

EAIT Direct Investments Fund

ARSN 137 968 542

Annual report for the financial year ended 31 December 2014

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Directors' Report

The directors of One Managed Investment Funds Limited (ABN 47 117 400 987; AFSL 297 042) ("OMIFL" or the "Responsible Entity"), the responsible entity of the EAIT Direct Investments Fund ("EDIF" or the "Fund"), submit their report for the Fund for the year ended 31 December 2014.

Information about the Directors and Senior Management

The names of the directors of the Responsible Entity are:

| Name | Title |
|-----------------|--|
| Frank Tearle | Executive Director and Company Secretary |
| Justin Epstein | Executive Director |
| Elizabeth Reddy | Non-Executive Director |

Responsible Entity

The responsible entity of the Fund is OMIFL. The registered office and principal place of business of the Responsible Entity is Level 11, 20 Hunter Street, Sydney NSW 2000.

Principal Activities

The Fund is a registered managed investment scheme, domiciled in Australia.

The principal activities of the Fund during the year were to continue with an orderly realisation of all assets and an orderly wind down of the Fund.

There has been no significant change in the activities of the Fund during the financial year.

The Fund did not have any employees during the year.

Review of Operations**Results**

The results of the operations of the Fund are disclosed in the Statement of Profit or Loss and Other Comprehensive Income of these financial statements. The loss attributable to unitholders for the year ended 31 December 2014 was \$31,911 (2013 restated loss: \$76,692).

Distributions

There were no distributions made to unitholders for the financial year ended 31 December 2014 (2013: \$nil).

Return of Capital

In respect of the financial year ended 31 December 2014, a return of capital of \$nil (2013: \$872,999) was paid to the unitholders.

Value of Assets and Units Issued

The total value of the Fund's assets at 31 December 2014 was \$414,678 (2013 restated: \$450,442). The total number of units on issue as at 31 December 2014 was 48,499,951 (2013: 48,499,951).

Fees Paid and Payable to the Responsible Entity and Associates

In accordance with the Fund's constitution, fees are paid to the Responsible Entity by the Fund in respect to the management of the Fund at 1.25% per annum (excluding GST) of the gross asset value of the Fund.

According to EDIF's Supplemental Deed dated 27 October 2010, the Responsible Entity must reduce or otherwise rebate the management fee for any calendar quarter period by the amount of any management fees paid to Alternative Private Investments Pty Limited as trustee of EDIF Sub Trust ("Trustee of the EDIF Sub Trust"), plus an amount of \$2,500 per calendar quarter to the extent that such a reduction or rebate causes the management fee for any calendar quarter to be a negative amount. In such case the shortfall is to be carried forward for the purposes of calculating the management fee for subsequent calendar quarters until such shortfall has been applied in full.

As noted above, during the year ended 31 December 2014 the management fee reduction resulted in a negative management fee due to the Responsible Entity. As a result the management fee to the Responsible Entity for the year ended 31 December 2014 is \$ nil (2013: \$nil) of which \$nil (2013: \$nil) was payable at year end.

Changes in State of Affairs

During the financial year there were no other significant changes in the state of affairs of the Fund.

Subsequent Events

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

Future Developments

The Fund will be maintained in accordance with the Fund's Constitution. The realisation process will be managed in an orderly manner. Whilst assets are expected to be realised over several years, there is no certainty regarding the timing or value of the realisation and the completion of the wind up process.

Environmental Regulation and Performance

The operations of the Fund are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State Territory. There have been no known significant breaches of any other environmental requirements applicable to the Fund.

Indemnification of Directors, Officers and Auditors

During the financial year, the Responsible Entity paid a premium in respect of a contract insuring the directors of OMIFL against a liability incurred as a director or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Responsible Entity has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Responsible Entity or of any related body corporate against a liability as such an officer or auditor.

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 4.

On behalf of the directors of the Responsible Entity, One Managed Investment Funds Limited.

A handwritten signature in black ink, appearing to read 'Frank Tearle', written in a cursive style.

Frank Tearle

Director

31 March 2015

The Directors
One Managed Investments Funds Limited
20 Hunter Street
Sydney NSW 2000

31 March 2015

Dear Directors

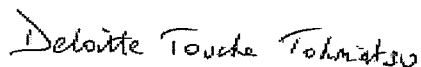
Independence Declaration – EAIT Direct Investments Fund

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of One Managed Investment Funds Limited, as Responsible Entity of the EAIT Direct Investments Fund.

As lead audit partner for the audit of the financial statements of EAIT Direct Investments Fund for the financial year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Declan O'Callaghan
Partner
Chartered Accountants

Independent Auditor's Report to the unitholders of the EAIT Direct Investments Fund

We have audited the accompanying financial report of EAIT Direct Investments Fund (the "Fund"), which comprises the statement of financial position as at 31 December 2014, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in net assets attributable to unitholders for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 7 to 28.

Directors' Responsibility for the Financial Report

The directors of One Managed Investment Funds Limited as Responsible Entity of the Fund are responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards as they apply on a non-going concern basis and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 3, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards as they apply on a non-going concern basis.

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 that we 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 entity'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 entity'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.



Auditor's Independence Declaration

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

Opinion

In our opinion:

- (a) the financial report of the Fund is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Fund's financial position as at 31 December 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards as they apply on a non-going concern basis and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 3, as they apply on a non-going concern basis.

