

# **CLIME PRIVATE LIMITED**

(ABN 89 614 090 309)

## **Interim Financial Report For the half-year ended 31 December 2020**

### **Clime Private Limited**

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**GENERAL PURPOSE INTERIM FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

<b>CONTENTS</b>	<b>PAGE</b>
Directors' Report	1
Auditor's Independence Declaration	3
Interim Financial Statements	4
Directors' Declaration	13
Independent Auditor's Review Report	14

Dear Shareholders

Your Directors present their report of Clime Private Limited ("Clime Private") for the half-year ended 31 December 2020.

### Directors

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

John Abernethy	-	Director and Chairman
Neil Schafer	-	Director (appointed 6 November 2020)
Peter Beaumont	-	Director (appointed 10 November 2020)
Donald Mclay	-	Chairman (resigned 13 November 2020)
Rod Bristow	-	Director (resigned 10 November 2020)

### Principal Activities

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

Jasco is an unlisted public company that has been operating for over 60 years. Jasco is a profitable, vertically integrated, arts materials supply company. The two key divisions are retail and wholesale suppliers. For further information about the Company please refer to Note 1 of the financial statements.

### Review of Operations

The Company reported an interim profit after tax of \$503,574 for the half-year ended 31 December 2020 (31 December 2019: \$175,317).

	<b>31 December 2020</b>	<b>30 June 2020</b>
	\$	\$
Cash and cash equivalents	31,060	33,332
Trade and other receivables less payables	(17,463)	(24,004)
Investment in Jasco	8,855,503	8,452,517
<b>Net Tangible Assets/Total Equity</b>	<b>8,869,100</b>	<b>8,461,845</b>
No. of Ordinary Shares on Issue	50,275,000	50,275,000
<b>Net Tangible Assets per Share</b>	<b>17.6 cents</b>	<b>16.8 cents</b>

There are no other significant changes in the operation of the Company since 30 June 2020.

### Dividend

During the six months to 31 December 2020, shareholders received final dividend for the financial period ended 30 June 2020 of 0.21 cents per share fully franked amounting to \$105,577 (31 December 2019: for the financial period ended 30 June 2019 of 0.20 cents per share fully franked amounting to \$100,550). This dividend was paid on 18 December 2020.

### Subsequent Events

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

## DIRECTORS' REPORT

for the half-year ended 31 December 2020

Clime Private Limited

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### 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 3.

### Rounding off of amounts

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

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



John Abernethy  
Chairman



Neil Schafer  
Director

Sydney, 12 March 2021

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

In relation to the independent auditor's review for the half year ended 31 December 2020, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.



**S M Whiddett**  
Partner

**Pitcher Partners**  
Sydney

12 March 2021

# **Clime Private Limited**

## **Interim Financial Statements**

### **For the half-year ended 31 December 2020**

#### **Contents**

	Page
Interim Financial Report	
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9

These interim financial statements do not include all the notes of the type normally included in an annual report. Accordingly, these statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by Clime Private Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

for the half-year ended 31 December 2020

Clime Private Limited

	Half-year ended 31 December 2020 \$	Half-year ended 31 December 2019 \$
Share of profit of associate accounted for using the equity method	500,213	173,916
Director fee from Jasco Holdings Limited	20,000	20,000
Interest income	51	321
Administrative expenses	(10,004)	(14,474)
<b>Profit before income tax</b>	<b>510,260</b>	<b>179,763</b>
Income tax expense attributable to operating profit	(6,686)	(4,446)
<b>Profit for the period</b>	<b>503,574</b>	<b>175,317</b>
Other comprehensive income	9,258	4,652
<b>Total comprehensive income attributable to members of Clime Private Limited</b>	<b>512,832</b>	<b>179,969</b>
Earnings per share for profit attributable to the ordinary equity holders of the Company:		
Basic earnings per share	1.00 cent	0.35 cents
Diluted earnings per share	1.00 cent	0.35 cents

