AROWANA
CONTRARIAN VALUE FUND

Contrarian Value Fund Limited

ACN 602 250 644

Financial report accompanying Appendix 4E – 30 June 2019

Contrarian Value Fund Limited

For the year ended 30 June 2019

Statement of Profit or Loss and Other Comprehensive Income

For the reporting year ended 30 June		2019	2018
	Note	$	$
Revenue from ordinary activities			
Interest income		285,378	252,885
Dividend income	3	253,985	748,285
Other income		49,468	-
Net fair value gains/(losses) on financial assets held at fair value through profit or loss	6	771,431	34,642,652
Total revenue		**1,360,262**	**35,643,822**
Other gains/(expenses) - Gain/(Loss) on foreign exchange		1,240,945	147,854
Expenses			
Management fees	17(d)	(914,886)	(5,798,937)
Directors' fees	17(a)	(90,000)	(90,000)
Professional fees		(159,829)	(73,048)
Compliance and governance expenses		(203,964)	(183,726)
Other expenses		(664,297)	(73,312)
Total expenses		**(2,032,976)**	**(6,219,023)**
Profit/(loss) before income tax expense		568,231	29,572,653
Income tax expense	4(a)	(101,977)	(8,666,044)
Profit after income tax for the year attributable to the owners of the Company		**466,254**	**20,906,609**
Other comprehensive income for the year attributable to the owners of the Company		**-**	**-**
Total other comprehensive income for the year attributable to the owners of the Company		**466,254**	**20,906,609**
Earnings per share for profit after income tax attributable to the owners of the ordinary shares of the Company			
Basic (cents per share)	15	**0.01**	**30.20**
Diluted (cents per share)	15	**0.01**	**30.20**

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

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Contrarian Value Fund Limited
For the year ended 30 June 2019

Statement of Financial Position

As at 30 June		2019	2018
Assets	Note	$	$
Current assets			
Cash and cash equivalents	7	58,025,527	32,456,373
Receivables	8	101,710	538,253
Total current assets		**58,127,237**	**32,994,626**
Non-current assets			
Financial assets held at fair value through profit or loss	9(a)	34,430,645	77,508,258
Total non-current assets		**34,430,645**	**77,508,258**
Total assets		**92,557,882**	**110,502,884**
Liabilities			
Current liabilities			
Payables	11	366,578	5,212,873
Financial liabilities held at fair value through profit or loss	9(b)	6,592,693	8,652,186
Income tax payable	4(d)	305,992	3,337,140
Total current liabilities		**7,265,263**	**17,202,199**
Non-current liabilities			
Deferred tax assets and liabilities – net	10	1,108,396	6,040,153
Total non-current liabilities		**1,108,396**	**6,040,153**
Total liabilities		**8,373,659**	**23,242,352**
Net assets		**84,184,223**	**87,260,532**
Equity			
Contributed equity	12	69,295,060	68,294,100
Retained profits		14,889,163	13,726,516
Dividend Distribution Reserve	13	-	5,239,916
Total equity		**84,184,223**	**87,260,532**

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

Contrarian Value Fund Limited

For the year ended 30 June 2019

Statement of Changes in Equity

	Note	Contributed equity $	Retained profits $	Dividend distribution reserve $	Total equity $
Balance at 30 June 2017		**67,881,687**	**3,247,750**	**-**	**71,129,437**
Profit after tax for the year attributable to the owners of the Company		-	20,906,609	-	20,906,609
Other comprehensive income		-	-		-
Total comprehensive income for the year attributable to the owners of the Company		**-**	**20,906,609**	**-**	**20,906,609**
Transactions with owners in their capacity as owners:					
Transfer from retained earnings during the year	13	-	(8,000,000)	8,000,000	-
Contributed equity (DRP net of share buy-back)	12	412,413	-	-	412,413
Dividend paid	14	-	(2,427,843)	(2,760,084)	(5,187,927)
Balance at 30 June 2018		**68,294,100**	**13,726,516**	**5,239,916**	**87,260,532**
Profit/(loss) after tax for the year attributable to the owners of the Company		-	466,254	-	466,254
Other comprehensive income		-	-		-
Total comprehensive income for the year attributable to the owners of the Company		**-**	**466,254**	**-**	**466,254**
Transactions with owners in their capacity as owners:					

Contrarian Value Fund Limited

For the year ended 30 June 2019

		Contributed equity	Retained profits	Dividend distribution reserve	Total equity
Transfer of reserves to retained earnings	13	-	5,239,916	(5,239,916)	-
Contributed equity (net of transaction costs and taxes) (DRP net of share buyback)	12(d)	1,000,960	-	-	1,000,960
Dividend paid	14	-	(4,543,523)	-	(4,543,523)
Balance at 30 June 2019		**69,295,060**	**14,889,163**	**-**	**84,184,223**

