GLENNON SMALL COMPANIES

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Wednesday, 18 August 2021

Company Announcements
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney NSW 2000

Financial Results – Year Ended 30 June 2021

In accordance with the Listing Rules, Glennon Small Companies Limited (ASX: GC1) encloses the following information authorised for release by GC1's Board of Directors:

1. Appendix 4E
2. Annual Report for Year Ended 30 June 2021

For more information, please contact:

Vivien Gacho
Joint Company Secretary
Glennon Small Companies Limited

Email: info@glennon.com.au
Phone: (02) 8027 1000
Website: www.glennon.com.au

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Glennon Small Companies Limited

ABN 52 605 542 229

Appendix 4E
for the year ended 30 June 2021

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Preliminary Final Report

This preliminary final report is for the financial year ended 30 June 2021. The previous corresponding period was 1 July 2019 to 30 June 2020.

Results for announcement to the market

				$'000
Revenue from ordinary activities	Up	283%	to	13,197
Profit before tax for the year	Up	244%	to	11,855
Profit from ordinary activities after tax attributable to members	Up	256%	to	8,791

Dividends

Interim dividends on ordinary shares paid are fully franked at 30% and dividends on Resettable Redeemable Convertible Preference Shares ("RRCPS") and final dividends on ordinary shares are unfranked (2020: interim and final dividends on ordinary shares are fully franked at 30%).

	Dividend Rate $	Total Amount $'000	Date of Payment	Percentage Franked
2021				
Ordinary shares - interim 2021	0.01	460	31/03/2021	100%
RRCPS - interim 2021	0.1841	105	31/03/2021	0%
Ordinary shares - final 2020	0.02	881	16/10/2020	0%
2020				
Ordinary shares - interim 2020	0.01	440	12/03/2020	100%
Ordinary shares - final 2019	0.02	936	03/09/2019	100%

In addition to the above dividends, the Directors have announced post year end:

- A final ordinary dividend of 2.2 cents per fully paid share, franked, with an ex date of 14 September 2021 and a record date of 15 September 2021, to be paid on 30 September 2021, out of the profits reserve at 30 June 2021.
- An unfranked dividend on Resettable Redeemable Convertible Preference Shares ("RRCPS") of 28 cents per RRCPS to be paid on 30 September 2021.

Dividends on RRCPS are recorded as finance costs (rather than “dividends”) for accounting purposes.

In relation to the ordinary dividends, shareholders may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash. Shares will be issued at a 3% discount to the issue price for the 10 trading days to the record date, being the trading days from 2 September 2021 to 15 September 2021 (inclusive).

Dividend dates

Ex Dividend date	14/09/2021
Record Date	15/09/2021
Last election date for the DRP	16/09/2021
Payment date	30/09/2021

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Net tangible assets (NTA)

	30 June 2021 $	30 June 2020 $
Net tangible asset backing (per share) after tax**	**0.9798**	0.8249
Net tangible asset backing (per share) before tax*	**1.0271**	0.8209

*As required by the ASX listing rules, this is the theoretical NTA before providing for the estimated tax on unrealised income and gains, and includes $0.053 (2020: ($0.071)) per share deferred tax asset (comprised of prior years' tax losses and current year tax losses/profits).

**Includes all tax balances and selling costs

Dividend Reinvestment Plan (DRP)

The Company has established a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash. Shares are issued under the plan at a discount to the market price as specified by the Company from time to time in accordance with the *Corporations Act 2001* and the Listing Rules.

The final date for receipt of an election notice for participation in the Dividend Reinvestment Plan is 16 September 2021. Shares issued under DRP will rank equally with existing ordinary shares. The Company reserves the right to issue DRP shortfall shares at Director's discretion.

Audit

This report is based on the financial report which has been audited. All the documents comprise the information required by Listing Rule 4.3A.

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Glennon Small Companies Limited

ABN 52 605 542 229

Annual Report
for the year ended 30 June 2021

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Directors	Michael Glennon *Executive Chairman* John Larsen *Independent Non-Executive Director* Sulieman Ravell *Independent Non-Executive Director*
Secretary	Michael Glennon Anushuka Ray (resigned 6 August 2021) Vivien Gacho (appointed 31 December 2020)
Investment Manager	Glennon Capital Pty Ltd Level 17, 25 Bligh Street Sydney NSW 2000 Phone: (02) 8027 1000
Registered office	c/o Glennon Capital Pty Ltd Level 17, 25 Bligh Street Sydney NSW 2000 Phone: (02) 8027 1000 Email: info@glennon.com.au For enquiries regarding net asset backing (as advised each month to the Australian Securities Exchange) refer to www.asx.com.au or call (02) 8027 1000.
Custodian and Administrator	Link Fund Solutions Pty Limited Level 12, 680 George Street Sydney NSW 2000 Phone: (02) 8280 7100
Share registrar	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 Phone: (02) 9290 9600 Fax: (02) 9279 0664 Email: enquiries@boardroomlimited.com.au For enquiries relating to shareholdings, dividends (including participation in the Dividend Reinvestment Plan) and related matters, please contact the share registrar.
Auditors	Pitcher Partners Sydney Level 16, Tower 2, Darling Park 201 Sussex Street Sydney NSW 2000
Stock exchange	Australian Securities Exchange (ASX) The home exchange is Sydney. ASX code: GC1 Ordinary shares ASX code: GC1PA Resettable Redeemable Convertible Preference Shares
Website	www.glennonsmallcompanies.com.au

Glennon Small Companies Limited ABN 52 605 542 229
Annual Report - 30 June 2021

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Chairman's Letter

After the various and ongoing challenges with Covid-19, the equity market rebounded strongly in FY21. Initially, we saw technology and online retailers perform well, as they were thought to have business models that were either benefiting from or unimpacted by the Covid lockdowns. Many of these companies overshot fair value leading to a rally in value stocks and the re-opening trade such as tourism and travel companies. This may have been a false rally especially for travel companies in light of the Delta strain and the new national lockdowns at the time of writing. We still see that there will be opportunities in re-opening trades though we would have to see some greater level of vaccination in the general Australia public before those trades make economic sense.

Over the financial year, we consolidated the positions in the portfolio and took a more concentrated approach to portfolio construction, choosing to own less companies and have a more focused approach. We favoured positions in small companies where we could see a medium to long-term trajectory of growth and where we had confidence that the company management could deliver upon those growth outcomes. So, while we may see volatility in share prices, we have become less concerned with the shorter-term vagaries of the market's ability to price them effectively, and more concerned about management ability to deliver strong growth within their business over a 3-5 year time frame.

There has been significant discussion in the market regarding discounts seen in Listed Investment Companies (LICs) over the last 12 months. The larger LICs have moved back from large discounts to premiums and this is gradually filtering down to the smaller funds. While an opportunity for those willing to play the cyclical trade of buying out of favour LICs, it is also a concern for shorter-term valuations of investor portfolios. The current discount to NTA has led us to undertake a number of initiatives to address it. Firstly, I would like to point out that I don't believe that buy-backs help in the longer-term, they only serve to make the company smaller. There is definitely a correlation between size of the company and the discount and this may be partly attributable to the lack of awareness of the company. As a result, we have taken a conscious decision to improve our communications with shareholders, increasing the frequency with which we released interim NTA updates, as well as increasing the level of disclosure in our monthly NTA update, detailing a significant amount of information in relation to positions we are adding and removing as well as the number of companies in our top 10 positions. In addition, we have been providing some very detailed information to the subscribers to our newsletter, which I would encourage you all to subscribe to if you are interested in getting further information about our thought process on companies and the market.

The other initiative we have undertaken is to grow the company and make it more relevant in the market. Currently, there are loyalty and bonus options in place, and in addition, the Preference shares which also have the ability to convert to ordinary shares. These all add to the growth of the company and at the same time, provide the benefit of mild gearing for the portfolio. At the time of writing, the bonus options are well and truly in the money and cum a dividend.

In terms of the outlook for the portfolio and the small cap market, we are comfortable with the core portfolio of companies we own and expect that they will perform over the medium term. We will also continue to take advantage of shorter-term opportunities when they present themselves. We anticipate that the level of merger and acquisition activity will be strong with larger companies seeking to bolster growth by acquiring smaller companies. This will provide support for valuations in the smaller companies' space.

Michael Glennon

Chairman

Sydney
18 August 2021

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Glennon Small Companies Limited
Investments at Market Value
As at 30 June 2021

Investments at Market Value

The investments in the portfolio holdings of the Company is shown below:

	$	% of total assets
CONSUMER DISCRETIONARY		
CITY CHIC COLLECTIVE LIMITED	633,919	1.26%
LOVISA HOLDINGS LIMITED	2,410,827	4.78%
VIVA LEISURE LIMITED	708,823	1.40%
	3,753,569	**7.44%**
FINANCIALS		
BENJAMIN HORNIGOLD	1,404,019	2.78%
PIONEER CREDIT LIMITED	66,649	0.13%
RESIMAC GROUP LTD	3,007,375	5.96%
SEQUOIA FINANCIAL GROUP	2,211,323	4.38%
WT FINANCIAL GROUP LIMITED PLACEMENT	426,667	0.85%
	7,116,033	**14.10%**
HEALTH CARE		
ESTIA HEALTH LIMITED	1,018,791	2.02%
HEALTHIA LIMITED	2,848,460	5.64%
PACIFIC SMILES GROUP LIMITED	3,110,273	6.16%
TELIX PHARMACEUTICALS LIMITED	1,311,542	2.60%
	8,289,066	**16.42%**
INDUSTRIALS		
JOHNS LYNG GROUP LIMITED	2,896,734	5.74%
	2,896,734	**5.74%**
COMMUNICATION SERVICES		
FRONTIER DIGITAL VENTURES LIMITED	550,856	1.09%
HUBIFY LIMITED	1,358,974	2.69%
OOHMEDIA LIMITED	1,037,250	2.06%
SPIRIT TECHNOLOGY SOLUTIONS LTD	563,995	1.12%
UNITI GROUP LIMITED	3,451,168	6.84%
	6,962,243	**13.80%**
INFORMATION TECHNOLOGY		
CATAPULT GROUP INTERNATIONAL LIMITED	309,372	0.61%
CLASS LIMITED	932,596	1.85%
DICKER DATA LIMITED	1,822,854	3.61%
FAMILY ZONE CYBER SAFETY LIMITED	2,990,078	5.92%
PRAEMIUM LIMITED	1,001,989	1.99%
	7,056,889	**13.98%**
MATERIALS		
BRICKWORKS LTD	2,029,667	4.02%
EAGLE MOUNTAIN MINING LIMITED	1,877,331	3.72%
FIREFINCH LIMITED	246,875	0.49%
NEW WORLD RESOURCES LIMITED	86,625	0.17%
OCEANAGOLD CORPORATION	1,875,889	3.72%
	6,116,387	**12.12%**
UNLISTED OPTIONS		
INVICTUS ENERGY LTD - ATTACHING OPTIONS	-	0.00%
	-	**0.00%**
UNLISTED EQUITY		
LOCAL AGENT FINDER LTD	280,000	0.55%
AXESSTODAY LIMITED	-	0.00%
	280,000	**0.55%**
TOTAL	**42,470,921**	**84.15%**

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Corporate Governance Statement

As an ASX-listed company, Glennon Small Companies Limited ("the Company") and its Directors are committed to responsible and transparent financial and business practices to protect and advance shareholders' interests. The Company's strong corporate governance practices are based on the ASX Corporate Governance Principles and Recommendations.

