Century Australia Investments Limited

ABN 11 107 772 761

Annual Report
for the year ended 30 June 2013

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Annual Report - 30 June 2013

Contents

Directors	Robert Turner (Chairman) Stephen Menzies (Non-Executive Director) Ross Finley (Non-Executive Director)
Secretary	Peter Roberts
Principal registered office in Australia	Level 3 99 Bathurst St Sydney NSW 2000 +61 2 8262 2800
Administration	White Outsourcing Pty Limited Level 3, 99 Bathurst Street Sydney NSW 2000 Phone: +61 2 8262 2800 Fax: +61 2 9221 1194
Share register	Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Phone: +61 2 9287 0303 Fax: +61 2 9287 0303
Investment Manager	Perennial Value Management Limited ABN 22 090 879 904
Auditors	Grant Thornton Audit Pty Limited
Stock exchange	Australian Securities Exchange ASX code: CYA
Website	www.centuryaustralia.com.au

Chairman's Review

Financial Result

Operating profit before tax, and before realised and unrealised gains on investments, was $2.22m compared to $2.14m in the previous year. Century's operating profit consists largely of dividends, distributions and interest income less operating expenses. The indirect cost ratio increased slightly from 1.08% to 1.10%.

The net result after realised and unrealised losses was a profit of $9.89m, compared to a loss of $10.47m in the 2012 year which included a DTA write down of $6.12m.

The net assets of the Company increased from $58.56m at 30 June 2012 to $67.45m as at 30 June 2013. This increase reflects the overall gain during the year of $9.89m reflected in the Statement of Comprehensive Income and was also after the payment of $1.11m in dividends during the year.

As at 30 June 2013 the Company has recognised carried forward tax losses from prior periods of $11.7m. This results in a Deferred Tax Asset of $3.5m (2012: $2.49m). In total, the Company has available $41.5m of prior year tax losses to be utilised against future assessable gains. Upon review of the current long term average return of Perennial Value Management and the market outlook, the Directors reviewed the deferred tax asset and made the decision to maintain the recorded balance in the accounts (for further details, refer Note 15). As at 30 June 2013, unrealised gains on the portfolio resulted in a Deferred Tax Liability of $1.29m being recorded in the accounts. Were the unrealised portfolio gains to be realised, the Deferred Tax Liability of $1.29m would partially offset the recorded Deferred Tax Asset.

As at 30 June 2013 the Net Tangible Assets (NTA) per share before deferred taxes was $0.82 per share (2011: $0.66) up 24.5% for the year after an interim dividend payment of 1.4 cents per share. The shares traded at a discount of approximately 9% to pre NTA based on a market closing price of $0.75 per share as at 30 June 2013.

Portfolio Performance

Perennial Value Management ("PVM") generated a portfolio return of 25.4% for the year ended 30 June 2013 compared to a return of 21.9% for the S&P/ASX300 Accumulation Index, an outperformance of 3.5%. For the two years to 30 June 2013, the investment return has been 5.99% compared to the S&P/ASX300 Accumulation Index return of 6.47%. PVM commenced managing the portfolio in September 2010.

In the following report by Perennial Value Management, a full overview of the share market performance in 2013 financial year is provided along with commentary on the Century investment performance.

Dividends

	2007	2008	2009	2010	2011	2012	2013
Interim dividend paid in March	3.00	5.00	4.50	3.50	-	1.3	1.4
Interim dividend paid in June	-	-	4.50	-	-	-	-
Special dividend paid in February	-	-	-	-	6.20	-	-
Final dividend paid in September	6.00	5.00	-	5.00	-	-	-
Final dividend paid in August	-	-	-	-	-	1.4	-
Final dividend payable in September	-	-	-	-	-	-	1.45*
Total cents for the year	**9.00**	**10.00**	**9.00**	**8.50**	**6.20**	**2.7**	**2.85**

* On 22 August 2013, the Company announced a dividend of 1.45 cents per share fully franked.

The board has declared a final dividend of 1.45 cps. Due to the existing carried forward tax losses, no tax will be paid on the next $41.5m of realised gains and therefore no franking credits will be generated from such gains. This means that franking of future dividends will be restricted to the pass through of franking credits received on dividend income until the company is once again in a tax paying position.

Chairman's Review

Future

Regrettably, Russell Hooper resigned from the Board in June 2013 for personal reasons. Russell made a valuable contribution to the Board over the past six years. As the Board is currently considering options for CYA that would enhance shareholder value, it is not the Board's current intention to appoint a replacement director.

As announced to the market most recently on 26 July 2013, the Board continues to consider various options for the future of the Company that will enhance shareholder value. In the absence of a proposal which would benefit both continuing and liquidating shareholders, the Directors will provide shareholders an option, no later than the Company’s Annual General Meeting in 2014, to vote on winding up the Company and returning close to NTA to shareholders. Should this resolution be put forward in 2014 and not passed by shareholders, the Company would continue to operate in its current form.

Robert Turner
Chairman

22 August 2013

Annual Commentary 2013 from Perennial Value Management Limited

The financial year ended 30 June 2013 was a rewarding one for investors, with the S&P/ASX300 Accumulation Index (the Index) returning 21.9%, as investors became more positive both domestically and globally and the tide of macroeconomic-driven fear receded from the very high levels experienced in mid-2012. The Century Portfolio (the Portfolio) finished the year very strongly, up 25.4%, outperforming the Index return by 3.5%.

While the past year has seen somewhat of a return to a stock-picking environment, it has still been largely dominated by global macroeconomic considerations, in particular quantitative easing. Thus, investors have continued to focus on safety-first and momentum-type considerations and underlying company valuations have played a secondary role. In this context, given that we are fundamentally a bottom-up stockpicker looking to buy companies for good value, we are very pleased to have delivered the above result over the past year.

A key theme of the past 12 months has been the dramatic underperformance of resources (down 8.4%) versus industrials (up 32.6%). This divergence in performance has been driven by investors becoming increasingly concerned about the commodity price outlook as Chinese growth slows while at the same time becoming more comfortable about the outlook for the developed markets, with the economic recovery becoming entrenched in the US and the prospects of a European meltdown diminishing. A second key theme for the year has been the ‘search for yield’ whereby very low global interest rates have seen increased investor interest in higher yielding equities as a source of income returns.

The combination of these factors has led to a broad-based rally in the industrials, with healthcare (up 42.0%) the best performing sector, followed by telecommunications (up 39.4%), financials (up 38.9%), consumer discretionary (up 33.8%), information technology (up 33.4%), consumer staples (up 30.6%), REITs (up 24.0%), utilities (up 15.2%) and industrials (up 14.1%). By contrast, metals and mining (down 13.9%) was the worst performing sector, followed by materials (down 9.2%) and energy (up 6.5%).

At a stock level, many of the stocks which generated the highest returns for the Portfolio over the year were the same ones that had been heavily sold down last year, impacting performance in 2012. We reported last year that we saw extremely good long-term value in many of these names and our patience has been rewarded in 2013. Examples included building materials stocks Bluescope Steel (up 159.4%), Fletcher Building (up 60.7%) and Boral (up 45.6%). Financials Macquarie Group (up 68.7%) and Henderson Group (up 64.7%) did very well, as did retailers Myer Holdings (up 59.1%), Premier Investments (up 51.6%) and Harvey Norman (up 35.1%) which all rallied strongly. Gaming stocks Aristocrat Leisure (up 59.8%) and Crown (up 47.0%) also performed very strongly as did industrials Brambles (up 55.9%), Amcor (up 48.4%) and Toll Holdings (up 40.2%).

The Portfolio also benefited from its underweight positioning to the resources sector. However, given the extent of share price falls in this sector, we believe valuations are starting to look attractive in this sector and we have added to our holdings as prices have fallen.

While the Portfolio benefited from the stocks mentioned above, performance was impacted by our underweight position in the healthcare and consumer staples sectors. The ongoing macroeconomic focus on safety has seen these sectors bid up to very expensive levels. For example, stocks such as CSL and Ramsay Healthcare, while both fine companies, are, in our view, trading at levels where they are ‘priced for perfection’ and therefore offer limited upside.

While the Portfolio’s recent performance has been pleasing, our value investing strategy has performed well over the longer term. Since its inception in March 2000, our flagship Perennial Value Australian Shares Trust has outperformed the Index return by a considerable margin, delivering a compound annual rate of return of 11.0% to 30 June 2013. This compares to the Index return of 7.6% p.a. and represents outperformance of some 3.4% p.a. Importantly, this performance has been generated through the full cycle of bull and bear markets experienced during the more than 13 years the Trust has operated, with the Trust outperforming in 10 out of 13 financial years. While shorter term returns can vary, this outcome provides strong support in favour of using well-executed active management to generate superior investment returns.

Annual Commentary 2013 from Perennial Value Management Limited

Going forward, we believe there are some very good value opportunities currently available across a range of sectors. For instance, the major banks are trading on forecast FY14 P/Es of around 12x FY14 gross yields of over 8%. In addition, there are a range of industrial cyclical stocks with solid balance sheets which are currently trading at very attractive levels relative to their long-term history. While patience may be required due to the current economic uncertainty, we believe that they offer some very good longer term opportunities for investors.

