLOW INFORMATION**

**(a) Reconciliation of cash flow from operations with profit after income tax**

Profit from ordinary activities after income tax	2,733,430	-
<b>Changes in assets and liabilities</b>		
Increase in receivables	(1,305,758)	-
Increase in payables	281,057	-
Increase in financial assets at fair value	(61,458,789)	-
Increase in deferred taxes attributable to operations	200,447	-
Net cash flow used in operating activities	<u>(59,549,613)</u>	-

**(b) Reconciliation of cash**

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position is as follows:

Cash at bank and on deposit	14,342,309	2
Closing cash balance	<u>14,342,309</u>	2

**NOTE 14: COMMITMENTS**

The Company regularly commits to underwriting activities in respect of public share issues. At 30 June 2016 the potential financial amount that the Company may be liable for is \$0 (2015: \$0).

**NOTE 15: CONTINGENCIES**

As at 30 June 2016, the Company had no contingent liabilities (2015: \$0)

**NOTE 16: EARNINGS PER SHARE**

	2016 \$	2015 \$
Reconciliation of earnings used in calculating earnings per share:		
Profit from continuing operations	2,733,430	-
Profit used in calculating basic earnings per share	2,733,430	-
Earnings used in calculating diluted earnings per share	2,733,430	-
Weighted average number of ordinary shares used in calculating basic earnings per share	64,952,945	2
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	64,952,845	2
Basic earnings per share	4.2 cents	0.0 cents
Diluted earnings per share	4.2 cents	0.0 cents

**NOTE 17: DIRECTORS' COMPENSATION**

	\$	\$
<i>Compensation by category</i>		
Short-term employment benefits	107,671	-
Post-employment benefits	6,912	-
Termination benefits	-	-
Other long-term benefits	-	-
Share-based payments	-	-
	114,583	-

**NOTE 18: AUDITOR'S REMUNERATION**

**Amounts paid and payable to Pitcher Partners for:**

<u>Audit and other assurance services</u>		
Audit and review of financial reports	62,000	-
Other assurance services	17,500	-
Total remuneration for audit and other assurance services	79,500	-
<u>Other non-audit services</u>		
Taxation services	15,450	-
Total remuneration for non-audit services	15,450	-
Total remuneration of Pitcher Partners	94,950	-



**NOTE 19: RELATED PARTY DISCLOSURES**

The Company's investment manager is Contango Asset Management Limited ("CAML"). Up until 29 June 2016, CAML was a wholly owned subsidiary of Contango MicroCap Limited ("CTN"). For most of the year, two of the Company's directors (Mr Ferres and Mr Kerr) were also directors of CAML, resigning from that Board on 29 June 2016.

The Company paid management fees of \$602,219 to CAML during the year.

Mr Ferres and Mr Kerr are also directors of CTN which owns 30,000,002 ordinary shares in the Company and 15,000,000 options.

Mr Boubouras was a director of CAML for the full year and remains on the CAML Board. He is also CAML's Managing Director and Chief Investment Officer.

During the year, as part of its normal payment of dividends on its shares the Company made payments to related parties that held shares in Contango Income Generator Limited (CIE). Dividend amounts of \$2,400 were paid to Mr Mark Kerr (2015: \$0); \$600 to Mr George Boubouras; and \$1,500 to Mr Don Clarke (2015: \$0); Messrs Kerr, Boubouras, and Clarke are all directors of the Company.

Dividends of \$900,000 were also paid to CTN as part of the normal payment of dividends to shareholders.

Capital raising expenses of \$197,779 incurred during the IPO of the Company were also reimbursed to CTN out of the IPO capital proceeds.

**NOTE 20: SEGMENT INFORMATION**

The company's sole activity is in the investment in companies listed on the Australian share market.

**NOTE 21: SUBSEQUENT EVENTS**

The final dividend for the year ended 30 June 2016 was declared on 30 August 2016 at 3.5 cents per share and will be 50% franked. The ex-date for entitlement to this dividend will be 12 September 2016 and the dividend will be paid to shareholders on 28 September 2016.

There has been no other matter or circumstance, which has arisen since 30 June 2016 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2016, of the Company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2016, of the Company.

