

CORPORATE DIRECTORY

Registered Office and Principal Place of Business:

Level 9
406 Collins Street
Melbourne Victoria

Directors:

Benjamin Genser - Chairman
David H.A. Craig – Managing Director
Michael Gordon – Non Executive Director (resigned on 14th August 2015)
Chris Baring-Gould – Non Executive Director (appointed on 14th August 2015)

Secretary:

Cathy W Lin

Auditors:

Margaret Salter F.C.A. MAICD
Chartered Accountant
P O BOX 194
Doncaster, Vic, 3108

Share registry:

Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnston Street
Abbotsford Vic 3067

Stock exchange listing:

Authorised Investment Fund Limited ordinary shares are listed
on the Australian Stock Exchange
(code: AIY)

CHAIRMANS LETTER

Dear shareholders,

1. Results for financial year ended 30 June 2015

The past financial year has been a challenging year for the Company. The net loss before tax was \$470k, of which \$397k was attributed to a reduction in fair value of two investments. In part, this reversed a gain in fair value of investments recognised in 2013/14 of \$1.3 million.

Consequently, the 2014/15 loss resulted in an EPS of (0.34) cents per share. No dividends were paid during the year

2. Review of operations and activities

The major investments of the Company are shares held in Endless Solar Corporation Ltd (ESC), Speedpanel Australia Ltd (SPA), and Plumbers Federation Limited (PFL). The key operating activities for the year are highlighted as follows:

- Endless Solar Corporation Ltd (ESC)

AIY's investment in ESC was reduced by \$247k to reflect fair value at 30 June 2015.

Like all other companies operating in the renewal energy sector, ESC has had a very challenging year as it battled the strong headwinds of a regressive Federal Government renewal energy policy, which impacted adversely on sales and profitability. ESC responded to these adverse conditions by restructuring its operations and reducing costs during the year. This exercise has been successful, and ESC is now able to take advantage of opportunities in the renewal energy sector (particularly the solar hot water segment of the market). The company is in the process of forging strategic alliances that are mutually beneficial to both ESC and its partners.

- Speedpanel Australia Ltd (SPA)

AIY was unable to obtain the audited accounts of SPA in time for assessing the fair value of this investment. Consequently, in the absence of such information, the fair value of SPA at 30 June 2015 was left unchanged from its 30 June 2014 valuation. The Company will provide an update to the market when the relevant information is received.

Based on information provided by SPA, it appears that the company has improved its prospects for sales and profitability in the future. A new factory with significantly higher production capacity has been acquired, and it is anticipated that the operations will shift to this new factory sometime in H1 of 2015/16. A successful translation of such higher production capacity into sales can increase the prospects of higher profitability, provided costs are adequately contained.

- Plumbers Federation Limited (PFL)

PFL did not trade in 2014/15. It was previously ETube Finance Ltd. The fair value of PFL was reduced by \$150k at 30 June 2015, to reflect a decrease in its capital base.

PFL is in the process of completing a prospectus, which will be available to the market when completed.

3. Outlook

AIY anticipates that 2015/16 will be another challenging year, as its operating environment in Australia face higher risks of economic slowdown should economic growth in China also slows.

One bright spot is the continuing acceptance of clean renewal energy by Australian consumers, both in the residential and commercial segments of the market. This is in spite of the current regressive Federal Government policy on renewables. Increasingly, a number of State and Local Governments have mandated increased use of renewal energy and higher consumption targets of clean energy. Such policy environments are more conducive for our investee companies such as ESC and PFL to operate in going forward.

A handwritten signature in black ink, consisting of a large, stylized 'G' followed by several vertical strokes and a long horizontal line extending to the right.

Benjamin Genser
Chairman

31st August 2015

A handwritten signature in black ink, featuring a long, sweeping horizontal line that curves upwards at the end, with a smaller loop underneath.

David H.A. Craig
Managing Director

31st August 2015

CORPORATE GOVERNANCE STATEMENT

The Board is ultimately responsible for all matters relating to the running of the Company.

The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

The Board has the final responsibility for the successful operations of the Company. In general, it is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company. In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

- Providing leadership to the company by:
 - Guiding the development of an appropriate culture and values for the company through the establishment and review of Codes of Conduct, rules and procedures to enforce ethical behaviour and provide guidance on appropriate work methods;
 - Always acting in a manner consistent with the Company's culture and Code of Conduct;
- Overseeing the development and implementation of an appropriate strategy by:
 - Working with the senior management team to ensure that an appropriate strategic direction and array of goals are in place;
 - Regularly reviewing and amending or updating the Company's strategic direction and goals;
 - Ensuring that an appropriate set of internal controls are implemented and reviewed regularly;
 - Overseeing planning activities including the development and approval of strategic plans, annual corporate budgets and long-term budgets including operating budgets, capital expenditure budgets and cash flow budgets.
 - Reviewing the progress and performance of the Company in meeting these plans and corporate objectives, including reporting the outcome of such reviews on at least an annual basis.
- Ensuring corporate accountability to the shareholders primarily through adopting an effective shareholder communications strategy, encouraging effective participation at general meetings and, through the Chairman, being the key interface between the Company and its shareholders;
- Overseeing the control and accountability systems that ensure the Company is progressing towards the goals set by the Board and in line with the Company's purpose, the agreed corporate strategy, legislative requirements and community expectations;
 - Ensuring robust and effective risk management, compliance and control systems (including legal compliance) are in place and operating effectively;
- Ensuring appropriate human resource systems (including OH&S systems) are in place to ensure the well-being and effective contribution of all employees.

CORPORATE GOVERNANCE STATEMENT

- Making all decisions outside the scope of these delegated powers including:
 - Approving all operational expenditures more than 10% outside the approved budget;
 - Approving the details of all items of capital expenditure and
 - Approving all mergers, acquisitions or property disposals and
 - Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures.

The detail of some Board functions may be handled through Board Committees. However, the Board as a whole is responsible for determining the extent of powers residing in each Committee and is ultimately responsible for accepting, modifying or rejecting Committee recommendations.

Directors' Authorities and Delegations

Directors are responsible for any delegations of their responsibilities with regard to corporate operations. As such, they decide as a Board what Company matters are delegated to either specific Directors or management. In addition, they outline what controls are in place to oversee the operation of these delegated powers.

