Authorised Investment Fund Limited

ABN 51 068 793 322

Annual Report - 30 June 2021

Authorised Investment Fund Limited
Corporate directory
30 June 2021

Directors	Benjamin Genser - Chairman David H.A. Craig - Managing Director Chris Baring-Gould - Non-Executive Director
Company secretaries	Mr. Mark Licciardo Mertons Corporate Services Pty Ltd Level 7/330 Collins St, Melbourne VIC 3000
Registered office	L40, 140 Williams Street Melbourne VIC 3000
Principal place of business	L40, 140 Williams Street Melbourne VIC 3000
Share register	Computershare Investor Services Pty Ltd Yarra Falls 452 Johnston Street Abbortsford VIC 3067
Auditor	Connect National Audit 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
Corporate Governance Statement	Refer to www.authorisedinvestment.com.au

Authorised Investment Fund Limited
Directors' report
30 June 2021

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 year ended 30 June 2021.

Directors

The following persons were directors of Authorised Investment Fund Limited during the whole of the financial 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 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 year.

Dividends

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

Review of operations

The loss for the consolidated entity after providing for income tax amounted to $1,662,099 (30 June 2020: loss of $10,954,929)

$1.6 million of this loss related to a reduction in the fair valuation of investee companies in the company's investment portfolio when compared to 30 June 2020 fair valuations. Refer to note 8 for further details.

The directors have continued to progress the company's strategic roadmap of restructuring its investment portfolio which began in FY2020. For the company to achieve its objective of meeting its long-term financial returns to shareholders, this roadmap included the following processes to:

- Lift the company's governance and compliance framework at all levels, i.e. Board, management, and company structures and operations
- Restructure the investment portfolio, i.e. only keeping or introducing investee companies that best meets the company's long-term financial returns to shareholders

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

In line with the company's strategic roadmap's objective of restructuring its investment portfolio, the company has continued to consider its position with investee company (eMersion Media Pty Ltd). No agreement has been reached yet.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations

To further improve the company's profit and maximise returns to shareholders, the directors intend to continue the company's current strategy of investing in small to medium-sized eligible Australian companies that show promising prospects of growth. This will assist in the achievement of the company's long-term financial goals.

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Benjamin Genser
Title:	Chairman (non-executive)
Qualifications:	Bachelor of Architecture
Experience and expertise:	Managing Director of Belgrave Group of Companies
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Chairman of Board Audit Committee
Interests in shares:	45,461,626 fully paid ordinary shares
Interests in options:	3,000,000 options over ordinary shares

Name:	David H.A. Craig
Title:	Managing Director (executive)
Qualifications:	Bachelor of Economics
Experience and expertise:	David has over 30 years' experience in management of property and investment companies and is a member of the Financial Services Institute of Australia (FINSIA).
Other current directorships:	Director of Endless Solar Corporations Ltd (NSX: ESCLV)
Former directorships (last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	64,521,845 fully paid ordinary shares
Interests in options:	3,000,000 options over ordinary shares

Name:	Chris Baring-Gould
Title:	Director (non-executive)
Qualifications:	BBusAcc, MBA, CPA
Experience and expertise:	Over 25 years' experience in financial management, including as Group Financial Controller at investment and stockbroking firm JB Were & Son, General Manager of stock broking subsidiary of the listed Equity and Property Investment Group, and Chief Financial Officer at Anglicare Victoria for 18 1/2 years. Independent member of the Funds-in-Court Audit Committee (Victoria Supreme Court) and board member of Spectrum Victoria.
Other current directorships:	Director of Endless Solar corporation Ltd (NSX: ESCLV)
Former directorships (last 3 years):	Nil
Special responsibilities:	Member of Board Audit Committee
Interests in shares:	18,628,652 fully paid ordinary shares
Interests in options:	1,500,000 options over ordinary shares

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretaries
Mr Mark Licciardo of Mertons Corporate Services Pty Ltd was appointed as company secretary during the 2020 year. Mark is widely recognised as a leader in his field and has extensive experience working with boards of high profile ASX-listed companies in the areas of corporate governance, accounting and finance, and company secretarial practice.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Mr B. Genser	4	4
Mr D.H.A. Craig	4	4
Mr C. Baring-Gould	4	4

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
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 company'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 company, as well as create goal congruence between director and shareholders.

