



A Focused Portfolio of Australian Equities

Annual Report 2021



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.

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Year in Summary

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Profit for the Year

\$6.8m

Up 13.6% from 2020

Total Fully Franked Dividend

2.5° Final

2.0[¢] Special

 $4.5^{\scriptsize \text{\tiny Total}}$

2.5 cents total in 2020

Total Portfolio Return 31.8%

Including franking*

S&P/ASX 200 Accumulation Index including franking* 29.1%

Total Shareholder Return

35.2%

Share price plus dividend including franking*

Management Expense Ratio

0.56%

0.66% in 2020

Total Portfolio

\$382.8m

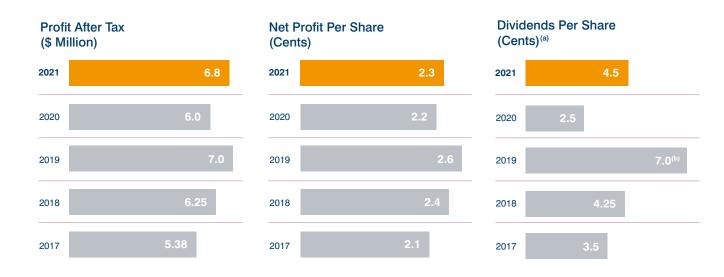
Including cash at 30 June. \$278.8 million in 2020

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



5 Year Summary



Notes

- (a) 2021 total dividend carried 5 cents attributable 'LIC gain' per share, 2020: nil, 2019: final dividend 4.29 cents, 2019 interim: 1.43 cents, 2018: 2.76 cents, 2017: 2.1 cents.
- (b) Includes 3.5 cents interim 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.







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



Number of Shareholders (30 June)

2021	3,214
2020	3,177
2019	3,114
2018	3,003
2017	2,558



About the Company

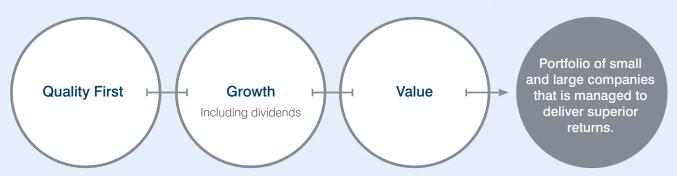
AMCIL manages a focused portfolio covering large and small companies in the Australian equity market. As a result, small companies by market size can have an equally important impact on portfolio returns as larger companies in the Australian market.

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

Investment Philosophy

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.

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.

Approach to Environmental, Social and Governance (ESG) Issues When Investing

Assessment of Environmental, Social and Governance (ESG) issues is an important part of our investment process. As a long term investor, we seek to invest in companies that have strong governance and risk management processes, which

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includes consideration of environmental and social risks. We regularly review companies to ensure ongoing alignment with our investment framework:

- We believe environmental factors, including the impact of climate change, can have a material impact on society. These factors are considered when assessing a company's assets, long term sustainability of earnings and cash flow, cost of capital and future growth opportunities.
- We believe that aligning ourselves with high-quality management and boards building sustainable long term businesses is the best approach to avoiding socially harmful businesses.
 We are attracted to companies that act in the best interest of all their stakeholders, including their employees, customers, suppliers, and wider communities.
- We invest in high-quality companies
 with strong governance processes,
 and management and boards whose
 interests are closely aligned with
 shareholders. The investment process
 includes an assessment of their
 past performance, history of capital
 allocation, level of accountability,
 mix of skills, relevant experience and
 succession planning. We also closely
 scrutinise a company's degree of
 transparency and disclosure.

Engagement with Companies

Voting on resolutions is one of the key functions that a shareholder has in ensuring better long term returns and management of investment risk:

• We take input from proxy advisers but conduct our own evaluation of the merits of any resolution.

- We vote on all company resolutions as part of our regular engagement with the companies in the portfolio.
- We actively engage with companies when we have concerns those resolutions are not aligned with shareholders' interests.

We acknowledge that high-quality companies may face ESG challenges from time to time. We seek to stay engaged with the companies and satisfy ourselves that the issues are taken seriously and worked through constructively. Ideally, in this instance, we seek to remain invested to influence a satisfactory outcome for stakeholders.

Review of Operations and Activities

Profit and Dividend

The full year profit was \$6.8 million, up 13.6 per cent from \$6.0 million last year. The result for the year included a demerger dividend of \$2.2 million (which was non-cash and carries no franking) resulting from the Endeavour Group demerger from Woolworths Group. Excluding this figure, the full year profit was \$4.6 million.

Key components of the result were:

- income from investments, excluding the demerger dividend, down from \$7.1 million last year to \$6.2 million this financial year, as the economic effect of COVID-19 negatively impacted company dividends; and
- income from options and the trading portfolio was \$0.4 million, lower than last year's figure of \$1.3 million.

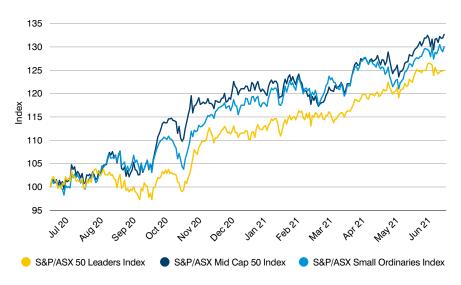
Adjustments made to the portfolio through the period, reflecting the increased valuation risk in several holdings following very strong share price performance, produced realised gains after tax of \$12.6 million. In the corresponding period last year, realised gains after tax were \$4.3 million.

Directors have declared a total dividend of 4.5 cents per share fully franked. This comprises a 2.5 cents per share ordinary dividend and 2.0 cents per share special dividend given the strong level of realised gains after tax achieved for the year. The dividend last year was 2.5 cents per share.

Approach to Dividends

AMCIL's approach to paying dividends has been to pay out all available franking credits at the end of each financial year. In addition to the fluctuations in dividends this approach can produce, one of the consequences is that the growth of the portfolio is constrained when compared to the reinvestment of an appropriate amount of realised capital gains. This is particularly the case when there is a takeover of a large holding or significant gains are made on the sale of individual holdings, as has been the case this year.

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



Source: FactSet

The Board believes that a more appropriate approach to determining dividends, including any special dividends, will consider the amount of income received, the amount of realised capital gains, the level of franking credits generated and investment market conditions. This approach may mean we will no longer be distributing all available franking credits at the end of each financial year. The Board does, however, continue to recognise the importance of attractive fully franked dividends to shareholders.

Management Expense Ratio

AMCIL's management expense ratio is 0.56 per cent which is an improvement on last year's figure of 0.66 per cent.

AMCIL's portfolio is managed internally and does not charge portfolio performance fees which leads to lower costs for shareholders.

