



Annual Report
2020



A Focused Portfolio
of Australian Equities

Contents

2 DIRECTORS' REPORT

- 2 5 Year Summary
- 3 About the Company
- 4 Review of Operations and Activities
- 11 Top 20 Investments
- 12 Board Members
- 15 Senior Executives
- 16 Remuneration Report
- 18 Non-audit Services
- 19 Auditor's Independence Declaration

20 FINANCIAL STATEMENTS

- 21 Income Statement
- 22 Statement of Comprehensive Income
- 23 Balance Sheet
- 24 Statement of Changes in Equity
- 26 Cash Flow Statement

27 NOTES TO THE FINANCIAL STATEMENTS

- 27 A. Understanding AMCIL's Financial Performance
- 30 B. Costs, Tax and Risk
- 34 C. Unrecognised Items
- 35 D. Balance Sheet Reconciliations
- 37 E. Income Statement Reconciliations
- 38 F. Further Information

40 DIRECTORS' DECLARATION

41 INDEPENDENT AUDIT REPORT

46 OTHER INFORMATION

- 46 Information About Shareholders
- 46 Major Shareholders
- 47 Substantial Shareholders
- 47 Transactions in Securities
- 48 Holdings of Securities
- 50 Major Transactions in the Investment Portfolio
- 50 Sub-underwriting
- 51 Share Capital Changes
- 52 Company Particulars
- 53 Shareholder Information

AMCIL MANAGES A FOCUSED PORTFOLIO COVERING LARGE AND SMALL COMPANIES IN THE AUSTRALIAN EQUITY MARKET. AS A RESULT, SMALL COMPANIES BY MARKET SIZE CAN HAVE AN EQUALLY IMPORTANT IMPACT ON PORTFOLIO RETURNS AS LARGER COMPANIES IN THE AUSTRALIAN MARKET.

Year in Summary

2020

Profit for the Year

\$6.0m

Down 15%
from 2019

Total Fully Franked Dividend

2.5¢

7 cents total
in 2019 including
3.5 cent special and
interim dividend

Total Portfolio Return

7.6%
Including franking*

S&P/ASX 200
Accumulation Index
including franking*
-6.6%

Total Shareholder Return

13.0%

Share price
plus dividend
including franking*

Management Expense Ratio

0.66%

0.72%
in 2019

Total Portfolio

\$278.8m

Including cash at
30 June \$266.2 million
in 2019

* Assumes a shareholder can take full advantage of the franking credits.

DIRECTORS' REPORT

5 Year Summary

Profit After Tax (\$ Million)

2020	6.0
2019	7.0
2018	6.25
2017	5.38
2016	7.69

Net Profit Per Share (Cents)

2020	2.2
2019	2.60
2018	2.39
2017	2.09
2016	3.10

Investments at Market Value (\$ Million)^(d)

2020	269.6
2019	252.2
2018	261.1
2017	230.9
2016	233.5

Dividends Per Share (Cents)^(a)

2020	2.5
2019	7.0 ^(b)
2018	4.25
2017	3.5
2016	3.5

Net Asset Backing Per Share (Cents)^(c)

2020	100
2019	98
2018	102
2017	95
2016	93

Number of Shareholders (30 June)

2020	3,177
2019	3,114
2018	3,003
2017	2,558
2016	2,464

Notes

(a) 2019 final dividend carried 4.29 cents attributable 'LIC gain' per share, 2019 interim: 1.43 cents, 2018: 2.76 cents, 2017: 2.1 cents, 2016: nil.

(b) Includes 3.5 cents dividend paid in February 2019.

(c) Net asset backing per share based on year-end data before the provision for the final (and where applicable, special) dividend. The figures do not include a provision for capital gains tax that would apply if all securities held as non-current investments had been sold at balance date as Directors do not intend to dispose of the portfolio.

(d) Excludes cash.

About the Company

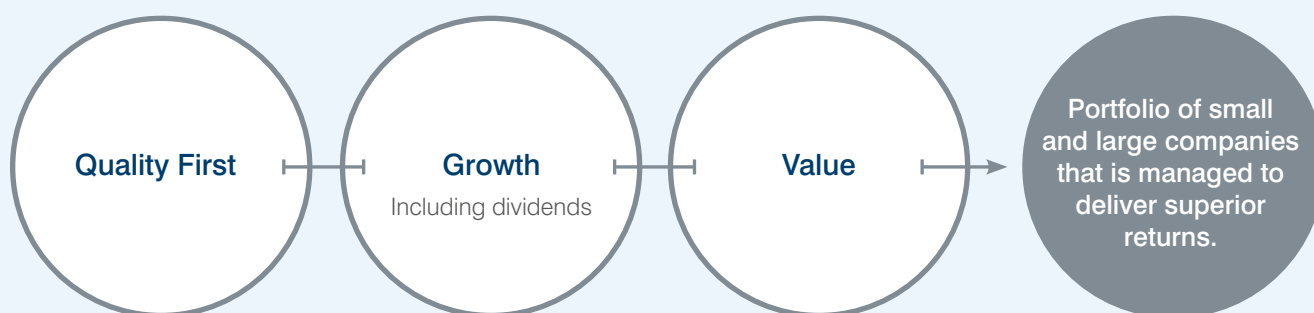
AMCIL manages a focused portfolio covering large and small companies in the Australian equity market. As a result, small companies by market size can have an equally important impact on portfolio returns as larger companies in the Australian market.

Investment Objectives

Attractive returns through strong capital growth in the portfolio over the medium to long term.

The generation of fully franked dividends.

How AMCIL Invests – What We Look For in Companies



Approach to Investing

We seek to create a diversified portfolio of quality companies which are likely to sustainably grow their earnings and dividends over a medium to long term timeframe.

Our assessment of quality includes criteria such as the board and management, financial position, pricing power as well as some key financial metrics such as return on capital employed, return on equity, the level of gearing in the balance sheet, margins and free cash flow. The structure of the industry and a company's competitive position in its industry are also important indicators of quality. Linked to this assessment of quality is the ability of companies to grow earnings over time, which ultimately should produce good dividend and capital growth.

As a long term investor, Environmental, Social and Governance (ESG) analysis is integrated into AMCIL's investment framework:

- AMCIL will seek to invest in companies that have strong governance and risk management processes that include environmental and social risks.

- The remuneration structures proposed and used by the boards of the companies in which AMCIL invests are assessed as we are seeking remuneration plans and outcomes that align with AMCIL's (and AMCIL's own investors) interests as long term shareholders.
- AMCIL supports engagement with its investee companies on these issues, and will vote as shareholders accordingly.

Recognising value is also an important aspect of AMCIL's investment approach. Our assessment of value tries to reflect the opportunity a business has to prosper and thrive over the medium to long term.

Given the focused nature of the portfolio, AMCIL is more active in managing the holdings. Our preference is that positions will be held for the long term. However, in managing the risk in the portfolio, the Company is prepared to scale back or exit holdings completely if the investment case alters markedly, the position becomes too large in the portfolio or share prices become excessively high.

In managing the portfolio in this way, we believe AMCIL can offer investors returns in excess of the S&P/ASX 200 over the long term.

Given the greater concentration of the portfolio, there may be periods when the performance of AMCIL can vary quite markedly from the Index. The objective is to deliver outperformance over the medium to long term.

From time to time, the Company also uses options written against some of its investments and a small trading portfolio to generate additional income.

The other important feature to note is AMCIL's dividend policy of maximising the distribution of available franking credits each year. As a result, the amount of fully franked dividends are likely to fluctuate from year to year.

Review of Operations and Activities

Profit and Dividend

The full year profit was \$6.0 million, down 15.0 per cent from \$7.0 million in the previous corresponding period.

Investment income was \$7.2 million, down from \$9.2 million as adjustments were made to the portfolio and some companies deferred or reduced dividends in the uncertain markets. The corresponding period last year also included a special dividend from BHP.

Partially offsetting this decline was a positive contribution from the options and trading portfolios as the Company took advantage of increased market volatility. Income from these portfolios was \$1.3 million compared with a loss of \$0.1 million in the corresponding period last year.

In line with Company's policy to distribute all available franking credits at the end of each financial year, the dividend was 2.5 cents per share fully franked. Last

financial year, dividends were 7 cents per share. This included a special dividend of 1.5 cents per share fully franked and an interim dividend of 2.0 cents per share fully franked. There was no special or interim dividend paid for the financial year.

Management Expense Ratio

AMCIL's management expense ratio is 0.66 per cent which is an improvement on last year's figure of 0.72 per cent. AMCIL's portfolio is managed internally and does not charge portfolio performance fees which leads to lower costs for shareholders. The management expense ratio compares favourably with the average fees charged by managed funds with a similar investment focus and size as AMCIL. For retail investors, these fees can typically be in excess of 1 per cent and can also include additional performance fees. This is an important consideration for investors as many funds often quote their performance returns before fees and costs.

Portfolio Returns

The societal and business environments in Australia and across the world have been dominated by the COVID-19 pandemic since the start of the 2020 calendar year. This produced a volatile investment market in the second half of the financial year and impacted a wide range of companies (Figure 1).

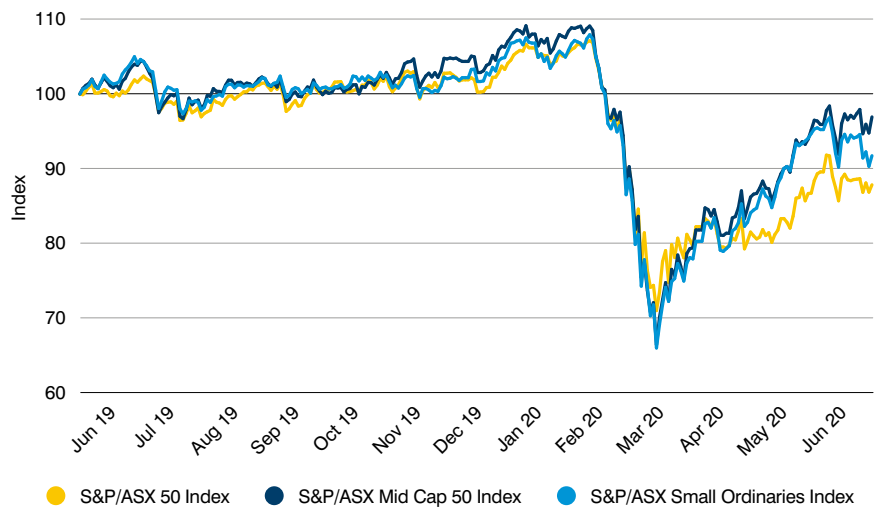
In the face of this market disruption, AMCIL delivered a positive portfolio return of 7.6 per cent, including franking, over the 12 months to 30 June 2020 (it is appropriate to add franking credits to total returns, given AMCIL's dividend policy seeks to maximise the distribution of franking credits, including those arising from taxable realised gains).

In contrast, the S&P/ASX 200 Accumulation Index returned negative 6.6 per cent, including franking, over this period (Figure 2). This result reinforces our investment approach, in what has been a challenging period.