The Board has adopted these ASX principles and recommendations which are complemented by the Company's core principles of honesty and integrity. The corporate governance policies and practices adopted by the Board are outlined in the Company's Corporate Governance section (http://www.glennonsmallcompanies.com.au).

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Directors' Report

The Directors present their report together with the financial report of Glennon Small Companies Limited ("the Company") for the year ended 30 June 2021.

Directors

The following persons held office as Directors during or since the end of the year and up to the date of this report:

Michael Glennon (Executive Chairman)
John Larsen (Independent Non-Executive Director)
Sulieman Ravell (Independent Non-Executive Director)

Principal activities

The principal activity of the Company is making investments in listed companies outside the S&P/ASX 100.

There was no significant change in the nature of the activity of the Company during the year.

Dividends

Dividends paid to members since the end of the previous financial year were as follows:

Interim dividends on ordinary shares paid are fully franked at 30% and dividends on Resettable Redeemable Convertible Preference Shares ("RRCPS") and final dividends on ordinary shares are unfranked (2020: interim and final dividends on ordinary shares are fully franked at 30%).

	Dividend Rate $	Total Amount $'000	Date of Payment	Percentage Franked
2021				
Ordinary shares - interim 2021	0.01	460	31/03/2021	100%
RRCPS - interim 2021	0.1841	105	31/03/2021	0%
Ordinary shares - final 2020	0.02	881	16/10/2020	0%
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Ordinary shares - final 2019	0.02	936	03/09/2019	100%

In addition to the above dividends, the Directors have announced post year end:

- A final ordinary dividend of 2.2 cents per fully paid share, franked, with an ex date of 14 September 2021 and a record date of 15 September 2021, to be paid on 30 September 2021, out of the profits reserve at 30 June 2021.
- An unfranked dividend on Resettable Redeemable Convertible Preference Shares ("RRCPS") of 28 cents per RRCPS to be paid on 30 September 2021.

Dividends on RRCPS are recorded as finance costs (rather than “dividends”) for accounting purposes.

Review of operations

The operating profit before tax including realised and unrealised investment movements was $11,855,000 for the year ended 30 June 2021 (2020: $8,239,000 loss). The net result after tax was a profit of $8,791,000 (2020: $5,638,000 loss).

The net tangible asset (NTA) backing before tax as at 30 June 2021 was $1.0271 per share (2020: $0.8209). The before-tax NTA includes a $0.053 (2020: ($0.071)) per share deferred tax asset. Deferred Tax Asset (DTA) is comprised of prior years' and current year tax losses.

Further information on the operating and financial review of the Company is contained in the Chairman's Letter on page 1 of the Annual Report.

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Financial Position

The net asset value of the Company for the current financial year ended was $45,227,000 (2020: $36,265,000).

Significant changes in the state of affairs

On 27 April 2020, the Company issued a prospectus and announced the terms for a bonus issue of options for nil consideration, and a potential additional loyalty issue of options for nil consideration. The 1 for 5 bonus issue of options, totalling 8,765,489 bonus options, to acquire ordinary shares in the Company at an exercise price of $0.75 have an expiry date of 29 October 2021. During the year, 792,687 bonus options were exercised and there are 7,960,020 outstanding bonus options as at year end. The 1 for 1 loyalty issue of options to acquire ordinary shares in the Company at an exercise price of $0.95 have an expiry date of 28 April 2023. There are 8,765,489 loyalty options outstanding as at year end. No loyalty options have been exercised during the financial year. Since the end of the year, 687,750 bonus options and nil loyalty options have been exercised. There are 7,272,230 bonus options and 8,765,489 loyalty options outstanding at the date of this report.

On 7 October 2020, the Company announced a proposed dividend reinvestment plan ("DRP") placement shortfall of 1,046,168 shares at $0.702. On 16 October 2020, the Company issued 208,107 fully paid ordinary shares to shareholders participating under the DRP and 1,032,144 fully paid ordinary shares pursuant to the DRP underwriting arrangement on 7 October 2020.

On 28 October 2020, the Company lodged a Prospectus with Australian Securities and Investments Commission for an offer to issue a total aggregate amount of $5.7 million of RRCPS. On 27 November 2020, this offer closed oversubscribed. The RRCPS were issued on 2 December 2020 and commenced trading on the Australian Securities Exchange on 7 December 2020. First dividend payment was made on 31 March 2021, first reset date will be on 30 September 2024 and maturity date is 30 September 2030.

There were no other significant changes in the state of affairs of the Company during the year ended 30 June 2021.

Matters subsequent to the end of the financial period

Other than the dividend declared after year end, no other matter or circumstance has occurred subsequent to year end that has 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 subsequent financial years.

Likely developments and expected results of operations

The Company will continue to pursue its investment objectives for the long term benefit of the members. This will require continual review of the investment strategies that are currently in place and may require changes to these strategies to maximise returns.

Further information is contained in the Chairman's Letter on page 1 of the Annual Report.

Environmental regulation

The Company is not affected by any significant environmental regulation in respect of its operations.

To the extent that any environmental regulations may have an incidental impact on the Company's operations, the Directors of the Company are not aware of any breach by the Company of those regulations.

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Information on directors

Michael Glennon Executive Chairman Age 47 (appointed on 29 April 2015)

Experience and expertise
Michael Glennon has over 20 years' experience in financial markets and as a portfolio manager and director of several boutique investment management firms. He has extensive contacts in listed companies and has accumulated a wealth of knowledge of smaller listed companies over the time he has been in the market. He has worked with some of Australia's most respected small company fund managers and has also managed a listed investment company as well as portfolios for public superannuation funds, family offices, financial planner clients, insurance companies, charities and other professional investors. Mr Michael Glennon regularly speaks on ABC radio and appears on CNBC providing expert commentary on investing and financial markets.

He holds a Bachelor of Commerce degree from the University of Western Sydney.

Other current directorships
Michael Glennon is a director of Benjamin Hornigold Limited (ASX: BHD).

Former directorships in last 3 years
Michael Glennon was the Chairman of ASX listed, Excelsior Capital Limited (ECL) (previously CMI Ltd). He was appointed as a director of ECL on 23 December 2016 and resigned on 4 October 2019.

Pursuant to section 300(11)(e) of the *Corporations Act 2001*, and except as disclosed above, there were no other directorships held by the Michael Glennon in Australian listed companies at any time in the 3 years immediately before the end of the financial year.

Special responsibilities
Chairman of the Board and member of Remuneration and Nomination Committee and Disclosure Committee

Interests in shares and options
Details of Michael Glennon's interests in shares of the Company are included later in this report.

Interests in contracts
Details of Michael Glennon's interests in contracts of the Company are included later in this report.

John Larsen Independent Non-Executive Director Age 71 (appointed on 29 April 2015)

Experience and expertise
John Larsen has over 30 years' experience in senior management roles in funds management and broking companies. He has managed a number of private portfolios and a number of individually managed accounts. Between 2006 and 2008, he was part of the investment committee responsible for investment for the Huntley Investment Company Limited, a listed investment company. He was also Group Investment Manager at ING (previously Mercantile Mutual Group) retaining responsibility for the entire Australian investments portfolio with over $500 million of funds under management. During his tenure, ING was one of the largest fund managers in the Australian market. He is also a member of Institute of Chartered Accountants.

John Larsen's institutional dealing experiences include working as the Head of Equities for Deutsche Bank in Australia, and as a Director of County Natwest Securities (now part of Citigroup) in charge of institutional sales.

Other current directorships
John Larsen is a director of Sequoia Financial Group Limited.

Former directorships in last 3 years
Pursuant to section 300(11)(e) of the *Corporations Act 2001*, there were no other directorships held by the John Larsen in Australian listed companies at any time in the 3 years immediately before the end of this financial year.

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Information on directors (continued)

Special responsibilities
Chairman of the Audit and Risk Committee and Remuneration and Nomination Committee and member of the Disclosure Committee

Interests in shares and options
Details of John Larsen's interests in shares of the Company are included later in this report.

Interests in contracts
There are no contracts to which John Larsen is a party or under which John Larsen is entitled to a benefit and that confer a right to call for or deliver shares in the Company or a related body corporate.

Sulieman Ravell Independent Non-Executive Director Age 46 (appointed on 9 June 2020)

Experience and expertise
Sulieman Ravell has over 20 years' experience in the financial services industry.

Sulieman Ravell holds the Advanced Financial Planning Certificate (UK), a degree in Chemical Engineering and the Advanced Diploma in Financial Planning Australia.

Other current directorships
Sulieman Ravell is a director of Benjamin Hornigold Limited (ASX: BHD).

Former directorships in last 3 years
Pursuant to section 300(11)(e) of the *Corporations Act 2001*, there were no other directorships held by Sulieman Ravell in Australian listed companies at any time in the 3 years immediately before the end of the financial year.

Special responsibilities
Member of the Audit and Risk Committee, Remuneration and Nomination Committee and Disclosure Committee

Interests in shares and options
Details of Sulieman Ravell's interests in shares of the Company are included later in this report.