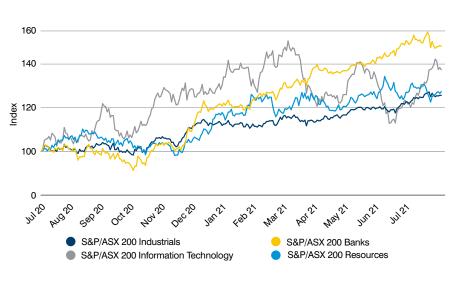
The management expense ratio compares favourably with the average fees charged by managed funds with a similar investment focus and size as AMCIL. For retail investors, these fees can typically be in excess of 1 per cent and can also include additional performance fees. This is an important consideration for investors as many funds often quote their performance returns before fees and costs.

Market and Portfolio Returns

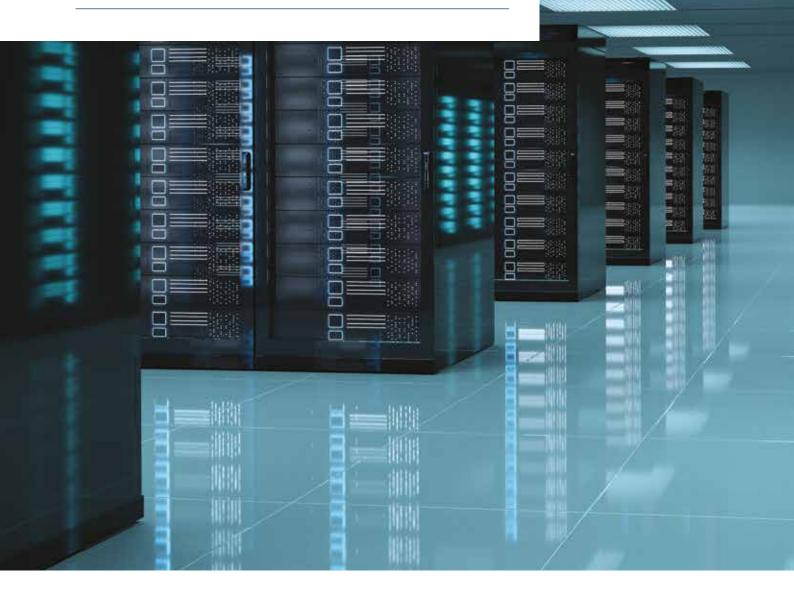
In a market continuing to grapple with the residual impacts of COVID-19 disruptions, the S&P/ASX 200 Accumulation Index delivered a return over the 12 months to 30 June 2021 of 29.1 per cent. Figure 1 highlights the returns from different segments of the market, by market capitalisation. Such strong returns were driven by expanded valuation multiples, particularly across small and mid cap stocks, because of very low interest rates, as well as better than expected company profits in this uncertain environment.

The increase in the Australian market was also widespread across sectors, with the Information Technology Sector (which AMCIL is overweight relative to the Index) and the banking sector (which AMCIL is very underweight relative to the Index) very strong (Figure 2). The banking sector has risen from previous lows during the year supported by a recovering economy, lower than expected bad debt charges and more sustainable dividend payout ratios.

Figure 2: Selected Sector Performances



Source: FactSet



Review of Operations and Activities

continued

AMCIL produced a portfolio return in excess of the market at 31.8 per cent (Figure 3, return figures include the full benefit of franking).

The outperformance can be attributed to the consistent delivery of strong returns from a number of long-standing and large holdings in the portfolio such as Mainfreight, ARB Corporation, Reece, Objective Corporation and James Hardie Industries. In particular, ARB Corporation and Reece delivered returns in excess of 100 per cent for the year.

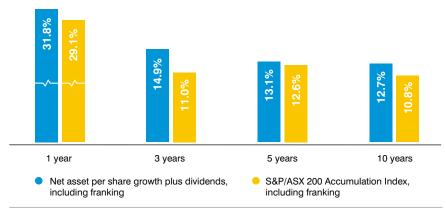
The long term performance of the portfolio, which is more in line with the Company's investment timeframes, was 12.7 per cent per annum for the 10 years to 30 June 2021, ahead of the Index return of 10.8 per cent per annum (these returns include the full benefit of franking). For an investor reinvesting both dividends and the full benefit of franking credits, \$10,000 invested in the AMCIL portfolio 10 years ago would be worth \$33,055, 19 per cent higher than the \$27,886 outcome for an equivalent investment in the S&P/ASX 200 Accumulation Index.

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.

Adjustments to the Portfolio

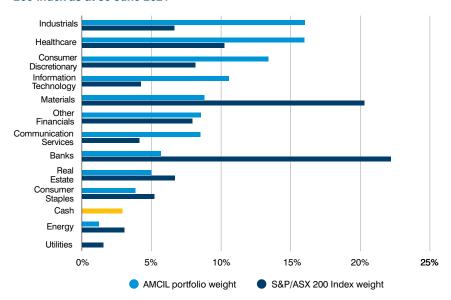
The focus on concentrating portfolio exposures to the highest quality businesses has seen the portfolio relatively well positioned through the year. In this context, portfolio adjustments were more limited compared with recent history. The strong increase in share prices over the year led to some trimming in Reece and Objective Corporation as valuation risk in the portfolio appeared to be heightened. The positions in Qube Holdings, Brambles, Cleanaway Waste Management and APA Group were exited with proceeds from these sales distributed across new and existing holdinas.

Figure 3: Portfolio and Share Price Performance – Per Annum Returns to 30 June 2021, Including Franking Credits*



^{*} Assumes an investor can take full advantage of the franking credits. Past performance is not indicative of future performance.

Figure 4: Investment by Sector and the Portfolio's Variance From the S&P/ASX 200 Index as at 30 June 2021*

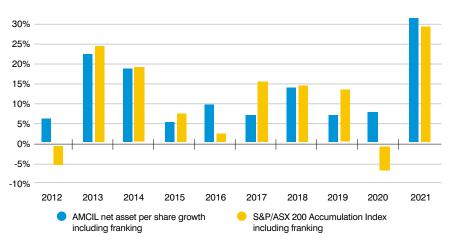


New companies added to the portfolio were FINEOS Corporation, ResMed, Temple & Webster, Fisher & Paykel Healthcare, PEXA Group (via participation in its IPO), InvoCare and PKS Holdings. Periods of volatility throughout the year also provided the opportunity to add to the holding in ASX, given the long term appeal of its strong market position.