Noting the Board's intention to put a resolution to the shareholders by the 2014 Annual General Meeting to wind up the company, Perennial Value Management Limited consider that the current portfolio could be liquidated in a timely manner should members vote in favour of that resolution.

Corporate Governance Statement

This statement outlines the main corporate governance practices adopted by the Company, which comply with the ASX Corporate Governance Council Principles and Recommendations (2nd Edition, August 2007 with 2010 Amendments) unless otherwise stated.

Principle 1: Lay solid foundations for management and oversight
The Board's primary role is the protection and enhancement of long-term shareholder value. To fulfill this role the Board seeks to address:
(a) the prudential control of the Company's operations;
(b) the resourcing, review and monitoring of outsourced service providers engaged by the Company;
(c) the timeliness and accuracy of reporting to shareholders; and
(d) the determination of the Company's broad objectives.

The Company's operations are conducted through Perennial Value Management Limited (Investment Manager) and White Outsourcing Pty Limited (Accounting and Administration Manager). These entities incorporate the specialist wholesale investment and administration personnel who undertake the Company's executive operations. The Company has contracted with Perennial Value Management Limited and White Outsourcing Pty Limited to provide all investment management and accounting and administration services.

The Company's executive management arrangements have been structured to provide investors with a cost efficient investment vehicle and access to a significant depth of professional resources. Individual directors are subject to continuous review by the Chairman.

Individual directors are subject to continuous review by the Chairman. A performance evaluation of the Board and all Board members is conducted annually. The Chairman reports on the general outcome of the meetings to the Board annually. Directors whose performance is unsatisfactory are asked to retire.

Further details of the Board's role and responsibilities are contained in the Board Charter which is posted on the Company's website.

In addition, the performance of service providers (Perennial Value Management Limited and White Outsourcing Pty Limited) is the subject of continuous oversight by the Chairman and the Board as a whole. A performance review of individual directors and service providers was conducted for the Board as a whole in accordance with the process disclosed.

Recommendation 1.2 requires the disclosure of the process for evaluating the performance of senior executives. The Company does not comply with this recommendation as there are no senior executive officers of the Company.

Principle 2: Structure the board to add value
The names of the directors of the Company in office at the date of this statement are set out in the Directors' Report on page 12.

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the Annual Report is included in the Directors' Report on page 13 along with the names of the directors of the Company in office at the date of this Statement.

The composition of the Board is determined using the following principles:
• A minimum of three directors;
• An independent, non-executive director as Chairman; and
• A majority of independent non-executive directors.

The term in office held by each director in office at the date of this report is as follows:

Name	Term in office
Robert Turner	9 years
Ross Finley	7 years
Stephen Menzies	7 years

Principle 2: Structure the board to add value (continued)
Directors have a usual term of two years, and a maximum term of 3 years, before retiring by rotation and standing for re-election.

An independent director is considered to be a director:
(a) who is not a member of management;
(b) who has not within the last three years been employed in an executive capacity by the Company or been a principal of a professional adviser or consultant to the Company;
(c) is not a significant supplier to the Company;
(d) has no material contractual relationship with the Company other than as a director; and
(e) is free from any interest or business or other relationship which could materially interfere with the director's ability to act in the best interests of the Company.

In the context of director independence, "materiality" is considered from both the company and individual director's perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the directors in question to shape the direction of the company's loyalty.

In accordance with the definition of independence above, and the materiality thresholds set, the following directors of Century Australia Investments Limited are considered to be independent:

Name	**Position**
Robert Turner	Chairman, Independent Non-Executive Director
Ross Finley	Independent Non-Executive Director
Stephen Menzies	Independent Non-Executive Director

Recommendation 2.3 requires that "the role of the Chair and Chief Executive Officer of the Company should not be exercised by the same individual". There is no Chief Executive Officer of the Company; however, the Company Secretary performs the Chief Executive functions.

ASX Recommendation 2.4 states the board should establish a Nomination Committee. Due to the size of the Company it has not established a formal Nomination Committee and the functions of the Nomination Committee are undertaken by the full Board.

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

The Board schedules a minimum of four meetings each year plus any other meetings as and when necessitated by the Company's operations. The agenda for meetings is prepared through the input of the Chairman, the Administration Manager (White Outsourcing Pty Limited) and the Company Secretary. Standing items include matters of Compliance and Reporting, Financials, Shareholder Communications and Investment Strategy and Outcomes.

Principle 3: Promote ethical and responsible decision making
The Board expects all executive and non-executive directors to act professionally in their conduct and with the utmost integrity and objectivity. All executive and non-executive directors must comply with the Company's Code of Conduct and Ethics.

The Board monitors its outsourced services providers compliance with the Company's Code of Conduct and Ethics, which is accessible to outside parties via the Company's website.

The Company encourages directors to have a personal financial interest in Century Australia Investments Limited, by acquiring and holding shares on a long-term basis.

Short term trading in Century Australia Investments Limited's shares by directors is not permitted.

Principle 3: Promote ethical and responsible decision making (continued)
The Board has adopted the following policies concerning dealing in Century Australia Investments Limited's shares by directors.

• Insider trading laws prohibit Directors and their associates from dealing in the Company's shares whilst in possession of price sensitive information that is not generally available.

• As a matter of practice, Director's and their associates will generally only be able to deal in the Company's shares:

- In the period of two weeks following the release of the Company's monthly NTA results;
- In the period of two weeks following the release of the Company's annual results;
- In the period of two weeks following the release of the Company's half yearly results;
- In the period of two weeks following the Annual General Meeting of the Company; and
- Following the release of a prospectus by the Company relating to an issue of shares.

The composition of the Board is monitored (both in respect of size, diversity and membership) to ensure that the Board has a balance of skill and experience appropriate to the needs of the Company. When a vacancy arises, the Board will identify candidates with appropriate expertise and experience and appoint the most suitable person taking into account the need for diversity in gender, age, ethnicity and cultural background. Given the Company has no employees, consideration of diversity does not extend beyond the Board and further disclosures in relation to policies are not considered relevant.

Principle 4: Safeguard integrity in financial reporting
It is a requirement of the Board that White Outsourcing Pty Limited sign-off on the content of the financial statements, and that these statements represent a true and fair view of the Company's operations and financial position of the Company.

White Outsourcing Pty Limited provides a declaration to the Board twice annually, to certify that the Company's financial statements and notes present a true and fair view, in all material respects, of the Company's financial condition and operational results and that they have been prepared and maintained in accordance with relevant Accounting Standards and the *Corporations Act 2001*. In respect of the current financial year all necessary declarations have been submitted to the Board. In addition, White Outsourcing Pty Limited (accounting and Company Secretarial) confirms in writing to the Board that the declaration provided above is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Company has an Audit Committee with a documented Charter, approved by the Board. All members must be non-executive directors and the majority be independent directors. The Audit Committee Chairman is not the Chairman of the Board. The Committee is responsible for considering the effectiveness of the systems and standards of internal control, financial reporting and any other matter at the request of the Board. The Audit Committee will meet at least two times per year.

The Audit Committee may have in attendance at their meeting such members of outsourced service providers as may be deemed necessary to provide information and explanations. The external auditors attend meetings by invitation to report to the Committee.

The members of the Audit Committee during the year were:
• Stephen Menzies (Chairman)
• Ross Finley
• Robert Turner

Principle 4: Safeguard integrity in financial reporting (continued)
The responsibilities of the Audit Committee are to ensure that:
1. Relevant, reliable and timely information is available to the Board to monitor the performance of the Company;
2. External reporting is consistent with committee members' information and knowledge and is adequate for shareholder needs;
3. Management processes support external reporting in a format which facilitates ease of understanding by shareholders and institutions;
4. The external audit arrangements are adequate to ensure the maintenance of an effective and efficient external audit. This involves:
(a) reviewing the terms of engagement, scope and auditor's independence;
(b) recommendations as to the appointment, removal and remuneration of an auditor; and
(c) reviewing the provision of non-audit services provided by the external auditor ensuring they do not adversely impact on audit independence;
5. Review the Company's risk profile and assess the operation of the Company's internal control system.

The external auditor is required to attend the Annual General Meeting and is available to answer shareholder questions.

For details on the number of meetings of the Audit Committee held during the year and the attendees at those meetings, refer to page 14 of the Directors' Report.

Principle 5: Make timely and balanced disclosures
The Board informs shareholders of all major developments affecting the Company's state of affairs as follows:

• All significant lodgements with the ASX are available on the Company's website at www.centuryaustralia.com.au.
• A hard copy Annual Report will be mailed to shareholders who have requested to receive one at the close of the financial year. An electronic version of the Annual Report will be available on the Company's website.
• Net asset backing per share is released to the ASX by the 14th day following each month-end and sent via email to shareholders who register their interest.

The Company Secretary is responsible for ensuring Century Australia Investments Limited complies with its continuous disclosure obligations. All relevant staff of White Outsourcing Pty Limited are made aware of these obligations and are required to report any price sensitive information to the Company Secretary immediately when they become aware of it. The Company Secretary in consultation with the Chairman will decide whether the information should be disclosed to the ASX.

