

Appendix 4E

Preliminary final report

The following information is given to the Australian Stock Exchange (ASX) under ASX listing rule 4.3A.

Name of entity

AUTHORISED INVESTMENT FUND LIMITED
ABN 51 068 793 322

Reporting period:— **Financial year ended 30 June 2010**

Previous corresponding period: Financial year ended 30 June 2009

Results for announcement to the market

				\$A'000
Revenues from ordinary activities	down	81%	to	16
Net Loss from ordinary activities after tax attributable to members	up	417%	to	(675)
Net loss for the period attributable to members	up	417%	to	(675)
Dividends	Amount per security		Franked amount per security	
Reporting period:				
Final dividend	nil			nil
Interim dividend	nil			nil
Previous corresponding period:				
Final dividend	nil			nil
Interim dividend	nil			nil
Record date for determining entitlements to the dividend	Not applicable			

Comments by Directors:

For the year ended 30th June 2010 the Authorised Investment Fund Limited incurred a loss of \$675,351 which includes an impairment loss of \$456,721 in relation to our Micro Fresh Filters and Speedpanel investments.

Even though we have written down our investments, overall the outlook for the company's investments are indicating a worthwhile improvement.

Details of each investment are set out below.

Directorate

During the 2010 Financial Year Mr Michael Wooldridge resigned as a Director of Authorised Investment Fund Limited and we thank him for his contribution during his time with the company.

Mr Li Ding was appointed on 30th November 2009 to the Authorised Board of Directors.

Subsequent to the 2010 Financial Year Mr Kevin Thomas, our Company Secretary, accepted an invitation to join the Board of Directors on 23 July 2010.

Review of Investments

Dromana Estate Limited:

Dromana Estate Limited announced on 5th November 2009 (ASX code DMY) a restructuring proposal. This proposal has resulted in the company's winery assets being transferred to a wholly owned subsidiary – Mornington Winery Group Limited and on the 30th June 2010 resolutions to demerge the group were passed.

Mornington Winery Group Limited.

As a consequence of the demerger Authorised now has a 7.6% interest in Mornington Winery Group.

The outlook for this company is at an interesting stage. Given that the company's wine distribution activities in China are successful, this should provide the basis for a successful investment.

Speedpanel Australia Limited

Following a disappointing result for the 2009 Financial Year, Speedpanel Australia Limited has reported a preliminary unaudited pretax result of \$330,000 for the year ended 30 June 2010. This is a material improvement on the prior year.

An information memorandum which is targeting exempt participant investors has resulted in worthwhile interest for the option issue. Given the successful take up and exercise of the options will result in Speedpanel raising of the order of \$2 million. This will assist the company with its planned expansion and product range. Based on the projections in the information memorandum we have provided for an impairment of this investment.

Endless Solar Corporation Limited:

For the year ended 30th June 2010, Endless Solar has lifted its unaudited pretax profit to some \$400,000. This compares with a pretax audited profit for 2009 of \$222,000.

During the Financial Year the company was successful in being granted an Australian Government climate ready funding for the purpose of developing a solar airconditioning prototype. This project is being undertaken in conjunction with The Australian National University.

As previously advised (ASX code AIY) Endless has entered into an agreement with Lend Lease Ventures, a subsidiary of Lend Lease Corporation Limited.

Authorised also has a further interest in Endless Solar through its investment in Collins Court Corporation Limited.

Collins Court Corporation Limited.

Authorised has an interest in Collins Court and this company's main investment are holdings in Endless Solar Corporation Limited.

Micro Fresh Filters (Aust) Pty Ltd :

We have been advised that the company is currently holding negotiations which, if successful , may result in an improvement in this investment, but we have taken a conservative view and provided for an impairment.