Share Price

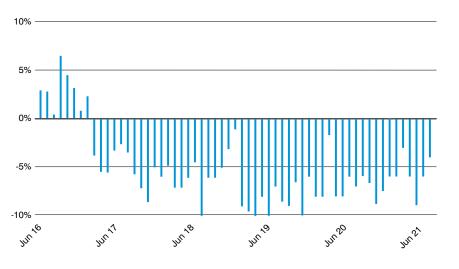
The share price was trading at a discount of 4.2 per cent to the net asset backing (before tax on unrealised gains) at 30 June 2021, compared with a discount of 6.4 per cent at the end of the prior financial year. The share price return for the 12 months to 30 June 2021 of 35.2 per cent (including franking), was ahead of the portfolio return of 31.8 per cent (including franking) for this period.

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



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

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





Review of Operations and Activities

continued

Over the 10-year period, the share price return has performed well against the portfolio return, with the share price up 14.2 per cent per annum to 30 June 2021 versus the portfolio which was up 12.7 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 \$10,000 in AMCIL shares over a 10-year period relative to the return from the ASX 200 Accumulation Index, including franking credits.

Moving Forward

Moving into the new financial year, the outlook for equity markets is likely to be determined by a number of factors, including the level of inflation and interest rates in Australia and the United States, and how society is placed regarding COVID-19.

The elevated valuation multiples currently on offer in equity markets (Figure 8) make further compelling investment opportunities more challenging to identify. However, our investment experience gives us confidence that we will uncover further opportunities in high-quality and

emerging growth companies into the new financial year, particularly if there is increased volatility.

Directorship Matters

Mr Bruce Teele retired at the Annual General Meeting in October 2020 having been a Director of the Company for over 17 years and Chairman since 2004.

The Board wishes to record their profound gratitude to Mr Teele for his dedicated leadership and outstanding contribution. The Company and its shareholders have greatly benefitted from his experience and wisdom.

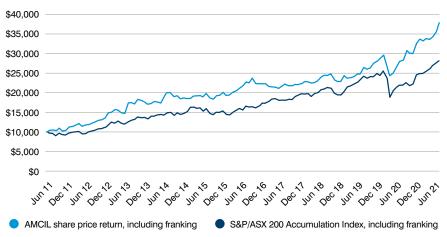
Mr Rupert Myer AO was appointed Chairman of the Company with effect from the conclusion of the 2020 Annual General Meeting.

Mr Ross Barker retired from the Board with effect from 31 January 2021. The Board wishes to record their deep appreciation to Mr Barker for his 24 years of outstanding service to the Company and wish him well for the future.

Dr Jodie Auster was appointed as an Independent Non-Executive Director of the Company on 1 February 2021.

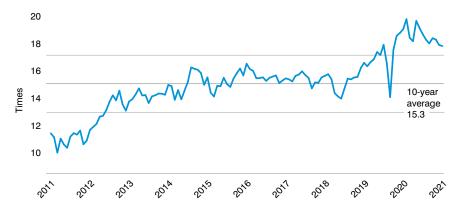
Dr Auster is currently working on a global project for the People team at Uber. Until recently, she led Uber Eats across Asia Pacific as the Regional General Manager. Prior to this Dr Auster was a Director of Customer Operations and Vice President of People for Thumbtack in San Francisco, and a consultant for Bain & Company in Australia. Dr Auster has extensive experience working with global technology platforms and has led several start-up businesses to achieve scale.

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

Top 20 Investments

As at 30 June 2021

Includes investments held in both the investment and trading portfolios.

Valued at Closing Prices at 30 June 2021

		Total Value \$ Million	% of the Portfolio
1	CSL	30.7	8.3
2	Mainfreight	24.4	6.5
3	BHP Group	22.3	6.0
4	Wesfarmers	21.0	5.6
5	Macquarie Group	16.7	4.5
6	Transurban Group	15.3	4.1
7	Woolworths Group	14.5	3.9
8	National Australia Bank	13.8	3.7
9	ARB Corporation	13.4	3.6
10	Goodman Group	12.8	3.5
11	IRESS	11.7	3.2
12	Macquarie Telecom Group	11.6	3.1
13	James Hardie Industries	11.2	3.0
14	Carsales.com*	9.1	2.5
15	Reece	9.0	2.4
16	ASX	8.8	2.4
17	ResMed	8.6	2.3
18	Sydney Airport	8.5	2.3
19	Commonwealth Bank of Australia	7.8	2.1
20	FINEOS Corporation	7.7	2.1
Tota	al	278.8	

75.0%

As percentage of total portfolio value (excludes cash)

* Indicates that options were outstanding against part of the holding.

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Financial Condition

The Company's financing consists predominantly of shareholders' funds. It also has access to bank facilities of \$10 million, which were utilised during the year.

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 1,387,030 new shares were issued at \$0.92 per share in August 2020.

As a result of the Company's Dividend Substitution Share Plan 90,899 new shares were issued at a nil cost in August 2020.

As a result of the Company's Share Purchase Plan 18,740,597 new shares were issued at \$0.97 per share in November 2020.

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

The Company's contributed equity rose by \$19.4 million to \$209.0 million from \$189.6 million. At the close of the year the Company had 298.7 million shares on issue.

Dividends

Directors have declared a fully franked final dividend of 4.5 cents per share (2.5 ordinary dividend, 2.0 cents special)(2.5 cents final dividend, also fully franked, last year).

Dividends paid during the year ended 30 June 2021 were as follows:

	\$'000
Final dividend for the year ended 30 June 2020 of 2.5 cents	
fully franked paid on 27 August 2020	6,879

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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.

In respect of this year's final and special dividend of 4.5 cents per share for the year ended 30 June 2021, it carries with it a 5 cents per share LIC capital gain attributable part (2020: nil cents). The amount which shareholders may be able to claim as a tax deduction depends on their individual situation. Further details are provided in the dividend statements.

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.

Board Members



Rupert Myer AO

Chairman and Independent Non-Executive Director

BCom (Hons) (Melb), MA (Cantab) Chairman of the Investment Committee.

My Myer was elected to the Board in January 2000 and appointed Chairman in 2020. Currently, he is President of The Myer Foundation, Chairman of the Yulgilbar Group and a Director of eCargo Holdings Limited, Mutual Trust Pty Limited, The Myer Family Investments Pty Ltd and EV Cargo Limited. Mr Myer was formerly Deputy Chairman of Myer Holdings Ltd, and a Director of Diversified United Investments Limited and Healthscope Limited.



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, Djerriwarrh Investments Limited and Mirrabooka Investments Limited.



Jodie Auster Independent Non-Executive Director

MBBS, MBAF Fin

Dr Auster joined the Board in February 2021. Dr Auster is currently working on a global project for the People team at Uber. Until recently, she led Uber Eats across Asia Pacific as the Regional General Manager. Prior to this Dr Auster was a Director of Customer Operations and Vice President of People for Thumbtack in San Francisco, and a consultant for Bain & Company in Australia. Dr Auster has extensive experience working with global technology platforms and has led several start-up businesses to achieve scale.



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

Chairman of the Audit Committee.