Where possible, all continuous disclosure releases to the ASX are approved by the Board, except the monthly net asset backing per share which is approved by White Outsourcing Pty Limited and sent to Perennial Value Management Limited for comment. Where time does not permit approval by the Board, the Chairman must approve the release.

Any information of a material nature affecting the Company is disclosed to the market through release to the ASX as soon as the Company becomes aware of such information, in accordance with the ASX Continuous Disclosure requirement.

Principle 6: Respect the rights of shareholders
Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of directors, changes to the constitution and are able to receive the annual and interim financial statements if requested. Shareholders are strongly encouraged to attend and participate in the Annual General Meetings of Century Australia Investments Limited, to lodge questions to be responded by the Board, and are able to appoint proxies.

Principle 7: Recognise and manage risk
The Board acknowledges that it is responsible for the overall system of internal control but recognises that no cost effective internal control system will preclude all errors and irregularities. The Board has delegated responsibility for reviewing the risk profile and reporting on the operation of the internal control system to the Audit Committee.

The Audit Committee (a) requires executive management to report annually on the operation of internal controls, (b) reviews the external audit of internal controls and liaises with the external auditor and (c) conducts any other investigations and obtains any other information it requires in order to report to the Board on the effectiveness of the internal control system. In respect of the current financial year all necessary declarations have been submitted to the Board.

The Board identifies the following business risks as having the potential to significantly or materially impact the Company's performance (a) administrative risks including operational, compliance and financial reporting (b) market related risks.

Administrative Risks
The Company has outsourced its administrative functions to service providers, BNP Paribas (custody), White Outsourcing Pty Limited (accounting and Company Secretarial) and Perennial Value Management Limited (investment management). Risk issues associated with these activities are handled in accordance with the service providers policies and procedures. White Outsourcing Pty Limited is responsible for recognising and managing administrative risks including (a) operational, (b) compliance and (c) financial reporting. Certificates of insurance currency are obtained annually from all key service providers.

Market Risks
The Board is primarily responsible for recognising and managing market related risks. By its nature as a Listed Investment Company, the Company will always carry investment risk because it must invest its capital in securities which are not risk free. However, the Company seeks to reduce this investment risk by a policy of diversification of investments across industries and companies operating in various sectors of the market. Perennial Value Management Limited (investment manager), is required to act in accordance with the Board approved investment management agreement and reports to the Board monthly on the portfolio's performance, material actions of the investment manager during that month and an explanation of the investment manager's material proposed actions for the upcoming quarter. In addition, the investment manager reports monthly that Perennial Value Management Limited have invested the Company's assets in accordance with the approved investment mandate and complied with the Investment Management Agreement requirements during the reporting period. In respect of the current financial year all necessary declarations have been submitted to the Board. In assessing the Company's risk tolerance level the Board considers any instance which materially affects the Company's monthly Net Tangible Asset backing announcement released to the ASX

The Audit Committee and the Board perform a risk review on an annual basis to ensure that adequate controls are in place to mitigate risk associated with investment manager performance, market risk, fraud, transaction reporting errors, material reporting risks and compliance risk.

Principle 8: Remunerate fairly and responsibly
ASX Recommendation 8.1 states the board should establish a Remuneration Committee. Due to the size of the Company it has not established a formal Remuneration Committee and the functions of the Remuneration Committee are undertaken by the full Board.

Non-executive directors are remunerated by way of cash and superannuation contributions within the aggregate amount of $120,000 (inclusive of superannuation). All Non-Executive Directors payments are inclusive of committee fees.

As previously noted, the executive function of the Company has been outsourced to White Outsourcing Pty Limited (accounting and administration) and Perennial Value Management Limited (funds management).

Century Australia Investments Limited has a contractual agreement with White Outsourcing Pty Limited which is responsible for providing accounting and administration services for a fee charged on a monthly basis.

Century Australia Investments Limited has a contractual agreement with Perennial Value Management Limited which provides investment management services for a fee charged as a percentage of the portfolio value on a monthly basis.

Board policies and charters covering the following are available on the Company's website at www.centuryaustralia.com.au:
- Board charter
- Audit Committee charter
- Disclosure policy
- Communication policy
- Risk management policy
- Securities dealing policy
- Code of Conduct and Ethics
- Appointment and selection of non-executive directors' policy
- Performance evaluation policy

Directors' Report

Your Directors present their report on the Company for the year ended 30 June 2013.

Directors
The following persons held office as Directors of Century Australia Investments Limited during the financial year:

Robert Turner (Chairman)
Stephen Menzies (Non-Executive Director)
Ross Finley (Non-Executive Director)
Russell Hooper (Non-Executive Director) (resigned 17 June 2013)

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

Principal activities
During the year, the principal activities of the Company included investing in securities listed on the Australian Stock Exchange for the medium to long term.

There was no significant change in the nature of the activity of the Company during the year.

Dividends
Dividends paid to members during the financial year were as follows:

	Dividend Rate	Total Amount	Date of Payment	% Franked
2013				
Ordinary shares - interim	1.4	$1,116	20/03/2013	100
2012				
Ordinary shares - final	1.4	$1,112	15/08/2012	100
Ordinary shares - interim	1.3	$1,028	16/03/2012	100

In addition to the above dividends, since the end of the financial year the Directors have declared a final fully franked dividend of $1,155,498 (1.45 cents per share) to be paid on 17 September 2013 out of profits for the year ended 30 June 2013. The record date for determining entitlement to the dividend will be 3 September 2013.

The dividend reinvestment plan will not apply to this dividend.

Review of operations
Information on the operations and financial position of the Company and its business strategies and prospects is set out in the review of operations and activities on pages 2 to 3 of this Annual Report.

The profit from ordinary activities after income tax amounted to $2.3 million (2012: loss ($3.9) million).

The net tangible asset backing for each ordinary share before all taxes as at 30 June 2013 amounted to 0.86 cents per share (2012: 0.78 cents per share).

Earnings per share

	2013	2012
Basic and diluted earnings (cents per share)	2.86	(4.96)

Significant changes in the state of affairs
There have been no significant changes in the state of affairs of the Company during the year.

Matters subsequent to the end of the financial year
Other than the dividend declared after year end, no other matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company or economic entity in subsequent financial years.

Likely developments and expected results of operations
As announced to the market most recently on 26 July 2013, the Board continues to consider various options for the future of the Company that will enhance shareholder value. In the absence of a proposal which would benefit both continuing and liquidating shareholders, the Directors will provide shareholders an option, no later than the Company's Annual General Meeting in 2014, to vote on winding up the Company and returning close to NTA to shareholders. Should this resolution be put forward in 2014 and not passed by shareholders, the Company would continue to operate in its current form.

Until this time, the Company will continue to pursue its investment objectives for the long term benefit of the members. This will require continual review of the investment strategies that are currently in place and may require changes to these strategies to maximise returns.

Environmental regulation
The Company is not affected by any significant environmental regulation in respect of its operations.

Information on directors
Robert Turner Independent Non-executive Director and Chairman

B.Com, FAICD
Appointed 10 February 2004

Mr Turner is Chairman of the Company and also serves on the Audit Committee. Mr Turner has a strong finance and marketing background and over 30 years of experience in corporate management, both in Australia and overseas. He has experience in the financial services industry and has held general management positions in the services and manufacturing industries. Mr Turner was the Managing Director of IOOF Limited, an ASX listed company from 1996 to 2004 and also served as a Director of IWL Limited, an ASX Listed Company, for three years until November 2007.

Stephen Menzies Independent Non-Executive Director

B.Econ, LLB, LLM London
Appointed 16 January 2006

Mr Menzies is Chairman of the Audit Committee and is a Non-Executive Director. Mr Menzies is a corporate lawyer with a broad policy and regulatory background. He specialises in securities issues, product development, funds management, corporate finance and new technologies. Stephen brings a wealth of experience in corporate structuring and corporate finance. During the past three years Mr Menzies has not served as a Director of any other ASX listed companies.

Ross Finley Independent Non-Executive Director

B.Com NSW
Appointed 11 September 2006

Mr Finley serves on the Board of Directors and on the Audit Committee. Mr Finley has over 40 years experience in the Australian Financial Markets with a focus on Australian Equities and Australian Property Management. He was employed at Bankers Trust Australia from 1981 to 1996. He is also currently a director of Ironbark Capital Limited, an absolute return investment company.

Information on directors (continued)
Russell Hooper Independent Non-Executive Director (Resigned 17 June 2013)

FCPA, FAICD, FSIA
Appointed 12 September 2006

Mr Hooper served on the Board of Directors and on the Audit Committee. Mr Hooper completed the Advanced Management Program at Harvard Business School. He has extensive experience both in Australia and overseas in a wide range of financial services including investment, banking and insurance, much of it at CEO level. Mr Hooper held the top investment positions at both Advance and St George Groups for 14 years. He is a Director of Challenger Limited, an ASX listed company.