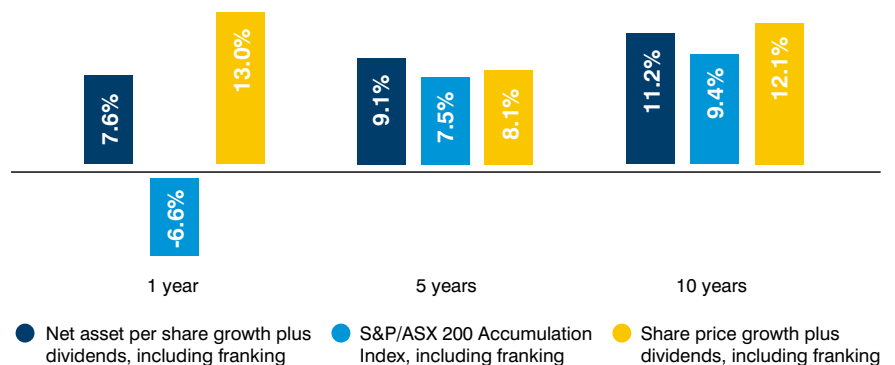
The outperformance for the financial year can be attributed to the healthy exposure of the portfolio to large companies such as CSL, James Hardie Industries, Wesfarmers and Xero. Smaller companies that also contributed to performance were Objective Corporation, Macquarie Telecom Group (which is a new holding in the portfolio this year), Carsales.com, NEXTDC, Breville Group and Wellcom Group (which was taken over during the year). In particular, Objective Corporation and Macquarie Telecom Group (both of which are not included in an Index), more than doubled their share prices over the past 12 months as investors became attracted to these companies given their long term growth potential. AMCIL's performance was also assisted by its relatively small exposure to the major banks and real estate companies, which were down heavily over the financial year (Figure 3).

Figure 1: Performance of S&P/ASX 50 Leaders, Small Ordinaries and Mid Cap 50 Indices Over the Financial Year



Source: FactSet

Figure 2: Portfolio and Share Price Performance – Per Annum Returns to 30 June 2020, Including Franking Credits*



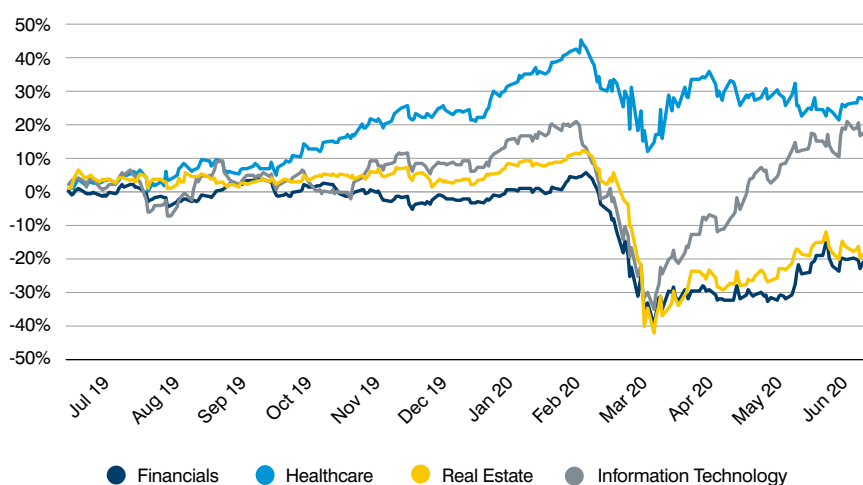
* Assumes an investor can take full advantage of the franking credits. AMCIL's portfolio return is also calculated after management fees, income tax and capital gains tax on realised sales of investments. It should be noted that Index returns for the market do not include management expenses or tax.

Review of Operations and Activities

continued

AMCIL's investment approach is to have a concentrated portfolio of high-quality companies that is very different to the S&P/ASX 200 Index (Figure 4) and expected to deliver above-market growth over the long term. As a result, there will be periods when the performance of AMCIL can vary quite markedly from the Index (Figure 5). Noting the difference in annual returns from the Index, the key objective is to deliver a sustained outperformance over the medium to long term. The long term performance of the portfolio, which is more in line with the Company's investment timeframes, was 11.2 per cent per annum for the 10 years to 30 June 2020, ahead of the Index return of 9.4 per cent per annum (these returns include the full benefit of franking).

Figure 3: Selected Sector Performances



Adjustments to the Portfolio

AMCIL has maintained its focus on strengthening the quality of the portfolio over the financial year and having more concentrated exposures to companies that fit its investment criteria. This has been an ongoing process over the last two years, which has meant the number of holdings in the portfolio has been reduced from 46 to the current number of 33 over this period.

The focus on quality has been particularly aimed at ensuring the business models of the companies AMCIL invests in have a long term sustainable competitive advantage and financial risk is low given their strong balance sheets. In this context, we increased our holding in Wesfarmers and reintroduced Woolworths Group back into the portfolio. A number of new companies were also added to the portfolio throughout the financial year. This included, Goodman Group, Macquarie Telecom Group, Cleanaway Waste Management, APA Group, REA Group and ASX. Recent market volatility also produced opportunities to participate in attractively priced equity raisings in Cochlear, Auckland International Airport, Reece, Ramsay Health Care, Oil Search and Qube Holdings.

Major sales over the financial year included Westpac, Reliance Worldwide Corporation, Sonic Healthcare, AUB Group and Lifestyle Communities.

Figure 4: Investment by Sector and the Portfolio's Variance from the S&P/ASX 200 Index as at 30 June 2020

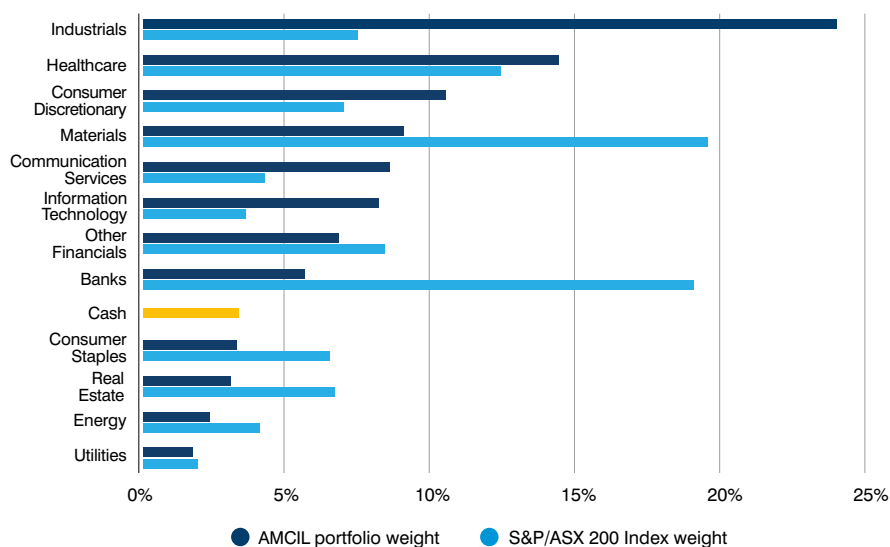
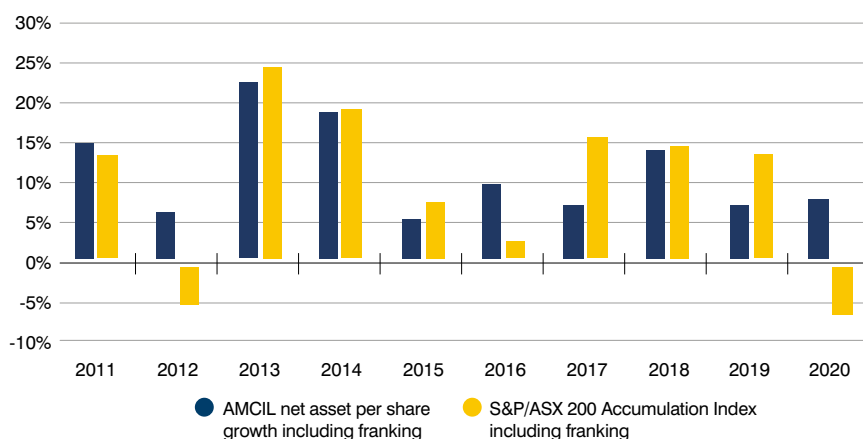


Figure 5: Performance Each Financial Year of AMCIL Including Dividends and Franking Credits Versus the S&P/ASX 200 Accumulation Index with Franking*



* Assumes an investor can take full advantage of the franking credits.



Review of Operations and Activities

continued



Share Price

The share price was trading at a discount of 6.4 per cent to the net asset backing (before tax on unrealised gains) at 30 June 2020, compared with a discount of 10.4 per cent at the end of the prior financial year. The share price return for the 12 months to 30 June 2020 of 13.0 per cent (including franking) was ahead of the portfolio return of 7.6 per cent (including franking) for this period.

Importantly, over a long term 10-year period, the share price return has performed well against the portfolio return, with the share price up 12.1 per cent per annum to 30 June 2020 versus the portfolio which was up 11.2 per cent per annum over this period (both figures include franking).

Figure 7 outlines the benefit of compound returns and the value of AMCIL's investment approach. It shows the total share price return (including dividends and the full benefit of franking credits) from an investment of \$1,000 in AMCIL shares over a 10-year period relative to the return from the ASX 200 Accumulation Index, including franking credits.

Moving Forward

Business conditions are very likely to remain subdued as the pathway out of the economic environment brought on by the COVID-19 pandemic continues to be very unclear. However, with other asset classes delivering low returns, Australian equities are likely to remain attractive, even though valuations are high (Figure 8).

From AMCIL's perspective, we are pleased with the composition of the portfolio, with holdings across a diversified range of industries and with attractive medium to long term growth prospects. Given this, we believe we can be patient, selectively adding to investments should value opportunities present themselves in quality companies during any further market dislocation.

Figure 6: Share Price Discount/Premium to Net Asset Backing per Share

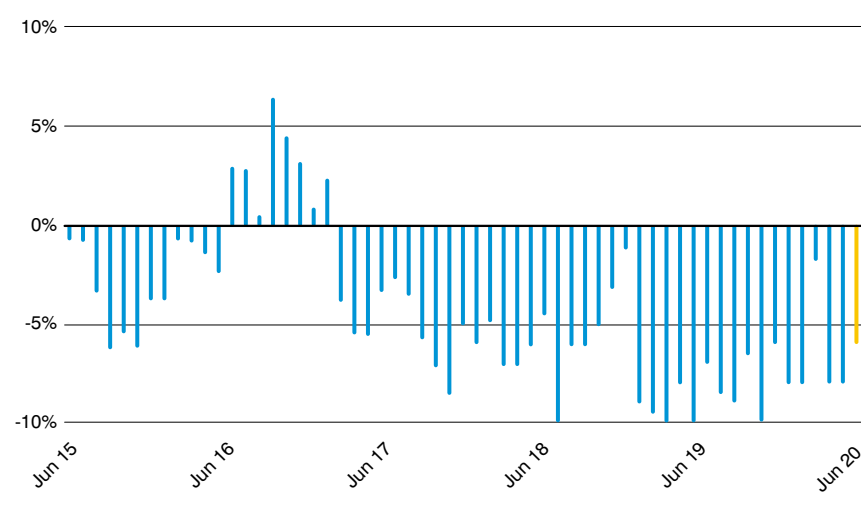
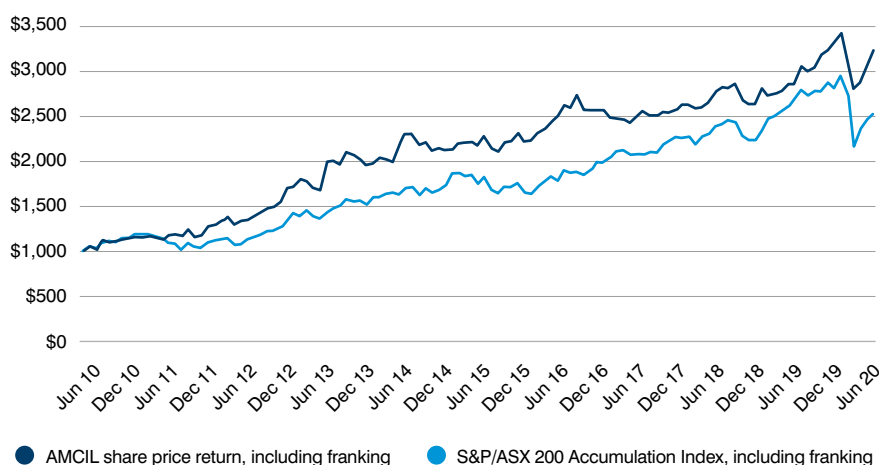


Figure 7: 10-year Share Price Return of AMCIL Including Dividends and the Full Benefit of Franking Credits



Note assumes the reinvestment of dividends. This chart calculates the benefit of franking credits at the time dividends are paid for both AMCIL and the Index. In practice there is a timing difference between receipt of the dividend and the realisation of the franking benefit in the following tax year.