Significant uncertainty in Relation to the Fair Value of Investments

Without qualifying our opinion, we draw attention to the following matter. As disclosed in Note 4 to the financial report, the assets of the Fund include an investment in Everest Babcock & Brown Income Fund through EDIF Sub-Trust. This asset which totals \$273,414 for the Fund as at 31 December 2014 is recorded at net realisable value. As disclosed in Notes 3(c) there is significant uncertainty regarding the net realisable value of this investment, which in turn gives rise to significant uncertainty as to whether the Fund will be able to realise its asset at the amount stated in the financial report.

DELOITTE TOUCHE TOHMATSU

Declan O'Callaghan
Partner
Chartered Accountants
Sydney, 31 March 2015

Directors' Declaration

The directors of the Responsible Entity declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable;
- (b) in the directors' opinion, the financial statements and notes thereto are in compliance with the basis of preparation and accounting policies described in note 3 to the financial statements and present fairly the financial position and performance of the Fund as at 31 December 2014; and
- (c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Fund.

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

On behalf of the directors of the Responsible Entity, One Managed Investment Funds Limited.



Frank Tearle
Director
31 March 2015

Statement of Profit or loss and other comprehensive Income for the year ended 31 December 2014

| | | Year ended 31 December 2014 | Year-ended 31 December 2013 (Restated) |
|---|-------|-----------------------------------|---|
| | Notes | \$ | \$ |
| Income | | | |
| Change in value of financial assets held at fair value through profit or loss | 4 | 4,791 | (37,128) |
| Interest income | | 5,439 | 8,896 |
| Total income | | 10,230 | (28,232) |
| Expenses | | | |
| Operating expenses | | 26,095 | 23,223 |
| Professional fees | | 15,885 | 25,068 |
| Bank fees | | 161 | 169 |
| Total expenses | | 42,141 | 48,460 |
| Net loss attributable to unitholders before financing costs | | (31,911) | (76,692) |
| Finance costs | | | |
| Distributions to unitholders | | - | - |
| Net loss attributable to unitholders after financing costs | | (31,911) | (76,692) |
| Net loss for the year | | (31,911) | (76,692) |
| Other comprehensive income | | - | - |
| Total comprehensive income | | (31,911) | (76,692) |

The accompanying notes to the financial statements should be read in conjunction with this statement.

Statement of Financial Position as at 31 December 2014

| | | 31 December 2014 | 31 December 2013 (Restated) |
|---|--------------|-----------------------------|--|
| | Notes | \$ | \$ |
| Assets | | | |
| Cash and cash equivalents | | 139,300 | 229,638 |
| Investments in financial assets held at fair value through profit or loss | 4 | 273,414 | 218,623 |
| Other assets | | 1,964 | 2,181 |
| Total assets | | 414,678 | 450,442 |
| Liabilities | | | |
| Operating fees payable | | 9,155 | 9,277 |
| Professional fees payable | | 14,891 | 18,622 |
| Total liabilities (excluding net assets attributable to unitholders) | | 24,046 | 27,899 |
| Net assets attributable to unitholders | | 390,632 | 422,543 |

The accompanying notes to the financial statements should be read in conjunction with this statement.

Statement of Changes in Net Assets Attributable to Unitholders for the year ended 31 December 2014

| | Note | Total attributable to the unitholders of the Fund \$ |
|--|-------------|---|
| Balance as at 1 January 2014 | | 422,543 |
| Return of capital | | - |
| Total comprehensive income | | (31,911) |
| Balance as at 31 December 2014 | 7 | 390,632 |
| Balance as at 1 January 2013 (Restated) | | 1,372,234 |
| Total comprehensive income (Restated) | | (76,692) |
| Returns of capital | | (872,999) |
| Balance as at 31 December 2013 (Restated) | 7 | 422,543 |

The accompanying notes to the financial statements should be read in conjunction with this statement.

Statement of Cash Flows for the year ended 31 December 2014

| | Notes | Year ended 31 December 2014 \$ | Year ended 31 December 2013 (Restated) \$ |
|---|-------|---|---|
| Cash flows from operating activities | | | |
| Interest received | | 5,691 | 9,317 |
| Operating fees paid | | (26,217) | (21,457) |
| Legal fees paid | | (1,309) | (1,999) |
| Other payments | | (18,503) | (20,934) |
| Net cash used in operating activities | 10 | (40,338) | (35,073) |
| Cash flow from investing activities | | | |
| Payments from purchase of investments | 4 | (50,000) | (30,000) |
| Distributions received | | - | - |
| Return of capital from investments | | - | 850,000 |
| Net cash (used in)/ provided by investing activities | | (50,000) | 820,000 |
| Cash flows from financing activities | | | |
| Return of capital | | - | (872,999) |
| Net cash used in financing activities | | - | (872,999) |
| Net decrease in cash and cash equivalents | | (90,338) | (88,072) |
| Cash and cash equivalents at beginning of the period | | 229,638 | 317,710 |
| Cash and cash equivalents at the end of the year | | 139,300 | 229,638 |

The accompanying notes to the financial statements should be read in conjunction with this statement.

Notes to the Financial Statements

1. General Information

The Fund is an unlisted Australian registered managed investment scheme. The address of its registered office and principal place of business is Level 11, 20 Hunter Street, Sydney NSW 2000. The responsible entity of the Fund is One Managed Investment Funds Limited (ABN 47 117 400 987; AFSL 297 042) ("OMIFL"). The principal activity of the Fund is disclosed in the Directors' Report.