Mr Hirst joined the Board in January 2019. He is a Director of AMP Limited, Butn Limited, GMHBA Limited, 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 and was a member of the COVID Commission.



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 & Company.

Ms Mckenna is Executive Chairman of Foxtel, Fox Sports and Australian News Channel, a Non-Executive Director of Woolworths Group, and a Director of Nova Entertainment.

Member of the Audit and Investment Committees.



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, former 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 2021 and the numbers of meetings attended by each Director were:

	В	Board		nt Committee	Audit C	Audit Committee	
	Eligible		Eligible		Eligible		
	to Attend	Attended	to Attend	Attended	to Attend	Attended	
RH Myer	12	12	20	20	1^	3	
JR Auster***	5	5	-	6#	-	-	
RE Barker**	7	7	11	11	2	2	
RG Brown	12	12	20	18	-	2#	
M Freeman	12	12	20	20	-	3#	
S McKenna	12	11	-	17#	3	3	
MJ Hirst	12	12	-	20#	2^	3	
BB Teele*	3	3	6	6	-	-	
JJ Webster	12	12	9^^	20	2^^	3	

^{*} BB Teele retired as Chairman and Non-Executive Director on 8 October 2020.

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 2021 can be found on the Company's website at:

amcil.com.au/Corporate-Governance.aspx

^{**} RE Barker retired as a Non-Executive Director on 31 January 2021.

^{***} Dr JR Auster was appointed on 1 February 2021.

[^] MJ Hirst was appointed as Chairman of Audit Committee and RM Myer stepped down from the Audit Committee effective 8 October 2020.

^{^^} JJ Webster joined the Investment and Audit Committees on 21 January 2021.

[#] Attended meetings by invitation.

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 26 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 advisor 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 a 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 2021 were as follows:

		Post-	
	Short Term	employment	Total
	Fee/Base Salary	Superannuation	Remuneration
	\$	\$	\$_
BB Teele - Chairman (Non-Executive) (retired 8 October 2020)			
2021	31,765	3,018	34,783
2020	116,895	11,105	128,000
RH Myer – Director – Chairman from 8 October 2020 (Non-Executive)			
2021	101,013	9,596	110,609
2020	58,447	5,553	64,000
J Auster – Director (Non-Executive) (appointed 1 February 2021)			
2021	24,353	2,314	26,667
RE Barker – Director (Non-Executive) (retired 31 January 2021)			
2021	34,094	3,239	37,333
2020	58,447	5,553	64,000
RG Brown – Director (Non-Executive)			
2021	58,447	5,553	64,000
2020	58,447	5,553	64,000
M Freeman – Managing Director (Executive)			
2021	-	-	-
2020	-	-	-
MJ Hirst – Director (Non-Executive)			
2021	58,447	5,553	64,000
2020	58,447	5,553	64,000
SL McKenna – Director (Non-Executive)			
2021	58,447	5,553	64,000
2020	58,447	5,553	64,000
JJ Webster – Director (Non-Executive)			
2021	58,447	5,553	64,000
2020	58,447	5,553	64,000
Total remuneration: Directors			
2021	425,013	40,379	465,392
2020	467,577	44,423	512,000

(c) Directors' Retirement Allowances

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

The Director's 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 RH Myer, who was in office at 31 December 2003, the amounts accrued as at that date will be paid to him upon his ultimate retirement. \$87,000 of accrued retirement allowance was paid to RE Barker on the occasion of his retirement. No further accruals of Directors' retiring allowances will be made after 31 December 2003. New Directors appointed to the Company will not be entitled to any Director's 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 Pa	vable on	Retirement

\$

RH Myer 68,150

Holdings of Securities Issued by the Company

As at 30 June 2021, 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		Balance at
	1 July 2020	Net Changes	30 June 2021
RH Myer	1,400,000	522,503	1,922,503
J Auster	n/a	-	-
RE Barker	4,861,871	n/a	n/a
RG Brown	1,475,838	71,032	1,546,870
M Freeman	870,339	85,505	955,844
MJ Hirst	345,000	(141,573)	203,427
SL McKenna	705,550	19,172	724,722
BB Teele	50,014,141	n/a	n/a
JJ Webster	2,024,084	107,075	2,131,159
GN Driver	407,019	41,987	449,006
AJB Porter	53,709	3,005	56,714
MJ Rowe	5,108	3,230	8,338

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: M 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 2020: 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 were 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 Auditor's Independence Declaration is set out on page 21.

This report in relation to the financial year to 30 June 2021 is presented by the Directors of the Company in accordance with a resolution of Directors.

R Myer AO

Chairman

Melbourne 27 July 2021

Auditor's Independence Declaration



Auditor's Independence Declaration

As lead auditor for the audit of AMCIL Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been:

- 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.

Nodia Carles

Nadia Carlin Partner PricewaterhouseCoopers Melbourne 27 July 2021

PricewaterhouseCoopers, ABN 52 780 433 757 2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001 T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

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FINANCIAL STATEMENTS

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C1. Contingencies

Income Statement

For the Year Ended 30 June 2021

		2021	2020
	Note	\$'000	\$'000
Dividends and distributions	A3	8,313	7,074
Revenue from deposits and bank bills		5	104
Other revenue		51	54
Total revenue		8,369	7,232
Net gains on trading portfolio	АЗ	198	393
Income from options written portfolio	A3	154	857
Income from operating activities		8,721	8,482
Finance costs		(95)	(98)
Administration expenses	B1	(1,850)	(1,797)
Profit before income tax expense		6,776	6,587
Income tax expense	B2, E2	-	(624)
Profit for the year		6,776	5,963
		Cents	Cents
Basic earnings per share	A5	2.33	2.15

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

Statement of Comprehensive Income

For the Year Ended 30 June 2021

	Year to 30 June 2021		Year to 30 June 2020			
	Revenue ¹	Capital ¹	Total	Revenue ¹	Capital ¹	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Profit for the year	6,776	-	6,776	5,963	-	5,963
Other comprehensive income						
Gains for the period	-	88,425	88,425	-	10,893	10,893
Tax on above	-	(27,280)	(27,280)	-	(3,317)	(3,317)
Total other comprehensive income	-	61,145	61,145	-	7,576	7,576
Total comprehensive income	6,776	61,145	67,921	5,963	7,576	13,539