The directors declare that the financial statements and notes set out on pages 8 to 24 in accordance with the *Corporations Act 2001*:

- (a) Comply with Accounting Standards and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements;
- (b) As stated in Note 1(a) the consolidated financial statements also comply with International Financial Reporting Standards; and
- (c) Give a true and fair view of the financial position of Contango Income Generator Limited as at 30 June 2016 and of its performance for the year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Contango Income Generator Limited will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made by the chief executive officer and chief financial officer to the directors in accordance with sections 295A of the *Corporations Act 2001* for the financial year ending 30 June 2016.

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



Ian Ferres  
Chairman  
Melbourne  
14 September 2016

CONTANGO INCOME GENERATOR LIMITED  
ABN 40 160 959 991

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
CONTANGO INCOME GENERATOR LIMITED

**Report on the Financial Report**

We have audited the accompanying financial report of Contango Income Generator Limited ("the Company"), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

*Directors' Responsibility 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 Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



CONTANGO INCOME GENERATOR LIMITED  
ABN 40 160 959 991

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
CONTANGO INCOME GENERATOR LIMITED

*Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

*Opinion*

In our opinion:

- (a) the financial report of Contango Income Generator Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

**Report on the Remuneration Report**

We have audited the Remuneration Report included in pages 5 to 6 of the directors' report for the year ended 30 June 2016. 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.

*Opinion*

In our opinion, the Remuneration Report of Contango Income Generator Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.



N R BULL  
Partner  
14 September 2016



PITCHER PARTNERS  
Melbourne

The Company was incorporated as a limited liability company in Victoria on 26 October 2012. The Company is a Listed Investment Company with its securities listed only on the Australian Stock Exchange.

**Registered office**

Level 27  
35 Collins Street  
Melbourne Victoria 3000  
Telephone (03) 9222 2333

**Directors**

Ian Ferres (Chairman)  
George Boubouras  
Don Clarke  
Mark Kerr

**Company secretary**

Glenn Fowles

**Auditor**

Pitcher Partners  
Level 19  
15 William Street  
Melbourne Victoria 3000

**Investment custodian**

National Australia Bank Limited  
500 Bourke Street  
Melbourne VIC 3000

**Share registrar**

Computershare Investor Services Pty Ltd  
Yarra Falls  
452 Johnston Street  
Abbotsford Victoria 3067  
Telephone 1300 850 505

## A. SECURITY HOLDINGS DATA

### Top 20 registered security holders

As at 31 July 2016 the twenty largest holders of the Company's ordinary shares and options are listed below:

Rank	Share Holder Name	No. of Shares	%
1	CONTANGO MICROCAP LIMITED	30,000,002	38.40
2	MR VICTOR JOHN PLUMMER	1,015,957	1.30
3	R & D FIELKE PTY LTD <R&D FIELKE SUPER FUND A/C>	880,000	1.13
4	J P MORGAN NOMINEES AUSTRALIA LIMITED	810,000	1.04
5	MR RICHARD KELVIN FREEMAN	508,000	0.65
6	INVIA CUSTODIAN PTY LIMITED <PATRICIA ILHAN FAMILY A/C>	500,000	0.64
7	NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	427,037	0.55
8	VAUGHAN AGRICULTURE PTY LTD <D C VAUGHAN A/C>	400,000	0.51
9	MR ROY VERNON ALLEN	375,000	0.48
10	MRS ZOE EVELYN KURTZ	313,000	0.40
11	MCDONALD'S HAMBURGERS PTY LTD	300,000	0.38
12	ANNIE OCEANA PTY LTD <ELLIS SUPER FUND A/C>	275,000	0.35
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	266,281	0.34
14	MR DAVID CHARLES ARDEN BROWN <EST JEAN WISHART A/C>	250,000	0.32
15	ORCA CAPITAL PTY LTD <DUNCAN BULL FAMILY A/C>	250,000	0.32
16	MR M & MRS B WALSH <M AND B WALSH S/F A/C>	250,000	0.32
17	BT PORTFOLIO SERVICES LIMITED <ZAMELS EXECUTIVE S/FUND A/C>	235,000	0.30
18	BOOLARONG PTY LTD	225,000	0.29
19	NAVIGATOR AUSTRALIA LTD <MLC INVESTMENT SETT A/C>	225,000	0.29
20	BALD HILL INVESTMENTS PTY LTD <AJ JARVIS A/C>	215,000	0.28
<b>TOP 20 SHARE HOLDERS</b>		<b>37,720,277</b>	<b>48.28</b>

