

CADENCE CAPITAL LIMITED

ABN: 17 112 870 096

CADENCE CAPITAL LIMITED APPENDIX 4E FULL YEAR REPORT for the year ended 30 June 2010

RESULTS FOR ANNOUNCEMENT TO THE MARKET *All comparisons to the year ended 30 June 2009*

	\$	up/down	% mvmt
Revenue from ordinary activities	6,249,885	up	232 %
Profit from ordinary activities before tax attributable to members	4,984,483	up	190 %
Profit from ordinary activities after tax attributable to members	3,683,142	up	199 %
Dividend Information	Amt per share	Franked amount per share	Tax rate for franking
2010 Interim dividend per share	2.0c	2.0c	30%
2010 Final dividend per share	2.0c	2.0c	30%
Final dividend dates			
The final fully franked dividend of 2.0c per share was paid out by the Company on the 24 th June 2010.			
		30 June 2010	30 June 2009
Net tangible asset backing after tax		\$1.01	\$0.93
<i>This report is based on the 2010 Financial Report which has been subject to independent audit by the Auditors, Moore Stephens Sydney. All the documents comprise the information required by Listing Rule 4.3A. This information should be read in conjunction with the 30 June 2010 Annual Financial Report.</i>			

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CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

**ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2010**

COMPANY PARTICULARS

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

DIRECTORS:

Karl Siegling
James Chirnside
Geoffrey Wilson

SECRETARY:

Karl Siegling

MANAGER OF THE FUND:

Cadence Asset Management Pty Limited
ABN: 68 106 551 062

REGISTERED OFFICE:

Level 11, 131 Macquarie Street
Sydney, NSW 2000

DIRECTOR OF THE MANAGER:

Mr Karl Siegling

CONTACT DETAILS:

Level 11, 131 Macquarie Street
Sydney, NSW 2000

Telephone: (02) 8298 2444
Fax: (02) 8298 2499
Email: info@cadencecapital.com.au
Website: www.cadencecapital.com.au

For enquiries regarding net asset backing (as advised each month to the Australian Securities Exchange) refer to asx.com.au or call (02) 8298 2444

PRIME BROKER AND CUSTODIAN OF THE FUND:

Citigroup Global Markets Australia Pty Ltd
Level 21, 2 Park Street Sydney
Sydney
New South Wales, 2000

SHARE REGISTRAR:

Registries Limited
Mail Address: GPO Box 3993
Sydney NSW 2001
Telephone: (02) 9290 9600
Fax: (02) 9279 0664

For all enquiries relating to shareholdings, dividends (including participation in the Dividend Reinvestment Plan) and related matters, please contact the share registrar.

AUDITORS:

Moore Stephens Sydney
Level 7
20 Hunter Street
Sydney NSW 2000

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MANAGERS' REPORT

SUMMARY OF RESULTS

- Gross Portfolio increased 22.32% for the year ended 30 June 2010 whilst the All Ordinaries Accumulation Index increased by 13.78% and the Small Ordinaries Accumulation Index increased by 11.18%
- Profit before tax was \$4,984,483
- Operating profit after tax was \$3,683,142
- 6.0c of Fully Franked Dividends were paid out in the financial year ended 30 June 2010

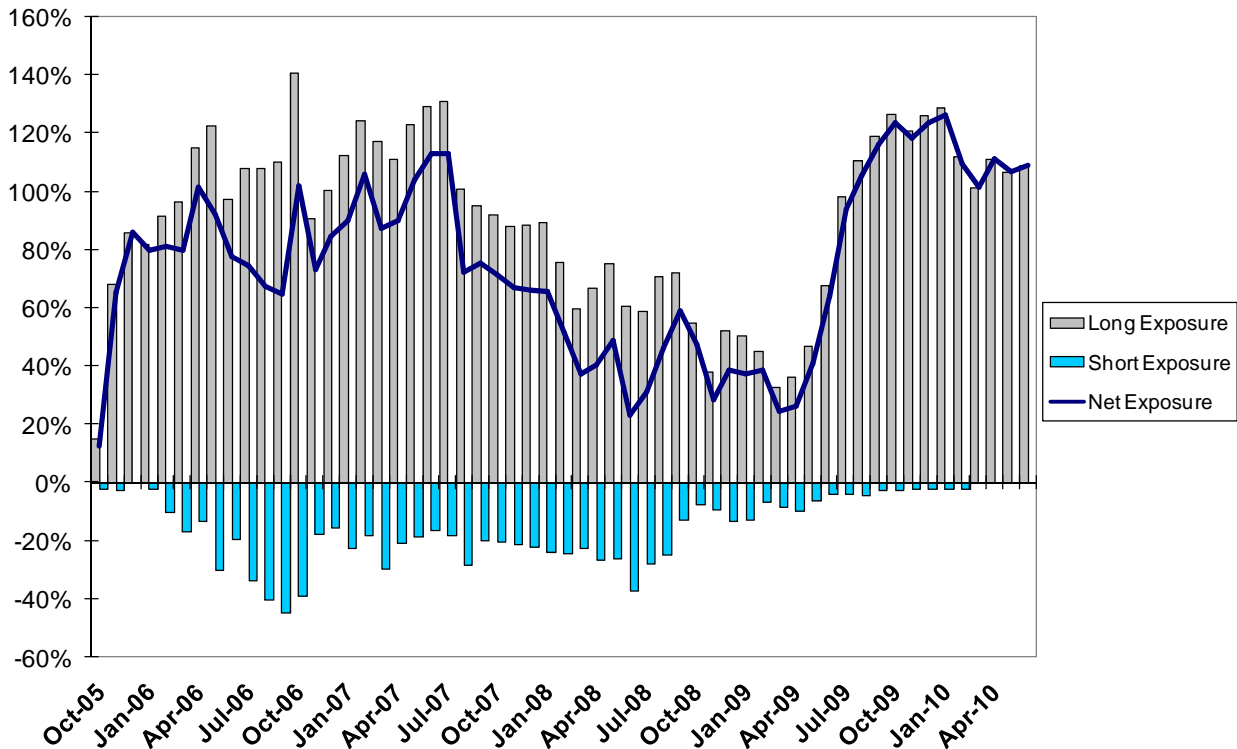
SHAREHOLDER PERFORMANCE

Performance to 30th June 2010	CDM	All Ords	Outperformance
1 Month	-0.90%	-2.60%	
1 Year	22.32%	13.78%	+8.54%
Annualised return since inception (57 months)	11.63%	2.90%	+8.73%
Inception to date accumulated return (57 months)	68.63%	14.54%	+54.09%

* Before Management and Performance Fees

Cadence Capital Limited produced a performance of 22.32% for the financial year ended 30 June 2010. During this period Cadence Capital Limited outperformed the All Ordinaries Accumulation Index by 8.54% and the Small Ordinaries Accumulation Index by 11.14%. We are pleased to announce that since its inception almost 5 years ago Cadence Capital Limited has, on average, outperformed the All Ordinaries Accumulation Index by 8.73% per annum. It should also be noted that this outperformance has been achieved on average with lower than market risk and exposure.

PORTFOLIO EXPOSURE ANALYSIS %



Being a long/ short equities fund, Cadence Capital Limited has the ability to adjust its market exposure and cash holdings throughout the year. As you will notice Cadence Capital Limited increased its net exposure to the market by almost 5 fold during the market upswing from March 2009

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to January 2010. Cadence Capital Limited did this by progressively increasing its holdings in each of its investment in which the trend was moving upwards. As the market started reversing some of its gains in the second half of the financial year, Cadence Capital Limited started reducing its holdings in those investments in which the trend started to move downward. This reduction of its individual stock holdings caused the net exposure of the Company to fall during the second half of the past financial year.