^{1. &#}x27;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 2021

	Note	2021 \$'000	2020 \$'000
Current assets	Note	φ 000	\$ 000
Cash	D1	10,933	9,190
Receivables		3,315	719
Total current assets		14,248	9,909
Non-current assets			
Deferred tax assets	E2	_	14
Investment portfolio	A2	371,865	269,617
Total non-current assets		371,865	269,631
Total assets		386,113	279,540
Current liabilities			
Payables		83	175
Tax payable		5,605	1,107
Options sold	A2	47	-
Total current liabilities		5,735	1,282
Non-current liabilities			
Deferred tax liabilities – other	E2	58	_
Deferred tax liabilities – investment portfolio	B2	44,977	23,363
Total non-current liabilities		45,035	23,363
Total liabilities		50,770	24,645
Net assets		335,343	254,895
Shareholders' equity			
Share capital	A1, D6	208,987	189,581
Revaluation reserve	A1, D3	88,605	40,075
Realised capital gains reserve	A1, D4	28,299	15,684
Retained profits	A1, D5	9,452	9,555
Total shareholders' equity	,	335,343	254,895

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

Statement of Changes in Equity

For the Year Ended 30 June 2021

				Realised Capital		
		Share	Revaluation	Gains	Retained	
		Capital	Reserve	Reserve	Profits	Total
Year Ended 30 June 2021	Note	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the year		189,581	40,075	15,684	9,555	254,895
Dividends paid	A4	-	-	-	(6,879)	(6,879)
Shares issued under Dividend Reinvestment Plan	D6	1,276	-	-	-	1,276
Shares issued under Share Purchase Plan	D6	18,178	-	-	-	18,178
Other share capital adjustments		(48)	-	-	-	(48)
Total transactions with shareholders		19,406	-	-	(6,879)	12,527
Profit for the year		-	-	-	6,776	6,776
Other comprehensive income (net of tax)						
Net gain for the period on investments		-	61,145	-	-	61,145
Other comprehensive income for the year		-	61,145	-	-	61,145
Transfer to realised capital gains reserve						
of realised gains on investments sold		-	(12,615)	12,615	-	-
Total equity at the end of the year		208,987	88,605	28,299	9,452	335,343
				Realised		
		Share	Revaluation	Capital	Retained	-
Year Ended 30 June 2020	Note	Capital \$'000	Reserve \$'000	Gains	Profits \$'000	Total \$'000
	Note			\$'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)

		Share Capital	Revaluation Reserve	Capital Gains	Retained Profits	Total
Year Ended 30 June 2020	Note	\$'000	\$'000	\$'000	\$'000	\$'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.

Cash Flow Statement

For the Year Ended 30 June 2021

Note	2021 \$'000 Inflows/ (Outflows)	2020 \$'000 Inflows/ (Outflows)
Cash flows from operating activities	(Gamono)	(Gameno)
Sales from trading portfolio	2,090	3,599
Purchases for trading portfolio	(1,607)	(2,560)
Interest received	5	104
Proceeds from entering into options in options written portfolio	237	1,154
Payment to close out options in options written portfolio	(37)	(1,514)
Dividends and distributions received	5,545	6,508
	6,233	7,291
Other receipts	51	54
Administration expenses	(1,942)	(1,797)
Finance costs paid	(96)	(98)
Income taxes paid	(425)	
Net cash inflow/(outflow) from operating activities	3,821	5,450
Cash flows from investing activities		
Sales from investment portfolio	55,102	117,527
Purchases for investment portfolio	(69,035)	(120,662)
Tax paid on capital gains	(672)	(915)
Net cash inflow/(outflow) from investing activities	(14,605)	(4,050)
Cash flows from financing activities		
Shares issued	19,454	3,426
Share issue transaction costs	(48)	(13)
Dividends paid	(6,879)	(9,611)
Net cash inflow/(outflow) from financing activities	12,527	(6,198)
Not ingress (/doggess) in each hold	1 740	(4.700)
Net increase/(decrease) in cash held	1,743	(4,798)
Cash at the beginning of the year Cash at the end of the year D1	9,190	13,988
Cash at the end of the year D1	10,933	9,190

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:

	2021	2020
	\$'000	\$'000
Share capital	208,987	189,581
Revaluation reserve	88,605	40,075
Realised capital gains reserve	28,299	15,684
Retained profits	9,452	9,555
	335,343	254,895

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:

	2021	2020
	\$'000	\$'000
Equity instruments (at market value)	371,865	269,617
	371,865	269,617
The fair value (the price at which the option may be bought) at 30 June of the securities in the options written portfolio was:		
Call options	(47)	-
Put options	-	-
	(47)	-

All options written by the Company and open at year end are call options. If all options were exercised, this would lead to the sale of \$2.0 million worth of securities at an agreed price – the 'exposure' (2020: \$nil).

\$8.9 million of shares are lodged with ASX Clear Pty Ltd as collateral for sold option positions written by the Company (2020: \$7.7 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.

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 and the investment in PEXA Group, which is classified as Level 2 as it did not start trading until 1 July 2021). 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 2021 and 30 June 2020 were as follows:

	30 June 2021	30 June 2020
	\$	\$
Net tangible asset backing per share		_
Before tax	1.27	1.00
After tax	1.12	0.92

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 \$57.4 million (2020: \$115.4 million) of equity securities were sold. The cumulative gain on the sale of securities from the investment portfolio was \$12.6 million for the period after tax (2020: \$4.3 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 2021 is set out below.

	2021	2020
	\$'000	\$'000
Dividends and distributions		
Dividends from securities held in investment portfolio at 30 June	8,007	5,148
Dividends from investment securities sold during the year	306	1,926
Dividends from trading securities sold during the year	-	-
	8,313	7,074

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.

Notes to the Financial Statements

continued

Trading Income and Non-equity Investments

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

	2021	2020
	\$'000	\$'000
Net gains		
Net realised gains/(losses) from securities in trading portfolio	198	393
Realised gains on options written portfolio	159	857
Unrealised gains/(losses) on options written portfolio	(5)	-
	352	1,250

A4. Dividends Paid

The dividends paid and payable for the year ended 30 June 2021 are shown below:

	2021 \$'000	2020 \$'000
(a) Dividends Paid During the Year		
Final dividend for the year ended 30 June 2020 of 2.5 cents fully franked at 30 per cent,		
paid on 27 August 2020 (2020: 3.5 cents fully franked at 30 per cent, paid on 23 August 2019)	6,879	9,611
	6,879	9,611
(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	7,771	3,391
Impact on the franking account of dividends declared but not recognised as a liability at the end		
of the current financial year	(5,761)	(2,984)
Net available	2,010	407
These franking account balances would allow AMCIL to frank additional dividend payments at a rate		
of 30 per cent (30 June 2020: 30 per cent) up to an amount of:	4,690	950
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.		
(c) Dividends Declared After Balance Date		
Since the end of the year Directors have declared a final dividend of 2.5 cents per share and a special		
dividend of 2 cents per share, both fully franked at 30 per cent. The aggregate amount of the final		
dividend for the year to 30 June 2021 to be paid on 26 August 2021, but not recognised as a liability		
at the end of the financial year is:	13,443	
(d) Listed Investment Company Capital Gain Account		
Balance of the Listed Investment Company (LIC) capital gain account	14,765	2,600
This equates to an attributable gain of	21,092	3,714

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. \$14.9 million 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:

Basic Earnings Per Share	2021 Number	2020 Number
Weighted average number of ordinary shares used as the denominator	290,908,748	277,943,049
	\$'000	\$'000
Profit for the year	6,776	5,963
	Cents	Cents
Basic earnings per share	2.33	2.15

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:

	2021	2020
	\$'000	\$'000
Administration fees paid to AICS	(916)	(839)
Other administration expenses	(934)	(958)
	(1,850)	(1,797)

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:

		Post-	
	Short Term	employment	
	Benefits	Benefits	Total
	\$	\$	\$
2021			
Directors	425,013	40,379	465,392
2020			
Directors	467,577	44,423	512,000

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.