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

Statement of Cash Flows

For the year ended 30 June		2019	2018
Cash flows from operating activities	**Note**	**$**	**$**
Proceeds from sale of financial assets held at fair value through profit or loss		61,056,286	61,958,255
Payments for purchase of financial assets held at fair value through profit or loss		(18,794,944)	(61,540,713)
Interest received		287,236	252,885
Dividends received		253,985	748,285
Other income received		49,470	-
Custody fees paid		(44,081)	(73,003)
Payment of other operating expenses		(6,872,297)	(1,342,394)
Income tax paid		(8,064,882)	(1,738,613)
Net cash (outflow) from operating activities	19(a)	**27,870,773**	**(1,735,298)**
Cash flows from financing activities			
On-market share buy-back		(235,351)	(1,032,242)
Proceeds from dividend reinvestment plan		1,236,310	1,444,423
Payment of dividend		(4,543,523)	(5,187,927)
Net cash outflow from financing activities		**(3,542,564)**	**(4,775,746)**
Net increase/(decrease) in cash and cash equivalents		*24,328,209*	*(6,511,044)*
Cash and cash equivalents at beginning of the period		32,456,373	38,819,563
Effect of foreign currency translation		1,240,945	147,854
Cash and cash equivalents at the end of the period	19(b)	**58,025,527**	**32,456,373**

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

1. General information

This report covers Contrarian Value Fund Limited (the **Company**) as an individual entity.

The Company was admitted to the official list of ASX Limited on 2 January 2015 and official quotation of the Company's securities commenced on 5 January 2015. The amount raised from the initial public offering is invested in listed securities and cash. ACVF Management Pty Ltd (**Manager**) is the Investment Manager of the Company. The Company has no employees other than Non-Executive Directors.

The Company is incorporated and domiciled in Australia. The financial statements are presented in Australian currency.

This Appendix 4E preliminary report was authorised for issue by the directors on 19th August 2019.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of this report are set out below.

(a) Basis of preparation

This report has been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and the *Corporations Act 2001* in Australia.

The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Except for the cash flow information, the report has been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The statement of financial position presents assets and liabilities on the basis of current and non-current items.

Compliance with Australian Accounting Standards and International Financial Reporting Standards (IFRS)

This report of the Company complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

New and amended standards adopted by the Company

The below accounting standards and amendments are applicable for the first time in the current reporting period:

(i) AASB 9: Financial Instruments (and applicable amendments)

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The adoption of the amendment does not have a significant impact on the recognition, classification and measurement of the Company’s financial instruments as they are carried at fair value through profit or loss. The derecognition rules have not changed from the previous requirements, and the Company does not apply hedge accounting. AASB 9 introduces a new impairment model.

The Directors of the Company have made an assessment and determined that the standard does not have a significant impact on the recognition and measurement of the Company's financial instruments as they are held at fair value through profit and loss. The de-recognition rules have not been changed from previous requirements and the Company do not apply hedge accounting.

(ii) AASB 15: Revenue from Contracts with Customers

AASB 15 replaces AASB 118 Revenue which covers contracts for goods and services and AASB 111 Construction Contracts which covers construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

(b) Financial instruments

(i) Classification

Financial assets and liabilities held at fair value through profit or loss

The Company's investments are categorised as held at fair value through profit or loss.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Company's documented investment strategy. The Company's policy is for the Manager to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

The information on the fair value basis is provided internally to the Company's key management personnel. In addition, the designation of financial assets and financial liabilities at fair value through profit or loss will reduce any measurement or recognition inconsistencies and any accounting mismatch that would otherwise arise.

Assets and liabilities at amortised cost

This category includes short term receivables/payables that are measured at amortised cost.

(ii) Recognition/de-recognition

The Company recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired;
- The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' agreement; or

- The Company has transferred its rights to receive cash flows from the asset and either:
- Has transferred substantially all the risks and rewards of the asset; or
  a) Has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

  b) A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

(iii) Measurement

Financial assets and liabilities held at fair value through profit or loss

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all financial assets and liabilities held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of profit or loss and other comprehensive income.

Fair value in an active market

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

A financial asset is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The Company's financial assets that are valued based on active markets generally include listed instruments, ranging from listed equity and/or debt securities to listed derivatives, where applicable.

Assets and liabilities at amortised cost

Assets and liabilities under this category are measured at amortised cost using the effective interest method.