Other Minor Investments:

Investments in Skypack International Pty Ltd and Pizzey WIF Pty Ltd were effectively dormant for the year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010	2009
	\$	\$	\$
Revenue	2	16,221	82,981
Other Income –Write-back Option Reserve		-	40,000
Depreciation and amortisation expenses	-	(1,219)	(1,810)
Provision for impairment of investment	-	(456,721)	(6,385)
Administrative expenses	-	(233,632)	(276,619)
		<hr/>	<hr/>
Loss before income tax expense	3.4	(675,351)	(161,833)
Income tax (expense) benefit	5	-	-
		<hr/>	<hr/>
Net loss attributable to members of Authorised Investment Fund Limited	-	(675,351)	(161,833)
		<hr/>	<hr/>
Basic earnings (loss) per share (cents per share)	7	(0.9)	(0.2)
		<hr/>	<hr/>
Diluted earnings (loss) per share (cents per share)	7	(0.9)	(0.2)
		<hr/>	<hr/>

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 30 JUNE 2010**

	Note	2010 \$	2009 \$
Current Assets			
Cash and cash equivalents		1,592	115,736
Trade and other receivables		48,353	64,526
Other		23,757	19,333
Total current Assets		<u>73,702</u>	<u>199,595</u>
Non-current Assets			
Trade and other receivables		-	-
Investments accounted for using the equity method	9	-	-
Financial assets		1,326,812	1,763,534
Plant and Equipment		977	2,196
Total non-current Assets		<u>1,327,789</u>	<u>1,765,730</u>
Total Assets		<u>1,401,491</u>	<u>1,965,325</u>
Current Liabilities			
Trade and other payables		86,401	18,874
Bank overdraft		-	-
Current tax liabilities		-	-
Total Current Liabilities		<u>86,401</u>	<u>18,874</u>
Non-current Liabilities			
Deferred tax liabilities		-	-
Total non-current Liabilities		<u>-</u>	<u>-</u>
Total Liabilities		<u>86,401</u>	<u>18,874</u>
Net Assets		<u>1,315,090</u>	<u>1,946,451</u>
Equity			
Issued capital		9,739,366	9,695,376
Reserves		-	-
Accumulated Losses		(8,424,276)	(7,748,925)
Total Equity		<u>1,315,090</u>	<u>1,946,451</u>

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

	Issued Capital \$	Accumulated Losses \$	Option Reserve \$	Total \$
Balance as at 1 July 2008	9,313,866	(7,587,092)	40,000	1,766,774
Shares issued during the year	381,510			381,510
Write back option reserve			(40,000)	(40,000)
Loss attributable to members of the parent entity		(161,833)		(161,833)
Balance at 30 June 2009	<u>9,695,376</u>	<u>(7,748,925)</u>	-	<u>1,946,451</u>
Shares issued during the year	43,990			43,990
Loss attributable to members of the parent entity		(675,351)		(675,351)
Balance at 30 June 2010	<u>9,739,366</u>	<u>(8,424,276)</u>	-	<u>1,315,090</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30 JUNE 2010**

	Note	2010 \$	2009 \$
Cash Flows from Operating Activities			
Cash receipts in the course of operations		5,735	42,321
Cash payments in the course of operations		(99,925)	(229,709)
Interest received		46	4,901
Net cash used in operating activities	10 (a)	(94,144)	(182,487)
Cash Flows from Investing Activities			
Payments for investments		(20,000)	-
Proceeds from sale of investments		-	-
Payment for plant and equipment		-	(450)
Net cash used in investing activities		(20,000)	(450)
Cash Flows from Financing Activities			
Proceeds from issue of shares		-	-
Net cash provided by financing activities		-	-
Net increase (decrease) in cash		(114,144)	(182,937)
Cash at the beginning of the year		115,736	298,673
Cash at the end of the year		1,592	115,736

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NOTES TO THE PRELIMINARY FINAL REPORT

1. Basis of Preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E. The accounting policies adopted in the preparation of this report are consistent with those adopted and disclosed in the June 2009 report.

2. Revenue

	2010	2009
	\$	\$
Interest received	46	4,901
Other income	-	40,206
Rent and administration charged	16,175	37,874
Total Revenue	16,221	82,981

3. Loss from Ordinary Activities

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

Rental expense on operating leases	64,994	72,913
Bad Debt written off	-	16,800
Provision for doubtful debts	11,440	-
Provision for impairment of investments	456,721	6,385

4. Individually Significant Items of Revenue and Expense

Write-back of Option reserve	-	(40,000)
Impairment of Investments	456,721	-
Net revenue(expense) from individually significant items	456,721	(40,000)

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NOTES TO THE PRELIMINARY FINAL REPORT