*The above statement of comprehensive income should be read in conjunction with the accompanying notes.*

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

Clime Private Limited

	31 December 2020 \$	30 June 2020 \$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	31,060	33,332
Trade and other receivables	20,000	10,000
<b>Total Current Assets</b>	<b>51,060</b>	<b>43,332</b>
<b>Non-Current Assets</b>		
Investment accounted for using the equity method	8,855,503	8,452,517
<b>Total Non-Current Assets</b>	<b>8,855,503</b>	<b>8,452,517</b>
<b>Total Assets</b>	<b>8,906,563</b>	<b>8,495,849</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade creditors and accruals	30,717	31,283
Provision for income tax	6,746	2,721
<b>Total Liabilities</b>	<b>37,463</b>	<b>34,004</b>
<b>Net Assets</b>	<b>8,869,100</b>	<b>8,461,845</b>
<b>EQUITY</b>		
Issued capital	7,807,933	7,807,933
Reserves	15,834	5,715
Retained earnings	1,045,333	648,197
<b>Total Equity</b>	<b>8,869,100</b>	<b>8,461,845</b>

*The above statement of financial position should be read in conjunction with the accompanying notes.*



**STATEMENT OF CHANGES IN EQUITY**

for the half-year ended 31 December 2020

Clime Private Limited

	Issued capital	Other reserves	Retained earnings	Total
	\$	\$	\$	\$
<b>Balance as at 1 July 2019</b>	<b>7,807,933</b>	<b>43,931</b>	<b>335,139</b>	<b>8,187,003</b>
Profit for the period	-	-	175,317	175,317
Other comprehensive income/(loss) for the period net of tax	-	16,170	(11,518)	4,652
<b>Total comprehensive income for the period net of tax</b>	<b>-</b>	<b>16,170</b>	<b>163,799</b>	<b>179,969</b>
<b>Transactions with equity holders in their capacity as equity holders:</b>				
- Dividends paid	-	-	(100,550)	(100,550)
<b>Balance as at 31 December 2019</b>	<b>7,807,933</b>	<b>60,101</b>	<b>398,388</b>	<b>8,266,422</b>
Profit for the period	-	-	360,976	360,976
Other comprehensive income/(loss) for the period net of tax	-	(54,386)	(35,755)	(90,141)
<b>Total comprehensive income for the period net of tax</b>	<b>-</b>	<b>(54,386)</b>	<b>325,221</b>	<b>270,835</b>
<b>Transactions with equity holders in their capacity as equity holders:</b>				
- Dividends paid	-	-	(75,412)	(75,412)
<b>Balance as at 30 June 2020</b>	<b>7,807,933</b>	<b>5,715</b>	<b>648,197</b>	<b>8,461,845</b>
Profit for the period	-	-	503,574	503,574
Other comprehensive income/(loss) for the period net of tax	-	10,119	(861)	9,258
<b>Total comprehensive income for the period net of tax</b>	<b>-</b>	<b>10,119</b>	<b>502,713</b>	<b>512,832</b>
<b>Transactions with equity holders in their capacity as equity holders:</b>				
- Dividends paid	-	-	(105,577)	(105,577)
<b>Balance as at 31 December 2020</b>	<b>7,807,933</b>	<b>15,834</b>	<b>1,045,333</b>	<b>8,869,100</b>

*The above statement of changes in equity should be read in conjunction with the accompanying notes.*

**STATEMENT CASH FLOWS**

for the half-year ended 31 December 2020

Clime Private Limited

	Half-year ended 31 December 2020 \$	Half-year ended 31 December 2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Dividends received from Jasco	106,485	106,485
Payment of operating expenses	(10,570)	(12,265)
Director fee received	10,000	30,000
Income taxes paid	(2,661)	(2,692)
Interest received	51	321
<b>Net cash inflow provided by operating activities</b>	<b>103,305</b>	<b>121,849</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend payment	(105,577)	(100,550)
<b>Net cash used in financing activities</b>	<b>(105,577)</b>	<b>(100,550)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,272)</b>	<b>21,299</b>
Cash and cash equivalents at beginning of the period	33,332	29,400
<b>Cash and cash equivalents at end of the period</b>	<b>31,060</b>	<b>50,699</b>