Figure 8: Valuation of the Market – Price Earnings Ratio of the S&P/ASX 200 Index



Source: FactSet

Review of Operations and Activities

continued

Financial Condition

The Company's financing consists predominantly of shareholders' funds.

Likely Developments

The Company intends to continue its investment activities in future years as it has done since recapitalisation. The results of these investment activities depend upon the performance of the companies and securities in which we invest. Their performance in turn depends on many economic factors (macro, which include economic growth rates, inflation, interest rates, exchange rates and taxation levels and micro which includes industry economics and competitive behaviour) and their approach to, and management of, material Environmental, Social and Governance ('ESG') risks.

The Directors do not believe it is possible or appropriate to make a prediction on the future course of markets or the performance of the Company's investments. Accordingly, Directors do not provide a forecast of the likely results of our activities. However, the Company's focus is on results over the medium to long term.

Capital Changes

As a result of the Company's Dividend Reinvestment Plan 3,937,545 new shares were issued at \$0.87 per share in August 2019.

The Company's buy-back facility remains open although no shares were bought back during the year.

The Company's contributed equity rose by \$3.4 million to \$189.6 million from \$186.2 million. At the close of the year the Company had 278.5 million shares on issue.

Dividends

Directors have declared a fully franked final dividend of 2.5 cents per share (3.5 cents final dividend, also fully franked, last year).

Dividends paid during the year ended 30 June 2020 were as follows:

	\$'000
Final dividend for the year ended 30 June 2019 of 3.5 cents fully franked paid on 23 August 2019	9,611

Listed Investment Company Capital Gains

Listed Investment Companies (LIC) which make capital gains upon which tax is payable on the sale of investments held for more than one year are able to attach to their dividends a LIC capital gains amount which some shareholders are able to use to claim a tax deduction. This is called an 'LIC capital gain attributable part'. The purpose of this is to put shareholders in Listed Investment Companies on a similar footing with holders of managed investment trusts with respect to capital gains tax on the sale of underlying investments.

Tax legislation sets out the definition of a 'Listed Investment Company' which AMCIL satisfies. Furthermore, from time to time the Company sells securities out of the investment portfolio held for more than one year which may result in capital gains being made and tax being paid. The Company is therefore on occasion in a position to be able to make available to shareholders a LIC capital gain attributable part with our dividends. The announced final dividend will not be sourced from capital gains and consequently no LIC gain is payable.

Significant Changes in the State of Affairs

Directors are not aware of any other significant changes in the operations of the Company, or the environment in which it operates, that will adversely affect the results in subsequent years.

Events Since Balance Date

The Directors are not aware of any other matters or circumstance not otherwise disclosed in the Financial Report or the Directors' Report which has arisen since the end of the financial year that has affected or may affect the operations, or the results of those operations, or the state of affairs of the Company in subsequent financial years.

Environmental Regulations

The Company's operations are such that they are not directly affected by any material environmental regulations.

Rounding of Amounts

The Company is of the kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Financial Report. Amounts in the Financial Report have been rounded off in accordance with that Instrument, to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Top 20 Investments

As at 30 June 2020

Includes investments held in both the investment and trading portfolios.

Valued at Closing Prices at 30 June 2020

		Total Value \$ Million	% of the Portfolio
1	CSL	25.5	9.5
2	BHP	16.5	6.1
3	Wesfarmers	15.9	5.9
4	Mainfreight	12.5	4.6
5	Macquarie Group	12.1	4.5
6	Transurban Group	12.0	4.4
7	Macquarie Telecom Group	10.4	3.9
8	National Australia Bank	10.2	3.8
9	Carsales.com	9.0	3.3
10	Woolworths Group	8.9	3.3
11	Ramsay Health Care	8.9	3.3
12	James Hardie Industries	8.5	3.2
13	Goodman Group	8.5	3.1
14	ARB Corporation	7.5	2.8
15	Qube Holdings	7.1	2.6
16	Sydney Airport	7.0	2.6
17	Objective Corporation	6.8	2.5
18	Reece	6.4	2.4
19	Oil Search	6.4	2.4
20	Xero	6.3	2.3
Total		206.3	

As a percentage of total portfolio value (excludes cash)

76.5%

Board Members

Bruce B Teele

Chairman and Non-Executive Director

BSc, BCom (Melb)

Chairman of the Investment Committee.

Mr Teele was elected to the Board in 2003 and appointed Chairman in 2004. He was formerly the Chairman of Australian Foundation Investment Company Limited (AFIC) and Djerrivarrh Investments Limited and the Executive Chairman of the JBWere Group.

Mark Freeman

Managing Director

BE, MBA, Grad Dip
App Fin (Sec Inst), AMP
(INSEAD)

Member of the Investment Committee.

Mr Freeman became Chief Executive Officer and Managing Director in January 2018 having been Chief Investment Officer since joining the Company in February 2007. Prior to this he was a Partner with Goldman Sachs JBWere where he spent 12 years advising the investment companies on their investment and dealing activities. He has a deep knowledge and experience of investments markets and the Company's approaches, policies and processes. He is also Managing Director of AFIC, Djerrivarrh Investments Limited and Mirrabooka Investments Limited.

Ross E Barker

Non-Executive Director

BSc (Hons), MBA (Melb),
F Fin

Member of the Investment and Audit Committees.

Mr Barker has been a Director of the Company since May 1996 and was Managing Director from February 2001 to December 2017. Mr Barker transitioned to a Non-Executive Director in January 2018. He is also a Non-Executive Director of AFIC, Mirrabooka Investments Limited and AICS (Australian Investment Company Services Limited, a subsidiary of AFIC). He is Chairman of Melbourne Business School Ltd, and an Advisory Board member of the Faculty of Business and Economics at the University of Melbourne.

Roger G Brown

Independent Non-Executive Director

B.Eng, MBA

Member of the Investment Committee.

Mr Brown was appointed to the Board in February 2014. He has been the Non-Executive Chairman of ARB Corporation Limited since 2016. Mr Brown also held the position of Executive Chairman of the company from 1987 to 2016.

Mr Brown has wide experience as a CEO and Director and brings to the Company a wealth of knowledge from ARB Corporation's involvement in the automotive industry in Australia and overseas.

Michael J Hirst

**Independent
Non-Executive Director**

B Com (Melb), SF Fin

Mr Hirst joined the Board in January 2019. He is a Director of GMHBA Limited, Health.com.au, GMHBA Services Limited and Deputy Chairman of Racing Victoria Limited. He was Managing Director and Chief Executive Officer of Bendigo and Adelaide Bank Ltd from 2009 to 2018. He previously held senior executive and management positions with Colonial Limited, Chase AMP Bank Limited and Westpac Banking Corporation. He is an honorary member of the Business Council of Australia.

Siobhan L McKenna

**Independent
Non-Executive Director**

B.Ec. (Hons), MPHIL

Member of the Audit Committee.

Ms McKenna joined the Board in March 2016. She has a significant international background in strategy and policy in the public and private sectors. As an executive she has led consumer facing businesses in the media and digital sectors. She was a Commissioner of the Australian Productivity Commission and a Partner of McKinsey and Company. She is Chairman of Foxtel, Fox Sports and Australian News Channel, a Non-Executive Director of Woolworths Limited, and a Director of Nova Entertainment.

Rupert Myer AO

**Independent
Non-Executive Director**

BCom (Hons) (Melb),
MA (Cantab)

Chairman of the Audit Committee and Member of the Investment Committee.

Mr Myer is a company Director and was appointed a Director in January 2000. Currently, he is Chairman of the Yulgilbar Group and a Director of eCargo Holdings Limited, Mutual Trust Pty Limited and Myer Family Investments Pty Ltd. Mr Myer was formerly Deputy Chairman of Myer Holdings Ltd, a Director of Diversified United Investments Limited and Healthscope Limited.

Jon Webster AM

**Independent
Non-Executive Director**

BCom, LLB (Hons) LLM

Mr Webster was appointed to the Board in November 2016. Mr Webster is a consultant at Allens having been a partner of Allens practicing in the area of corporate law and governance for over 30 years and was a Board member of Allens for 12 years. He is a Trustee of the R E Ross Trust and a Director of Hillview Quarries Pty Ltd. He is a former Chairman of the Audit Committee of the Northern Land Council, Chairman of the Corporations Committee of the Law Council of Australia, a former Director of the Human Rights Law Centre and a former member of the ASX's Listings Advisory Panel and of the Federal Government's Consultative Group to the Corporations Law Simplification Task Force.

Board Members

continued

Meetings of Directors

The number of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2020 and the numbers of meetings attended by each Director were:

	Board		Investment Committee		Audit Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
BB Teele	12	11	18	17	-	-
RE Barker	12	12	18	17	3	3
RG Brown	12	10	18	16	-	-
RM Freeman	12	12	18	18	-	3 [#]
SL McKenna	12	12	-	11 [#]	3	3
MJ Hirst	12	12	-	15 [#]	-	2 [#]
RH Myer	12	11	18	16	3	3
JJ Webster	12	12	-	17 [#]	3	3 [#]

Attended meetings by invitation.

Insurance of Directors and Officers

During the financial year, the Company paid insurance premiums to insure the Directors and Officers named in this report to the extent allowable by law. The terms of the insurance contract preclude disclosure of further details.

Corporate Governance Statement

A copy of the Company's Corporate Governance Statement for the financial year ended 30 June 2020 can be found on the Company's website at:

amcil.com.au/Corporate-Governance.aspx

Senior Executives

Geoffrey N Driver

**General Manager,
Business Development
and Investor Relations**

B Ec, Grad Dip Finance,
MAICD

Mr Driver joined the Company in January 2003. Previously, he was with National Australia Bank Ltd for 18 years in various roles covering business strategy, marketing, distribution, investor relations and business operations. Mr Driver was formerly Chairman of Trust for Nature (Victoria).