Interests in shares

Details of Directors' interests in the Company as at the end of the financial year are disclosed in Note 21(b) to the financial statements.

Company secretary
The Company secretary is Peter Roberts. Mr Roberts was appointed to the position of Company secretary on 22 March 2007.

Mr Roberts has over 20 years' experience in the fields of chartered accountancy and specialised back office services to the funds management industry. Mr Roberts is a Director of White Outsourcing Pty Ltd and Company Secretary of Ironbark Capital Ltd, Whitefield Ltd, Australian Leaders Fund Ltd, Watermark Neutral Fund, Steadfast Group Limited and Macquarie Premium Funding Pty Ltd. Mr Roberts holds a Bachelor of Business and is a Member of the Institute of Chartered Accountants.

Meetings of directors
The numbers of meetings of the Company's board of Directors and of each board committee held during the year ended 30 June 2013, and the numbers of meetings attended by each Director were:

	Full meetings of directors		Meetings of committees Audit	
	A	B	A	B
Robert Turner	8	8	3	3
Stephen Menzies	8	8	3	3
Ross Finley	8	8	3	3
Russell Hooper	8	8	3	3

A = Number of meetings attended
B = Number of meetings held during the time the Director held office or was a member of the committee during the year

Members of the audit committee are detailed on page 8 of this report.

Remuneration report (audited)
This report details the nature and amount of remuneration for each Director and Key Management Personnel of Century Australia Investments Limited in accordance with the *Corporations Act 2001.*

Remuneration policy and framework
The Board from time to time determines remuneration of Directors within the maximum amount approved by shareholders. Effective 1 February 2011 the Board decreased the remuneration paid to Directors from a shareholder approved maximum of $200,000 to $120,000 per annum (actual 2013 $118,000, 2012: $120,000) in line with its efforts to lower the Indirect Cost Ratio. No Change to Directors remuneration is proposed for the 2013 financial year.

The board resolved that a directors' fee of $27,000 per annum would apply to all directors with the exception of a fee of $39,000 per annum for the Chairman, in recognition of additional duties. This remuneration excludes any additional fee for any service based agreement which may be agreed upon from time to time and further excludes any reimbursement of out of pocket expenses.

Under the ASX Listing Rules, the maximum fees paid to non-executive Directors may not be increased without approval from the Company at a general meeting. Directors will seek approval from time to time as appropriate. Entitled Directors receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any retirement benefits. All remuneration paid to Directors is valued at the cost to the Company and expensed. At present, no employee share or option arrangements are in existence for Century Australia Investments Limited's Directors. As the company does not pay performance based fees to the Directors, nor provide share or option schemes to Directors, remuneration is not explicitly linked to the Company's performance.

Notwithstanding this, Board members are subject to ongoing performance monitoring and regular performance reviews.

The Company received 82.3% of votes "for" its remuneration report for the 2012 Financial Year. The Company did not receive any specific feedback at the 2012 Annual General Meeting on its Remuneration Report.

Details of remuneration
The following tables show details of the remuneration received by the Directors and the key management personnel of the Company for the current and previous financial year.

2013	Short-term employee benefits	Post-employment benefits	
Name	Cash salary and fees $	Super-annuation $	Total $
Non-executive Directors			
Robert Turner	14,908	24,092	39,000
Stephen Menzies	7,000	20,000	27,000
Ross Finley	27,000	-	27,000
Russell Hooper	26,025	-	26,025
Sub-total non-executive directors	**74,933**	**44,092**	**119,025**

Remuneration report (audited) (continued)
Details of remuneration (continued)

2012	Short-term employee benefits	Post-employment benefits	
Name	Cash salary and fees $	Super-annuation $	Total $
Non-executive Directors			
Robert Turner	-	39,000	39,000
Stephen Menzies	-	27,000	27,000
Ross Finley	27,000	-	27,000
Russell Hooper	27,000	-	27,000
Sub-total non-executive directors	**54,000**	**66,000**	**120,000**

Accounting and company secretarial duties are outsourced to White Outsourcing Pty Limited. Peter Roberts is a director of White Outsourcing Pty Limited which received fees net of reduced input tax credits of $82,698 during the year (2012: $81,451) for the services rendered pursuant to an Administrative Services Agreement entered into by the Company. Mr Roberts received no fees as an individual. White Outsourcing Pty Limited is remunerated in accordance with the Service Level Agreement dated 27 February 2007. The agreement has no fixed term.

Insurance and indemnification of officers and auditors
The Company maintains Directors & Officers Insurance and has Deeds of Access and Indemnity for each Director. During the financial year, the Company paid premiums in respect of Director’s and Officer’s liability and for professional indemnity insurance contracts, for all Directors of the Company named in this report, as well as other officers of the Company.

This policy insures persons who are Directors or Officers of the Company against certain liabilities incurred as such by a Director or Officer, while acting in that capacity, except where the liability arises out of conduct involving lack of good faith. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Director’s and Officer’s liability insurance contract, as such disclosure is prohibited under the terms of the contract.

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.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001.*

Non-audit services
No non-audit services were performed by the auditors during the year ended 30 June 2013.

Details of the amounts paid to the auditors and their related parties are disclosed in Note 22 to the Financial Statements.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 18.

Rounding of amounts
The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of Directors.

Robert Turner
Chairman

Sydney
22 August 2013

Grant Thornton Audit Pty Ltd
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Auditor's Independence Declaration
To the Directors of Century Australia Investments Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Century Australia Investments Limited for the year ended 30 June 2013, 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.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

G Layland

Grant Layland
Director - Audit & Assurance

Sydney, 22 August 2013

Century Australia Investments Limited ABN 11 107 772 761
Annual Report - 30 June 2013

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	Notes	**2013 $'000**	2012 $'000
Investment Income from ordinary activities	6	**2,947**	3,003
Expenses			
Management fees		**(262)**	(233)
Performance fees		**-**	(5)
Accounting fees		**(83)**	(81)
Share registry fees		**(33)**	(49)
Custody fees		**(75)**	(79)
Tax fees		**(12)**	(14)
Directors' liability insurance fees		**(26)**	(25)
Legal fees		**(1)**	(13)
Directors' fees		**(119)**	(120)
Audit fees		**(45)**	(52)
Other expenses		**(68)**	(57)
Unrealised losses on futures		**(11)**	(6)
Realised gains/(losses) on futures		**9**	(130)
Profit before income tax		**2,221**	2,139
Income tax benefit/(expense)		**51**	(6,064)
Profit/(Loss) for the year		**2,272**	(3,925)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Net unrealised gains/(losses) on investments taken to equity		**13,653**	(7,027)
Income tax relating to unrealised gains/(losses) on investments taken to equity		**(4,096)**	2,108
Net realised losses on investments taken to equity		**(2,776)**	(2,316)
Income tax relating to realised losses on investments taken to equity		**833**	695
Other comprehensive income/(loss) for the year, net of tax		**7,614**	(6,540)
Total comprehensive income/(loss) for the year		**9,886**	(10,465)
		Cents	Cents
Basic earnings per share	27	**2.86**	(4.96)
Diluted earnings per share	27	**2.86**	(4.96)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Century Australia Investments Limited
Statement of Financial Position
As at 30 June 2013

	Notes	**2013 $'000**	2012 $'000
ASSETS			
Current assets			
Cash and cash equivalents	8	**1,213**	1,373
Trade and other receivables	9	**1,161**	1,313
Financial assets at fair value through profit or loss	10	**-**	11
Current tax assets	11	**1**	1
Other current assets	12	**22**	21
Total current assets		**2,397**	2,719
Non-current assets			
Financial assets at fair value through other comprehensive income	14	**63,214**	51,667
Deferred tax assets	15	**3,676**	5,588
Total non-current assets		**66,890**	57,255
Total assets		**69,287**	59,974
LIABILITIES			
Current liabilities			
Trade and other payables	16	**516**	283
Total current liabilities		**516**	283
Non-current liabilities			
Deferred tax liabilities	17	**1,320**	21
Provision for dividend		**-**	1,112
Total non-current liabilities		**1,320**	1,133
Total liabilities		**1,836**	1,416
Net assets		**67,451**	58,558
EQUITY			
Issued capital	18	**73,457**	73,334
Reserves	19(a)	**(1,097)**	(8,711)
Accumulated losses	19(b)	**(4,909)**	(6,065)
Total equity		**67,451**	58,558