5. Income Tax Expense

	2010	2009
	\$	\$
The prima facie tax expense (benefit) on the loss from ordinary activities before income tax at PDF rate of 25%	(168,838)	(40,458)
Add tax effect of:		
- non deductible expenses	-	59
- Current year losses not brought to account as future income tax benefits	47,915	42,565
- Provision for impairment of investments	118,063	1,596
- Write back Provision for Doubtful Debt	-	(3,762)
- Provision for Doubtful Debt	2,860	-
	-	-
Income tax expense	-	-

6. Net Tangible Assets per Security

	2010	2009
	¢ per share	¢ per share
Net tangible assets per security	<u>2¢</u>	<u>3¢</u>

7. Earnings per Share

		2010	2009
		¢ per share	¢ per share
Basic earnings per share	a	(0.86)¢	(0.23)¢
Diluted earnings per share	b	(0.86)¢	(0.23)¢

(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:

	2010	2009
	\$	\$
Earnings (loss)	<u>(675,351)</u>	<u>(161,833)</u>
	Parent entity shares	
	2010	2009
	No.	No.
Weighted average number of ordinary shares	<u>78,213,335</u>	<u>70,804,515</u>

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NOTES TO THE PRELIMINARY FINAL REPORT

7. Earnings per Share (cont)

(b) Diluted earnings per share

Earnings and weighted average number of ordinary shares used in the calculation of diluted earnings per share are the same as used in the calculation of diluted earnings per share and are shown in (a) above:

The following potential ordinary shares are not dilutive and are therefore excluded from the weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share:

Options not yet exercised:

Number	Exercise Price	Expiry Date
1,000,000	\$0.20	30 November 2010
1,000,000	\$0.12	31 December 2010
29,474,929	\$0.08	10 February 2013
7,000,000	\$0.10	10 February 2015
<u>38,474,929</u>		

8. Dividends

Dividends paid or proposed are:

No dividends were paid or proposed during the reporting period.

No dividends were paid or proposed during the previous corresponding period.

Dividend reinvestment plan:

The Company does not operate a dividend reinvestment plan.

NOTES TO THE PRELIMINARY FINAL REPORT

9. 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:	
	2010 %	2009 %	2010 \$	2009 \$
Baptista Wines Pty Ltd	50.0%	50.0%	-	-
Pizzey WIF Pty Ltd	30.0%	30.0%	-	-
			-	-
			-	-

10. Notes to the Statement of Cash Flows

(a) *Reconciliation of profit from ordinary activities after related income tax to net cash flows from operating activities*

Profit from ordinary activities after related income tax	(675,351)	(161,833)
Depreciation	1,219	1,810
Bad Debt written off	-	16,800
Option Reserve written back	-	(40,000)
Provision for impairment of investment/(revaluation)	456,721	6,385
Provision for doubtful debts(write back)	11,440	(12,540)
Shares issued in lieu – Officeholders fees	43,748	61,710
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:		
- (increase) / decrease in trade and other receivables	309	(4,960)
- (increase) / decrease in trade and other payables	-	-
- Increase / (decrease) in trade and other payables	67,770	(49,859)
- Increase / (decrease) in tax liabilities	-	-
Net cash from operating activities	(94,144)	(182,487)

(b) *Businesses acquired*

During the financial year:

(i) the company acquired a 7.7% holding in Mornington Winery Group Limited through a demerger within Dromana Estate Limited

NOTES TO THE PRELIMINARY FINAL REPORT

11. Commentary on results for the period

The operating results provided a loss of \$675,351 for the year under review. Refer to Directors comments in relation to the company's investment portfolio over the year.

12. Contributed equity

During the period the company issued the following ordinary shares:

Ordinary Shares	Number	\$
At the beginning of the financial year	77,440,310	9,695,376
Amendment to opening balance – options exercised 30 November 2009	3,026	242
	1,325,705	43,748
Balance at 30 June 2010	<u>78,769,026</u>	<u>9,739,366</u>

- (i) On 30 November 2009, the company issued 1,325,705 ordinary shares at an issue price of \$0.033 per share in lieu of directors' fees.

13. Events subsequent to balance date

The company finalised a Share Purchase Plan (SPP) on 16 July 2010. The SPP raised a total of \$87,500 which will be used for working capital.

14. Audit

This report is based on financial accounts which are in the process of being audited.

David Craig
Director

Dated this 31st day of August 2010.