

**CENTURY
AUSTRALIA**
INVESTMENTS LIMITED



ABN 11 107 772 761

APPENDIX 4E

PRELIMINARY FINAL REPORT

FOR THE YEAR ENDED 30 JUNE 2011

CENTURY AUSTRALIA INVESTMENTS LIMITED

RESULTS FOR ANNOUNCEMENT TO THE MARKET

This preliminary final report is for the reporting period from 1 July 2010 to 30 June 2011.

KEY RESULTS

PROFIT AND LOSS

	30/6/11	30/6/10	CHANGE	UP / DOWN
	\$' 000	\$' 000		
Revenue from ordinary activities	5,216	8,253	(37%)	Down
Profit before income tax expense, realised gains on investment portfolio and impairment loss	3,625	5,800	(38%)	Down
Impairment loss	(792)	(3,872)	(80%)	Down
Realised gains/(losses) on investment portfolio before tax	2,759	14,030	(80%)	Down
Profit/(loss) before income tax ¹	5,592	15,958	(65%)	Down
Profit/(loss) after tax and net profit attributable to members	2,187	13,007	(83%)	Down

NET TANGIBLE ASSETS

	30/06/11	30/06/10	CHANGE	UP / DOWN
	\$	\$		
NTA (per share) before estimated tax on unrealised income & gains ²	\$0.88	\$0.93	(5%)	Down
NTA per share before estimated tax on unrealised income & gains and before Deferred Tax Asset on realised capital losses and unused franking credits from prior period(s) ³	\$0.78	\$0.86	(9%)	Down
NTA (per share) after estimated tax on unrealised income & gains ²	\$0.90	\$0.94	(4%)	Down

¹ The current year result includes an impairment loss of \$792,000 (2010: \$3,872,000)

² The Net Asset Backing were adjusted for write down of the deferred tax asset of \$2,845,000

³ The Net Asset Backing is based on investments at market value and is after provision for tax on net realised gains and before providing for all deferred taxes.

Brief explanation of the results

Profit Results

Century Australia generated an underlying profit from operations, before tax, realised gains and impairment loss of \$3.6m, which decreased by 38% from previous year's \$5.8m. The reduction is largely due to the decrease in scale of the company. Following the Company's 2010 annual general meeting where shareholders approved an off market buyback, funds under management declined from \$148.117 million as at 31 December 2010 to \$65.820 million as at 18 February 2011 as acceptances representing approximately 53% of issued capital were received.

The operating profit reflects the revenue from dividends and interest income less operating costs which include management fees paid to the investment manager for management of the investment portfolio.

The net profit after tax was \$2.2m for the year, compared to a prior year's \$13.0m. Included in the operating profit after tax was recognition of:

- a \$792,000 impairment loss on the investment portfolio (down from an impairment loss of \$3.9m in the prior year), and;
- realised gains on investments before tax of \$2.8m (compared to gains of \$14.0m in the prior year).

As at 30 June 2011 the company had carried forward tax losses from prior periods of \$35.5m. This produced a deferred tax asset of \$11.7m (2010: \$13.1m). Upon review of the current annual long term average return of Perennial Value Management and the market outlook, the Directors reviewed the deferred tax asset (DTA) and considered it prudent to write off \$2.85m in the current reporting period. After the write off the balance of the deferred tax asset as at 30 June 2011 was reduced to \$8.9m. The decision to write off this amount does not impact the ability of the company to carry the full quantum of the tax losses forward for tax purposes. The write down is the result of conservatively reviewing the period over which the losses are expected to be recovered (also refer to note 11 to the financial statements).

The full amount of the carry forward tax losses, prior to the write down are expected to be utilised for tax purposes over time by the generation of future taxable profits on the basis of the current investment portfolio and historical Australian equity market performance.

Dividends

Due to the existing carried forward tax losses, no tax will be paid on the next \$35.5m 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.

During the financial year 2011 a special dividend of 6.2 cents was declared to distribute the franking credits balance prior to implementation of the buyback (2010: ordinary dividends of 8.5 cents were declared).

Changes in Corporations Act which took effect 28 June 2010 allowed for dividends to be declared on a solvency basis despite the unavailability of positive retained earnings. This meant that payment of dividends would not be constrained by retained earnings and current year profits. Corresponding Taxation Law changes were also made with the intention of allowing

such dividend payments to be made as fully franked dividends. Unfortunately, the Australian Taxation Office have recently commented in a draft fact sheet that their application of the changes to the law effectively disallow companies to frank such distributions. Due to the significant uncertainty this interpretation creates, a final dividend for the 2011 year has not been declared. However the board hopes to declare a dividend as soon as the uncertainty is resolved, and would prefer this to occur within the calendar year.

Manager developments

The Board appointed Perennial Value Management ("PVM") as an interim investment manager upon the termination of 452 Capital in September 2010. Following the off-market buyback in February 2011, the terms of the Investment Management Agreement with PVM were re-negotiated and an amended agreement was signed with effect from 1 June 2011. Under the new terms PVM is entitled to 0.40% p.a. management fee and a performance fee of 10% p.a. of any excess performance above the S&P/ASX 300 Accumulation Index plus a hurdle of 1%. In respect of the performance fee any underperformance must be recovered before any future performance fee would be payable.

Cost Saving Initiatives

Following the buyback in February the board carried out a review of all expenses of the company. This review resulted in the following ongoing savings for the company:

- Effective 1 February 2011 total remuneration paid to the directors has reduced from \$200,000 to \$120,000 per annum;
- The Board negotiated with service providers, to significantly reduce major expenses and savings in excess of \$100,000 per annum were achieved.

These and other cost reductions are expected to result in an Indirect Cost Ratio (formerly known as 'Management Expense Ratio') of under 1.20% which compares with 1.30% in 2011 (1.28% in 2010).

Looking ahead, Century is well positioned for the future with the professional management of Perennial Value Management and a reasonable indirect cost ratio for the scale of the company.

This report is based on accounts which have been audited by the Company's Auditors – Grant Thornton Audit Pty Limited.



Robert Turner

Dated this 30th day of August 2011

Enquiries:	Peter Roberts Company Secretary, Century Australia Investments Limited Tel: 02 8236 7701
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CENTURY AUSTRALIA

INVESTMENTS LIMITED



ANNUAL REPORT 2011

DIRECTORY

Century Australia Investments Limited
ASX Code: CYA

Directors

Robert Turner, Chairman
Stephen Menzies, Non Executive Director
Ross Finley, Non Executive Director
Russell Hooper, Non Executive Director

Company Secretary

Peter Roberts

Registered Office

Level 7, 20 Hunter Street
Sydney NSW 2000

Mail Address

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Sydney NSW 2001
Telephone: (02) 8236 7701
Facsimile: (02) 9221 1194
Email: century@whiteoutsourcing.com.au
Website: www.centuryaustralia.com.au

Share Registry (up until 2 September 2011)

Boardroom Pty Limited (formerly Registries Limited)
Level 7, 207 Kent St
Sydney NSW 2000
Telephone: 1300 737 760
Facsimile: 1300 653 459
Website: www.boardroomlimited.com.au

Share Registry (from 5 September 2011)

LINK Market Services
Locked Bag A14
Sydney South NSW 1235
Telephone: 1300 554 474
Facsimile: +61 2 9287 0303
Email: registrars@linkmarketservices.com.au

For all enquiries relating to shareholdings, dividends and related matters please contact the share registry.

Investment Manager (up until 9 September 2010)

452 Capital Pty Limited
ABN 90 101 924 430

Investment Manager (from 10 September 2010)

Perennial Value Management
ABN 22 090 879 904

Auditors

Grant Thornton Audit Pty Limited

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2011 HIGHLIGHTS

- On 9 September 2011 the company appointed a new investment manager Perennial Value Management ("PVM"). After a transitional period the company signed an updated investment management agreement with PVM taking effect from 1 June 2011. Under this agreement PVM is entitled to a management fee of 0.40% per annum and 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. Any underperformance versus the benchmark must be recouped before a fee becomes payable in future periods.
- Following the buyback in February 2011, the board carried out a review of all expenses of the company which led to overall savings in excess of \$100,000 per annum. Effective 1 February 2011 total remuneration paid to the directors has reduced from \$200,000 to \$120,000 per annum. These savings should achieve an Indirect Cost Ratio (formerly known as 'Management Expense Ratio') of under 1.20% for the 2012 financial year which compares with 1.3% in 2011 (1.28% in 2010).
- As a result of the off-market buyback that was approved by shareholders at the last AGM more than 53% of the shares on issue were bought back by the company. The need for a company to have retained profits or current year profits from which to pay dividends was removed with the amendment of the Corporations Act provisions to allow the payment of dividends on a solvency basis. Legislative amendments were also made with the intention of ensuring such dividend payments were frankable distributions. However, a draft ATO fact sheet issued in June 2011 dealing with the franking of dividends under the new Corporations Act provisions has cast doubt over whether such dividends can be franked. As a result of this current uncertainty, a final dividend has not been declared by the Directors at this point in time, although franking credits continue to accrue. The Directors will reassess their position as soon as the current uncertainty is clarified.
- Upon the appointment of PVM, the performance of the Company's portfolio was adversely impacted while the portfolio was transitioned to PVM's preferred model portfolio. In addition, up to 30% of the portfolio was maintained in cash during the period leading up to the Buy Back and payment of a Special dividend. As a result of these two factors, an underperformance of 5.14% when compared to the S&P/ASX 300 Accumulation Index occurred.
- As at 30 June 2011 the Net Tangible Assets (NTA) before all taxes were \$0.784 per share (2010: \$0.86) down 9% for the year after dividend payments of \$19.1m. Disappointingly, the shares traded at a discount of approximately 14% to NTA based on a market closing price of \$0.685 per share as at 30 June 2011.
- Operating profit before income tax expense and realised capital gains was \$3.6m (2010: \$5.8m). The reduction was largely due to the implementation of the buyback approved at the 2010 Annual General Meeting.