A loss allowance for expected credit losses is recognised for trade and other receivables by assessing days past due and default rates.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(c) Short Selling

Short selling is undertaken as part of the investment strategy to benefit from falling securities prices. The Company engages in short selling by borrowing securities from a Broker in anticipation of a decline in the fair value of that security and providing collateral to that Broker. A gain, limited to the price at which the Company sold the security short, or a loss, unlimited in amount, will be recognised upon the termination of a short sale. The fair value of short sales is calculated at the 'ask' price on the reporting date.

(d) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within current liabilities on the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Company's main income generating activity.

(e) Revenue/income recognition

Interest income and interest expenses are recognised in the statement of comprehensive income for all financial instruments on an accrual basis. Other changes in fair value for such instruments are recorded in accordance with the policies described in note 2(b). Dividend income is recognised on the ex-dividend date.

Trust distributions are recognised on an entitlements basis.

(i) Net gains/(losses) on financial assets and financial liabilities held at fair value through profit or loss arising on a change in fair value are calculated as the difference between the fair value at the end of the reporting period and the fair value at the previous valuation point.

(ii) Net gains/(losses) do not include interest or dividend/distribution income. Realised and unrealised gains/(losses) are recognised in the profit or loss.

(f) Expenses

All expenses are recognised in the profit or loss on an accruals basis when incurred.

(g) Income tax

The income tax expense or revenue for the period is the tax payable on the current period’s taxable income based on the Australian corporate income tax rate (30%) adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Company may incur withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in the statement of comprehensive income.

Current and deferred tax balances are recognised in the statement of comprehensive income.

(h) Contributed equity

Ordinary shares are classified as equity. Issued and paid up equity is recognised at the fair value of the consideration received by the Company.

Incremental costs directly attributable to the issue of new shares or options (that vest immediately) are shown in equity as a deduction, net of tax, from the proceeds.

If the entity reacquires its own equity instruments, for example as the result of a share buyback, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(i) Earnings per share

(i) **Basic earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for bonus elements in ordinary shares issued during the period.

(ii) **Diluted earnings per share**

Diluted earnings per share adjusts the 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 shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(j) Foreign currency translation

(i) Functional and presentation currency

Items included in the Company's report are measured using the currency of the primary economic environment in which it operates ("the functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Company is regulated. The Australian dollar is also the Company's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at reporting period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

The Company does not isolate that portion of unrealised gains or losses on securities and derivative financial instruments that are measured at fair value through profit or loss and which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments at fair value through profit or loss.

(k) Receivables

Receivables may include such items as Reduced Input Tax Credits (RITC), amounts for dividends, interest and securities sold where settlement has not yet occurred. Dividends are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in note 2(e) above.

(l) Payables

Payables include liabilities and accrued expenses owing by the Company which are unpaid as at the end of the reporting period.

Trade payables are recorded on trade date, and normally settled within two business days. Purchases of financial instruments that are unsettled at the end of each reporting period are included in payables.

(m) Goods and Services Tax (GST)

Expenses of various services provided to the Company by third parties such as custodial services and investment management fees etc. are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the expense in the statement of comprehensive income.

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

(n) Operating segment information

The Company operates in Australia only and the principal activity is investment in listed securities.

(o) Use of judgments and estimates

The preparation of the Company's report requires it to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. However, estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(p) New and amended standards adopted by the Company

A number of new or amended standards became applicable for the current reporting period, however, the Company did not have to make retrospective adjustments as a result of adopting these standards.

- AASB 9: *Financial Instruments* (effective 1 July 2018)

  AASB 9 contains requirements in relation to the classification, measurement and de-recognition of financial assets and liabilities, replacing the recognition and measurement requirements in AASB 139 *Financial instruments: Recognition and Measurement* . Under the new requirements the four current 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. Financial assets can only be measured at amortised cost where very specific conditions are met.

  AASB 9 introduces new hedge accounting requirements including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged, and disclosures.

  There was no impact on the Company upon adoption of AASB 9 as the Company currently classifies financial assets and financial liabilities at fair value through profit or loss or amortised cost, and the Company does not apply hedge accounting.

  AASB 9 also introduces a new impairment model. The Company's receivables include dividend and settlement of share trade. As the settlement period is short, the change in impairment rules did not have a material impact.

- AASB 15: *Revenue From Contracts With Customers* (effective 1 July 2018)

  AASB 15 superseded *AASB 18 Revenue* and *AASB 111 Construction Contracts* . Although AASB 15 is principles-based, it is a significant change from the current revenue requirements and will involve more judgements and estimates as revenue is recognised when control of a good or service transfers to a customer, or on satisfaction of performance obligations under contracts, which replaces the existing notion of risk and rewards.