The five sectors where Cadence Capital Limited performed well, generating strong returns during the past financial year were the Materials, Banks, Software and Services, Telecommunications and Diversified Financials sectors. The Company underperformed in the Transportation and Utilities Sectors during the past financial year. The stocks in which Cadence Capital Limited generated strong positive returns during the past financial year were Reckon Ltd, RHG Ltd, Rio Tinto Ltd, Dioro Exploration NL, Customers Ltd, TPG Telecom and Avoca Resources Limited. The stocks where the Company underperformed during the past financial year were Bravura Solutions Ltd and Transurban Group.

SUMMARY AND OUTLOOK

Bottom up stock by stock analysis combined with pyramiding into recovering share prices has worked well for the fund during this past financial year. Last year we indicated that volatility and extreme valuation levels would create opportunities, but that we needed to be patient. It is our strong opinion that once again patience should be rewarded this year.

The year ahead will more than likely be characterised by a divergence in overall performance. Companies with strong business models, recurring revenue streams combined with pricing power should perform well. Conversely, companies with poor business models, deeply cyclical earnings streams, and little or no pricing power should underperform in this environment. We are comfortable with our portfolio and remain confident that the year ahead should provide new investment opportunities.

I would also like to take this opportunity to thank our investors for their continued support.



Karl Siegling
Managing Director
Cadence Asset Management Pty Limited

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MARKET VALUE OF TOP 20 POSITIONS AS AT 30 JUNE 2010

		Market Value	% of Equity
LONG POSITIONS			
RHG	RHG Ltd	\$5,498,620	19.99%
RKN	Reckon Ltd	\$2,286,246	8.31%
TPM	TPG Telecom Ltd	\$1,761,166	6.40%
BVA	Bravura Solutions Ltd	\$1,635,221	5.94%
AVO	Avoca Resources Limited	\$1,544,949	5.62%
MMS	McMillan Shakespeare Limited	\$1,219,400	4.43%
CFE	Cape Lambert Iron Ore Ltd	\$1,196,000	4.35%
RIO	Rio Tinto Ltd	\$1,074,559	3.91%
NAB	National Australia Bank Ltd	\$1,015,008	3.69%
MCC	MacArthur Coal Ltd	\$1,010,578	3.67%
ANZ	Australia & New Zealand Banking Group	\$829,824	3.02%
FFF	Firstfolio Limited	\$799,528	2.91%
AGO	Atlas Iron Ltd	\$640,069	2.33%
FSA	FSA Group Ltd	\$604,800	2.20%
MIK	Mikoh Corporation Limited	\$549,367	2.00%
PNA	PanAust Ltd	\$542,746	1.97%
RFG	Retail Food Group Limited	\$525,702	1.91%
HSKG	Heemskirk Consolidated Convertible Note	\$493,631	1.79%
CUS	Customers Ltd	\$487,502	1.77%
		<hr/>	
		\$23,714,916	86.22%
Total Top 20 Long and Short Positions – Net Exposure		\$23,714,916	86.22%
 MARKET VALUE OF TOTAL PORTFOLIO POSITIONS:			
Total Portfolio Long Positions		\$29,840,857	108.49%
Total Portfolio Short Positions		-	-
Total Portfolio Net Exposure		\$29,840,857	108.49%

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CORPORATE GOVERNANCE STATEMENT

All the best practice recommendations of the Australian Stock Exchange Corporate Governance Council have been applied throughout the financial year, unless otherwise stated. These practices are dealt with under the following headings: Board of Directors and its Committees, Composition of the Board, Remuneration of Directors and Executives, Ethical Standards, The Role of Shareholders, Board's Policy on Dealing in Shares, Independent Professional Advice and Access to Company Information and Conflict of Interest.

BOARD OF DIRECTORS AND ITS COMMITTEES

Subject at all times to any written guidelines issued by the Board of Directors of Cadence Capital Limited, the day-to-day management and investment of funds is carried out by Cadence Asset Management Pty Limited pursuant to a management agreement.

The Board is responsible for the overall Corporate Governance of the Company including the strategic direction, establishing goals for the appointed Manager and monitoring the achievement of these goals. The Board reviews the reports of its Manager on the financial performance of the Company.

The Company has formed an Audit Committee consisting of:

James Chirnside	Chairman
Karl Siegling	Executive Director

The Audit Committee consists of 2 members and is only 50% independent. Whilst the Company agrees with the benefits of a larger Audit Committee and also of it consisting of a majority of independent Directors, due to both the size of the Board and of the Company, it believes that the current Audit Committee has both the level of expertise and independence that it requires.

The Committee's responsibilities are to:

- (a) oversee the existence and maintenance of internal controls and accounting systems;
- (b) oversee the financial reporting process;
- (c) review the annual and half-year financial reports and recommend them for approval by the Board of Directors;
- (d) nominate external auditors; and
- (e) review the existing external audit arrangements.

COMPOSITION OF THE BOARD

The skills, experience and expertise relevant to the position of each director who is in office at the date of the Annual Report and their term in office are detailed in the Directors' Report.

The only independent director of the Company is James Chirnside.

The Board comprises the Chairman and two other non-executive Directors who consider the composition of the Board and appointment of new Directors. The Board identifies suitable candidates to fill vacancies as they arise. The performance of each Director is reviewed by the Chairman periodically. At every annual general meeting one third of the Directors must retire from office and be eligible for re-election. Shareholder approval is required on the composition of the Board.

The Board is 33% independent. Whilst the Company agrees with the benefits of a majority of independent Directors, it believes that it can better achieve the results of the Company with the current Boards' level of expertise and without burdening shareholders with the potentially significant costs associated with adding further independent Directors. The Chairman is not independent. The Company believes that an independent Chairman does not necessarily improve the function of the Board. The Company believes that when the Chairman is a significant driver behind the business and is a sizeable shareholder, it adds value to the Company.

Given the size of the Board a nomination committee has not been formed. The Board as a whole considers the composition of the Board and appointment of new Directors. The Board identifies suitable candidates to fill vacancies as they arise.

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CORPORATE GOVERNANCE STATEMENT

REMUNERATION OF DIRECTORS AND EXECUTIVES

The maximum total remuneration of the Directors of the Company has been set at \$55,000 per annum to be divided in such proportions as they agree. The scope of the Company's operations, and the frequency of Board meetings are principal determinants of the fee level. Further detail is provided in the Directors' Report.

No separate Remuneration Committee has been established by the Company as the Company does not believe that this adds any value to its Corporate Governance.

The Chairman of Cadence Capital Limited is the sole Director of Cadence Asset Management Pty Limited. Further detail is provided in the Directors' Report and Note 15 of the financial statements.

ETHICAL STANDARDS

The Board aims to ensure that all Directors and its Manager act with the utmost integrity and objectivity and endeavour to enhance the reputation of the Company.

THE ROLE OF SHAREHOLDERS

The Board of Directors aim to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to shareholders through the Annual Report, quarterly webcasts, monthly investment update and asset backing data, monthly estimated NTA's and Half-Year Financial Report lodged with the Australian Stock Exchange.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals.

BOARD'S POLICY ON DEALING IN SHARES

Subject to them not being in possession of undisclosed price sensitive information, Directors may deal in shares of the Company when appropriate. As Cadence Capital Limited is an investment company announcing its estimated NTA's, exposures and its top twenty holdings on a monthly basis, the Board believes the shareholders are generally fully informed.

INDEPENDENT PROFESSIONAL ADVICE AND ACCESS TO COMPANY INFORMATION

Each Director has the right to access all relevant information and subject to prior consultation with the Chairman, may seek independent professional advice at the entity's expense. A copy of advice received by the Director is made available to all other members of the Board.