The board's policy for determining the nature and amount of remuneration for board members of the company 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; and
- The board reviews executive packages annually by reference to the company'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 company'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 10%, 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 company. 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.

Use of remuneration consultants
The company has not engaged remuneration consultants

Voting and comments made at the company's 18 December 2020 Annual General Meeting ('AGM')
At the 18 December 2020 AGM, 95.42% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2020. The company did not receive any specific feedback at the AGM regarding its remuneration practices

Details of remuneration
There were no fees paid to directors and key management personnel during the 2021 and 2020 financial years.

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

A director's 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, director's fees in accordance with the constitution of the company

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2021.

Options
There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2021.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2021.

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the company held during the financial year by each director and other members of key management personnel of the company, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Mr B. Genser	45,461,626	-	-	-	45,461,626
Mr D.H.A Craig	64,521,845	-	-	-	64,521,845
Mr C. G. Baring-Gould	18,628,652	-	-	-	18,628,652
	128,612,123	-	-	-	128,612,123

Option holding
The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the company, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Mr B. Genser	3,000,000	-	-	-	3,000,000
Mr D.H.A Craig	3,000,000	-	-	-	3,000,000
Mr C.G. Baring-Gould	1,500,000	-	-	-	1,500,000
	7,500,000	-	-	-	7,500,000

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of the company under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
01 January 2018	22 December 2022	$0.05	9,000,000
			9,000,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options
There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2021 and up to the date of this report.

Indemnity and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former partners of Connect National Audit
There are no officers of the company who are former partners of Connect National Audit.

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.

Auditor
Connect National Audit is appointed in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Benjamin Genser
Chairman

29 October 2021

AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor for the audit of Authorised Investment Fund Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

(a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) No contraventions of any applicable code of professional conduct in relation to the audit.

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, VIC 3000
Dated: 29 October 2021

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30 June 2021

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 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:

L40, 140 Williams Street
Melbourne VIC 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 29 October 2021. The directors have the power to amend and reissue the financial statements.

Authorised Investment Fund Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	Consolidated 2021 $	2020 $
Revenue			
Interest revenue calculated using the effective interest method		2,222	19
Other income		52,164	-
Professional fees		35,000	-
Expenses			
Administration and other expenses		(110,083)	(509,095)
Fair value loss of investments	7	(1,641,402)	(10,445,853)
Loss before income tax expense		(1,662,099)	(10,954,929)
Income tax expense	5	-	-
Loss after income tax expense for the year attributable to the owners of Authorised Investment Fund Limited		(1,662,099)	(10,954,929)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Authorised Investment Fund Limited		(1,662,099)	(10,954,929)

	Note	Cents	Cents
Basic earnings per share	23	(0.39)	(2.60)
Diluted earnings per share	23	(0.39)	(2.60)

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 30 June 2021

	Note	Consolidated 2021 $	2020 $
Assets			
Current assets			
Cash and cash equivalents		739	3,192
Trade and other receivables	6	11,825	825
Other		3,000	-
Total current assets		15,564	4,017
Non-current assets			
Financial assets at fair value through profit or loss	7	2,912,378	4,553,780
Total non-current assets		2,912,378	4,553,780
Total assets		2,927,942	4,557,797
Liabilities			
Current liabilities			
Trade and other payables	8	132,545	165,721
Borrowings	9	75,062	9,642
Total current liabilities		207,607	175,363
Total liabilities		207,607	175,363
Net assets		2,720,335	4,382,434
Equity			
Issued capital	10	24,154,497	24,154,497
Accumulated losses		(21,434,162)	(19,772,063)
Total equity		2,720,335	4,382,434

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 year ended 30 June 2021

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 year	-	(10,954,929)	(10,954,929)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(10,954,929)	(10,954,929)
Balance at 30 June 2020	24,154,497	(19,772,063)	4,382,434

Consolidated	**Issued capital $**	**Accumulated losses $**	**Total equity $**
Balance at 1 July 2020	24,154,497	(19,772,063)	4,382,434
Loss after income tax expense for the year	-	(1,662,099)	(1,662,099)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(1,662,099)	(1,662,099)
Balance at 30 June 2021	24,154,497	(21,434,162)	2,720,335