  There was no impact on the Company upon the adoption of AASB 15 as the Company's revenue recognition of interest, dividend, investment gains/(losses) and foreign exchange gains/(losses) were unaffected as these items are excluded from the scope of AASB 15.

There are no other standards that are not yet effective and that are expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

(q) New accounting standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2019, and have not been early adopted in preparing these financial statements. None of these, including *AASB16 Leases* are expected to have a material effect on the financial statements of the Company.

(r) Dividend Distribution Reserve

The dividend distribution reserve is made up of amounts transferred, at the discretion of the Board, from current and retained earnings that are preserved for future dividend payments.

3. Dividend income

For the year ended 30 June	2019	2018
	$	$
Dividends received	253,985	748,285

4. Income tax expense/(benefit)

For the year ended 30 June	2019	2018
	$	$
(a) Income tax expense/(benefit) recognised in profit or loss		
Current income tax expenses	5,042,989	3,341,009
Deferred tax expense/(benefit)	(4,941,012)	5,325,035
	101,977	8,666,044
(b) Income tax expense is attributable to		
Profit/(loss) from continuing operations	(101,977)	8,666,044
	(101,977)	8,666,044
(c) Deferred income tax expense/(benefit) included in the income tax expenses comprises:		
(Increase)/decrease in deferred tax assets	1,565,129	(1,327,832)
Increase /(decrease) in deferred tax liabilities	(6,506,141)	6,652,867
	(4,941,012)	5,325,035

For the year ended 30 June	2019	2018
	$	$
(d) The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follow:		
Profit/(loss) from continuing operations before income tax expense	568,231	29,572,653
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2018: 30%)	170,469	8,871,796
Add:		
Tax effect of		
- **Non-deductible expenditure**	-	-
- **Other assessable items**	(49,316)	88,180
Less:		
Tax effect of		
- **Other allowable items**	-	-
- **Under/(over) provision for income tax in prior year**	(1,047)	-
Franking credits	(18,129)	(281,012)
Losses not previously recognised	-	-
Income tax attributable to entity	101,977	8,678,964
Effective rate of income tax	18%	29%
Current income Tax Expense	5,042,989	3,341,009
Paid	4,736,997	3,869
Payable	305,992	3,337,140
	5,042,989	3,341,009

5. Auditor's remuneration

During the reporting period the following fees were paid or payable to PKF Brisbane Audit, or its network firms for:

For the year ended 30 June	2019	2018
	$	$
(a) Audit and other assurance services		
Audit and review of financial statements and other audit related work under the *Corporations Act 2001*	30,000	41,280
Total remuneration for audit and assurance services	30,000	41,280

For the year ended 30 June	2019	2018
(b) Other non-audit services		
Taxation services – PKF(NS) Tax Pty Limited	4,500	9,063
Total remuneration for other non-audit services	4,500	9,063
Total remuneration for PKF	**34,500**	**50,343**

6. Net gains/(losses) on financial instruments held at fair value through profit or loss

Net gains/(losses) recognised in relation to financial assets and financial liabilities held at fair value through profit or loss:

For the year ended 30 June	2019	2018
	$	**$**
Net fair value gains/(losses) on financial assets held at fair value through profit or loss	771,431	34,642,652

7. Cash and cash equivalents

As at 30 June	2019	2018
	$	**$**
Cash at bank - AUD account	41,256,000	9,433,427
Cash at bank - EUR account	841	-
Cash at bank - USD account	1,083,914	8,500,995
Cash at bank - CAD account	1,963,677	2,106,252
Cash at bank - JPY account	1,095	695,699
Cash at bank - collateral for borrowed securities (refer note 2(c))	13,720,000	11,720,000
Total Cash and cash equivalents	**58,025,527**	**32,456,373**

8. Receivables

As at 30 June	2019	2018
	$	**$**
Trade receivables	-	486,252
Accrued interest	3,142	5,000
Prepayments	72,492	38,975
GST claimable	26,076	8,026
	101,710	**538,253**

9. Financial assets and liabilities held at fair value through profit or loss

(a) Financial assets held at fair value through profit or loss

As at 30 June	2019	2018
	$	**$**
Designated at fair value through profit or loss		
Investment in listed securities at fair value through profit or loss	34,430,645	77,508,258

(b) Financial liabilities held at fair value through profit or loss

As at 30 June	2019	2018
	$	**$**
Designated at fair value through profit or loss		
Financial liabilities on borrowed securities held at fair value through profit or loss	6,592,693	8,652,186

The Company may engage in limited short selling of securities as outlined in note 2(c). An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in note 16.