As a consequence, individual Directors have no individual authority to participate in the day-to-day management of the Company including making any representations or agreements with member companies, suppliers, customers, employees or other parties or organisations.

The exception to this principle occurs where the Board through resolution explicitly delegates an authority to a Director individually. Additionally, it is recognised that all Executive Directors will carry significant delegated authority by virtue of their management position as outlined in a relevant Board resolution.

Similarly, Committees and their members require specific delegations from the Board as a whole and these will be contained in each Committee's respective Terms of Reference.

General Delegations

In general, the Board delegates all powers and authorities required to effectively and efficiently carry out the Company's business. Listed below are the exceptions to these delegations, whereby the Board or appropriate Committee reserves the powers as indicated.

Decisions Requiring Board Approval

The following decisions must be referred to the Board for approval:

- Acquiring or selling shares of the Company;
- Acquiring, selling or otherwise disposing of property;
- Founding, acquiring or selling subsidiaries of or any company within the Company, participating in other companies or dissolving or selling the Company's participation in other companies (including project joint ventures);
- Acquiring or selling patent rights, rights in registered trademarks, licences or other intellectual property rights of the Company;
- Founding, dissolving or relocating branch offices or other offices, plants and facilities;
- Starting new business activities, terminating existing business activities or initiating major changes to the field of the Company's business activities;
- Approving and/or altering the annual business plan (including financial planning) for the Company or any part of the Company;
- Taking or granting loans including, without limitation, the placing of credit orders, issuing of promissory notes or loans against IOUs;
- Granting securities of any type;

CORPORATE GOVERNANCE STATEMENT

- Granting loans to Company officers or employees and taking over guarantees for the Company's officers and employees;
- Determining the balance sheet strategy for the Company or any part of the Company;
- Entering into agreements for recurring, voluntary, or additional social benefits, superannuation agreements or agreements for general wage and salary increases;
- Determining the total amount of bonuses and gratuities for Company officers and employees;
- Determining the appointment, termination, prolongation of employment or amendment to conditions of employment of members of the Board of Directors; and
- Granting or revoking a power of attorney or limited authority to sign and/or act on behalf of the Company.

The composition of the Board is reviewed and considered at least annually at a meeting of all directors. Shareholder approval is required on the composition of the Board. Directors are elected by shareholders and remain accountable to them. The Board will meet formally on a regular basis.

The board presently comprises two non-executive directors and an executive director.

The company policy regarding the terms and conditions for remuneration relating to the appointment and retirement of Board members are approved at a meeting of all directors following professional advice. The directors of the Company, meeting as a Board, determine the fees of directors within the aggregate limit established by shareholders in general meeting.

The remuneration and terms and conditions of executive officers are reviewed and approved by the directors after seeking professional advice.

Non-executive members have the right to seek independent professional advice in the furtherance of their duties as Directors at the company's expense. The Chairman's approval of such expenditure is required.

Where any director has an interest of any kind in relation to any matter dealt with at a board or committee meeting that director abstains from participation in the decision process.

Directors and officers must inform the Chairman, in advance, of any proposed dealing in Authorised Investment Fund Limited securities, refrain from buying or selling in the period of five days before, the day of, and the day after announcements and observe all legal requirements relating to dealing in securities. Directors and officers are prohibited from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

Communications to Shareholders

The board of directors aims to ensure that the shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the directors. Information is communicated to shareholders through:

- The Annual Report which is distributed to all shareholders
- The Annual General Meeting and other meetings so called to obtain approval for board action as appropriate;
- The appointment of a contact for shareholder liaison to respond to telephone and written shareholder inquiries.

Evaluation of the performance of senior executives, the board, its committees and individual directors

The Chairman reviews the performance of the senior executives by way of formal and informal discussions as appropriate throughout the year. The performance of the senior executives was reviewed during the financial year in accordance with this process.

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A review of the performance of the Board and its Committees during the financial year, is conducted by the Chairman through formal and informal discussions. Significant issues that are identified or changes recommended are actioned by the Board.

Given the current size of the Board, there are no formal performance reviews of individual directors.

Keeping the market informed

The company has documented policies for communications and continuous disclosure procedures and practices. The board specifically addresses the issue of price sensitive information at each of its board meetings. The Company Secretary is responsible for the communication of administrative matters to the ASX.

Audit Committee

At the date of this report the Company has an Audit Committee consisting of the following directors and officeholders:

Benjamin W Genser	- Audit Committee Chairman
Michael Gordon	- Director (resigned on 14 th August 2015)
Chris Baring-Gould	- Director (appointed on 14 th August 2015)

The Audit Committee does not have a formal charter but its objectives to assist the Board in fulfilling its statutory responsibilities in relation to financial reporting, risk management and internal control include:

- Assessing the risk and control environment – review accounting policies, internal controls, practices and disclosures to assist the board in making informed decisions
- Overseeing the financial reporting to ensure it is appropriate and of a high quality prior to recommending adoption of the financial statements by the board for release to the ASX and shareholders
- Evaluating the audit process, particularly the scope, effectiveness and outcome

Committee members are financially literate, that is, have the ability to read and understand financial reports including the statements of financial performance, financial position and cash flow.

The Audit Committee meets at least each half year to coincide with the production of published financial statements and the assessment of external audit reports. The external auditor and the Managing Director are invited to Audit Committee meetings. The committee members consult directly with the external auditor as required. This consultation may be independent of management in order to provide an opportunity for the auditor to discuss any contentious issue or raise concerns.

Risk Management

The Board as a whole considers the major risks affecting the business. The Company has developed a risk management system to evaluate and control risks effectively to ensure opportunities are not lost, competitive advantage is enhanced, and management time is not spent reacting to issue or events. It is not intended to eliminate risk. This risk management system encompasses all financial operational and compliance controls and risk management and is subject to regular review.

Major business risks have been identified as quality of due diligence of investment opportunities, actions by competitors, environment regulation and government policy changes. Procedures have been developed to minimise the effect of these risks wherever possible.

Financial controls and procedures are clearly defined with the operating and capital budgets used as key controls for business operations. The Board considers regular reports comparing actual results against the budgets set by the Board.