Interests in contracts
There are no contracts to which Sulieman Ravell is a party or under which Sulieman Ravell is entitled to a benefit and that confer a right to call for or deliver shares in the Company or a related body corporate.

Company secretary

Mr Michael Glennon was appointed as Company Secretary effective 14 December 2018.

Anushuka Ray was appointed as Co Company Secretary alongside Michael Glennon effective 4 July 2019. She is a Certified Public Accountant and has over 10 years' experience in the financial services and funds management industry. Anushuka Ray holds a Bachelor of Business (Accounting) from University of Western Sydney. Anushuka resigned as Co Company Secretary effective 6 August 2021.

Vivien Gacho was appointed as Co Company Secretary on 31 December 2020. She is a Certified Public Accountant and has over 10 years' experience in the financial services and funds management industry.

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Meetings of directors

The numbers of meetings of the Company's board of Directors and of each board committee held in the year ended 30 June 2021, and the numbers of meetings attended by each Director were:

	Directors' Meetings		Meetings of committees			
			Audit and Risk		Remuneration and Nomination	
	A	B	A	B	A	B
Michael Glennon	4	4	*	*	2	2
John Larsen	4	4	2	2	2	2
Sulieman Ravell	4	4	2	2	2	2

A = Number of meetings attended
B = Number of meetings held during the time the Director held office or was a member of the committee during the year
* Not a member of the relevant committee

Remuneration report (Audited)

This report details the nature and amount of remuneration for each Director of Glennon Small Companies Limited in accordance with the *Corporations Act 2001.*

The Directors will be entitled to receive the following benefits:

(a) John Larsen: $25,000 p.a.
(b) Sulieman Ravell: $25,000 p.a.

Michael Glennon is remunerated by the Investment Manager and did not receive Directors' fees or any other form of remuneration from the Company. There are no other key management personnel apart from the Directors.

Executive remuneration policy and framework

The Board has established the Remuneration and Nomination Committee. The Board acknowledges that currently this committee comprises all the three members of the Board. The chairman of the committee is an independent director.

The Remuneration and Nomination Committee is responsible for reviewing and making recommendations in relation to the composition of the Board and performance of the Directors and ensuring that adequate succession plans are in place. Independent advice will be sought where appropriate.

The Remuneration and Nomination Committee will meet as often as is required by the Remuneration and Nomination Committee Charter and is governed by the provisions in the Company's Constitution regulating meetings and proceedings of the Board and committees of the Board in so far as they are applicable and not inconsistent with the Remuneration and Nomination Committee Charter.

The role of the Remuneration and Nomination Committee is develop, review and make recommendations to the Board regarding the ongoing appropriateness and relevance of the remuneration framework for the chairman and the non-executive directors and the process by which any pool of directors' fees approved by shareholders is allocated to directors.

Non-executive directors are remunerated by way of director fees and superannuation contributions.
Non-executive directors do not receive remuneration through the issue of shares or options.

Michael Glennon, the Executive Chairman, is the sole director of the Manager. He is remunerated by the Manager and will not receive Directors' fees from the Company for his services. Further detail is provided in the Remuneration Report.

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Remuneration report (Audited) (continued)

Relationship between remuneration and the Company's performance

The remuneration policy has been specifically designed to ensure that the Company's shareholders can determine whether the aggregate remuneration of Directors should or should not be increased. As such, the Directors' aggregate and individual remuneration levels are not directly dependent upon the Company's performance or a performance condition. However, practically, whether shareholders vote for or against an increase in the aggregate remuneration will depend upon, amongst other things, how the Company has performed over the number of years.

Under the ASX Listing Rules the maximum fees payable to non-executive directors may not be increased without prior approval from the Company at a general meeting. Directors will seek approval from time to time as deemed appropriate.

Details of remuneration

The following tables show details of the remuneration received by the Directors of the Company for the current financial year and previous financial period.

2021	Short-term employee benefits	Post-employment benefits	
Name	Salary and fees	Superannuation	Total
Non-executive Directors	$	$	$
John Larsen	22,831	2,169	25,000
Sulieman Ravell	22,831	2,169	25,000
Sub-total non-executive directors	45,662	4,338	50,000
Executive Director			
Michael Glennon	-	-	-
Total key management personnel compensation	45,662	4,338	50,000

2020	Short-term employee benefits	Post-employment benefits	
Name	Salary and fees	Superannuation	Total
	$	$	$
Non-executive Directors			
John Larsen	22,831	2,169	25,000
Garry Crole*	21,439	2,037	23,476
Sulieman Ravell*	1,376	131	1,507
Sub-total non-executive directors	45,646	4,337	49,983
Executive Director			
Michael Glennon	-	-	-
Total key management personnel compensation	45,646	4,337	49,983

*Garry Crole resigned on 9 June 2020. Sulieman Ravell was appointed on 9 June 2020.

The following table comprises the Company performance and non-executive directors' remuneration:

	2021	**2020**	**2019**	**2018**	**2017**
Operating (loss)/profit after tax	$8,971,000	($5,638,000)	($5,982,000)	$9,446,000	$322,000
Dividends paid (cents per share)	3.2	3.0	4.0	4.0	4.0
Net tangible asset (pre-tax $ per share)	1.0271	0.8209	0.9763	1.2138	0.9850
Total Directors' remuneration	$50,000	$49,983	$50,000	$50,000	$50,000
Total Shareholder's Equity	$45,227,000	$36,265,000	$46,313,000	$54,229,000	$46,204,000

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Remuneration report (Audited) (continued)

Director Related Entity Remuneration

All transactions with related entities were made on normal commercial terms and conditions.

Michael Glennon is the sole Director and beneficial owner of Glennon Capital Pty Ltd, the Company appointed to manage the investment portfolio of Glennon Small Companies Limited. In its capacity as Manager, Glennon Capital Pty Ltd was paid a management fee of 1% p.a. (plus GST) of the net asset value of the portfolio amounting to $415,408 net of reduced input tax credits (2020: $417,590). As at 30 June 2021, the balance payable to the Manager was $40,578 (2020: $32,663). A summary of the material terms of the management agreement is contained in Section 10.1 of the Company's Prospectus dated 3 July 2015. (http://www.glennonsmallcompanies.com.au).

In addition, the Manager is to be paid, quarterly in arrears, a performance fee of 20% (plus GST) of the portfolio's outperformance over the benchmark and subject to high water mark. The Manager may elect up to five business days prior to payment date that all or part of the performance fee is to be applied to the issue of ordinary shares in the Company, without receiving any approvals from the shareholders of the Company. Further information in respect of the Company's performance fee calculation is contained in Section 10.1 of the Company's Prospectus dated 3 July 2015.

For the year ended 30 June 2021 and 30 June 2020, no performance fee was paid to Glennon Capital Pty Ltd in its capacity as Manager. As at 30 June 2021 and 30 June 2020, the balance payable to the manager was nil.

For the year ended 30 June 2021, in their capacity as Company Secretary, Glennon Capital Pty Ltd was paid company secretarial fees of $32,800 (2020: $32,800). As at 30 June 2021 and 30 June 2020, the balance payable in respect of company secretarial fees was nil.

No other Director has received or become entitled to receive a benefit (other than those detailed above) by reason of a contract made by the Company or a related Company with the Director or with a firm of which he is a member or with a Company in which he has substantial financial interest.

Remuneration of Executives

There are no executives that are paid by the Company. Glennon Capital Pty Ltd, the Manager of the Company, is beneficially owned by Michael Glennon who provides day to day management of the Company.

Equity Instrument Disclosures Relating to Directors

As at the date of this report, the Company's Directors and their related parties held the following interests in the Company:

Ordinary Shares Held

Director	Position	Balance at 1 July 2020	Net movement	Other movements	Balance at 30 June 2021
Michael Glennon	Executive Chairman	2,269,274	128,975	-	2,398,249
John Larsen	Independent Non-Executive Director	194,822	41,420		236,242
Sulieman Ravell	Independent Non-Executive Director	-	-	-	-
		2,464,096	**170,395**	**-**	**2,634,491**

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Remuneration report (Audited) (continued)

Equity Instrument Disclosures Relating to Directors (continued)

Director	Position	Balance at 1 July 2019	Net movement	Other movements**	Balance at 30 June 2020
Michael Glennon	Executive Chairman	1,956,279	312,995	-	2,269,274
John Larsen	Independent Non-Executive Director	187,535	7,287	-	194,822
Garry Crole*	Independent Non-Executive Director	300,000	-	(300,000)	-
Sulieman Ravell*	Independent Non-Executive Director	-	-	-	-
		2,443,814	**320,282**	**(300,000)**	**2,464,096**

Options Held

Director	Position	Balance at 1 July 2020	Options acquired	Options exercised	Other movements	Balance at 30 June 2021
Michael Glennon	Executive Chairman	449,720	-	-	-	449,720
John Larsen	Independent Non-Executive Director	38,965	-	-	-	38,965
Sulieman Ravell	Independent Non-Executive Director	40	-	-	-	40
		488,725	**-**	**-**	**-**	**488,725**

Director	Position	Balance at 1 July 2019	Options acquired	Options exercised	Other movements**	Balance at 30 June 2020
Michael Glennon	Executive Chairman	-	449,720	-	-	449,720
John Larsen	Independent Non-Executive Director	-	38,965	-	-	38,965
Garry Crole*	Independent Non-Executive Director	-	60,000	-	(60,000)	-
Sulieman Ravell*	Independent Non-Executive Director	-	40	-	-	40
		-	**548,725**	**-**	**(60,000)**	**488,725**

*Garry Crole resigned as Non-Executive Director of the Company on 9 June 2020. Sulieman Ravell was appointed as Non-Executive Director of the Company on 9 June 2020. Mr Ravell does not hold shares in the Company as at 30 June 2021 and 30 June 2020.

**Other movements represent interests held as at resignation date.

There are no movements in interests between balance date and the date of this report.

End of remuneration report

Insurance and indemnification 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 Secretary and any related body corporate against liability incurred as such by a Director or Secretary to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No indemnities have been given or insurance premiums paid during or since the end of the financial year, for any person who is or has been an auditor of the Company.

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Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001.*

Non-audit services

The Company's Audit and Risk Committee oversees the relationship with the Company's auditors. Non-audit services were provided by the auditors of the Company during the period. The directors are satisfied that the provision of the non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

Details of the amounts paid to the auditors and their related parties are disclosed in Note 17 to the financial statements.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 13.

