Plato
INCOME MAXIMISER

2019 Annual Report

PLATO INCOME MAXIMISER LIMITED

ACN 616 746 215

The Company exceeded both its income objective and performance objective during the 2019 financial year

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ANNUAL GENERAL MEETING

The 2019 Annual General Meeting will be held at 10.25am on 6 November 2019 at Gold Melting Room, The Mint, 10 Macquarie Street, Sydney NSW 2000. Notice of the Annual General Meeting will be forwarded to all shareholders separately.

CORPORATE GOVERNANCE

The Company's corporate governance statement is available on the Company's website at http://www.plato.com.au/lic-overview/ under the Overview section

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1. Glossary

Term	Meaning
Administrator	Pinnacle as the provider of various administration support services to the Company.
Annual General Meeting	the annual general meeting of the Company.
ASX	Australian Securities Exchange.
Benchmark	S&P/ASX 200 Franking Credit Adjusted Daily Total Return Index (Tax Exempt).
Board	board of Directors.
Company	Plato Income Maximiser Limited (ACN 616 746 215).
Company Secretary	company secretary of the Company.
Corporations Act	the *Corporations Act 2001* (Cth).
Director	director of the Company.
GST	has the meaning given in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).
Investment Management Agreement	the investment management agreement dated 1 March 2017 between the Company and the Manager.
Manager	Plato Investment Management Limited (ACN 120 730 136).
New Shares	fully paid ordinary shares sought to be issued under the Offer.
NTA	net tangible assets.
NTA Performance	the performance of the Company inclusive of portfolio performance after fees, taking into account all other expenses paid and tax on earnings (including on realised gains but excluding any provision for tax on unrealised gains and capitalised share issue costs).
Offer	Entitlement offer announced by the Company on 8 August 2019 seeking to raise up to approximately $204.3 million via the issue of approximately 185.7 million New Shares, consisting of: • a 1 for 1.6 non-renounceable entitlement offer of new fully paid ordinary shares in the Company at an offer price of $1.10 for existing eligible shareholders; • an oversubscription facility for existing eligible shareholders to apply for additional New Shares in excess of their entitlement; and • an offer of New Shares not taken up by eligible shareholders in the entitlement offer and oversubscription facility to institutional and retail investors.
Pinnacle	Pinnacle Investment Management Limited (ACN 109 659 109).
Plato Fund	Plato Australian Shares Income Fund (ARSN 152 590 157).
Services Agreement	the services agreement dated 1 March 2017 between the Company and Pinnacle.
TSR Performance	a measure of the change in the share price and any dividends going ex-dividend during the period, excluding the value of any franking credits which are paid to shareholders and any impact shareholders received from owning options issued as part of the IPO.

2. Chairman's Letter

Dear fellow shareholders,

On behalf of the Directors, I am pleased to present the results of Plato Income Maximiser Limited (the Company) for the year ended 30 June 2019.

The Company was established to provide shareholders the opportunity to benefit from an actively managed, well-diversified portfolio of Australian equities and a monthly dividend payment once it had sufficient profit reserves. The Company's appointed investment manager, Plato Investment Management Limited (the Manager) is led by Don Hamson. The Manager comprises a team of 10 investment professionals and 5 members of the team hold PhD qualifications.

The Company's investment objectives are to:

(1) generate annual income (including franking credits) that exceeds the gross income of the Benchmark; and

(2) outperform (after fees) the Benchmark in total return terms including franking credits over each full investment cycle (typically 3 to 5 years).

The Company has exceeded both its income objective and performance objective during the 2019 financial year. In fact, the 2019 financial year was a record year for distributions of franked dividend income from the Company's underlying investments, and we are pleased that the Company has distributed 2.3% more income than the Benchmark since its inception.

The Company's net profit after income tax for the year was $34,592,000, compared to a profit of $19,098,000 in the prior corresponding period, reflecting the strong underlying dividends received from the Company's investment portfolio during the year. The increased profitability allowed the Company to pay a special dividend of $0.03 per share during the year (in May 2019), in addition to the continuing monthly dividends of $0.005 per share, while also increasing the profits reserve available for future dividends.

The Company is actively positioned to deliver superior income and franking returns whilst also being able to allocate to companies that are expected to provide solid capital returns.

Chairman's Letter

(continued)

Performance

The Company's performance results are reported below. We consider that it is useful to consider performance from three different perspectives:

(a) Investment Portfolio Performance

The Company's investment portfolio performance shows how the Manager has performed after deducting management fees and costs[1], as compared to the Company's investment objectives.

Performance as at 30 June 2019[2]	Return	Benchmark	Excess
Total return[3]			
- One Year	15.0%	13.4%	1.6%
- Since Inception[4]	11.6%	11.6%	0.0%
Income[5]			
- One Year	12.2%	5.9%	6.3%
- Since Inception[4]	8.3%	6.0%	2.3%

Please note that the income measure above represents distributed income, not accrued income. For the 2019 financial year 12 monthly dividends of $0.005 per share were paid equivalent to a grossed up (for franking credits) yield of 8.1%, exceeding the full year gross yield of the Benchmark of 5.9%. In addition, the Company paid a special dividend of $0.03 per share in May 2019, which when combined with the monthly dividends gives a grossed up yield of 12.2% which was 6.3% ahead of the Benchmark.

(b) NTA Performance

This measure of Company performance shows the movement in the value of the Company's pre-tax Net Tangible Assets (NTA) over the period, adjusted for dividends paid. It includes deductions for management fees, Company administration costs and tax on earnings (including tax on realised gains and other earnings but excluding any provision for tax on unrealised gains, capitalised share issue costs and income tax losses), and excludes the value of franking credits.

The Company's NTA Performance for the year ended 30 June 2019 was 9.4%.

1 Inclusive of the net impact of GST and Reduced Input Tax Credits.
2 Past performance is not a reliable indicator of future performance. Performance is quoted in AUD net of portfolio-related fees, costs and taxes.
3 Inclusive of franking credits.
4 Annualised from Inception date: 28 April 2017.
5 Distributed income including franking.

(c) TSR Performance

Total Shareholder Return (TSR) Performance is a measure of the change in the share price adjusted for any dividends paid during the period. It does not include any impact shareholders received from owning options issued as part of the IPO. The TSR Performance can be an important measure as often the share market can trade at a premium or discount to the NTA.

The Company's TSR Performance was 23%, which exceeded the Benchmark return over the same period of 13.4%.

Dividends

The Directors are pleased that the Company has been able to achieve its stated aim to declare and pay monthly dividends throughout the 2019 financial year, while paying a special dividend in May 2019 and increasing the profits reserve during the year available for payment of future dividends. The Directors are also pleased to confirm that, provided the Company has sufficient profit reserves, it is permitted by law and within prudent business practices to do so, it intends to continue with the payment of monthly dividends.

Options

561,500 options associated with the Company's IPO were exercised during the year for the same number of fully paid shares at $1.10 per share. All other outstanding options expired on 29 April 2019 and no options are currently on issue by the Company.

Entitlement Offer

On 8 August 2019 the Company announced an entitlement offer (Offer) consisting of:

- a 1 for 1.6 non-renounceable entitlement offer of new fully paid ordinary shares in the Company at an offer price of $1.10 (New Shares) for existing eligible shareholders;

- an oversubscription facility for existing eligible shareholders to apply for additional New Shares in excess of their entitlement; and

- an offer of New Shares not taken up by eligible shareholders in the entitlement offer and oversubscription facility to institutional and retail investors.

The Offer seeks to raise up to approximately $204.3 million via the issue of approximately 185.7 million New Shares. The New Shares are expected to be issued under the Offer during September 2019. Further information is provided in the Prospectus lodged with ASIC regarding the Offer on 8 August 2019.

Annual General Meeting

The Annual General Meeting will be held at 10.25am on 6 November 2019 at the Gold Melting Room, The Mint, 10 Macquarie Street, in Sydney. The Directors encourage you to attend the meeting.

Thank you for your continued support.

Yours sincerely

Jonathan Trollip

Jonathan Trollip
Chairman
Sydney
22 August 2019

3. Investment Manager's Report

The Company has appointed the Manager as the investment manager of the Company's investment portfolio.

Investment strategy

The investment strategy used by the Manager is to invest (directly or indirectly) in an actively managed well-diversified Australian equities portfolio predominately comprised of Australian listed securities, which aims to achieve the investment objectives. The Manager implements the investment strategy by investing in the Plato Fund, for which it is also the investment manager.

The Manager employs a disciplined systematic process to take advantage of market inefficiencies to seek to deliver higher levels of income (including franking credits) than the Benchmark.

Investment philosophy

The Manager's philosophy is centred on the belief that markets are complex and less than perfectly efficient. These market inefficiencies are derived from informational, behavioural and structural sources. The Manager believes a disciplined investment process can take advantage of these market inefficiencies to outperform over a market cycle. Some of these sources of return are exploited on a longer term time horizon and others are extracted on a shorter term basis.