Notes to the Financial Statements

continued

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 (2020: 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

	2021 \$'000	2020 \$'000
Profit before income tax expense	6,776	6,587
Tax at the Australian company tax rate of 30 per cent (2020: 30 per cent)	2,033	1,976
Tax offset for franked dividends received	(1,216)	(1,365)
Demerger dividend non-taxable	(648)	-
Tax effect of sundry items either taxable in current year but not included in income or non-taxable	(114)	52
	55	663
Over provision in prior years	(55)	(39)
Total tax expense	-	624

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.

	2021	2020
	\$'000	\$'000
Deferred tax liabilities on unrealised gains in the investment portfolio	44,977	23,363
Opening balance at 1 July	23,363	20,718
Tax on realised gains (at 30 per cent)	(5,666)	(672)
Charged to OCI for ordinary securities on gains or losses for the period	27,280	3,317
	44,977	23,363

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 \$13.0 million and \$26.0 million respectively, at a tax rate of 30 per cent (2020: \$9.4 million and \$18.9 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:

	2021	2020
	%	%
Energy	1.19	2.28
Materials	8.76	8.97
Industrials	15.99	23.85
Consumer Discretionary	13.35	10.42
Consumer Staples	3.78	3.21
Banks	5.63	5.58
Other Financials and Real Estate	13.44	9.77
Telecommunications	8.51	8.54
Healthcare	15.96	14.31
Information Technology	10.53	8.07
Utilities	-	1.70
Cash	2.86	3.30

There were four securities representing over 5 per cent of the combined investment and trading portfolio (including options) at 30 June 2021: CSL (8.3 per cent), Mainfreight (6.5 per cent), BHP (6.0 per cent) and Wesfarmers (5.6 per cent) (2020 three: CSL (9.5 per cent), BHP (6.1 per cent) and Wesfarmers (5.9 per cent)).

AMCIL is not currently materially exposed to interest rate risk as the majority of its cash investments are in an overnight '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 balance date.

Notes to the Financial Statements

continued

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.

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 2021					
Payables	83	-	-	83	83
Options written*	-	-	-	-	47
	83	-	-	83	130
30 June 2020					
Payables	175	-	-	175	175
	175	-	-	175	175

^{*} 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). There were no put options outstanding as at 30 June.

C. Unrecognised Items

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

	2021	2020
	\$'000	\$'000
Cash at bank and in hand (including on-call)	10,933	9,190

Cash holdings yielded an average floating interest rate of 0.12 per cent (2020: 0.99 per cent). All cash investments are held in a transactional account or an overnight '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.

	2021 \$'000	2020 \$'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

	2021	2020
	\$'000	\$'000
Opening balance at 1 July 2020	40,075	36,784
Gains on investment portfolio	88,425	10,893
Deferred tax on above	(27,280)	(3,317)
Transfer to realised capital gains reserve for realised gains	(12,615)	(4,285)
	88,605	40,075

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

		2021			2020	
		\$'000			\$'000	
		Difference			Difference	
	Taxable	Between		Taxable	Between	
	Realised	Tax and		Realised	Tax and	
	Gains	Accounting		Gains	Accounting	
	(Net of Tax)	Costs	Total	(Net of Tax)	Costs	Total
Opening balance at 1 July	687	14,997	15,684	7,357	12,280	19,637
Dividends paid	-	-	-	(8,238)	-	(8,238)
Cumulative taxable realised						
(losses)/gains for period	18,789	(508)	18,281	2,240	2,717	4,957
Tax on realised gains/(losses)	(5,666)	-	(5,666)	(672)	-	(672)
	13,810	14,489	28,299	687	14,997	15,684

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

	2021	2020
	\$'000	\$'000
Opening balance at 1 July	9,555	4,965
Dividends paid	(6,879)	(1,373)
Profit for the year	6,776	5,963
	9,452	9,555

This reserve relates to past profits.

D6. Share Capital

			Number		Paid-up
			of Shares	Issue Price	Capital
Date	Details	Note	'000	<u> </u>	\$'000
01/7/2019	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
27/8/2020	Dividend Reinvestment Plan	i	1,387	0.92	1,276
27/8/2020	Dividend Substitution Share Plan	ii	91	0.92	n/a
25/11/2020	Share Purchase Plan	iii	18,741	0.97	18,178
Various	Costs of issue		-		(48)
30/6/2021	Balance		298,743		208,987

i. 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.

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

ii. The Company has a Dividend Substitution Share Plan (DSSP) whereby shareholders may elect to forgo a dividend and receive shares instead. Pricing for the DSSP shares is done as per the DRP shares.

iii. During the year ended 30 June 2021 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 before the SPP offer was announced.

E. Income Statement Reconciliations

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

	2021	2020
	\$'000	\$'000
Profit for the year	6,776	5,963
Demerger dividend (non-cash)	(2,159)	-
Increase/(decrease) in options written portfolio	47	(1,217)
Dividends received as securities under DRP investments	-	(368)
Decrease/(increase) in current receivables	(2,596)	2,274
 Less increase/(decrease) in receivables for investment portfolio 	2,269	(1,826)
Increase/(decrease) in deferred tax liabilities	21,686	2,768
 Less (increase)/decrease in deferred tax liability on investment portfolio 	(21,614)	(2,645)
Increase/(decrease) in current payables	(92)	2
Increase/(decrease) in provision for tax payable	4,498	256
– Less CGT provision	(5,666)	(672)
- Add taxes paid on capital gains	672	915
Net cash flows from operating activities	3,821	5,450

E2. Tax Reconciliations

	2021 \$'000	2020 \$'000
Tax Expense Composition		· · · · · · · · · · · · · · · · · · ·
Charge/(credit) for tax payable relating to the current year	(17)	540
Over provision in prior years	(55)	(39)
(Increase)/decrease in deferred tax assets	72	123
	-	624
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	27,280	3,317
	27,280	3,317

Deferred Tax Assets and Liabilities

The deferred tax balances are attributable to:

	2021	2020
	\$'000	\$'000
(a) Tax on unrealised gains or losses in the options written portfolio	1	-
(b) Provisions and expenses charged to the accounting profit which are not yet tax deductible	22	47
(c) Interest and dividend income receivable which is not assessable for tax until receipt	(81)	(33)
	(58)	14
Movements:		
Opening asset/(liability) balance at 1 July	14	137
Credited/(charged) to Income statement	(72)	(123)
	(58)	14

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 (2020: 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:

	2021	2020
	\$	\$
PricewaterhouseCoopers		
Audit or review of financial reports	108,892	104,678
Permitted non-audit services		
Taxation compliance services	9,450	9,264
Total remuneration	118,342	113,942

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 two investments comprising more than 10 per cent of AMCIL's income, including realised income from the trading and options written portfolios – Woolworths Group, as a consequence of the demerger dividend received for Endeavour Group (28.4 per cent) and BHP (11.5 per cent) (2020: none).