CHAIRMAN'S REVIEW

Financial Result

Operating profit before tax and realised gains and losses and impairment charges was \$3.6m compared to \$5.8m in the previous year. The reduction is largely due to the decrease in scale of the company as a result of the off market buy back program (refer Capital Management below).

Century's operating profit consists largely of dividends, distributions and interest income less operating expenses. Management fees represent the major component of expenses throughout the year. The current manager, Perennial Value Management ("PVM") received \$305,237 for the 9 month period between 9 September 2011 to 30 June 2011. Prior to 9 September 2010, the manager was 452 Capital who received a balance of \$290,714 for the period from 1 July 2010 to the termination/resignation of 452 Capital.

The net result as determined by the AIFRS accounting standards after realised gains and impairment charges was a net profit of \$2.2m (2010: \$13m). These results include realised gains before tax on the investment portfolio of \$2.8m compared to \$14m in the previous year.

Accounting standards adopted by the Company require impairment of investments where there has been a significant or prolonged decline in the market value compared to cost, with the unrealised losses recorded in the profit and loss statement as an impairment charge for the year. The impairment charges totalling \$792,000 (2010: \$3.9m) have no impact on net asset backing (which we report monthly to the market) as Century constantly revalues its assets to market value. Impairment adjustments are an accounting issue only. Impaired assets often remain appropriate long term assets and continue to be held in the portfolio.

The total portfolio including cash at 30 June 2011 was \$61.6m down from \$149.2m at the end of the previous year largely due to the Buy Back amounting to \$76.0m and payment of a special dividend of \$10.6m. Net tangible assets before all taxes as at 30 June 2011 was \$0.784 per share (2010: \$0.86) a decrease of 9% for the year.

The net assets of the Company decreased to \$70.98m as at 30 June 2011 from \$162.2m as at 30 June 2010. As at 30 June 2011 the company has carried forward tax losses from prior periods of \$35.5m. This results in a deferred tax asset of \$11.7m (2010: \$13.1m). Upon review of the current annual long term average return of Perennial Value Management and the market outlook, the Directors reviewed the deferred tax asset (DTA) and made the decision to write off \$2.85m in the current reporting period. After the write off the balance of the deferred tax asset as at 30 June 2011 was reduced to \$8.9m. The decision to write off this amount does not impact the ability of the company to carry the full quantum of the tax losses forward for tax purposes. The write down is the result of conservatively reviewing the period over and extent which the losses are expected to be recovered (also refer to note 11 to the financial statements).

Portfolio Performance

CYA generated a portfolio return of 2.31% for the year ended 30 June 2011. Since their appointment in September 2010 to 30 June 2011 Perennial Value Management generated a return of -1.36% compared to a return of 3.69% for the S&P/ASX300 Accumulation Index for the same period, an underperformance of 5.05%. The performance of the Company's portfolio was adversely impacted while the portfolio was transitioned to PVM's preferred model portfolio. In addition, up to 30% of the portfolio was maintained in cash during the period leading up to the Buy Back and payment of a Special dividend.

	1 year	2 years	3 years
CYA	2.31%	7.66%	2.54%
ASX 300	11.90%	12.48%	0.26%

CHAIRMAN'S REVIEW

In the following report by Perennial Value Management a full overview of the share market performance in 2011 financial year is provided along with commentary on the Century investment performance.

Dividends

On 9 February 2011 the Company paid a special dividend of 6.2 cents per share fully franked. This dividend was declared to distribute the franking credits balance prior to implementation of the buyback (2010: ordinary dividends of 8.5 cents were declared).

Dividends Paid

	2005	2006	2007	2008	2009	2010	2011
Interim dividend paid in March	2.00	2.50	3.00	5.00	4.50	3.50	-
Interim dividend paid in June	-	-	-	-	4.50	-	-
Special dividend paid in February	-	-	-	-	-	-	6.20
Final dividend paid in September	3.00	4.50	6.00	5.00	-	5.00	-
Total cents for the year	5.00	7.00	9.00	10.00	9.00	8.50	6.20

As at 30 June 2011, the company had franking credits sufficient to pay a further 1.5 cents per share fully franked. Due to the existing carried forward tax losses, no tax will be paid on the next \$35.5m 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.

Changes in Corporations Act which took effect 28 June 2010 allowed for dividends to be declared on a solvency basis despite the unavailability of positive retained earnings. This meant that payment of dividends would not be constrained by retained earnings and current year profits. Corresponding Taxation Law changes were also made with the intention of allowing such dividend payments to be made as fully franked dividends. Unfortunately, the Australian Taxation Office have recently commented in a draft fact sheet that their application of the changes to the law effectively disallow companies to frank such distributions. Due to the significant uncertainty this interpretation creates, a final dividend for the 2011 year has not been declared. However the board hopes to declare a dividend as soon as the uncertainty is resolved, and would prefer this to occur within the calendar year.

Capital Management

An on-market share buyback program was in operation during the financial year up to December 2010. This program was primarily targeted at reducing the share price discount to NTA. During the financial year 1,649,812 shares (2010: 16,932,131 shares) at a value of \$1,274,409 (2010: \$13,942,914) had been purchased via the on market buy back program. The on market buyback program provided increased liquidity to shareholders wishing to sell their shares but disappointingly had only a limited impact on reducing the share price to NTA.

At the 2010 Annual General Meeting, Century shareholders voted in favour of an equal access buy back scheme whereby shareholders were offered the opportunity to exit their investment at close to Net Tangible Asset backing. Acceptances representing approximately 53% of issued capital were received. As a result of the implementation of this scheme, funds under management declined from \$148.1m as at 31 December 2010 to \$65.820 million as at 18 February 2011. The number of shares on issue decreased by 91,760,917 on 9 February 2011 when the buy back settlement proceeds were paid to participating shareholders.

The Dividend Reinvestment Plan remains suspended until further notice.

CHAIRMAN'S REVIEW

Perennial Value Management – new manager

Following the off-market buyback in February 2011 the terms of the Investment Management Agreement with PVM were re-negotiated and an amending agreement was signed with effect from 1 June 2011. Under the new terms PVM is entitled to 0.40% p.a. management fee and performance fee of 10% p.a. of any excess performance above the S&P/ASX 300 Accumulation Index plus a hurdle of 1%. In respect of the performance fee any underperformance must be recovered before any future performance fee would be payable.

Cost Saving Initiatives

Following the buyback in February the board carried out a review of all expenses of the company. This review resulted in the following ongoing savings for the company:

- Effective 1 February 2011 total remuneration paid to the directors has reduced from \$200,000 to \$120,000 per annum;
- The Board negotiated with service providers, to significantly reduce major expenses and savings in excess of \$100,000 per annum were achieved.

These and other cost reductions are expected to result in an Indirect Cost Ratio (formerly known as 'Management Expense Ratio') of under 1.20% which compares with 1.30% in 2011 (1.28% in 2010).

Future

Looking ahead, Century is well positioned for the future with the professional management of Perennial Value Management and a reasonable indirect cost ratio for the scale of the company.

Robert Turner
Chairman

30th August 2011

ANNUAL COMMENTARY 2011 FROM PERENNIAL VALUE MANAGEMENT LIMITED

The year ended June 2011 was challenging for both the global economy in general and financial markets in particular. The first half of the financial year to December 2010 saw equity markets rally, as US monetary policy remained expansionary and signs emerged that the US economy was recovering. The latter half of the financial year saw natural disasters hit Japan and Australia, political instability spread through North Africa and the Middle East and European sovereign debt concerns re-emerge. These factors ultimately led to significant volatility for financial markets.

Notwithstanding the difficult environment, the S&P/ASX300 Accumulation Index (the Index) delivered a return of -1.3% for the year. A large driver of this return was the resources sector which rose 18.3%, compared to the industrials which rose only 9.2%. The Portfolio delivered a return of -3.5%, underperforming the Index return by 2.2%.

The Portfolio went into the financial year with a cyclical tilt, as this group of stocks, in contrast to more defensive stocks, is where Perennial Value saw the best value on a two to three year view. The Team also continued to largely avoid the smaller end of the resources market, aside from selective stock-specific holdings, as many of these companies do not currently generate profits and are highly speculative. The positioning of the Portfolio in this way negatively impacted performance as the small end of the resource sector outperformed strongly and the uncertain short term economic outlook weighed heavily on the more cyclical stocks.