The Manager believes that an actively managed well-diversified portfolio of securities that is cheaper than, of higher quality than and exhibits better business momentum than the market is likely to outperform standard market benchmarks over the longer term. The Manager considers that there are also shorter term opportunities to outperform the market and generate additional income around dividend events for individual companies.

Investment process

The Manager's investment process involves extensive research focussing on relative market values, business momentum, the quality of the potential investee entity and the prospect for dividends.

Once an investment idea has been identified, the Manager makes an assessment of the following factors where relevant to the specific security:

(a) **Value:** the value of each security relative to the market (using a combination of models, including models focussed on earnings, cash flow, dividends or EBITDA);

(b) **Business Momentum:** broker earnings forecasts and share prices to determine the relative business momentum of companies on the Australian share market;

(c) **Quality:** firm quality, having regard to a range of factors including but not limited to profitability, earnings quality and the Manager's proprietary red flags quality indicator;

(d) **Dividend and dividend run up:** the estimated dividend run-up return of each individual stock in the period leading up to its forecast ex-dividend date, as well as the expected size of that dividend payment (including franking credits) as forecast by the Manager. Historically, the Manager has observed a general tendency for securities to outperform the general market in the period leading up to their ex-dividend date; and

(e) **Dividend Trap Avoidance:** the likelihood of a particular entity reducing its dividend as forecast by the Manager using a number of stock specific factors.

These factors are taken into account in assessing the relative merits of entities to invest in. The Manager takes into consideration these factors, as well as investment risk and liquidity, when constructing the portfolio. The Manager aims to hold a diversified portfolio of securities that it expects will achieve total returns in excess of, and "generate" more income than, the Benchmark without taking on excessive active portfolio risk. The Manager uses portfolio optimisation software to assist with portfolio construction.

Investment Manager's Report

(continued)

Portfolio optimisation is a quantitative approach that constructs the most efficient combination of securities to satisfy investment objectives whilst balancing expected risk and return. For portfolio construction, individual security weightings, sector weightings and size exposure are determined by taking into account the following internal guidelines at the time of portfolio construction:

Stock weightings	The weighting of a security in the portfolio will not be 5% more or 5% less than the Benchmark weighting.
Sector weightings	Whilst there is no hard limit to relative or absolute sector weightings, the Manager aims to build a portfolio with similar sector weightings to the Benchmark.
Cash exposure	Maximum 10% exposure to cash, although it is the Manager's intention to be largely fully invested as the Manager does not attempt to time markets, rather preferring to be fully invested as much as is practicable.
Number of positions	The portfolio of the Plato Fund is typically comprised of between 50 and 120 securities that the Manager considers to be consistent with the investment strategy.

The Manager then monitors the portfolio risk, returns and implementation, rebalancing the underlying investment portfolio when necessary to satisfy the investment objectives.

Portfolio performance

As noted in the Chairman's Letter, during the year ended 30 June 2019 the Company exceeded both its income objective and performance objective. The investment portfolio returned 15.0% after management fees and distributed a yield of 12.2% (including franking credits) during the 12 months to 30 June 2019. The Benchmark performance was 13.4% including a gross yield of 5.9% over the same period.

The underlying investment portfolio's five best contributions to active performance over the year were overweights in BHP Billiton (up 34%), Woolworths (up 14%), Magellan Financial (up 129%) and Wesfarmers (up 14%), and underweight positions in Westpac (up 6%) and AMP (down 35%).

There were four off-market buy-backs that we participated in over the year, Rio Tinto, BHP Billiton, Woolworths and Caltex. Participating in these produced an excess total return of 1.2% and an excess accrued income of 6.7% for the Company. BHP Billiton and Rio Tinto distributed in excess of $10b to investors as a result of their asset sales (U.S. shale oil assets and coal mines respectively) and the high iron ore prices they are currently experiencing.

From an income perspective, the biggest generators of excess dividend income (including franking credits) were active positions in the big four banks, Rio Tinto, BHP and Wesfarmers (which paid a large special dividend in 2019).

Market commentary

The Australian market was up 13.4% in the year to 30 June 2019 (including franking credits). It was a tale of two halves with the Australian market falling in the second half of 2018 as the U.S. Federal Reserve interest rate increases along with trade wars caused a slowdown in global growth. However, after a backflip from the U.S. Federal Reserve at the end of 2018, the market went from predicting interest rate rises to significant falls. This caused a massive drop in interest rates with the Australian 10 year bond yield halved from 2.6% to 1.3% during FY19. This caused a significant rally in global stock markets in the first half of 2019. Telecommunications Services and Mining stocks outperformed in contrast to Media and Energy stocks. Telstra led the media sector higher as bans on Huawei are providing headwinds for its competitors in building up their 5G capacity and the competition regulator is holding up the TPG-Vodafone merger. Mining stocks gained as the iron ore price rallied after a mining accident for Brazilian producer Vale impacted its supply. Energy stocks fell as the oil price came under pressure on global growth concerns.

Sector allocation and top ten holdings

As at 30 June 2019, the underlying investment portfolio consisted of 97 stocks which account for 99.5% of the portfolio. The remaining 0.5% is in cash and cash receivables.

Sector allocation

Sector allocation	Index weight	Active weight
Energy	5.3%	1.4%
Industrials	8.4%	0.8%
Materials	19.1%	1.2%
Consumer Discretionary	6.4%	1.0%
Consumer Staples	5.4%	0.4%
Healthcare	8.5%	-1.3%
Financials (ex Property)	32.2%	0.8%
Property	7.0%	-2.0%
Information Technology	2.8%	-2.4%
Telecommunications Services	3.0%	0.4%
Utilities	1.9%	-0.8%

Top 10 holdings and Top 10 yielding stocks as at 30 June 2019

Top 10 holdings	Top 10 yielding	Yield % p.a.[1]
BHP Billiton	Alumina	19.2
Commonwealth Bank	Fortescue Metals	16.2
CSL	Whitehaven Coal	12.8
Macquarie Group	Wesfarmers	11.3
Rio Tinto	BHP Billiton	10.7
Telstra	Rio Tinto	10.5
Wesfarmers	NAB	9.7
Westpac	Westpac	9.5
Woodside Petroleum	CSR	8.8
Woolworths	ANZ	8.1

1. Including franking credits

Due to the diversified nature of the underlying investment portfolio and the process that the Manager employs, the Company remains actively positioned to deliver superior income and franking whilst also being able to allocate to companies who are providing solid capital returns.

Don Hamson
Managing Director
Plato Investment Management Limited
22 August 2019

4. Directors' Report

The Directors present their report together with the financial statements of the Company for the year ended 30 June 2019.

The Company is a company limited by shares and is incorporated in Australia.

Directors

The following persons held office as Directors during the year and up to the date of this report, unless otherwise stated:

Jonathan Trollip (Chairman)
Lorraine Berends
Katrina Onishi
Alex Ihlenfeldt
Donald Hamson

Principal activities

The principal activity of the Company is to provide shareholders the opportunity to benefit from an investment in an actively managed, well-diversified portfolio of Australian listed equities. There have been no significant changes in the nature of this activity during the year.

Review of operations

The Company offers investors the opportunity to benefit from an investment in an actively managed, well-diversified portfolio of Australian listed equities that aims to:

(a) generate annual income (including franking credits) in excess of the S&P/ASX 200 Franking Credit Adjusted Daily Total Return Index (Tax Exempt); and

(b) outperform (after fees) the Benchmark in total return terms including franking credits over each full investment cycle (which the Manager considers to be a period of typically 3 to 5 years).

Investment activities over the year ended 30 June 2019 resulted in an operating profit before tax of $35,387,000 (2018: $18,849,000) and an operating profit after tax of $34,592,000 (2018: $19,098,000). The total comprehensive income for the period, which incorporates the net profit for the period less unrealised losses on revaluation of the Company's investments to fair value, was $29,839,000. This compares to total comprehensive income of $27,636,000 in the prior corresponding period.

The Company continued to pay monthly dividends during the year, with fully franked dividends of $0.005 per share being paid each month from July 2018 to June 2019. This is in line with the Board's stated objective to pay regular monthly dividends from available profits, provided the Company has sufficient reserves and it is permitted by law and within prudent business practices to do so. In addition, a special dividend of $0.03 per share was paid on 31 May 2019. A further three monthly dividends of $0.005 per share have been declared for July, August and September 2019.

Director's Report

(continued)

Shareholders should note that due to a change in the applicable tax legislation during the year, the dividends of the Company are franked at a corporate tax rate of 30%, rather than the previous tax rate of 27.5%. Note this change in legislation applies retrospectively so that all dividends declared by the Company since October 2017 are franked at the 30% tax rate.

Further information regarding the Company's operations during the year can be found in the Chairman's Letter and Investment Manager's Report at pages 6 to 13.