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 27 July 2021 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 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 2021 ('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 23 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 2021 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 2021.

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.

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Chairman

Melbourne 27 July 2021

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 2021 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 2021
- 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 significant accounting policies and other explanatory information
- 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 & 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 T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

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INDEPENDENT AUDIT REPORT

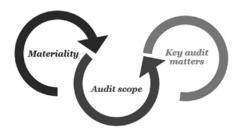
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Our audit approach

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 \$3.35 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
 - 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.

Key audit matter

How our audit addressed the key audit matter

Existence and valuation of Investment Portfolio
Refer to note A2

\$371.9m

The Investment Portfolio consists mainly of listed Australian equities.

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.

 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 2021 balance.

- Obtained the purchases and sales listing for the year ended 30 June 2021, and
 - Agreed a sample of purchases and sales to original contracts; and
 - Agreed a sample of original contracts to the purchases and sales listing.
- Agreed all the investment quantity holdings at 30 June 2021 to third party registry sources.
- Agreed all listed equities investment prices to third party market pricing sources.

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 2021, 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 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: $https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our auditor's report.$



Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 18 to 19 of the directors' report for the year ended 30 June 2021.

In our opinion, the remuneration report of AMCIL Limited for the year ended 30 June 2021 complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors 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.

Pomendemiccom

PricewaterhouseCoopers

Nadia Carlin

Nadia Carlin Partner Melbourne 27 July 2021

OTHER INFORMATION

Information About Shareholders

At 16 July 2021 there were 3,222 holdings of shares. These holdings were distributed in the following categories:

		% of Share
Size of Holding	Holdings	Capital
1 to 1,000	418	0.04
1,001 to 5,000	384	0.38
5,001 to 10,000	302	0.79
10,001 to 100,000	1,573	20.84
100,000 and over	545	77.95
		100%
Percentage held by the 20 largest holders	35.86%	
Average shareholding	92,719	

There were 290 shareholdings of less than a marketable parcel of \$500 (394 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 16 July 2021 are noted below:

Rank	Name	Units	% Units
1	Bruce Teele	50,014,141	16.74
2	Djerriwarrh Investments Ltd	10,599,254	3.55
3	HSBC Custody Nominees (Australia) Limited	5,260,795	1.76
4	Invia Custodian Pty Limited < Terrence A Campbell Esq A/C>	4,979,695	1.67
5	Invia Custodian Pty Limited < Christine Joy Campbell A/C>	4,970,184	1.66
6	Ross Barker	4,872,180	1.63
7	Ancona Valley Holdings Pty Ltd < Roswell Super Fund A/C>	3,988,109	1.33
8	Invia Custodian Pty Limited < Fobsha Pty Ltd A/C>	2,460,927	0.82
9	Riga (QLD) Pty Ltd < Krohn Family S/F A/C>	2,221,218	0.74
10	Jonathan Webster	2,131,159	0.71
11	Prof Peter Glow + Mrs Roslyn Ann Glow	1,923,445	0.64
12	Gardiole Pty Ltd The RH Myer Super Fund	1,922,503	0.64
13	Willpower Investments Pty Ltd < Woodlands Superfund A/C>	1,878,273	0.63
14	Isomet Pty Ltd < Cowan Super Fund A/C>	1,633,115	0.55
15	FFSF Asset Management Pty Ltd < FF Super Fund A/C>	1,599,180	0.54
16	Roger Brown	1,546,870	0.52
17	Somoke Pty Limited < Pulman Super Fund A/C>	1,421,384	0.48
18	Parsley Investments Pty Ltd < Paterson Superannuation A/C>	1,286,442	0.43
19	JDB Services Pty Ltd <rac &="" a="" brice="" c="" invest="" jd=""></rac>	1,264,752	0.42
20	Somoke Pty Limited < Pulman Super Fund A/C>	1,149,462	0.38

Sub-underwriting

During the year the Company did not participate as a sub-underwriter in any issues of securities.

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

Transactions in Securities

During the year ended 30 June 2021, the Company recorded 297 transactions in securities. \$346,058 in brokerage (including GST) was paid or accrued for the year.

Holdings of Securities

At 30 June 2021

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 2020 '000	Number Held 2021 '000	Market Value 2021 \$'000
AIA	Auckland International Airport	Owner and operator of New Zealand's largest airport. It operates through the following segments: aeronautical, retail and property	604	604	4,084
ARB	ARB Corporation	Manufacturer and distributor of four-wheel drive vehicle accessories in Australia and internationally	415	311	13,422
ASX	ASX	Operates Australia's largest securities exchange	13	113	8,781
BHP	BHP Group	Diversified international resources company	460	460	22,342
BRG	Breville Group	Manufacturer and wholesaler of electrical consumer products	249	216	6,467
CAR*	Carsales.com	Owns and operates Australia's largest automotive classifieds business and invests in a number of international online automotive websites	507	465	9,131
CBA	Commonwealth Bank of Australia	Banking and wealth management services	78	78	7,790
СОН	Cochlear	Provides implantable hearing solutions, operating throughout the Americas, Europe and Asia Pacific. Its products include cochlear, bone conduction and acoustic implants	29	29	7,306
CSL	CSL	Global company that researches, develops, manufactures and markets products to treat and prevent serious human medical conditions	89	108	30,686
EQT	EQT Holdings	Provider of private client, trustee, estate administration and funds management services	227	259	7,105
FCL	FINEOS Corporation	A global software company that provides software solutions to the life, accident and health insurance industries	0	1,983	7,733
FPH	Fisher & Paykel Healthcare Corporation	Designs, manufactures and markets a range of medical devices used in respiratory care and the treatment of obstructive sleep apnoea	0	204	5,885
GMG	Goodman Group	Develops, owns, and manages industrial property and business space in Australia and overseas	570	606	12,829
IRE	IRESS	Technology company that provides software to the financial management industry	315	908	11,722
IVC	InvoCare	Provider of services related to funerals, burials and cremations	0	344	3,980
JHX	James Hardie Industries	Building materials company focused on fibre cement products, predominantly in the United States	310	247	11,182
MAQ	Macquarie Telecom Group	Provides voice and telecommunication services as well as data hosting and co-location services to businesses and government customers	236	219	11,574
MFT	Mainfreight (NZX listed)	Provider of managed warehousing and international and domestic freight forwarding services	340	340	24,351
MQG	Macquarie Group	Diversified financial services business operating in banking, financial advisory, investment and funds management services	102	107	16,710
NAB	National Australia Bank	Banking and wealth management services	557	525	13,768
NXT	NEXTDC	Owns and operates large-scale data centres across Australia	600	600	7,116