2. Adoption of New and Revised Accounting Standards***Standards and Interpretations in issue not yet adopted***

At the date of authorisation of the condensed financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

| Standard/Interpretation | Effective for annual reporting periods beginning on or after | Expected to be initially applied in the financial year ending |
|--|---|--|
| AASB 9 'Financial Instruments', and the relevant amending standards | 1 January 2018 | 30 June 2019 |
| AASB 1031 'Materiality' (2013) | 1 January 2014 | 30 June 2015 |
| AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities' | 1 January 2014 | 30 June 2015 |
| AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (Amendments to AASB 132)' | 1 January 2014 | 30 June 2015 |
| AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities' | 1 January 2014 | 30 June 2015 |
| AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments' | 1 January 2014 | 30 June 2015 |

Standards and Interpretations affecting amounts reported in the current period (and/or prior periods)

The following new and revised Standards and Interpretations have been adopted in the current period and have affected the amounts reported in these financial statements.

AASB 2011-4 '*Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements*'.

- This standard removes the individual key management personnel disclosure requirements in AASB 124 '*Related Party Disclosures*'. As a result the Company only discloses the key management personnel compensation in total and for each of the categories required in AASB 124. The adoption of this amending standard does not have any material impact on the financial statements.

AASB 13 '*Fair Value Measurement*' and AASB 2011-8 '*Amendments to Australian Accounting Standards arising from AASB 13*'

- AASB 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards. The standard does not extend the use of fair value accounting but provides guidance on how it should be applied where its use is already required or permitted by other Australian Accounting Standards.

Previously the fair value of financial liabilities (including derivatives) was measured on the basis that the financial liability would be settled or extinguished with the counterparty. The adoption of AASB 13 has clarified that fair value is an exit price notion, and as such, the fair value of financial liabilities should be determined based on a transfer value to a third party market participant.

Standards and Interpretations that are not expected to have a material impact on the Company have not been included.

Notes to the Financial Statements**2. Adoption of New and Revised Accounting Standards (continued)****Standards and Interpretations affecting amounts reported in the current period (and/or prior periods) (continued)**

The following new accounting standard became mandatory for the first time for the current reporting period:

- AASB 10 Consolidated Financial Statements

Investments in controlled entities

The objective of AASB 10 is to establish principles for the preparation and presentation of consolidated financial statements. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. The Fund has reviewed its investments in other entities to assess whether the conclusion as to whether the Fund controls an investee or not is different under AASB 10. No differences were identified.

The amendments made by AASB 2013-5 introduce an exception from consolidation requirements for investment entities.

On adoption of the amendments, the Fund has determined that it meets the definition of an investment entity under AASB 10 as it meets the following criteria:

- the Fund has obtained funds from unit holders for the purpose of providing them with investment management services;

3. Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements.

a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations as they apply to a fund which is no longer a going concern, and comply with other requirements of the law.

Compliance with Australian Accounting Standards, as issued by the Australian Accounting Standards Board ("AASB") ensures that the financial statements and notes thereto comply with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The financial statements were authorised for issue by the directors of the Responsible Entity on 31 March 2015.

b) Basis of preparation

This general purpose financial report has been prepared on a non-going concern basis.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and net assets attributable to unitholders. The amounts expected to be received or settled in relation to these balances cannot be readily determined.

All amounts are presented in Australian dollars as the functional and presentational currency of the Fund.

c) Non-going concern basis

As a result of the decision to undertake an orderly realisation of assets, this financial report has not been prepared on a going concern basis, but instead on a liquidation basis. As the only significant assets of the Fund are its cash balances and investments in unit trusts, due to inherent uncertainty of value the net realisable value of the fund's assets is equivalent to their fair values.

Notes to the Financial Statements**3. Significant Accounting Policies (continued)*****d) Revenue and income recognition*****Revenue**

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured.

Distributions

Distributions from investments are recognised when the right to receive the payment is established.

Interest income

Interest income is recognised as the interest accrues (using the effective interest rate method, which is the rate that exactly discounts future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, cash balances held with brokers and cash held in the One Cash Management Fund ("OCMF"), fund managed by a related party of OMIFL, which is redeemable on a daily basis.

f) Investments in financial instruments

Investments in financial instruments, as defined by AASB 132 'Financial Instruments: Presentation', are categorised in accordance with AASB 139 'Financial Instruments: Recognition and Measurement'. This classification is determined by the purpose underpinning the acquisition of the investment. The classification of each financial instrument is re-evaluated at each financial year end.

Designated at fair value through profit or loss

Investments of the Fund that have been designated as at fair value through profit or loss include securities that are held for trading but for which there is no positive intention to hold to maturity. All investments are initially recognised at fair value of the consideration paid excluding transaction costs. After initial recognition, the financial assets that are designated at fair value through profit or loss are re-valued to fair value at each reporting date. The Fund carries its investments in other funds at fair value based on financial data supplied by the managers of the funds invested in. Changes in the fair value of the investment are included in the Statement of Comprehensive Income as an unrealised appreciation or depreciation on fund investments. Due to the inherent uncertainty of valuation, the value of the investments held by the Fund may differ significantly from the values that would have been used, had a ready market for the investments existed, and these differences could be material to the value of the Fund.

The investments held by the Fund have been designated as at fair value through profit or loss as doing so results in more relevant information. These investments are part of a full group of financial assets which are managed and have their performance evaluated on a fair value basis in accordance with risk management and investment strategies of the Fund.

g) Taxation

Under the current tax legislation, the Fund is not subject to income tax provided that the unitholders are presently entitled to the income of the Fund and that the Fund entirely distributes its taxable income.

There is no income of the Fund to which the unitholders are not currently entitled. Additionally, the Fund's constitution requires the distribution of the full amount of the net income of the Fund to unitholders each year. As a result, deferred taxes have not been recognised in the financial statements in relation to the differences between carrying amounts of assets and liabilities and their respective tax bases. This includes taxes on capital gain which could arise in the event of a sale of investments for the amount at which they are stated in the financial statements. In the event that the taxable gains are realised by the Fund, these gains would be included in the taxable income and assessable in the hands of the unitholders.