CONFLICT OF INTEREST

In accordance with the *Corporations Act 2001*, the Directors must keep the Board advised, on an ongoing basis, of any interests that could potentially conflict with those of the Company. Where the Board believes that a significant conflict exists the Director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered.

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2010

The Directors of Cadence Capital Limited ("the Company") submit herewith their report together with the financial report of Cadence Capital Limited for the financial year ended 30 June 2010.

PRINCIPAL ACTIVITY

The principal activity of the Company was investing primarily in securities listed on the Australian Stock Exchange. The Company may take short positions and may also deal in derivatives for hedging purposes. No significant changes in the nature of these activities occurred during the financial year.

OPERATING RESULTS

Investment operations over the year resulted in an operating profit before tax of \$4,984,483 (2009: operating loss before tax of \$5,543,460) and an operating profit after tax of \$3,683,142 (2009: operating loss after tax of \$3,728,199).

REVIEW OF OPERATIONS

Investments are valued continuously to market value. For the year ended 30 June 2010, net investments were valued at \$29,840,857 (2009: \$15,112,493).

FINANCIAL POSITION

The net asset value of the Company for the current financial period ended was \$27,506,039 (2009: \$25,146,864).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

As disclosed in the previous year's Annual Financial Report for the year ended 30 June 2009 and the Half Year Report as at 31st December 2009, during the current financial year the Company signed a new prime brokerage and custodial facility with Citigroup replacing its previous facility with UBS AG. For further details on these facilities please do refer to Notes 12(a) and 14(b).

DIVIDENDS PAID OR RECOMMENDED

Dividends paid or declared are as follows:

	\$
Fully franked 2010 final dividend of 2.0 cents per share was paid on 24 June 2010	542,966
Fully franked 2010 interim dividend of 2.0 cents per share was paid on 18 March 2010	540,917
Fully franked 2009 final dividend of 2.0 cents per share was paid on 25 August 2009	538,689

DIRECTORS

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report:

Karl Siegling
Geoffrey Wilson
James Chirnside

The Directors have been in office during the whole of the financial year and up to the date of this report.

INFORMATION ON DIRECTORS

Karl Siegling (Chairman and Company Secretary)

Karl has over 14 years investment experience in the financial sector both in Australia and overseas. He holds a Bachelor of Commerce and a Law degree from the University of Melbourne and an MBA specialising in Finance and Entrepreneurial Endeavours from INSEAD in France. Karl has also completed the Post Graduate Diploma in Finance with the Securities Institute of Australia.

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2010

He commenced work in the Financial Services sector in Australia with Deutsche Morgan Grenfell, trading overnight currencies, bonds and bond options on the Sydney Futures Exchange. Then he worked within the Equities Research Division of Deutsche Morgan Grenfell before moving to the Equities Division of Goldman Sachs in London. Upon returning to Australia, Karl was the Managing Director of eFinancial Capital Limited (a subsidiary of Challenger International Limited), which was a private equity fund with Pooled Development Fund status, focused on investing early stage and expansion capital. The fund invested in financial services and Australian internet based technology companies. For two and a half years Karl worked as a consultant for Wilson Asset Management (International) Pty Limited researching stocks for the Wilson group of funds. He is also the managing director of the manager, Cadence Asset Management Pty Limited.

Geoffrey Wilson (Non-executive Director)

Geoffrey Wilson has had 30 years experience in the Australian and international securities industry. He holds a Bachelor of Science Degree and a Graduate Management Qualification. He is also a Fellow of the Institute of Company Directors and a Senior Fellow of the Financial Services Institute of Australasia.

Geoffrey Wilson is the Chairman of WAM Active Limited (appointed July 2007), WAM Capital Limited (appointed March 1999), Wilson Investment Fund Limited (appointed June 2003) and Australian Stockbrokers Foundation and Ascham Foundation Limited. He is a Director of Australian Leaders Fund Limited (formerly known as Wilson Leaders Fund Ltd) (appointed October 2003), Clime Capital Limited (appointed November 2003), Vietnam Fund Limited (appointed October 2007), Incubator Capital Limited (appointed February 2000), Sporting Chance Cancer Foundation, Australian Fund Managers Foundation Limited and, Odyssey House McGrath Foundation. He is also a director of the investment management companies, Wilson Asset Management (International) Pty Limited, Boutique Asset Management Pty Limited and MAM Pty Limited.

James Chirnside (Non-executive Director)

James Chirnside has been exclusively focused in emerging markets and absolute return investment strategies for 20 years in Sydney, Hong Kong, and London. Mr Chirnside is a shareholder and Managing Director of Asia Pacific Asset Management, a specialist emerging market and alternative investment firm based in Sydney. Mr Chirnside previously worked for Challenger Financial Group in Sydney. Prior to this he managed emerging market hedge funds in Hong Kong for Regent Fund Management - now Charlemagne Capital London. Between 1988 and 1992 Mr Chirnside ran a Proprietary trading book for County NatWest Investment Bank in London focused on Country Funds and derivative arbitrage strategies.

James Chirnside is also a director of WAM Capital Limited.

COMPANY SECRETARY

Karl Siegling held the position of company secretary at the end of the financial year.

DIRECTORS' MEETINGS	No. eligible to attend	Attended
Karl Siegling	4	4
Geoffrey Wilson	4	4
James Chirnside	4	4

AUDIT COMMITTEE MEETINGS	No. eligible to attend	Attended
Karl Siegling	2	2
James Chirnside	2	2

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2010

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each Director of Cadence Capital Limited.

(a) Remuneration

There are no executives that are paid by the Company. Cadence Asset Management Pty Limited provides day to day management of the Company and is remunerated as outlined in Note 16 – Related Parties Transactions.

	2010 \$	2009 \$
Short-term Benefits Directors Fees:		
- Geoffrey Wilson	15,000	15,000
- James Chirside	15,000	15,000
Post-employment Benefits Superannuation	-	-
	<u>30,000</u>	<u>30,000</u>

(b) Compensation Practices

The Board from time to time determines remuneration of Non-Executive Directors within the maximum amount approved by the shareholders. Non-Executive Directors are not entitled to any other remuneration.

Fees and payments to Non-Executive Directors reflect the demands that are made on and the responsibilities of, the Directors and are reviewed annually by the Board. The Company determines the remuneration levels and ensures they are competitively set to attract and retain appropriately qualified and experienced Directors.

Directors' base fees are presently limited to a maximum of \$55,000 per annum between the three directors. Non-Executive Directors do not receive bonuses nor are they issued options on securities. Directors' fees cover all main board activities and membership of committees. Directors' fees are not linked to the performance of the Company.

(c) Shareholdings

As at 30 June 2010, the Company's key management personnel indirectly held the following shares in the Company:

	Balance at 1 July 2009	Acquisitions	Disposals	Balance at 30 June 2010
K. Siegling	2,384,494	717,991	-	3,102,485
G.J. Wilson	1,950,000	100,000	-	2,050,000
J.M. Chirside*	950,296	12,966	(950,296)	12,966
	<u>5,284,790</u>	<u>830,957</u>	<u>(950,296)</u>	<u>5,165,451</u>

* The holdings disclosed by J.M.Chirside as at 1st July 2009 were made through a Fund managed by an entity associated with him. The holdings disclosed by J.M.Chirside as at 30th June 2010 are indirect holdings.

AFTER BALANCE DATE EVENTS

No other matters or circumstances have arisen since the end of the financial period which significantly affects 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.

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2010

FUTURE DEVELOPMENTS

The Company will continue to pursue its policy of investment during the next financial year.

ENVIRONMENTAL ISSUES

The Company's operations are not regulated by any environmental regulation under a law of the Commonwealth or of a State or Territory.