The Managing Director provided a written statement to the Board, that in his opinion:

- the statement given in accordance with Section 295A of the Corporations Act is founded on a sound system of risk management and internal control; and
- the company's risk management and internal compliance and control framework is operating effectively in all material respects in relation to financial reporting risks.

CORPORATE GOVERNANCE STATEMENT

ASX Corporate Governance Council Guidelines

The Board has not adopted the following ASX Corporate Governance Council recommendations:

Recommendation 1.1 Formalise and disclose the functions reserved to the board and those delegated to management.

The board has formalised a statement of issues reserved for the board and this statement is reproduced in this Corporate Governance Report.

Recommendation 2.1 A majority of the board should be independent directors

While the Board strongly endorses the position that boards need to exercise independence of judgment, it also recognises that the need for independence is to be balanced with the need for skills, commitment and a workable board size. Whilst the board consists of five directors, Mr. Craig and Mr Genser are substantial shareholders and therefore cannot be regarded as independent directors.

The board believes that it consists of members with the skills, experience and character required to discharge its duties and that any greater emphasis on independence at this point in time would be at the expense of the Board's effectiveness.

Recommendation 2.4 The Board should establish a nomination committee

The Board considers that the selection and appointment of Directors is such an important task that it should be the responsibility of the entire Board to consider the nomination process. As the board consists of only three directors this is considered best practice at this stage in the company's development.

Recommendation 3.1 Establish a Code of Conduct to guide Directors, the Managing Director, and any other key executives as to the practices necessary to maintain confidence in the Company's integrity and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Due to the size of the company and the resources available to it, the board does not consider that a formal code of conduct for Directors, the Managing Director and the Company Secretary is appropriate. Rather it is agreed that all officers of the company will act ethically and in the best interests of the company.

Recommendation 3.2 Establish a policy concerning gender diversity

Due to the size of the company, the board does not consider that a gender diversity policy is practicable. Rather it is agreed that there should be no impediments to gender diversity.

Recommendation 4.3 Structure the Audit Committee so that it consists of only non-executive directors, an independent chairperson, who is not chairperson of the board, at least two members.

Increasing the size of the committee to three members, who are also not the chairperson of the Board, is not possible given the composition of the board. The Audit Committee mainly consists of non-executive directors.

Recommendation 8.2 The Board should establish a Remuneration Committee

The board considers that due to its small size all members should be involved in determining remuneration levels, it has not established a separate remuneration committee.

DIRECTORS' REPORT

The directors present their report on the company and its controlled entities for the financial year ended 30 June 2015.

Directors

The names of the directors in office at any time during or since the end of the year are:

Mr. Benjamin Genser (Chairman)
Mr. David H.A. Craig
Mr. Michael Gordon (resigned on 14th August 2015)
Mr. Chris Baring-Gould (appointed on 14th August 2015)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

Ms. Cathy W Lin C.A B & Com (Auckland University)

Principal Activities

The Company is registered under the Pooled Development Funds Act 1992 (Cth) ("PDF Act"). The principal activities of the Company during the financial year were the provision of passive equity capital to certain eligible small and medium-sized Australian companies in accordance with the provisions of the PDF Act. There has been no significant change in the nature of these activities during the financial year.

Operating Results

The consolidated loss of the economic entity after providing for income tax amounted to \$470,243 (2014 profit \$528,582).

Dividends Paid or Recommended

No dividends were paid or recommended during the financial year.

Review of Operations

The review of operations is included in the attached Chairmans letter.

Financial Position

The net assets of the economic entity have decreased by \$470,243 to \$1,995,648 at 30 June 2015. This has largely resulted from the following factors:

1. The decrease in the valuation of the investments in Plumber Federation Ltd (former name: E-Tube Finance Limited) and Endless Solar Corporation Ltd to reflect the market price according to the Australian Accounting Standard;

There were no other significant changes in the state of affairs of the economic entities during the financial year ended 30 June 2015.

After Balance Date Events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Future Developments, Prospects and Business Strategies

To further improve the economic entity's profit and maximise shareholder wealth, the following developments are intended to be implemented in the near future. The Directors intend to continue the company's current operations of investing in small to medium-sized eligible Australian companies, in accordance with the provisions of the PDF Act. This course of action will assist in the achievement of the economic entity's long-term goals and development of new business opportunities.

Meetings of Directors

During the financial year 6 meetings of directors (including committees) were held. Attendances were

	<u>Directors' Meetings</u>			<u>Audit Committee Meetings</u>	
	Number eligible to attend	Number attended		Number eligible to attend	Number attended
Mr.B.Genser	6	6		2	2
Mr. D.H.A. Craig	6	6		-	-
Mr. M.Gordon	6	6		2	2

DIRECTORS' REPORT

Information on Directors

Benjamin Genser

Qualifications:

Experience:

Interest in shares:

Special responsibilities:

Directorships held in other listed entities:

Chairman (non-executive)

Bachelor of Architecture

Managing Director of the Belgrave Group of companies.

12,040,235 ordinary shares in Authorised Investment Fund Limited through BGL Investments Pty Ltd.

Chairman of Board Audit Committee

Nil

David H.A. Craig

Qualifications:

Experience:

Interest in shares:

Special responsibilities:

Directorships held in other listed entities:

Managing Director (executive)

Bachelor of Economics

Director since March 1998,

Chairman of Consolidated Financial Services Limited Group, Chairman of Endless Solar Corporation Limited.

19,664,846 ordinary shares in Authorised Investment Fund Limited.

Nil

Director of Endless Solar Corporation Ltd

Michael Gordon

Qualifications:

Experience:

Interest in shares:

Special responsibilities:

Directorships held in other listed entities:

Director (non-executive) (resigned on 14/08/2015)

Bachelor of Commerce (Melbourne), FFIN

Over 30 years' experience as a business analyst

1,000,000 ordinary shares in Authorised Investment Fund Limited

Member of Board Audit Committee

Nil

Chris Baring-Gould

Qualifications:

Experience:

Interest in shares:

Special responsibilities:

Directorships held in other

Listed entities:

Director (non-executive) (appointed on 14/08/2015)

BBusAcc, MBA, CPA

Over 25 years' experience as a financial accountant in large international fund companies. Chief Financial Office of Anglicare Victoria. Independent member of the Funds-in-Court Audit Committee (Victoria Supreme Court)

9,528,652 ordinary shares in Authorised Investment Fund Limited

Member of Board Audit Committee

Director of Endless Solar Corporation Ltd

Environmental Issues

The economic entity is not subject to significant environmental regulation under the law of the Commonwealth and State.