*The above statement of cash flows should be read in conjunction with the accompanying notes.*

## NOTES TO INTERIM FINANCIAL STATEMENTS

for the half-year ended 31 December 2020

Clime Private Limited

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### NOTE 1: ORGANISATION

Clime Private Limited (“Clime Private” or the “Company”) was incorporated in Australia on 5 August 2016. The address of its registered office and principal place of business is Level 12, 20 Hunter Street, Sydney NSW 2000, Australia. The principal activity of the Company is the holding of its investments in Jasco Holdings Limited (“Jasco”) on behalf of its investors.

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

#### Retail

Jasco through its Eckersley’s art and craft business (“Eckersley’s”) has 27 art supplies stores and four school supplies divisions across Australia. Eckersley’s provides artists, craft & design enthusiasts with the resources they need. The stores are located in major shopping locations and they supply artists, students and the general public. Eckersley’s fastest sales growth channel has been derived from online sales through its website [eckersleys.com.au](http://eckersleys.com.au). Eckersley’s supplies school children, art college and University students with their “recommended education kits”. The bulk of Eckersley’s sales are derived from selling products supplied by the Jasco wholesale division.

#### Wholesale

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

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

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

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

Jasco distribution centres and headquarters are based in Sydney and Auckland, with national distribution and warehouse capabilities. The main distribution centre is located in St. Mary’s, west of Sydney, with 8,000m<sup>2</sup> of modern facilities, ensuring prompt service to its customers on a daily basis.

### NOTE 2: BASIS OF PREPARATION OF THE INTERIM FINANCIAL REPORT

#### (a) Basis of accounting

These general-purpose financial statements for the interim reporting period ended 31 December 2020 have been prepared in accordance with the *Corporations Act 2001 and AASB 134 Interim Financial Reporting*.

These interim financial statements are prepared in accordance with the historical cost convention with the exception of the valuation of investments.

These condensed interim financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial statements.

## NOTES TO INTERIM FINANCIAL STATEMENTS

for the half-year ended 31 December 2020

Clime Private Limited

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### NOTE 2: BASIS OF PREPARATION OF THE INTERIM FINANCIAL REPORT (continued)

#### (a) Basis of accounting (continued)

##### Details of Reporting Period

The current reporting period is the half-year ended 31 December 2020. For the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows, the previous corresponding period is the half-year ended 31 December 2019. For the Statement of Financial Position, the previous corresponding period is 30 June 2020.

#### (b) Accounting policies

The accounting policies applied in these interim financial statements have been applied consistently throughout the period and are the same as those applied in the Company's financial statements as at and for the year ended 30 June 2020.

There are no new and revised accounting requirements significantly affecting the half yearly financial report. The half year financial report was authorised for issue on 12 March 2021.

#### (c) Rounding off of amounts

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

### NOTE 3: CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

The Directors believe that this accounting treatment is consistent with the recognition and measurement criteria in *AASB 112* Income Taxes.

**NOTES TO INTERIM FINANCIAL STATEMENTS**

for the half-year ended 31 December 2020

Clime Private Limited

**NOTE 4: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD****(a) Carrying amounts**

Name of Company	Principal Activity	Carrying amounts			
		December 2020	June 2020	December 2020	June 2020
		%	%	\$	\$
<i>Unlisted</i>					
Jasco Holdings Limited (i)	Importing and distribution of art and craft materials	21.53	22.09	8,855,503	8,452,517