INDEMNIFICATION AND INSURANCE OF OFFICERS OR AUDITORS

During the financial period the Company did pay a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and any related body corporate against liability incurred as such by a Director or Secretary to the extent permitted by the *Corporations Act 2001*.

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

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

During the year Moore Stephens Sydney, the Company's auditor, did not perform any other services in addition to their statutory duties for the Company. Moore Stephens Sydney Pty Limited, a related party of the Company's auditor, performed taxation services for the Company. Details of the amounts paid to the auditors and their related parties are disclosed in Note 2 to the financial statements.

The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed in Note 2 did not compromise the external auditor's independence.

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 10 of this Annual Report.

Signed in accordance with a resolution of the Board of Directors of the Company:



Karl Siegling
Director

Dated in Sydney, this 30 August 2010

**Auditor's Independence Declaration
to the Directors of Cadence Capital Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Cadence Capital Limited for the year ended 30 June 2010, I declare that, to the best of my knowledge and belief, there have been:

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

Moore Stephens Sydney

Moore Stephens Sydney
Chartered Accountants

JWebster

Jenelle Webster
Partner

Dated in Sydney this 30th day of August 2010.

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
INCOME			
Proceeds from sale of investments		40,076,222	38,680,545
Cost of investments sold		<u>(36,761,339)</u>	<u>(44,809,550)</u>
Realised gain/(loss) on investments		3,314,883	(6,129,005)
Unrealised gain/(loss) on investments		2,066,444	(64,373)
Dividends received		737,036	595,991
Interest received		75,391	838,945
Underwriting fees		46,507	12,111
Other revenue from ordinary activities		9,624	-
Total Income/(Loss)		<u>6,249,885</u>	<u>(4,746,331)</u>
EXPENSES			
Finance costs		(196,919)	(100,001)
Dividends paid on short positions		(16,418)	(149,445)
Management fees		(325,719)	(227,919)
Performance fees		(417,135)	-
Assignment fees		(30,772)	(9,871)
Directors fees		(30,000)	(30,000)
Brokerage expenses on share purchases		(103,132)	(141,974)
Other expenses from ordinary activities		<u>(145,307)</u>	<u>(137,919)</u>
Total Expenses		<u>(1,265,402)</u>	<u>(797,129)</u>
Profit/(Loss) before income tax		4,984,483	(5,543,460)
Income tax (expense)/benefit	3a	<u>(1,301,341)</u>	<u>1,815,261</u>
Profit/(Loss) attributable to members of the Company	11	<u>3,683,142</u>	<u>(3,728,199)</u>
Other comprehensive income/(loss)			
Other comprehensive income for the period, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the period		<u>3,683,142</u>	<u>(3,728,199)</u>
Basic earnings per share	13	<u>13.4 cents</u>	<u>(13.8) cents</u>
Diluted earnings per share	13	<u>13.4 cents</u>	<u>(13.8) cents</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Note	2010 \$	2009 \$
ASSETS			
Cash and cash equivalents	12(a)	27,488	8,598,144
Trade and other receivables	5	655,855	393,356
Financial assets	6	30,360,857	16,051,681
Current tax asset	3(c)	189,153	52,943
Deferred tax asset	3(b)	1,165,394	2,232,253
TOTAL ASSETS		32,398,747	27,328,377
LIABILITIES			
Cash overdrafts	12(a)	4,215,896	908,128
Trade and other payables	7	438,522	330,390
Financial liabilities	8	-	939,188
Deferred tax liabilities	3(d)	238,290	3,807
TOTAL LIABILITIES		4,892,708	2,181,513
NET ASSETS		27,506,039	25,146,864
EQUITY			
Issued capital	9	29,552,969	29,254,364
Reserves	10	555,061	-
Accumulated losses	11	(2,601,991)	(4,107,500)
TOTAL EQUITY		27,506,039	25,146,864

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
Total equity as at 1 July 2009		25,146,864	29,268,891
Profit/(Loss) attributable to members of the Company	11	3,683,142	(3,728,199)
Shares issued in the year through DRP	9	298,605	-
Shares bought back in share buy-back programs during the year	9	-	(393,828)
		<u>29,128,611</u>	<u>25,146,864</u>
Dividends paid or provided for	4	<u>(1,622,572)</u>	<u>-</u>
Total equity as at 30 June 2010 attributable to members of the Company		<u>27,506,039</u>	<u>25,146,864</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Dividends received		435,323	647,647
Interest received		75,391	838,945
Other income received		48,562	12,111
Income tax refund	3(c)	52,943	-
Management fees paid		(340,243)	(212,642)
Performance fees paid		(69,477)	-
Dividends paid on short positions		(22,400)	(231,406)
Brokerage expenses on share purchases		(103,133)	(141,974)
Interest paid		(196,919)	(100,001)
Income tax paid	3(c)	(189,152)	(170,400)
Payments for administration expenses		(234,260)	(160,609)
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	12(b)	(543,365)	481,671
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sale of investments		40,174,903	39,204,000
Payments for the purchase of investments		(50,281,213)	(52,922,179)
Capital returns on investments		95,219	-
NET CASH USED IN INVESTING ACTIVITIES		(10,011,091)	(13,718,179)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(1,323,968)	-
Share buy-back		-	(393,828)
NET CASH USED IN FINANCING ACTIVITIES		(1,323,968)	(393,828)
NET DECREASE IN CASH HELD		(11,878,424)	(13,630,336)
CASH AS AT BEGINNING OF THE FINANCIAL YEAR		7,690,016	21,320,352
CASH AS AT END OF THE FINANCIAL YEAR	12(a)	(4,188,408)	7,690,016

The accompanying notes form part of these financial statements.

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Cadence Capital Limited ("the Company") is a listed public company, incorporated and domiciled in Australia.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs with the exception of "held-for-trading" financial assets and certain other financial assets and liabilities, which have been measured at fair value.

Accounting Policies

The Company has adopted all of the new, revised or amending Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant and effective for the current reporting period.

Any significant impact on the accounting policies of the Company from the adoption of these accounting standards and interpretations are disclosed in the relevant accounting policy.

The adoption of these Standards and Interpretations did not have any impact on the financial performance or position of the Company. The following Standards and Interpretations are most relevant to the Company:

AASB 101 Presentation of Financial Statements

The Company has applied the revised AASB 101 from 1 July 2009 and now presents a Statement of Comprehensive Income, which incorporates the income statement and all non-owner changes in equity. As a result, the Company now presents all owner changes in the Statement of Changes in Equity. The balance sheet is now referred to as the Statement of Financial Position. There is a requirement to present a third statement of financial position if there is restatement of comparatives through either a correction of error, change in accounting policy or a reclassification. The cash flow statement is now referred to as the Statement of Cash Flows.

AASB 7 Financial Instruments: Disclosure

This amended standard is applicable from 1 July 2009 and requires additional disclosure about fair value measurement of financial instruments, using a three level fair value hierarchy. The amendments also clarify the disclosure requirements about liquidity risks for derivative transactions and assets used for liquidity management.

AASB 8 Operating Segments

The Company has applied AASB 8, which replaces AASB 114 'Segment Reporting', from 1 July 2009.

AASB 9 Financial instruments

The Company has elected to early adopt "AASB 9 - Financial instruments", which was issued on 7 December 2009. AASB 9 includes requirements for the classification and measurement of financial assets. These requirements improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of AASB 139.

Financial assets continue to be classified and measured at fair value with changes in value being recognised in the Statement of Comprehensive Income. Consequently, adoption of AASB 9 has no effect on the valuation of the Company's net assets or total comprehensive income. AASB 9 also removes the impairment requirements for financial assets held at fair value as all unrealised movements are recorded directly in profit or loss.