Indemnifying Officers or Auditor

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company, the company secretary and all executive officers of the company against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director, secretary or officer of the company, other than conduct involving a wilful breach of duty in relation to the company to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits the disclosure of the premium amount.

Apart from the insurance premium noted above, no indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is an officer or auditor of the economic entity.

Options

At the date of this report, the unissued ordinary shares of Authorised Investment Fund Limited under option are as follows:

Grant Date	Date of expiry	Exercise Price	No. under option
9 May 2011	20 May 2016	\$0.15	16,000,000
12 May 2014	30 June 2019	\$0.055	1,000,000
27 Feb 2015	30 June 2019	\$0.055	600,000
			<hr/> 17,600,000 <hr/>

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

No Non-Audit Services were provided by the Company's external auditors during the financial year.

Auditor

Ms Margaret Salter F.C.A was appointed as Auditor in accordance with section 324AA of the Corporations Act 2001.

Auditors Independence Declaration

The auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 15 of the directors report.

Remuneration Report

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of Authorised Investment Fund Limited's key management personnel for the financial year ended 30 June 2015. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the consolidated entity. The prescribed details for each person covered by this report are detailed below under the following headings:

- key management personnel
- remuneration policy
- relationship between the remuneration policy and company performance
- remuneration of key management personnel
- key terms of employment contracts.

Key management personnel**Name**

Mr. B. Genser
Mr. D.H.A. Craig
Mr. M.Gordon
Mr. Chris Baring-Gould
Ms. Cathy Lin

Position

Chairman – Non-Executive
Managing Director – Executive,
Director – Non-Executive (resigned on 14/08/2015)
Director – Non-Executive (appointed on 14/08/2015)
Company Secretary

Remuneration Policy

The remuneration policy of Authorised Investment Fund Limited has been designed to align director objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based upon key performance areas affecting the economic entity's financial results. The board of Authorised Investment Fund Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the economic entity, as well as create goal congruence between director and shareholders.

AUTHORISED INVESTMENT FUND LIMITED ABN 51 068 793 322

The board's policy for determining the nature and amount of remuneration for board members of the economic entity is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed and approved by the board.
- All executives receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, options and performance incentives.
- The board reviews executive packages annually by reference to the economic entity's performance, executive performance and comparable information from industry sectors.

The performance of executives is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the economic entity's profits and shareholders' value. The board may, however, exercise its discretion in relation to approving incentives, bonuses and options. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

Where applicable, executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9.5%, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and executives is valued at the cost to the company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology.

The board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The remuneration committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the economic entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in the employee option plan.

Company performance, shareholder wealth and director and executive remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. There have been two methods applied in achieving this aim, the first being a performance based bonus based on key performance indicators, and the second being the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The company believes this policy will be effective in increasing shareholder wealth in future years.

Details of Remuneration for the Year Ended 30 June 2015

The remuneration for each director and executive officers of the consolidated entity receiving the highest remuneration during the year was:

Directors	Short-term Benefits		Post Employment	Share based Payments	Total	Performance related %
	Salary & fees	Super. Contribution	Super.			
	\$	\$	\$	\$		
Mr. B. Genser					-	
Mr. D.H.A.Craig					-	
Mr. M.Gordon					-	

Key management personnel equity holdings

	<u>Balance</u> <u>01/07/14</u>	<u>Received as</u> <u>compensation</u>	<u>Option</u> <u>Exercised</u>	<u>Net</u> <u>change*</u>	<u>Balance</u> <u>30/06/15</u>
Mr.B.Genser	12,040,235	-	-	-	12,040,235
Mr.D.H.A.Craig	19,664,846	-	-	-	19,664,846
Mr M Gordon	1,000,000				1,000,000
	32,705,081	-	-	-	32,705,081

Shares issued as Part of Remuneration for the Year Ended 30 June 2015

There were no shares issued to directors and executives as part of their remuneration during 2015.

Employment Contracts of Directors and Senior Executive

The directors and executives do not have formalised contracts of employment.

A Directors appointment may be terminated in accordance with the Corporations Act and the Constitution of the Company, and their office will be ipso facto vacated in the circumstances specified in the Corporations Act and the Constitution of the Company. A director may terminate their appointment by giving 3 months' notice in writing to the Company. The Company will pay the Director, by way of remuneration for his services, directors' fees in accordance with the Constitution of the Company.

Signed in accordance with a resolution of the Board of Directors.



Mr. David Craig
Director

Dated this 31st August 2015

The Board of Directors
Authorised Investment Fund Limited
Level 9 406 Collins Street
Melbourne VIC 3000

31 August 2015

Dear Board Members

**Auditor's Independence Declaration
Authorised Investment Fund Limited**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Authorised Investment Fund Limited.

As the auditor of the financial statements of Authorised Investment Fund Limited for the financial year ended 30 June 2015, I declare that, to the best of my knowledge and belief, during the financial year ended 30 June 2015 there has been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



Margaret M Salter FCA

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
Revenue from ordinary activities			
Bank interest	4	1,113	28
Gain on revaluation of investments		-	1,301,584
		1,113	1,301,612
Administration and other expenses		(73,623)	(107,091)
Impairment of financial assets	5,6	(397,733)	(591,112)
Loss from sale of investment assets		-	(74,827)
Profit(Loss) before income tax expense		(470,243)	528,582
Income tax (expense) benefit	7	-	-
Net profit/(loss)		(470,243)	528,582
Other comprehensive income/ (loss) for year		-	-
Total comprehensive income/(loss) for the year		(470,243)	528,582
Earnings per share:			
Basic earnings profit(loss) per share (cents per share)	9	(0.34)	0.38
Diluted earnings profit(loss) per share (cents per share)	9	(0.34)	0.38
There were no discontinued operations during the year.			
Dividends per share		Nil	Nil