Rank	Option Holder Name	No. of Options	%
1	CONTANGO MICROCAP LIMITED	15,000,000	44.25
2	SPG TRADING PTY LTD	500,000	1.47
3	J P MORGAN NOMINEES AUSTRALIA LIMITED	383,997	1.13
4	NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	327,500	0.97
5	INVIA CUSTODIAN PTY LIMITED <PATRICIA ILHAN FAMILY A/C>	250,000	0.74
6	MR VICTOR JOHN PLUMMER	250,000	0.74
7	VAUGHAN AGRICULTURE PTY LTD <D C VAUGHAN A/C>	200,000	0.59
8	MR ROY VERNON ALLEN	187,500	0.55
9	MRS CORINNE GWENETH WRIGHT	155,000	0.46
10	MCDONALD'S HAMBURGERS PTY LTD	150,000	0.44
11	GEMMELL POWELL S/F PTY LTD <GEMMELL POWELL S/F A/C>	127,500	0.38
12	ORCA CAPITAL PTY LTD <DUNCAN BULL FAMILY A/C>	125,000	0.37
13	MR M & MRS B WALSH <M AND B WALSH S/F A/C>	125,000	0.37
14	JANBILL PTY LTD <WR & JM WRIGHT S/F A/C>	117,500	0.35
15	NAVIGATOR AUSTRALIA LTD <MLC INVESTMENT SETT A/C>	112,500	0.33
16	MR R PETERSEN & MRS MM MCCARTHY <PETERSEN MCCARTHY FM SF A/C>	107,900	0.32
17	BALD HILL INVESTMENTS PTY LTD <AJ JARVIS A/C>	107,500	0.32
18	MR CD ASHMORE & MRS JM ASHMORE <THE ASHMORE FAMILY S/F A/C>	100,000	0.29
19	MRS PATRICIA CROCKER	100,000	0.29
20	FERADIO HELENA NOMINEES PTY LTD <RS MARTIN FAMILY S/FUND A/C>	100,000	0.29
<b>TOP 20 OPTION HOLDERS</b>		<b>18,526,897</b>	<b>54.65</b>

### Range of security holders

At 31 July there were 1,343 holdings of ordinary shares and 1,055 holders of Options. These holdings were distributed as follows:

	Share holdings	Option holdings
1 - 1,000	12	65
1,001 - 5,000	172	257
5,001 - 10,000	169	236
10,000 - 100,000	935	480
100,000 and over	153	17
<b>Total holders</b>	<b>1,343</b>	<b>1,055</b>
<b>Average holding size</b>	<b>58,177</b>	<b>32,132</b>

There were 6 shareholdings of less than a marketable parcel of \$500 (516 shares).

### B. ON-MARKET BUY BACK

There was no buy-back activity undertaken during the year.

### C. INVESTMENTS AND TRANSACTIONS

As at 30 June 2016, the Company held investments in the following companies:

ASX Code	Security Name	ASX Code	Security Name
ABC	Adelaide Brighton Limited	GUD	G.U.D. Holdings Limited
AGL	AGL Energy Limited.	IFL	IOOF Holdings Limited
AHY	Asaleo Care Limited	JBH	JB Hi-Fi Limited
ASX	ASX Limited	MMS	McMillan Shakespeare Limited
AHG	Automotive Holdings Group Limited	MVF	Monash IVF Group Limited
AVN	Aventus Retail Property Fund	MYS	MyState Limited
BOQ	Bank of Queensland Limited	PPT	Perpetual Limited
BEN	Bendigo and Adelaide Bank Limited	PTM	Platinum Asset Management Limited
CGF	Challenger Limited	SAI	SAI Global Limited
CHC	Charter Hall Group	SGF	SG Fleet Group Limited
CQR	Charter Hall Retail REIT	SXL	Southern Cross Media Group Limited
CCL	Coca-Cola Amatil Limited	SKI	Spark Infrastructure Group
CVO	Cover-More Group Limited	SGP	Stockland
DUE	Duet Group	SUL	Super Retail Group Limited
EVT	Event Hospitality and Entertainment Ltd	TAH	TABCORP Holdings Limited
FXL	FlexiGroup Limited	TTS	Tatts Group Limited
GMF	Gpt Metro Office Fund	VCX	Vicinity Centres

### D. TRANSACTION DATA

Over the 12 months ended 30 June 2016, the Company executed 238 purchase transactions and 89 sale transactions. The total brokerage paid or accrued during this period was \$271,371.