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The accounting for financial liabilities has not been amended by the International Accounting Standards Board ('IASB') and continues to be classified and measured in accordance with AASB 139.

The transition provisions within AASB 9 require the standard to be applied retrospectively but it shall not be applied to investments that were disposed of prior to the initial application date. The Company has adopted AASB 9 with effect from 7 December 2009 which is the earliest date available for adoption. The Company had not recognised impairment losses on any of its investments as at 30 June 2009 as investments were classified and measured at fair value and as such the comparatives do not have to be restated to conform to the provisions of AASB 9.

(a) Investments

i) Classification

Investments consist of shares in publicly listed and unlisted companies and fixed interest securities.

It is considered that the information needs of shareholders in a company of this type are better met by stating investments at fair value rather than historical cost and by presenting the Statement of Financial Position on a liquidity basis.

The Company makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through the Statement of Comprehensive Income.

ii) Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention. Trade date is the date on which the Company commits to purchase or sell the assets.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to the Statement of Comprehensive Income immediately.

iii) Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the Statement of Comprehensive Income.

iv) Valuation

All investments are classified and measured at fair value, being market value, including the potential tax charges that may arise from the future sale of the investments. These fair value adjustments are recognised in the Statement of Comprehensive Income. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions and reference to similar instruments.

v) Unrealised Gains

Unrealised gains are included in the operating result for the year and are transferred to an asset revaluation reserve, net of the potential tax charges that may arise from the future sale of the investments.

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Investments (Continued)

vi) Investment income

Dividend income is recognised in the Statement of Comprehensive Income on the day on which the relevant investment is first quoted on an "ex-dividend" basis.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

vii) Derivative Instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the Statement of Comprehensive Income.

viii) Financial Liabilities

Borrowed stock is classified as financial liabilities at fair value through the Statement of Comprehensive Income. Realised and unrealised gains and losses arising from changes in fair value are included in the Statement of Comprehensive Income in the year in which they arise.

(b) Income Tax

The income tax expense (benefit) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, at call deposits with banks or financial institutions, fixed interest securities maturing within three months and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the Statement of Financial Position.

(d) Trade and Other Receivables

Trade and other receivables are non-derivative financial assets and are initially recognised at fair value. They are subsequently stated at their amortised cost less impairment losses (refer Note 1 (f)).

(e) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remains unpaid. Due to their short-term nature they are measured at amortised cost and not discounted. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(f) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

(g) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of the GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as an asset or liability in the Statement of Financial Position.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(h) Segment Reporting

The Company is engaged in investment activities conducted in Australia and derives revenue and investment income from listed, unlisted and fixed interest securities.

(i) Comparative Figures

Where required by accounting standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(j) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

The Directors are of the opinion that there are no key sources of estimation at the Statement of Financial Position date and there is no instance of application of judgements.

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) New Standards and Interpretations not yet Effective

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Company follows:

AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011)

This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the Company.

AASB 2009–12: Amendments to Australian Accounting Standards (applicable for annual reporting periods commencing on or after 1 January 2011)

This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. These amendments are not expected to impact the Company.

AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing on or after 1 July 2010).

This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Company.

The Company does not anticipate the early adoption of any of the above Australian Accounting Standards.

The financial report was authorised for issue on 30 August 2010 by the Board of Directors.

	2010	2009
	\$	\$
2. AUDITOR'S REMUNERATION		
Remuneration of the auditor of the Company for:		
Auditing or reviewing the financial report	25,574	22,681
Non-audit Services		
Other services provided by a related practice of the auditor:		
Taxation services	9,130	8,200
	<u>34,704</u>	<u>30,881</u>

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

3. TAXATION

(a) Current Income Tax Benefit

The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax expense/(benefit) as follows:

	2010 \$	2009 \$
Prima facie tax expense/(benefit) on profit/(loss) from ordinary activities before income tax at 30%	1,495,144	(1,663,038)
Imputation credit gross up	42,644	72,151
Penalties and fines	20	-
Franked dividends receivable – prior year	968	17,099
Franked dividends receivable – current year	(95,290)	(968)
Franking credits converted to losses	-	(240,505)
Rebates/tax offsets	(142,146)	-
	1,301,340	(1,815,261)
Total income tax expense results in a:		
Movement in deferred tax liabilities	234,482	633
Movement in deferred tax assets	1,066,858	(1,815,894)
	1,301,340	(1,815,261)

(b) Deferred Tax Assets

Provisions	5,790	5,790
Capitalised share issue costs	22,177	48,936
Fair value adjustments	-	353,078
Tax losses	1,137,427	1,824,449
	1,165,394	2,232,253

Movement in deferred tax assets

Balance at the beginning of the period	2,232,253	416,359
(Debited)/Credited to the Statement of Comprehensive Income	(1,066,859)	1,815,894
	1,165,394	2,232,253

(c) Current Tax Asset/(Liabilities)

Movement in current tax asset/(liabilities)

Balance at the beginning of the period	52,943	(117,457)
Tax refund received	(52,943)	-
Income tax paid	189,153	170,400
	189,153	52,943

(d) Deferred Tax Liabilities

Fair value adjustments	238,290	-
Income provisions	-	3,807
	238,290	3,807

Movement in deferred tax liabilities

Balance at the beginning of the period	3,807	3,174
Charged to the Statement of Comprehensive Income	234,483	633
At reporting date	238,290	3,807

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

4. DIVIDENDS

(a) Dividends paid

	2010 \$	2009 \$
Dividends paid by the Company	<u>1,622,572</u>	<u>-</u>

Dividends paid by the Company for the year ended 30 June 2010	Cents Per Share	Total Amount \$	Date of payment	Tax Rate for franking Credit	% franked
Interim 2010 - Ordinary	2.0	542,966	24 June 2010	30%	100%
Interim 2010 - Ordinary	2.0	540,917	18 March 2010	30%	100%
Final 2009 - Ordinary	2.0	538,689	25 August 2009	30%	100%
Total Amount		<u><u>1,622,572</u></u>			

The Directors did not pay any other dividends in 2009.

(b) Dividend franking account

Balance of franking account at period end adjusted for franking credits, arising from payment of provision for income tax and dividends recognised as receivables and franking credits that may be prevented from distribution in subsequent financial years.

<u>175,583</u>	<u>377,660</u>
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The Company's ability to continue to pay franked dividends is dependent upon the receipt of franked dividends from investments and the Company paying tax.

As at 30 June 2009, the balance of the franking account did not include the tax to be paid on accrued income recognised as a deferred tax liability of \$3,807.

5. TRADE AND OTHER RECEIVABLES

Trade debtors	271,497	370,179
Income receivable	317,632	15,919
Sundry debtors	66,726	7,258
	<u>655,855</u>	<u>393,356</u>

Terms and Conditions

Trade debtors relate to outstanding settlements, are non-interest bearing and are secured by the Australian Securities Exchange – National Guarantee Fund. They are settled within 3 days of the purchase being executed. Income receivable relates to accrued income, it is not interest bearing and is unsecured.

6. FINANCIAL ASSETS

Long positions - held for trading financial assets:

Listed investments at fair value	<u>30,360,857</u>	<u>16,051,681</u>
Total financial assets	<u><u>30,360,857</u></u>	<u><u>16,051,681</u></u>

The market values of the top 20 individual investments as at 30 June 2010 are disclosed on page 3 of the Annual Report.

7. TRADE AND OTHER PAYABLES

Trade creditors	-	242,737
Sundry creditors - related parties	398,782	37,717
Dividends payable on short positions	15,882	21,863
Sundry creditors – other	23,858	28,073
	<u>438,522</u>	<u>330,390</u>

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

7. TRADE AND OTHER PAYABLES (Continued)

Trade creditors relate to outstanding settlements. They are non-interest bearing and are secured by the Australian Securities Exchange – National Guarantee Fund. They are settled within 3 days of the purchase being executed.