The accompanying notes form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

	Note	2015 \$	2014 \$
Current Assets			
Cash and cash equivalents	12	45,970	141,908
Other current assets		34,625	15,136
Total current Assets		80,595	157,044
Non-current Assets			
Financial assets	14	1,925,032	2,322,583
Total non-current Assets		1,925,032	2,322,583
Total Assets		2,005,627	2,479,627
Current Liabilities			
Trade and other payables		9,979	13,736
Total Current Liabilities		9,979	13,736
Non-current Liabilities		-	-
Total non-current Liabilities		-	-
Total Liabilities		9,979	13,736
Net Assets		1,995,648	2,465,891
Equity			
Issued capital		10,434,348	10,434,348
Accumulated Losses		(8,438,700)	(7,968,457)
Total Equity		1,995,648	2,465,891

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

	Issued Capital	Accumulated Losses	Total
	\$	\$	\$
Balance as at 1 July 2013	10,408,348	(8,497,039)	1,911,309
Shares issued during the year	26,000		26,000
Transaction costs			
Profit(Loss) attributable to members of the parent entity		528,582	528,582
Balance at 30 June 2014	10,434,348	(7,968,457)	2,465,891
Shares issued during the year			
Unrealised gains			
Profit(Loss) attributable to members of the parent entity		(470,243)	(470,243)
Balance at 30 June 2015	10,434,348	(8,438,700)	1,995,648

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
Cash Flows from Operating Activities			
Cash receipts in the course of operations		-	36,728
Cash payments in the course of operations		(95,776)	(113,624)
Interest received		18	28
Net cash used in operating activities	18	(95,758)	(76,868)
Cash Flows from Investing Activities			
Payments for investments		(180)	(56,000)
Proceeds from sale of investments		-	268,487
Payment for plant and equipment		-	-
Net cash used in investing activities		(180)	212,487
Cash Flows from Financing Activities			
Proceeds from rights issue		-	-
Proceeds from issue of shares		-	-
Net cash provided by financing activities		-	-
Net increase (decrease) in cash		(95,938)	135,619
Cash at the beginning of the year		141,908	6,289
Cash at the end of the year	12	45,970	141,908

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. GENERAL INFORMATION

Authorised Investment Fund Limited is a listed public company, incorporated and domiciled in Australia. The address of its registered office and principal place of business is:
Level 9, 406 Collins Street, Melbourne VIC 3000 Australia

The principal activities of the company during the financial year were the provision of passive equity capital to certain eligible small and medium-sized Australian companies in accordance with the provisions of the Pooled Development Funds Act 1992 (Commonwealth).

2. APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

2.1 Amendments to AASBs and the new Interpretation that are mandatorily effective for the current year.

In the current year, the Company has applied a number of amendments to AASBs and a new Interpretation issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2015, and therefore relevant for the current year end.

AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'	<p>The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realization and settlement'.</p> <p>The application of these amendments does not have any material impact on the disclosures in the Company's financial statements.</p>
AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'	<p>The amendments to AASB 136 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by AASB 13 'Fair Value Measurements'.</p> <p>The application of these amendments does not have any material impact on the disclosures in the Company's financial statements.</p>
AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting'	<p>The amendments to AASB 139 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.</p> <p>As the company does not have any derivatives that are subject to novation, the application of these amendments does not have any material impact on the disclosures or on the amounts recognized in the company financial statements.</p>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 2 Application of new and revised Accounting Standards (continued)

<p>AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'</p>	<p>The amendments to AASB 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.</p> <p>To qualify as an investment entity, a reporting entity is required to:</p> <ul style="list-style-type: none"> • obtain funds from one or more investors for the purpose of providing them with investment management services; • commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and • measure and evaluate performance of substantially all of its investments on a fair value basis. <p>Consequential amendments have been made to AASB 12 and AASB 127 to introduce new disclosure requirements for investment entities.</p> <p>As the Company is not an investment entity (assessed based on the criteria set out in AASB 10 as at 1 July 2014), the application of the amendments does not have any material impact on the disclosures or the amounts recognized in the company's financial statements.</p>
<p>AASB 2014-1 'Amendments to Australian Accounting Standards' (Part A: Annual Improvements 2010–2012 and 2011–2014 Cycles)</p>	<p>The Annual Improvements 2010-2012 has made number of amendments to various AASBs, which are summarised below.</p> <ul style="list-style-type: none"> • The amendments to AASB 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to AASB 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2015. • The amendments to AASB 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of AASB 9 or AASB 139 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to AASB 3 are effective for business combinations for which the acquisition date is on or after 1 July 2015. • The amendments to AASB 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker. • The amendments to the basis for conclusions of AASB 13 clarify that the issue of AASB 13 and consequential amendments to AASB 139 and AASB 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

Note 2 Application of new and revised Accounting Standards (continued)

	<ul style="list-style-type: none"> • The amendments to AASB 116 and AASB 138 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses. • The amendments to AASB 124 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required <p>The Annual Improvements 2011-2013 has made number of amendments to various AASBs, which are summarised below.</p> <ul style="list-style-type: none"> • The amendments to AASB 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements in the financial statements of the joint arrangement itself. • The amendments to AASB 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, AASB 139 or AASB 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within AASB 132. • The amendments to AASB 140 clarify that AASB 140 and AASB 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether: <ul style="list-style-type: none"> • the property meets the definition of investment property in terms of AASB 140; and • the transaction meets the definition of a business combination under AASB 3. <p>The application of these amendments does not have any material impact on the disclosures or on the amounts recognised in the Company's financial statements.</p>
<p>AASB 2014-1 'Amendments to Australian Accounting Standards' (Part B: Defined Benefit Plans: Employee Contributions Amendments to AASB 119)</p>	<p>The amendments to AASB 119 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.</p> <p>For contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.</p>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

Note 2 Application of new and revised Accounting Standards (continued)