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 year ended 30 June 2021

	Note	Consolidated 2021 $	Consolidated 2020 $
Cash flows from operating activities			
Interest received		2,222	19
Other income		52,164	-
Payments to suppliers (inclusive of GST)		(143,258)	(267,738)
Prepayments		(3,000)	-
Professional fees		24,000	-
Receipt from refund of security deposits		-	39,600
Net cash used in operating activities	22	(67,872)	(228,119)
Cash flows from investing activities			
Payments for investments		-	(28,000)
Net cash used in investing activities		-	(28,000)
Cash flows from financing activities			
Receipts from related parties		34,320	241,864
Receipts from directors loans		31,099	9,642
Net cash from financing activities		65,419	251,506
Net decrease in cash and cash equivalents		(2,453)	(4,613)
Cash and cash equivalents at the beginning of the financial year		3,192	7,805
Cash and cash equivalents at the end of the financial year		739	3,192

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, 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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 16 Leases

The consolidated entity has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The company does not hold any leases and the impact of its adoption has not been material.

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.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 20.

Note 1. Significant accounting policies (continued)

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Authorised Investment Fund Limited ('company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. Authorised Investment Fund Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 1. Significant accounting policies (continued)

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

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

Trade and other receivables
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Associates
The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Investments and other financial assets

Classification
The group classifies its financial assets in the following measurement categories: those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and those to be measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition
Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Measurement
At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments
Subsequent measurement of debt instruments depends on the group’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

Note 1. Significant accounting policies (continued)

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments
The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment
The group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Trade and other payables
These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

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

Note 1. Significant accounting policies (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

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

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital
Ordinary shares are classified as equity.

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

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Authorised Investment Fund Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

Note 1. Significant accounting policies (continued)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2021. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Valuation of investments
The fair values of the unlisted securities not traded in an active market are determined in accordance with directors' valuations which are based on their experience in the industry.

The directors have used assumptions, such as estimated cash flows, project business growth plans and other market data available in determining their valuation of the unlisted investments. Should these assumptions change in subsequent periods the fair value may be impacted and accounted for through the profit and loss. The directors have used a number of different valuation tools together to determine the fair value of the investee companies, including projected discounted cashflows and multiples of projected revenues and profits.

Fair value measurement hierarchy
The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Note 3. Impact of COVID 19 pandemic

During the period ended 30 June 2021, the COVID-19 was declared a pandemic by the World Health Organisation (WHO). The pandemic has adversely affected the global economy, including an increase in unemployment, decrease in consumer demand, interruptions in supply chains, and tight liquidity and credit conditions. Since its outbreak, governments worldwide have set up measures to contain the pandemic. Many countries have required entities to limit or suspend business operations, and have also implemented travel restrictions and quarantine measures. Monetary and fiscal stimulus packages have also been introduced in some countries. As the COVID-19 outbreak continues to evolve, the estimated financial impact cannot be reasonably determined at this juncture. The impact which COVID 19 has had on the consolidated entity is set out below.

Carrying value of investments
During the year the consolidated entity has recognised fair value losses on investments of $1,641,402.

Impact on operations
The impact of COVID-19 on the consolidated entity's operations has not been material due to their scale and nature. The consolidated entity has not received any government stimulus or assistance.

Note 4. Operating segments

The Company operates solely within Australia.

The principal activity of the Company during the financial year ended 30 June 2021, was the provision of passive equity capital to certain eligible small or medium-sized Australian companies.

Note 5. Income tax expense

	Consolidated	
	2021	**2020**
	$	**$**
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(1,662,099)	(10,954,929)
Tax at the statutory tax rate of 26% (2020: 27.5%)	(432,146)	(3,012,605)
Current year tax losses not recognised	5,381	139,995
Write-back for impairment/valuation of investments	426,765	2,872,610
Income tax expense	-	-

	Consolidated	
	2021	**2020**
	$	**$**
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	7,291,842	7,312,539
Potential tax benefit @ 25%	1,822,960	1,901,260

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 5. Income tax expense (continued)

	Consolidated	
	2021	2020
	$	$
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Tax losses - income	7,090,678	7,111,375
Tax losses - capital	201,164	201,164
Total deferred tax assets not recognised	7,291,842	7,312,539

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Note 6. Current assets - trade and other receivables

	Consolidated	
	2021	2020
	$	$
Trade receivables	11,000	-
Receivable from related party	825	825
	11,825	825

Note 7. Non-current assets - financial assets at fair value through profit or loss

	Consolidated	
	2021	2020
	$	$
Listed investments	386,670	860,722
Unlisted investments	2,525,708	3,693,058
	2,912,378	4,553,780
Reconciliation		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	4,553,780	14,971,633
Additions	-	28,000
Revaluation decrements	(1,641,402)	(10,445,853)
Closing fair value	2,912,378	4,553,780

Refer to note 13 for further information on fair value measurement.