Code	Name	Principal Activity	Number Held 2020 '000	Number Held 2021 '000	Market Value 2021 \$'000
OCL	Objective Corporation	Technology company that supplies software and services to the government and enterprise sectors	924	372	6,507
OSH	Oil Search	Oil and gas explorer, developer and producer with assets predominantly in PNG	2,005	1,200	4,572
PKS	PKS Holdings	A healthcare company which provides clinical decision support software known as 'Rippledown' which automates human decision-making processes in healthcare organisations	0	3,045	1,279
PXA	PEXA Group	Australia's leading, fully integrated digital property settlements platform, allowing buyers and sellers to more efficiently settle the sale of a home	0	350	6,000
REA	REA Group	Leading digital media business focusing on online property portals in Australia and overseas	41	35	5,924
REH	Reece	Distributor and retailer of plumbing, building and hardware supplies	701	381	8,989
RHC	Ramsay Health Care	Provider of healthcare services and the operation of hospitals and day surgery facilities in Asia Pacific, United Kingdom and France	135	117	7,365
RMD	ResMed	Developer, manufacturer and distributor of medical equipment for treating, diagnosing, and managing sleep-disordered breathing and other respiratory disorders	0	262	8,583
SEK	Seek	Operator of employment classifieds websites in Australia and Asia with investments in the online education and training sector	283	180	5,949
SYD	Sydney Airport	Owns and operates the Sydney International Airport	1,229	1,467	8,495
TCL	Transurban Group	Developer and operator of toll roads in Australia and overseas	848	1,074	15,276
TPW	Temple & Webster	Operates as an online retailer of furniture, homewares, home décor, arts, gifts, and lifestyle products from Australian and international designers	0	578	6,236
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	355	355	20,981
WOW	Woolworths Group	Operates general merchandise consumer stores and supermarkets in Australia and New Zealand	240	380	14,470
XRO	Xero	Develops accounting software for small and medium-sized businesses in New Zealand, Australia, the United Kingdom and the United States	70	53	7,225
Total					371,818

^{*} Indicates that options were outstanding against part or all of the holding.

Major Transactions in the Investment Portfolio

	Cost
Acquisitions	\$'000
FINEOS Corporation (includes participation in placement @\$4.26 per share)	8,316
ASX	7,740
ResMed	6,382
Temple & Webster	6,075
Fisher & Paykel Healthcare	6,064
PEXA Group	6,000

	Proceeds
Disposals	\$'000
Qube Holdings#	6,573
Reece	6,049
Objective Corporation	6,010
Brambles#	5,503
Cleanaway Waste Management#	5,491
APA Group#	4,525

[#] Complete disposals from the portfolio.

New Companies Added to the Portfolio

FINEOS Corporation
ResMed
Temple & Webster
Fisher & Paykel Healthcare
PEXA Group
InvoCare
PKS Holdings

Share Capital Changes

		Price/
Date	Туре	Amount
25 November 2020	Share Purchase Plan	\$0.97
27 August 2020	DRP/DSSP*	\$0.92
23 August 2019	DRP	\$0.87
22 February 2019	DRP	\$0.86
7 November 2018	Share Purchase Plan	\$0.86
24 August 2018	DRP	\$0.91
24 August 2017	DRP	\$0.88
25 August 2016	DRP	\$0.95
4 March 2016	Share Purchase Plan	\$0.83
25 August 2015	DRP	\$0.85
18 November 2014	Share Purchase Plan	\$0.86
26 August 2014	DRP	\$0.94
8 October 2013	Share Purchase Plan	\$0.85
27 August 2013	DRP	\$0.87
5 January 2011	Share Purchase Plan	\$0.64
27 August 2010	DRP	\$0.60
11 December 2009	Share Purchase Plan	\$0.64
27 August 2009	DRP	\$0.59
15 August 2008	DRP	\$0.62
27 August 2007	DRP	\$0.75
Various	Exercise of options	\$0.50
23 January 2004	Share issue	\$0.50
19 December 2003	Capital consolidation 1 for 16	
15 August 2003	Capital return	\$0.40
23 May 2003	Capital return	\$0.40
11 March 2003	Capital return	\$0.40
17 January 2003	Capital return	\$0.32
18 November 2002	Capital return	\$0.33
7 April 2000	1 for 5 rights issue	\$2.00
24 January 2000	Exercise of JBWere Option	\$2.00
10 September 1999	DRP	\$2.54
2 June 1999	1 for 3 rights issue	\$2.40
15 March 1999	DRP	\$2.38
16 September 1998	DRP	\$2.14
17 June 1998	1 for 2 rights issue	\$2.00
27 March 1998	DRP	\$2.17
12 September 1997	Dividend Reinvestment Plan (DRP)	\$1.95
18 October 1996	Initial issue	\$2.00

Note for issues of securities in earlier years please consult the Company's website, amcil.com.au or via telephone (03) 9650 9911.

^{*} Note that for the shares issued under the DSSP, the price shown is the indicative price used to determine the number of shares issued to participants. Shares issued under the DSSP are issued at nil cost. Shareholders who sell shares issued under the DSSP should consult their tax adviser as to the correct treatment of such sales for taxation purposes.

Company Particulars

AMCIL Limited (AMH)

ABN 57 073 990 735

Directors

Rupert Myer AO, Chairman Mark Freeman, Managing Director Jodie Auster Roger G Brown Michael J Hirst Siobhan L McKenna 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 7 October 2021Venue Village Roadshow Theatrette,

State Library of Victoria

Conference Centre

Location 179 La Trobe Street

Melbourne Victoria 3000

Subject to any change in the Government restrictions for public gatherings, the AGM will be a hybrid meeting with a physical meeting and access via an online platform. Further details are provided in the Notice of Annual General Meeting.

Our intention is to hold shareholder meetings in each of the state capital cities (other than Hobart) during October 2021 after the AGM. Given the uncertainty because of COVID-19, shareholders will be notified separately of date and venue if these meetings can safely proceed.