Domestically, the Reserve Bank of Australia raised the cash rate only once, up 25 basis points to 4.75% in November 2010. Following this, and uncertainty around government policies such as the carbon tax, the Australian consumer effectively went on a spending freeze in the second half of the financial year, directing a higher proportion of their income toward savings and debt reduction. The subdued level of consumption appeared to be in contrast to ongoing positive employment data and wages growth. The Australian Dollar was very strong reaching an all time high (since floating in 1984) of USD1.09 in April 2011, before closing the financial year at USD1.07.

The resources sector was clearly the strongest contributor to Index performance. Materials (up 20.5%), utilities (up 14.6%) and consumer staples (up 11.4%) all performed well. The worst performing sectors were IT (down 13.8%), telecommunications (down 0.7%) and consumer discretionary (down 0.3%).

The better performing stocks in the Portfolio included Equinox Minerals (up 88.5%), which was acquired by global gold miner Barrick Gold during the year; Seven Group Holdings (up 74.0%), following earnings upgrades from improved performance in its media businesses and a strong environment for its Westrac mining equipment division; and, Graincorp (up 58.8%), on the back of favourable operating conditions following a large Australian wheat crop.

A number of stocks detracted from performance including Bluescope Steel (down 39.3%), around concerns about the impact on earnings of a sustained high AUD. This also had an impact on Aristocrat (down 32.5%) along with the slow recovery in its key US market. Fairfax (down 23.3%) was also weaker after it announced a profit warning in the latter half of the year, as advertising markets weakened more than expected on a softer retail environment.

Going forward, the Portfolio is positioned to take advantage of what the Team believes are some very good value opportunities currently available across a range of sectors. Examples include

ANNUAL COMMENTARY 2011 FROM PERENNIAL VALUE MANAGEMENT LIMITED

Telstra, which is currently trading on a FY12 P/E of 11.3x and offering a FY12 gross yield of 13.8%, underpinned by cash flows from the NBN deal. The major banks also offer very good value, trading on FY12 P/Es of around 10.0x and offering FY12 gross yields of close to 10.0%. In addition to these more defensive stocks, there are a range of industrial cyclical stocks with strong 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 these offer some very good longer term opportunities for investors.

At year end, stock numbers stood at 49 with cash at 1.8%.

Background on Perennial Value Management

Perennial Value Management (PVM) was formed in March 2000 and currently manages over \$10 billion for a large number of retail investors, superannuation funds and institutions. The firm is half owned by the investment management staff. This both provides a strong alignment of interests with those of our investors and has produced one of the most stable investment teams in the industry. Continuity of the management team and consistent adherence to a disciplined investment process has been a key factor in our ability to deliver consistently good returns for investors. The remaining 50% of PVM is owned by Perennial Investment Partners, a wholly owned subsidiary of IOOF Ltd, an ASX-listed financial services company with a market capitalisation of over \$1.7bn and a history of over 160 years. Perennial Investment Partners comprises a stable of five separate boutique investment management businesses, with combined funds under management of over \$20bn across a wide range of asset classes.

PVM is also among the most highly-rated investment managers in Australia, with top ratings from a range of research houses including:

- Lonsec – Highly Recommended
- Morningstar – Highly Recommended
- S&P – 5 Stars
- Van Eyk – A-rated
- Zenith – Recommended

In 2009 PVM was awarded the prestigious Morningstar Fund Manager of the Year award.

Perennial Value Management Investment Team

- **John Murray** founded Perennial Value in 2000 and has been involved in investment management for 25 years, specialising in Australian equities analysis. John has a strong background in value investing. His previous roles include Director of Australian Equities at Westpac Investment Management. John also spent time at Maple Brown Abbott, where he held senior portfolio management and research responsibilities. John joined MBA from Perpetual Investments, where he was Head of Australian Equities for over four years. John is supported by a team of eight investment professionals.
- **Tony Oesterheld**, who has 24 years experience managing Australian shares, working with AMP, GIO and QBE Insurance before joining Perennial Value.
- **Stephen Bruce**, a Chartered Accountant and a CFA Charterholder. Prior to joining Perennial Value, Stephen was a Treasury Accountant with ABN Amro.
- **Paul Durham** has 23 years investment experience and prior to joining Perennial worked as a Senior Analyst at Ord Minnett for 12 years.
- **Grant Oshry** brings to the team analysis and dealing experience from his previous roles at MLC, Deutsche Asset Management and Arthur Anderson. Grant is a Chartered Accountant.
- **Damian Coffier** is a corporate lawyer, having practiced with law firms Freehills, Baker & McKenzie and Gilbert & Tobin.
- **Andrew Smith** as a Senior Equity Analyst. Andrew focuses on researching smaller companies.
- **Terry Couper** is a Chartered Accountant and brings to the team a strong grounding in financial analysis from his previous roles at JP Morgan, General Electric and Deloitte.
- **Steven Yee** comes to Perennial with six years dealing experience for Australian equities portfolios.

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) unless otherwise stated.

Board of Directors and its Committees

Structure and Composition of the Board

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 Director's Report on page 16 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.

As board vacancies arise in the future, consideration will be given to diversity as candidates are considered (including gender, age, ethnicity and cultural background).

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.

Directors have a usual term of two years, and a maximum term of 3 years, before retiring by rotation and standing for re-election.

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
Russell Hooper	Independent Non-Executive Director
Stephen Menzies	Independent Non-Executive Director

There are procedures in place, agreed by the board, to enable directors, in furtherance of their duties, to seek independent professional advice at the company's expense.

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

CORPORATE GOVERNANCE STATEMENT

Name	Term in office
Robert Turner	7 years
Ross Finley	5 years
Russell Hooper	5 years
Stephen Menzies	5 years

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 (for more information refer “Executive Management” in this Statement).

Role of the Board

The Board’s primary role is the protection and enhancement of long-term shareholder value. To fulfil 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.

Board Processes

The Board has established an Audit Committee. There is an audit committee charter that is reviewed on regular basis.

The Board schedules 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.

Performance Evaluation of Directors

Individual directors are subject to continuous review by the Chairman. An annual performance evaluation of the Board and all Board members is conducted 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 (for more information refer “Executive Management” in this Statement).

Nomination Committee

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.

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

CORPORATE GOVERNANCE STATEMENT

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.

Director Dealing in Company Shares

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.

The Board has adopted the following policy 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, Directors 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.

Independent Professional Advice and Access to Company Information

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.

Remuneration Committee

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.

Audit Committee

The Audit Committee has a documented Charter, approved by the Board. All members must be non-executive 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

CORPORATE GOVERNANCE STATEMENT

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
- Russell Hooper
- Robert Turner

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 process 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 17 of the Director's Report.

Risk Management Policy

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

CORPORATE GOVERNANCE STATEMENT

Value Management Limited (investment management) accordingly 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.

The Company Secretary 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) will confirm half-yearly 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.

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.

Executive Management

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.

CORPORATE GOVERNANCE STATEMENT

Ethical Standards

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.

Shareholder Communications

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 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.

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
- Trading policy
- Code of Conduct and Ethics
- Appointment and selection of non-executive directors policy
- Performance evaluation policy

CORPORATE GOVERNANCE STATEMENT

Shareholder Rights

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 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.

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011**

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DIRECTORS' REPORT

Your Directors present their report on the Company for the financial year ended 30 June 2011.

Directors

The names and details of the Company's Directors in office during the financial year and to the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, Qualifications, Experience and Special Responsibilities

Robert Turner B.Com, FAICD (Independent Non-Executive Director and Chairman) 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 31 years 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 B.Econ, LLB, LLM London (Independent Non-Executive Director) 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.

Russell Hooper FCPA, FAICD, FSIA (Independent Non-Executive Director) Appointed 12 September 2006

Mr Hooper serves on the Board of Directors and on the Audit Committee. Mr Hooper has 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 the Advance and St George Groups for 14 years. He is a director of Challenger Financial Services Group Limited, an ASX listed company. He is also a director of the Kanematsu Fund Limited which provides awards for medical research.

Ross Finley B.Com NSW (Independent Non-Executive Director) Appointed 11 September 2006

Mr Finley serves on the Board of Directors and on the Audit Committee. Mr Finley has over 38 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.

DIRECTORS' REPORT

Directors' Meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the numbers of meetings attended by each Director were as follows:

	Directors' Meetings eligible to attend	Attended	Audit Committee Meetings eligible to attend	Attended
R Turner	9	9	3	3
S Menzies	9	9	3	3
R Hooper	9	9	3	3
R Finley	9	9	3	3

Committee Membership

As at the date of this report, the Company has an Audit Committee, as required by Corporate Governance Rules. Members of the Board acting on the Committee are:

- S Menzies (Audit Committee Chairman)
- R Turner (Board Chairman)
- R Hooper
- R Finley

Company Secretary

Peter Roberts, B Bus., CA - Appointed 22 March 2007

Peter is a director of White Outsourcing Pty Limited, a specialist outsourced services provider to the financial services sector, and acts as company secretary for a number of other Listed Investment Companies.

