

Authorised Investment Fund Limited

ABN 51 068 793 322

Interim Report - 31 December 2020

Authorised Investment Fund Limited
Corporate directory
31 December 2020

Directors	Benjamin Genser - Chairman David H.A. Craig – Managing Director Chris Baring-Gould – Non-Executive Director
Company secretary	Mr. Mark Licciardo
Registered office	Level 40, 140 William Street, MELBOURNE, VIC, AUSTRALIA, 3000
Principal place of business	Level 40, 140 William Street, MELBOURNE, VIC, AUSTRALIA, 3000
Share register	Computershare Investor Services Pty Ltd Yarra Falls Yarra Falls 452 Johnston Street Abbotsford Vic 3067
Auditor	George Georgiou FCA Connect National Audit - ASIC Authorised Audit Company No. 521888 Level 8, 350 Collins Street MELBOURNE VIC 3000
Stock exchange listing	Authorised Investment Fund Limited shares are listed on the Australian Securities Exchange (ASX code: AIY)
Website	www.authorisedinvestment.com.au

**Authorised Investment Fund Limited
Directors' report
31 December 2020**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Authorised Investment Fund Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

Directors

The following persons were directors of Authorised Investment Fund Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Benjamin Genser - Chairman
David H.A. Craig – Managing Director
Chris Baring-Gould – Non-Executive Director

Principal activities

The principal activities of the company during the financial half-year were the provision of passive equity capital to certain eligible small and medium-sized Australian companies. There has been no significant change in the nature of these principal activities during the financial half-year.

Review of operations

The profit for the consolidated entity after providing for income tax amounted to \$908,837 (31 December 2019: loss of \$9,860,764).

The financial results for the 6 months period to the 31 December 2020 reflects mainly an increase in the fair valuation of Asian Integrated Media Pty Ltd. (AIM) to \$5,050,490. This increase had been driven primarily by significant cost savings in AIM infrastructure in response to COVID-19, coupled with a more optimistic outlook for forecast client revenues as economic activity picks up in China and Hong Kong.

In other investee company developments:

- Endless Solar Corporation Ltd has been actively seeking capital to begin commercialisation its Cool Solar project. However, there is nothing material that can be reported to the market at this time.
- The process of divesting with eMerson Media is continuing.

There are no changes in the valuation of other investee companies.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

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 immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Benjamin Genser
Chairman

30 March 2021

As lead auditor for the review of Authorised Investment Fund Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Authorised Investment Fund Limited.



George Georgiou FCA

Managing Partner

Connect National Audit Pty Ltd

ASIC Authorised Audit Company No.: 521888

Melbourne, Victoria

30 March 2021

Authorised Investment Fund Limited

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General information

The financial statements cover Authorised Investment Fund Limited as a consolidated entity consisting of Authorised Investment Fund Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Authorised Investment Fund Limited's functional and presentation currency.

Authorised Investment Fund Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 40, 140 William Street,
MELBOURNE, VIC, AUSTRALIA, 3000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 March 2021.

Authorised Investment Fund Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020

	Note	Consolidated Dec 20 \$	Dec 19 \$
Revenue	4	77,164	-
Other income	5	883,380	-
Interest revenue calculated using the effective interest method		2,222	1
Expenses			
Administration and other expenses		(53,929)	(447,922)
Fair value loss on investments		-	(9,412,843)
Profit/(loss) before income tax expense		908,837	(9,860,764)
Income tax expense		-	-
Profit/(loss) after income tax expense for the half-year attributable to the owners of Authorised Investment Fund Limited		908,837	(9,860,764)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Authorised Investment Fund Limited		<u>908,837</u>	<u>(9,860,764)</u>
		Cents	Cents
Basic earnings per share		0.214	(2.337)
Diluted earnings per share		0.214	(2.337)

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

Authorised Investment Fund Limited
Statement of financial position
As at 31 December 2020

	Note	Consolidated Dec 20 \$	Jun 2020 \$
Assets			
Current assets			
Cash and cash equivalents		10,707	3,192
Trade and other receivables		6,325	825
Total current assets		<u>17,032</u>	<u>4,017</u>
Non-current assets			
Financial assets at fair value through profit and loss	6	<u>5,437,160</u>	<u>4,553,780</u>
Total non-current assets		<u>5,437,160</u>	<u>4,553,780</u>
Total assets		<u>5,454,192</u>	<u>4,557,797</u>
Liabilities			
Current liabilities			
Trade and other payables		129,818	165,721
Borrowings		33,103	9,642
Total current liabilities		<u>162,921</u>	<u>175,363</u>
Total liabilities		<u>162,921</u>	<u>175,363</u>
Net assets		<u>5,291,271</u>	<u>4,382,434</u>
Equity			
Issued capital		24,154,497	24,154,497
Accumulated losses		<u>(18,863,226)</u>	<u>(19,772,063)</u>
Total equity		<u>5,291,271</u>	<u>4,382,434</u>

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

Authorised Investment Fund Limited
Statement of changes in equity
For the half-year ended 31 December 2020