Dividends declared

For the year ended 30 June 2019 the following dividends, fully franked at 30%, were declared:

Month	Amount	Ex-Dividend Date	Record Date	Payment Date
July 2018	$0.005	16 July 2018	17 July 2018	31 July 2018
August 2018	$0.005	16 August 2018	17 August 2018	31 August 2018
September 2018	$0.005	13 September 2018	14 September 2018	28 September 2018
October 2018	$0.005	16 October 2018	17 October 2018	31 October 2018
November 2018	$0.005	15 November 2018	16 November 2018	30 November 2018
December 2018	$0.005	18 December 2018	19 December 2018	31 December 2018
January 2019	$0.005	16 January 2019	17 January 2019	31 January 2019
February 2019	$0.005	15 February 2019	18 February 2019	28 February 2019
March 2019	$0.005	14 March 2019	15 March 2019	29 March 2019
April 2019	$0.005	15 April 2019	16 April 2019	30 April 2019
May 2019	$0.005	16 May 2019	17 May 2019	31 May 2019
May 2019 (Special)	$0.030	16 May 2019	17 May 2019	31 May 2019
June 2019	$0.005	13 June 2019	14 June 2019	28 June 2019

Since year end the Company has declared the following dividends fully franked at 30%:

Month	Amount	Ex-Dividend Date	Record Date	Payment Date
July 2019	$0.005	16 July 2019	17 July 2019	31 July 2019
August 2019	$0.005	15 August 2019	16 August 2019	30 August 2019
September 2019	$0.005	13 September 2019	16 September 2019	30 September 2019

Options

561,500 ordinary shares in the Company were issued during the year following the exercise of the same number of options at an exercise price of $1.10 per option. The options expired 29 April 2019. As at 30 June 2019, the Company had no unissued ordinary shares under option.

Matters subsequent to the end of the financial year

Apart from as disclosed in note 18 to the financial statements at page 56, no matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Likely developments and expected results of operations

The Company will continue to pursue its investment objectives for the long-term benefit of shareholders.

Environmental regulation

The Company is not affected by any significant environmental regulation in respect of its operations. To the extent that any environmental regulations may have an incidental impact on the Company's operations, the Directors are not aware of any breach by the Company of those regulations.

Information on Directors

Jonathan Trollip, Chairman and Independent Director

Experience and expertise: Jonathan Trollip is a non-executive director with over 33 years of commercial, corporate, governance, legal and transaction experience. Prior to becoming a professional non-executive director, he worked as a principal of Meridian International Capital Limited for over 20 years, and before that he was a Partner with law firm Herbert Smith Freehills.

In the philanthropy area he is chairman of Science for Wildlife Limited and a director of The Watarrka Foundation and the University of Cape Town Australia Alumni Trust. Jonathan has a B.Arts, postgraduate degrees in Economics and Law and is a Fellow of the Australian Institute of Company Directors.

Other current directorships: Jonathan Trollip is non-executive chairman of ASX-listed Antipodes Global Investment Company Limited, Future Generation Investment Company Limited, Spheria Emerging Companies Limited and Global Value Fund Limited (listed investment companies). He is a non-executive director of ASX-listed Propel Funeral Partners Limited and of Kore Potash PLC (ASX, AIM and JSE listed).

Former directorships in last 3 years: Jonathan Trollip was formerly non-executive chairman of Spicers Limited until 16 July 2019.

Special responsibilities: Chairman of the Board.

Interests in shares and options: Details of Jonathan Trollip's interests in shares of the Company are included in the Remuneration Report.

Interests in contracts: Jonathan Trollip has no interests in contracts of the Company.

Lorraine Berends, Independent Director

Experience and expertise: Lorraine Berends has worked in the financial services industry for over 35 years and possesses extensive experience in both investment management and superannuation. Before moving to a non-executive career in 2014 she worked for 15 years with US-based investment manager Marvin & Palmer Associates. Lorraine contributed extensively to industry associations throughout her executive career, serving on the boards of the Investment Management Consultants Association (IMCA australia, now the CIMA Society of Australia) for 13 years (seven as Chair) and the Association of Superannuation Funds Australia (ASFA) for 12 years (three as Chair).

Director's Report

(continued)

Lorraine has been awarded Life Membership of both IMCA australia and ASFA. Lorraine holds a BSc from Monash University, is a Fellow of the Actuaries Institute and a Fellow of ASFA.

Other current directorships: Lorraine Berends is an independent non-executive director of Antipodes Global Investment Company Limited, Spheria Emerging Companies Limited and Hearts and Minds Investments Limited (listed investment companies), and an independent non-executive director of Pinnacle Investment Management Group Limited. She is a company-appointed director of Qantas Superannuation Limited and a director of MDC Foundation Limited (a not-for-profit company).

Former directorships in last 3 years: Lorraine Berends has not held any other directorships of listed companies within the last 3 years.

Interests in shares and options: Details of Lorraine Berends interests in shares of the Company are included in the Remuneration Report.

Interests in contracts: Lorraine Berends has no interests in contracts of the Company.

Katrina Onishi, Independent Director

Experience and expertise: Katrina Onishi has over 25 years' experience in financial markets as an equities analyst and portfolio manager, both in Australia and overseas. After a long career in investment markets, in 2000 Katrina co-founded Concord Capital, an Australian Equities funds management firm of which she was an Executive Director for ten years.

In addition, Katrina has 20 years' experience as a company director, including several as a director of ASX-listed companies. Katrina holds a B.A. (Hons) from University of Sydney, is a Chartered Financial Analyst, a Graduate Member of the Australian Institute of Company Directors and a Fellow of FINSIA.

Other current directorships: Katrina is a director and adviser to several not-for-profit organisations.

Former directorships in last 3 years: Katrina Onishi was formerly a non-executive director of Vitaco Holdings Ltd and Chair of its Audit and Risk Committee. Until December 2018 Katrina was a non-executive director of Scottish Pacific Ltd and a member of the Audit and Risk Committee.

Interests in shares and options: Details of Katrina Onishi's interests in shares of the Company are included in the Remuneration Report.

Interests in contracts: Katrina Onishi has no interests in contracts of the Company.

Alex Ihlenfeldt, Non-executive Director

Experience and expertise: Alex Ihlenfeldt holds the position of Chief Operating Officer of Pinnacle and serves as a director on a number of Pinnacle affiliate boards, listed investment companies and both Cayman and UCITS investment entities. He has over 25 years of financial services experience in both Australia and South Africa. Alex was intimately involved in the establishment of Pinnacle and each of its affiliates. His responsibilities include the provision of the infrastructure services and support required by the Pinnacle Group.

Alex has a Bachelor of Commerce (Hons) and is a member of the Institute of Chartered Accountants Australia and New Zealand as well as a Fellow of the Australian Institute of Company Directors.

Other current directorships: Alex Ihlenfeldt is a non-executive director of Antipodes Global Investment Company Limited and an alternate director of Spheria Emerging Companies Limited (listed investment companies), and is a director of Solaris Investment Management Limited; Antipodes Partners Limited; Antipodes Partners Holdings Limited; Antipodes Partners Services Limited; Pinnacle Charitable Foundation Ltd and alternate director of Foray Enterprises Pty Limited and Resolution Capital Limited.

Alex is also an executive director of Pinnacle; Pinnacle Services Administration Pty Limited; Pinnacle Fund Services Limited, Pinnacle RE Services Limited and Pinnacle Investment Management (UK) Limited.

Former directorships in last 3 years: Alex Ihlenfeldt has not held any other directorships of listed companies within the last 3 years.

Interests in shares and options: Details of Alex Ihlenfeldt's interests in shares of the Company are included in the Remuneration Report.

Interests in contracts: Details of Alex Ihlenfeldt's interests in contracts of the Company are included in the Remuneration Report.

Don Hamson, Non-executive Director

Experience and expertise: Don Hamson has over 27 years of investment management experience and was the founding Managing Director of Plato. Prior to establishing Plato, Don was Head of Active Equities, Asia Pacific (and as a member of the global Senior Management Group) at State Street Global Advisers. Prior to joining State Street, Don was Chief Investment Officer at Westpac Investment Management, where he was involved in forming BT Financial Group and was a member of their investment committee.

Don has a Bachelor of Commerce with First Class Honours and a PhD in Finance from the University of Queensland. Before moving to the investment industry Don was a Lecturer in Finance at UQ and a visiting Professor at the University of Michigan Business School.

Other current directorships: Don Hamson is Managing Director of the Manager.

Former directorships in last 3 years: Don Hamson has not held any other directorships of listed companies within the last three years.

Interests in shares and options: Details of Don Hamson's interests in shares of the Company are included in the Remuneration Report.

Interests in contracts: Details of Don Hamson's interests in contracts of the Company are included in the Remuneration Report.

Meetings of Directors

The number of Board meetings held during the year ended 30 June 2019, and the number of meetings attended by each Director were:

Director	Board meetings attended	Board meetings eligible to attend
Jonathan Trollip	4	4
Lorraine Berends	4	4
Katrina Onishi	4	4
Alex Ihlenfeldt	4	4
Don Hamson	4	4

Director's Report

(continued)

Company Secretary

During the 2019 financial year, the role of Company Secretary was performed by Calvin Kwok. Calvin Kwok is general counsel and company secretary of Pinnacle Investment Management Group Limited and company secretary of Antipodes Global Investment Company Limited and Spheria Emerging Companies Limited. He holds a Master of Applied Finance, a Bachelor of Laws and a Bachelor of Commerce.

