

CLIME PRIVATE LIMITED

(ABN 89 614 090 309)

Interim Financial Report For the half-year ended 31 December 2023

Clime Private Limited

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www.clime.com.au/clime-private-limited/

GENERAL PURPOSE INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

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Directors' Report

The Directors of Clime Private Limited submit herewith the financial report of Clime Private Limited ("the Company") for the half-year ended 31 December 2023 ("HY 2024"). In order to comply with the provisions of the Corporations Act 2001, the Directors' report is as follows:

Directors

The following persons were Directors of Clime Private Limited during the financial period and up to the date of this report:

John Abernethy	-	Director and Chairman
Annick Donat	-	Director
Ronni Chalmers	-	Director

Principal Activities

The Company's principal activity is the holding of its investments in Jasco Holdings Limited ("Jasco") on behalf of its investors.

Jasco is an unlisted public company that has been operating for over 60 years. Jasco is a vertically integrated, arts materials supply company. The two key divisions are retail and wholesale suppliers.

For further information about the Company please refer to Note 1 of the interim financial statements.

Review of Operations

The Company reported a profit after tax of \$243,825 for the half-year ended 31 December 2023 (31 December 2022: \$372,528).

	31 December 2023	30 June 2023
	\$	\$
Cash and cash equivalents	94,442	74,377
Trade and other receivables, current tax asset less payables	(39,699)	(52,367)
Investment in Jasco	9,841,927	9,825,817
Deferred tax asset	663	1,441
Net tangible assets/Total equity	9,897,333	9,849,268
No. of ordinary shares on issue	50,275,000	50,275,000
Net tangible assets per share	19.7 cents	19.6 cents

There are no other significant changes in the operation of the Company since 30 June 2023.

Dividend

During the half-year ended 31 December 2023, the Company paid final dividend for the financial year ended 30 June 2023 of 0.40 cents per share fully franked amounting to \$201,100 on 8 December 2023 (31 December 2022: for the financial period ended 30 June 2022 of 0.30 cents per share fully franked amounting to \$150,825).

Subsequent Events

No matters or circumstances have arisen since the end of the reporting period which significantly affect or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in the future financial periods.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is included on page 3 of the half-year report.

Rounding off of amounts

In accordance with the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the Directors' report and in the interim financial report have been rounded to the nearest dollars, unless otherwise stated.

This report is made in accordance with a resolution of the Directors and is signed for and on behalf of the Directors by:



John Abernethy
Chairman

Sydney, 11 March 2024

Pitcher Partners Sydney

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**Auditor's Independence Declaration
To the Directors of Clime Private Limited
ABN 89 614 090 309**

In relation to the independent auditor's review for the half year ended 31 December 2023, 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 APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.



S M Whiddett
Partner

Pitcher Partners
Sydney

11 March 2024

Clime Private Limited
Interim Financial Statements
For the half-year ended 31 December 2023

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These interim financial statements do not include all the notes of the type normally included in an annual report. Accordingly, these statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Clime Private Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2023

Clime Private Limited

	Half-year	
	31 December	31 December
	2023	2022
	\$	\$
Share of profit of associate accounted for using the equity method	223,740	370,411
Director fee from Jasco Holdings Limited	20,000	20,000
Interest income	3,787	1,295
Administrative expenses	(2,924)	(18,270)
Profit before income tax	244,603	373,436
Income tax expense attributable to operating profit	(778)	(908)
Profit after income tax	243,825	372,528
Other comprehensive income	5,340	57,463
Total comprehensive income attributable to members of Clime Private Limited	249,165	429,991
Earnings per share for profit attributable to the ordinary equity holders of the Company:		
Basic earnings per share	0.48 cent	0.74 cent
Diluted earnings per share	0.48 cent	0.74 cent

The above Statement of Profit or loss and Other Comprehensive Income should be read in conjunction with the accompanying notes to the financial statements.

Statement of Financial Position

As at 31 December 2023

Clime Private Limited

	31 December 2023	30 June 2023
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	94,442	74,377
Trade and other receivables	1,468	-
Current tax asset	4,723	3,450
Total current assets	100,633	77,827
Non-current assets		
Investment accounted for using the equity method	9,841,927	9,825,817
Deferred tax	663	1,441
Total non-current assets	9,842,590	9,827,258
Total assets	9,943,223	9,905,085
LIABILITIES		
Current liabilities		
Trade creditors and accruals	45,890	55,817
Total liabilities	45,890	55,817
Net assets	9,897,333	9,849,268
EQUITY		
Issued capital	7,807,933	7,807,933
Reserves	(7,763)	(13,103)
Retained earnings	2,097,163	2,054,438
Total equity	9,897,333	9,849,268

The above Statement of Financial Position should be read in conjunction with the accompanying notes to the financial statements.