Andrew JB Porter

Chief Financial Officer

MA (Hons) (St And), FCA,
MAICD

Mr Porter joined the Company in January 2005. He is a Chartered Accountant and has had over 24 years' experience in accounting and financial management both in the United Kingdom with Andersen Consulting and Credit Suisse First Boston, and in Australia where he was Regional Chief Operating Officer for the Corporate and Investment Banking Division of CSFB. He is the immediate former Chair of The Group of 100 (G100), the peak body for CFOs and remains on the Board, is a Director of the Auditing and Assurance Standards Board (AUASB) and a Director of the Anglican Foundation.

Matthew Rowe

Company Secretary

BA (Hons), MSc Corp Gov,
FGIA, FCIS

Mr Rowe joined the Company in July 2016. He is a Chartered Secretary with over 15 years of experience in corporate governance with a particular focus in listed investment companies. He was previously a corporate governance adviser at a professional services firm which included acting as Company Secretary for three ASX listed companies. Prior to that he was the Company Secretarial Manager for a funds management company based in the United Kingdom.

Remuneration Report

(a) Principles Used to Determine Nature and Amount of Remuneration

The constitution of AMCIL requires approval by the shareholders in general meeting of a maximum amount of remuneration to be allocated between Non-Executive Directors as they determine. In proposing the maximum amount for consideration in general meeting, and in determining the allocation, the Board takes account of the time demands made on Directors, together with such factors as the general level of fees paid to Australian corporate Directors. The amount of remuneration excludes amounts that were owing to them when the Directors retirement allowances were frozen at 31 December 2003. Shareholders approved an aggregate maximum amount of \$600,000 for the remuneration of Directors at the AGM in October 2012.

Directors hold office until such time as they retire, resign or are removed from office under the terms set out in the constitution of the Company.

AMCIL does not pay any performance based remuneration. Mr Freeman is made available as Managing Director of AMCIL by Australian Investment Company Services Ltd ('AICS'). As part of his remuneration arrangements with AICS, Mr Freeman receives an 'at risk' component which is based on performance, as do other Executives. The performance criteria include quantitative and qualitative assessments which include, amongst other things, the services that he has provided to AMCIL and for which AICS is paid.

The Directors and the Company have agreed to freeze Directors retirement benefits at the 31 December 2003 level. This frozen amount will be paid to the respective Directors when they ultimately retire, without further adjustment. The Company continues to pay SGC contributions on Directors' fees.

(b) Remuneration of Directors

Directors of the Company determine the fees of Directors within the aggregate limit established by shareholders in general meeting.

Details of the nature and amounts of each Director's remuneration in respect of the year to 30 June 2020 were as follows:

	Short Term	Post Employment	Total
	Fee/Base Salary	Superannuation	Remuneration
	\$	\$	\$
BB Teele – Chairman (Non-Executive)			
2020	116,895	11,105	128,000
2019	116,895	11,105	128,000
RE Barker – (Non-Executive)			
2020	58,447	5,553	64,000
2019	58,447	5,553	64,000
RG Brown – Director (Non-Executive)			
2020	58,447	5,553	64,000
2019	58,447	5,553	64,000
RM Freeman – Managing Director (Executive)			
2020	-	-	-
2019	-	-	-
MJ Hirst – Director (Non-Executive)(appointed 23 January 2019)			
2020	58,447	5,553	64,000
2019	25,501	2,423	27,924
SL McKenna – Director (Non-Executive)			
2020	58,447	5,553	64,000
2019	58,447	5,553	64,000
RH Myer – Director (Non-Executive)			
2020	58,447	5,553	64,000
2019	58,447	5,553	64,000
RB Santamaria – Director (Non-Executive)(retired 5 October 2018)			
2019	15,261	1,450	16,711
JJ Webster – Director (Non-Executive)			
2020	58,447	5,553	64,000
2019	58,447	5,553	64,000
Total Remuneration: Directors			
2020	467,577	44,423	512,000
2019	449,892	42,743	492,635

(c) Directors' Retirement Allowances

The Board proposed and shareholders approved at the 2004 AGM discontinuing the practice of paying Directors' retirement allowances.

The Directors' retirement allowance provided in past years was equal to the total emoluments that the Director received in the three years immediately preceding retirement, where a Director had held office for five or more years and a proportionate part for less than five years' service.

For relevant Directors in office at 31 December 2003, the amounts accrued as at that date will be paid to them upon their ultimate retirement. No further accruals of Directors' retiring allowances will be made after 31 December 2003. New Directors appointed to the Company, including Mr Teele who was re-appointed on 19 December 2003, will not be entitled to any Directors' retirement allowance.

The amounts payable to the respective current Directors who were in office at 31 December 2003, which will be paid when they retire, are set out below. These amounts were expensed in prior years as the retirement allowances accrued.

	Amount Payable on Retirement
	\$
RE Barker	87,000
RH Myer	68,150
	155,150

Holdings of Securities Issued by the Company

As at 30 June 2020, Directors and Executives who held shares issued by the Company for their own benefit or who have an interest in holdings in the name of another party, and the total number of such securities, are as follows:

	Balance at	Net Changes	Balance at
	1 July 2019		30 June 2020
BB Teele	48,166,901	1,847,240	50,014,141
RE Barker	4,836,957	24,914	4,861,871
RG Brown	1,418,762	57,076	1,475,838
RM Freeman	824,182	46,157	870,339
MJ Hirst	345,000	-	345,000
SL McKenna	678,263	27,287	705,550
RH Myer	1,255,465	144,535	1,400,000
JJ Webster	1,671,329	352,755	2,024,084
GN Driver	391,277	15,742	407,019
AJB Porter	51,632	2,077	53,709
MJ Rowe	4,114	994	5,108

It is the Company's policy that no AMCIL shares owned by Directors or Executives are held subject to margin loans.

(d) Executives

The Company has four executives, RM Freeman, Managing Director; GN Driver, General Manager – Business Development and Investor Relations; AJB Porter, Chief Financial Officer; and MJ Rowe who is Company Secretary (30 June 2019: four executives).

No remuneration is paid to the executives directly by AMCIL as their services are provided pursuant to an arrangement with AICS as outlined in the Notes to the Financial Statements. However, the Managing Director, General Manager – Business Development and Investor Relations, the Chief Financial Officer and the Company Secretary are all required to purchase AMCIL shares as part of their Annual Incentive Plans. All Executives purchased shares during the year under this Plan.

Non-audit Services

Details of non-audit services performed by the auditors may be found in Note F2 of the Financial Report.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in the *Corporations Act 2001* including reviewing or auditing the auditor's own work, acting in management or a decision-making capacity for the Company, acting as advocate for the Company, or jointly sharing economic risk and rewards.

A copy of the Auditors' Independence Declaration is set out on page 19.

This report in relation to the financial year to 30 June 2020 is presented by the Directors of the Company in accordance with a resolution of Directors.



BB Teele
Chairman

Melbourne
28 July 2020

Auditor's Independence Declaration



Auditor's Independence Declaration

As lead auditor for the audit of AMCIL Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

Nadia Carlin

Nadia Carlin
Partner
PricewaterhouseCoopers

Melbourne
28 July 2020

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FINANCIAL STATEMENTS

20 FINANCIAL STATEMENTS

21	Income Statement
22	Statement of Comprehensive Income
23	Balance Sheet
24	Statement of Changes in Equity
26	Cash Flow Statement

27 NOTES TO THE FINANCIAL STATEMENTS

27	A. Understanding AMCIL's Financial Performance
27	A1. How AMCIL Manages Its Capital
27	A2. Investments Held and How They Are Measured
29	A3. Operating Income
29	A4. Dividends Paid
30	A5. Earnings Per Share

30 B. Costs, Tax and Risk

30	B1. Management Costs
31	B2. Tax
32	B3. Risk

34 C. Unrecognised Items

34	C1. Contingencies
----	-------------------

35 D. Balance Sheet Reconciliations

35	D1. Current Assets – Cash
35	D2. Credit Facilities
35	D3. Revaluation Reserve
36	D4. Realised Capital Gains Reserve
36	D5. Retained Profits
36	D6. Share Capital

37 E. Income Statement Reconciliations

37	E1. Reconciliation of Net Cash Flows From Operating Activities to Profit
37	E2. Tax Reconciliations

38 F. Further Information

38	F1. Related Parties
38	F2. Remuneration of Auditors
38	F3. Segment Reporting
39	F4. Summary of Other Accounting Policies

Income Statement

For the Year Ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Dividends and distributions	A3	7,074	8,984
Revenue from deposits and bank bills		104	199
Other revenue		54	10
Total revenue		7,232	9,193
Net gains/(losses) on trading portfolio	A3	393	(376)
Income/(losses) from options written portfolio	A3	857	251
Income from operating activities		8,482	9,068
Finance costs		(98)	(63)
Administration expenses	B1	(1,797)	(1,846)
Profit before income tax expense		6,587	7,159
Income tax expense	B2, E2	(624)	(144)
Profit for the year		5,963	7,015
		Cents	Cents
Basic earnings per share	A5	2.15	2.60

This Income Statement should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income

For the Year Ended 30 June 2020

	Year to 30 June 2020			Year to 30 June 2019		
	Revenue ¹ \$'000	Capital ¹ \$'000	Total \$'000	Revenue \$'000	Capital \$'000	Total \$'000
Profit for the year	5,963	-	5,963	7,015	-	7,015
Other comprehensive income						
Gains for the period	-	10,893	10,893	-	5,651	5,651
Tax on above	-	(3,317)	(3,317)	-	(1,298)	(1,298)
Total other comprehensive income	-	7,576	7,576	-	4,353	4,353
Total comprehensive income	5,963	7,576	13,539	7,015	4,353	11,368

1. 'Capital' includes realised or unrealised gains or losses (and the tax on those) on securities in the investment portfolio. Income in the form of distributions and dividends is recorded as 'revenue'. All other items, including expenses, are included in profit for the year, which is categorised under 'revenue'.

None of the items included in other comprehensive income will be recycled through the Income Statement.