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.

Note 8. Current liabilities - trade and other payables

	Consolidated 2021 $	2020 $
Trade payables	11,322	-
BAS payable	121,223	165,721
	132,545	165,721

Refer to note 12 for further information on financial instruments.

Note 9. Current liabilities - borrowings

	Consolidated 2021 $	2020 $
Related party loan Endless Solar Corporation	34,320	-
Payable to directors	40,742	9,642
	75,062	9,642

Refer to note 12 for further information on financial instruments.

Note 10. Equity - issued capital

	Consolidated			
	2021 Shares	2020 Shares	2021 $	2020 $
Ordinary shares - fully paid	422,017,384	422,017,384	24,154,497	24,154,497

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2018	275,460,645		20,057,348
Issue of shares	25 September 2018	39,826,967	$0.03	1,194,809
Issue to directors for settlement of loans	25 September 2018	59,506,921	$0.03	1,785,208
Issue of shares	15 October 2018	2,000,000	$0.03	60,000
Issue of shares - for investments	15 October 2018	24,396,659	$0.03	731,900
Issue of shares - in lieu of fees	7 December 2018	1,283,333	$0.03	38,500
Issue of shares	10 December 2018	10,000,000	$0.03	300,000
Exercise of options	5 February 2019	600,000	$0.05	30,000
Issue of shares - in lieu of fees	12 March 2019	730,107	$0.03	21,903
Exercise of options	18 March 2019	149,774	$0.05	7,489
Exercise of options	22 March 2019	532,978	$0.05	26,649
Exercise of options	1 April 2019	30,000	$0.05	1,500
Issue of shares - for investments	5 April 2019	7,500,000	$0.10	750,000
Less cost of capital raisings		-	$0.00	(850,809)
Balance	30 June 2020	422,017,384		24,154,497
Balance	30 June 2021	422,017,384		24,154,497

Note 10. Equity - issued capital (continued)

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

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

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The company is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2018 Annual Report.

Note 11. Equity - dividends

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

Note 12. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis of price risks and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits.

Market risk

Foreign currency risk
The consolidated entity is not exposed to any significant foreign currency risk.

Note 12. Financial instruments (continued)

Price risk
The consolidated entity is exposed to price risk in relation to its investments its available for sales assets to - fair value through profit or loss.

	Average price increase			Average price decrease		
Consolidated - 2021	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
Financial assets at fair value through profit and loss	50%	1,456,189	1,456,189	50%	(1,456,189)	(1,456,189)

	Average price increase			Average price decrease		
Consolidated - 2020	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
Financial assets at fair value through profit and loss	50%	2,276,890	2,276,890	50%	(2,276,890)	(2,276,890)

Interest rate risk
The consolidated entity is not exposed to any significant interest rate risk.

Credit risk
The consolidated entity is not exposed to any significant credit rate risk.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Remaining contractual maturities
The following tables detail the company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2021	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	132,545	-	-	-	132,545
Payable to directors	-	75,062	-	-	-	75,062
Total non-derivatives		207,607	-	-	-	207,607

Note 12. Financial instruments (continued)

Consolidated - 2020	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	165,721	-	-	-	165,721
Payable to directors	-	9,642	-	-	-	9,642
Total non-derivatives		175,363	-	-	-	175,363

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 13. Fair value measurement

Fair value hierarchy
The following tables detail the company's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2021	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Listed investments	-	-	386,670	386,670
Unlisted investments	-	-	2,525,708	2,525,708
Total assets	-	-	2,912,378	2,912,378

Consolidated - 2020	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Listed investments	-	-	860,722	860,722
Unlisted investments	-	-	3,693,058	3,693,058
Total assets	-	-	4,553,780	4,553,780

There were no transfers between levels during the financial year.

