

**MEME AUSTRALIAN SHARE FUND
(FORMERLY MEME EQUITY INVESTMENT FUND)
ABN: 50 382 023 935**

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2015**

**Liability limited by a scheme approved under
Professional Standards Legislation**

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**MEME AUSTRALIAN SHARE FUND
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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
	\$	\$
INVESTMENT INCOME		
Distribution income	12,986	616
Dividend income	24,090	15,338
Interest income	675	438
Other income	211	-
Net gains on financial instruments held at fair value	115,216	37,894
	153,178	54,286
EXPENSES		
Bank charges	21	36
Transaction costs	8,644	5,493
Interest expense	1,707	361
Management fees	8,277	4,087
Performance fees	13,512	-
Recovery of expenses	5,794	2,477
Sundry Expenses	886	-
Withholding tax	20	4
	38,861	12,458
Operating Profit	114,317	41,828
FINANCE COSTS ATTRIBUTABLE TO UNITHOLDERS		
Distributions to Unitholders	78,883	9,309
Increase (Decrease) in net assets attributable to unitholder	35,434	32,519
Profit for the year	-	-

The accompanying notes form part of these financial statements.

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

	Note	2015 \$	2014 \$
ASSETS			
Cash and cash equivalents	2	292,339	4,017
Trade and other receivables	3	295	128
Other current assets	4	1,457	3,079
Financial assets	5	725,944	480,020
TOTAL ASSETS		1,020,035	487,244
LIABILITIES			
Trade and other payables	6	66,878	2,837
Financial liabilities	7	7	-
Other current liabilities	8	7,557	-
TOTAL LIABILITIES		74,442	2,837
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	9	945,593	484,407

The accompanying notes form part of these financial statements.

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of financial assets	3,720,642	2,056,597
Payments for purchase of financial assets	(3,851,155)	(2,502,687)
Dividends received	25,772	15,338
Distribution income received	12,986	616
Interest received	419	438
Other income received	211	-
Payments to suppliers	(30,580)	(12,587)
Net cash used in operating activities	(121,705)	(442,285)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from applications by Unitholders	575,000	220,000
Payment of redemptions to Unitholders	(159,923)	(15,420)
Distributions paid	(5,057)	(3,272)
Net cash provided by financing activities	410,020	201,308
Net increase (decrease) in cash held	288,315	(240,976)
Cash at beginning of financial year	4,017	244,993
Cash at end of financial year	292,332	4,017

The accompanying notes form part of these financial statements.

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

	Note	Retained earnings \$	Total \$
Balance at 30 June 2014		-	-
Balance at 30 June 2015		-	-

Under Australian Accounting Standards, the net assets attributable to unitholders are classified as a liability rather than equity. As a result there was no equity at the start or end of the year.

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

1 Summary of Significant Accounting Policies

Basis of Preparation

The directors of the trustee company, being Theta Asset Management Ltd ("the Trustee") have prepared the financial statements of the unit trust on the basis that the unit trust is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of unitholders, the information needs of stakeholders and for the basis of preparation of the income tax return.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the purposes of preparation. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless stated otherwise in the notes. The accounting policies that have been adopted in the preparation of these statements are as follows:

Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts also form part of cash equivalents and are presented within current liabilities on the statement of financial position.

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

Revenue and Other Income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Dividend revenue

Dividends are recognised when the right to receive payment is established.

All revenue is stated net of the amount of goods and services tax (GST).

Financial Instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that unit trust becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in the Statement of Comprehensive Income.

The unit trust's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, impairment provisions are recorded in a separate allowance account with the loss being recognised in the Statement of Comprehensive Income. When confirmation has been received that the amount is not collectable, the gross carrying value of the asset is written off against the associated impairment provision.

Subsequent recoveries of amounts previously written off are credited against other expenses in the Statement of Comprehensive Income.

In some circumstances, the unit trust renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the unit trust does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in the Statement of Comprehensive Income.

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

The unit trust did not hold any held-to-maturity investments in the current or comparative financial year.

The unit trust did not hold any available-for-sale financial assets in the current or comparative financial year.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing or financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Comparative Amounts



Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

Net assets attributable to unitholders

The units are classified as financial liabilities as the Fund is required to distribute its distributable income.

An investor may ask to exit the Fund at any time, although the manager has the authority under the Fund Constitution to delay payments under certain circumstances. When the manager determines that a redemption can be effected, it redeems the units at the exit price.

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

	2015	2014
	\$	\$
2 Cash and Cash Equivalents		
Current		
Cash Management Account	5	5
Operating Account	46	18
IB Cash Account	292,288	3,994
	<u>292,339</u>	<u>4,017</u>
Reconciliation of cash		
Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:		
Cash and cash equivalents	292,339	4,017
Borrowings	(7)	-
	<u>292,332</u>	<u>4,017</u>
3 Trade and Other Receivables		
Current		
Input Tax Credits	<u>295</u>	<u>128</u>
4 Other Non-Financial Assets		
Current		
Accrued Income	<u>1,457</u>	<u>3,079</u>
5 Financial Assets		
Current		
Financial Assets held at fair value through profit or loss	<u>725,944</u>	<u>480,020</u>

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

	2015	2014
	\$	\$
6 Trade and Other Payables		
Current		
Distributions Payable	66,873	2,837
Loan from Trustee	5	-
	<u>66,878</u>	<u>2,837</u>
7 Borrowings		
Current		
Application Account	7	-
	<u>7</u>	<u>-</u>
8 Other Liabilities		
Current		
Accrued Charges	7,557	-
	<u>7,557</u>	<u>-</u>
9 Net Assets Attributable to Unitholders		
Opening Balance	484,407	244,993
Applications	585,675	222,315
	<u>1,070,082</u>	<u>467,308</u>
Redemptions	(159,923)	(15,420)
Increase(decrease) in Net Assets attributable to Unitholders	35,434	32,519
	<u>945,593</u>	<u>484,407</u>

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DIRECTORS' DECLARATION

The directors of the trustee company declare that:

- 1 The special purpose financial statements and notes present fairly the unit trust's financial position as at 30 June 2015 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) to the extent described in Note 1 to the financial statements; and
- 2 In the directors' opinion, there are reasonable grounds to believe that the unit trust will be able to pay its debts as and when they become due and payable.

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

Director: _____
Robert Marie

Director: _____
Michael Fenech

Dated this day of November 2015