Rounding of amounts

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission (ASIC) relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off to the nearest thousand dollars in accordance with that *ASIC Corporations Instrument*, unless otherwise indicated.

This report is made in accordance with a resolution of Directors.

Michael Glennon
Executive Chairman

Sydney
18 August 2021

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Auditor's Independence Declaration
To the Directors of Glennon Small Companies Limited
ABN 52 605 542 229

In relation to the independent audit of Glennon Small Companies Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief there have been:

(i) no contraventions of the auditor's independence requirements of the *Corporations Act 2001*; and

(ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

C I Chandran
Partner

Pitcher Partners
Sydney

18 August 2021

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Glennon Small Companies Limited
Statement of Comprehensive Income
For the year ended 30 June 2021

	Notes	**Year ended 30 June 2021 $'000**	Year ended 30 June 2020 $'000
Investment income from ordinary activities			
Net realised gains/(losses) on investments		**3,266**	(7,183)
Net unrealised gains/(losses) on investments		**8,142**	(628)
Dividends		**1,782**	522
Trust distributions		**-**	21
Interest from financial assets at amortised cost		**-**	54
Other income		**7**	1
		13,197	(7,213)
Expenses			
Management fees		**(415)**	(418)
Brokerage expense		**(297)**	(215)
Accounting fees		**(77)**	(74)
Share registry fees		**(48)**	(40)
Custody fees		**(27)**	(28)
Tax fees		**(12)**	(15)
Directors' fees		**(50)**	(50)
ASX fees		**(49)**	(47)
Audit fees		**(54)**	(51)
Other expenses		**(117)**	(88)
Finance costs		**(196)**	-
		(1,342)	(1,026)
Profit/(loss) before income tax		**11,855**	(8,239)
Income tax (expense)/benefit	7	**(3,064)**	2,601
Profit/(loss) for the year		**8,791**	(5,638)
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income/(loss) for the year		**8,791**	(5,638)
		Cents	Cents
Earnings/(loss) per share for profit/(loss) from continuing operations attributable to the ordinary equity holders of the Company:			
Basic earnings/(loss) per share	23	**19.48**	(12.54)
Diluted earnings/(loss) per share	23	**19.48**	(12.54)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

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Glennon Small Companies Limited
Statement of Financial Position
As at 30 June 2021

	Notes	At **30 June 2021 $'000**	30 June 2020 $'000
ASSETS			
Current assets			
Cash and cash equivalents	8	**11,109**	10,480
Trade and other receivables	9	**43**	1,725
Financial assets at fair value through profit or loss	10	**42,471**	21,120
Current tax assets		**-**	242
Other current assets		**57**	47
Total current assets		**53,680**	33,614
Non-current assets			
Deferred tax assets	11	**382**	3,346
Total non-current assets		**382**	3,346
Total assets		**54,062**	36,960
LIABILITIES			
Current liabilities			
Trade and other payables	12	**3,237**	695
Other financial liabilities	13	**80**	-
Total current liabilities		**3,317**	695
Non-current liabilities			
Other financial liabilities	13	**5,518**	-
Total non-current liabilities		**5,518**	-
Total liabilities		**8,835**	695
Net assets		**45,227**	36,265
EQUITY			
Issued capital	14	**44,874**	43,362
Profits reserve		**17,171**	8,932
Accumulated losses		**(16,818)**	(16,029)
Total equity		**45,227**	36,265

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

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Glennon Small Companies Limited
Statement of Changes in Equity
For the year ended 30 June 2021

	Notes	Issued capital $'000	Profits reserve $'000	Accumulated losses $'000	Total $'000
Balance at 1 July 2019		46,396	9,456	(9,539)	46,313
Net loss for the period		-	-	(5,638)	(5,638)
Other comprehensive income		-	-	-	-
Transactions with owners in their capacity as owners:					
Shares issued under dividend reinvestment plan		261	-	-	261
Shares issued on options exercised	14	9	-	-	9
On-market buy back	14	(3,275)	-	-	(3,275)
Costs of issued capital	14	(29)	-	-	(29)
Dividends provided for or paid	15	-	(1,376)	-	(1,376)
Transfer to profits reserve (net of tax)		-	852	(852)	-
		(3,034)	(524)	(852)	(4,410)
Balance at 30 June 2020		**43,362**	**8,932**	**(16,029)**	**36,265**

		Issued capital $'000	Profits reserve $'000	Accumulated losses $'000	Total $'000
Balance at 1 July 2020		43,362	8,932	(16,029)	36,265
Net profit for the period		-	-	8,791	8,791
Other comprehensive income		-	-	-	-
Transactions with owners in their capacity as owners:					
Shares issued under dividend reinvestment plan	14	236	-	-	236
Shares issued under DRP placement shortfall arrangement	14	724	-	-	724
Shares issued on options exercised	14	594	-	-	594
Costs of issued capital	14	(42)	-	-	(42)
Dividends provided for or paid	15	-	(1,341)	-	(1,341)
Transfer to profits reserve (net of tax)		-	9,580	(9,580)	-
		1,512	8,239	(9,580)	171
Balance at 30 June 2021		**44,874**	**17,171**	**(16,818)**	**45,227**

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

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Glennon Small Companies Limited
Statement of Cash Flows
For the year ended 30 June 2021

	Notes	**Year ended 30 June 2021 $'000**	Year ended 30 June 2020 $'000
Cash flows from operating activities			
Proceeds from sale of financial assets at fair value through profit or loss		**97,677**	79,186
Payments for purchase of financial assets at fair value through profit or loss		**(103,305)**	(75,389)
Interest received		**-**	73
Dividends received		**1,689**	432
Distributions received		**-**	55
Other income received		**7**	1
Income taxes refunded/(paid)		**242**	(284)
Management fees paid		**(408)**	(425)
Brokerage expenses paid		**(294)**	(213)
Payments for other expenses		**(452)**	(419)
Net cash (outflow)/inflow from operating activities	21	**(4,844)**	3,017
Cash flows from financing activities			
Payments for shares bought back		**-**	(3,275)
Proceeds from resettable, redeemable, convertible preference shares		**5,700**	-
Transaction costs on issue of resettable redeemable convertible preference shares		**(275)**	-
Dividends paid on resettable redeemable convertible preference shares		**(105)**	-
Shares issued on options exercised		**594**	9
Shares issued under DRP placement shortfall arrangement		**724**	-
Transaction costs on issue of shares		**(60)**	(41)
Dividends paid to Company's shareholders		**(1,095)**	(1,115)
Withholding tax paid on dividends		**(10)**	-
Net cash inflow/(outflow) from financing activities		**5,473**	(4,422)
Net increase/(decrease) in cash and cash equivalents		**629**	(1,405)
Cash and cash equivalents at the beginning of the year		**10,480**	11,885
Cash and cash equivalents at the end of year	8	**11,109**	10,480
Non-cash financing activities			
Dividends reinvested	22	**246**	261

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

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1 General information

Glennon Small Companies Limited ("the Company") is a listed public company domiciled in Australia. The address of Glennon Small Companies Limited's registered office is Level 17, 25 Bligh Street, Sydney, NSW 2000. The Company is primarily involved in making investments, and deriving revenue and investment income from listed securities in Australia.

The Company was registered with the Australian Securities and Investments Commission (ASIC) on 29 April 2015 and commenced operations on 21 August 2015. The financial statements of Glennon Small Companies Limited are for the year ended 30 June 2021.

2 Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for the entity Glennon Small Companies Limited.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. Glennon Small Companies Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial statements were authorised for issue by the Board of Directors on 18 August 2021.

(i) Compliance with International Financial Reporting Standards (IFRS)

The financial statements of the Glennon Small Companies Limited also comply with IFRS as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Company

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning on or after 1 July 2020 that have a material impact on the accounts recognised in the prior periods or will affect the current or future periods.

(iii) Historical cost convention

Except for the Statement of Cash Flows, these financial statements have been prepared under the accruals basis and are based on historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss.

(iv) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

(v) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2021, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

(b) Revenue recognition

(i) Investment income

Profits and losses realised from the sale of investments and unrealised gains and losses on securities held at fair value are included in the Statement of Comprehensive Income in the year they are incurred in accordance with the policies described in Note 2(g).

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2 Significant accounting policies (continued)

(b) Revenue recognition (continued)

(ii) Dividends

Dividends are recognised as revenue when the right to receive payment is established.

The Fund currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in the Statement of Comprehensive Income.

(iii) Interest income

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

(iv) Other income

The Company recognises other income when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities.

(c) Income tax

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

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

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

Current and deferred income tax expense/(benefit) is charged or credited outside profit or loss when the tax relates to items that are recognised outside 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.

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: (a) a legally enforceable right of set-off exists; and (b) 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.

(d) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(e) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date, and for equities normally settled within two business days.

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2 Significant accounting policies (continued)

(f) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for expected credit loss. Trade and other receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

(g) Financial assets and liabilities

The Company classifies its investments in the following measurement categories

- those to be measured at fair value through profit or loss; and
- those to be measured at amortised cost.

Classification

(i) Financial assets

The Company classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

The Company's portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Company's documented investment strategy. The Company's policy is to evaluate the information about these financial assets on a fair value basis together with other related financial information.

For equity securities and derivatives, the contractual cash flows of these instruments do not represent solely payments of principal and interest. Consequently, these investments are measured at fair value through profit or loss.

Other financial assets (including cash and cash equivalents and receivables) are classified as amortised cost.

Recognition and derecognition

Purchases and sales of financial assets at fair value through profit or loss are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at fair value excluding transaction costs that are directly attributable to its acquisition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Comprehensive Income.

Subsequent to initial recognition, all instruments at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income.

When an investment is disposed, the gain or loss from disposal is recognised as realised gains and losses from the sale of financial instruments in the Statement of Comprehensive Income.

The Company's accounting policy on fair value measurements is discussed in Note 4.

Determination of Fair Value

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

The Company uses the last sale price as a basis of measuring fair value.