Note 13. Fair value measurement (continued)

Valuation techniques for fair value measurements categorised within level 3
The fair value of AIM (Aust) Pty Ltd in AIY's portfolio was materially reduced in 2021 compared to its fair value in 2020 with details as follows:

AIM (Aus) Pty Ltd

● The fair value of AIM (Aust) Pty Ltd has been reduced by $1.15 million to a fair valuation of $2.32 million at balance date, in the context of significant external risks outside the company's control.
● The reduction of fair valuation has occurred mainly because of a significant reduction of future cash flows arising out of short to medium term concurrent impacts of increasing political and economic uncertainty in Hong Kong and COVID-19 at balance date.
● Whilst the long-term forecasts for China's economy continue to be positive, its economic activity is currently being adversely affected by property related debt funding pressures. These pressures are yet to fully unfold, with unclear implications for domestic Chinese and international markets.

There are no significant changes in the fair valuation in other investee companies

Note 14. Key management personnel disclosures

Directors
The following persons were directors of Authorised Investment Fund Limited during the financial year:

Mr. B. Genser	Chairman – Non-Executive
Mr. D.H.A. Craig	Managing Director – Executive
Mr. Chris Baring-Gould	Director – Non- Executive

Note 15. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Connect National Audit , the auditor of the company:

	Consolidated	
	2021 $	2020 $
Audit services - Connect National Audit		
Audit or review of the financial statements	35,000	27,500

Note 16. Contingent liabilities

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

Note 17. Related party transactions

Parent entity
Authorised Investment Fund Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 19.

Associates
Interests in associates are set out in note 20.

Note 17. Related party transactions (continued)

Key management personnel
Disclosures relating to key management personnel are set out in note 14 and the remuneration report included in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	2021 $	2020 $
Sale of goods and services:		
Professional services to Endless Solar Corporation	35,000	-

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

	Consolidated	
	2021 $	2020 $
Current receivables:		
Trade receivables from Endless Solar Corporation	11,000	-
Current payables:		
Trade payables to Endless Solar Corporation	34,320	-
Loan payable to directors	40,742	9,642

Note 18. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2021 $	2020 $
Profit/(loss) after income tax	(1,662,099)	(10,954,929)
Total comprehensive income	(1,662,099)	(10,954,929)

Statement of financial position

	Parent	
	2021	2020
Total current assets	15,564	4,017
Total assets	2,927,942	4,557,797
Total current liabilities	207,607	175,363
Total liabilities	207,607	175,363
Issued capital	24,154,497	24,154,497
Accumulated losses	(21,434,162)	(19,772,063)
	2,720,335	4,382,434

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2021 and 30 June 2020.

Note 18. Parent entity information (continued)

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2021 and 30 June 2020.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.

Note 19. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	2021 %	2020 %
Wine Development Pty Ltd	Australia	100.00%	100.00%
Yarra Valley Corporation Pty Ltd	Australia	100.00%	100.00%
Skypac International Pty Ltd	Australia	100.00%	100.00%

Note 20. Interests in associates

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity are set out below:

		Ownership interest	
Name	Principal place of business / Country of incorporation	2021 %	2020 %
Pizzey Wiff Pty Ltd	Australia	30.00%	30.00%

Note 21. Events after the reporting period

In line with the company’s strategic roadmap's objective of restructuring its investment portfolio, the company has continued to consider its position with investee company (eMersion Media Pty Ltd). No agreement has been reached yet.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 22. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2021 $	2020 $
Loss after income tax expense for the year	(1,662,099)	(10,954,929)
Adjustments for:		
Net fair value loss on financial assets	1,641,402	10,445,853
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(11,000)	117,452
Decrease/(increase) in other operating assets	(3,000)	39,600
Increase/(decrease) in trade and other payables	(33,175)	123,905
Net cash used in operating activities	(67,872)	(228,119)

Note 23. Earnings per share

	Consolidated	
	2021 $	2020 $
Loss after income tax attributable to the owners of Authorised Investment Fund Limited	(1,662,099)	(10,954,929)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	422,017,384	422,017,384
Weighted average number of ordinary shares used in calculating diluted earnings per share	422,017,384	422,017,384
	Cents	**Cents**
Basic earnings per share	(0.39)	(2.60)
Diluted earnings per share	(0.39)	(2.60)

Authorised Investment Fund Limited
Directors' declaration
30 June 2021

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the financial 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.

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

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Benjamin Genser
Chairman

29 October 2021

Independent Auditor's Report

To the Members of Authorised Investment Fund Limited

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Authorised Investment Fund Limited (the "company") which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the financial year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company.

In our opinion the financial report of Authorised Investment Fund Limited and controlled entities 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 2021 and of its performance for the financial year ended on that date; and

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

Basis for opinion

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

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

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

Emphasis of matter – 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.