Notes to the Financial Statements**3. Significant Accounting Policies (continued)*****h) Distributions***

In accordance with the Fund's constitution, the Fund distributes all distributable income to unitholders.

Distributable income includes capital gains arising from the disposal of investments and foreign exchange gains. Unrealised gains or losses on investments that are recognised in the Statement of Comprehensive Income are not distributed until realised. Capital losses are not distributed to unitholders and are retained to be offset against future realised capital gains.

i) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the amount of GST is not recoverable from the taxation authority, it is recognised as part of acquisition of an asset or part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

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

j) Payables

Trade and other payables are recognised when the Fund becomes obliged to make future payments resulting from the purchase of goods and services.

k) Applications and redemptions

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

The application and redemption unit price is determined as the net asset value of the Fund, adjusted for any estimated transaction costs, divided by the number of units on issue at the date of the application or redemption. The Responsible Entity may, in its absolute discretion, accept redemptions outside the terms of the Product Disclosure Statement. The fulfilment of any redemption request is subject to the then liquidity of the investment portfolio and the underlying investment managers' redemption terms.

The directors have determined that it would be in the best interests of all unitholders to refuse applications and redemption requests until further notice. As at the date of this report, investor applications and redemptions in the Fund continue to be suspended until further notice.

l) Critical accounting judgements and key sources of estimation uncertainty

Management has adhered to the Fund's unit pricing policy which sets out the basis upon which the units of the Fund have been valued, a copy of which is available upon request.

In the application of the accounting policies, management are required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the Financial Statements
3. Significant Accounting Policies (continued)
m) Redeemable participating units

The participating units issued by the Fund provide the unitholders with the right to redeem their units for cash equal to their proportionate share of the net asset value of the Fund. AASB 32 permits certain puttable instruments that impose on an entity an obligation to deliver to another party a pro-rata share of the net assets of the entity on liquidation to be classified as equity, subject to specified criteria being met. The Fund's redeemable participating units do not meet the specified criteria and have been consequently classified as liabilities. The liability to participating unitholders is presented on the Statement of Financial Position as "Net assets attributable to unitholders" and is determined based on the residual assets of the Fund after deducting the Fund's other liabilities.

4. Investments in Financial Instruments

| | 31 December 2014 | 31 December 2013 (Restated) |
|------------------------------|---------------------|-----------------------------------|
| | \$ | \$ |
| Investment in EDIF Sub-Trust | 273,414 | 218,623 |

Financial instruments carried at fair value are categorised under a three level hierarchy. Financial instruments are categorised based on the observable market inputs when estimating their fair value. If different levels of inputs are used to measure a financial instrument's fair value, the instrument's classification within the hierarchy is based on the lowest level of input that was significant to the fair value measurement.

Level 1:

Financial instruments are valued by reference to quoted prices in an active market(s) for identical assets or liabilities. These quoted prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2:

Financial instruments are valued using inputs other than quoted prices covered in Level 1. These other inputs include quoted prices that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). The inputs included in this level encompass quoted prices in active markets for similar assets or liabilities, quoted prices in markets in which there are few transactions for identical or similar assets or liabilities. Financial instruments that are valued using other inputs that are not quoted prices but are observable for the assets or liabilities also fall into this categorisation.

Level 3:

Financial instruments that have been valued, in whole or in part, by using valuation techniques or models that are based on unobservable inputs that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Notes to the Financial Statements

4. Investments in Financial Instruments (continued)

Unobservable valuation inputs are determined based on the best information available, which might include the entity's own data, reflecting its assumptions as well as best practices carried out or undertaken by other market participants. These valuation techniques are used to the extent that observable inputs are not available.

The following table shows an analysis of financial instruments held at 31 December 2014, recorded at fair value and presented by level of the fair value hierarchy:

| | Year ended 31 December 2014 | | | |
|---|--------------------------------|---------|----------------|----------------|
| | Level 1 | Level 2 | Level 3 | Total |
| | \$ | \$ | \$ | \$ |
| Financial assets | | | | |
| Investment in EDIF Sub-Trust | - | - | 273,414 | 273,414 |
| Total financial assets designated at fair value through profit or loss | - | - | 273,414 | 273,414 |

| | Year ended 31 December 2013 (Restated) | | | |
|---|---|---------|----------------|----------------|
| | Level 1 | Level 2 | Level 3 | Total |
| | \$ | \$ | \$ | \$ |
| Financial assets | | | | |
| Investment in EDIF Sub-Trust | - | - | 218,623 | 218,623 |
| Total financial assets designated at fair value through profit or loss | - | - | 218,623 | 218,623 |

Financial assets measured on a recurring basis using significant unobservable inputs (Level 3) are shown below:

| | Year ended 31 December 2014 | Year ended 31 December 2013 (Restated) |
|--|-----------------------------------|---|
| | \$ | \$ |
| Financial instruments | | |
| Opening Balance | 218,623 | 1,075,751 |
| Return of Capital | - | (850,000) |
| Net Purchases | 50,000 | 30,000 |
| Change in fair value on financial assets held at fair value through profit or loss | 4,791 | (37,128) |
| Closing Balance | 273,414 | 218,623 |