10. Deferred tax assets and liabilities – net

As at 30 June	2019	2018
	$	**$**
Deferred tax liabilities – net consist of:		
Deferred tax assets (a)	46,882	1,564,672
Deferred tax liabilities (b)	(1,155,278)	(7,604,825)
Deferred tax assets/(liabilities) - net	**(1,108,396)**	**(6,040,153)**

(a) Deferred tax assets

As at 30 June	2019	2018
	$	$
The balance comprises temporary differences attributable to:		
Capital raising cost	13,069	102,659
Other timing differences	33,813	1,462,013
Total deferred tax assets	46,882	1,564,672
Movements		
Opening balance	1,564,672	236,840
Charged to profit or loss	(1,565,129)	1,327,832
Under/(Over) provision	47,339	-
Closing balance at 30 June	**46,882**	**1,564,672**

(b) Deferred tax liabilities

As at 30 June	2019	2018
	$	$
The balance comprises temporary differences attributable to:		
Unrealised gain on financial assets held at fair value through profit or loss	1,155,278	7,604,825
Total deferred tax liabilities	**1,155,278**	**7,604,825**
Movements		
Opening balance	7,604,825	951,957
Charged to profit or loss	(6,506,141)	6,652,868
Under/(Over) provision	56,596	-
Closing balance at 30 June	**1,155,280**	**7,604,825**

11. Payables

As at 30 June	2019	2018
	$	$
Trade payables (note 16(e))	253,869	180,824
Accrued expenses	112,709	5,032,049

As at 30 June	2019	2018
Total Payables	**366,578**	**5,212,873**

Trade payables are unsettled purchases of investments and are generally payable within two business days.

12. Contributed equity and movements in total equity

	As at 30 June	As at 30 June
	$	No.
(a) Contributed equity		
Share capital - fully paid ordinary shares	69,340,103	69,672,141
Capital raising costs	(1,046,003)	-
Balance at 30 June 2018	**68,294,100**	**69,672,141**
(b) Movements in shares on issue FY 2018		
Opening balance – 1 July 2017	67,881,687	69,366,895
Dividend Reinvestment Plan	1,444,423	1,329,798
On-market share buy-back	(1,032,010)	(1,024,552)
Closing balance – 30 June 2018	**68,294,100**	**69,672,141**
(c) Contributed equity		
Share capital - fully paid ordinary shares	70,341,063	70,566,275
Capital raising costs	(1,046,003)	-
Balance at 30 June 2019	**69,295,060**	**70,566,275**
(d) Movements in shares on issue FY 2019	**$**	**No.**
Opening balance – 1 July 2018	68,294,100	69,672,141
Dividend Reinvestment Plan	1,236,311	1,117,339
On-market share buy-back	(235,351)	(223,205)
Closing balance – 30 June 2019	**69,295,060**	**70,566,275**

(i) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company

(ii) Capital risk management

The Company's policy is to maintain an appropriate level of liquidity in the Company's shares.

To achieve this, the Board of Directors monitors monthly NTA results, investment performance, the Company's management expenses and share price movements.

13. Dividend distribution reserve

During the prior reporting period the Board established a dividend distribution reserve to set aside amounts from current and retained earnings that are preserved for future dividend payments. The movement back to retained earnings does not signal an intention to cease dividend payments, this is a reclassification by the fund administrator.

Dividend distribution reserve	2019	2018
	$	$
Opening balance	5,239,916	-
Transferred to retained earnings	(5,239,916)	-
Transferred from retained earnings	-	8,000,000
Dividends paid (interim)	-	(2,760,084)
	-	**5,239,916**

14. Dividends paid

For the year ended 30 June	2019	2018
	$	$
Final - Cash paid 5 Oct '18 (2018: 29 Sep '17)	2,266,784	1,771,486
- Dividend Reinvestment Plan 5 Oct '18 (2018: 29 Sep '17)	868,463	656,357
Interim - Cash paid 2 May '19 (2018: 5 Apr '18)	1,040,428	1,972,018
- Dividend Reinvestment Plan 2 May '19 (2018: 5 Apr '18)	367,848	788,066
Total dividend paid	**4,543,523**	**5,187,927**

15. Earnings per share

For the year ended 30 June	2019	2018
	$	$
(a) Earnings		
Profit after income tax attributable to the owners of the Company	466,254	20,906,609
Earnings used in calculating basic and diluted earnings per share	466,254	20,906,609
(b) Earnings per share		
Basic earnings per share (cents)	0.01	30.2

For the year ended 30 June	2019	2018
	$	$
Diluted earnings per share (cents)	0.01	30.2
(c) Number of shares		
Weighted average number of shares used in the calculation of basic earnings per share	70,247,854	69,233,763
Weighted average number of shares used in the calculation of diluted earnings per share	70,247,854	69,233,763

16. Financial risk management

(a) Objectives, strategies, policies and processes

The Company's activities may expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Company's overall risk management program focuses on ensuring compliance with the Company's governance and investment mandate and seeks to maximise the returns derived for the level of risk to which the Company is exposed. Financial risk management is carried out by the Manager under policies approved by the Board.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: price risk, foreign currency risk and interest rate risk. Market risk is managed via portfolio diversification and minimised through ensuring that all investment activities are undertaken in accordance with established mandates and investment strategies.