Sundry creditors – other, are settled within the terms of payment offered, which is usually within 30 days.

Sundry creditors – related parties, includes fees payable of \$365,131 (inclusive of GST) (2009: \$27,123) to the manager, Cadence Asset Management Pty Limited and \$33,651 (2009: \$10,594) that was payable to MAM Pty Limited for assignment fees. Refer to Note 16 for further information on Related Parties.

	2010	2009
	\$	\$
8. FINANCIAL LIABILITIES		
Short positions – held for trading financial liabilities:		
Listed investments at fair value	-	939,188

The Company's financial assets are used as collateral for its financial liabilities.

9. ISSUED CAPITAL

(a) Paid-up Capital

Ordinary shares fully paid	29,878,076	29,579,471
Costs of share issue	(464,437)	(464,437)
Deferred tax asset on capitalised costs of share issue	139,330	139,330
	29,552,969	29,254,364

(b) Movement in ordinary share capital

2010

Date	Details of issue	Share Price \$	No. of Shares	Issue value \$
	Balance at the beginning of the year		26,934,450	29,579,471
25 August 2009	DRP	\$0.73659	111,383	82,044
18 March 2010	DRP	\$0.76000	102,584	77,959
24 June 2010	DRP	\$0.71736	193,211	138,602
			27,341,628	29,878,076

2009

Date	Details of issue	Share Price \$	No. of Shares	Issue value \$
	Balance at the beginning of the year		27,388,020	29,973,299
Up to 30 June 2009	On-Market Share Buy-Back	\$0.8302	(55,500)	(46,074)
Up to 30 June 2009	Off-Market Share Buy-Back	\$0.8736	(398,070)	(347,754)
			26,934,450	29,579,471

Holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at shareholder meetings, otherwise each member present at a meeting or by proxy has one vote on a show of hands. In the event of the winding up of the Company, ordinary shareholders rank after creditors and share in any proceeds on winding up in proportion to the number of shares held.

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

9. ISSUED CAPITAL (Continued)

(c) Capital Management

Management controls the capital of the Company in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Company can fund its operations and continue as a going concern.

The Company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

	2010	2009
	\$	\$
10. RESERVES		
Asset revaluation reserve	<u>555,061</u>	<u>-</u>
Movement in Asset Revaluation Reserve		
Opening balance	-	-
Transfer from retained earnings	<u>555,061</u>	<u>-</u>
	<u>555,061</u>	<u>-</u>

This asset revaluation reserve is used to record increments and decrements on the revaluation of the investments, net of potential tax as described in accounting policy Note 1(a) (v).

11. ACCUMULATED LOSSES

Opening balance	(4,107,500)	(379,301)
Profit/(Loss) attributable to members of the Company	3,683,142	(3,728,199)
Transfer to asset revaluation reserve	(555,061)	-
Dividends paid (Note 4)	<u>(1,622,572)</u>	<u>-</u>
	<u>(2,601,991)</u>	<u>(4,107,500)</u>

12. CASH FLOW INFORMATION

(a) Reconciliation of cash

Cash at the end of the period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash and cash equivalents	27,488	8,598,144
Cash overdrafts	<u>(4,215,896)</u>	<u>(908,128)</u>
	<u>(4,188,408)</u>	<u>7,690,016</u>

The weighted average interest rate for cash and cash equivalents as at June 2010 is 4.25% (June 2009 3.0%). Included in prior year cash and cash equivalents are bank bills with a weighted average maturity date subsequent to year end of 10 days. The weighted average interest rate for cash overdrafts as at June 2010 is 5.25%.(2009: 3.9%) The Company has a Prime Brokerage lending facility with Citigroup Global Markets Limited and Citigroup Global Markets Australia Pty Ltd its Prime Broker and Custodian. This at call facility is secured by a first charge over the financial assets of the Company.

The Company has granted a fixed and floating charge over all of the Company's right, title and interest in the assets transferred to the Custodian, including those transferred to the Custodian in accordance with Prime Brokerage Agreement, and any right which arises after the date of the Charge to receive cash or return of property from Citigroup under the Prime Brokerage Agreement, as security for payments and performance by the Company of all of its obligations to Citigroup under the Prime Brokerage Agreement.

CADENCE CAPITAL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

12. CASH FLOW INFORMATION (Continued)

	2010	2009
(b) Reconciliation of Operating Profit/(Loss) after Income Tax	\$	\$
Operating profit/(loss) after income tax	3,683,142	(3,728,199)
(Less)/Add items classified as Investing/Financing Activities:		
Realised (gain)/loss on sale of investments	(3,314,883)	6,129,005
Less non cash items:		
Unrealised (profit)/loss on investments	(2,066,444)	64,373
Net cash provided by Operating Activities before changes in assets and liabilities:		
(Increase)/decrease in receivables	(361,181)	86,726
Decrease/(increase) in deferred tax assets	1,066,859	(1,815,894)
Increase/(decrease) in trade and other payables	350,868	(84,573)
Increase in deferred tax liabilities	234,483	633
Increase in current tax assets	(136,210)	(170,400)
Net cash (used by)/from Operating Activities	(543,366)	481,671

(c) Non-cash Financing Activities

During the financial year the Company issued the following shares through its Dividend Reinvestment Plan:

111,383 shares at \$0.73659 on 25 August 2009

102,584 shares at \$0.76 on 18 March 2010

193,211 shares at \$0.71736 on 24 June 2010

13. EARNINGS PER SHARE

	2010	2009
Profit/(Loss) after income tax used in the calculation of earnings per share	\$ 3,683,142	\$ (3,728,199)
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculation of basic earnings per share	27,481,543	27,080,402
Weighted average number of ordinary shares and options outstanding during the year used in calculation of diluted earnings per share	27,481,543	27,080,402

14. ADDITIONAL FINANCIAL INSTRUMENT DISCLOSURE

Financial Risk Management Policies

The Company's financial instruments consist of money market instruments, short and long term investments, accounts receivable and payable.

(i) Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and market risk.

CADENCE CAPITAL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

14. ADDITIONAL FINANCIAL INSTRUMENT DISCLOSURE (Continued)

(a) Terms, Conditions and Accounting Policies

The Company's accounting policies are included in Note 1, while the terms and conditions including interest rate risk of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at Statement of Financial Position date are included under the appropriate note for that instrument.

(b) Credit Risk

The Company takes on exposure to credit risk, which is the risk that a counterparty (prime broker, custodian and brokers) will be unable to pay amounts in full when due.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet their obligation.

There are risks involved in dealing with custodians or prime brokers who settle trades. Under certain circumstances, including certain transactions where the Company's assets are pledged as collateral for leverage from a prime broker/custodian, or where the Company's assets are held at a prime broker/custodian, the securities and assets deposited with the prime broker/custodian may be exposed to a credit risk with regards to such parties. In addition, there may be practical or timing problems associated with enforcing the Company's rights to its assets in case of an insolvency of any such party.

The Company maintains a Prime Brokerage lending facility and custody account with its prime broker and primary custodian Citigroup Global Markets Limited and Citigroup Global Markets Australia Pty Ltd. There is no guarantee that Citigroup or any other prime broker/custodian that the Company may use from time to time, will not become insolvent. In an insolvency or liquidation of a prime broker/custodian that has custody of Company assets, there is no certainty that the Company would not incur losses due to its assets being unavailable for a period of time or ultimately less than full recovery of its assets, or both. Because substantially all of the Company's assets are custodied with a single prime broker and in some cases a single major Australian bank, such losses could be significant and materially impair the ability of the Company to achieve its investment objective.