Interests in Shares and Options of the Company and Related Bodies

As at the date of this report, the interest of the Directors in shares and options of Century Australia Investments Limited were:

	Ordinary Shares	Options
R Turner	153,739	Nil
S Menzies	23,515	Nil
R Finley	Nil	Nil
R Hooper	15,000	Nil

Dividends

Dividends paid in the year:	Cents	\$'000
<i>Final for the 2011 year</i>		
o on ordinary shares fully franked	5.0	8,544
<i>Special dividend</i>		
o on ordinary shares fully franked	6.2	10,594
Total	11.2	19,138

Changes in Corporations Act which took effect 28 June 2010 allowed for dividends to be declared on a solvency basis despite the unavailability of positive retained earnings. This meant that payment of dividends would not be constrained by retained earnings and current year profits. Corresponding Taxation Law changes were also made with the intention of allowing such dividend

DIRECTORS' REPORT

payments to be made as fully franked dividends. Unfortunately, the Australian Taxation Office have recently commented in a draft fact sheet that their application of the changes to the law effectively disallow companies to frank such distributions. Due to the significant uncertainty this interpretation creates, a final dividend for the 2011 year has not been declared. However the board hopes to declare a dividend as soon as the uncertainty is resolved, and would prefer this to occur within the calendar year.

The Dividend Reinvestment Plan remains suspended until further notice.

Corporate Information

Corporate Structure

Century Australia Investments Limited is a listed investment company limited by shares that is incorporated and domiciled in Australia. It has no parent entity.

The registered office of the Company is located at Level 7, 20 Hunter Street, Sydney, NSW, 2000.

Nature of Operations and Principal Activities

The principal activity of the Company during the year was making medium to long term investments in Australian equities.

No change in the nature of these activities occurred during the year.

Operating and Financial Review

The net profit of the Company for the financial year was \$2.2 million (2010: \$13 million). Included in the net profit for the year was an impairment loss of \$0.8 million (2010: \$3.9 million) and realised gains before tax of \$2.8 million (2010: \$14 million).

The net assets of the Company have decreased by \$91.2 million from \$162.2 million as at 30 June 2010 to \$71 million as at 30 June 2011. This decrease is after dividends totalling \$19.1 million, buy backs totalling \$76 million and write down of deferred tax asset of \$2.9 million..

The estimated Indirect Cost Ratio (formerly known as 'Management Expense Ratio') of the Company for the financial year was 1.30% (2010: 1.28%). The estimated ongoing Indirect Cost Ratio after cost savings initiatives (following the February 2011 buyback) is expected to be under 1.20%.

The Board monitors the Company's overall performance including the performance of the Company's Investment Manager. The Board meets with the management of Perennial Value Management to discuss performance and also receives on a monthly basis attribution, risk and performance reports in regards to the investment portfolio allowing the Directors to monitor the Investment Manager's performance.

The Company's portfolio generated a return of 2.31% for the financial year to date underperforming the S&P/ASX300 Accumulation Index by 9.59%.

Significant Changes in State of Affairs

At the annual general meeting that was held on 24 November 2010 the shareholders approved off-market buyback and as a result on 9 February 2011 the company bought back and cancelled 91,760,917 shares.

Other than the above, there were no significant changes in the state of affairs of the Company during the year ended 30 June 2011.

DIRECTORS' REPORT

Events after Balance Date

Subsequent to 30 June 2011 there has been significant volatility in global equity and debt markets following the downgrade of the credit rating of US long term debt by Standard and Poors and continued market uncertainty. The company releases monthly NTA per share to the market and this reflects the current market value of its investments.

No matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

Future Developments and Expected Results

The Company will continue to pursue its policy of investment during the next financial year, subject to the outcome of resolutions which will be put to the 2011 Annual General Meeting.

Environmental Regulations and Performance

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Indemnification and Insurance of Directors and Officers

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.

REMUNERATION REPORT

This report details the nature and amount of remuneration for each Director and Key Management Person of Century Australia Investments Limited in accordance with the Corporations Act 2001 and the Corporations Regulations 2001.

Remuneration Policy

Effective 1 February 2011 the Board decreased the remuneration paid to Directors to \$120,000 per annum from \$200,000 in line with its efforts to lower the Indirect Cost Ratio (formerly known as 'Management Expense Ratio') following the 53% buyback of issued share capital. The remuneration to Non-Executive Directors is limited to an aggregate amount of \$200,000 per annum (inclusive of superannuation) as approved by shareholders.

The board resolved that a flat fee of \$27,000 per annum would apply 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.

DIRECTORS' REPORT

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.

Directors' and Key Management Personnel Compensation

Details of the nature and amount of each major element of the remuneration received and receivable by persons who were key management personnel of the Company are set out below:

2011	Short-term Employee benefit Cash Salary & Fees	Post-Employment benefit Superannuation	Total
Directors	\$	\$	\$
R Turner	19,495	31,755	51,250
S Menzies	-	37,955	37,955
R Hooper	38,904	-	38,904
R Finley	34,821	3,134	37,955
Total	93,220	72,844	166,064*

* Up to 31 January 2011 the directors' fees were based on an overall cap of \$200,000 per annum. From 1 February 2011 the directors' fees were based on reduced cap of \$120,000 per annum.

2010	Short-term Employee benefit Cash Salary & Fees	Post-Employment benefit Superannuation	Total
Directors	\$	\$	\$
R Turner	27,523	32,477	60,000
S Menzies	-	45,780	45,780
R Hooper	-	45,780	45,780
R Finley	42,000	3,780	45,780
Total	69,523	127,817	197,340

There are no other Key management personnel who receive remuneration from the Company.

Accounting and company secretarial duties are outsourced to White Outsourcing Pty Limited. Peter Roberts is a director and shareholder of White Outsourcing Pty Limited which received fees of \$155,552 (2010: \$114,579) during the year for the services rendered pursuant to an Administrative Services Agreement entered into by the Company. Peter 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.

Other Key Management Personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Company, directly, or indirectly during the financial year.

There were no other transactions with key management personnel.

DIRECTORS' REPORT

Options

No options were granted over unissued shares or interests during the financial year or since the financial year end by the Company to Directors or any officers.

Roundings

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/100. The Company is an entity to which the Class Order applies.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Century Australia Investments Limited support and have fully adhered to all applicable principles of corporate governance. The Company has adopted the Corporate Governance Principles and Recommendations issued by ASX Corporate Governance Council in August 2007.

Further information relating to the Company's Corporate Governance Practices and Policies can be found in the Corporate Governance Statement in the Annual Report of the Company and has also been made publicly available on the Company's website at www.centuryaustralia.com.au.

Non-Audit Services

No non-audit services were performed by the auditors during the year ended 30 June 2011.

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 45 and forms part of this report.

Proceedings On Behalf Of The Company

No person has applied for leave of the Court to bring proceedings on behalf of the Company or 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 any part of these proceedings.

The Company was not a party to any such proceedings during the year.

This report has been made and signed in accordance with a resolution of Directors.



R Turner
Chairman
Dated this 30th day of August 2011

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011**

	Notes	30-Jun-11 \$'000	30-Jun-10 \$'000
Revenue	2	5,216	8,253
Unrealised gain / (loss) on futures		18	(78)
Directors' benefits expense		(166)	(197)
Investment management fees	18	(674)	(1,621)
Investment performance fees	18	(11)	-
Professional expenses	16	(324)	(184)
Registry and custody fees		(233)	(165)
Directors' liability insurance		(75)	(79)
Printing		(27)	(11)
Other expenses		(99)	(118)
Profit before income tax expense, realised gains on investment portfolio and impairment loss		3,625	5,800
Impairment loss on investment portfolio		(792)	(3,872)
Realised gains on investment portfolio before income tax		2,759	14,030
Profit before income tax expense		5,592	15,958
Income tax expense	3	(3,405)	(2,951)
Net profit for the year		2,187	13,007
Other comprehensive income			
Fair value adjustments to investment portfolio net of tax		1,759	2,545
Total comprehensive income for the year		3,946	15,552
Basic earnings per share (cents per share)	15	1.61	6.99
Diluted earnings per share (cents per share)	15	1.61	6.99
Dividends per share (cents per share)	4	-	3.5

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011**

	Notes	30-Jun-11 \$'000	30-Jun-10 \$'000
CURRENT ASSETS			
Cash and cash equivalents	5	2,273	6,883
Trade and other receivables	6	920	5,058
Held-for-trading financial assets	9	18	-
Current tax assets	11(b)	34	44
Other current assets	7	21	66
TOTAL CURRENT ASSETS		3,266	12,051
NON-CURRENT ASSETS			
Available-for-sale financial assets	8	59,200	138,364
Deferred tax assets	11(a)	8,866	13,146
TOTAL NON-CURRENT ASSETS		68,066	151,510
TOTAL ASSETS		71,332	163,561
CURRENT LIABILITIES			
Trade and other payables	10	319	1,379
Current tax liabilities	11(b)	-	-
TOTAL CURRENT LIABILITIES		319	1,379
NON-CURRENT LIABILITIES			
Deferred tax liabilities	11(b)	37	22
TOTAL NON-CURRENT LIABILITIES		37	22
TOTAL LIABILITIES		356	1,401
NET ASSETS		70,976	162,160
EQUITY			
Issued capital	12	96,930	172,922
Reserves	13	3,255	1,496
Retained earnings		(29,209)	(12,258)
TOTAL EQUITY		70,976	162,160