Statement of Changes in Equity
for the half-year ended 31 December 2023

Clime Private Limited

	Issued capital \$	Other reserves \$	Retained earnings \$	Total \$
Balance as at 1 July 2022	7,807,933	(40,102)	1,719,285	9,487,116
Profit for the period	-	-	372,528	372,528
Other comprehensive (loss)/ income for the period net of tax	-	(46,714)	104,177	57,463
Total comprehensive income for the period net of tax	-	(46,714)	476,705	429,991
Transactions with equity holders in their capacity as equity holders:				
Dividends paid	-	-	(150,825)	(150,825)
Balance as at 31 December 2022	7,807,933	(86,816)	2,045,165	9,766,282
Balance as at 1 July 2023	7,807,933	(13,103)	2,054,438	9,849,268
Profit for the period	-	-	243,825	243,825
Other comprehensive income for the period net of tax	-	5,340	-	5,340
Total comprehensive income for the period net of tax	-	5,340	243,825	249,165
Transactions with equity holders in their capacity as equity holders:				
Dividends paid	-	-	(201,100)	(201,100)
Balance as at 31 December 2023	7,807,933	(7,763)	2,097,163	9,897,333

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes to the financial statements.

	Half-year	
	31 December 2023	31 December 2022
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Dividends received from Jasco Holdings Limited	212,970	127,781
Payment of operating expenses	(14,319)	(18,600)
Director fee received	20,000	10,000
Income taxes paid	(1,273)	(1,585)
Interest received	3,787	1,295
Net cash inflow from operating activities	221,165	118,891
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(201,100)	(150,825)
Net cash used in financing activities	(201,100)	(150,825)
Net increase/(decrease) in cash and cash equivalents	20,065	(31,934)
Cash and cash equivalents at beginning of the period	74,377	69,991
Cash and cash equivalents at end of the period	94,442	38,057

The above Statement of Cash Flows should be read in conjunction with the accompanying notes to the financial statements.

1 CORPORATE INFORMATION

Clime Private Limited (“the Company”) was incorporated in Australia on 5 August 2016, as a wholly owned subsidiary of Clime Investment Management Limited (“CIW”). The Company is no longer part of CIW post the demerger completed on 11 November 2016. The address of its registered office and principal place of business is Level 12, 20 Hunter Street, Sydney NSW 2000, Australia. The principal activity of the Company is the holding of its investments in Jasco Holdings Limited (“Jasco”) on behalf of its investors.

Jasco is an unlisted public company that has been operating for over 60 years and is a leading Australian art, design and craft materials wholesaler and distributor. Jasco is a vertically integrated, arts materials supply company. The two key divisions are retail and wholesale suppliers.

Retail

Jasco, through its Eckersley’s art and craft business (“Eckersley’s”) has 28 art supplies stores, four school supplies divisions, easel hire and a business supplies division across Australia. Eckersley’s provides artists, craft & design enthusiasts with the resources they need. The stores are located in major shopping locations and they supply artists, students and the general public. Eckersley’s fastest sales growth channel has been derived from online sales through its website eckersleys.com.au. Eckersley’s supplies school children, art college and University students with their “recommended education kits”. The bulk of Eckersley’s sales are derived from selling products supplied by the Jasco wholesale division.

Wholesale

Jasco is a wholesaler of leading art and craft brands to its retailer clients. With over 100 local and international suppliers and a sales force across Australia, it represents a large range of brands in art supplies, design materials, crafting and more. Its mission is to provide the most innovative and highest quality art and design products; and to provide retail partners with full category solutions.

Jasco represents some of the world’s leading art brands in Australia and New Zealand, including:

- Winsor & Newton: The world’s leading brand of fine art materials with an unrivalled reputation for quality and reliability.
- Liquitex: The revolutionary pioneer of acrylics, making major contributions to the evolution of acrylic painting over the past 50 years.
- Conte a Paris: Used by the masters themselves, Conte a Paris high quality crayons, pastel pencils and drawing accessories have enriched art for more than a century.

In addition to art, design and craft materials, Jasco has a distribution alliance with ACCO brands to be the preferred distributor of a range of ACCO brands into the art and craft channel. The ACCO brands’ range offers a wide selection of commercial stationery, office equipment and technical drawing products. This distribution alliance brings powerful consumer recognised brands to both companies and provides efficiency within the Office Products and Art & Craft distribution channels.

Jasco distribution centres and headquarters are based in Sydney and Auckland, with national distribution and warehouse capabilities. The main distribution centre is located in St. Mary’s, west of Sydney, with 8,000m² of modern facilities, ensuring prompt service to its customers on a daily basis.

2 BASIS OF PREPARATION OF THE INTERIM FINANCIAL REPORT

(a) Basis of accounting

This interim financial report for the half-year ended 31 December 2023 has been prepared in accordance with the *Corporations Act 2001 and AASB 134 Interim Financial Reporting*.