EDIF Sub-Trust, EDIF underlying investment currently invests in Everest Babcock and Brown Income Fund ("EBBIF"). EBBIF former responsible entity Everest Financial Group Limited (now known as Redleaf Financial Group Pty Limited), (the ultimate holding company of Everest Capital Limited (now known as Redleaf Capital Pty Limited) ("Redleaf")) that its subsidiary, Redleaf, had received a notice from the Australian Securities and Investments Commission ("ASIC") requesting certain documents in relation to an investigation into suspected contraventions of the Corporations Act by various directors and officers of Redleaf. The investigation related to whether preferential discretionary redemptions had been approved for certain members of the Fund. Costs, fees and expenses incurred by Redleaf were approximately \$1.2 million as at October 2010. [Source: ASX release 19/11/2010]

Notes to the Financial Statements**4. Investments in Financial Instruments (continued)**

To the best of the Responsible Entity's knowledge, ASIC's investigation has concluded with an enforceable undertaking entered into by Jeremy Reid, a director of Redleaf. The Responsible Entity received a claim on 21 November 2013 from Redleaf seeking reimbursement of \$1,180,411.61 representing costs, fees and expenses incurred as a result of the ASIC investigation. The Responsible Entity, following legal advice, has rejected the claim by letter from its lawyers dated 13 February 2014 ("Rejected Claim"). Redleaf has advised that it believes it is a valid claim and is still pursuing the matter. In addition to the Rejected Claim, there is a further potential claim from Redleaf for an amount in excess of \$0.8m relating to the same matter. A claim in respect of this additional amount has not been submitted as at the date of this report.

Should this claim be subsequently paid; the net asset value of EBBIF is likely to be reduced. As a result, the value of the fund investment in EDIF Sub-Trust will also be significantly reduced.

Valuation techniques used to derive level 1, level 2 and level 3 fair values**Level 1**

The fair value of financial instruments that are traded in an active market (for example, listed equities) is determined using the last traded quoted price in an active market. As at 31 December 2014 the Fund had \$ nil (2013: \$ nil) financial assets held at fair value through profit or loss included in level 1.

Level 2

The fair value of financial instruments that are not traded in an active market (for example, unlisted investments) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. As at 31 December 2014 the Fund had \$ nil (2013: \$ nil) financial instruments in level 2.

Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. As at 31 December 2014 the Fund had \$273,414 (2013 restated: \$218,623) financial assets held at fair value through profit or loss included in level 3. The instrument is valued by using the latest available statement received from the custodian.

5. Management and Performance Fees

The responsible entity of EAIT Direct Investments Fund is OMIFL.

In accordance with the Fund's Constitution, fees are paid to the Responsible Entity by the Fund in respect of the management of the Fund at 1.25% per annum (excluding GST) of the gross asset value of the Fund.

According to EDIF's Supplemental Deed dated 27 October 2010, the Responsible Entity must reduce or otherwise rebate the management fee for any calendar quarter period by the amount of any management fees paid to Alternative Private Investments Pty Limited as trustee of EDIF Sub Trust, plus an amount of \$2,500 per calendar quarter to the extent that such a reduction or rebate causes the management fee for any calendar quarter to be a negative amount. In such case the shortfall is to be carried forward for the purposes of calculating the management fee for subsequent calendar quarters until such shortfall has been applied in full.

As noted above, during year ended 31 December 2014, the management fee reduction resulted in a negative management fee due to the Responsible Entity. As a result the management fee to the Responsible Entity for the year ended 31 December 2014 is \$ nil (31 December 2013: \$ nil).

6. Distribution Payable to Unitholders

In accordance to the Fund's constitution the Fund fully distributes its distributable income to unitholders in cash. Such distributions are determined by reference to the net taxable income of the Fund. No distributions of income were made during the year ended 31 December 2014 (2013: \$ nil). Returns of capital paid during the year ended 31 December 2014 were \$nil (2013: \$872,999).

Notes to the Financial Statements
7. Net Assets Attributable to Unitholders
Year ended 31 December 2014

| | No. of Units | \$ |
|---|---------------------|----------------|
| Opening balance as at 1 January 2014 (Restated) | 48,499,951 | 422,543 |
| Return of capital | | - |
| Net assets attributable to unitholders | | (31,911) |
| Closing balance as at 31 December 2014 | 48,499,951 | 390,632 |

Year ended 31 December 2013 (Restated)

| | No. of Units | \$ |
|--|---------------------|----------------|
| Opening balance as at 1 January 2013 | 48,499,951 | 1,372,234 |
| Return of capital | | (872,999) |
| Net assets attributable to unitholders | | (76,692) |
| Closing balance as at 31 December 2013 (Restated) | 48,499,951 | 422,543 |

8. Capital Management

The Fund's objectives for managing capital are:

- to maintain sufficient liquidity to meet the ongoing expenses of the Fund; and
- to maintain sufficient size to make the operation of the Fund cost-efficient.

The Fund is being managed to preserve value and return of capital to unitholders via an orderly realisation of underlying investments

9. Auditor's Remuneration

| | Year ended 31 December 2014 | Year ended 31 December 2013 |
|-------------------------------|--|--|
| Audit of the financial report | 11,330 | 11,330 |

The auditor of the Fund is Deloitte Touche Tohmatsu Australia (2013: Deloitte Touche Tohmatsu Australia).