Key Audit Matters

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

Key Audit Matter	How our audit addressed the key audit matter
Fair Value of Investments	
We focus on the fair value of the investments as investments represents a significant asset of the company and that the fair valuation of these investments is significantly affected by management's judgement The investments are carried at a fair value of $2,912,378. The Company invests in a portfolio of companies, both listed and unlisted. These investments have not yet progressed to a stage where they are able to generate stable and regular cash flows. As a result, the valuation of these investments is significantly affected by management judgement, estimates and assumptions.	We carried out the following work in accordance with the guidance set out in AASB 13 Fair Value Measurement: We reviewed the company's accounting policy on Investments and other financial assets. We reviewed a sample of the investments to ensure that they are measured at fair value through the profit or loss per the policy For listed investments, where there is an active market, agreed market prices used to value investments to prices in the stock exchanges. Where there is no active market, the valuation will be determined using various available valuation models similar to those used for unlisted investments. For unlisted investments, we obtained an understanding of the processes undertaken by management to determine the fair value of the investments. We assessed and challenged the management's valuation methodology, assumptions, the cash flow projections and the discount factor used. We evaluated and discussed with management factors such as current financial performance, future prospect for earnings, profitability and growth from signed contracts and potential projects. We have obtained sufficient appropriate audit evidence with regards the fair value of the investments.

	We also considered the appropriateness of the related disclosure in Notes 1, 2,7 and 13 to the financial statements.

Responsibilities of the directors for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In the basis of preparation, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

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

Auditor's Responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 4 to 6 of the directors' report for the financial year ended 30 June 2021.

In our opinion the Remuneration Report of Authorised Investment Fund Limited for the financial year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

George Georgiou FCA
Managing Partner
Connect National Audit Pty Ltd
ASIC Authorised Audit Company No. 521888
Melbourne, VIC 3000
Date: 29 October 2021

Authorised Investment Fund Limited
Shareholder information
30 June 2021

The shareholder information set out below was applicable as at 28 October 2021

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of options over ordinary shares
1 to 1,000	36	9,472
1,001 to 5,000	134	539,675
5,001 to 10,000	146	1,116,814
10,001 to 100,000	246	10,418,161
100,001 and over	175	411,946,704
	737	424,030,826
Holding less than a marketable parcel	-	-

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	53,613,414	12.70
SIR JAMES PTY LTD	39,000,000	9.24
BWG INVESTMENTS PTY LTD	35,080,470	8.31
AENEA (AUST) PTY LTD	27,666,667	6.56
MR CHRIS BARING-GOULD + MS SUSAN KOAY <KOAY BARING-GOULD S/F A/C>	18,628,652	4.41
HARVARD NOMINEES PTY LTD	15,860,000	3.76
CITICORP NOMINEES PTY LIMITED	13,110,783	3.11
MR BRENDAN SCOTT INNS	12,500,000	2.96
ENDLESS SOLAR CORPORATION LIMITED	11,732,014	2.78
BELGRAVE ENVIRONMENTAL SUSTAINABLE TECHNOLOGIES PTY LTD	10,381,156	2.46
NICHOLAS JOHN REID	10,000,000	2.37
MR ROBERT GORDON	9,181,000	2.18
MR DAVID CRAIG	7,269,306	1.72
REGENT FINE WINES PTY LTD	6,762,028	1.60
JURRAH INVESTMENTS PTY LTD <RM DAVIS FAMILY A/C>	6,728,601	1.59
REGENT FINE WINES PTY LTD	6,653,820	1.58
AUSTRALIAN TURNTABLE HOLDINGS LIMITED	6,100,000	1.45
JUST IMAGINE PTY LTD <JUST IMAGINE A/C>	6,000,000	1.42
CORPORATE WRITERS AUSTRALIA PTY LTD <RG SUPER FUND NO 1 A/C>	4,561,628	1.08
HOLLICK BROS PTY LTD	3,900,000	0.92
	304,729,539	72.20

Unquoted equity securities
There are no unquoted equity securities.

Authorised Investment Fund Limited
Shareholder information
30 June 2021

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	53,613,414	12.70
SIR JAMES PTY LTD	39,000,000	9.24
BWG INVESTMENTS PTY LTD	35,080,470	8.31
AENEA (AUST) PTY LTD	27,666,667	6.56

Voting rights

The voting rights attached to ordinary shares are set out below:

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

There are no other classes of equity securities.