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

	Notes	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2011		96,930	3,255	(29,209)	70,976
Adjustment on adoption of revised AASB 9		-	(5,426)	5,426	-
Reduction of share capital		(23,783)	-	23,783	-
Restated total equity at the beginning of the financial year		**73,147**	**(2,171)**	**-**	**70,976**
Profit for the year		-	-	(3,925)	(3,925)
Other comprehensive income for the year					
Unrealised gains on investments taken to equity		-	(7,027)	-	(7,027)
Income tax on unrealised gains on investments taken to equity		-	2,108	-	2,108
Realised losses on investments taken to equity		-	(2,316)	-	(2,316)
Income tax on realised losses on investments taken to equity		-	695	-	695
Total other comprehensive loss for the year, net of tax		-	(6,540)	-	(6,540)
Total comprehensive loss for the year		**-**	**(6,540)**	**(3,925)**	**(10,465)**
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	18	187	-	-	187
Dividends provided for or paid	20	-	-	(2,140)	(2,140)
		187	-	(2,140)	(1,953)
Balance at 30 June 2012		**73,334**	**(8,711)**	**(6,065)**	**58,558**
Balance at 1 July 2012		73,334	(8,711)	(6,065)	58,558
Profit for the year		-	-	2,272	2,272
Other comprehensive income for the year					
Unrealised gains on investments taken to equity		-	13,653	-	13,653
Income tax on unrealised gains on investments taken to equity		-	(4,096)	-	(4,096)
Realised losses on investments taken to equity		-	(2,776)	-	(2,776)
Income tax on realised losses on investments taken to equity		-	833	-	833
Total other comprehensive income for the year, net of tax		-	7,614	-	7,614
Total comprehensive income for the year		**-**	**7,614**	**2,272**	**9,886**
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	18	265	-	-	265
Buy-back of ordinary shares	18	(142)	-	-	(142)
Dividends provided for or paid	20	-	-	(1,116)	(1,116)
		123	-	(1,116)	(993)
Balance at 30 June 2013		**73,457**	**(1,097)**	**(4,909)**	**67,451**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

	Notes	**2013 $'000**	2012 $'000
Cash flows from operating activities			
Interest received		**40**	79
Dividends and trust distributions received		**2,854**	2,869
Subunderwriting income		**9**	-
Investment expenses paid		**(734)**	(736)
Income taxes paid		**(1)**	(1)
Net cash inflow from operating activities	25	**2,168**	2,211
Cash flows from investing activities			
Payments for financial assets at fair value through other comprehensive income		**(16,880)**	(19,478)
Proceeds from sale of financial assets at fair value through other comprehensive income		**16,658**	17,207
Net cash (outflow) from investing activities		**(222)**	(2,271)
Cash flows from financing activities			
Share issue and buy-back transaction costs		**(143)**	-
Dividends paid to company's shareholders		**(1,963)**	(840)
Net cash (outflow) from financing activities		**(2,106)**	(840)
Net (decrease) in cash and cash equivalents		**(160)**	(900)
Cash and cash equivalents at the beginning of the period		**1,373**	2,273
Cash and cash equivalents at end of year	8	**1,213**	1,373

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1 General information

Century Australia Investments Limited (the "Company") is a listed public company domiciled in Australia. The address of Century Australia Investments Limited's registered office is Level 3, 99 Bathurst St, Sydney NSW 2000. The financial statements of Century Australia Investments Limited are for the year ended 30 June 2013. The Company is primarily involved in making investments, and deriving revenue and investment income from listed securities and unit trusts in Australia.

2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the entity Century Australia Investments Limited.

(a) 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 and the *Corporations Act 2001*. Century Australia Investments Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial statements were authorised for issue by the Directors on 22 August 2013.

(i) Compliance with IFRS
The financial statements of the Century Australia Investments Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Company
None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. However, amendments made to AASB 101: Presentation of Financial Statements effective 1 July 2012 now require the Statement of Comprehensive Income to show the items of comprehensive income grouped into those that are not permitted to be reclassified to profit or loss in a future period and those that may have to be reclassified if certain conditions are met.

(iii) Historical cost convention
These financial statements have been prepared under the accruals basis and are based on historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss or through other comprehensive income, certain classes of property, plant and equipment and investment property.

(iv) Critical accounting estimates
The preparation of 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 4.

(b) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is Century Australia Investments Limited's functional and presentation currency.

2 Summary of significant accounting policies (continued)

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of rebates and amounts collected on behalf of third parties.

(i) Investment income
Profits and losses realised from the sale of investments and unrealised gains and losses on securities held at fair value are included in the Statement of Comprehensive Income in the year they are incurred in accordance with the policies described in Note 2(h).

(ii) Dividends and trust distributions
Dividends and trust distributions are recognised as revenue when the right to receive payment is established.

(iii) Interest income
Interest income is recognised using the effective interest method.

(iv) Other income
The Company recognises other income when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(d) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2 Summary of significant accounting policies (continued)

(e) Impairment of assets

Financial assets excluding investments are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The amount of the impairment loss is recognised in the Statement of Comprehensive Income within other expenses.

(f) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

(g) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade and other receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly.

(h) Investments and other financial assets

Classification
(i) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term.

(ii) Financial assets at fair value through other comprehensive income
The Company has designated long-term investments as "fair value through other comprehensive income". All gains and losses on long-term investments and tax thereon are presented in other comprehensive income as part of the Statement of Comprehensive Income.

Recognition and derecognition
Purchases and sales of financial assets are recognised on trade-date - the date on which the Company 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 Company has transferred substantially all the risks and rewards of ownership.

Measurement
At initial recognition, the Company measures its financial assets at fair value.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Comprehensive Income.

Transaction costs of financial assets carried at fair value through other comprehensive income are directly attributable to the acquisition of the financial asset.

2 Summary of significant accounting policies (continued)

(h) Investments and other financial assets (continued)

Subsequent changes in fair value are recognised through the investment portfolio revaluation reserve after deducting a provision for the potential deferred capital gains tax liability as these investments are long-term holdings of equity investments.

When an investment is disposed of, the cumulative gain or loss, net of tax thereon, is recognised in the investment portfolio revaluation reserve.

AIFRS defines fair value for the purpose of valuing holdings of securities that are listed or traded on an exchange to be based on quoted "bid" prices for securities prevailing at the close of business on the balance date.

AASB 139 and AG72 state that the current bid price is usually the appropriate price to be used in measuring the fair value of actively traded financial assets.

(i) Determination of Fair Value

As at 30 June 2013, the Company also held derivative instruments in the form of futures. Derivatives are classified as at fair value through profit or loss - held-for-trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current.

Derivatives in a net receivable position (positive fair value) are reported as financial assets at fair value through profit or loss - held-for-trading. All derivatives in a net payable position (negative fair value) are reported as financial liabilities at fair value through profit or loss "held-for-trading".

(j) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(k) Issued capital

Ordinary shares are classified as equity.

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

(l) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(m) Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, 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 year and excluding treasury shares.

As there are no dilutive potential ordinary shares, diluted EPS is calculated using the same methodology.

2 Summary of significant accounting policies (continued)

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of 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 taxation authority is included with other receivables or payables in the Statement of Financial Position.

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 taxation authority, are presented as operating cash flows.

(o) Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(p) Functional and presentation currency

The functional and presentation currency of the Company is Australian dollars.

(q) Comparatives

Where necessary, comparative information has been reclassified to be consistent with current reporting period.

(r) Operating Segments

The Company operated in Australia only and the principal activity is investment.

(s) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods and have not yet been applied in the financial statements. The Company's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13* (effective 1 January 2013)

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The Company has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the Notes to the Financial Statements. The Company does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Board of the Company has implemented a risk management framework to mitigate these risks.

(a) Market risk

The standard defines this as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Foreign exchange risk
The Company is not directly exposed to currency risk as all its investments are quoted in Australian dollars.

(ii) Price risk
The Company is exposed to equity securities price risk. This arises from investments held by the Company and classified in the balance sheet as financial assets at fair value through other comprehensive income.

The Company seeks to manage and constrain market risk by diversification of the investment portfolio across multiple stocks and industry sectors. The portfolio is maintained by the Investment Manager within a range of parameters governing the levels of acceptable exposure to stocks and industry sectors.

Securities representing over 5 per cent of the investment portfolio at 30 June 2013 were:

	2013 (%)
BHP Billiton Limited	8.82
ANZ Banking Group Limited	8.42
National Australia Bank Limited	8.06
Commonwealth Bank of Australia	7.80
Telstra Corp Limited	7.04
Westpac Banking Corporation	6.47
	46.61

	2012 (%)
ANZ Banking Group Limited	8.48
Commonwealth Bank of Australia	8.04
National Australia Bank Limited	7.62
Telstra Corp Limited	7.52
BHP Billiton Limited	7.38
Westpac Banking Corporation	5.28
	44.32

No other security represents over 5 per cent of the investment portfolio at 30 June 2013.

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk (continued)
The following table illustrates the effect on the Company's equity from possible changes in other market risk that were reasonably possible based on the risk the Company was exposed to at reporting date, assuming a flat tax rate of 30 per cent:

	Impact on other components of equity	
Index	**2013 $'000**	2012 $'000
Change in variable +/- 5%	**2,212**	1,808
Change in variable +/- 10%	**4,424**	3,617

(iii) Cash flow and fair value interest rate risk
The table below summarises the Company's exposure to interest rate risks. It includes the Company's assets and liabilities at fair values, categorised by the earlier of contractual repricing or maturity dates.

Sensitivity
At 30 June 2013, if interest rates had increased by 75 or decreased by 75 basis points from the year end rates with all other variables held constant, post-tax profit for the year would have been $6,000 higher/$6,000 lower (2012 changes of 75 bps/75 bps: $18,000 lower/$18,000 higher), mainly as a result of higher/lower interest income from cash and cash equivalents.