Remuneration Report

This report details the nature and amount of remuneration for each director of Plato Income Maximiser Limited in accordance with the Corporations Act. The Company Secretary is remunerated under a service agreement with Pinnacle.

Details of remuneration
All Directors are non-executive directors. The Board from time to time determines the remuneration of Directors within the maximum amount approved by shareholders at the Annual General Meeting. Directors are not entitled to any other remuneration from the Company. Fees and payments to Directors reflect the demands that are made on them and their responsibilities. The performance of Directors is reviewed annually. The Board determines the remuneration levels and ensures they are competitively set to attract and retain appropriately qualified and experienced directors.

The maximum total pooled remuneration of the Directors has been set at $250,000 per annum. Directors do not receive bonuses nor are they issued options on securities as part of their remuneration. Directors' fees cover all main Board activities.

Directors' remuneration is not directly linked to the Company's performance.

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

	Short-term employee benefits		Post-employment benefits			
Director	Salary and fees		Superannuation		Total	
	2019	2018	2019	2018	2019	2018
Jonathan Trollip	$36,530	$36,530	$3,470	$3,470	$40,000	$40,000
Lorraine Berends	$27,397	$27,397	$2,603	$2,603	$30,000	$30,000
Katrina Onishi	$27,397	$27,397	$2,603	$2,603	$30,000	$30,000
Alex Ihlenfeldt	$ –	$ –	$ –	$ –	$ –	$ –
Don Hamson	$ –	$ –	$ –	$ –	$ –	$ –
Total Director remuneration	**$91,324**	**$91,324**	**$8,676**	**$8,676**	**$100,000**	**$100,000**

The Company has no employees other than non-executive directors and therefore does not have a remuneration policy for employees.

The Directors are the only people considered to be key management personnel of the Company.

Director-related entity remuneration
All transactions with related entities are made on normal commercial terms and conditions.

Don Hamson and Alex Ihlenfeldt, who are Directors, are also directors of the Manager. Alex Ihlenfeldt is a director of Pinnacle, which provides services to the Company in accordance with the Services Agreement.

The fees payable to the Manager and the Administrator are listed below:

Management fee
In its capacity as investment manager, the Manager is entitled to be paid, and the Company must pay to the Manager, a management fee payable monthly in arrears equivalent to 0.80% per annum (exclusive of GST) of the value of the Company's portfolio calculated daily.

For the year ended 30 June 2019 the Manager was paid a management fee of $2,578,261, exclusive of GST (year ended 30 June 2018: $2,549,161).

As at 30 June 2019, the balance payable to the Manager was $218,912, exclusive of GST (30 June 2018: $216,246).

Service fee
The Company has entered into the Services Agreement with Pinnacle for the provision of the following administration support services:

- Middle office portfolio administration;

- Finance, tax and reporting and administration; and

- Legal counsel and company secretarial.

For the year ended 30 June 2019, Pinnacle was paid a fee of $81,689, exclusive of GST (year ended 30 June 2018: $72,100). As at 30 June 2019, the balance payable was $20,422 (30 June 2018: $19,600).

Contracts
Other than as stated above, no Director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related company with the Director or with a firm of which they are a member or with a company in which they have substantial financial interest since the inception of the Company.

Equity instrument disclosures relating to directors
As at the date of this report, the Directors and their related parties held the following interests in the Company:

Ordinary shares held				
Director	Opening balance	Acquisitions	Disposals	Balance as at date of this report
Jonathan Trollip*	50,000	–	–	50,000
Lorraine Berends*	50,000	–	–	50,000
Katrina Onishi*	50,000	–	–	50,000
Alex Ihlenfeldt*	535,000	–	–	535,000
Don Hamson*	250,001	–	–	250,001
Total shares held*	**935,001**	**–**	**–**	**935,001**

*Held through direct and indirect interests

Director's Report

(continued)

Directors and director-related entities acquire shares in the Company on the same terms and conditions available to other shareholders.

Options held					
Director	Opening balance	Acquisitions	Disposals	Expired	Balance as at date of this report
Jonathan Trollip*	50,000	–	–	(50,000)	–
Lorraine Berends*	50,000	–	–	(50,000)	–
Katrina Onishi*	50,000	–	–	(50,000)	–
Alex Ihlenfeldt*	535,000	–	–	(535,000)	–
Don Hamson*	250,000	–	–	(250,000)	–
Total options held*	**935,000**	**–**	**–**	**(935,000)**	**–**

*Held through direct and indirect interests

The options expired on 29 April 2019.

Directors and their related parties acquired options over ordinary shares in the Company on the same terms and conditions available to other shareholders.

The Directors have not been granted options over unissued shares or interests in shares of the Company as part of their remuneration during or since the end of the financial year.

End of Remuneration Report

Insurance and indemnification of officers and auditors

During or since the end of the financial year the Company has given an indemnity and has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director, other than conduct involving a wilful breach of duty in relation to the Company or the improper use by the Directors of their position.

Details of the amount of the premium paid in respect of the insurance policies are not disclosed.

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

Proceedings on behalf of the Company

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

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

Non-audit services

During the year Pitcher Partners, the Company's auditor, performed other services in addition to their statutory duties for the Company as disclosed in note 14 to the financial statements at page 52.

The Board is satisfied that the provision of other services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act. The Directors are satisfied that the services disclosed in note 14 did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

- the nature of the services provided do not compromise the general principles relating to the auditor independence in accordance with the APES 110 *Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 25.

Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report and in the financial statements have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar (where indicated).

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

Jonathan Trollip

Jonathan Trollip
Chairman
Sydney
22 August 2019

5. Auditor’s Independence Declaration

Level 16, Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000

Postal Address
GPO Box 1615
Sydney NSW 2001

p. +61 2 9221 2099
e. sydneypartners@pitcher.com.au

Auditor's Independence Declaration
To the Directors of Plato Income Maximiser Limited
ABN 63 616 746 215

In relation to the independent audit of Plato Income Maximiser Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief there have been:

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

(ii) no contraventions of any applicable code of professional conduct.

SM Whiddett
Partner

Pitcher Partners
Sydney

22 August 2019

6. Financial Statements

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2019

	Notes	30 June 2019 $'000	30 June 2018 $'000
Investment income			
Distribution income received		38,561	21,942
Interest income received		14	15
Total investment income		**38,575**	**21,957**
Expenses			
Management fees		(2,578)	(2,549)
ASX and share registry fees		(278)	(238)
Professional fees		(61)	(57)
Director fees		(100)	(100)
Other expenses		(171)	(164)
Total expenses		**(3,188)**	**(3,108)**
Profit before income tax		**35,387**	**18,849**
Income tax (expense) / benefit	4	(795)	249
Net profit after income tax		**34,592**	**19,098**
Other comprehensive (loss) / income			
Items that will not be reclassified to profit and loss			
(Loss) / gain on revaluation of investments		(6,738)	11,777
Provision for tax benefit / (expense) on revaluation of investments	4	1,985	(3,239)
Other comprehensive (loss) / income net of tax		**(4,753)**	**8,538**
Total comprehensive income attributable to shareholders		**29,839**	**27,636**
Earnings per share for profit attributable to ordinary equity holders of the Company		**Cents**	**Cents**
Basic and diluted earnings per share	17	11.7	6.4

The above statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the financial statements.

Statement of financial position

As at 30 June 2019

	Notes	30 June 2019 $'000	30 June 2018 $'000
Assets			
Cash and cash equivalents	5	328	900
Trade and other receivables	6	4,309	1,518
Financial assets at fair value through other comprehensive income	7	324,237	323,954
Deferred tax assets	8	3,587	2,767
Total assets		**332,461**	**329,139**
Liabilities			
Trade and other payables	9	316	362
Deferred tax liabilities	8	–	552
Total liabilities		**316**	**914**
Net assets		**332,145**	**328,225**
Shareholders' equity			
Issued capital	10	320,462	319,661
Profits reserve	11a	15,379	7,507
Asset revaluation reserve	11b	(3,696)	1,057
Retained earnings		–	–
Total equity		**332,145**	**328,225**

The above statement of financial position should be read in conjunction with the notes to the financial statements.