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2 Significant accounting policies (continued)

(g) Financial assets and liabilities (continued)

Impairment
The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(h) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(i) Other financial liabilities

Resettable Redeemable Convertible Preference Shares ("RRCPS") are classified as a financial liability for accounting purposes under Australian Accounting Standard *AASB132 Financial Instruments Presentation*. They are initially recognised at fair value less transaction costs. After initial recognition, the liabilities are carried at amortised cost using the effective interest method.

In accordance with this Standard, a financial expense on the liability is brought to account which includes the amortisation, using the effective interest rate method, of any difference between the original proceeds net of transaction costs and the settlement value of the obligation over the term of the RRCPS.

(j) Finance costs

Finance costs are recognised as expenses in the year in which they are incurred using the effective interest rate method.

Dividends on RRCPS are recognised within finance costs in the Statement of Comprehensive Income.

(k) Issued 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.

(l) Profits reserve

A profits reserve has been created representing an amount allocated from current year earnings that is preserved for future dividend payments.

(m) Dividends

Provision is made for the amount of any dividend declared on fully paid ordinary shares, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

In accordance with the *Corporations Act 2001*, the Company may pay a dividend where the Company's assets exceed its liabilities, the payment of the dividend is fair and reasonable to the Company's shareholders as a whole and the payment of the dividend does not materially prejudice the Company's ability to pay its creditors.

Franking credits are generated by receiving fully franked dividends from ordinary shares held in the Company's investment portfolio, and from the payment of corporate tax on its other investment income, unfranked income and net realised gains.

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2 Significant accounting policies (continued)

(n) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Where applicable, the Company qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 75%; hence fees for these services have been recognised in the Statement of Comprehensive Income net of the amount of GST recoverable from the taxation authority.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(p) Functional and presentation currency

The functional and presentation currency of the Company is Australian dollars.

(q) Rounding of amounts

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission (ASIC) relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest thousand dollars in accordance with that *ASIC Corporations Instrument*, unless otherwise indicated.

(r) Comparatives

Where necessary, comparative information has been reclassified to be consistent with current reporting period.

3 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk, foreign exchange risk and price risk), credit risk and liquidity risk. The Board of the Company has implemented a risk management framework to mitigate these risks.

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3 Financial risk management (continued)

(a) Market risk

Market risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Foreign exchange risk

In addition to investments in Australian entities, the Manager may invest in entities outside Australia. Hence the Company may assume currency exposure and there is a risk that adverse movements in exchange rates will reduce their value in Australian dollar terms.

(ii) Price risk

The Company is exposed to equity securities price risk. This arises from investments held by the Company and classified in the Statement of Financial Position as financial assets at fair value through profit or loss.

The Company seeks to manage and constrain market risk by holding a diversified portfolio of typically between 20 and 40 ASX listed companies and holding cash of up to 75%.

The Company's portfolio is split into the following industry classifications as at 30 June:

Sector	**2021 (%)**	2020 (%)
Information technology	**17**	13
Financials	**17**	22
Health care	**19**	5
Industrials	**7**	13
Consumer discretionary	**9**	11
Materials	**14**	27
Communication services	**16**	7
Unlisted	**1**	2
Total	**100**	100

As at 30 June 2021, the Company held shares in Family Zone Cyber Safety Limited (ASX: FZO), Resimac Group Ltd (ASX: RMC), Healthia Limited (ASX: HLA), Pacific Smiles Group Limited (ASX: PSQ), Johns Lyng Group Limited (ASX: JLG) and Uniti Group Limited (ASX: UWL) which represented over 5% of the portfolio (2020: shares in City Chic Collective Limited (ASX: CCX) which represented over 5% of the portfolio).

Sensitivity

The following table illustrates the effect on the Company's equity from possible changes in other market risk that were reasonably possible based on the risk the Company was exposed to at reporting date, assuming a flat tax rate of 30%:

	Impact on post-tax loss	
	2021 $'000	2020 $'000
Decrease 5%	**(1,486)**	(739)
Increase 5%	**1,486**	739
Decrease 10%	**(2,973)**	(1,478)
Increase 10%	**2,973**	1,478

Post-tax loss for the year would increase/(decrease) as a result of gains/(losses) on equity securities classified as at fair value through profit or loss.

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3 Financial risk management (continued)

(a) Market risk (continued)

At balance date, the equity securities net portfolio position was $42,471,000 (2020: $20,870,000).

(iii) Cash flow and fair value interest rate risk

The Company's interest bearing financial instruments (except RRCPS) expose it to risks associated with the effects of fluctuations in the prevailing market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis. The Company's RRCPS are subject to fixed interest rates and are carried at amortised cost. RRCPS are not subject to interest rate risk as defined in AASB 7, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

At 30 June 2021

	Floating interest rate $'000	**Fixed interest rate $'000**	**Non-interest bearing $'000**	**Total $'000**
Financial assets				
Cash and cash equivalents	**11,109**	**-**	**-**	**11,109**
Trade and other receivables	**-**	**-**	**43**	**43**
Financial assets at fair value through profit or loss	**-**	**-**	**42,471**	**42,471**
	11,109	**-**	**42,514**	**53,623**
Financial liabilities				
Trade and other payables	**-**	**-**	**(3,237)**	**(3,237)**
Other financial liabilities	**-**	**(5,598)**	**-**	**(5,598)**
	-	**(5,598)**	**(3,237)**	**(8,835)**
Net exposure to interest rate risk	**11,109**	**(5,598)**	**39,277**	**44,788**

At 30 June 2020

	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
Financial assets				
Cash and cash equivalents	10,480	-	-	10,480
Trade and other receivables	-	-	1,725	1,725
Financial assets at fair value through profit or loss	-	250	20,870	21,120
Current tax assets	-	-	242	242
	10,480	250	22,837	33,567
Financial liabilities				
Trade and other payables	-	-	(695)	(695)
	-	-	(695)	(695)
Net exposure to interest rate risk	10,480	250	22,142	32,872

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3 Financial risk management (continued)

(a) Market risk (continued)

Sensitivity

At 30 June 2021, if interest rates had increased by 75 or decreased by 75 basis points from the year end rates with all other variables held constant, post-tax loss for the year would have been $58,000 higher/$58,000 lower (2020: changes of 75 bps/75 bps: $55,000 higher/$55,000 lower), mainly as a result of lower interest income from cash and cash equivalents.

(b) Credit risk

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

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and Notes to the Financial Statements. The Company is also exposed to counterparty credit risk on cash and cash equivalents, amounts due from brokers and other receivables.

The Company manages credit risk by only entering into agreements with credit worthy parties (see Note 8).

(c) Liquidity risk

Liquidity risk is defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Manager manages liquidity risk by monitoring the asset size of the Company as a whole on executing transactions.

The assets of the Company are largely in the form of readily tradeable securities which can be sold on-market if necessary.

Maturities of financial liabilities

The tables below analyse the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows:

	Less than 1 month $'000	1 to 6 months $'000	6 to 12 months $'000	Over 12 months $'000	Total $'000
As at 30 June 2021					
Trade and other payables	3,237	-	-	-	3,237
Other financial liabilities	-	80	80	5,438	5,598
Contractual cash flows	3,237	80	80	5,438	8,835

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3 Financial risk management (continued)

(c) Liquidity risk (continued)

	Less than 1 month $'000	1 to 6 months $'000	6 to 12 months $'000	Over 12 months $'000	Total $'000
As at 30 June 2020					
Trade and other payables	695	-	-	-	695
Contractual cash flows	695	-	-	-	695

4 Fair value measurements

The Company measures and recognises the following assets at fair value on a recurring basis:

- Financial assets at fair value through profit or loss (FVTPL)

The Company has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

(a) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),
(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

(i) Recognised fair value measurements

The following table presents the Company's assets and liabilities measured and recognised at fair value at 30 June.

At 30 June 2021	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets				
Listed equity securities	**41,764**	**427**	**-**	**42,191**
Unlisted equity securities	**-**	**280**	**-**	**280**
Total financial assets	**41,764**	**707**	**-**	**42,471**

At 30 June 2020	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Listed equity securities	20,590	-	-	20,590
Unlisted convertible notes	-	-	250	250
Unlisted equity securities	-	280	-	280
Total financial assets	20,590	280	250	21,120

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4 Fair value measurements (continued)

(a) Fair value hierarchy (continued)

The investments included in Level 2 of the hierarchy are unlisted equity securities and placements and therefore represent investments in an inactive market without observable inputs for valuation. The unlisted equity securities were purchased as part of a Pre-Initial Public Offering and have been valued at the latest equity raising price which the Board consider to represent fair value in absence of any market price available.

The unlisted convertible notes included in Level 3 of the hierarchy in the prior year were investments in convertible notes which were not listed on the Australian Securities Exchange. These had been valued at cost which the Board considered to represent fair value. The unlisted convertible notes were sold during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. There were no transfers in and out of level 3.

(ii) Disclosed fair values

The Company also has RRCPS which are not measured at fair value within the Statement of Financial Position. Details of the carrying amount and fair value are shown below.

	Year ended	
	30 June 2021 $'000	30 June 2020 $'000
Carrying amount	**5,598**	-
Fair value	**5,996**	-

The fair value of the RRCPS as at 30 June 2021 amounting to $5,996,000 was determined by reference to published price quotation of $10.52 on each RRCPS ticker ASX: GC1PA as at 30 June 2021.

The carrying amounts of trade and other receivables and payables are assumed to approximate their fair values due to their short-term nature. For all other financial instruments other than RRCPS, carrying amounts approximate their fair values due to their short-term nature.

5 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

(i) Estimated fair values of level 2 and level 3 investments

The Company carries its investments at fair value with changes in the fair values recognised in Statement of Comprehensive Income. At the end of each reporting period, the Directors update their assessment of the fair value of securities which are categorised under level 2 and level 3 in the fair value hierarchy. Refer to Note 4 for information on level 2 and level 3 securities.

(ii) Income taxes

The Company has recognised deferred tax assets relating to capitalised share issue costs, carry forward losses and other temporary differences of $2,561,000 at 30 June 2021 (2020: $3,346,000). These are expected to be utilised against the taxable temporary differences (deferred tax liabilities on unrealised gains on investments) of $2,179,000 at 30 June 2021 (2020: nil) relating to the same taxation authority.

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6 Segment information

The Company has only one reportable segment. The Company is engaged solely in investment activities conducted in Australia, deriving revenue from dividend income and from sale of its investments.