(c) Liquidity Risk

Liquidity risk represents the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's major cash outflows are the purchase of securities and dividends paid to shareholders, the levels of which are managed by the Board and the management company. The Company's inward cash flows depend upon the level of sales of securities, dividends, interest received and any exercise of options that may be on issue.

The Company monitors its cashflow requirements daily by reference to known transactions to be paid or received. The Company may hold a portion of its portfolio in cash and short-term fixed interest securities sufficient to ensure that it has cash available to meet all payments. Alternatively, the Company can increase its level of sales of the readily tradeable securities it holds to increase cash inflows or it can use its lending facility with its Prime Broker Citigroup.

(d) Market Risk

Market risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

By its nature, as an investment company that invests in tradeable securities, the Company will always be subject to market risk as it invests its capital in securities which are not risk free as the market price of these securities can fluctuate.

The Company can seek to reduce market risk by not being overly exposed to one company or one particular sector of the market. The Company does not have set parameters as to a minimum or maximum amount of the portfolio that can be invested in a single company or sector.

CADENCE CAPITAL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

14. ADDITIONAL FINANCIAL INSTRUMENT DISCLOSURE (Continued)

(e) Interest Rate Risk

Any excess cash and cash equivalents of the Company are invested at short-term market interest rates. Floating rate instruments expose the Company to cash flow risk, whereas short term fixed rate instruments expose the Company to interest rate risk. Excess cash and cash equivalent balances are monitored closely and are generally moved into short-term bank bills.

(ii) Financial instrument composition and maturity analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as the Company's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the Statement of Financial Position.

2010	Weighted Average Interest Rate	Less than 90 days \$	More than 1 year \$	Non-interest bearing \$	Total \$
Assets					
Financial assets	-	-	-	30,360,857	30,360,857
Balances due from brokers	-	-	-	271,497	271,497
Cash and cash equivalents	4.25%	27,488	-	-	27,488
Other receivables	-	-	-	384,358	384,358
Total assets		27,488	-	31,016,712	31,044,200
Liabilities					
Cash overdrafts	5.25%	4,215,896	-	-	4,215,896
Other payables	-	-	-	438,522	438,522
Total liabilities		4,215,896	-	438,522	4,654,418
2009					
2009	Weighted Average Interest Rate	Less than 90 days \$	More than 1 year \$	Non-interest bearing \$	Total \$
Assets					
Financial assets	-	-	-	16,051,681	16,051,681
Balances due from brokers	-	-	-	370,179	370,179
Cash and cash equivalents	3.0%	8,598,144	-	-	8,598,144
Other receivables	-	-	-	23,177	23,177
Total assets		8,598,144	-	16,445,037	25,043,181
Liabilities					
Financial liabilities	-	-	-	939,188	939,188
Balances due to brokers	-	-	-	242,737	242,737
Cash overdrafts	3.9%	908,128	-	-	908,128
Other payables	-	-	-	87,653	87,653
Total liabilities		908,128	-	1,269,578	2,177,706

Other payables are expected to be paid as follows:

- Less than 6 months
- 6 months to one year

	2010 \$	2009 \$
- Less than 6 months	438,522	87,653
- 6 months to one year	-	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

14. ADDITIONAL FINANCIAL INSTRUMENT DISCLOSURE (Continued)

(iii) Financial Instruments Measured at Fair Value

The financial assets and liabilities recognised at fair value in the Statement of Financial Position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

Level 1: Quoted prices 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 (as prices) or indirectly (derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Included within level 1 of hierarchy are listed investments. The fair values of these financial assets and liabilities have been based on the closing quoted last sales prices at the end of the reporting period, excluding transaction costs.

2010	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets	30,360,857	-	-	30,360,857
Financial liabilities	-	-	-	-
Total	30,360,857	-	-	30,360,857

2009	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets	16,051,681	-	-	16,051,681
Financial liabilities	(939,188)	-	-	(939,188)
Total	15,112,493	-	-	15,112,493

(iv) Sensitivity Analysis

The Company has performed a sensitivity analysis relating to its exposure to interest rate risk, and market risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

The sensitivity analyses below have been determined based on the Company's exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant through the reporting period. The effect on loss and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2010 \$	2009 \$
Change in loss before tax		
- Increase in interest rate by 1%	29,556	131,313
- Decrease in interest rate by 1%	(29,556)	(131,313)
Change in equity		
- Increase in interest rate by 1%	29,556	131,313
- Decrease in interest rate by 1%	(29,556)	(131,313)

CADENCE CAPITAL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

14. ADDITIONAL FINANCIAL INSTRUMENT DISCLOSURE (Continued) (iv) Sensitivity Analysis (Continued)

Market Risk Sensitivity Analysis

At 30 June 2010, the effect on loss and equity as a result of changes in the market risk, with all other variables remaining constant would be as follows:

	2010 \$	2009 \$
Change in loss before tax		
- Increase in market price by 2%	417,762	299,050
- Decrease in market price by 2%	(417,762)	(299,050)
Change in equity		
- Increase in market price by 2%	417,762	299,050
- Decrease in market price by 2%	(417,762)	(299,050)

15. KEY MANAGEMENT PERSONNEL COMPENSATION

The names and position held of the Company's key management personnel (including Directors) in office at any time during the financial period are:

K. Siegling	Chairman and Company Secretary
G.J. Wilson	Non-Executive Director
J. Chirnside	Non-Executive Director

(a) Remuneration

There are no executives that are paid by the Company. Cadence Asset Management Pty Limited, the investment manager of the Company, remunerates Karl Siegling as a consultant and as a director of the Company. The manager also provides day to day management of the Company and is remunerated as outlined in Note 16 – Related Parties Transactions.

Short-term Benefits Directors' Fees	30,000	30,000
Post-employment Benefits Superannuation	-	-
	<u>30,000</u>	<u>30,000</u>

(b) Compensation Practices

The Board from time to time determines remuneration of Non-Executive Directors within the maximum amount approved by the shareholders. Non-Executive Directors are not entitled to any other remuneration.

Fees and payments to Non-Executive Directors reflect the demands that are made on, and the responsibilities of, the Directors and are reviewed annually by the Board. The Company determines the remuneration levels and ensures they are competitively set to attract and retain appropriately qualified and experienced Directors.

Directors' base fees are presently limited to a maximum of \$55,000 per annum between the three Directors. Non-Executive Directors do not receive bonuses nor are they issued options on securities. Directors' fees cover all main board activities and membership of committees. Directors' fees are not linked to the performance of the Company.

CADENCE CAPITAL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

15. KEY MANAGEMENT PERSONNEL COMPENSATION (Continued)

(c) Shareholdings

As at 30 June 2010, the Company's key management personnel indirectly held the following shares in the Company:

	Balance at 1 July 2009	Acquisitions	Disposals	Balance at 30 June 2010
K. Siegling	2,384,494	717,991	-	3,102,485
G.J. Wilson	1,950,000	100,000	-	2,050,000
J.M. Chirside*	950,296	12,966	(950,296)	12,966
	<u>5,284,790</u>	<u>830,957</u>	<u>(950,296)</u>	<u>5,165,451</u>

As at 30 June 2009, the Company's key management personnel indirectly held the following shares in the Company:

	Balance at 1 July 2008	Acquisitions	Disposals	Off-Market Buy-Back	Balance at 30 June 2009
K. Siegling	2,036,500	398,907	-	(50,913)	2,384,494
G.J. Wilson	2,000,000	-	-	(50,000)	1,950,000
J.M. Chirside*	950,296	-	-	-	950,296
	<u>4,986,796</u>	<u>398,907</u>	<u>-</u>	<u>(100,913)</u>	<u>5,284,790</u>

* The holdings disclosed by J.M.Chirside as at 30th June 2009 were made through a Fund managed by an entity associated with him. The holdings disclosed by J.M.Chirside as at 30th June 2010 are indirect holdings.