(b) Credit risk

The standard defines this as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and Notes to the Financial Statements.

There are no material amounts of collateral held as security at 30 June 2013.

Credit risk is managed as noted in Note 8 with respect to cash and cash equivalents, Note 9 for trade and other receivables. None of these assets are over-due or considered to be impaired.

(c) Liquidity risk

The standard defines this as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Board and Investment Manager monitors the cash-flow requirements in relation to the investing account taking into account upcoming dividends, tax payments and investing activity.

The Company's inward cash flows depend upon the level of dividend and distribution revenue received. Should these decrease by a material amount, the Company would amend its outward cash flows accordingly. As the Company's major cash outflows are the purchase of securities and dividends paid to shareholders, the level of both of these is managed by the Board and Investment Manager.

The assets of the Company are largely in the form of readily tradeable securities which can be sold on-market if necessary.

3 Financial risk management (continued)

(c) Liquidity risk (continued)

Maturities of financial liabilities
The tables below analyse the Company's non-derivative financial liabilities into relevant maturity groupings based on their contractual maturities at year end date.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities **At 30 June 2013**	**Less than 1 month $'000**	**More than 1 month $'000**	**Between 1 and 5 years $'000**	**Over 5 years $'000**	**Total contractual undiscounted cash flows $**
Non-derivatives					
Trade and other payables	**516**	**-**	**-**	**-**	**516**
Total non-derivatives	**516**	**-**	**-**	**-**	**516**
At 30 June 2012					
Non-derivatives					
Trade and other payables	283	-	-	-	283
Total non-derivatives	283	-	-	-	283

(d) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 7 *Financial Instruments: Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes ‘observable’ requires significant judgement by the Directors. The Directors consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

3 Financial risk management (continued)

(d) Fair value measurements (continued)

The following table presents the Company's financial assets and liabilities (by class) measured and recognised at fair value according to the fair value hierarchy at 30 June 2013 and 30 June 2012:

30 June 2013

	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets				
Equity securities	**63,214**	**-**	**-**	**63,214**
	63,214	**-**	**-**	**63,214**

30 June 2012

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Derivatives	11	-	-	11
Equity securities	51,667	-	-	51,667
	51,678	-	-	51,678

The fair value of financial instruments traded in active markets (such as publicly traded derivatives), is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1. The Company holds no level 2 or level 3 instruments.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

5 Segment information

The Company has only one reportable segment. The Company operates predominantly in Australia and in one industry being the securities investment industry, deriving revenue from dividend income, interest income and from the sale of its portfolio.

6 Revenue

	2013 $'000	2012 $'000
From ordinary activities		
Dividends	**2,811**	2,873
Distributions	**88**	55
Interest	**39**	75
Other income	**9**	-
	2,947	3,003

7 Income tax (benefit)/expense

(a) Income tax (benefit)/expense through profit or loss

	2013 $'000	2012 $'000
Deferred tax (benefit)/expense	**(44)**	6,054
(Under)/over-provision in respect of prior years	**(7)**	10
	(51)	6,064
Income tax expense is attributable to:		
Profit from continuing operations	**(51)**	6,064

(b) Numerical reconciliation of income tax (benefit)/expense to prima facie tax payable

	2013 $'000	2012 $'000
Profit from continuing operations before income tax (benefit)/expense	**2,221**	2,139
Tax at the Australian tax rate of 30.0% (2012 - 30.0%)	**666**	641
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Franking credits on dividends received	**(996)**	(988)
Imputation gross up on dividends income	**296**	294
Timing differences	**(13)**	(15)
(Under)/over-provision in prior year	**(7)**	10
Withholding gross-up on dividends received	**3**	2
Write-off of deferred tax asset	**-**	6,120
Income tax (benefit)/expense	**(51)**	6,064

The applicable weighted average effective tax rates are as follows:***	2.3%	283%

*** The low weighted average effective tax rate in the current year is due to utilisation of franking credits on dividends received. Prior year's high weighted average effective tax rate is a net effect of written down deferred tax asset on capital losses and franking credits on dividends received.

8 Current assets - Cash and cash equivalents

	2013 $'000	2012 $'000
Cash at bank	**159**	203
11am account	**1,029**	1,112
Futures account	**25**	58
	1,213	1,373

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:

	2013 $'000	2012 $'000
Balances as above	**1,213**	1,373

(b) Risk exposure

The Company's exposure to interest rate risk is discussed in Note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

Cash investments are made with BNP Paribas, and the Commonwealth Bank of Australia. Both of which are rated AA- by Standards & Poor's.

9 Current assets - Trade and other receivables

	2013 $'000	2012 $'000
Dividends and distributions receivable	**566**	521
Interest receivable	**2**	3
GST receivable	**26**	13
Unsettled sales	**567**	776
	1,161	1,313

(a) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the end of the period is the carrying amount of each class of receivables mentioned above. There are no past due or impaired receivables.

Receivables are non-interest bearing and unsecured. Outstanding settlements are on the terms operating in the securities industry, which usually require settlement within three days of the date of a transaction.

10 Current assets - Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are all held-for-trading and include the following:

	2013 $'000	2012 $'000
Derivatives	**-**	11

Changes in fair values of financial assets at fair value through profit or loss are recorded in investment income or other expenses in the Statement of Comprehensive Income.

(a) Risk exposure and fair value measurements

Information about the Company's exposure to price risk and about the methods and assumptions used in determining fair value is provided in Note 3.

11 Current assets - Current tax assets

	2013 $'000	2012 $'000
Current tax receivables	**1**	1

12 Current assets - Other current assets

	2013 $'000	2012 $'000
Prepayments	**22**	21

13 Derivative financial instruments

In the normal course of business, the Company enters into transactions in derivative financial instruments with certain risks. A derivative is a financial instrument or other contract whose value depends on, or is derived from, underlying assets, liabilities or indices. Derivative transactions include a wide assortment of instruments, such as forwards, futures, options and swaps.

Derivatives are considered to be part of the investment process. The use of derivatives is an essential part of the Company's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multi-faceted and includes:

(i) hedging to protect an asset of the Company against a fluctuation in market values or to reduce volatility;
(ii) as a substitute for physical securities; and
(iii) adjustment of asset exposures within the parameters set out in the investment strategy.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

13 Derivative financial instruments (continued)

The Company holds the following derivative instruments:

Futures:

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are usually settled net daily with the exchange.

2013		**Fair values $'000**	
	Notional values $'000	**Assets**	**Liabilities**
Futures	$477	-	*

*At 30 June 2013, the fair value of futures is ($25).

2012		Fair values $'000	
	Notional values $'000	Assets	Liabilities
Futures	1,014	11	-

14 Non-current assets - Financial assets at fair value through other comprehensive income

	2013 $'000	2012 $'000
Listed securities		
Investment in equities	**63,214**	51,667

(a) Risk exposure and fair value measurements

Information about the Company's exposure to price risk and about the methods and assumptions used in determining fair value is provided in Note 3.

15 Non-current assets - Deferred tax assets

As at 30 June 2013 a deferred tax asset totalling $12.463m arising from total prior year tax losses of $41.543m are available to the Company. In previous financial years $8.966m of this deferred tax asset was written off in the accounts, following a conservative review of the period over and the extent to which the losses were expected to be recovered taking into account the long term average return of Perennial Value Management and the market outlook. The prior decision to write off this amount does not impact the ability of the Company to carry the full quantum of tax losses forward for tax purposes.

As announced to the market most recently on 26 July 2013, the Board continues to consider various options for the future of the Company that will enhance shareholder value. In the absence of a proposal which would benefit both continuing and liquidating shareholders, the Directors will provide shareholders an option, no later than the Company's Annual General Meeting in 2014, to vote on winding up the Company and returning close to NTA to shareholders. The Board considers the current level of deferred tax asset from recorded tax losses of $3.497m to be reasonable and adequate, providing the opportunity to utilise these losses against gains of up to $11.7m. If the Company proceeds to wind up, the balance of any deferred tax liability would be offset with the deferred tax asset. As at 30 June 2013, the recorded deferred tax asset of $3.676m would be reduced by the deferred tax liability of $1.32m detailed in Note 17.