7 Income tax (expense)/benefit

(a) Income tax (expense)/benefit through profit or loss

	Year ended 30 June 2021 $'000	Year ended 30 June 2020 $'000
Income tax (expense)/benefit	**(3,064)**	2,601
Income tax (expense)/benefit is attributable to:		
Profit/(loss) before tax from continuing operations	**11,855**	(8,239)

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

	Year ended 30 June 2021 $'000	Year ended 30 June 2020 $'000
Profit/(loss) from continuing operations before income tax benefit	**11,855**	(8,239)
Tax at the Australian tax rate of 30% (2020 - 30%)	**3,557**	(2,472)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Franking credits on dividends received	**(744)**	(185)
Imputation credit gross up	**223**	56
Adjustments recognised for RRCPS	**28**	-
Income tax expense/(benefit)	**3,064**	(2,601)
The applicable effective tax rates are as follows:	**25.85%**	31.57%

(c) Amounts recognised directly in equity

	Notes	**Year ended 30 June 2021 $'000**	Year ended 30 June 2020 $'000
Aggregate deferred tax arising in the reporting year and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity:			
Deferred tax: Share issue costs	11	**23**	36

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7 Income tax (expense)/benefit (continued)

(d) Income tax expense/(benefit) recognised in the profit or loss

	Year ended	
	30 June 2021 $'000	30 June 2020 $'000
Current income tax expense/(benefit)	**3,557**	(2,472)
Deferred tax relating to the origination and reversal of temporary differences	**(493)**	(129)
	3,064	(2,601)

8 Current assets - Cash and cash equivalents

	At	
	30 June 2021 $'000	30 June 2020 $'000
Current assets		
Cash at bank and in hand	**11,109**	10,480

(a) Risk exposure

The Company's exposure to interest rate risk is discussed in Note 3. The maximum exposure to credit risk at the end of the reporting year is the carrying amount of each class of cash and cash equivalents mentioned above.

Cash investments are made with the following financial institutions:

	Standard & Poor's Rating
Australia and New Zealand Banking Group Ltd	AA-
J.P. Morgan Chase Bank N.A. (Sydney Branch)	A+

9 Current assets - Trade and other receivables

	At	
	30 June 2021 $'000	30 June 2020 $'000
GST receivable	**19**	23
Unsettled trades	**24**	1,702
	43	1,725

Receivables are non-interest bearing and unsecured.

The maximum exposure to credit risk is the carrying amount of each class of receivables mentioned above as at the end of the year. There are no past due or impaired receivables.

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10 Current assets - Financial assets at fair value through profit or loss

	At	
	30 June 2021 $'000	30 June 2020 $'000
Listed equity securities	**42,191**	20,590
Unlisted equity securities	**280**	280
Unlisted convertible notes	**-**	250
	42,471	21,120

The individual investments comprising these values are disclosed on page 2 of the Annual Report.

Changes in fair values of financial assets at fair value through profit or loss are recorded in investment income in the Statement of Comprehensive Income.

(a) Investment transactions

The total number of contract notes that were issued for transactions in securities during the financial year was 684 (2020: 743). Each investment transaction may involve multiple contract notes.

The total brokerage paid on these contract notes was $297,000 (2020: $499,000).

(b) Risk exposure and fair value measurements

Information about the Company's exposure to price risk and about the methods and assumptions used in determining fair value is provided in Note 3.

11 Non-current assets - Deferred tax assets

	At	
	30 June 2021 $'000	30 June 2020 $'000
The balance of deferred tax assets comprises temporary differences attributable to:		
Capitalised share issue costs	**23**	36
Carry forward losses	**2,460**	3,123
Accrued expenses	**12**	12
Net unrealised losses on investments	**-**	175
RRCPS	**66**	-
	2,561	3,346

	At	
	30 June 2021 $'000	30 June 2020 $'000
Movements:		
Opening balance	**3,346**	816
Charged/(credited):		
- to equity	**(30)**	(68)
- to profit or loss	**(755)**	2,598
Closing balance	**2,561**	3,346

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11 Non-current assets - Deferred tax assets (continued)

	At	
	30 June 2021 $'000	30 June 2020 $'000
The balance of deferred tax liabilities comprises temporary differences attributable to:		
Net unrealised gains on investments	**2,179**	-
	2,179	-

	At	
	30 June 2021 $'000	30 June 2020 $'000
Movements:		
Opening balance	**-**	93
Charged/(credited):		
- profit or loss	**2,179**	-
- directly to equity	**-**	(93)
Closing balance	**2,179**	-

Net deferred tax assets

	At	
	30 June 2021 $'000	30 June 2020 $'000
Deferred tax assets	**2,561**	3,346
Deferred tax liabilities	**(2,179)**	-
Net deferred tax assets	**382**	3,346

12 Current liabilities - Trade and other payables

	At	
	30 June 2021 $'000	30 June 2020 $'000
Management fees payable	**41**	32
Unsettled trades	**3,138**	594
Other payables	**58**	69
	3,237	695

Trade and other payables are unsecured and are usually paid within 30 days of recognition.

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13 Other financial liabilities

	At	
	30 June 2021 $'000	30 June 2020 $'000
Dividends on Resettable Redeemable Convertible Preference Shares - current	**80**	-
Resettable Redeemable Convertible Preference Shares - non-current	**5,518**	-
	5,598	-

RRCPS are resettable, redeemable and convertible preference shares in the capital of the Company. The key terms of the RRCPS are:

RRCPS Face Value: $10 per RRCPS

Offer Structure: The Offer comprises Priority Offer and Broker Firm Offer. The Priority Offer was made to all Company shareholders (on record date of 6 November 2020) and all Benjamin Hornigold Ltd ("BHD") shareholders (on record date of 23 October 2020) who have a registered address in Australia and New Zealand, and closed on 20 November 2020. The Broker Firm Offer was made to clients of participating brokers and closed on 26 November 2020. The Company and BHD share common directors, Michael Glennon and Sulieman Ravell.

Issue Date: 2 December 2020

Maturity Date: 30 September 2030 (unless exchanged earlier)

Reset Date: The first reset date will be 30 September 2024. On any Reset date, the Company may change any or all of the next Reset Date, Dividend Rate, and the Conversion Price.

Dividend Rate: The RRCPS are entitled to a preferred, cumulative, unfranked dividend payable semi-annually in arrears at 5.60% per annum until the first Reset Date, unless a Trigger Event subsists in which case the Dividend Entitlement will be increased by 2.00% per annum until such time as the Trigger Event ceases to subsist. The Dividend Rate may be increased or decreased on Reset Dates.

Dividend Payment: The dividend is payable semi-annually in arrears on 31 March and 30 September each year up to and including the earlier of the date of the RRCPS are Exchanged or the Maturity Date, with the first Dividend paid on 31 March 2021.

Conversion: Upon conversion, each RRCPS will convert into a number of Ordinary Shares determined by dividing the Conversion Amount, which is equal to the Face Value of the RRCPS being converted plus the balance of any dividend that is due but remains unpaid, by the Conversion Price of $0.86, subject to adjustment for certain dilutionary and other capital transactions by the Company.

Redemption: A holder may request Conversion of the holder's RRCPS into the Conversion Shares at least 10 business days prior to any Dividend payment date, unless the Dividend payment date is a Reset Date or the Maturity Date by giving appropriate notice. Holders may require the Company to convert or repurchase the holder's RRCPS by giving notice within 10 business days or on a Reset Date after appropriate notice is issued. RRCPS will be repurchased on the Maturity Date at Face Value, if not converted or repurchased prior to that date.

Issuer exit rights: Subject to a holder's right to convert, the Company as the issuer may elect to repurchase all of the RRCPS on a Reset Date upon a Tax Event or Clean-Up Event at Face Value, or a Change of Control Event at 104% of Face Value.

Voting rights: Holders have no right to vote at meetings except in certain circumstances.

Return of capital: On a winding up, RRCPS rank for repayment of capital behind all creditors of the Company but ahead of Ordinary Shares and any other preference shares stated to rank behind RRCPS.

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13 Other financial liabilities (continued)

Loan-to-value (LTV) ratio: This is calculated as follows:

$$\text{LTV Ratio} = \frac{\text{Total Debt - (Cash and Cash Equivalents)}}{\text{Market Value of all Marketable Securities held by or on behalf of the Company as at such time}}$$

As at 30 June 2021, using the face value of $10 per RRCPS as Total Debt, the LTV ratio was (12.74%) determined as follows:

$$\text{LTV Ratio} = \frac{\$5{,}700{,}000 - \$11{,}109{,}000}{\$42{,}471{,}000}$$

The Company undertakes that for the period that the RRCPS remain on issue, the LTV ratio will not exceed 50%.

There were no Trigger Events that occurred during the year.

14 Issued capital

(a) Share capital

	30 June 2021 Shares	30 June 2020 Shares	**30 June 2021 $'000**	30 June 2020 $'000
Ordinary shares	**46,069,108**	43,910,293	**44,874**	43,362

(b) Movements in ordinary share capital

		30 June 2021 Shares	**30 June 2021 $'000**
Opening balance		**43,910,293**	**43,362**
Options exercised for $0.75 per share	14(d)	**792,687**	**594**
Dividends reinvestment plan issue	14(e)	**333,984**	**236**
Shares issued under DRP placement shortfall arrangement	14(e)	**1,032,144**	**724**
Cost of issued capital, net of tax		**-**	**(42)**
Balance 30 June 2021		**46,069,108**	**44,874**

		30 June 2020 Shares	30 June 2020 $'000
Opening balance		47,460,551	46,396
On-market buy back		(3,898,076)	(3,275)
Options exercised for $0.75 per share	14(d)	12,782	9
Dividends reinvestment plan issue	14(e)	335,036	261
Cost of issued capital, net of tax		-	(29)
Balance 30 June 2020		43,910,293	43,362

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares and amounts paid on the shares held.

Every holder of ordinary shares is entitled to one vote when a poll or meeting is called. All substantive resolutions at a meeting of shareholders are decided by a poll rather than by a show of hands.

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14 Issued capital (continued)

(d) Options

On 27 April 2020, the Company issued a prospectus and announced the terms for a bonus issue of options for nil consideration, and a potential additional loyalty issue of options for nil consideration.