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011**

	Notes	Share Capital Ordinary \$'000	Retained Earnings \$'000	Revaluation Reserves \$'000	Total Equity \$'000
Balance at 01.07.2009		186,865	(18,724)	(1,049)	167,092
Total comprehensive income for the year		-	13,007	2,545	15,552
Dividends paid	4	-	(6,541)	-	(6,541)
Shares acquired/cancelled due to Buy Back		(13,943)	-	-	(13,943)
Balance at 30.06.2010		172,922	(12,258)	1,496	162,160
Balance at 01.07.2010		172,922	(12,258)	1,496	162,160
Total comprehensive income for the year		-	2,187	1,759	3,946
Dividends paid	4	-	(19,138)	-	(19,138)
Shares acquired/cancelled due to Buy Back		(75,992)	-	-	(75,992)
Balance at 30.06.2011		96,930	(29,209)	3,255	70,976

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011**

	Notes	30-Jun-11 \$'000	30-Jun-10 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Dividends received		4,976	7,431
Interest received		693	614
Investment expenses paid		(1,812)	(2,467)
Income tax paid		9	(174)
Net cash provided by operating activities	14(a)	3,866	5,404
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		160,466	100,911
Purchase of investments		(73,609)	(96,920)
Net cash provided by investing activities		86,857	3,991
CASH FLOWS FROM FINANCING ACTIVITIES			
Share buy backs made		(76,195)	(13,740)
Dividends paid		(19,138)	(6,541)
Net cash used in financing activities		(95,333)	(20,281)
Net decrease in cash and cash equivalents held		(4,610)	(10,886)
Add: Cash and cash equivalents at the beginning of the year		6,883	17,769
Cash and cash equivalents at the end of the year	5	2,273	6,883

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report is for the entity Century Australia Investments Limited as an individual entity. Century Australia Investments Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

The financial report of Century Australia Investments Limited complies with all International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Adoption of new and revised Accounting Standards

The Company has adopted the following amendments issued by Australian Accounting Standards Board, which are effective for annual reporting periods beginning on or after 1 January 2010.

(i) Amendments to AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective for annual reporting periods beginning on or after 1 July 2010 / 1 January 2011)

(ii) AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions

(iii) AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues

(iv) AASB Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments and AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19

(v) AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project.

The adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (continued)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting policies

(a) Rounding of Amounts

Australian Securities and Investments Commission Class Order 98/100 dated 10 July, 1998 applies to the Company and accordingly amounts have been rounded off to the nearest one thousand dollars.

(b) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and at call deposits with banks or financial institutions, other short-term highly liquid investments with the original maturities of three months or less, and bank overdrafts.

(c) Dividends

Provision for dividends payable are recognised in the reporting period in which they are approved and declared, for the entire undistributed amount, regardless of the extent to which they will be paid in cash.

(d) Receivables

Receivables may include amounts for dividends, interest and securities sold. Dividends are receivable when they have been declared and are legally payable. Interest is accrued at the year end from the time of last payment. Amounts received for securities sold are recorded when a sale has occurred. Amounts are generally received within 30 days of being recorded as a receivable.

(e) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax balances of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which maybe realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. Please also refer to note 11(a).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (continued)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Revenue

Dividends and distributions are brought to account when the company's right to receive a dividend is established. Interest income is brought to account on an accruals basis taking into account the effective yield on the financial asset. Income due and receivable at balance date is carried as a receivable.

(g) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(h) Financial Instruments

Recognition

Listed securities are initially measured at cost on trade date, which approximates its fair value. Subsequent to initial recognition these instruments are measured as available-for-sale financial assets under AASB 139 *Financial Instruments: Recognition and Measurement* and will continue to be recognised in the statement of financial position at fair value. During the period changes in fair value for investment securities will be recognised in equity. Unrealised gains and losses arising from changes in fair value are taken directly to equity unless there is an indication that unrealised losses are long-standing; in which case these losses will be recognised directly in the statement of comprehensive income.

The gains or losses on realised investments are calculated by deducting the historical cost from the net proceeds on sale and associated taxation shall be brought to account in the statement of comprehensive income by transferring this amount from the revaluation reserve.

Fair Value

Fair value is determined based on current bid prices for all quoted investments and excludes disposal costs.

Impairment

The Company assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. A prolonged decline is assessed in terms of the company's investment strategy. If any such evidence exists the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments classified as available-for-sale are not reversed through the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (continued)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivatives

As at 30 June 2011 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. Derivatives in a net receivable position (positive fair value) are reported as financial assets held-for-trading. All derivatives in a net payable position (negative fair value) are reported as financial liabilities held-for-trading.

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of comprehensive income.

(i) Earnings per Share

Basic EPS is calculated as net profit attributable to members divided by the weighted average number of ordinary shares adjusted for any bonus element. As there are no dilutive potential ordinary shares, diluted EPS is calculated using the same methodology.

(j) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

As at 30 June 2011 the Company has recognised \$7,813,169 of deferred tax assets (2010: 10,872,511) relating to carried forward tax losses on the basis that it expects to derive future capital gains sufficient to utilise the current losses. The Company has offset current period tax gains against prior period tax losses resulting in a decrease of the deferred tax assets by \$213,472. However, utilisation of the remaining tax losses is dependent on the ability of the entity to satisfy certain tests at the time the losses are recouped. The entity may fail to satisfy the continuity of ownership test and therefore has to rely on the same business test. If the entity fails to satisfy that test, carried forward losses that are currently recognised as deferred tax asset of \$7,813,169 would have to be written off to income tax expense. Refer to note 11(a) for further details.

(k) Key Estimates — Impairment

The Company follows the guidance of AASB 139 *Financial Instruments: Recognition and Measurement* on determining when an available-for-sale financial asset is impaired. This determination requires significant judgement. In making this judgement, the Directors evaluate, among other factors, the duration and extent to which the fair value of an investment is less than its cost in determining what is significant or prolonged decline in fair value.

The Company is a long term investor and has a minimum 3 to 5 year investment horizon. As a result impairment adjustments have not been made on the basis of prolonged decline but are due to the Board's assessment of significant decline.

(l) Fair value of Financial Assets and Liabilities

The fair value of cash and cash equivalents, and non-interest bearing monetary financial assets and liabilities of the Company approximates their carrying value. The fair value for assets that are actively traded on market is defined by AASB 139 as 'last bid price'.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (continued)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Share Based Payment Transactions

Equity-settled share based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

The number of shares expected to be vested is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for equity instruments granted shall be based on the number of equity instruments that eventually vest.

(n) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2011 reporting period. The Responsible Entity's assessment of the impact of these standards (to the extent relevant to the Fund) and interpretations is set out below:

(i) AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010 Amendment to Australian Accounting Standards arising from AASB9 (December 2010) (effective from 1 January 2013)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. AASB 9 permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not traded. The Fund has not yet decided when to adopt AASB 9. However, the Responsible Entity does not expect this will have a significant impact on the Fund's financial statements as the Fund does not hold any available-for-sale investments.

(ii) Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Fund will apply the amended standard from 1 July 2011. The amendments will not have any effect on the Fund's financial statements.

(iii) AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets (effective for annual reporting periods beginning on or after 1 July 2011)

In November 2010, the AASB issued AASB 2010-6 Disclosures on Transfers of Financial Assets which amends AASB 1 First-time Adoption of Australian Accounting and AASB 7 Financial Instruments: Disclosures to introduce additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments will affect particularly entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties. The amendments will not have any impact on the Fund's disclosures. The Fund intends to apply the amendment from 1 July 2011.

(iv) Amendments to AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective for annual reporting periods beginning on or after 1 July 2010 / 1 January 2011)

In June 2010, the AASB made a number of amendments to Australian Accounting Standards as a result of the IASB's annual improvements project. The Fund does not expect that any adjustments will be necessary as the result of applying the revised rules.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (continued)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) New Accounting Standards and Interpretations (continued)

(v) AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (effective from 1 July 2013)

On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. The Company is listed on the ASX and is not eligible to adopt the new Australian Accounting Standards – Reduced Disclosure Requirements. The two standards will therefore have no impact on the financial statements of the entity.

(vi) AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets (effective from 1 January 2012)

In December 2010, the AASB amended AASB 112 Income Taxes to provide a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model. AASB 112 requires the measurement of deferred tax assets or liabilities to reflect the tax consequences that would follow from the way management expects to recover or settle the carrying amount of the relevant assets or liabilities, that is through use or through sale. The amendment introduces a rebuttable presumption that investment property which is measured at fair value is recovered entirely by sale. The Company will apply the amendment from 1 July 2012. It is currently evaluating the impact of the amendment.