	2013 $'000	2012 $'000
The balance comprises temporary differences attributable to:		
Unrealised losses on revaluation of investment portfolio	**-**	2,980
Realised capital losses at 30%	**12,463**	11,453
Cumulative write down of capital losses	**(8,966)**	(8,966)
Audit fees and director's superannuation accruals at 30%	**10**	10
Imputation credits to utilise in future years	**147**	78
Buy back related fees	**22**	33
	3,676	5,588
Total deferred tax assets	**3,676**	5,588
Movements:		
Opening balance	**5,588**	8,866
Charged/credited:		
- to other comprehensive income	**58**	2,802
- to profit or loss	**(1,970)**	(6,080)
Deferred Tax Assets	**3,676**	5,588

16 Current liabilities - Trade and other payables

	2013 $'000	2012 $'000
Management fees payable	**74**	59
Unsettled purchases	**384**	155
Other payables	**58**	69
	516	283

17 Non-current liabilities - Deferred tax liabilities

	2013 $'000	2012 $'000
Net unrealised gains on investments	**1,293**	-
Interest and dividend accruals	**27**	21
	1,320	21
Movements:		
Opening balance	**21**	37
Charged/credited:		
- profit or loss	**6**	(16)
- to other comprehensive income	**1,293**	-
	1,320	21

18 Issued capital

(a) Share capital

	30 June 2013 Shares	30 June 2012 Shares	**2013 $'000**	2012 $'000
Ordinary shares - fully paid	**79,689,496**	79,425,916	**73,457**	73,334

(b) Movements in ordinary share capital

Date	**Details**	Notes	**Number of shares**	**Issue price $**	**$'000**
30 June 2011	Opening balance		79,110,855		96,930
	Dividend reinvestment plan issues	(d)	315,061	0.60	187
	Reduction of share capital		-		(23,783)
30 June 2012	Balance		79,425,916		73,334
	Dividend reinvestment plan issues	(d)	463,020	0.57	265
	Share buyback - on market	(e)	(199,440)		(142)
30 June 2013	Balance		79,689,496		73,457

18 Issued capital (continued)

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(d) Dividend reinvestment plan

The Dividend Reinvestment Plan (DRP) applied to the interim and final dividends for the year ended 30 June 2012. The market price at which the shares were issued under the DRP was calculated at a 2% discount to the weighted average sale price per share of all shares traded on the ASX during a period of five trading days, starting the first day after the record date.

The DRP has not been offered since and will not apply to the final dividend declared subsequent to year end.

(e) Share buy-back

On 6 November 2012, the Company announced an on-market share buy-back program commencing 26 November 2002 and concluding no later than 12 months from that date. At 30 June 2013, the Company bought back 199,440 shares at an average price of $0.71.

(f) Capital risk management

The Board's policy is to maintain an appropriate level of liquidity in the Company's shares.

To achieve this the Board of Directors monitor the monthly NTA results, investment performance, the Company's Indirect Cost Ratio (formerly known as 'Management Expense Ratio') and share price movements.

The Company is not subject to any externally imposed capital requirements.

19 Reserves and accumulated losses

(a) Reserves

	2013 $'000	2012 $'000
Investment portfolio revaluation reserve	**2,467**	(7,090)
Investment portfolio realised gains/losses reserve	**(3,564)**	(1,621)
	(1,097)	(8,711)

	2013 $'000	2012 $'000
Movements:		
Investment portfolio revaluation reserve		
Opening balance	**(7,090)**	3,255
Net unrealised gains/losses on investments	**13,653**	(7,027)
Income tax on net unrealised gains/losses on investments	**(4,096)**	2,108
Reclassification adjustments - AASB 9 adoption	**-**	(5,426)
Balance 30 June	**2,467**	(7,090)
Investment portfolio realised gains/losses reserve		
Opening balance	**(1,621)**	-
Net realised gains/losses on investments	**(2,776)**	(2,316)
Income tax on net realised gains/losses on investments	**833**	695
Balance 30 June	**(3,564)**	(1,621)

(b) Accumulated losses

Movements in accumulated losses were as follows:

	Notes	2013 $'000	2012 $'000
Balance 1 July		**(6,065)**	-
Net profit/(loss) for the year		**2,272**	(3,925)
Dividends	20	**(1,116)**	(2,140)
Balance 30 June		**(4,909)**	(6,065)

20 Dividends

	2013 $'000	2012 $'000
a) Ordinary shares		
Final dividend	**-**	1,112
Interim dividend	**1,116**	1,028
	1,116	2,140

(b) Dividends not recognised at the end of the reporting period

	2013 $'000
In addition to the above dividends, since year end the Directors have declared a final dividend of 1.45 cents per fully paid ordinary share, fully franked based on tax paid at 30%. The aggregate amount of the declared dividend expected to be paid on 17 September 2013 out of profits for the year ended at 30 June 2013, but not recognised as a liability at year end, is	**1,155**

(c) Dividend franking account

	2013 $'000	2012 $'000
Opening balance of franking account	**352**	496
Franking credits on dividends received	**987**	850
Tax paid during the year	**1**	35
Franking credits paid on ordinary dividends paid	**(955)**	(1,028)
Loss of franking credits under 45 day rule	**(2)**	(1)
Closing balance of franking account	**383**	**352**
Adjustments for tax payable/refundable in respect of the current year's profits and the receipt of dividends, dividends declared	**(291)**	(300)
	(291)	(300)
Adjusted franking account balance	**92**	52

20 Dividends (continued)

(d) Dividend rate

Dividends paid fully franked at 30% tax rate

	Dividend Rate	Total Amount	Date of Payment	% Franked
2013				
Ordinary shares - interim	1.4	$1,116	20/03/2013	100
2012				
Ordinary shares - final	1.4	$1,112	15/08/2012	100
Ordinary shares - interim	1.3	$1,028	16/03/2012	100

21 Key management personnel disclosures

(a) Key management personnel compensation

	2013 $	2012 $
Short-term employee benefits	**74,933**	54,000
Post-employment benefits	**44,092**	66,000
	119,025	120,000

Detailed remuneration disclosures are provided in the remuneration report on pages 15 to 16.

(b) Equity instrument disclosures relating to key management personnel

(i) Share holdings
The numbers of shares in the Company held during the financial year by each Director of Century Australia Investments Limited and other key management personnel of the Company, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2013 Name	Balance at the start of the year	Net movement	Other changes during the year	Balance at end of the year
Directors of Century Australia Investments Limited				
Ordinary shares				
R Turner	153,739	-	-	153,739
S Menzies	24,028	586	-	24,614
R Hooper (resigned 17 June 2013)	15,000	-	-	15,000
R Finley	-	50,000	-	50,000

21 Key management personnel disclosures (continued)

(b) Equity instrument disclosures relating to key management personnel (continued)

(i) Share holdings (continued)

2012	Balance at the start of the year	Net movement	Other changes during the year	Balance at end of the year
Name				
Directors of Century Australia Investments Limited				
Ordinary shares				
R Turner	153,739	-	-	153,739
S Menzies	23,515	513	-	24,028
R Hooper (resigned 17 June 2013)	15,000	-	-	15,000
R Finley	-	-	-	-

22 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:

(a) Grant Thornton Audit Pty Limited

	30 June 2013 $	30 June 2012 $
Audit and other assurance services		
Audit and review of financial statements	**45,218**	52,114
Total remuneration for audit and other assurance services	**45,218**	52,114
Total auditors' remuneration	**45,218**	52,114

23 Related party transactions

(a) Terms and conditions

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

24 Events occurring after the reporting period

Other than the dividend declared after year end, no other matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company or economic entity in subsequent financial years.

25 Reconciliation of profit after income tax to net cash inflow from operating activities

	2013 $'000	2012 $'000
Profit/(loss) for the year	**2,272**	(3,925)
Fair value (gains)/losses on financial assets at fair value through other comprehensive income	**9**	130
Unrealised (loss)/gain on futures	**(11)**	6
Change in operating assets and liabilities:		
(Increase) in trade and other receivables	**(44)**	(59)
(Increase) in other current assets	**(13)**	10
(Increase)/decrease in deferred tax assets	**(57)**	6,071
Increase/(decrease) in trade and other payables	**2**	(15)
Increase in provision for income taxes payable	**-**	33
Increase/(decrease) in deferred tax liabilities	**10**	(40)
Net cash inflow (outflow) from operating activities	**2,168**	2,211

26 Non-cash investing and financing activities

	2013 $'000	2012 $'000
Dividends reinvested	**265**	187

27 Earnings per share

(a) Basic earnings per share

	2013 Cents	2012 Cents
From continuing operations attributable to the ordinary equity holders of the company	**2.86**	(4.96)
Total basic earnings per share attributable to the ordinary equity holders of the Company	**2.86**	(4.96)

Diluted earnings per share is the same as basic earnings per share. The Company has no securities outstanding which have the potential to convert to ordinary shares and dilute the basic earnings per share.

(b) Weighted average number of shares used as denominator

	2013 Number	2012 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**79,464,516**	79,206,241
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	**79,464,516**	79,206,241

28 Contingencies

The Investment Management Agreement entered into by the company with Perennial Value Management on 9 September 2010.

The Investment Management Agreement entered into by the company with Perennial Value Management may be terminated by either party giving to the other no less than 30 days written notice of its intention to do so.

The Company had no other contingent liabilities at 30 June 2013 (2012: nil).

In the Directors' opinion:

(a) the financial statements and notes set out on pages 19 to 45 are in accordance with the *Corporations Act 2001*, including:
  (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  (ii) giving a true and fair view of the entity's financial position as at 30 June 2013 and of its performance for the year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

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

Robert Turner
Chairman

Sydney
22 August 2013

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Independent Auditor's Report
To the Members of Century Australia Investments Limited

Report on the financial report

We have audited the accompanying financial report of Century Australia Investments Limited (the "Company"), which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company .