Statement of changes in equity

For the year ended 30 June 2019

	Notes	Issued capital $'000	Profits reserve $'000	Asset revaluation reserve $'000	Retained earnings $'000	Total $'000
Year Ended 30 June 2018						
Balance at 1 July 2017		319,285	863	(7,481)	–	312,667
Total comprehensive income						
Profit for the year		–	–	–	19,098	19,098
Other comprehensive income		–	–	8,538	–	8,538
Total comprehensive income		**–**	**–**	**8,538**	**19,098**	**27,636**
Transfer between reserves						
Transfer to profit reserve	11a	–	19,098	–	(19,098)	–
Total transfer between reserves		**–**	**19,098**	**–**	**(19,098)**	**–**
Transactions with owners in their capacity as owners						
Shares issued upon exercise of options	10	376	–	–	–	376
Dividends paid	12	–	(12,454)	–	–	(12,454)
Total transactions with owners in their capacity as owners		376	(12,454)	–	–	(12,078)
Balance as at 30 June 2018		**319,661**	**7,507**	**1,057**	**–**	**328,225**
Year Ended 30 June 2019 **Total comprehensive income**						
Profit for the year		–	–	–	34,592	34,592
Other comprehensive (loss)		–	–	(4,753)	–	(4,753)
Total comprehensive income / (loss)		**–**	**–**	**(4,753)**	**34,592**	**29,839**
Transfer between reserves						
Transfer to profit reserve	11a	–	34,592	–	(34,592)	–
Total transfer between reserves		**–**	**34,592**	**–**	**(34,592)**	**–**
Transactions with owners in their capacity as owners						
Shares issued upon exercise of options	10	618	–	–	–	618
Costs of issued capital (net of tax)	10	183	–	–	–	183
Dividends paid	12	–	(26,720)	–	–	(26,720)
Total transactions with owners in their capacity as owners		801	(26,720)	–	–	(25,919)
Balance as at 30 June 2019		**320,462**	**15,379**	**(3,696)**	**–**	**332,145**

The above statement of changes in equity should be read in conjunction with the notes to the financial statements.

Statement of cash flows

For the year ended 30 June 2019

	Notes	30 June 2019 $'000	30 June 2018 $'000
Cash flows from operating activities			
Distributions received		35,773	22,121
Interest received		15	14
Payments to suppliers		(3,238)	(2,432)
Net cash provided by operating activities		**32,550**	**19,703**
Cash flows from investing activities			
Proceeds from redemption of investments		8,850	–
Payments for investments		(15,870)	(6,875)
Net cash used in investing activities		**(7,020)**	**(6,875)**
Cash flows from financing activities			
Proceeds from shares issued on exercise of options		618	376
Dividends paid to shareholders		(26,720)	(12,454)
Net cash used in financing activities		**(26,102)**	**(12,078)**
Net increase in cash and cash equivalents		**(572)**	**750**
Cash assets at beginning of the year		900	150
Cash assets at the end of the year	**5**	**328**	**900**

The above statement of cash flows should be read in conjunction with the notes to the financial statements.

We've experienced a dividend bonanza, an extraordinary period of yield from Australian equities

7. Notes to the Financial Statements

For the year ended 30 June 2019

Note 1
Summary of significant accounting policies

The financial statements were authorised for issue on 22 August 2019 by the Board.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Company is a 'for-profit' entity for financial reporting purposes under Australian Accounting Standards.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, except for the measurement at fair value of selected financial assets and financial liabilities.

The financial statements of the Company also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report and in the financial statements have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar (where indicated).

Material accounting policies adopted in the preparation of the financial statements are presented below. Other than the implementation of new accounting standards noted in 1(o) below, the accounting policies adopted are consistent with the previous year, unless stated otherwise:

(a) Investments

The category of financial assets and financial liabilities comprises:

Financial instruments designated at fair value through other comprehensive income:

These investments are recognised initially at cost and the Company has elected to present subsequent changes in fair value of equity instruments in other comprehensive income through the asset revaluation reserve after deducting a provision for the potential deferred capital gains/(losses) and deferred tax liability/(asset) as these investments are long-term holdings of equity instruments.

(b) Fair value measurement

When a financial asset is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date and assumes that the transaction will take place either in the principal market, or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset, assuming they act in their economic best interests. Valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 1
Summary of significant accounting policies

(continued)

The Company's managed fund investment is valued based on the redemption price of the units held. Listed investments are valued continuously at fair value, which is determined by the unadjusted last-sale price quoted on the Australian Securities Exchange at the measurement date.

Assets measured on a recurring basis at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Further information regarding fair value measurements is provided in note 3.

(c) Income and expenditure

Distributions from managed funds are recognised on a present entitlements basis and recognised in the statement of profit or loss on the day the distributions are announced.

Interest income and expenses, including interest income and expenses from non-derivative financial assets, are recognised in the statement of profit or loss as they accrue, using the effective interest method of the instrument calculated at the acquisition date. Interest income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis. Interest income is recognised on a gross basis, including any withholding tax, if any.

All other expenses, including investment management fees, are recognised in the statement of profit or loss on an accruals basis.

(d) Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on the applicable tax rate.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date.

Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

(e) Goods and services tax

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

(f) Cash

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

(g) Trade receivables

Trade and other receivables relate to outstanding settlements as well as accrued income in relation to interest and dividends receivable. Trade receivables are generally due for settlement within 30 days. Details regarding the accounting policy for the impairment of receivables is provided at note 1(o).

(h) Trade and other payables

These amounts represent liabilities for outstanding settlements as well as services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(i) Share capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(j) Profits reserve

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

(k) Asset revaluation reserve

Changes in fair value of investments are presented in other comprehensive income through the asset revaluation reserve as referred to in note 11. Upon disposal of investments, the net gain or loss is transferred from the asset revaluation reserve to the capital profits reserve.

Note 1
Summary of significant accounting policies

(continued)

(l) Earnings per share

(1) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(2) Diluted earnings per share

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

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares (e.g. options on issue and in the money).

(m) Operating segments

The Company's investment activities are its only reportable segment. The Company operates from one geographic location, being Australia.

(n) Critical accounting estimates and judgments

The preparation of financial statements requires the use of estimates and judgments which affect the reported amounts of assets and liabilities of the Company. These estimates and judgments are constantly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Income taxes

The Company is subject to income taxes in Australia. Significant judgment is required in determining the provision for income taxes. The Company estimates its income taxes based on the Company's understanding of tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made. Further information regarding the Company's income tax expense/(benefit) is provided in note 4.

The Company can recognise deferred tax assets relating to carried forward tax losses and deductible timing differences to the extent that it is considered probable that there will be future taxable profits relating to the same taxation authority against which the carried forward tax losses and deductible timing differences will be utilised. Further information regarding the Company's deferred tax assets are provided at note 8.

(o) New and revised accounting requirements applicable to the current reporting period

The Company has adopted AASB 9 *Financial Instruments* from 1 July 2018. Further information is detailed below. A number of other new standards, including AASB 15 *Revenue from Contracts with Customers,* are effective from 1 July 2018 but they do not have a material effect on the Company's financial statements.

AASB 9 *Financial Instruments*

AASB 9 sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces AASB 139 *Financial Instruments: Recognition and Measurement.* As a result the Company has changed its accounting policy for certain financial instruments as detailed below.

AASB 9 contains requirements in relation to the classification, measurement and derecognition of financial assets and liabilities, replacing the recognition and measurement requirements in AASB 139 *Financial Instruments Recognition and Measurement.* Under the new requirements four categories of financial assets are replaced with three measurement categories: fair value through profit or loss, fair value through other comprehensive income, and amortised cost.

The Company has not been impacted by the change in categories. The Company has elected to recognise its investment asset at fair value through other comprehensive income, and its trade and receivables are recognised at amortised cost.

A new impairment model, the expected credit loss model, applies to those financial assets recognised at amortised cost. The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure this trade and other receivables have been grouped based on due date. As the settlement period is short and the counterparties do not present any credit risks this change of impairment model does not have a material impact on the Company.

(p) New accounting standards and interpretations not yet mandatory or early adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods and have not been early adopted by the Company. These include AASB16: *Leases* (effective from 1 July 2019), which will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. As the Company does not have any operating leases, this standard is not expected to have a material impact.

Other than as outlined above, it is not expected that these new standards and interpretations will have a material impact on the entity in future reporting periods.

Note 2 Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including price risk), credit risk and liquidity risk, which could affect the Company's future financial performance.

The Board has implemented a risk management framework to mitigate these risks. This includes consideration of compliance and risk management reporting on a quarterly basis to monitor compliance and evaluate risk, and regular reporting from the Manager to ensure ongoing compliance with the investment strategy and investment guidelines.

The Company holds the following financial instruments, all of which are measured at amortised cost except for financial assets at fair value through other comprehensive income:

Financial assets	**2019 $'000**	**2018 $'000**
Cash and cash equivalents	328	900
Trade and other receivables	4,309	1,518
Financial assets at fair value through other comprehensive income	324,237	323,954
	328,874	**326,372**
Financial liabilities		
Trade and other payables	316	362
	316	**362**

(a) Market Risk

(1) Price risk

Price risk is the risk that changes in market prices will affect the fair value of the financial instrument. The fair value is determined by the redemption price of the managed fund investment at the measurement date.

The Company is exposed to price risk through the movement of the unit price of the managed fund which is exposed to variation of security prices of the companies and trusts in which it is invested.

The market value of the managed fund fluctuates daily and the fair value of the portfolio changes continuously, with this change in the fair value recognised through the asset revaluation reserve.

Sensitivity

The table below summarises the impact of increases/(decreases) in equity securities prices on the Company's net assets before provision for tax on unrealised capital gains at 30 June 2019. The analysis is based on the assumption that equity securities prices had increased/(decreased) by 10% and 20% with all other variables held constant and the Company's investment moved in correlation with the index.