**(i) Jasco Holdings Limited**

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

	\$
<b>(b) Movements in carrying amounts</b>	
Carrying amount as at 1 July 2019	8,174,806
Share of profit after income tax in FY20	533,576
Share of change in defined benefit plan in FY20	(47,273)
Share of change in reserves in FY20	(38,216)
Dividends received/receivable in FY20	(170,376)
<b>Carrying amount as at 30 June 2020</b>	<b>8,452,517</b>
Share of profit after income tax in HY21	500,213
Share of change in defined benefit plan in HY21	(861)
Share of change in reserves in HY21	10,119
Dividends received/receivable in HY21	(106,485)
<b>Carrying amount as at 31 December 2020</b>	<b>8,855,503</b>

**NOTE 5: SHARE CAPITAL**

	December 2020	June 2020	December 2020	June 2020
	No. of shares	No. of shares	\$	\$
Ordinary shares	50,275,000	50,275,000	7,807,933	7,807,933

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

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

## NOTES TO INTERIM FINANCIAL STATEMENTS

for the half-year ended 31 December 2020

Clime Private Limited

### NOTE 6: EARNINGS PER SHARE

	December 2020	December 2019
<b>(a) Basic earnings per share</b>		
Profit attributable to the ordinary equity holders of the Company	<u>1.00 cent</u>	<u>0.35 cents</u>
<b>(b) Diluted earnings per share</b>		
Profit attributable to the ordinary equity holders of the Company	<u>1.00 cent</u>	<u>0.35 cents</u>
<b>(c) Reconciliations of earnings used in calculating earnings per share</b>		
<i>Basic and diluted earnings per share</i>		
Profit for the period attributable to owners of the Company	<u>\$503,574</u>	<u>\$175,317</u>
Profit attributable to the ordinary equity holders of the Company used in calculating basic and diluted earnings per share	<u>\$503,574</u>	<u>\$175,317</u>
<b>(d) Weighted average number of shares used as the denominator</b>		
	December 2020 Number	December 2019 Number
Weighted average number of ordinary shares used in calculation of basic earnings per share	<u>50,275,000</u>	<u>50,275,000</u>
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	<u>50,275,000</u>	<u>50,275,000</u>

### NOTE 7: DIVIDENDS

During the six months to 31 December 2020, shareholders received final dividend for the financial period ended 30 June 2020 of 0.21 cents per share fully franked amounting to \$105,577. This dividend was paid on 18 December 2020.

### NOTE 8: SEGMENT INFORMATION

Due to the nature of the Company's operations and current size of the Company, for management reporting purposes, the Board of Directors currently considers and reports on the Company's operating results and financial position as one reportable operating segment. Refer to the statement of profit or loss and other comprehensive income for the Company's results.

### NOTE 9: EVENTS OCCURRING AFTER THE REPORTING DATE

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

### NOTE 10: CONTINGENT LIABILITIES AND COMMITMENTS

The Company had no contingent liabilities or commitments as at 31 December 2020.

## DIRECTORS' DECLARATION

for the half-year ended 31 December 2020

Clime Private Limited

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The Directors declare that:

- (a) in the Directors' opinion, the financial statements and notes set out on pages 4 to 12 are in accordance with the *Corporations Act 2001*; and
  - (i) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*; and
  - (ii) give a true and fair view of the financial position of the Company as at 31 December 2020 and of its performance for the period ended on that date.
- (b) In the Directors' opinion, there are reasonable grounds, at the date of this declaration, to believe that the Company will be able to pay its debts as and when they become due and payable.

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



John Abernethy  
Chairman



Neil Schafer  
Director

Sydney, 12 March 2021

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**INDEPENDENT AUDITOR'S REVIEW REPORT  
To the Members of Clime Private Limited  
ABN 89 614 090 309**

**Report on the Half-Year Financial Report**

**Conclusion**

We have reviewed the half-year financial report of Clime Private Limited ("the Company") which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (a) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

**Basis for Conclusion**

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

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

**Responsibility of the Directors for the Financial Report**

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



**Auditor's Responsibility for the Review of the Financial Report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



**S M WHIDDETT**  
Partner



**PITCHER PARTNERS**  
Sydney

12 March 2021