The interim financial statements have been prepared in accordance with the historical cost convention, as modified by the valuation of investments.

2 BASIS OF PREPARATION OF THE INTERIM FINANCIAL REPORT (continued)

(a) Basis of accounting (continued)

These interim financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2023.

Details of Reporting Period

The current reporting period is the half-year ended 31 December 2023. For the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows, the previous corresponding period is the half-year ended 31 December 2022. For the Statement of Financial Position, the previous corresponding period is 30 June 2023.

(b) Accounting policies

The accounting policies applied in these interim financial statements have been applied consistently throughout the period and are the same as those applied in the Company's financial statements as at and for the year ended 30 June 2023.

There are no new and revised accounting requirements significantly affecting the half yearly financial report. The half year financial report was authorised for issue on 11 March 2024.

(c) Rounding off of amounts

In accordance with the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the Directors' report and in the interim financial report have been rounded to the nearest dollars, unless otherwise stated.

3 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The following are the critical judgements that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the Company's financial statements.

(a) Deferred tax assets and liabilities on equity-accounted investments

The Directors believe it to be inappropriate to recognise tax assets and liabilities in relation to the Company's equity-accounted investment in Jasco on the basis that the Company is a long-term investor and it is not anticipated that it will sell the investment in Jasco and thus, incur a tax liability associated with the sale. Should individual investors wish to realise their investment in Jasco they have the ability to do so by selling their shares in Clime Private Limited.

4 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

(a) Carrying amounts

Name of Company	Principal activity	December	June	December	June
		2023	2023	2023	2023
		%	%	\$	\$
<i>Unlisted</i>					
Jasco Holdings Limited (i)	Importing and distribution of art and craft materials	20.54	20.61	9,841,927	9,825,817

As at 31 December 2023, Jasco has 41,475,016 shares on issue (30 June 2023: 41,329,984 shares). Clime Private Limited owns 8,518,775 shares (30 June 2023: 8,518,775 shares) or 20.54% (30 June 2023: 20.61%).

(i) Jasco Holdings Limited (“Jasco”)

Jasco is in the business of importing and distribution of art and craft materials and retailing of art and craft materials. More details on Jasco’s business can be found in Note 1.

(b) Movement in carrying amounts

	Half-year	
	31 December 2023	31 December 2022
	\$	\$
Carrying amount as at 1 July	9,825,817	9,460,281
Share of profit after income tax	223,740	370,411
Share of change in defined benefit plan	-	104,177
Share of change in reserves	5,340	(46,714)
Dividends received	(212,970)	(127,781)
Carrying amount as at 31 December	9,841,927	9,760,374

5 SHARE CAPITAL

	December 2023	June 2023	December	June
	No. of shares	No. of shares	2023	2023
			\$	\$
Ordinary shares	50,275,000	50,275,000	7,807,933	7,807,933

In order to provide shareholders with some liquidity for their shares, Clime Private has received approval from the Australian Securities and Investments Commission (ASIC) to operate a low volume financial market under an exemption provided by section 791C of the *Corporations Act 2001* and in accordance with the *Corporations (Low Value Financial Markets) Instruments 2016/888*.

Please visit <https://clime.com.au/clime-private-limited/> for further information in relation to the operation of low volume financial market.

6 DIVIDENDS

During the half-year ended 31 December 2023, the Company paid final dividend for the financial year ended 30 June 2023 of 0.40 cents per share fully franked amounting to \$201,100 on 8 December 2023.

7 SEGMENT INFORMATION

Due to the nature of the Company's operations and current size of the Company, for management reporting purposes, the Board of Directors currently considers and reports on the Company's operating results and financial position as one reportable operating segment. Refer to the Statement of Profit or Loss and Other Comprehensive Income for the Company's results.

8 SUBSEQUENT EVENTS

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

9 CONTINGENT ASSETS, CONTINGENT LIABILITIES AND COMMITMENTS

There were no outstanding contingent assets, contingent liabilities or commitments as at 31 December 2023 and 30 June 2023.

The Directors declare that:

- (a) in the Directors' opinion, the Financial Statements and Notes set out on pages 4 to 12 are in accordance with the *Corporations Act 2001*; and
 - (i) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*; and
 - (ii) give a true and fair view of the financial position of the Company as at 31 December 2023 and of its performance for the half year ended on that date.
- (b) In the Directors' opinion, there are reasonable grounds, at the date of this declaration, 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 and is signed for and on behalf of the Directors by:



John Abernethy
Chairman

Sydney, 11 March 2024

Pitcher Partners Sydney

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**Independent Auditor's Review Report
To the Members of Clime Private Limited
ABN 89 614 090 309****Report on the Half-Year Financial Report****Conclusion**

We have reviewed the half-year financial report of Clime Private Limited ("the Company") which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Clime Private Limited does not comply with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Company's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



S M Whiddett
Partner



Pitcher Partners
Sydney

11 March 2024