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

Balance Sheet

As at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Current assets			
Cash	D1	9,190	13,988
Receivables		719	2,993
Total current assets		9,909	16,981
Non-current assets			
Deferred tax assets	E2	14	137
Investment portfolio	A2	269,617	253,395
Total non-current assets		269,631	253,532
Total assets		279,540	270,513
Current liabilities			
Payables		175	173
Tax payable		1,107	851
Options sold	A2	-	1,217
Total current liabilities		1,282	2,241
Non-current liabilities			
Deferred tax liabilities – investment portfolio	B2	23,363	20,718
Total non-current liabilities		23,363	20,718
Total liabilities		24,645	22,959
Net assets		254,895	247,554
Shareholders' equity			
Share capital	A1, D6	189,581	186,168
Revaluation reserve	A1, D3	40,075	36,784
Realised capital gains reserve	A1, D4	15,684	19,637
Retained profits	A1, D5	9,555	4,965
Total shareholders' equity		254,895	247,554

This Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the Year Ended 30 June 2020

Year Ended 30 June 2020	Note	Share Capital \$'000	Revaluation Reserve \$'000	Realised Capital Gains Reserve \$'000	Retained Profits \$'000	Total \$'000
Total equity at the beginning of the year		186,168	36,784	19,637	4,965	247,554
Dividends paid	A4	-	-	(8,238)	(1,373)	(9,611)
Shares issued under Dividend Reinvestment Plan	D6	3,426	-	-	-	3,426
Other share capital adjustments		(13)	-	-	-	(13)
Total transactions with shareholders		3,413	-	(8,238)	(1,373)	(6,198)
Profit for the year		-	-	-	5,963	5,963
Other comprehensive income (net of tax)						
Net gain for the period on investments		-	7,576	-	-	7,576
Other comprehensive income for the year		-	7,576	-	-	7,576
Transfer to realised capital gains reserve of realised gains on investments sold		-	(4,285)	4,285	-	-
Total equity at the end of the year		189,581	40,075	15,684	9,555	254,895

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

Year Ended 30 June 2019	Note	Share Capital \$'000	Revaluation Reserve \$'000	Realised Capital Gains \$'000	Retained Profits \$'000	Total \$'000
Total equity at the beginning of the year		174,748	39,285	20,721	10,604	245,358
Dividends paid	A4	-	-	(7,938)	(12,654)	(20,592)
Shares issued under Dividend Reinvestment Plan	D6	7,149	-	-	-	7,149
Share issued under Share Purchase Plan	D6	4,319	-	-	-	4,319
Other share capital adjustments		(48)	-	-	-	(48)
Total transactions with shareholders		11,420	-	(7,938)	(12,654)	(9,172)
Profit for the year		-	-	-	7,015	7,015
Other comprehensive income (net of tax)						
Net gain for the period on investments		-	4,353	-	-	4,353
Other comprehensive income for the year		-	4,353	-	-	4,353
Transfer to realised capital gains reserve of realised gains on investments sold		-	(6,854)	6,854	-	-
Total equity at the end of the year		186,168	36,784	19,637	4,965	247,554

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

Cash Flow Statement

For the Year Ended 30 June 2020

	Note	2020 \$'000 Inflows/ (Outflows)	2019 \$'000 Inflows/ (Outflows)
Cash flows from operating activities			
Sales from trading portfolio		3,599	9,373
Purchases for trading portfolio		(2,560)	(10,596)
Interest received		104	199
Proceeds from entering into options in options written portfolio		1,154	1,621
Payment to close out options in options written portfolio		(1,514)	(1,214)
Dividends and distributions received		6,508	8,473
		7,291	7,856
Other receipts		54	10
Administration expenses		(1,797)	(1,923)
Finance costs paid		(98)	(64)
Income taxes paid		-	(1,435)
Net cash inflow/(outflow) from operating activities	E1	5,450	4,444
Cash flows from investing activities			
Sales from investment portfolio		117,527	79,836
Purchases for investment portfolio		(120,662)	(60,028)
Tax paid on capital gains		(915)	(2,243)
Net cash inflow/(outflow) from investing activities		(4,050)	17,565
Cash flows from financing activities			
Shares issued		3,426	11,469
Share issue transaction costs		(13)	(48)
Net borrowings		-	(1,000)
Dividends paid		(9,611)	(20,592)
Net cash inflow/(outflow) from financing activities		(6,198)	(10,171)
Net increase/(decrease) in cash held		(4,798)	11,838
Cash at the beginning of the year		13,988	2,150
Cash at the end of the year	D1	9,190	13,988

For the purpose of the cash flow statement, 'cash' includes cash and deposits held at call.

This Cash Flow Statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

A. Understanding AMCIL's Financial Performance

A1. How AMCIL Manages its Capital

AMCIL's objective is to provide shareholders with attractive total returns including strong capital growth over the medium to long term and to pay fully franked dividends.

AMCIL recognises that its capital will fluctuate with market conditions. In order to manage those fluctuations, the Board may adjust the amount of dividends paid, issue new shares, buy back the Company's shares or sell assets to settle any debt.

AMCIL's capital consists of its shareholders' equity plus any net borrowings. A summary of the balances in equity is provided below:

	2020 \$'000	2019 \$'000
Share capital	189,581	186,168
Revaluation reserve	40,075	36,784
Realised capital gains reserve	15,684	19,637
Retained profits	9,555	4,965
	254,895	247,554

Refer to Notes D3–D6 for a reconciliation of movement for each equity account from period to period.

A2. Investments Held and How They Are Measured

AMCIL has three portfolios of securities: the investment portfolio, the options written portfolio and the trading portfolio. Details of all holdings (except for specific option holdings) as at the end of the reporting period can be found at the end of the Annual Report.

The investment portfolio holds securities which the Company intends to retain on a long-term basis. The options written portfolio and trading portfolio are held for short-term trading only. The latter is relatively small in size when utilised. The options written portfolio can contain both call and put options and call options are only written over securities held in the investment portfolio.

The balance and composition of the investment portfolio was:

	2020 \$'000	2019 \$'000
Equity instruments (at market value)	269,617	253,395
	269,617	253,395

The fair value (the price at which the option may be bought) at 30 June of the securities in the options written portfolio was:

	2020 \$'000	2019 \$'000
Call options	-	1,216
Put options	-	1
	-	1,217

There were no call or put options outstanding at the year end (2019: \$23.4 million call option exposure and \$0.5 million put option exposure).

\$7.7 million of shares are lodged with ASX Clear Pty Ltd as collateral for potential sold option positions written by the Company (2019: \$10.4 million). These shares are lodged with ASX Clear under the terms of ASX Clear Pty Ltd which require participants in the Exchange Traded Option market to lodge collateral, and are recorded as part of the Company's investment portfolio.

Notes to the Financial Statements

continued

How Investments Are Shown in the Financial Statements

The accounting standards set out the following hierarchy for fair value measurement:

Level 1: quoted prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices, which can be observed either directly (as prices) or indirectly (derived from prices).

Level 3: inputs for the asset or liabilities that are not based on observable market data.

All financial instruments held by AMCIL are classified as Level 1 (other than an immaterial amount of call or put options when written). Their fair values are initially measured at the costs of acquisition and then remeasured based on quoted market prices at the end of the reporting period.

Net Tangible Asset Backing Per Share

The Board regularly reviews the net asset backing per share both before and after provision for deferred tax on the unrealised gains in AMCIL's long-term investment portfolio. Deferred tax is calculated as set out in Note B2. The relevant amounts as at 30 June 2020 and 30 June 2019 were as follows:

	30 June 2020	30 June 2019
Net Tangible Asset Backing Per Share	\$	\$
Before tax	1.00	0.98
After tax	0.92	0.90

Equity Investments

The shares in the investment portfolio are designated under the accounting standards as financial assets measured at fair value through 'other comprehensive income' ('OCI'), because they are equity instruments held for long-term capital growth and dividend income, rather than to make a profit from their sale. This means that changes in the value of these shares during the reporting period are included in OCI in the Statement of Comprehensive Income. The cumulative change in value of the shares over time is then recorded in the revaluation reserve. On disposal, the amounts recorded in the revaluation reserve are transferred to the realised capital gains reserve.

Options

Options are classified as financial assets or liabilities at fair value through profit and loss and usually have an expiry date within 12 months from the date that they are sold. Options written are initially brought to account at the amount received upfront for entering into the contract (the premium) and subsequently revalued to current market value.

Securities Sold and How They Are Measured

Where securities are sold, any difference between the sale price and the cost is transferred from the revaluation reserve to the realised capital gains reserve and the amounts noted in the Statement of Changes in Equity. This means the Company is able to identify the realised gains out of which it can pay a 'Listed Investment Company' (LIC) gain as part of the dividend, which conveys certain taxation benefits to many of AMCIL's shareholders.

The realised gain or loss on options written is not recognised until the option expires, is exercised or is closed out. All unrealised gains or losses which represent movements in the market value of the options are recognised through the Income Statement.

During the period \$115.4 million (2019: \$75.7 million) of equity securities were sold. The cumulative gain on the sale of securities from the investment portfolio was \$4.3 million for the period after tax (2019: \$6.9 million). This has been transferred from the revaluation reserve to the realised capital gains reserve (see Statement of Changes in Equity). These sales were accounted for at the date of trade.

A3. Operating Income

The total income received from AMCIL's investments in 2020 is set out below.

	2020 \$'000	2019 \$'000
Dividends and distributions		
Dividends from securities held in investment portfolio at 30 June	5,148	7,668
Dividends from investment securities sold during the year	1,926	1,197
Dividends from trading securities sold during the year	-	119
	7,074	8,984

Dividends from listed securities are recognised as income when those securities are quoted in the market on an ex-distribution basis. Dividends from unlisted securities are recognised as income when they are received. Capital returns on ordinary shares are treated as an adjustment to the carrying value of the shares.

Trading Income and Non-Equity Investments

Net gains (before tax) on the trading and options portfolio are set out below.

	2020 \$'000	2019 \$'000
Net gains		
Net realised gains/(losses) from securities in trading portfolio	393	(471)
Net realised gains from options in trading portfolio	-	95
Realised gains on options written portfolio	857	863
Unrealised gains/(losses) on options written portfolio	-	(612)
	1,250	(125)

A4. Dividends Paid

The dividends paid and payable for the year ended 30 June 2020 are shown below:

	2020 \$'000	2019 \$'000
(a) Dividends Paid During The Year		
Final dividend for the year ended 30 June 2019 of 3.5 cents fully franked at 30 per cent, paid 23 August 2019 (2019: 4.25 cents fully franked at 30 per cent, paid on 24 August 2018)	9,611	11,114
No interim dividend for the year ended 30 June 2020 was paid (2019: interim dividend of 2.0 cents plus a special dividend of 1.5 cents, both fully franked at 30 per cent, paid 22 February 2019)	-	9,478
	9,611	20,592
(b) Franking Credits		
Balance on the franking account after allowing for tax payable in respect of the current year's profits and the receipt of dividends recognised as receivables	3,391	4,535
Impact on the franking account of dividends declared but not recognised as a liability at the end of the current financial year:	(2,984)	(4,119)
Net available	407	416
These franking account balances would allow AMCIL to frank additional dividend payments at a rate of 30 per cent (30 June 2019: 30 per cent) up to an amount of:	950	971

AMCIL's ability to continue to pay franked dividends is dependent upon the receipt of franked dividends from the trading and investment portfolios and on AMCIL paying tax.

Notes to the Financial Statements

continued

	2020 \$'000	2019 \$'000
(c) Dividends Declared After Balance Date		
Since the end of the year Directors have declared a final dividend of 2.5 cents per share fully franked at 30 per cent. The aggregate amount of the final dividend for the year to 30 June 2020 to be paid on 27 August 2020, but not recognised as a liability at the end of the financial year is:	6,963	
(d) Listed Investment Company Capital Gain Account		
Balance of the Listed Investment Company (LIC) capital gain account	2,600	8,738
This equates to an attributable gain of	3,714	12,483

Distributed LIC capital gains may entitle certain shareholders to a deduction in their tax return, as set out in the dividend statement. LIC capital gains available for distribution are dependent on the disposal of investment portfolio holdings that qualify for LIC capital gains, or the receipt of LIC distributions from LIC securities held in the portfolios. None of the attributable gain is being paid out as part of the final dividend.

A5. Earnings Per Share

The table below shows the earnings per share based on the profit for the year:

	2020 Number	2019 Number
Basic Earnings Per Share		
Weighted average number of ordinary shares used as the denominator	277,943,049	269,697,832
	\$'000	\$'000
Profit for the year	5,963	7,015
	Cents	Cents
Basic earnings per share	2.15	2.60

Dilution

As there are no options, convertible notes or other dilutive instruments on issue, diluted earnings per share is the same as basic earnings per share.