The market risk disclosures are prepared on the basis of the Company's direct investments and not on a look-through basis.

The sensitivity of the Company's total equity and profit/(loss) to price risk, foreign exchange risk and interest rate risk is measured by the reasonably possible movements approach. This approach is determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates and foreign exchange rates, historical correlation of the Company's investments with the relevant benchmarks and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Company invests. As a result, historic variations in the risk variables are not a definitive indicator of future variations in the risk variables.

The overall market exposures were as follows:

As at 30 June	2019	2018
	$	$
Financial Assets - securities at fair value through profit or loss*	34,430,645	77,508,258
Financial Liabilities – borrowed securities at fair value through profit or loss*	(6,592,693)	(8,652,186)
Cash and cash equivalents	58,025,527	32,456,373

** Where securities have been borrowed in anticipation of a short sell and at the balance date that sale has not yet taken place, the liability for the borrowing and the asset held for sale are offset and excluded from the portfolio positions in the balance sheet. At 30 June 2019 securities totalling $6,592,693 (2018: $1,085,490) were borrowed and not sold.*

(i) Price risk

Price risk is the risk that the fair value or future cash flows of equities will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

Price risk exposure arises from the Company's investment portfolio. The investments are classified on the statement of financial position as held at fair value through profit or loss. All securities investments present a risk of loss of capital. Except for equities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from equities sold short can be unlimited, however the Company’s short selling activity is strictly managed and limited to 25% of the portfolio value.

The Manager mitigates this price risk through diversification and a careful selection of securities and other financial instruments within specified limits set by the Board.

The Company's overall market positions are monitored on a regular basis by the Company's Manager. This information is reported to the relevant parties on a regular basis and ultimately the Board.

At 30 June 2019, if the equity prices had increased/(decreased) by the percentage indicated below, with all other variables held constant, the total equity and profit/(loss) would have changed by the following amounts, approximately and respectively:

As at 30 June 2019	Increased by 10%	Decreased by 10%
	$	$
Increase/(decrease) in total equity (and profit/(loss) for the reporting period attributable to the owners of the Company)	2,783,795	(2,783,795)

(ii) Foreign exchange risk

The foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The summary of quantitative data about the Company's exposure to currency risk as at 30 June 2019, in AUD equivalent amounts, is set out below:

	EUR	USD	CAD	JPY
Cash	841	1,083,914	1,963,677	1,095
Securities	2,332,937	6,161,867	6,819,464	-
Liabilities	-	-	-	-
Net Assets	**2,333,778**	**7,245,781**	**8,783,141**	**1,095**

The following significant exchange rates applied during the current year ended 30 June 2019:

	Average rate	Reporting date spot rate
EUR/AUD	0.6270	0.6162
USD/AUD	0.7152	0.7018
CAD/AUD	0.9471	0.9170
JPY/AUD	79.46	75.61

(iii) Interest rate risk

There were no significant direct interest rate risks in the Company as at 30 June 2019.

The Company's cash and cash equivalent financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates. The risk is closely monitored and mitigated by adherence to strict portfolio strategies and guidelines set by the Board.

(c) Credit risk

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

Credit risk primarily arises from investments in debt securities. Other credit risk arises from cash and cash equivalents, and deposits with banks and other financial institutions.

With respect to credit risk arising from the financial assets of the Company, the Company's exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these investments as disclosed in the statement of financial position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

Counterparty credit limits and the list of authorised brokers are reviewed by the relevant parties within the Company on a regular basis as deemed appropriate.

In accordance with the Company's policy, the Investment Manager monitors the Company's credit position on a regular basis. This information and the compliance with the Company's policy are reported to the relevant parties on a regular basis and ultimately the Board.

There were no significant credit risks in the Company as at 30 June 2019.

(d) Concentrations of risk

Concentrations of risk arise when a number of financial instruments are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic conditions. These similarities would cause the counterparties' liabilities to meet the contractual obligations to be similarly affected by certain changes in the risk variables.

The concentrations of risk are monitored by the Manager to ensure they are within acceptable limits by reducing the exposures or by other means as deemed appropriate.