The 1 for 5 bonus issue of options, totalling 8,765,489 bonus options, to acquire ordinary shares in the Company at an exercise price of $0.75 have an expiry date of 29 October 2021. During the year, 792,687 bonus options were exercised and there are 7,960,020 outstanding bonus options as at year end.

The 1 for 1 loyalty issue of options to acquire ordinary shares in the Company at an exercise price of $0.95 have an expiry date of 28 April 2023. There are 8,765,489 loyalty options outstanding as at year end. No loyalty options have been exercised during the financial year.

(e) Dividend Reinvestment Plan

The Company has established a dividend reinvestment plan (DRP) under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash. Shares are issued under the plan at a discount to the market price as specified by the Company from time to time in accordance with the *Corporations Act 2001* and the Listing Rules.

DRP shortfall

On 7 October 2020, the Company announced a proposed dividend reinvestment plan placement shortfall of 1,046,168 shares at $0.702.

On 16 October 2020, the Company issued 208,107 fully paid ordinary shares to shareholders participating under the DRP and 1,032,144 fully paid ordinary shares pursuant to the DRP underwriting shortfall arrangement on 7 October 2020.

(f) Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain investor and market confidence.

To achieve this, the Board of Directors monitor the monthly NTA results, investment performance, the Company's Indirect Cost Ratio and share price movements.

The Company is not subject to any externally imposed capital requirements.

15 Dividends

(a) Ordinary shares

Interim dividends paid are fully franked at 30% and final dividends are unfranked (2020: interim and final dividends paid fully franked at 30%).

	Dividend Rate $	Total Amount $'000	Date of Payment	Percentage Franked
2021				
Ordinary shares - interim 2021	0.01	460	31/03/2021	100%
Ordinary shares - final 2020	0.02	881	16/10/2020	0%
2020				
Ordinary shares - interim 2020	0.01	440	12/03/2020	100%
Ordinary shares - final 2019	0.02	936	03/09/2019	100%

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15 Dividends (continued)

(b) Dividends not recognised at the end of the reporting period

In addition to the above dividends, since the end of the financial year the Directors have declared the payment of a final ordinary dividend of 2.2 cents per fully paid share, unfranked, with an ex date of 14 September 2021 and a record date of 15 September 2021, to be paid on 30 September 2021, out of the profits reserve at 30 June 2021.

(c) Resettable redeemable convertible preference shares

Dividends on RRCPS are recorded as finance costs (rather than “dividends”) for accounting purposes (see Note 13).

(d) Dividend franking account

The franked portions of the final dividend declared after 30 June 2021 will be franked out of existing franking credits arising from the payment of income tax for the year ended 30 June 2021 or the portfolio holdings' payment of franked dividend.

	30 June 2021 $'000	30 June 2020 $'000
Opening balance of franking account	**180**	302
Franking credits on dividends received	**744**	185
Tax (refunded)/paid during the year	**(242)**	284
Franking credits lost on ordinary dividends paid	**(197)**	(590)
Franking credits lost under 45 day rule	**(2)**	(1)
Closing balance of franking account	**483**	180
Adjustments for tax payable/refundable in respect of the current year's profits and the receipt of dividends	**(434)**	(242)
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2020 - 30%)	**49**	(62)

16 Key management personnel disclosures

(a) Key management personnel compensation

Key management personnel include persons who were directors of the Manager at any time during or since the end of the financial year up to the date of this report. The following persons held office as directors of Glennon Small Companies Limited at any time during or since the end of the financial year and up to the date of this report:

Michael Glennon (Executive Chairman)
John Larsen (Non-Executive Director)
Sulieman Ravell (Non-Executive Director)

Detailed remuneration disclosures are provided in the remuneration report on pages 8 to 11.

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16 Key management personnel disclosures (continued)

(a) Key management personnel compensation (continued)

	Year ended 30 June 2021 $	Year ended 30 June 2020 $
Short-term employee benefits	**45,662**	45,646
Post-employment benefits	**4,338**	4,337
	50,000	49,983

(b) Equity instrument disclosures relating to key management personnel

(i) Share holdings

The numbers of shares in the Company held during the financial year by each Director of Glennon Small Companies Limited and other key management personnel of the Company, including their personally related parties, are provided below. There were no shares granted during the reporting period as compensation.

Director	Position	Balance at 1 July 2020	Net movement	Other movements	Balance at 30 June 2021
Michael Glennon	Executive Chairman Independent	2,269,274	128,975	-	2,398,249
John Larsen	Non-Executive Director Independent	194,822	41,420		236,242
Sulieman Ravell	Non-Executive Director	-	-	-	-
		2,464,096	**170,395**	**-**	**2,634,491**

Director	Position	Balance at 1 July 2019	Net movement	Other movements**	Balance at 30 June 2020
Michael Glennon	Executive Chairman Independent	1,956,279	312,995	-	2,269,274
John Larsen	Non-Executive Director Independent	187,535	7,287	-	194,822
Garry Crole*	Non-Executive Director Independent	300,000	-	(300,000)	-
Sulieman Ravell*	Non-Executive Director	-	-	-	-
		2,443,814	**320,282**	**(300,000)**	**2,464,096**

(ii) Option holdings

The numbers of unlisted bonus options over ordinary shares in the Company that were held during the financial year by each Director of Glennon Small Companies Limited and other key management personnel of the Company, including their personally related parties, are provided below.

Director	Position	Balance at 1 July 2020	Options acquired	Options exercised	Other movements	Balance at 30 June 2021
Michael Glennon	Executive Chairman Independent	449,720	-	-	-	449,720
John Larsen	Non-Executive Director Independent	38,965	-	-	-	38,965
Sulieman Ravell	Non-Executive Director	40	-	-	-	40
		488,725	**-**	**-**	**-**	**488,725**

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16 Key management personnel disclosures (continued)

(b) Equity instrument disclosures relating to key management personnel (continued)

Director	Position	Balance at 1 July 2019	Options acquired	Options exercised	Other movements**	Balance at 30 June 2020
Michael Glennon	Executive Chairman Independent	-	449,720	-	-	449,720
John Larsen	Non-Executive Director Independent	-	38,965	-	-	38,965
Garry Crole*	Non-Executive Director Independent	-	60,000	-	(60,000)	-
Sulieman Ravell*	Non-Executive Director	-	40	-	-	40
		-	**548,725**	**-**	**(60,000)**	**488,725**

*Garry Crole resigned as Non-Executive Director of the Company on 9 June 2020. Sulieman Ravell was appointed as Non-Executive Director of the Company on 9 June 2020. Mr Ravell does not hold shares in the Company as at 30 June 2020.

**Other movements represent interests held as at resignation date.

17 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:

(i) Audit and other assurance services

	Year ended 30 June 2021 $	Year ended 30 June 2020 $
Audit and other assurance services		
Other assurance services		
Audit and review of financial statements - Pitcher Partners Sydney	**54,000**	51,159
Total remuneration for audit and other assurance services	**54,000**	51,159
Taxation services		
Tax compliance services - Pitcher Partners Sydney	**12,000**	15,455
Total remuneration for taxation services	**12,000**	15,455
Total remuneration of Pitcher Partners Sydney	**66,000**	66,614

The Company's Audit and Risk Committee oversees the relationship with the Company's auditors. The role of the Audit and Risk Committee is to assist the Board to meet its oversight responsibilities in relation to the Company's financial reporting systems, the systems of internal control and risk management and audit functions.

18 Contingencies and commitments

The Company had no contingencies or commitments as at 30 June 2021 (2020: nil).

19 Related party transactions

(a) Key management personnel

Disclosures relating to key management personnel are set out in Note 16.

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19 Related party transactions (continued)

(b) Transactions with other related parties

All transactions with related entities were made on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Michael Glennon is a Director and beneficial owner of Glennon Capital Pty Ltd, the Company appointed to manage the investment portfolio of Glennon Small Companies Limited. In its capacity as Manager, Glennon Capital Pty Ltd was paid a management fee of 1% p.a. (plus GST) of the net asset value of the portfolio amounting to $415,408 net of reduced input tax credits (2020: $417,590). As at 30 June 2021, the balance payable to the Manager was $40,578 (2020: $32,663).

In addition, the Manager is to be paid, quarterly in arrears, a performance fee of 20% (plus GST) of the portfolio's outperformance over the S&P/ASX Small Ordinaries Accumulation Index. For the year ended 30 June 2021 and 30 June 2020, no performance fee was paid to Glennon Capital Pty Ltd in its capacity as Manager. As at 30 June 2021 and 30 June 2020, the balance payable to the Manager was nil.

For the year ended 30 June 2021, in their capacity as Company Secretary, Glennon Capital Pty Ltd was paid company secretarial fees of $32,800 (2020: $32,800). As at 30 June 2021 and 30 June 2020, the balance payable in respect of company secretarial fees was nil.

Apart from those details disclosed in this note and in Note 16, no key management personnel have entered into a material contract with the Company during the financial year and there were no material contracts involving key management personnel's interests existing at year end.

20 Events occurring after the reporting period

Other than the dividend declared after year end as disclosed in Note 15(b), no other matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company or economic entity in subsequent financial years.

21 Reconciliation of profit after income tax to net cash inflow from operating activities

	Year ended 30 June 2021 $'000	Year ended 30 June 2020 $'000
Profit/(loss) for the year	**8,791**	(5,638)
Proceeds from sale of financial assets at fair value through profit or loss	**97,677**	79,186
Payments for purchase of financial assets at fair value through profit or loss	**(103,305)**	(75,389)
Fair value (gains)/losses on financial assets at fair value through profit or loss	**(11,408)**	7,811
Dividend income reinvested	**(93)**	(90)
Finance costs	**196**	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	**4**	57
Decrease/(increase) in current tax assets	**242**	(242)
Increase in other current assets	**(10)**	(8)
Decrease/(increase) in deferred tax assets	**885**	(2,518)
Decrease in trade and other payables	**(2)**	(27)
Decrease in provision for income taxes payable	**-**	(32)
Increase/(decrease) in deferred tax liabilities	**2,179**	(93)
Net cash (outflow)/inflow from operating activities	**(4,844)**	3,017

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22 Non-cash financing activities

	Year ended 30 June 2021 $'000	Year ended 30 June 2020 $'000
Dividends reinvested	**246**	261

23 Earnings/(loss) per share

(a) Earnings/(loss) per share

	Year ended 30 June 2021 Cents	Year ended 30 June 2020 Cents
Basic earnings/(loss) per share attributable to the ordinary equity holders of the Company	**19.48**	(12.54)

(b) Diluted earnings/(loss) per share

	Year ended 30 June 2021 Cents	Year ended 30 June 2020 Cents
Diluted earnings/(loss) per share attributable to the ordinary equity holders of the Company	**19.48**	(12.54)

The bonus options and RRCPS issued by the Company are non-dilutive hence diluted earnings per share is the same as basic earnings per share.