Notes to the Financial Statements
10. Cash and Cash Equivalents

- (a) Cash and cash equivalents include cash on hand, cash at bank net of outstanding bank and broker overdrafts, cash balances held with brokers and cash held in One Cash Management Fund ("OCMF"). Cash at the end of the year as shown in the Consolidated Statement of Cash Flows is reconciled to the related items in the Consolidated Statement of Financial Position as follows:

| | 31 December 2014 | 31 December 2013 (Restated) |
|--------------|---------------------|-----------------------------------|
| | \$ | \$ |
| Cash at bank | 9,082 | 1,585 |
| OCMF | 130,218 | 228,053 |
| Total | 139,300 | 229,638 |

- (b) Reconciliation of net loss attributable to unitholders for the year to net cash used in operating activities:

| | Year ended 31 December 2014 | Year ended 31 December 2013 (Restated) |
|---|-----------------------------------|---|
| | \$ | \$ |
| Net loss attributable to unitholders | (31,911) | (76,692) |
| Net (gain)/loss on assets held at fair value through profit or loss | (4,791) | 37,128 |
| Distribution to unitholders | - | - |
| Change in assets and liabilities: | | |
| Decrease in other assets | 217 | 87 |
| (Decrease)/increase in trade and other payables | (3,853) | 4,404 |
| Net cash used in operating activities | (40,338) | (35,073) |

11. Financial Risk Management Objectives and Policies

Risks arising from holding financial instruments are inherent in the Fund's activities. These risks are managed through a process of ongoing identification, measurement and monitoring. The Fund is exposed to credit risk, liquidity risk and market risk.

Notes to the Financial Statements

11. Financial Risk Management Objectives and Policies (continued)

Financial instruments of the Fund comprise investments in financial assets and liabilities held for the purpose of generating a return on the investment made by unitholders. In addition, the Fund also holds cash and cash equivalents, and other financial instruments such as trade debtors and creditors, which arise directly from the operations of the Fund. The responsibility for identifying and controlling the risks that arise from these instruments is that of the Responsible Entity of the Fund.

The method used to measure the risks reflects the expected impact on the performance of the Fund as well as the assets attributable to unitholders of the Fund resulting from reasonably possible changes in the relevant risk variables. Information regarding the Fund's risk exposure is prepared and monitored by the Responsible Entity against established investment mandate limits. These mandate limits reflect the investment strategy and market environment of the Fund as well as the level of risk the Fund is willing to accept. Information about these risk exposures at reporting date is disclosed below.

(a) Credit risk

Credit risk represents the risk that the Fund will incur financial loss as a result of a failure by a counter party to discharge an obligation to a financial instrument. In relation to financial instruments, credit risk arises from the potential failure of counterparties to meet their contractual obligations.

In relation to financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. This risk may be minimised by:

- ensuring counterparties, together with the respective credit limits are approved;
- ensuring that the transactions are undertaken with a large number of counterparties; and
- ensuring that the majority of transactions are undertaken on recognised exchanges.

Concentration of credit risk is managed by industry sector. The Fund is exposed to geographic and industry sector concentration as the fund invests in EDIF Sub Trust, which is an Australian domiciled fund in the financial services sector. However, it mitigates the credit risk by investing in EDIF Sub Trust, which has underlying investments in Australian Banks.

The credit risk associated to the Fund's investment in OCMF, which is accounted for as cash equivalent, is mitigated on the basis that OCMF only holds deposits with Australian Banks.

(b) Market risk

Market risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in the fair value of a financial asset. These fluctuations can be due to changes in market variables such as interest rates. Market risk is minimised by ensuring that all investment activities are undertaken in accordance with agreed investment and leverage guidelines, and meet the manager's selection, analysis and due diligence criteria.

(c) Currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Fund does not have direct exposure to foreign currency risk as its financial assets and liabilities are denominated in Australian Dollars.

Notes to the Financial Statements
11. Financial Risk Management Objectives and Policies (continued)
(d) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. The Responsible Entity is responsible for managing direct interest rate risk and reporting any issues to the Board.

| | Floating interest rate \$ | Non-interest bearing \$ | Total \$ |
|---|---------------------------------|-------------------------------|----------------|
| 31 December 2014 | | | |
| Assets | | | |
| Cash and cash equivalents | 139,300 | - | 139,300 |
| Investments in financial assets held at fair value through profit or loss | - | 273,414 | 273,414 |
| Other assets | - | 1,964 | 1,964 |
| Total assets | 139,300 | 275,378 | 414,678 |
| Liabilities | | | |
| Operating fee payable | - | 9,155 | 9,155 |
| Professional fees payable | - | 14,891 | 14,891 |
| Total liabilities excluding net assets attributable to unitholders | - | 24,046 | 24,046 |
| Net exposure | 139,300 | 251,332 | 390,632 |

| | Floating interest rate \$ | Non-interest bearing \$ | Total \$ |
|---|---------------------------------|-------------------------------|----------------|
| 31 December 2013 (Restated) | | | |
| Assets | | | |
| Cash and cash equivalents | 229,638 | - | 229,638 |
| Investments in financial assets held at fair value through profit or loss | - | 218,623 | 218,623 |
| Other assets | - | 2,181 | 2,181 |
| Total assets | 229,638 | 220,804 | 450,442 |
| Liabilities | | | |
| Operating fee payable | - | 9,277 | 9,277 |
| Professional fees payable | - | 18,622 | 18,622 |
| Total liabilities excluding net assets attributable to unitholders | - | 27,899 | 27,899 |
| Net exposure | 229,638 | 192,905 | 422,543 |

Notes to the Financial Statements
11. Financial Risk Management Objectives and Policies (continued)
(d) Interest rate risk (continued)

The following table demonstrates the sensitivity of the Fund's Statement of Financial Position to a reasonable change in interest rates, with all other variables held constant. The 25 basis point sensitivity is based on the volatility of change in the AUD cash interest rates over the last 10 years:

| | Change in basis points increase/(decrease) | Sensitivity of interest income/expense to increase/(decrease) in interest rate | Sensitivity of changes in fair value of financial assets/liabilities |
|---|--|--|--|
| Year ended 31 December 2014 | | | |
| AUD interest rate | 25bp/(25bp) | 348/(348) | - |
| Year ended 31 December 2013 (Restated) | | | |
| AUD interest rate | 25bp/(25bp) | 574/(574) | - |