	The application of these amendments to AASB 119 does not have any material impact on the disclosures or on the amount recognised in the Company's financial statements.
Interpretation 21 'Levies'	<p>Interpretation 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.</p> <p>The application of this Interpretation does not have any material impact on the disclosures or on the amounts recognised in the Company's financial statements.</p>
AASB 1031 'Materiality', AASB 2014-9 'Amendments to Australian Accounting Standards' – Conceptual Framework, Materiality and Financial Instruments' (Part B: Materiality), AASB 2015-1 'Amendments to Australian Accounting Standards' (Part C: Materiality)	<p>The revised AASB 1031 is an interim standard that cross-references to other Standards and the 'Framework for the Preparation and Presentation of Financial Statements' (issued December 2014) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations. Once all of these references have been removed, AASB 1031 will be withdrawn.</p> <p>The adoption of AASB 1031, AASB 2014-9 (Part B) and AASB 2015-1 (Part C) does not have any material impact on the disclosures or the amounts recognised in the Company's financial statements.</p>

2.2 Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards'	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	30 June 2018
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	30 June 2017
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

Note 2 Application of new and revised Accounting Standards (continued)

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2014-6 'Amendments to Australian Accounting Standards – Agriculture: Bearer Plants'	1 January 2016	30 June 2017
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016	30 June 2017
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2015 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016
AASB 2015-4 'Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent'	1 July 2015	30 June 2016
AASB 2015-5 'Amendments to Australian Accounting Standards – Investment Entities: Applying the Exception'	1 January 2016	30 June 2017

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

These financial statements are general purpose financial statements that have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretation, and comply with other requirements of the law.

For the purposes of preparing the financial statements, the Company is a for-profit entity. Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the company complies with International Financial Reporting Standards ('IFRS').

This financial report has been authorised to issue per the director's declaration.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015****3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(b) Basis of Preparation**

The financial statements have been prepared on the basis of historical cost, except for financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 2 or value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

(c) Basis of not Consolidating

The controlled entities disclosed at Note 16 have not been consolidated as they were dormant throughout the current and prior financial periods.

(d) 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015****3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(e) Income Tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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 is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

The Company is a registered Pooled Development Fund ("PDF"), and as such is entitled to certain tax concessions. With the exception of these tax concessions, PDF's are taxed in the same way as other companies. The taxable income of a PDF is to be divided into two components and taxed at different rates. The two components of a PDF's taxable income are as follows:

- (i) the small and medium enterprises income component (taxed at 15%), and
- (ii) the unregulated investment component (taxed at 25%).

Whilst PDF's are taxed at either 15% or 25%, depending on the composition of their taxable income, any franked dividends paid by a PDF are franked at the prevailing general corporate tax rate, currently 30%.

(f) Financial Instruments**Recognition**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Held-to-maturity investments

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(g) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible 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 income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. This reversal of impairment loss is in line with the requirement of AASB 136 para 109.

(h) Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognised group's share of post-acquisition reserves of its associates.

(i) Equity-settled compensation

The group operates a share-based compensation plans comprising a share option arrangement. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options is recognised as an expense in the income statement. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the options granted.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(k) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. 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 in the balance sheet are shown inclusive of GST.

(m) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(n) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

4. Interest Income	2015	2014
	\$	\$
Interest received	18	28
Other Income	1,095	-
Total Interest Income	<u>1,113</u>	<u>28</u>

5. Profit/(Loss) from Ordinary Activities

Profit/(Loss) from ordinary activities before related income tax expense has been determined after charging (crediting) the following items:

Rental expense on operating leases	13,200	12,000
Gain (Loss) on revaluation of investments	(397,733)	1,301,584
Loss from sale of investment – Freudenberg Tech P/L	-	(74,827)

6. Individually Significant Items of Expense

Impairment of investment	-	591,112
Impairment of loan	-	
	-	
Total	<u>-</u>	<u>591,112</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

7. INCOME TAX
(a) Income Tax Expense

	2015 \$	2014 \$
The prima facie tax expense (benefit) on the loss from ordinary activities before income tax at PDF (Pooled Development Fund) rate of 25%	(117,561)	132,145
Add (less) tax effect of:		
- non deductible expenses	-	-
- Future income tax benefits not brought to account	18,128	15,632
- Write-back for impairment/valuation of investments	99,433	(147,778)
- Write-back for doubtful debts		
Income tax expense	-	-

(b) Deferred tax assets not brought to account

Deferred tax assets not brought to account, the deductible temporary differences of which will only be realised if the conditions of deductibility set out in Note 1 occur:

- Timing differences @ 25%	99,433	147,778
- Tax losses- income @ 25%	578,646	560,519
- Tax losses – capital @ 25%	50,291	50,291
	728,370	758,588

The deferred tax assets will only be obtained if:

- (i) The economic entity derives future assessable income of a nature and an amount sufficient to enable the asset to be realised;
- (ii) The economic entity continues to comply with the conditions for deductibility imposed by the law; and
- (iii) No changes in legislation adversely affect the relevant company in realising the asset.

8. DIVIDENDS

(a) No dividends were paid or declared during the financial year or during the comparative financial year.

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

118,582	118,582
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

9. Earnings per Share

		2015	2014
		¢ per share	¢ per share
Basic earnings per share	a	(0.34)¢	0.38¢
Diluted earnings per share		(0.34)¢	0.38¢

(a) Basic earnings per share

Earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2015	2014
	\$	\$
Earnings	(470,243)	528,582
	Company shares	
	2015	2014
	No.	No.
Weighted average number of ordinary shares	138,664,024	138,427,312

10. KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate compensation made to directors and other members of key management personnel of the company and the Group is set out below:

	2015	2014
	\$	\$
Share-based payments	-	-
Total payments	-	-

11. AUDITORS' REMUNERATION

Remuneration of the auditor of the parent entity for:

- auditing or reviewing the accounts	9,000	10,000
- other services	-	-
	<u>9,000</u>	<u>10,000</u>

12. CASH AND CASH EQUIVALENTS

Cash at bank and on hand	<u>45,970</u>	<u>141,908</u>
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13. ASSOCIATED COMPANIES

Details of associates and joint venture entities

Name of associate or joint venture entity:	Reporting entity Percentage holding:		Contribution to net profit from ordinary activities during the period:	
--	--------------------------------------	--	--	--