(c) Weighted average number of shares used as denominator

	Year ended 30 June 2021 Number	Year ended 30 June 2020 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings/(loss) per share	**45,126,492**	44,971,155
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted loss per share	**45,126,492**	44,971,155

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In the opinion of the directors of Glennon Small Companies Limited:

(a) the financial statements and notes set out on pages 14 to 39 are in accordance with the *Corporations Act 2001*, including:
   (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
   (ii) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 2(a)(i) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* by Michael Glennon on behalf of the Manager, Glennon Capital Pty Ltd.

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

Michael Glennon
Executive Chairman

Sydney
18 August 2021

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Independent Auditor's Report
to the Members of Glennon Small Companies Limited
ABN 52 605 542 229

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Glennon Small Companies Limited ("the Company"), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying the financial report of Glennon Small Companies 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 2021 and of its financial performance for the year then ended; and

ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis of 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 Company in accordance with auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES *110 Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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, and we do not provide a separate opinion on these matters.

Key audit matter	***How our audit addressed the matter***
Existence and Valuation of Financial Assets ***Refer to Note 4: Fair value measurements, Note 10: Current assets - Financial assets at fair value through profit or loss***	
We focused our audit effort on the valuation and existence of the Company's financial assets as they represent the most significant driver of the Company's Net Tangible Assets and Profit. The majority of the Company's investments are considered to be non-complex in nature with fair value based on readily observable data from the ASX or other observable markets. Consequently, these investments are classified under Australian Accounting Standards as either "Level 1" (i.e. where the valuation is based on quoted prices in active markets) or "Level 2" (i.e. where key inputs to valuation are based on other observable inputs).	Our procedures included, amongst others: ▪ Obtaining an understanding of and evaluating the investment management processes and controls; ▪ Reviewing and evaluating the independent audit reports on the design and operating effectiveness of internal controls (ASAE 3402 *Assurance Reports on Controls at a Service Organisation*) for the Administrator and Custodian; ▪ Making enquiries as to whether there have been any changes to these controls or their effectiveness from the periods to which the audit reports relate to and where necessary obtaining bridging letters; ▪ Obtaining confirmations of the investment holdings directly from the Custodian; ▪ Assessing and recalculating the Company's valuation of individual investment holdings using independent pricing sources, or, if market prices aren't available, with reference to independent sources such as shareholder updates and the most recent audited financial report of the company; ▪ Evaluating the accounting treatment of revaluations of financial assets for current/deferred tax and unrealised gains or losses; and ▪ Assessing the adequacy of disclosures in the financial statements.

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Key audit matter	***How our audit addressed the matter***
Accuracy and Existence of Management and Performance Fees ***Refer to Note 12: Current liabilities - Trade and other payables, Note 19: Related party transactions***	
We focused our audit effort on the accuracy and existence of management and performance fees as they are significant expenses of the Company and their calculation requires adjustments and key inputs. Adjustments include company dividends, tax payments, capital raisings, capital reductions and other relevant expenses. Key inputs include the value of the portfolio, the performance of the relevant comparable benchmark and application of the correct fee percentage in accordance with the Investment Management Agreement between the Company and the Investment Manager. In addition, to their quantum, as these transactions are made with related parties, there are additional inherent risks associated with these transactions, including the potential for these transactions to be made on terms and conditions more favorable than if they had been with an independent third-party.	Our procedures included, amongst others: ▪ Obtaining an understanding of and evaluating the processes and controls for calculating the management and performance fees; ▪ Making enquiries with the Investment Manager and those charged with governance with respect to any significant events during the period and associated adjustments made as a result, in addition to reviewing ASX announcements and Board meeting minutes; ▪ Testing of adjustments such as company dividends, tax payments, capital raisings, capital reductions as well as any other relevant expenses used in the calculation of management and performance fees; ▪ Testing of key inputs including the value of the portfolio, the performance of the relevant comparable benchmark and application of the correct fee percentage in accordance with our understanding of the Investment Management Agreement; and ▪ Assessing the adequacy of disclosures made in the financial statements.

Other information

The Directors are responsible for the other information. The other information comprises the information in the Company's Annual Report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

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 consistent 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 controls as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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In preparing the financial report, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company 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 judgement 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 Company'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 Company'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 Company 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.

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 with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period 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 Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 11 of the Directors' Report for the year ended 30 June 2021. In our opinion, the Remuneration Report of Glennon Small Companies Limited for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of Glennon Small Companies Limited 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.

C I Chandran
Partner

Pitcher Partners
Sydney

18 August 2021

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The Shareholder information set out below was applicable as at 31 July 2021.

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report, is listed below.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

	Class of equity security Ordinary shares		
Holding	**No. of Shareholders**	**Shares**	**Percentage**
1 - 1000	67	13,261	0.03
1,001 - 5,000	158	465,330	1.00
5,001 - 10,000	150	1,233,631	2.67
10,001 - 100,000	559	18,727,562	40.49
100,001 and over	67	25,817,650	55.81
	1,001	46,257,434	100.00

There were 59 holders of less than a marketable parcel of ordinary shares.

B. Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

Name	**Ordinary shares**	
	Number held	**Percentage of issued shares**
J P Morgan Nominees Australia Pty Limited	5,160,838	11.16
Dynasty Peak Pty Ltd <Avoca Super Fund A/C>	1,619,763	3.50
Glennon Investments Pty Ltd	1,241,716	2.68
Dynasty Peak Pty Ltd <The Avoca Super Fund A/C>	1,239,385	2.68
Gromore Investment Holdings Pty Ltd	975,000	2.11
HSBC Custody Nominees (Australia) Limited	831,813	1.80
Carmant Pty Ltd <Carmant Super Fund A/C>	776,569	1.68
Glennon Capital Pty Ltd	755,690	1.63
Mrs Catherine Anne Marson & Mr Joseph Marson	730,566	1.58
Mrs Kellyanne Dyer <The Libra A/C>	694,952	1.50
PW and VJ Cooper Pty Limited <P W & V J Cooper S/F A/C>	567,000	1.23
Panchek Pty Ltd <Oldfield Family A/C>	486,747	1.05
Noonbah Pty Ltd <Noonbah S/F A/C>	465,000	1.01
Nambia Pty Ltd <Anthon Family S/F A/C>	406,094	0.88
Towra Nominees Pty Ltd <Rhumb Super A/C>	400,843	0.87
Netwealth Investments Ltd <Super Services A/C>	370,253	0.80
Constantia Investments Pty Limited	350,000	0.76
Romeomike Enterprises Pty Ltd	320,170	0.69
Mr Mark Nicholas Loosemore & Mrs Jessica Ruth Loosemore	319,415	0.69
Kalart Pty Ltd	316,871	0.68
	18,028,685	38.98

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C. Resettable Redeemable Convertible Preference Shares (RRCPS) security holders

Twenty largest RRCPS holders

The names of the twenty largest holders of RRCPS are listed below:

	RRCPS	
	Number held	Percentage of issued shares
J P Morgan Nominees Australia Pty Limited	37,225	6.53
Jeroboam Pty Limited	30,000	5.26
PW AND VJ Cooper Pty Limited <P W & V J Cooper S/F A/C>	26,704	4.69
Australian Executor Trustees Limited <IPS IDPS A/C>	21,000	3.68
BPC Holdings Pty Ltd	20,000	3.51
Mrs Catherine Anne Marson & Mr Joseph Marson <The Marson Family S/F A/C>	19,392	3.40
Clendon House Investments Pty Ltd	18,000	3.16
Mr Gregory Dyer & Mrs Deborah Dyer <The Dyer Family S/F A/C>	17,900	3.14
Nambia Pty Ltd <Anthon Family S/F A/C>	14,400	2.53
Engelbert Investments Pty Ltd <P& K Super Fund A/C>	11,819	2.07
Mr Kym Gregory Haines & Mrs Deborah Dianne Haines <The Haines Super Fund A/C>	10,000	1.75
Mr Graham Denney & Mrs Angela Denney <Denney Family Super Fund A/C>	10,000	1.75
Mr Willem Lasschuit & Mrs Rhona Lasschuit <Lasschuit Inc SMSF A/C>	10,000	1.75
Mr Michael Paul Wedgwood & Mrs Janet Josephine Wedgwood <The Jansi Super Fund A/C>	10,000	1.75
Lakhra Superfund Pty Ltd <Larkhra Superfund A/C>	10,000	1.75
Peter Forsyth Pty Limited <Peter Forsyth PL STA PF A/C>	10,000	1.75
Mr Mark Nicholas Loosemore & Mrs Jessica Ruth Loosemore	10,000	1.75
Selrid Pty Ltd <Selrid Family A/C>	9,500	1.67
Saxon Acquisitions Pty Ltd <Don't Panic Disc A/C>	8,800	1.54
Mr John Walkins-Wilson & Mrs Susan Barclay <Lapstone SMSF A/C>	7,500	1.32
	312,240	54.75

D. Substantial holders

There are currently two substantial shareholders. Michael Glennon and Geoff Wilson and entities associated with Geoff Wilson each holds 2,398,249 and 3,071,275 ordinary shares, respectively.

E. Voting rights

The voting rights attaching to each class of equity securities are set out below:

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares and amounts paid on the shares held.

Every holder of ordinary shares is entitled to one vote when a poll or meeting is called. All substantive resolutions at a meeting of shareholders are decided by a poll rather than by a show of hands.

F. Stock Exchange Listing

Quotation has been granted for all of the ordinary shares and options of the Company on all Member Exchanges of the ASX Limited.

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G. Unquoted Securities

There are no unquoted shares.

H. Securities Subject to Voluntary Escrow

There are no securities subject to voluntary escrow.