Consolidated	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019	24,154,497	(8,817,134)	15,337,363
Loss after income tax expense for the half-year	-	(9,860,764)	(9,860,764)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	(9,860,764)	(9,860,764)
Balance at 31 December 2019	<u>24,154,497</u>	<u>(18,677,898)</u>	<u>5,476,599</u>
Consolidated	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	24,154,497	(19,772,063)	4,382,434
Profit after income tax expense for the half-year	-	908,837	908,837
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	908,837	908,837
Balance at 31 December 2020	<u>24,154,497</u>	<u>(18,863,226)</u>	<u>5,291,271</u>

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

Authorised Investment Fund Limited
Statement of cash flows
For the half-year ended 31 December 2020

	Consolidated	
	Dec 20	Dec 19
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	19,500	-
Interest received	1	1
Payments to suppliers and employees (inclusive of GST)	<u>(35,447)</u>	<u>(156,928)</u>
Net cash used in operating activities	<u>(15,946)</u>	<u>(156,927)</u>
Net cash from investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities		
Proceeds from related parties	<u>23,461</u>	<u>164,713</u>
Net cash from financing activities	<u>23,461</u>	<u>164,713</u>
Net increase in cash and cash equivalents	7,515	7,786
Cash and cash equivalents at the beginning of the financial half-year	<u>3,192</u>	<u>7,805</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>10,707</u></u>	<u><u>15,591</u></u>

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

Authorised Investment Fund Limited
Notes to the financial statements
31 December 2020

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The directors have prepared a cash flow which indicates that the company has sufficient funds to continue in the foreseeable future. These assumptions are based on certain economic and operating assumptions about future events and actions that have not yet occurred, and may not necessarily occur. Directors are confident that if necessary they will be able to raise sufficient capital to enable the continuation of operations until investment returns reach a volume to ensure a return to profitability and positive cash flows.

Note 2. Impact of COVID 19 pandemic

The company has not experienced material changes in its operations due to the impact of COVID-19.

However, its investee companies may have experienced COVID-19 impacts. Investee companies that have provided the company with such information is disclosed as follows:

- Asian Integrated Media (AIM) – AIM's clients are heavily exposed to the travel and leisure industries, and as such had experienced significant downturns in business activity compared to pre-COVID-19 periods. AIM has restructured its operations by significantly reducing its costs and support infrastructure in order to be financially sustainable. However, leading indicators with its clients are showing positive signs of improvements in business activity and confidence, and this should augers well for the future.

Note 3. Operating segments

Identification of reportable operating segments

The principal activity of the Company during the financial year ended 30 June 2020, was the provision of passive equity capital to certain eligible small or medium-sized Australian companies.

Authorised Investment Fund Limited
Notes to the financial statements
31 December 2020

Note 4. Revenue

	Consolidated	Consolidated
	Dec 20	Dec 19
	\$	\$
<i>Revenue from contracts with customers</i>		
Sales - professional fees	25,000	-
<i>Other revenue</i>		
Other revenue	52,164	-
Revenue	<u>77,164</u>	<u>-</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	Consolidated
	Dec 20	Dec 19
	\$	\$
<i>Major product lines</i>		
Professional fees	<u>25,000</u>	<u>-</u>
<i>Geographical regions</i>		
Australia	<u>25,000</u>	<u>-</u>
<i>Timing of revenue recognition</i>		
Services transferred over time	<u>25,000</u>	<u>-</u>

Note 5. Other income

	Consolidated	Consolidated
	Dec 20	Dec 19
	\$	\$
Net fair value gain on investments	<u>883,380</u>	<u>-</u>

Note 6. Non-current assets - financial assets at fair value through profit and loss

	Consolidated	Consolidated
	Dec 20	Jun 2020
	\$	\$
Listed investment	386,670	860,722
Unlisted investments	5,050,490	3,693,058
	<u>5,437,160</u>	<u>4,553,780</u>

Reconciliation of the fair values at the beginning and end of the current financial half-year are set out below:

Opening fair value	4,553,780
Net fair value gain on investments	883,380
	<u>5,437,160</u>

Authorised Investment Fund Limited
Notes to the financial statements
31 December 2020

Note 7. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 8. Related party transactions

Parent entity

Authorised Investment Fund Limited is the parent entity.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	Dec 20	Dec 19
	\$	\$
Sale of goods and services:		
Professional fees charged to Endless Solar Corporation	25,000	-

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	Dec 20	Jun 2020
	\$	\$
Current payables:		
Payables to directors	18,363	9,642

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

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

Note 9. Events after the reporting period

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Authorised Investment Fund Limited
Directors' declaration
31 December 2020

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Benjamin Genser
Chairman

30 March 2021

Independent Auditor's Review Report
To the members of Authorised Investment Fund Limited
Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying Half-year Financial Report of Authorised Investment Fund Limited (the "Company") and it controlled entities ("The consolidated entity").

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of The consolidated entity is not in accordance with the Corporations Act 2001, including:

- Giving a true and fair view of The consolidated entity's financial position as at 31 December 2020 and of its performance for the Half-year ended on that date; and
- Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

The Half-year Financial Report comprises:

- Statement of financial position as at 31 December 2020;
- Statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the Half-year ended on that date;
- Notes 1 to 9 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the consolidated entity are responsible for:

- The preparation of the Half-year Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and Corporations Act 2001
- For such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Half-year Financial Report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of The consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As auditor of Authorised Investment Fund Limited and its controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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



George Georgiou FCA
Managing Partner
Connect National Audit
ASIC Authorised Audit Company No. 521888
Melbourne, Victoria
Date 30 March 2021