NOTE 2: REVENUE	30-Jun-11 \$'000	30-Jun-10 \$'000
Operating activities		
- dividends and distributions from other entities	4,540	7,661
Non-operating activities		
- interest from other persons	676	592
Total revenue	<u>5,216</u>	<u>8,253</u>

NOTE 3: INCOME TAX EXPENSE

(a) The components of tax expense comprise:

Current tax	-	-
Deferred tax	3,437	2,973
Over provision in respect of prior years	(32)	(22)
	<u>3,405</u>	<u>2,951</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (continued)

NOTE 3: INCOME TAX EXPENSE (continued)	30-Jun-11 \$'000	30-Jun-10 \$'000
(b) Reconciliation of the prima facie tax on the profit before income to the income tax		
Prima facie tax payable on profit before income tax at 30% (2010: 30%)	1,677	4,787
Add tax effect of:		
- imputation gross-up on dividends received	523	734
- withholding gross-up on dividends received	9	16
- tax credits	(1,773)	(2,498)
- change in franked dividends receivable/(payable) not subject to income tax	155	(66)
- write-off of Deferred Tax Asset	2,846	-
- over provision from prior year	(32)	(22)
Income tax expense attributable to entity	<u>3,405</u>	<u>2,951</u>
The applicable weighted average effective tax rates are as follows:	61%	18%

The increase in the applicable weighted average effective tax rate in 2011 was due to write down of deferred tax asset by \$2.85 mil (also refer note 11).

NOTE 4: DIVIDENDS	30-Jun-11 \$'000	30-Jun-10 \$'000
(a) Dividends paid during the year		
Final fully franked dividend of 5.0 (2010: nil) cents per share franked at tax rate of 30% (2010: 30%)	8,544	-
Interim fully franked dividend of nil (2010: 3.5) cents per share franked at tax rate of nil (2010: 30%)	-	6,541
Special fully franked dividend of 6.2 (2010: nil) cents per share franked at tax rate of 30% (2010: 30%)	10,594	-
Total dividend paid	<u>19,138</u>	<u>6,541</u>
(b) Dividends not recognised at year end		
Since the year end no final dividend has been declared (2010: 5.0cents per share franked at tax rate of 30%).	<u>-</u>	<u>8,516</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (continued)

NOTE 4: DIVIDENDS	30-Jun-11 \$'000	30-Jun-10 \$'000
(c) Franking credit balance		
The amount of franking credits available for the subsequent financial year are:		
Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of proposed dividends and franking credits that may be prevented from distribution in subsequent financial years	496	7,211
Adjusted franking account balance		
Impact on the franking account of dividends proposed or declared before the financial report is authorised for issue but not recognised as a distribution to equity holders during the year	-	(3,650)
	<u>496</u>	<u>3,561</u>

NOTE 5: CASH AND CASH EQUIVALENTS

Cash at bank	646	372
11am account	1,530	6,511
Futures account	97	-
	<u>2,273</u>	<u>6,883</u>

The effective interest rate on bank deposits was 5.03% (2010: 3.85%).

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	2,273	6,883
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The credit risk exposure of the company in relation to cash is the carrying amount and any accrued unpaid interest. Cash investments are made with following financial institutions:

	Standard & Poor's Rating
BNP Paribas	AA
Commonwealth Bank	AA

NOTE 6: TRADE AND OTHER RECEIVABLES

	30-Jun-11 \$'000	30-Jun-10 \$'000
CURRENT		
Outstanding settlements receivable	432	4,034
Interest receivable	7	24
Dividends receivable	462	926
Other receivables	19	74
	<u>920</u>	<u>5,058</u>

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

The credit risk exposure of the Company in relation to receivables is the carrying amount. There are no past due or impaired receivables.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (continued)

NOTE 7: OTHER CURRENT ASSETS	30-Jun-11 \$'000	30-Jun-10 \$'000
Prepayments	21	66
	<u>21</u>	<u>66</u>
NOTE 8: AVAILABLE-FOR-SALE FINANCIAL ASSETS		
NON CURRENT		
Listed securities at fair value	59,200	138,364
	<u>59,200</u>	<u>138,364</u>
Terms and conditions		
Listed securities are readily saleable with no fixed terms.		
NOTE 9: FINANCIAL ASSETS HELD-FOR-TRADING		
CURRENT		
Futures	18	-
	<u>18</u>	<u>-</u>
Futures held-for-trading are traded for purpose of making short term profit. Changes in fair value are included in the Statement of comprehensive income.		
NOTE 10: TRADE AND OTHER PAYABLES	30-Jun-11 \$'000	30-Jun-10 \$'000
CURRENT		
Sundry payables and accrued expenses	144	680
Outstanding settlements payable	175	699
	<u>319</u>	<u>1,379</u>
Terms and conditions		
- Trade accounts payable are normally settled within 30 days		
- Other payables are non interest bearing		
- Outstanding settlements payable relate to the purchase of financial assets and will be settled within 3 business days.		
NOTE 11: DEFERRED TAX ASSETS AND LIABILITIES	30-Jun-11 \$'000	30-Jun-10 \$'000
(a) Asset		
NON-CURRENT		
Deferred tax assets	8,866	13,146
	<u>8,866</u>	<u>13,146</u>
Deferred tax assets comprises:		
- unrealised losses on revaluation of available-for-sale	981	2,242
- realised capital losses at 30%	7,813	10,872
- audit fees and directors' superannuation accruals at 30%	8	11
- imputation credits to utilise in future years	21	21
- Buy back related fees	43	-
	<u>8,866</u>	<u>13,146</u>
Deferred tax assets	<u>8,866</u>	<u>13,146</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (continued)

NOTE 11: DEFERRED TAX ASSETS AND LIABILITIES (continued)

Upon review of the current annual long term average return of Perennial Value Management and considering the current market outlook, the Directors reviewed the deferred tax asset and made the decision to write off \$2.85m in the current reporting period. The decision to write off this amount does not impact the ability of the company to carry the full quantum of the tax losses forward for tax purposes. The write down is the result of conservatively reviewing the period over and the extent to which the losses are expected to be recovered.

The full amount of the carry forward tax losses, prior to the write down are expected to be utilised for tax purposes over time by the generation of future taxable profits on the basis of the current investment portfolio and historical Australian equity market performance.

(b) Liabilities

CURRENT

Income tax (refundable)/payable	(34)	(44)
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NON-CURRENT

Deferred tax liabilities	37	22
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Deferred tax liabilities comprises:

- interest and dividend accruals	37	22
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Deferred tax liabilities	37	22
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(c) Reconciliations**(i) Gross movements**

The overall movement in the deferred tax account is as follows:

Opening balance	13,124	17,165
Charge to statement of comprehensive income	(3,077)	(2,594)
Charge to equity	(1,218)	(1,447)
Closing balance	8,829	13,124

(ii) Deferred tax liabilities

The movement in the deferred tax liabilities account for each temporary difference during the year is as follows:

Opening balance	22	38
Charge to statement of comprehensive income	15	(16)
Charge to equity	-	-
Closing balance	37	22

(iii) Deferred tax assets

The movement in the deferred tax assets for each temporary difference during the year is as follows:

Opening balance	13,146	17,203
Charge to statement of comprehensive income	(3,062)	(2,610)
Charge to equity	(1,218)	(1,447)
Closing balance	8,866	13,146

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (continued)

NOTE 12: ISSUED CAPITAL

	30-Jun-11 \$'000	30-Jun-10 \$'000
79,110,855 ordinary shares fully paid (2010: 172,521,584)	96,930	172,922
	<u>96,930</u>	<u>172,922</u>
	30-Jun-11 No.	30-Jun-10 No.
(a) Ordinary shares		
At the beginning of financial year	172,521,584	189,453,715
Shares cancelled		
- off market buy-back	(91,760,917)	-
Shares cancelled		
- on market buy-back	(1,649,812)	(16,932,131)
At reporting date	<u>79,110,855</u>	<u>172,521,584</u>
(b) Deferred ordinary shares		
At the beginning of financial year	-	7,881,015
Shares cancelled under selective buy back	-	(7,881,015)
At reporting date	<u>-</u>	<u>-</u>

Ordinary shares participate in dividends and proceeds on winding up of the Company in the proportion to the number of shares held. The ordinary shares do not have a par value.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

The Deferred Ordinary Shares relate to a prior arrangement of the Company with 452 Capital whereby a certain number of the Deferred Ordinary Shares vested with ordinary share rights, depending on the performance of the Company's Portfolio against the S&P/ASX 300 Accumulation Index up until 30 June 2009. As at 1 July 2009 7,881,015 Deferred Ordinary Shares had not vested with ordinary share rights and following shareholder approval at the 2009 Annual General Meeting these shares were bought back from 452 Capital Management Nominees Pty Limited for an aggregate amount of \$78.81 and cancelled.