	2015	2014	2015	2014
	%	%	\$	\$
Pizzey WIF Pty Ltd	30.0%	30.0%	-	-
			<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

14. FINANCIAL ASSETS

	Economic Entity	
	2015	2014
	\$	\$
Financial assets at fair value	1,925,032	2,322,583
<u>(a) Financial assets at recoverable amount:</u>		
Listed investment – Endless Solar Corporation Ltd	449,333	449,333
- Less provision for impairment	(247,733)	-
Unlisted investments, at recoverable amount		
- shares in Speedpanel Australia Ltd	1,632,250	1,632,250
- less provision for impairment	-	-
Unlisted investments, at recoverable amount		
- shares in Plumbers Federation Ltd	240,180	240,180
- less provision for impairment	(150,000)	-
- shares in Collins Court Corporation Ltd	1,000	1,000
- less provision for impairment	-	-
- shares in Wine Development Fund PL	2	2
	<u>1,925,032</u>	<u>2,322,585</u>

Financial assets at fair value comprise investments in the ordinary issued capital of various entities. Consistent with Australian Accounting Standard AASB 139 *Financial Instruments: Recognition and Measurement*, upon initial recognition it was designated by the entity as at fair value through profit or loss. There are no fixed returns or fixed maturity date attached to these investments.

Listed financial assets at fair value are based on Level 1 and 2 inputs to the fair value measurements as described below. Unlisted financial assets are based on Level 2 and 3 inputs to the fair value measurements which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

	Economic Entity	
	2015	2014
	\$	\$
<u>(b) Shares in other corporations include:</u>		
Shareholding in Speedpanels Australia Ltd, a manufacturer of fire and acoustic rated walls.		
Percentage owned 11% (2014 13%)		
Investment at valuation	1,632,250	1,632,250
	<u>1,632,250</u>	<u>1,632,250</u>
Shareholding in Collins Court Corporation Limited, an investment company.		
Percentage owned 25% (2014 25%)		
Investment at cost	<u>1,000</u>	<u>1,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

14. FINANCIAL ASSETS (continued)

	Economic Entity	
	2015 \$	2014 \$
Shareholding in Endless Solar Corporation Limited, a solar energy products company Percentage owned 9% (2014 9%)		
Investment at cost	449,333	449,333
Less impairment	(247,733)	-
	<u>201,600</u>	<u>449,333</u>
Shareholding in Plumbers Federation Limited, a funding company Percentage owned 40% (2014 50%)		
Investment at cost	240,180	240,000
Less impairment	(150,000)	-
	<u>90,180</u>	<u>240,000</u>

15. OPERATING LEASE COMMITMENT

The company has entered into a sub-lease agreement in relation to its office premises.
Expected minimum lease commitment are as follow:

	2015 \$	2014 \$
Not less than 1 year	14,000	-
Later than 1 year, not later than 5 years	54,000	-
Later than 5 years	-	-
	<u>68,000</u>	<u>-</u>

16. CONTROLLED ENTITIES

Controlled Entities Consolidated

Country of Incorporation		Percentage Owned (%)	
		2015	2014
<i>Parent Entity:</i>			
Authorised Investment Fund Ltd	Australia	-	-
<i>Subsidiaries of Authorised Investment Fund Ltd:</i>			
Wine Development Pty Ltd	Australia	100	100
Yarra Valley Corporation Pty Ltd	Australia	100	100
Skypac International Pty Ltd	Australia	100	100

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
	\$	\$
17. ISSUED CAPITAL		
138,427,312 (2014: 138,427,312) fully paid ordinary shares	10,434,348	10,434,348
<u>(a) Ordinary shares</u>		
	2015	2014
	Number	Number
At the beginning of the reporting period	138,427,312	137,427,312
Shares issued during the year	600,000	1,000,000
At reporting date	139,027,312	138,427,312

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(b) Options

At the date of this report, the unissued ordinary shares of Authorised Investment Fund Limited under option are as follows:

Grant Date	Date of expiry	Exercise Price	No. under option
9 May 2011	20 May 2016	\$0.15	16,000,000
12 May 2014	30 June 2019	\$0.055	1,000,000
27 Feb 2015	30 June 2019	\$0.055	600,000
			17,600,000

For information relating to the Authorised Investment Fund Limited employee option plan, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year-end, refer to Note 10 Share-based Payments. For information relating to share options issued to key management personnel during the financial year, refer to Note 10 Share-based Payments.

18. NOTE TO THE STATEMENT OF CASH FLOW

	2015	2014
	\$	\$
Reconciliation of Cash Flow from ordinary activities after related income tax:		
Profit/(loss) from ordinary activities after related income tax	(470,243)	528,582
Depreciation of property, plant and equipment	-	-
Provision for impairment of investments	-	591,112
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:		
-(increase)/decrease in valuation of investment	397,733	(1,301,584)
-(increase)/decrease in other receivables and prepayments	(19,490)	35,496
- increase/(decrease) in trade and other payables	(3,758)	(28,937)
- Loss from sale of investment	-	74,827
- Share issued in lieu of consulting fees	-	23,636
Net cash from operating activities	(95,758)	(76,868)

19. CONTINGENT LIABILITIES

There were no contingent liabilities outstanding against the Company at the end of the current or previous financial year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

20. SEGMENT INFORMATION

The Company operates as a registered Pooled Development Fund under the Pooled Development Funds Act 1992 (Cth) ("PDF Act"), solely within Australia.

The principal activity of the Company during the financial year ended 30 June 2015, was the provision of passive equity capital to certain eligible small or medium-sized Australian companies in accordance with the provisions of the PDF Act.

21. RELATED PARTY TRANSACTIONS

	2015	2014
	\$	\$
Rent Paid	13,200	12,000
Interest Received	1,096	-

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

22. FINANCIAL INSTRUMENTS

22.1 Capital management

The Company manages its capital to ensure that it will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from 2014.

The capital structure of Company consists of net assets and has no debt. The Company is not subject to any externally imposed capital requirements.