	Impact on net assets			
	$'000		NTA per share	
	+/- 10%	+/- 20%	+/- 10%	+/- 20%
2019	32,424/(32,424)	64,847/(64,847)	$0.11/($0.11)	$0.22/($0.22)
2018	32,395/(32,395)	64,791/(64,791)	$0.11/($0.11)	$0.22/($0.22)

(2) Interest rate risk

The fair value of other financial instruments is unlikely to be materially affected by a movement in interest rates as they generally have short dated maturities and variable interest rates.

(b) Credit Risk

The Company's credit risk exposures arise from the investment in liquid assets, such as cash and income receivable.

The risk that a financial loss will occur because of a counterparty to a financial instrument failing to discharge an obligation is known as credit risk. The credit risk on the Company's financial assets, excluding investments, is the carrying amount of those assets.

Income receivable comprises accrued interest and distributions which were brought to account on the date the units traded ex-distribution.

There are no financial instruments overdue.

All financial assets and their recoverability are continuously monitored by the Administrator and reviewed by the Board on a quarterly basis.

Note 2
Financial Risk Management

(continued)

(c) Liquidity Risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they fall due.

The Company manages the liquidity risk by monitoring forecast and actual cash flows.

Maturities of financial liabilities

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities at year-end date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities

	1 to 30 days	30 days to 1 year	Total contractual cash flows	Carrying amount
	$'000	$'000	$'000	$'000
At 30 June 2019 Trade and other payables	316	–	316	316
Total financial liabilities	**316**	**–**	**316**	**316**
At 30 June 2018 Trade and other payables	362	–	362	362
Total financial liabilities	**362**	**–**	**362**	**362**

Note 3 Fair value measurements

The Company measures and recognises its investments on a recurring basis.

(1) Fair value hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

(2) Recognised fair value measurements

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

	Level 1	Level 2	Level 3	Total
Assets	**$'000**	**$'000**	**$'000**	**$'000**
At 30 June 2019 Managed funds	–	324,237	–	324,237
Total assets	**–**	**324,237**	**–**	**324,237**
At 30 June 2018 Managed funds	–	323,954	–	323,954
Total assets	**–**	**323,954**	**–**	**323,954**

The investment included in level 2 of the hierarchy is the amount of the investment based on the redemption price of the Plato Fund as at the end of the reporting period.

There were no transfers between levels for recurring fair value measurements during the year.

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

The carrying amounts of all financial instruments other than those measured at fair value on a recurring basis are considered to represent a reasonable approximation of their fair values.

Note 4
Income tax expense/(benefit)

	2019 $'000	2018 $'000
(a) Income tax expense / (benefit)		
Current tax expense / (benefit)	802	(249)
Deferred tax (benefit)	(7)	–
Total income tax expense / (benefit) in profit or loss	795	(249)
Deferred income tax expense / (benefit) included in income tax (benefit) / expense comprises:		
(Increase) in deferred tax assets	(7)	–
	(7)	–
(b) Reconciliation of income tax expense to prima facie tax payable		
Profit before income tax	35,387	18,849
Tax at the Australian tax rate of 30% (2018: 27.5%*)	**10,616**	**5,183**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax credits	(10,420)	(5,432)
Prior period adjustments	599	–
Income tax expense / (benefit)	**795**	**(249)**

*During the year, on 31 August 2018, the Treasury Laws Amendment (Enterprise Tax Plan Base Rate Entities) Bill 2019 was enacted. A consequence of enactment was to increase the Company's income tax rate to 30% from 27.5%.

	2019 $'000	2018 $'000
(c) Amounts recognised in other comprehensive income		
Income tax (benefit) / expense relating to unrealised (losses) / gains recognised in asset revaluation reserve	(1,985)	3,239
	(1,985)	**3,239**
(d) Amounts recognised in equity		
Income tax (benefit) relating to share issue costs	(183)	–
	(183)	–

Note 5
Cash and cash equivalents

	30 June 2019 $'000	30 June 2018 $'000
Cash at bank	328	900
	328	**900**

The weighted average interest rate for cash as at 30 June 2019 is 0.00% (30 June 2018: 0.25%).

Note 6
Trade and other receivables

	30 June 2019 $'000	30 June 2018 $'000
Distributions receivable	4,229	1,442
Prepayments	28	23
GST receivable	52	53
	4,309	**1,518**

Collectibility of trade receivables is reviewed on an ongoing basis in accordance with the expected credit loss (ECL) model (refer note 1(o)). The ECL assessment at 30 June 2019 has resulted in no credit loss and no impairment allowance being recognised by the Company. Further information regarding credit risk of the Company is provided at note 2(b).

Note 7
Investments

	30 June 2019 $'000	30 June 2018 $'000
Investment in Plato Australian Shares Income Fund	324,237	323,954
	324,237	**323,954**

Changes in fair value of the investments are presented in other comprehensive income through the asset revaluation reserve.

The holding at 30 June 2019 was 330,988,839 units valued at $0.9796 per unit (30 June 2018: 322,630,962 units valued at $1.0041 per unit).

Note 8
Deferred tax assets/liabilities

	30 June 2019 $'000	30 June 2018 $'000
The deferred tax assets balance comprises temporary differences attributable to:		
Accruals	16	9
Unrealised loss on financial assets at fair value through other comprehensive income	1,123	–
Share issue costs	1,096	1,507
Income tax losses	1,352	1,251
	3,587	**2,767**
Reconciliations		
Gross movements:		
The overall movement in deferred tax asset accounts is as follows:		
Opening balance	2,767	5,205
Credited directly to profit or loss	7	–
Credited / (charged) to other comprehensive income	1,123	(2,768)
(Charged) to equity	(411)	(502)
Income tax losses	101	832
Closing balance	**3,587**	**2,767**
The movement in deferred tax assets for each temporary difference during the year is as follows:		
(i) Accruals		
Opening balance	9	9
Credited directly to profit or loss	7	–
Closing balance	**16**	**9**
(ii) Unrealised loss on financial assets at fair value through other comprehensive income		
Opening balance	–	2,768
Credited / (charged) directly to other comprehensive income	1,123	(2,768)
Closing balance	**1,123**	–
(iii) Share issue costs		
Opening balance	1,507	2,009
Credited directly to equity	(411)	(502)
Closing balance	**1,096**	**1,507**
(iv) Income tax losses		
Opening balance	1,251	419
Increase in income tax losses	101	832
Closing balance	**1,352**	**1,251**

A deferred tax asset for income tax losses has been recognised on the basis it is considered probable that there will be sufficient taxable profits against which to recover the losses in future years.

	30 June 2019 $'000	30 June 2018 $'000
The deferred tax liability balance comprises temporary differences attributable to:		
Unrealised gain on financial assets at fair value through other comprehensive income	–	552
	–	**552**
Reconciliations		
Gross movements:		
The overall movement in deferred tax liability accounts is as follows:		
Opening balance	552	–
(Credited) / charged to other comprehensive income	(552)	552
Closing balance	**–**	**552**
The movement in deferred tax liabilities for each temporary difference during the year is as follows:		
(ii) Unrealised gain on financial assets at fair value through other comprehensive income		
Opening balance	552	–
(Credited) / charged to other comprehensive income	(552)	552
Closing balance	**–**	**552**

Note 9 Trade and other payables

	30 June 2019 $'000	30 June 2018 $'000
Trade creditors	24	291
Accrued expenses	286	65
Other payables	6	6
	316	**362**

Trade and other payables primarily relate to outstanding settlements and are usually paid within 30 days of recognition.

Note 10
Issued capital

(a) Share capital

	2019 Number	2019 $'000	2018 Number	2018 $'000
Fully paid ordinary shares	297,181,260	320,462	296,619,760	319,661
Total share capital	**297,181,260**	**320,462**	**296,619,760**	**319,661**

The Company does not have an authorised capital value or par value in respect of its issued shares.

(b) Movements in ordinary share capital

Date	Details	Number of shares	Price	Total $'000
1 July 2017	**Balance**	**296,278,408**		**319,285**
July-June 2018	Options exercised for $1.10 per share	341,352	$1.10	376
30 June 2018	**Balance**	**296,619,760**		**319,661**
1 July 2018	**Balance**	**296,619,760**		**319,661**
July-June 2019	Options exercised for $1.10 per share	561,500	$1.10	618
	Impact of change of income tax rate from 27.5% to 30% on costs of issued capital (net of tax)	–		183
30 June 2019	**Balance**	**297,181,260**		**320,462**

(c) Ordinary shares

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

On a show of hands every holder of ordinary shares present at a general meeting in person or by proxy is entitled to one vote and upon a poll each share is entitled to one vote.

(d) Options

On 1 May 2017, as part of the initial public offering of the Company, 296,268,407 options were issued to acquire ordinary shares in the Company at an exercise price of $1.10. The options could be exercised at any time on or before 29 April 2019.

The options gave the shareholders the right but not the obligation to subscribe for ordinary shares in the Company at $1.10 per share. The options could be exercised in full or in part.

The options expired on 29 April 2019. As at 30 June 2019, the Company had no unissued ordinary shares under option.