NOTE 13: RESERVES

	30-Jun-11 \$'000	30-Jun-10 \$'000
Available-for-sale financial assets revaluation	3,255	1,496
	<u>3,255</u>	<u>1,496</u>

The available-for-sale financial assets revaluation reserve records revaluations of available-for-sale financial assets. Under certain circumstances dividends can be declared from this reserve.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (continued)

NOTE 14: CASH FLOW INFORMATION

(a) Reconciliation of cash flow from operations with profit after

Profit after income tax	2,187	13,007
Non-cash flows in profit:		
Gain on disposal of non-current assets	(2,759)	(14,030)
Impairment loss net of income taxes	792	3,872
Unrealised (losses)/gains on futures	(18)	78
Changes in assets and liabilities:		
Decrease/(Increase) in dividends receivable	465	(230)
Decrease in receivables	17	22
Decrease/(Increase) in goods and services tax receivable	55	(6)
Decrease in other assets	46	-
Increase in deferred tax assets	3,407	2,989
(Decrease) in payables	(333)	(86)
(Decrease) in provision income tax payable	(9)	(219)
Increase in deferred tax liability	16	7
Net cash provided by operating activities	<u>3,866</u>	<u>5,404</u>

(b) Non cash financing and investing activities:

Dividend reinvestment plan

The Dividend Reinvestment Plan remained suspended during the year ended 30 June 2011. This was also the case for the year ended 30 June 2010. Hence no dividends have been paid out via the issue of fully paid ordinary shares for the 2010 and 2011 financial years.

(c) Credit Facilities:

The Company does not have any credit or loan facilities at year end.

NOTE 15: EARNINGS PER SHARE

	30-Jun-11	30-Jun-10
	Cents	Cents
Basic earnings per share based on operating profit after income tax	<u>1.61</u>	<u>6.99</u>
	Shares	Shares
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	<u>135,475,674</u>	<u>186,042,782</u>
	\$ '000	\$ '000
Earnings used in calculating basic earnings per share	<u>2,187</u>	<u>13,007</u>
	Cents	Cents
Diluted earnings per share is the same as the basic earnings per share	<u>1.61</u>	<u>6.99</u>

NOTE 16: AUDITORS' REMUNERATION

Professional Expenses include audit fees as follows:

	30-Jun-11	30-Jun-10
Amounts receivable or received and receivable by Grant Thornton		
	\$	\$
- audit and review of the financial reports of the entity	55,566	44,900
- other assurance services	4,620	3,000
	<u>60,186</u>	<u>47,900</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (continued)

NOTE 17: SEGMENT REPORTING

The Company operated within one business segment, being investments and one geographical segment (Australia).

NOTE 18: RELATED PARTY DISCLOSURES

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

Transactions with related parties:

The previous Investment Manager, 452 Capital Pty Limited (ACN 101 924 430) was receiving a management fee from the Company (payable quarterly in arrears) based on 1% of the net tangible asset backing (as defined in the ASX Listing Rules) of the Company less a rebate, detailed as follows. Up until 31 March 2009 a rebate of \$250,000 (inclusive of GST) per annum was deducted from the management fee to offset the accounting, administration and management expenses incurred by Century Australia. Under agreed terms between the Investment Manager and the Company, the rebate was to reduce to nil in any quarter where the value of the portfolio fell below \$230 million after adding back falls in the All Ordinaries Index since the rebate commenced. From 1 April 2009 the Investment Manager agreed to proportionately reduce the rebate (based on the average month end portfolio value divided by \$230 million). During the year, management fees of \$290,714 (2010: \$1,620,914) were paid to 452 Capital Pty Limited. As at balance date there were no management fees payable (2010: \$404,921).

452 Capital Pty Limited ceased to manage the portfolio as at 9 September 2010.

NOTE 19: DIRECTORS' AND KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Names and positions held of key management personnel in office at any one time during the financial year are:

R Turner	Chairman (Non-Executive)
S Menzies	Director (Non-Executive)
R Hooper	Director (Non-Executive)
R Finley	Director (Non-Executive)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (continued)

NOTE 19: DIRECTORS' AND KEY MANAGEMENT PERSONNEL COMPENSATION (continued)

(b) Shareholdings

Number of shares held by directors and key management personnel

	Balance 30-Jun-09	Net Change* 2010	Balance 30-Jun-10	Net Change* 2011	Balance 30-Jun-11
R Turner	153,739	-	153,739		153,739
S Menzies	11,515	-	11,515	12,000	23,515
R Hooper	15,000	-	15,000		15,000
R Finley	-	100,000	100,000	(100,000)	-
Total	180,254	100,000	280,254	- 88,000	192,254

* Net change refers to shares purchased or participation in the dividend reinvestment plan during the financial year.

(c) Director's and key management personnel compensation

The director's and key management personnel compensation is detailed on the pages 19- 20 in the Directors' report.

NOTE 20: FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk.

(a) 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.

Credit risk is managed as noted in Note 5 with respect to cash and cash equivalents and Note 6 for trade and other receivables. None of these assets are over-due or considered to be impaired.

(b) Liquidity Risk

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

Century and its representatives, in conjunction with the Investment Manager, monitors its cash-flow requirements in relation to the trading account taking into account upcoming dividends, tax payments and trading 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.

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

The table below analyses the Company's non derivative financial liabilities in relevant maturity groupings based on the remaining period to the earliest possible contractual maturity date at the year end date. The amounts in the table are contractual undiscounted cash flows.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (continued)

NOTE 20: FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity Risk (continued)

	Less than 1 month \$'000	More than 1 month \$'000	Total \$'000
At 30 June 2011			
Trade and other payables	319	-	319
Total financial liabilities	<u>319</u>	<u>-</u>	<u>319</u>
At 30 June 2010			
Trade and other payables	1,379	-	1,379
Total financial liabilities	<u>1,379</u>	<u>-</u>	<u>1,379</u>

(c) 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.

By its nature as a Listed Investment Company that invests, the Company can never be free of market risk as it invests its capital in securities which are not risk free - the market price of these securities can fluctuate.

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:

	Change in variable		Effect on Company's Equity	
	2011	2010	2011	2010
	+/-	+/-	\$'000	\$'000
Equity price risk	5%	5%	2,072	4,843
Equity price risk	10%	10%	4,144	9,685

The available for sale financial assets investment revaluation reserve increased by \$1.8million (2010: \$2.5 million) during the financial year. In accordance with Accounting Standards, any further falls in value of the investment portfolio would continue to be recognised in equity as unrealised losses, thereby impacting the shareholders' equity of the Company. However in the case of a prolonged decline in the value of an instrument and if determined to be impaired; impairment losses will be recognised in the statement of comprehensive income. For the year ended 30 June 2011 the Company transferred an impairment loss of \$0.8 million (2010: \$3.9 million) from the Available for sale financial assets investment revaluation reserve in to the statement of comprehensive income. When identifying impaired stocks the company considered factors discussed in Note 1(h).

The Company seeks to manage and constrain market risk by diversification of the investment portfolio across multiple stocks and industry sectors. The relative weightings of the individual securities and relevant market sectors are reviewed and risk can be managed by reducing exposure where necessary.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (continued)

NOTE 20: FINANCIAL RISK MANAGEMENT (continued)

(c) Market Risk (continued)

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

2011	%
BHP Billiton Limited	12.02
Commonwealth Bank Australia	8.05
National Australia Bank	7.38
ANZ Banking Group	7.13
Telstra Corp Limited	5.68
Rio Tinto Limited	5.15
	<u>45.41</u>
2010	%
Westpac Banking Corporation	10.02
Telstra Corporation Limited	9.59
National Australia Bank	8.52
AMP Limited	5.47
	<u>33.59</u>

No other security represents over 5 per cent of the Company's investment portfolio.

The Company is not directly exposed to currency risk as all its investments are quoted in Australian dollars. However, some of the companies invested in by the Investment Manager may have varying degrees of currency risk attached to them as their earnings are effected by fluctuations in the foreign currency.

(d) Interest Rate Risk

The Company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis.

The following table illustrates the effect on the Company's Equity from possible changes in 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 :

	Change in variable		Effect on Company's Equity	
	2011	2010	2011	2010
			\$'000	\$'000
Interest rate risk	+/- 0.75bps	+/- 0.75bps	+/- 89	+/- 86

Note 5 includes the Company's exposure to interest rate risk.

(e) Capital Management

The Board's policy is to maintain a strong net asset capital base so as to maintain investor and market confidence. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (continued)

NOTE 20: FINANCIAL RISK MANAGEMENT (continued)

(e) Capital Management (continued)

At the 2010 Annual General Meeting, Century shareholders voted in favour of an equal access buy back scheme whereby shareholders were offered the opportunity to exit their investment at close to Net Tangible Asset backing. Acceptances representing approximately 53% of issued capital were received. As a result of the implementation of this scheme, the number of shares on issue decreased by 91,760,917 on 9 February 2011 when the buy back settlement proceeds were paid to participating shareholders.

In December 2009 the Board extended the on market share buyback program as part of its capital management program. This program was not further extended in 2011 financial year and hence no shares had been purchased (2010: 16,932,131 shares at a value of \$13,942,914 were bought back). The Dividend Reinvestment Plan remains suspended until further notice.

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

(f) 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 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.

Derivative transactions include a wide assortment of instruments, such as futures. 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.

The Company held the following derivative instrument during year ended 30 June 2011.

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.

(g) Fair Value Hierarchy

AASB 7 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (continued)

NOTE 20: FINANCIAL RISK MANAGEMENT (continued)

(g) Fair Value Hierarchy (continued)

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.