22.2 Categories of financial instruments

	CARRYING AMOUNT	
	2015	2014
	\$	\$
Financial assets		
Cash and cash equivalents	45,970	141,908
Trade and other receivable	5,271	-
Other Current assets	29,354	15,136
Available for sales investment assets	1,925,032	2,322,583
Total Financial assets	<u>2,005,627</u>	<u>2,479,627</u>
Financial liabilities		
Trade and other payables	9,979	13,736
Total Financial liabilities	<u>9,979</u>	<u>13,736</u>

22.3 Financial risk management objectives

The Company's Corporate function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risks relating to the operations of the Company. These risks include market risk, credit risk and liquidity risk.

22.4 Market risk

The Company's activities do not expose it to the financial risks of changes in foreign currency exchange rates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

22.5 Interest rate risk management

The Company is not exposed to interest rate risk because it does not borrow funds.

22.6 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss of the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

Receivables consist of a related company balance across geographical areas.

22.7 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

22.8 Fair value of financial instruments

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

22.8.1 Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets / financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	30/06/15	30/06/14		
Listed Investment (see note 14)	201,600	449,333	Level 1	Quoted prices on the National Stock Exchange of Australia.
Unlisted investment - Speedpanel	1,632,250	1,632,250	Level 3	The fair value is based on 2014 audited financial statements and the informal valuation by the company as part of share issues in May 2015.
- Other	91,180	241,000	Level 3	These entities are in the process of commencing trade. The fair value reflects share of listed investments held by these entities.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

22.8.2 The only financial liabilities subsequently measured at fair value on level 3 fair value measurement represent contingent consideration relating to the acquisition. No gain or loss for the year relating to this contingent consideration has been recognised in profit or loss.

23. EVENTS SUBSEQUENT TO BALANCE DATE

There are no events subsequent to balance date (2014: nil).

DIRECTORS' DECLARATION

The directors of Authorised Investment Fund Limited declare that:

1. the financial statements and notes, as set out on pages 16 to 37, are in accordance with the Corporations Act 2001 including:
 - (a) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2015 and performance for the financial year ended on that date of the company and the economic entity;
2. the Managing Director and Chief Financial Officer have 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. in the directors opinion there are reasonable grounds to believe that the company will be able to pay its debts as an when they become due and payable.

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



David Craig
Director

Dated this 31 August 2015



Cathy Lin
Chief Financial Officer

Dated this 31 August 2015

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUTHORISED INVESTMENT FUND LIMITED**

Report on the financial report

I have audited the accompanying financial report of Authorised Investment Fund Limited which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flows statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgment, 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 control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of the *Corporations Act 2001*. I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Authorised Investment Fund Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In my opinion the financial report of Authorised Investment Fund Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and



MMS Consulting

- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Report on the Remuneration Report

I have audited the Remuneration Report included in pages 12 to 14 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. My responsibility is to express an opinion on the Remuneration Report, based on my audit conducted in accordance with Australian Auditing Standards.

Opinion

In my opinion, the Remuneration Report of Authorised Investment Fund Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Margaret M Salter FCA

Dated at Melbourne this 31st day of August 2015.

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable at 30 June 2015

Class of Equity Securities Issued by the Company

Total number of fully paid ordinary shares, issued by the Company 139,027,312

A. Distribution of Ordinary Shares

(i) Analysis of number of shareholders, by size of holding

1 - 1,000	21
1,001 - 5,000	143
5,001 - 10,000	141
10,001 - 100,000	147
100,001 - and over	85
Total number of shareholders	<u>537</u>

(ii) Number of shareholders holdings less than a marketable parcel.

Nil

B. Voting Rights

The voting rights attaching to the Company's fully paid ordinary shares are set out below:

On a show of hands, every member present in person, or by proxy, shall have one vote, and upon a poll each share shall have one vote.

C. Substantial Shareholders

The names of the substantial shareholders listed in the holding company's register as at 30 June 2015 are:

	Holding	%
Fisher Graham Group Ltd	13,569,307	9.76
BWG Investments Pty Ltd	12,040,235	8.66
Koay Baring-Gould Superannuation	9,528,652	6.85
Mrs D L Craig	9,437,025	6.79
Regent Fine Wines Pty Ltd	9,462,515	6.81
Endless Solar Corporation Limited	9,000,000	6.47
Plumbers Federation Ltd (formerly known as Australian Turntable Holdings Ltd)	6,000,000	4.32

D. Twenty Largest Shareholders

The names of the Company's twenty largest shareholders, and the number of fully paid ordinary shares in which they have an interest is set out below:

	Holding	%
Fisher Graham Group Ltd	13,569,307	9.76
BWG Investments Pty Ltd	12,040,235	8.66
Koay Baring Gould Superannuation	9,528,652	6.85
Mrs D L Craig	9,437,025	6.79
Regent Fine Wines Pty Ltd	9,462,515	6.81
Endless Solar Corporation Limited	9,000,000	6.47
Plumbers Federation Ltd (Australian Turntable Holdings Limited)	6,000,000	4.32
Speedpanel Australia Limited	4,950,000	3.56
Mr D H Craig	3,634,653	2.61
Sambor Nominees Pty Ltd	3,148,554	2.26
Kingsley Investments (Australia) Pty Ltd	2,666,667	1.92
Mr T N Hay	2,567,515	1.85
Thomas Superannuation Fund Pty Ltd	2,449,999	1.76
Harvard Nominees Pty Ltd	2,430,000	1.75
Paribas Pty Ltd – GFSF a/c	2,424,467	1.74
Paribas Pty Ltd	1,897,606	1.36
Mrs I F Green	1,880,701	1.35
Mr Richard Frederick	1,686,001	1.21
J P Morgan Nominees Australia Ltd	1,491,106	1.07
Ms Emma Green	1,353,154	0.97
	<u>101,618,157</u>	<u>73.08</u>

SHAREHOLDER INFORMATION

E. Company Secretary

The name of the company secretary is:
Ms Cathy Lin

F. Registered Office

The address of the principal registered office in Australia is Level 9, 406 Collins St.
Melbourne. Vic 3000
Telephone (03) 9600 3242

G. Register of Securities

Register of securities is held at the following address:
Computershare Investor Services, Yarra Falls, 452 Johnston Street Abbotsford 3067

H. Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Stock Exchange Limited.

I. Unquoted Securities

Options over Unissued Shares

A total of 17,600,000 unquoted options are on issue. No options are on issue to Directors.