(e) Capital Management

The Company's objective in managing its capital is to satisfy its aim to provide shareholders with dividend income and total return in excess of the Company's Benchmark. The Company considers its capital to be its issued capital, reserves and accumulated retained earnings.

The Company's capital will fluctuate with market conditions. The Company can manage its capital through the level of dividends paid to shareholders, the issue of shares or the use of share buy-backs.

The Company is an ASX-listed investment Company and is subject to ASX Listing Rule requirements.

Note 11 Reserves

(a) Profits reserve

	30 June 2019 $'000	30 June 2018 $'000
Opening balance	7,507	863
Transfer of net profits from profit and loss	34,592	19,098
Dividends paid	(26,720)	(12,454)
Closing balance	**15,379**	**7,507**

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

(b) Asset revaluation reserve

	30 June 2019 $'000	30 June 2018 $'000
Opening balance	1,057	(7,481)
Revaluation of investments net of provision for tax	(4,753)	8,538
Closing balance	**(3,696)**	**1,057**

Changes in fair value of investments are presented in other comprehensive income through the asset revaluation reserve as referred to in note 7.

Note 12 Dividends

(a) Dividend paid

During the year ended 30 June 2019 the Company paid the following dividends, franked at a company tax rate of 30%:

	2019 $'000	2018 $'000
Interim fully franked dividend of $0.005 per fully paid ordinary share paid on 31 July 2018	1,483	–
Interim fully franked dividend of $0.005 per fully paid ordinary share paid on 31 August 2018	1,483	–
Interim fully franked dividend of $0.005 per fully paid ordinary share paid on 28 September 2018	1,483	–
Interim fully franked dividend of $0.005 per fully paid ordinary share paid on 31 October 2018 (2018 - $0.0045 paid on 31 October 2017)	1,483	1,333
Interim fully franked dividend of $0.005 per fully paid ordinary share paid on 30 November 2018 (2018 - $0.0045 paid on 30 November 2017)	1,483	1,334
Interim fully franked dividend of $0.005 per fully paid ordinary share paid on 31 December 2018 (2018 - $0.0045 paid on 29 December 2017)	1,483	1,334
Interim fully franked dividend of $0.005 per fully paid ordinary share paid on 31 January 2019 (2018 - $0.0045 paid on 31 January 2018)	1,483	1,334
Interim fully franked dividend of $0.005 per fully paid ordinary share paid on 28 February 2019 (2018 - $0.0045 paid on 28 February 2018)	1,483	1,335
Interim fully franked dividend of $0.005 per fully paid ordinary share paid on 29 March 2019 (2018 - $0.0045 paid on 29 March 2018)	1,483	1,335
Interim fully franked dividend of $0.005 per fully paid ordinary share paid on 30 April 2019 (2018 - $0.005 paid on 30 April 2018)	1,485	1,483
Interim fully franked dividend of $0.005 per fully paid ordinary share paid on 31 May 2019 (2018 - $0.005 paid on 31 May 2018)	1,486	1,483
Special fully franked dividend of $0.030 per fully paid ordinary share paid on 31 May 2019	8,916	–
Interim fully franked dividend of $0.005 per fully paid ordinary share paid on 28 June 2019 (2018 - $0.005 paid on 29 June 2018)	1,486	1,483
Total dividends paid	**26,720**	**12,454**

(b) Dividends not recognised at the end of the year

Since the end of the year the Company has declared the following dividends, franked at a Company tax rate of 30%. The aggregate amount of dividends expected to be paid but not recognised as a liability at year end, is:

	2019 $'000	2018 $'000
Interim fully franked dividend of $0.005 per fully paid ordinary share paid on 31 July 2019 (2018 - $0.005 paid on 31 July 2018)	1,486	1,483
Interim fully franked dividend of $0.005 per fully paid ordinary share payable on 30 August 2019 (2018 - $0.005 paid on 31 August 2018)	1,486	1,483
Interim fully franked dividend of $0.005 per fully paid ordinary share payable on 30 September 2019 (2018 - $0.005 paid on 28 September 2018)	1,486	1,483
Total dividends payable but not recognised as a liability at year-end	**4,458**	**4,449**

(c) Dividend franking account

The balance of the Company's dividend franking account at 30 June 2019 was $5,729,000 (30 June 2018: $2,887,000).

Note 13
Key management personnel disclosures

(a) Key management personnel compensation

	2019 $	2018 $
Short-term employment benefits	91,324	91,324
Post-employment benefits	8,676	8,676
Total remuneration	**100,000**	**100,000**

Detailed remuneration disclosures are provided in the Remuneration Report on pages 20 to 22.

(b) Equity instrument disclosures relating to key management personnel

(1) Shareholdings

The numbers of shares in the Company held during the financial year by each Director, including their related parties, are set out below. There were no shares granted during the financial year as compensation.

Ordinary shares held					
Director	**Year**	**Opening balance**	**Acquisitions**	**Disposals**	**Closing balance**
Jonathan Trollip*	2019	50,000	–	–	50,000
	2018	50,000	–	–	50,000
Lorraine Berends*	2019	50,000	–	–	50,000
	2018	50,000	–	–	50,000
Katrina Onishi*	2019	50,000	–	–	50,000
	2018	50,000	–	–	50,000
Alex Ihlenfeldt*	2019	535,000	–	–	535,000
	2018	535,000	–	–	535,000
Don Hamson*	2019	250,001	–	–	250,001
	2018	250,001	–	–	250,001
Total shares held*	**2019**	**935,001**	–	–	**935,001**
	2018	**935,001**	–	–	**935,001**

*Held through direct and indirect interests

Directors and their related parties acquire shares in the Company on the same terms and conditions available to other shareholders.

(2) Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each Director, including their related parties, are set out below.

Ordinary shares held						
Director	**Year**	**Opening balance**	**Acquisitions**	**Disposals**	**Expired**	**Closing balance**
Jonathan Trollip*	2019	50,000	–	–	50,000	–
	2018	50,000	–	–	–	50,000
Lorraine Berends*	2019	50,000	–	–	50,000	–
	2018	50,000	–	–	–	50,000
Katrina Onishi*	2019	50,000	–	–	50,000	–
	2018	50,000	–	–	–	50,000
Alex Ihlenfeldt*	2019	535,000	–	–	535,000	–
	2018	535,000	–	–	–	535,000
Don Hamson*	2019	250,000	–	–	250,000	–
	2018	250,000	–	–	–	250,000
Total options held*	**2019**	**935,000**	**–**	**–**	**935,000**	**–**
	2018	**935,000**	**–**	**–**	**–**	**935,000**

*Held through direct and indirect interests

Directors and their related parties acquire options over ordinary shares in the Company on the same terms and conditions available to other shareholders.

Note 14 Remuneration of auditors

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

(a) Audit and other assurance services

	2019 $	2018 $
Audit services – Pitcher Partners		
Audit of financial reports	50,223	45,430
Total remuneration for audit and other assurance services	**50,223**	**45,430**

(b) Non-audit services

	2019 $	2018 $
Taxation services – Pitcher Partners		
Tax compliance services	10,429	10,278
Total remuneration for tax compliance services	**10,429**	**10,278**

The Board oversees the relationship with the Company's external auditors. The Board reviews the scope of the audit and the proposed fee. It also reviews the cost and scope of other audit-related tax compliance services provided by the audit firm, to ensure that they do not compromise independence.

Note 15
Related party transactions

All transactions with related parties were made on normal commercial terms and conditions and at market rates.

(a) Investment Management Agreement

Don Hamson and Alex Ihlenfeldt, directors of the company, are directors of the Manager.

The Company appointed the Manager to act as investment manager of the Company's portfolio under the Investment Management Agreement.

Under the Investment Management Agreement, the Manager must:

(1) invest money constituted in or available to the Company's portfolio, including money received as a consequence of disposal of investments or any dividend or other distribution received;

(2) retain investments; and

(3) realise or dispose of investments.

The initial term of the Investment Management Agreement is 10 years, which will be automatically extended for successive five-year periods up to 25 years from the commencement date when it will terminate, unless terminated earlier in accordance with the Investment Management Agreement. The Company may remove the Manager and terminate the agreement after the expiration of the initial term if the shareholders resolve by ordinary resolution that the Manager should be removed as manager of the Company's portfolio, on delivery of three months' prior written notice.

The associated fees payable to the Manager are listed below:

Management fee

In its capacity as investment manager, the Manager is entitled to receive a management fee of 0.80% per annum (exclusive of GST) of the value of the Company's portfolio calculated daily and paid at the end of each month in arrears.

For the year ended 30 June 2019 the Manager was paid a management fee of $2,578,261, exclusive of GST (year ended 30 June 2018: $2,549,161).

As at 30 June 2019, the balance payable to the Manager was $218,912, exclusive of GST (30 June 2018: $216,246).

Note 15 Related party transactions

(continued)

(b) Services Agreement

Alex Ihlenfeldt, a director of the company, is also a director of Pinnacle, the Administrator.

The Company has entered into the Services Agreement with Pinnacle for the provision of the following administration support services:

- Middle office portfolio administration;
- Finance, tax and reporting and administration; and
- Legal counsel and company secretarial.