B. Costs, Tax and Risk

B1. Management Costs

The total management expenses for the period are as follows:

	2020 \$'000	2019 \$'000
Administration fees paid to AICS	(839)	(906)
Other administration expenses	(958)	(940)
	(1,797)	(1,846)

Administration Fees Paid to AICS

Australian Investment Company Services Limited ('AICS') undertakes the day-to-day administration of AMCIL's investments and its operations, including financial reporting.

Other Administration Expenses

A major component of other administration expenses is Directors' remuneration. This has been summarised below:

	Short Term Benefits \$	Post- employment Benefits \$	Total \$
2020			
Directors	467,577	44,423	512,000
2019			
Directors	449,892	42,743	492,635

AMCIL recognises Directors' retirement allowances that have been crystallised as 'amounts payable'. There are no further retirement allowances that will need to be expensed.

Detailed remuneration disclosures are provided in the Remuneration Report.

The Company does not make loans to Directors.

B2. Tax

AMCIL's tax position, and how it accounts for tax, is explained here. Detailed reconciliations of tax accounting to the financial statements can be found in Note E2.

The income tax expense for the period is the tax payable on this financial year's taxable income, adjusted for any changes in deferred tax assets and liabilities attributable to temporary differences and for any unused tax losses. Deferred tax assets and liabilities (except for those related to the unrealised gains or losses in the investment portfolio) are offset, as all current and deferred taxes relate to the Australian Taxation Office and can legally be settled on a net basis. Deferred tax balances are calculated at the rate of 30 per cent (2019: 30 per cent).

A provision has been made for taxes on any unrealised gains or losses on securities valued at fair value through the Income Statement – i.e. the trading portfolio and the options written portfolio.

A provision also has to be made for any taxes that could arise on sale of securities in the investment portfolio, even though there is no intention to dispose of them. Where AMCIL disposes of such securities, tax is calculated according to the particular parcels allocated to the sale for tax purposes, offset against any capital losses carried forward.

Tax Expense

The income tax expense for the period is shown below:

(a) Reconciliation of Income Tax Expense to Prima Facie Tax Payable

	2020 \$'000	2019 \$'000
Profit before income tax expense	6,587	7,159
Tax at the Australian company tax rate of 30 per cent (2019 – 30 per cent)	1,976	2,148
Tax offset for franked dividends received	(1,365)	(2,024)
Tax effect of sundry items either taxable in current year but not included in income or non-taxable	52	51
	663	175
Over provision in prior years	(39)	(31)
Total tax expense	624	144

Notes to the Financial Statements

continued

Deferred Tax Liabilities – Investment Portfolio

The accounting standards require us to recognise a deferred tax liability for the potential capital gains tax on the unrealised gain in the investment portfolio. This amount is shown in the Balance Sheet. However, the Board does not intend to sell the investment portfolio, so this tax liability is unlikely to arise at this amount. Any sale of securities would also be affected by any changes in capital gains tax legislation or tax rate applicable to such gains when they are sold.

	2020 \$'000	2019 \$'000
Deferred tax liabilities on unrealised gains in the investment portfolio	23,363	20,718
Opening balance at 1 July	20,718	22,290
Tax on realised gains (at 30 per cent)	(672)	(2,870)
Charged to OCI for ordinary securities on gains or losses for the period	3,317	1,298
	23,363	20,718

B3. Risk

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. As a Listed Investment Company that invests in tradeable securities, AMCIL can never be free of market risk as it invests its capital in securities which are not risk free – the market price of these securities will fluctuate.

A general fall in market prices of 5 per cent and 10 per cent, if spread equally over all assets in the investment portfolio, would have led to a reduction in AMCIL's comprehensive income of \$9.4 million and \$18.9 million respectively, at a tax rate of 30 per cent (2019: \$8.9 million and \$17.7 million at a tax rate of 30 per cent).

AMCIL seeks to reduce market risk at the investment portfolio level by ensuring that it is not, in the opinion of the Investment Committee, overly exposed to one company or one particular sector of the market. The relative weightings of the individual securities and the relevant market sectors are reviewed by the Investment Committee and risk can be managed by reducing exposure where necessary. AMCIL does not have a minimum or maximum amount of the portfolio that can be invested in a single company or sector.

AMCIL's investment exposure by sector is as below:

	2020 %	2019 %
Energy	2.28	4.62
Materials	8.97	13.18
Industrials	23.85	25.47
Consumer Discretionary	10.42	5.58
Consumer Staples	3.21	1.04
Banks	5.58	12.39
Other Financials (incl. property trusts)	9.77	10.32
Telecommunications	8.54	2.58
Healthcare	14.31	11.34
Information Technology	8.07	8.22
Utilities	1.70	0.00
Cash	3.30	5.26

There were three securities representing over 5 per cent of the combined investment and trading portfolio (including options) at 30 June 2020 – CSL (9.5 per cent), BHP (6.1 per cent) and Wesfarmers (5.9 per cent) (2019: CSL (6.7 per cent), BHP (5.7 per cent) and Mainfreight (5.1 per cent)).

AMCIL is not currently materially exposed to interest rate risk as the majority of its cash investments are in an over-night 'at call' account invested in cash management trusts which invest predominantly in securities with an A1+ rating and which are for fixed rates for short-term duration. AMCIL is also not directly materially exposed to currency risk as most of its investments are quoted in Australian dollars.

The writing of call options provides some protection against a fall in market prices as it generates income to partially compensate for a fall in capital values. Options are only written against securities that are held in the trading or investment portfolios although stock may be purchased on-market to meet call obligations.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. AMCIL is exposed to credit risk from cash, receivables, securities in the trading portfolio and securities in the investment portfolio respectively. None of these assets are overdue. The risk in relation to each of these items is set out below.

Cash

All cash investments not held in a transactional account are invested in short-term deposits with Australia's 'big four' commercial banks or in cash management trusts which invest predominantly in securities with an A1+ rating. In the unlikely event of a bank default or default on the underlying securities in the cash trust, there is a risk of losing the cash deposits and any accrued unpaid interest.

Receivables

Outstanding settlements are on the terms operating in the securities industry, which usually require settlement within two days of the date of a transaction. Receivables are non-interest bearing and unsecured. In the event of a payment default, there is a risk of losing any difference between the price of the securities sold and the price of the recovered securities from the discontinued sale. Receivables also include dividends from securities that have passed the record date for the distribution but have not paid as at the current date.

Trading and Investment Portfolios

Converting and convertible notes or other interest-bearing securities that are not equity securities carry credit risk to the extent of their carrying value. This risk will be realised in the event of a shortfall on winding-up of the issuing companies.

Liquidity Risk

Liquidity risk is the risk that an entity will not be able to meet its financial liabilities.

AMCIL monitors its cash flow requirements daily. The Investment Committee also monitors the level of contingent payments on a regular basis by reference to known sales and purchases of securities, dividends and distributions to be paid or received, put options that may require AMCIL to purchase securities, and facilities that need to be repaid. AMCIL ensures that it has either cash or access to short-term borrowing facilities sufficient to meet these contingent payments.

AMCIL's inward cash flows depend upon the dividends received. Should these drop by a material amount, AMCIL would amend its outward cash flows accordingly. AMCIL's major cash outflows are the purchase of securities and dividends paid to shareholders, and both of these can be adjusted by the Board and management. Furthermore, the assets of AMCIL are largely in the form of readily tradeable securities which can be sold on-market if necessary.

Notes to the Financial Statements

continued

The table below analyses AMCIL's financial liabilities into relevant maturity groupings. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less Than 6 Months \$'000	6-12 Months \$'000	Greater Than 1 Year \$'000	Total Contractual Cash Flows \$'000	Carrying Amount \$'000
30 June 2020					
Payables	175	-	-	175	175
	175	-	-	175	175
30 June 2019					
Payables	173	-	-	173	173
Options written*	499	-	-	499	1,217
	672	-	-	672	1,390

* In the case of call options, there are no contractual cash flows as if the option is exercised the contract will be settled in the securities over which the option is written. The contractual cash flows for put options written are the cash sums the Company will pay to acquire securities over which the options have been written, and it is assumed for purpose of the above disclosure that all options will be exercised (i.e. maximum cash outflow).

C. Unrecognised Items

Unrecognised items, such as contingencies, do not appear in the financial statements, usually because they do not meet the requirements for recognition. However, they have the potential to have a significant impact on the Company's financial position and performance.

C1. Contingencies

Directors are not aware of any material contingent liabilities or contingent assets other than those already disclosed elsewhere in the Financial Report.

Further notes to the financial statements are included here. It is grouped into three sections:

- D. Balance Sheet Reconciliations
- E. Income Statement Reconciliations
- F. Further Information

D. Balance Sheet Reconciliations

This section provides further information about the basis of calculation of line items in the financial statements.

D1. Current Assets – Cash

	2020 \$'000	2019 \$'000
Cash at bank and in hand (including on-call)	9,190	13,988

Cash holdings yielded an average floating interest rate of 0.99 per cent (2019: 2.10 per cent). All cash investments are held in a transactional account or an over-night 'at call' account invested in cash management trusts which invest predominantly in short-term securities with an A1+ rating.

D2. Credit Facilities

The Company was party to agreements under which Commonwealth Bank of Australia would extend cash advance facilities.

	2020 \$'000	2019 \$'000
Commonwealth Bank of Australia – cash advance facility	10,000	10,000
Amount drawn down at 30 June	-	-
Undrawn facilities at 30 June	10,000	10,000

Repayment of facilities is done either through the use of cash received from distributions or the sale of securities, or by rolling existing facilities into new ones. Facilities when utilised are usually drawn down for no more than three months.

D3. Revaluation Reserve

	2020 \$'000	2019 \$'000
Opening balance at 1 July 2019	36,784	39,285
Gains on investment portfolio	10,893	5,651
Deferred tax on above	(3,317)	(1,298)
Transfer to realised capital gains reserve for realised gains	(4,285)	(6,854)
	40,075	36,784

This reserve is used to record increments and decrements on the revaluation of the investment portfolio as described in accounting policy Note A2.

Notes to the Financial Statements

continued

D4. Realised Capital Gains Reserve

	2020 \$'000			2019 \$'000		
	Taxable Realised Gains (Net of Tax)	Difference Between Tax and Accounting Costs	Total	Taxable Realised Gains (Net of Tax)	Difference Between Tax and Accounting Costs	Total
Opening balance at 1 July	7,357	12,280	19,637	8,600	12,121	20,721
Dividends paid	(8,238)	-	(8,238)	(7,938)	-	(7,938)
Cumulative taxable realised (losses)/ gains for period	2,240	2,717	4,957	9,565	159	9,724
Tax on realised gains/(losses)	(672)	-	(672)	(2,870)	-	(2,870)
	687	14,997	15,684	7,357	12,280	19,637

This reserve records gains or losses after applicable taxation arising from disposal of securities in the investment portfolio as described in A2. The difference between tax and accounting costs is a result of realised gains or losses being accounted for on an average cost basis, whilst taxable gains or losses are made based on the specific cost of the actual stock sold – i.e. on a parcel selection basis. These differences also include non-taxable realised gains or losses, e.g. losses under off-market buy-backs.