(e) Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or foreign currency movements). The effect on net assets attributable to unitholders and the Fund's Statement of Comprehensive Income as a result of reasonably possible changes in market factors, as represented by a 5% change in the unit prices of the managed funds, with all other variables held constant is indicated in the table below:

| | Change in unit price of managed funds increase/(decrease) | Effect on net assets attributable to unitholders increase/(decrease) |
|---|---|--|
| Year ended 31 December 2014 | 5%/(5%) | 13,671/(13,671) |
| Year ended 31 December 2013 (Restated) | 5%/(5%) | 10,931/(10,931) |

(f) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments. The investments of the Fund may experience limited or no liquidity and therefore an investment in the Fund should be regarded as an illiquid investment involving a high degree of liquidity risk. Some of the Fund's investments may be highly illiquid. In addition, in the case of unlisted securities, there is no established secondary market for those investments and realisation of those assets may take a considerable amount of time.

In order to control the liquidity risk associated with its investments, the Fund conducts its investing activities in accordance with agreed guidelines and leverage ratios to ensure a minimal concentration of risk. Currently, EDIF Sub Trust, the underlying fund investment is in the process of winding down and closed for redemptions. EDIF Sub-Trust continues to provide return of capital as part of the winding down process.

Notes to the Financial Statements
11. Financial Risk Management Objectives and Policies (continued)
(f) Liquidity Risk (continued)
Maturity analysis of financial liabilities

Financial liabilities of the Fund comprise trade payables and net assets attributable to unitholders. Trade payables have no contractual maturities. These are, however, typically settled within 30 days.

The following table shows the maturity analysis of the Fund's liabilities:

| 31 December 2014 | | | | | | |
|--|------------------|---------------------|-------------------|-------------------|--------------------|-----------------------|
| | On demand | < 1 month | 1-3 months | 3-6 months | 6-12 months | > 12 months |
| Liabilities | \$ | | \$ | \$ | \$ | \$ |
| Operating fees payable | - | 9,155 | - | - | - | - |
| Professional fees payable | - | 14,891 | - | - | - | - |
| Net assets attributable to unitholders | - | - | - | - | - | 390,632 |
| Total liabilities | - | 24,046 | - | - | - | 390,632 |
| | | | | | | 414,678 |

| 31 December 2013 (Restated) | | | | | | |
|--|------------------|---------------------|-------------------|-------------------|--------------------|-----------------------|
| | On demand | < 1 month | 1-3 months | 3-6 months | 6-12 months | > 12 months |
| Liabilities | \$ | \$ | \$ | \$ | \$ | \$ |
| Operating fees payable | - | 9,277 | - | - | - | - |
| Professional fees payable | - | 18,622 | - | - | - | - |
| Net assets attributable to unitholders | - | - | - | - | - | 422,543 |
| Total liabilities | - | 27,899 | - | - | - | 422,543 |
| | | | | | | 450,442 |

12. Commitments and Contingencies

There are no commitments or contingencies as at 31 December 2014 (2013: \$ nil).

13. Subsequent Events

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

14. Related Party Transactions

The Responsible Entity of EAIT Direct Investments Fund is One Managed Investment Funds Limited ("OMIFL").

a) Responsible Entity's fees

In accordance with the Funds constitution, fees are paid to the Responsible Entity by the Fund in respect to the management of the Fund at 1.25% per annum (excluding GST) of the gross asset value of the Fund.

The management fee amounts attributable to the Responsible Entity are detailed in note 5 of the Financial Statements.

b) Investments in unlisted funds managed by One Investment Group

EDIF holds 9,299,784 (December 2013: 7,461,548) units valued at \$273,414 (December 2013 Restated: \$218,623) in the EDIF Sub Trust at 31 December 2014.

Notes to the Financial Statements
14. Related Party Transactions (continued)
b) Investments in unlisted funds managed by One Investment Group (continued)

As at 31 December 2014, EDIF Sub Trust held 12,317,243 units, valued at \$192,149 in Everest Babcock & Brown Income Fund ("EBBIF") (December 2013: \$194,612). The investment in EBBIF allows the consolidated entity, EDIF, to achieve its intention of accessing a diversified portfolio of assets and gaining exposure to the investments in the subordinated debt. Alternative Private Investments Pty Limited the trustee of EDIF Sub Trust is not a related body corporate or associate of either the Responsible Entity or One Funds Management Limited ("OFML").

The Fund has invested units valued at \$130,218 (December 2013: \$228,053) in the One Cash Management Fund ("OCMF") as at 31 December 2014. The Trustee of OCMF is One Investment Management Pty Limited ("OIMPL"), an associate of OMIFL. OIMPL and OMIFL are subsidiaries of One Investment Group Pty Limited. This investment has enabled the Fund to improve its return on cash held.

OCMF charges a management fee to its unitholders at a rate of 0.50% per annum on gross assets in the fund. Management fees paid by the Fund to OCMF for the year ended 31 December 2014 were \$954 (2013: \$1,434).

c) Investments by unlisted funds where OMIFL is the Trustee

OMIFL is Trustee for the Everest Global Growth Fund ("EGGF"). As at 31 December 2014, EGGF held 5,622,668 (2013: 5,622,668) of the units on issue by EDIF. This holding represents 11.59% (2013: 11.59%) of the total EDIF units on issue.

During the financial year ended 31 December 2014, return of capital amounting to \$nil (2013: \$ 101,208) was paid to EGGF.