The table below sets out the Company's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2011				
Financial assets				
Available for sale investments	59,200	-	-	59,200
Total	59,200	-	-	59,200
2010				
Financial assets				
Available for sale investments	138,364	-	-	138,364
Total	138,364	-	-	138,364

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities, certain unlisted unit trusts and exchange traded derivatives.

NOTE 21: EVENTS AFTER BALANCE DATE

Subsequent to 30 June 2011 there has been significant volatility in global equity and debt markets following the downgrade of the credit rating of US long term debt by Standard and Poors and continued market uncertainty. The company releases monthly NTA per share to the market and this reflects the current market value of its investments.

Other than the above, no matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

NOTE 22: CONTINGENT LIABILITIES

At balance date, the Company had no contingent liabilities.

NOTE 23: COMPANY DETAILS

The registered office and principal place of business of the Company is:
Level 7, 20 Hunter Street
SYDNEY NSW 2000

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 22-43, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the Company.
 - (c) comply with International Financial Reporting Standards as disclosed in Note 1.
2. On behalf of White Outsourcing Pty Limited, Peter Roberts, as the person who performs the Chief Executive Functions for the purposes of the Act declared that:
 - (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporation Act 2001;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.
3. In the Directors' opinion there are reasonable grounds to believe that the Company 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.

On behalf of the Board



**R Turner
Chairman**

Dated this 30th day of August 2011

Grant Thornton Audit Pty Ltd
ACN 130 913 594

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W www.grantthornton.com.au

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 2011, 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 AUDIT PTY LTD
Chartered Accountants



A G Rigele
Director - Audit & Assurance

Sydney, 30 August 2011

Grant Thornton Audit Pty Ltd
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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 2011, the statement of 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 of the financial report in accordance with Australian Accounting Standards and the Corporations Act 2001. This responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be 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, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies 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 which 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 and fair presentation of the financial report 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 Company's financial position as at 30 June 2011 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 19 to 20 of the directors' report for the year ended 30 June 2011. 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 2011, complies with section 300A of the Corporations Act 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



A G Rigele
Director - Audit & Assurance

Sydney, 30 August 2011

INVESTMENT HOLDINGS 30 JUNE 2011

Security Name	Portfolio Value	% of Total Portfolio Value
CONSUMER DISCRETIONARY		
Amalgamated Holdings	603,461	0.98%
Aristocrat Leisure	694,401	1.13%
Echo Entertainment Group	265,461	0.43%
Fairfax Media Limited	751,596	1.22%
Harvey Norman Holdings	937,270	1.52%
News Corporation	1,093,219	1.78%
Sky City Entertainment	143,765	0.23%
Seven Group Holdings	493,915	0.80%
Tabcorp Holdings Limited	207,977	0.34%
Tatts Group Limited	340,221	0.55%
Consumer Discretionary - subtotal	5,531,286	8.98%
CONSUMER STAPLES		
Fosters Group Limited	1,389,552	2.26%
Graincorp Limited	648,038	1.05%
Metcash Limited	184,487	0.30%
Seven West Media Limited	931,689	1.51%
Treasury Wine Estates Limited	942,259	1.53%
Consumer Staples - subtotal	4,096,025	6.65%
ENERGY		
AGL Energy Limited	1,007,359	1.64%
AWE Limited	222,639	0.36%
Woodside Petroleum	1,430,654	2.32%
Energy - subtotal	2,660,652	4.32%
INDUSTRIALS		
Brambles Limited	300,254	0.49%
QANTAS Airways Limited	845,638	1.37%
Toll Holdings Limited	469,718	0.76%
Industrials - subtotal	1,615,610	2.62%
MATERIALS		
Anglogold Ashanti Limited	644,434	1.05%
Amcor Limited	1,722,956	2.80%
Aquarius Platinum Limited	681,723	1.11%
BHP Billiton Limited	7,118,527	11.56%
Brickworks Limited	685,766	1.12%
Boral Limited	758,314	1.23%
Bluescope Steel Limited	382,453	0.62%
Fletcher Building Limited	1,338,517	2.17%
Gloucester Coal Limited	280,409	0.46%
New Hope Corporation Limited	88,526	0.14%
Orica Limited	1,139,593	1.85%
Rio Tinto Limited	3,050,992	4.96%
Sims Metal Management Limited	1,078,873	1.75%

INVESTMENT HOLDINGS 30 JUNE 2011

Security Name	Portfolio Value	% of Total Portfolio Value
Whitehaven Coal Limited	4,320	0.01%
Materials - subtotal	18,975,403	30.83%
PROPERTY TRUSTS		
FKP Property Group	581,349	0.94%
GPT Group	206,939	0.34%
Stockland	1,017,438	1.65%
Property Trusts - subtotal	1,805,726	2.93%
TELECOMMUNICATIONS SERVICES		
Telstra Corporation Limited	3,361,275	5.46%
Telecommunications Services - subtotal	3,361,275	5.46%
FINANCIALS EXCLUDING PROPERTY TRUSTS		
AMP Limited	1,377,726	2.24%
Australia and New Zealand Bank Group Limited	4,223,861	6.86%
Bank of Queensland Limited	156,402	0.25%
Commonwealth Bank of Australia	4,762,728	7.74%
Lend Lease Corporation Limited	1,191,978	1.94%
Macquarie Group Limited	1,226,434	1.99%
National Australia Bank Limited	4,367,401	7.09%
Premier Investments Limited	392,624	0.64%
Suncorp Group Limited	768,852	1.25%
Westpac Banking Corporation	2,685,534	4.36%
Financials excluding Property Trusts - subtotal	21,153,540	34.36%
OTHER		
SPI 200 Futures	17,675	0.03%
Cash	2,351,742	3.82%
Other - subtotal	2,369,417	3.85%
TOTAL	61,568,934	100.00%

SHAREHOLDER INFORMATION

Distribution of Shareholder Numbers as at 19 August 2011

Category (size of Holding)	Ordinary
1-1,000	214
1,001-5,000	699
5,001-10,000	751
10,001-100,000	1,504
100,001 and over	95
	3,263

The number of shareholdings held in less than marketable parcels as at 22 August 2011 was 128.

Substantial Shareholders

There were no substantial shareholders listed in the holding Company's register as at 19 August 2011.

Voting Rights

The voting rights attached to each class of equity security are as follows:

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.

Stock Exchange listing

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

Unquoted Shares

There are no unquoted shares on issue.

Transaction Summary

During the financial year, 1,757 transactions in securities were made by the Company. The total brokerage accrued during the year was \$502,468.

Investment Management Agreement

The previous Investment Manager, 452 Capital Pty Limited (ACN 101 924 430) was receiving a management fee from the Company (payable quarterly in arrears) based on 1% of the net tangible asset backing (as defined in the ASX Listing Rules) of the Company less a rebate, detailed as follows. Up until 31 March 2009 a rebate of \$250,000 (inclusive of GST) per annum was deducted from the management fee to offset the accounting, administration and management expenses incurred by Century Australia. Under agreed terms between the Investment Manager and the Company, the rebate was to reduce to nil in any quarter where the value of the portfolio fell below \$230 million after adding back falls in the All Ordinaries Index since the rebate commenced. From 1

April 2009 the Investment Manager agreed to proportionately reduce the rebate (based on the average month end portfolio value divided by \$230 million).

452 Capital Pty Limited ceased to manage the portfolio as at 9 September 2010.

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.

Securities subject to voluntary escrow

There are no shares issued to voluntary escrow.

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-Sept-08	DRP	\$ 0.9137

20 LARGEST SHAREHOLDERS AS AT 19 AUGUST 2011

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Shares
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	3,433,195	4.34%
DE LA SALLE BROTHERS	2,172,663	2.75%
NATIONAL NOMINEES LIMITED	1,044,765	1.32%
RBC DEXIA INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <MLCI A/C>	1,001,205	1.27%
COUNT FINANCIAL LIMITED	1,000,000	1.26%
ITTA DEVELOPMENTS PTY LTD	1,000,000	1.26%
MR ERROL JOHN SHEEDY & MRS NANETTE SHEEDY <NEMRL SUPER FUND A/C>	690,000	0.87%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	629,643	0.80%
EMSDALE HOLDINGS PTY LTD	540,000	0.68%
COGENT NOMINEES PTY LIMITED	532,927	0.67%
ROSETTA PTY LTD	462,700	0.59%
EQUITAS NOMINEES PTY LIMITED <PB-600868 A/C>	459,534	0.58%
TROPHY COMPONENTS DISTRIBUTORS PTY LIMITED	450,000	0.57%
MR FRED SIMPSON-MORGAN	437,587	0.55%
SILC PTY LTD <STEPHEN WINTER S/F A/C>	405,040	0.51%
ALADZO PTY LIMITED <LILING SUPER FUND A/C>	363,000	0.46%
THE TRUSTEES OF THE SISTERS OF ST JOSEPH MAITLAND	351,750	0.45%
QUESTOR FINANCIAL SERVICES LIMITED <TPS RF A/C>	350,623	0.44%
UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	348,083	0.44%
RBC DEXIA INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <NMSMT A/C>	330,126	0.42%
	16,002,841	20.23%