The Company is required to pay Pinnacle a service fee quarterly in arrears for the provision of the services calculated as follows:

(1) in respect of the first financial year to 30 June 2017 – $70,000 (exclusive of GST) (Base Retainer); and

(2) in respect of each subsequent financial year – the Base Retainer calculated for the immediately preceding financial year indexed by 3%.

For the year ended 30 June 2019, Pinnacle was paid a fee of $81,689, exclusive of GST (year ended 30 June 2018: $72,100). As at 30 June 2019, the balance payable was $20,422 exclusive of GST (30 June 2018: $19,600).

(c) Responsible Entity of Plato Fund

Alex Ihlenfeldt, a director of the company, is one of four directors of Pinnacle Fund Services Limited, the responsible entity of the Plato Fund.

Note 16
Reconciliation of profit after income tax to net cash outflow from operating activities from operating activities

	2019 $'000	2018 $'000
Profit for the period	**34,592**	**19,098**
Changes in operating assets / liabilities		
(Increase) / decease in trade and other receivables	(2,791)	772
Decrease / (increase) in deferred tax balances credited to profit or loss	795	(249)
(Decrease) / increase in trade and other payables	(46)	82
Net cash inflow / (outflow) from operating activities	**32,550**	**19,703**

Note 17
Earnings per share

(a) Earnings used in the calculation of basic and diluted earnings per share	**2019 $'000**	**2018 $'000**
Profit from continuing operations attributable to the owners of the Company	34,592	19,098
(b) Basic and diluted earnings per share	**Cents**	**Cents**
Profit from continuing operations attributable to the owners of the Company	11.7	6.4
(c) Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	**Number**	**Number**
	296,775,736	296,455,143

Note 18 Subsequent events

On 8 August 2019 the Company announced an entitlement offer (Offer) consisting of:

- a 1 for 1.6 non-renounceable entitlement offer of new fully paid ordinary shares in the Company at an offer price of $1.10 (New Shares) for existing eligible shareholders;
- an oversubscription facility for existing eligible shareholders to apply for additional New Shares in excess of their entitlement; and
- an offer of New Shares not taken up by eligible shareholders in the entitlement offer and oversubscription facility to institutional and retail investors.

The Offer seeks to raise up to approximately $204.3 million via the issue of 185.7 million New Shares. The New Shares are expected to be issued under the Offer during September 2019. Further information regarding the Offer is provided in the Prospectus lodged with ASIC on 8 August 2019.

Apart from the above, no matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Note 19 Contingencies and commitments

The Company has no known contingent assets or liabilities.

“The first and the best victory is to conquer self.”

Plato (427-347 BC)

8. Directors' Declaration

The Directors declare that:

(a) the financial statements and notes as set out on pages 26 to 56 are in accordance with the *Corporations Act 2001,* including:

(1) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(2) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the year ended on that date.

(b) in the Directors' opinion there are reasonable grounds to believe that Plato Income Maximiser Limited will be able to pay its debts as and when they become due and payable.

(c) note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board; and

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001.*

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

Jonathan Trollip

Jonathan Trollip
Chairman
Sydney
22 August 2019

9. Independent Auditor's Report

PITCHER PARTNERS

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Independent Auditor's Report
To the Members of Plato Income Maximiser Limited
ABN 63 616 746 215

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Plato Income Maximiser Limited ("the Company"), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of Plato Income Maximiser Limited is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year ended; and
ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (*"the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	***How our audit addressed the matter***
Existence and valuation of Investments ***Refer to Note 3: Fair value measurement, Note 7: Investments and Note 8: Deferred tax assets/liabilities***	
We focused our audit effort on the existence, and valuation of the Company's investment due to the size of the balance. It also represents the most significant driver of the Company's net tangible assets (NTA) and profits. As the Company's sole investment is in an unlisted managed investment scheme, there are judgements involved in determining the fair value on investment. We therefore identified the existence and valuation of the investment as an area of focus. The revaluation of investments poses a further audit focus area in relation to the taxation adjustments.	Our procedures included, amongst others: ▪ Obtaining an understanding and evaluating the investment management process and controls; ▪ Assessing the existence and valuation by agreeing the investment units held and the unit price as at 30 June 2019 to the distribution statement; ▪ Obtaining the 30 June 2019 audited accounts of the Fund and performing procedures including: - Recalculating NAV and comparing to reported unit price; - Confirming the 30 June 2019 balance of units and movement in units for the class of units offered to the Company in the Fund; - Considering the appropriateness of the Fund's accounting policies; and - Confirming that the Fund's audit opinion is unmodified. ▪ Evaluating the appropriateness of the accounting treatment of revaluations of financial assets for current/deferred tax and unrealised gains or losses; and ▪ Assessing the adequacy of disclosures in the financial statements.

Other information

The Directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 22 of the Directors' report for the year ended 30 June 2019. In our opinion, the Remuneration Report of Plato Income Maximiser Limited for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

SMWhiddett

Pitcher Partners

SM Whiddett
Partner
22 August 2019

Pitcher Partners
Sydney

“Good people do not need laws to tell them to act responsibly, while bad people will find a way around the laws.”

Plato (427-347 BC)

10. Shareholder Information

The shareholder information set out below was applicable as at 21 August 2019.

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report, is listed below.

Distribution of equity securities

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

Holding	Number of shareholders	Shares	Percentage
1 – 1,000	176	84,714	0.029%
1,001 – 5,000	519	2,075,345	0.698%
5,001 – 10,000	809	7,158,398	2.409%
10,001 – 100,000	4,172	161,563,500	54.365%
100,001 and over	423	126,299,303	42.499%
Total	**6,099**	**297,181,260**	**100.000%**
Holdings less than a marketable parcel (less than $500)	**73**	**5,986**	**0.002%**

There are no options currently on issue by the Company. PL8O options expired on 29 April 2019.

Equity security holders

The Company's twenty largest quoted equity security holders are:

Name	Number held	Percentage of shares issued
BNP Paribas Nominees Pty Ltd	8,547,831	2.876%
First City Nominees Pty Ltd	6,520,030	2.194%
Australian Executor Trustees Limited	6,093,533	2.050%
Navigator Australia Ltd	5,883,709	1.980%
HSBC Custody Nominees (Australia) Limited	2,263,215	0.762%
Mr Gregory Alan Bell & Mrs Myra Margaret Bell	2,000,000	0.673%
Mr Victor John Plummer	1,800,000	0.606%
Netwealth Investments Limited	1,653,016	0.556%
Mr Keith Wigman & Mrs Margaret Jane Wigman	1,490,000	0.501%
Drug Awareness & Relief Foundation (Australia)	1,273,000	0.428%
Australian Executor Trustees Limited	1,104,497	0.372%
Mrs Junida Stephenson	1,000,000	0.336%
The Rebecca L Cooper Medical Research Foundation Ltd	989,554	0.333%
Charanda Nominee Company Pty Ltd	960,000	0.323%
Australian Executor Trustees Limited	948,458	0.319%
Netwealth Investments Limited	933,598	0.314%
Lloyd Superannuation Management Pty Limited	733,090	0.247%
Kirkfare Pty Ltd	700,000	0.236%
Magnet Investments Pty Ltd	636,364	0.214%
Pinnacle Charitable Foundation Ltd	604,500	0.203%
Total	**46,134,395**	**15.524%**
Total remaining holders balance	**251,046,865**	**84.476%**

Voting rights

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Stock exchange listing

Quotation has been granted for all of the ordinary shares and options of the Company on all member exchanges of the ASX.

Unquoted securities

There are no unquoted shares.

Securities subject to voluntary escrow

There are no securities subject to voluntary escrow.

Brokerage

During the year ended 30 June 2019, the Company reinvested distributions of $15,870,000 into the Plato Australian Shares Income Fund. No brokerage was paid on this investment.

On-market buy-back

There is currently no on market buy-back.

Working capital

In accordance with ASX Listing Rule 4.10.19, during the year ended 30 June 2019, the Company has used its working capital in a way consistent with its business objective.

11. Corporate Directory

Board of Directors
Jonathan Trollip, Chairman
Lorraine Berends
Katrina Onishi
Donald Hamson
Alexander Ihlenfeldt

Secretary
Calvin Kwok

Manager
Plato Investment Management Limited
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Level 35
60 Margaret Street
Sydney NSW 2000
Fax: +61 (0) 2 8970 7799
Toll Free: 1300 010 311

ASX Code
PL8 - Ordinary Shares

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Mont Lawyers
Suite 18, 50 Stanley Street
Darlinghurst NSW 2010
Tel: +61 (0) 2 9059 8113
www.montlawyers.com

Auditors
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201 Sussex Street
Sydney NSW 2000
Tel: +61 (0) 2 9221 2099
Fax: +61 (0) 2 9223 1762
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Share Register
Boardroom Pty Limited
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Sydney NSW 2000
Toll Free: 1300 737 760
International: +61 (0) 2 9290 9600
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Registered Office
Level 35, 60 Margaret Street
Sydney NSW 2000
Tel: 1300 651 577

Website Address
http://www.plato.com.au/lic-overview/

Plato
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