No distributions were made to EGGF for the financial year ended 31 December 2014 (2013: \$ nil).

d) Other fees to related parties

During the course of the financial year ended 31 December 2014, an entity which shares a common director with the Responsible Entity, Unity Fund Services Pty Limited ("UFS"), its wholly owned subsidiary Unity Taxation Services Pty Limited ("UTS") and One Registry Services Pty Limited ("ORS"), provided administration, taxation and registry services to the Fund.

The amounts of fees paid and the amounts payable at year end are:

| | Year ended 31 December 2014 | Year ended 31 December 2013 (Restated) |
|--|-----------------------------------|---|
| | \$ | \$ |
| Expenses incurred by the Fund in relation to: | | |
| - Preparation of the Financial Statements to UFS | 4,703 | 2,200 |
| - Registry services to ORS | 10,835 | 14,198 |
| - Taxation services to UTS | 4,703 | 4,428 |
| Total expenses | 20,241 | 20,826 |

Notes to the Financial Statements
14. Related Party Transactions (continued)
d) Other fees to related parties (continued)

| | 31 December 2014 | 31 December 2013 (Restated) |
|---|---------------------|-----------------------------------|
| | \$ | \$ |
| Amounts due and payable at Statement of Financial Position date in relation to: | | |
| -Preparation of the Financial Statements to UFS | 2,475 | 2,475 |
| - Registry services to ORS | 4,118 | 2,775 |
| -Taxation services to UTS | 6,600 | 6,600 |
| Total payables | 13,193 | 11,850 |

15. Changes in Accounting Policy

In accordance with AASB 108 as outlined in Note 2(a), the following table shows the retrospective adjustments made to the statement of financial position, condensed statement of comprehensive income and condensed statement of cash flows for the comparative period on adopting AASB 10.

Statement of Financial Position

| | 31 December 2013 Consolidated | 31 December 2013 Adjustment | 31 December 2013 (Restated) |
|---|-------------------------------------|-----------------------------------|-----------------------------------|
| | \$ | \$ | \$ |
| Assets | | | |
| Cash and cash equivalents | 244,636 | (14,998) | 229,638 |
| Investments in financial assets held at fair value through profit or loss | 194,612 | 24,011 | 218,623 |
| Management fees prepaid | 5,333 | (5,333) | - |
| Other assets | 8,155 | (5,974) | 2,181 |
| Total assets | 452,736 | (2,294) | 450,442 |
| Liabilities | | | |
| Administration fees payable | 458 | (458) | - |
| Operating fees payable | 11,532 | (2,255) | 9,277 |
| Professional fees payable | 18,622 | - | 18,622 |
| Total liabilities (excluding net assets attributable to unitholders) | 30,612 | (2,713) | 27,899 |
| Net assets attributable to unitholders | 422,124 | 419 | 422,543 |

Notes to the Financial Statements

15. Changes in Accounting Policy (Continued)

| | Year-ended 31 December 2013 Consolidated \$ | Year-ended 31 December 2013 Adjustment \$ | Year-ended 31 December 2013 (Restated) \$ |
|---|---|---|---|
| Income | | | |
| Change in value of financial assets held at fair value through profit or loss | (7,743) | (29,385) | (37,128) |
| Interest income | 9,908 | (1,012) | 8,896 |
| Total income | 2,165 | (30,397) | (28,232) |
| Expenses | | | |
| Operating expenses | 25,326 | (2,103) | 23,223 |
| Professional fees | 27,488 | (2,420) | 25,068 |
| Bank fees | 267 | (98) | 169 |
| Administration fees | 5,125 | (5,125) | - |
| Management fees | 20,375 | (20,375) | - |
| Total expenses | 78,581 | (30,121) | 48,460 |
| Net loss attributable to unitholders before financing costs | (76,416) | (276) | (76,692) |
| Finance costs | | | |
| Distributions to unitholders | - | - | - |
| Net loss attributable to unitholders after financing costs | (76,416) | (276) | (76,692) |
| Net loss for the year | (76,416) | (276) | (76,692) |
| Other comprehensive income | - | - | - |
| Total comprehensive loss | (76,416) | (276) | (76,692) |

Notes to the Financial Statements
15. Changes in Accounting Policy (Continued)
Statement of Cash Flows

| | Year ended 31 December 2013 Consolidated \$ | Year ended 31 December 2013 Adjustment \$ | Year ended 31 December 2013 (Restated) \$ |
|---|---|---|---|
| Cash flows from operating activities | | | |
| Interest received | 16,401 | (7,084) | 9,317 |
| Operating fees paid | (21,087) | (370) | (21,457) |
| Management fees paid | (23,875) | 23,875 | - |
| Legal fees paid | (1,999) | - | (1,999) |
| Other payments | (30,948) | 10,014 | (20,934) |
| Net cash used in operating activities | (61,508) | 26,435 | (35,073) |
| Cash flow from investing activities | | | |
| Payments from purchase of investments | - | - | (30,000) |
| Returns of capital from investments | 880 | 849,120 | 850,000 |
| Net cash provided by investing activities | 880 | 849,120 | 820,000 |
| Cash flows from financing activities | | | |
| Returns of capital | (872,999) | - | (872,999) |
| Net cash used by financing activities | (872,999) | - | (872,999) |
| Net (decrease)/increase in cash and cash equivalents | (933,627) | 845,555 | (88,072) |
| Cash and cash equivalents at beginning of the period | 1,178,263 | (860,553) | 317,710 |
| Cash and cash equivalents at the end of the year | 244,636 | (14,998) | 229,638 |

16. Indemnities

The Fund enters into contracts that contain a variety of indemnifications. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.