D5. Retained Profits

	2020 \$'000	2019 \$'000
Opening balance at 1 July	4,965	10,604
Dividends paid	(1,373)	(12,654)
Profit for the year	5,963	7,015
	9,555	4,965

This reserve relates to past profits.

D6. Share Capital

Date	Details	Notes	Number of Shares '000	Issue Price \$	Paid-up Capital \$'000
30/6/2018	Balance		261,500		174,748
24/8/2018	Dividend Reinvestment Plan	i	4,284	0.91	3,899
7/11/2018	Share Purchase Plan	ii	5,023	0.86	4,319
22/2/2019	Dividend Reinvestment Plan	i	3,779	0.86	3,250
Various	Costs of issue		-		(48)
30/6/2019	Balance		274,586		186,168
23/8/2019	Dividend Reinvestment Plan	i	3,938	0.87	3,426
Various	Costs of issue		-		(13)
30/6/2020	Balance		278,524		189,581

- Shareholders elect to have all or part of their dividend payment reinvested in new ordinary shares under the Dividend Reinvestment Plan (DRP). The price of the new DRP shares is based on the average selling price of shares traded on the Australian Securities Exchange (ASX) and Chi-X in the five days after the shares begin trading ex-dividend.
- During the year ended 30 June 2019 the Company announced a Share Purchase Plan (SPP). The SPP issue price was set at a nil discount to the volume-weighted average price of AMCIL shares traded on the Australian Securities Exchange (ASX) and Chi-X over the five trading days up to, and including, the day on which the SPP offer was scheduled to close.

All shares have been fully paid, rank pari passu and have no par value.

E. Income Statement Reconciliations

E1. Reconciliation of Net Cash Flows From Operating Activities to Profit

	2020 \$'000	2019 \$'000
Profit for the year	5,963	7,015
Sale from trading portfolio to investment portfolio	-	(847)
Increase/(decrease) in options written portfolio	(1,217)	157
Dividends received as securities under DRP investments	(368)	(492)
Decrease/(increase) in current receivables	2,274	4,077
– Less increase/(decrease) in receivables for investment portfolio	(1,826)	(4,095)
Increase/(decrease) in deferred tax liabilities	2,768	(1,621)
– Less (increase)/decrease in deferred tax liability on investment portfolio	(2,645)	1,572
Increase/(decrease) in current payables	2	(80)
Increase/(decrease) in provision for tax payable	256	(614)
– Less CGT provision	(672)	(2,870)
– Add taxes paid on capital gains	915	2,242
Net cash flows from operating activities	5,450	4,444

E2. Tax Reconciliations

	2020 \$'000	2019 \$'000
Tax Expense Composition		
Charge for tax payable relating to the current year	540	224
Over provision in prior years	(39)	(31)
(Increase)/decrease in deferred tax assets	123	(49)
	624	144

Amounts Recognised Directly Through Other Comprehensive Income

Net movement in tax liabilities relating to capital gains tax on the movement in gains in the investment portfolio	3,317	1,298
	3,317	1,298

Deferred Tax Assets and Liabilities

The deferred tax balances are attributable to:

	2020 \$'000	2019 \$'000
(a) Tax on unrealised gains or losses in the options written portfolio	-	184
(b) Provisions and expenses charged to the accounting profit which are not yet tax deductible	47	46
(c) Interest and dividend income receivable which is not assessable for tax until receipt	(33)	(93)
	14	137
Movements:		
Opening asset/(liability) balance at 1 July	137	88
Credited/(charged) to Income Statement	(123)	49
	14	137

Deferred tax assets arise when provisions and expenses have been charged but are not yet tax deductible. These assets are realised when the relevant items become tax deductible, as long as enough taxable income has been generated to claim the assets against, and as long as there are no changes to the tax legislation that affect AMCIL's ability to claim the deduction. As noted in B2, deferred tax assets and liabilities have been calculated at a rate of 30 per cent (2019: 30 per cent).

Notes to the Financial Statements

continued

F. Further Information

This section covers information that is not directly related to specific line items in the financial statements, including information about related party transactions, assets pledged as security and other statutory information.

F1. Related Parties

All transactions with deemed related parties were made on normal commercial terms and conditions and approved by independent Directors.

F2. Remuneration of Auditors

During the year the auditor earned the following remuneration:

	2020 \$	2019 \$
PricewaterhouseCoopers		
Audit or review of financial reports	104,678	89,752
Non-audit services		
Taxation compliance services	9,264	9,039
Total remuneration	113,942	98,791

F3. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Board, through its sub-committees, has been identified as the chief operating decision-maker, as it is responsible for allocating resources and assessing performance of the operating segments.

Description of Segments

The Board makes the strategic resource allocations for AMCIL. AMCIL has therefore determined the operating segments based on the reports reviewed by the Board, which are used to make strategic decisions.

The Board is responsible for AMCIL's entire portfolio of investments and considers the business to have a single operating segment. The Board's asset allocation decisions are based on a single, integrated investment strategy, and AMCIL's performance is evaluated on an overall basis.

Segment Information Provided to the Board

The internal reporting provided to the Board for AMCIL's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of Australian Accounting Standards, except that net assets are reviewed both before and after the effects of capital gains tax on investments (as reported in AMCIL's Net Tangible Asset announcements to the ASX).

Other Segment Information

Revenues from external parties are derived from the receipt of dividend, distribution and interest income, and income arising on the trading portfolio and realised income from the options portfolio.

AMCIL is domiciled in Australia and most of AMCIL's income is derived from Australian entities or entities that maintain a listing in Australia. AMCIL has a diversified portfolio of investments, with no investment comprising more than 10 per cent of AMCIL's income, including realised income from the trading and options written portfolios (2019: two – BHP (13.8 per cent) and Westpac (10.2 per cent)).

F4. Summary of Other Accounting Policies

This general purpose Financial Report has been prepared in accordance with Australian Accounting Standards, Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. This Financial Report has been authorised for issue on 28 July 2020 in accordance with a resolution of the Board and is presented in the Australian currency. The Directors of AMCIL have the power to amend and reissue the Financial Report.

AMCIL has attempted to improve the transparency of its reporting by adopting 'plain English' where possible. Key 'plain English' phrases and their equivalent AASB terminology are as follows:

Phrase	AASB Terminology
Market value	Fair value for actively traded securities
Cash	Cash and cash equivalents
Share capital	Contributed equity
Options	Derivatives written over equity instruments that are valued at fair value through profit or loss

AMCIL complies with International Financial Reporting Standards (IFRS). AMCIL is a 'for profit' entity.

AMCIL has not applied any Australian Accounting Standards or AASB Interpretations that have been issued as at balance date but are not yet operative for the year ended 30 June 2020 ('the inoperative standards'). The impact of the inoperative standards has been assessed and the impact has been identified as not being material. AMCIL only intends to adopt inoperative standards at the date at which their adoption becomes mandatory.

Basis of Accounting

The financial statements are prepared using the valuation methods described in A2. All other items have been treated in accordance with the historical cost convention.

Fair Value of Financial Assets and Liabilities

The fair value of cash and cash equivalents, and non-interest bearing monetary financial assets and liabilities of AMCIL approximates their carrying value.

Rounding of Amounts

AMCIL is a company of the kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Financial Report. Amounts in the Financial Report have been rounded off in accordance with that Instrument, to the nearest thousand dollars, or in certain cases, to the nearest dollar.

DIRECTORS' DECLARATION

In the Directors' opinion:

- 1) the financial statements and notes set out on pages 21 to 39 are in accordance with the *Corporations Act 2001* including:
 - a) complying with the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
- 2) 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 F4 to the financial statements confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

This declaration has been made after receiving the declarations required to be made to the Directors by the Managing Director and the Chief Financial Officer regarding the financial statements in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2020.

The declarations received were that, in the opinion of the Managing Director and the Chief Financial Officer to the best of their knowledge, the financial records of the Company have been properly maintained, that the financial statements comply with accounting standards and that they give a true and fair view.



BB Teele
Chairman

Melbourne
28 July 2020

INDEPENDENT AUDIT REPORT



Independent auditor's report

To the members of AMCIL Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of AMCIL Limited (the Company) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the balance sheet as at 30 June 2020
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the cash flow statement for the year then ended
- the income statement for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
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INDEPENDENT AUDIT REPORT

continued



Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Company, its accounting processes and controls and the industry in which it operates.



Materiality

- For the purpose of our audit we used overall materiality of \$2.55 million, which represents approximately 1% of the Company's net assets.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. We chose net assets as the benchmark because, in our view, net assets is:
 - the metric against which the performance of the Company is most commonly measured; and
 - the key driver of the business and the determinant of the Company's value.
- We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable net asset related thresholds.

Audit Scope

- Our audit focused on assessing the financial statements for risks of material misstatement in account balances or disclosures, and designing and performing audit procedures to obtain reasonable assurance that the financial statements as a whole were free of material misstatement due to fraud or error. This included identifying areas of higher risk, based on quantitative and qualitative assessments of the Company's operations and activities
- The administration and investment operations for the Company are conducted by Australian Investment Company Services Limited. In addition to our audit procedures, we obtained a report from other auditors that the controls over administration and investment operations operating at Australian Investment Company Services Limited were suitably designed and operated effectively for the year. We assessed the report by considering the other auditor's independence, competency, and results of procedures.



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 for the current period. The key audit 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. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit Committee.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p><i>Existence and valuation of Investment Portfolio</i> <i>Refer to note A2</i></p> <p><i>\$269.6m</i></p> <p>The Investment Portfolio consists mainly of listed Australian equities.</p> <p>Whilst there is no significant judgement in determining the valuation of the Company's investments, investments represent a key measure of the Company's performance and comprise a significant proportion of total assets in the balance sheet. The fluctuations in investment valuation will also impact the realised and unrealised gains/(losses) recognised in the statement of comprehensive income, which also affects the deferred tax provisions. Given the pervasive nature investments have on the Company's key financial metrics, we determined the existence and valuation of investments to be a key audit matter.</p>	<p>1) Performed an investment reconciliation of the investments balance from the opening investment balance, addition/subtraction of purchases, sales and other relevant transactions and agreeing back to the 30 June 2020 balance.</p> <p>2) Obtained the purchases and sales listing for the year ended 30 June 2020, and</p> <ul style="list-style-type: none"> • agreed a sample of purchases and sales to original contracts; and • agreed a sample of original contracts to the purchases and sales listing. <p>3) Agreed all the investment quantity holdings at 30 June 2020 to third party registry sources.</p> <p>4) Agreed all listed equities investment prices to third party market pricing sources.</p>

INDEPENDENT AUDIT REPORT

continued



Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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 inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

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

In preparing the financial report, the directors are responsible for assessing the 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.



Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 16 to 17 of the directors' report for the year ended 30 June 2020.

In our opinion, the remuneration report of AMCIL Limited for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in dark ink, appearing to read 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in dark ink, appearing to read 'Nadia Carlin'.

Nadia Carlin
Partner

Melbourne
28 July 2020

OTHER INFORMATION

Information About Shareholders

At 17 July 2020 there were 3,175 holdings of shares. These holdings were distributed in the following categories:

Size of Holding	Holdings	% of Share Capital
1 to 1,000	412	0.04
1,001 to 5,000	379	0.39
5,001 to 10,000	335	0.95
10,001 to 100,000	1,560	21.60
100,000 and over	489	77.03
		100%
Percentage held by the 20 largest holders	37.64%	
Average shareholding	87,724	

There were 303 shareholdings of less than a marketable parcel of \$500 (527 shares).