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standardsand and the Corporations Act 2001 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. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

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

Auditor's opinion
In our opinion:

a the financial report of Century Australia Investments Limited is in accordance with the Corporations Act 2001, including:

   i giving a true and fair view of the entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report
We have audited the remuneration report included in pages 15 to 16 of the directors' report for the year ended 30 June 2013. 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.

Auditor's opinion on the remuneration report

In our opinion the remuneration report of Century Australia Investments Limited for the year ended 30 June 2013, complies with section 300A of the Corporations Act 2001.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Grant Layland
Director - Audit & Assurance

Sydney, 22 August 2013

Investment Holdings at 30 June 2013

Security Code	Security Name	Portfolio Value $	% of Total Portfolio Value
CONSUMER DISCRETION			
AHD	AMALGAMATED HOLDINGS	903,300	1.41%
ALL1	ARISTOCRAT LEISURE	1,011,708	1.58%
CWN	CROWN LIMITED	1,545,938	2.41%
FXJ	FAIRFAX MEDIA LTD	494,208	0.77%
HVN	HARVEY NORMAN HLDGS	458,549	0.71%
MYR	MYER HOLDINGS LTD	317,928	0.49%
SKC	SKYCITY ENTERTAINMT	174,670	0.27%
TTS	TATTS GROUP LIMITED	838,241	1.30%
TOTAL CONSUMER DISCRETION		**5,744,542**	**8.94%**
CONSUMER STAPLES			
TWE	TREASURY WINE ESTATE	1,090,483	1.70%
TOTAL CONSUMER STAPLES		**1,090,483**	**1.70%**
ENERGY			
AGK	AGL ENERGY MERGCO	184,648	0.29%
AUT	AURORA OIL & GAS LTD	356,150	0.55%
AWE	AWE LIMITED	554,893	0.86%
WPL	WOODSIDE PETROLEUM	1,894,216	2.95%
TOTAL ENERGY		**2,989,907**	**4.65%**
INDUSTRIALS			
AIO	ASCIANO LIMITED	516,255	0.80%
BXB	BRAMBLES LTD	2,321,584	3.61%
TOL	TOLL HOLDINGS LTD	400,897	0.63%
WES	WESFARMERS	1,362,344	2.12%
TOTAL INDUSTRIALS		**4,601,080**	**7.16%**
MATERIALS			
AGC	ANGLOGOLD ASHANTI	51,685	0.08%
AMC	AMCOR	1,666,444	2.59%
BHP	BHP BILLITON LIMITED	5,684,382	8.85%
BKW	BRICKWORKS LIMITED	763,384	1.19%
BLD	BORAL LIMITED	791,318	1.23%
BSL	BLUESCOPE STEEL LTD	848,518	1.32%
FBU	FLETCHER BUILD'G LTD	758,392	1.18%
ILU	ILUKA RESOURCES LTD	530,499	0.83%
NCM	NEWCREST MINING	481,675	0.75%
NHC	NEW HOPE CORPORATION	46,978	0.07%
ORI	ORICA LIMITED	640,351	1.00%
PNA	PANAUST LIMITED	310,783	0.48%
RIO	RIO TINTO LIMITED	2,120,084	3.30%
SGM	SIMS METAL MGT LTD	482,212	0.75%
WOR	WORLEYPARSONS LTD	682,929	1.06%
TOTAL MATERIALS		**15,859,634**	**24.68%**

(continued)

Investment Holdings at 30 June 2013

Security Code	Security Name	Portfolio Value	% of Total Portfolio Value
PROPERTY TRUSTS			
FKP	FKP PROPERTY GROUP	364,823	0.57%
SGP	STOCKLAND	1,095,038	1.70%
WDC	WESTFIELD GROUP	774,638	1.21%
TOTAL PROPERTY TRUSTS		**2,234,499**	**3.48%**
TELECOM SERVICES			
TLS	TELSTRA CORP LIMITED	4,533,391	7.05%
TOTAL TELECOM SERVICES		**4,533,391**	**7.05%**
FIN-X-PROP TRUSTS			
AMP	AMP LIMITED	691,985	1.08%
ANZ	ANZ BANKING GROUP	5,424,715	8.44%
ASX	ASX LIMITED	1,272,788	1.98%
CBA	COMMONWEALTH BANK	5,027,620	7.82%
HGG1	HENDERSON GROUP CDI	1,007,247	1.56%
LLC	LEND LEASE GROUP	801,282	1.25%
MQG	MACQUARIE GROUP LTD	2,185,001	3.40%
NAB	NATIONAL AUST. BANK	5,190,856	8.08%
PMV	PREMIER INVESTMENTS	392,294	0.61%
WBC	WESTPAC BANKING CORP	4,166,286	6.48%
TOTAL FIN-X-PROP TRUSTS		**26,160,074**	**40.70%**
OTHER			
	SPI FUTURES	(25)	0.00%
	CASH	1,054,399	1.64%
TOTAL OTHER		**1,054,374**	**1.64%**
TOTAL		**64,267,984**	**100%**

The Shareholder information set out below was applicable as at 28 August 2013.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

Holding	Ordinary shares
1 - 1000	190
1,001 - 5,000	590
5,001 - 10,000	544
10,001 - 100,000	1,112
100,001 and over	91
	2,527

There were 97 holders of less than a marketable parcel of ordinary shares.

B. Equity security holders

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

Name	Ordinary shares	
	Number held	Percentage of issued shares
RBC Investor Services Australia Nominees Pty Limited	15,859,562	19.90
HSBC Custody Nominees (Australia) Limited	2,310,801	2.90
De La Salle Brothers	2,172,663	2.73
Citicorp Nominees Pty Limited	2,171,100	2.72
National Nominees Limited	1,488,762	1.87
Mr Warwick Sauer	729,999	0.92
Silc Pty Ltd (Stephen Winter S/F A/C)	554,828	0.70
PW and VJ Cooper Pty Limited (PW & VJ Cooper S/F A/C)	498,202	0.63
Farnworth House Pty Ltd	459,534	0.58
Celar Pty Ltd	450,000	0.56
Trophy Components Distributors Pty Ltd	450,000	0.56
BNP Paribas Noms Pty Ltd	441,185	0.55
Mr Fred Simpson-Morgan	437,587	0.55
Mr Errol John Sheedy & Mrs Nanette Sheedy (NEMRL Super Fund A/C)	400,000	0.50
HSBC Custody Nominees (Australia) Limited - A/C 3	371,320	0.47
Trustees of the Sisters of St Joseph Maitland	351,750	0.44
BT Portfolio Services Limited (Dr Trevor Sauer App A/C)	350,000	0.44
Navigator Australia Ltd (MLC Investment Sett A/C)	323,504	0.41
UBS Wealth Management Australia Nominees Pty Ltd	302,095	0.38
Greybox Holdings Pty Ltd	300,000	0.38
Questor Financial Services Limited	274,897	0.34
	30,697,789	38.53

C. Substantial holders

Substantial holders in the company are set out below:

	Number held	Percentage
Wilson Management Group	15,859,562	19.90%

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

Ordinary Share
Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

E. Stock Exchange Listing

Quotation has been granted for all of the ordinary shares of the Company on all member exchanges of the ASX.

F. Unquoted Securities

There are no unquoted shares on issue.

G. Transaction Summary

During the financial year, 1,991 transactions in securities were made by the Company. The total brokerage expensed during the year was $68,359.

H. Investment Management Agreement

On 9 September 2010 Perennial Value Management Limited ("PVM") was appointed as the new Investment Manager. On an interim basis, PVM received a management fee at 0.55% pa on the average month end Portfolio Value at the end of each calendar quarter, payable quarterly in arrears.

From 1 June 2011, the management fee was re-negotiated to 0.40% pa with a performance fee payable annually at a rate of 10% of the outperformance in excess of the Fund Benchmark plus a hurdle of 1% pa. The Performance Fee is calculated on a monthly basis, with the accrued Performance Fee payable on an annual basis effective 30 June each year (i.e. Performance Fee Period, other than on commencement or termination runs from 1 July to 30 June). The accrued Performance Fee is subject to the recoupment of any accrued under-performance from prior Performance Fee periods. The gross performance will be calculated by the Manager and agreed with the Company.

The investment management agreement between PVM and Century can be terminated at any time by giving the other party not less than 90 days written notice.

I. Securities subject to voluntary escrow

There are no shares issued to voluntary escrow.

J. Share Allotment History

Date of Issue	Type	Price
Listing - 8 April 2004	Initial Allotment	$ 1.0000
24-Mar-05	DRP	$ 0.9850
29-Sep-05	DRP	$ 1.0054
04-Apr-06	DRP	$ 1.1016
29-Sep-06	DRP	$ 1.1167
26-Mar-07	DRP	$ 1.2444
28-Sep-07	DRP	$ 1.3203
28-Mar-08	DRP	$ 1.1262
29-Sep-08	DRP	$ 0.9137
16-Mar-12	DRP	$ 0.5948
15-Aug-12	DRP	$ 0.5721

The DRP has not been offered since and will not apply to the final dividend declared subsequent to year end.