Directors and Director related entities disposed of and acquired ordinary shares in the Company on the same terms and conditions available to other shareholders. The Directors have not, during or since the end of the financial year, been granted options over unissued shares or interests in shares of the Company as part of their remuneration.

16. RELATED PARTY TRANSACTIONS

All transactions with related entities were made on normal commercial terms and conditions.

Karl Siegling is the sole Director and beneficial owner of Cadence Asset Management Pty Limited, the entity appointed to manage the investment portfolio of Cadence Capital Limited. In its capacity as Manager, Cadence Asset Management Pty Limited was paid a management fee of 1% (plus GST) of gross assets per annum, of \$349,552 (inclusive of GST, 2009: \$244,596). As at 30 June 2010, the balance payable to the manager was \$12,599 (inclusive of GST, 2009: \$27,123).

The duties of the manager are to manage the portfolio and to manage and supervise all investments, maintain the corporate and statutory records of the Company, liaise with the ASX with respect to compliance with the ASX listing rules, liaise with ASIC with respect to compliance with the Corporations Act and liaise with the share registrar of the Company.

In addition, Cadence Asset Management Pty Limited is to be paid, annually in arrears, a performance fee, being 20% of:

- where the level of the All Ordinaries Accumulation Index has increased over that period, the amount by which the level of the portfolio exceeds this increase, or
- where the All Ordinaries Accumulation Index has decreased over that period, the amount of the increase in the value of the portfolio.

CADENCE CAPITAL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

16. RELATED PARTY TRANSACTIONS (Continued)

No performance fee is payable in respect of any performance period, where the portfolio has decreased in value over that period. For the year ended 30 June 2010, a performance fee of \$447,657 (inclusive of GST 2009: nil) was payable to Cadence Asset Management Pty Limited. As at 30 June 2010, the balance payable to the manager was \$347,657 (inclusive of GST, 2009: nil).

Cadence Asset Management Pty Limited employs accounting personnel to provide accounting services to Cadence Capital Limited. These services are provided on commercial terms and include a standard charge of \$1,375 (inclusive of GST) per month and an additional charge of \$2,125 (inclusive of GST) is charged for preparing the half year and full year financial statements.

Cadence Capital Limited has in place an Assignment Deed with Cadence Asset Management Pty Limited and MAM Pty Limited. Geoffrey Wilson is a Director of MAM Pty Limited and entities associated with him hold 80% of its issued share capital. In its capacity as Manager, Cadence Asset Management Pty Limited assigns a percentage of the management and performance fee to MAM Pty Limited. Subsequent to the initial capital raising, the assignment rate was 4.05%. At 30 June 2010, an amount of \$33,650 (2009:\$10,594) was payable to MAM Pty Limited.

17. EVENTS SUBSEQUENT TO THE STATEMENT OF FINANCIAL POSITION DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of material and unusual nature likely, in the opinion of the Company, to significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity, in future financial years.

18. CONTINGENT LIABILITIES

Estimates of material amounts of contingent liabilities not provided for in the accounts, arising from:

	2010	2009
	\$	\$
Sub-Underwriting agreements entered into during the year of which the offer closes after Statement of Financial Position	-	1,660,000

19. CAPITAL COMMITMENTS

Capital commitments exist for placements entered into before 30 June 2010, which settle after year end.

	71,680	1,088,068
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CADENCE CAPITAL LIMITED

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DIRECTORS' DECLARATION

The Directors of Cadence Capital Limited declare that:

1. The financial statements and notes set out on pages 11 to 30 and the additional disclosures included in the Directors' Report designated as Remuneration Report, set out on page 8, of the Company are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standards and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the financial position of the Company as at 30 June 2010 and of its performance for the year ended on that date;
2. The Director and the Chief Operating Officer of the Manager, Cadence Asset Management Pty Limited has declared that:
 - (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.
3. At the date of this declaration, in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Karl Siegling
Director

Dated at Sydney, this 30 August 2010

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CADENCE CAPITAL LIMITED

We have audited the accompanying financial report of Cadence Capital Limited (Cadence), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of Cadence are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion the financial report of Cadence Capital Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of Cadence's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

Report on the Remuneration Report

We have audited the Remuneration Report included in page 8 of the directors' report for the year ended 30 June 2010. The directors of Cadence 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.

Auditor's Opinion

In our opinion the Remuneration Report of Cadence Capital Limited for the year ended 30 June 2010, complies with section 300A of the *Corporations Act 2001*.

Moore Stephens Sydney

Moore Stephens Sydney
Chartered Accountants

JWebster

Jenelle Webster
Partner

Dated in Sydney this 30th day of August 2010.

CADENCE CAPITAL LIMITED

ABN: 17 112 870 096

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report.

SHAREHOLDINGS

Substantial shareholders (as at 31 July 2010)

The following have advised that they are a substantial shareholder of Cadence Capital Limited. The holding of a relevant interest does not infer beneficial ownership. Where two or more parties have a relevant interest in the same shares, those shares have been included for each party.

Substantial ordinary shareholders as at ex-date	No. of shares	% of total
Esselmont Pty Ltd	3,102,485	11.355
MAM Pty Ltd	1,950,000	7.137

On-market buy back

There is a current on-market share buy back in place.

Distribution of shareholders (as at 31 July 2010)

Category	No. of shareholders
1 – 1,000	22
1,001 – 5,000	94
5,001 – 10,000	87
10,001 – 100,000	239
100,001 and over	45
	<hr/>
	487

The number of shareholdings held in less than marketable parcels is 20.

Twenty largest shareholders - Ordinary shares (as at 31 July 2010)

Name	Number of ordinary shares held	Percentage of issued capital held
Esselmont Pty Ltd	3,102,485	11.355
MAM Pty Limited	1,950,000	7.137
Mr David Teoh	1,240,517	4.540
Golden Words Pty Ltd	1,000,000	3.660
Bannaby Investments Pty Ltd <Super Fund>	983,798	3.601
Dirdot Pty Limited <Griffith Super Fund A/C>	927,334	3.394
Yarandi Investments Pty Ltd	649,627	2.378
Mr A Kavangh & Mr M Mahoney <Patrician Brother A/C>	502,414	1.839
Ms Valerie Mitchell	487,500	1.784
HSBC Custody Nominees (Australia) Limited	420,257	1.538
Mr S. Gubbins & Mrs B.Gubbins <Dunluce Super Fund A/C>	409,036	1.497
Robinson Page Management <Beggs-Page Super Fund	400,000	1.464
Milstern Nominees Pty Ltd <Millie Phillips SF A/C>A/C>	341,844	1.251
Tree Pot Pty Ltd <Tree Pot A/C>	327,586	1.199
Ryan Constructions Pty Ltd <J Ryan Super Fund>	314,369	1.151
Mr Aaron Francis Quirk	311,390	1.140
Wolpert Management Services Pty Ltd	293,051	1.073
Mr Cameron Douglas Mcfarlane	270,000	0.988
Frank Haschka Pty Ltd	258,862	0.947
Mr M.N.S.Chung & Mrs D.A.L.Chung<M&D Chung S/F No 2>	256,522	0.939
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	14,446,592	52.876

CADENCE CAPITAL LIMITED

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ASX ADDITIONAL INFORMATION

STOCK EXCHANGE LISTING

Quotation has been granted for all of the ordinary shares of the Company on all Member Exchanges of the ASX Limited.

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