Voting Rights of Ordinary Shares

The Constitution provides for votes to be cast:

- i) on a show of hands, one vote for each shareholder; and
- ii) on a poll, one vote for each fully paid ordinary share.

Major Shareholders

The 20 largest registered shareholders of the Company's ordinary shares as at 17 July 2020 are noted below:

Rank	Name	Units	% Units
1	Bruce Teele	50,014,141	17.96
2	Djerriwarrh Investments Ltd	10,599,254	3.81
3	HSBC Custody Nominees (Australia) Limited	5,341,757	1.92
4	Invia Custodian Pty Limited <Terrence A Campbell Esq A/C>	4,948,768	1.78
5	Invia Custodian Pty Limited <Christine Joy Campbell A/C>	4,939,257	1.77
6	Ross Barker	4,861,871	1.75
7	Ancona Valley Holdings Pty Ltd <Roswell Super Fund A/C>	3,852,494	1.38
8	Invia Custodian Pty Limited <Fobsha Pty Ltd A/C>	2,510,000	0.90
9	Riga (QLD) Pty Ltd <Krohn Family S/F A/C>	2,132,347	0.77
10	Jonathan Webster	2,024,084	0.73
11	Prof Peter Glow + Mrs Roslyn Ann Glow	1,892,518	0.68
12	FFSF Asset Management Pty Ltd <FF Super Fund A/C>	1,518,253	0.55
13	Roger Brown	1,475,838	0.53
14	Gardiole Pty Ltd The RH Myer Super Fund	1,400,000	0.50
15	Somoke Pty Limited <Pulman Super Fund A/C>	1,383,781	0.50
16	Isomet Pty Ltd <Cowan Super Fund A/C>	1,263,688	0.45
17	Parsley Investments Pty Ltd <Paterson Superannuation A/C>	1,255,515	0.45
17	JDB Services Pty Ltd <RAC & JD Brice Invest A/C>	1,231,293	0.44
19	Annieandjohnpaterson Foundation Ltd <Paterson Foundation A/C>	1,100,000	0.39
20	Somoke Pty Limited <Pulman Super Fund A/C>	1,088,944	0.39

Substantial Shareholders

The Company has been notified of substantial shareholdings as follows:

Holder	Number of Shares	Date Notified
Bruce B Teele	50,014,141*	26/08/2019

* Shareholding as per last substantial shareholding notification. Current shareholding reflected on page 46.

Transactions in Securities

During the year ended 30 June 2020, the Company recorded 592 transactions in securities. \$654,077 in brokerage (including GST) was paid or accrued for the year.

Holdings of Securities

At 30 June 2020

Details of the Company's portfolios are given below. The list should not, however, be used to evaluate portfolio performance or to determine the net asset backing per share (which is recorded each month on the toll free telephone service at 1800 780 784).

Code	Name	Principal Activity	Number Held 2019 '000	Number Held 2020 '000	Market Value 2020 \$'000
AIA	Auckland International Airport	Owner and operator of New Zealand's largest airport. It operates through the following segments: aeronautical, retail and property	0	604	3,721
APA	APA Group	Owns and operates energy infrastructure assets and businesses	0	429	4,776
ARB	ARB Corporation	Manufacturer and distributor of four-wheel drive vehicle accessories in Australia and internationally	310	415	7,454
ASX	ASX	Operates Australia's largest securities exchange	0	13	1,067
BHP	BHP Group	Diversified international resources company	355	460	16,477
BRG	Breville Group	Manufacturer and wholesaler of electrical consumer products	240	249	5,672
BXB	Brambles	Global provider of supply chain management and logistics solutions	445	550	5,979
CAR	Carsales.com	Owns and operates Australia's largest automotive classifieds business and invests in a number of international online automotive websites	507	507	8,994
CBA	Commonwealth Bank of Australia	Banking and wealth management services	128	78	5,415
COH	Cochlear	Provides implantable hearing solutions, operating throughout the Americas, Europe and Asia Pacific. Its products include cochlear, bone conduction and acoustic implants	0	29	5,398
CSL	CSL	Global healthcare company that researches, develops, manufactures and markets products to treat and prevent serious human medical conditions	79	89	25,543
CWY	Cleanaway Waste Management	Australia's largest waste management provider focusing on solid waste, liquid waste, health and industrial waste services	0	2,565	5,643
EQT	EQT Holdings	Provider of private client, trustee, estate administration and funds management services	262	227	5,614
GMG	Goodman Group	Develops, owns, and manages industrial property and business space in Australia and overseas	0	570	8,465
IRE	IRESS	Technology company that provides software to the financial management industry	450	315	3,455
JHX	James Hardie Industries	Building materials company focused on fibre cement products, predominantly in the United States	416	310	8,531
MAQ	Macquarie Telecom Group	Provides voice and telecommunication services as well as data hosting and co-location services to businesses and government customers	0	236	10,384

Code	Name	Principal Activity	Number Held 2019 '000	Number Held 2020 '000	Market Value 2020 \$'000
MFT	Mainfreight (NZX listed)	Provider of managed warehousing and international and domestic freight forwarding services	329	340	12,526
MQG	Macquarie Group	Diversified financial services business operating in banking, financial advisory, investment and funds management services	85	102	12,076
NAB	National Australia Bank	Banking and wealth management services	460	557	10,150
NXT	NEXTDC	Owns and operates large scale data centres across Australia	725	600	5,928
OCL	Objective Corporation	Technology company that supplies software and services to the government and enterprise sectors	1,395	924	6,816
OSH	Oil Search	Oil and gas explorer, developer and producer with assets predominantly in PNG	925	2,005	6,356
QUB	Qube Holdings	Australia's leading provider of integrated import and export logistics services	2,407	2,426	7,060
REA	REA Group	Leading digital media business focusing on online property portals in Australia and overseas	0	41	4,428
REH	Reece	Distributor and retailer of plumbing, building and hardware supplies	575	701	6,440
RHC	Ramsay Health Care	Provider of healthcare services and the operation of hospitals and day surgery facilities in Asia Pacific, United Kingdom and France	74	135	8,947
SEK	Seek	Operator of employment classifieds websites in Australia and Asia with investments in the online education and training sector	277	283	6,184
SYD	Sydney Airport	Owns and operates the Sydney International Airport	804	1,229	6,966
TCL	Transurban Group	Developer and operator of toll roads in Australia and overseas	635	848	11,982
WES	Wesfarmers	Diversified conglomerate with retailing operations in department stores, home improvement and office supplies. The group also operates businesses involved in energy, chemicals, fertilisers and industrial and safety products	146	355	15,915
WOW	Woolworths Group	Operates general merchandise consumer stores and supermarkets in Australia and New Zealand	87	240	8,947
XRO	Xero	Develops accounting software for small and medium sized businesses in New Zealand, Australia, the United Kingdom and the United States	70	70	6,308
Total					269,617

Major Transactions in the Investment Portfolio

Acquisitions	Cost \$'000
Wesfarmers	8,291
Goodman Group	8,178
Woolworths Group	6,006
Macquarie Telecom Group	5,373
Cleanaway Waste Management	5,172

Disposals	Proceeds \$'000
Westpac [#]	10,336
Wellcom Group (takeover by Innocean Worldwide) [#]	7,605
Reliance Worldwide Corporation [#]	5,476
Sonic Healthcare [#]	5,321
AUB Group [#]	4,726
Lifestyle Communities [#]	4,561

[#] Complete disposals from the portfolio.

New Companies Added to the Portfolio

Woolworths Group (re-entered)
 Goodman Group
 Macquarie Telecom Group
 Cleanaway Waste Management
 APA Group
 Cochlear
 REA Group
 Auckland International Airport
 ASX

Sub-underwriting

During the year the Company participated as a sub-underwriter in the following issues of securities:

Company	Underwritten By	Description	Amount Underwritten
Qube Holdings Limited	UBS AG/Merrill Lynch Equities	1 for 6.35 pro-rata accelerated entitlement offer for c. \$500 million	\$475,968

Share Capital Changes

Date	Type	Price/ Amount
23-Aug-19	DRP	\$0.87
22-Feb-19	DRP	\$0.86
7-Nov-18	Share Purchase Plan	\$0.86
24-Aug-18	DRP	\$0.91
24-Aug-17	DRP	\$0.88
25-Aug-16	DRP	\$0.95
4-Mar-16	Share Purchase Plan	\$0.83
25-Aug-15	DRP	\$0.85
18-Nov-14	Share Purchase Plan	\$0.86
26-Aug-14	DRP	\$0.94
8-Oct-13	Share Purchase Plan	\$0.85
27-Aug-13	DRP	\$0.87
5-Jan-11	Share Purchase Plan	\$0.64
27-Aug-10	DRP	\$0.60
11-Dec-09	Share Purchase Plan	\$0.64
27-Aug-09	DRP	\$0.59
15-Aug-08	DRP	\$0.62
27-Aug-07	DRP	\$0.75
Various	Exercise of options	\$0.50
23-Jan-04	Share issue	\$0.50
19-Dec-03	Capital consolidation 1 for 16	
15-Aug-03	Capital return	\$0.40
23-May-03	Capital return	\$0.40
11-Mar-03	Capital return	\$0.40
17-Jan-03	Capital return	\$0.32
18-Nov-02	Capital return	\$0.33
7-Apr-00	1-for-5 rights issue	\$2.00
24-Jan-00	Exercise of JBWere Option	\$2.00
10-Sep-99	DRP	\$2.54
2-Jun-99	1-for-3 rights issue	\$2.40
15-Mar-99	DRP	\$2.38
16-Sep-98	DRP	\$2.14
17-Jun-98	1-for-2 rights issue	\$2.00
27-Mar-98	DRP	\$2.17
12-Sep-97	Dividend Reinvestment Plan ('DRP')	\$1.95
18-Oct-96	Initial issue	\$2.00

Company Particulars

AMCIL Limited (AMCIL)

ABN 57 073 990 735

Directors

Bruce B Teele, Chairman
Robert M Freeman, Managing Director
Ross E Barker
Roger G Brown
Michael J Hirst
Siobhan L McKenna
Rupert Myer AO
Jonathan J Webster AM

Company Secretaries

Matthew J Rowe
Andrew JB Porter

Auditor

PricewaterhouseCoopers
Chartered Accountants

Country of Incorporation

Australia

Registered Office and Mailing Address

Level 21, 101 Collins Street
Melbourne, Victoria 3000

Contact Details

Telephone (03) 9650 9911
Facsimile (03) 9650 9100
Email invest@amcil.com.au
Website amcil.com.au

For enquiries regarding net asset backing (as advised each month to the Australian Securities Exchange):

Telephone 1800 780 784 (toll free)

Shareholder Information

Share Registrar

Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnston Street
Abbotsford, Victoria 3067

Shareholder

Enquiry Line 1300 653 916
+61 3 9415 4224 (from overseas)
Facsimile +61 3 9473 2500
Website investorcentre.com/contact

For all enquiries relating to shareholdings, dividends and related matters, please contact the share registrar as above.

Securities Exchange Code

AMH Ordinary shares

Annual General Meeting

Time 1.30pm
Date Thursday 8 October 2020

Note the AGM will be a virtual meeting conducted online and via telephone. The subsequent interstate investor meetings will not be held this year.

AMCIL