Based on the concentrations of risk that are managed by industry sector and/or counterparty, the following investments can be analysed by the industry sector and/or counterparty:

As at 30 June	2019	2018
	$	$
Consumer discretionary	2,994,873	10,475,607
Consumer staples	3,476,601	9,558,351
Energy	2,592,000	388,371
Financials	-	348,000
Industrials	4,383,684	17,851,148
Information Technology	3,965,949	28,488,419
Others	10,424,845	1,746,175

(e) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. This risk is controlled through the Company's investment in financial instruments that under normal market conditions are readily convertible to cash. In addition, the Company maintains sufficient cash and cash equivalents to meet normal operating requirements.

The Company's investments include listed securities that are considered readily realisable, as they are listed on recognised stock exchanges.

In accordance with the Company's policy, the Manager monitors the Company's liquidity position on a regular basis. This information and the compliance with the Company's policy are reported to the relevant parties on a regular basis as deemed appropriate and ultimately the Board.

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

As at 30 June	Less than 1 month	1-3 months	3-12 months	More than 12 months
	$	$	$	$
Payables	253,869	-	-	-
Total financial liabilities – contractual cash flows	**253,869**	**-**	**-**	**-**

(f) Estimation of fair values of financial assets and liabilities

The carrying amounts of all the Company's financial assets and financial liabilities at the end of the reporting period approximated their fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company's accounting policy on fair value measurement is set out in note 2(b). The methods and assumptions used in the determination of the fair value of each class of financial instruments is also set out in note 2(b).

Note 2(o) outlines further the nature of management’s judgments, estimates and assumptions that might have been used in the determination of the fair values of these financial instruments.

(g) Fair value hierarchy

The Company is required to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); quoted prices for similar securities in active and/or inactive markets; market-corroborated inputs; inputs that are developed based on available market data and reflect assumptions that markets would use when pricing similar securities.
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

All fair value measurements disclosed are recurring fair value measurements.

The table below sets out the Company's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at the reporting date.

At 30 June	Level 1	Level 2	Level 3
	$	$	$
Financial assets held at fair value through profit or loss			
Listed equities	34,430,645	-	-
Total	34,430,645	-	-
Financial liabilities held at fair value through profit or loss			
Borrowed securities	6,592,693		
Total	6,592,693	-	-

The pricing for the majority of the Company's investments is generally sourced from independent pricing sources, the relevant Investment Manager's or reliable brokers' quotes.

Investments whose values are based on quoted market prices in active markets, e.g. recognised stock exchange, and therefore classified within level 1 include active listed equities.

Valuation technique

Listed investment in equity securities

When fair values of publicly traded equity securities are based on quoted market prices, or binding dealer price quotations, in an active market for identical assets without any adjustments, the instruments are included within Level 1 of the hierarchy. The Company values these investments at bid price for long positions and ask price for short positions. Disclosure for shares with restrictions will be classified as Level 3.

17. Related party transactions

(a) Key management personnel compensation

Any persons with responsibility for planning, directing and controlling the activities of the Company, directly or indirectly during the reporting period are considered key management personnel.

Further details of remuneration disclosures relating to key management personnel will be disclosed in the remuneration report (audited) in the Directors' Report, forming part of the Annual Report which will be finalised in September 2019.

At 30 June 2018	Short term benefits	Post-employment benefits	Total
	$	$	$
Directors	84,795	5,205	90,000

At 30 June 2019	Short term benefits	Post-employment benefits	Total
	$	$	$
Directors	84,795	5,205	90,000

(b) Other transactions with key management personnel or entities related to them

From time to time directors of Contrarian Value Fund Limited, or their director related entities, may purchase or sell the Company's securities through the Australian Securities Exchange in accordance with the Company's security trading policy.

No director has entered into a material contract with the Company since the last reporting date and there were no material contracts involving directors' interests subsisting at the reporting date.

(c) Loans transactions and balances

The Company has not made, guaranteed or secured, directly or indirectly any loans to key management personnel or their related entities during the reporting period.

(d) ACVF Management Pty Limited

The Company has entered into a management agreement with ACVF Management Pty Limited. Under the Management Agreement, ACVF Management Pty Limited receives monthly fees in connection with the provision of management services.

The management fee charged by ACVF Management Pty Ltd to the Company for the year ended 30 June 2019 was $914,886 (2018: $840,262) (exclusive of GST) pursuant to the management agreement. As at 30 June 2019, $72,177 (exclusive of GST) remains unpaid. As at 30 June 2019, there is nil performance fee payable to ACVF Management Pty Ltd (2018: $4,958,675).

(e) Related party equity security holdings

Parties related to the Company (including ACVF Management Pty Limited and its related parties), held securities in the Company as follows:

Securities in the Company as at 30 June 2019	Number of shares held opening	Number of shares held closing	Fair value of investment	Interest held	Dividends FY2019 paid/ payable by the company
Shareholders	(units)	(units)	$	%	$
The Octagon Foundation Pty Ltd (a)	1,180,000	1,180,000	1,191,800	1.67	76,700
181 Foundation Group Pty Ltd (b)	820,000	820,000	828,200	1.16	53,300
Kevin Tser Fah Chin	2	2	2	-	-
Gary Hui (resigned 22/11/2018)	228,500	-	-	-	9,000
Alnilum Pty Limited (c)	150,000	150,000	151,500	0.21	9,750
K2 Horizon Pty Ltd (c)	50,000	50,000	50,500	0.07	3,250
Ralsten Pty Ltd (d)	200,000	200,000	202,000	0.28	13,000
Penseur Pty Ltd (e)	227,550	241,125	243,536	0.34	15,673
Total	**2,856,052**	**2,641,127**	**2,667,538**	**3.73**	**180,673**

(a) *Entity of which Mr Kevin Chin is one of five Directors and which acts as Trustee of The Octagon Foundation, a private ancillary fund which is a registered Australian charity and whose investment activities are governed by its internal investment policy. Mr Chin has no beneficial ownership of the Trustee or the Foundation.*

(b) *Entity related to Mr Kevin Chin*

(c) *Entity related to Mr Kent Kwan*

(d) *Entity related to Mr John Moore*

(e) *Entity related to Ms Victoria Guy*

18. Operating segment information

The Company operates only in the investment industry in Australia and has no reportable business or geographic segments.

19. Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

For the year ended 30 June	2019	2018
	$	$
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Profit after income tax expense attributable to the owners of the Company	466,254	20,906,609
Unrealised foreign exchange(gain)/ loss	(1,240,945)	(147,854)

For the year ended 30 June	2019	2018
Unrealised (gain)/loss on financial assets and liabilities held at fair value through profit or loss	21,585,599	(22,176,222)
Net change in financial assets and liabilities held at fair value through profit or loss	19,991,819	(11,448,559)
Net change in receivables and other assets	(49,709)	(511,082)
Net change in deferred tax liabilities	(4,931,757)	5,325,035
Net change in payables and other liabilities	(7,950,488)	6,316,775
Net cash inflow/(outflow) from operating activities	**27,870,773**	**(1,735,298)**

(b) Components of cash and cash equivalents		
Cash as at the end of the year as shown in the statement of cash flows is reconciled to the statement of financial position as follows:		
Cash and cash equivalents	58,025,527	32,456,373

(c) Non-cash financing activities		
During the year, there were no non-cash investing and financing activities	-	-
(d) Changes in liabilities arising from financing activities		
During the year, there were no changes in liabilities arising from financing activities	-	-

20. Reconciliation of net tangible assets used in calculation of net tangible assets per ordinary share for ASX reporting

As at 30 June	2019	2018
	$	$
Net assets per financial statements	84,184,223	87,260,532
Less net position of deferred tax liabilities	(1,108,396)	(6,040,153)
Net tangible assets per financial statement	**85,292,619**	**93,300,685**
Expected costs to be incurred in realising proceeds of asset disposals (non-IFRS)	(126,305)	(164,280)

Net tangible assets before providing for estimated tax associated with unrealised portfolio position	**85,166,314**	**93,136,405**
Provision for estimated tax on unrealised gains (non -IFRS)	(1,141,384)	(7,617,064)
Net tangible assets for ASX reporting	**84,024,930**	**85,519,341**
Number of ordinary shares on issue at reporting date	**70,566,275**	**69,672,141**

	Chapter 19 NTA reporting	IFRS NTA reporting
	$	**$**
NTA per share, before providing for estimated tax associated with unrealised portfolio positions ($/share)	1.2069	1.2087
NTA per share, after providing for estimated tax associated with unrealised portfolio positions ($/share)	1.1907	1.1925

21. Events occurring after the reporting period

On 19 August 2019 a dividend was declared of 5.0 cents per share (100% franked) payable on 19 November 2019.

22. Contingent assets and liabilities and commitments

Due to short selling activities undertaken (refer note 2(c)), the Company is exposed to a contingent fee. As part of the contractual agreement with the securities lender, if a dividend is declared on borrowed securities the Company is liable to repay the same amount of dividend to the securities lender. Therefore, the Company's final liability to the securities lender is contingent upon the declaration, or not, of dividends on borrowed securties.

Other than the above, there are no outstanding commitments and contingent assets as at 30 June 2019.