



PISL

PROFITS INCORPORATED SOCIETY LIMITED

What we do is not what we want to do, it's what we have to do. **Profits**



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Profits Incorporated Society Limited
Directors Report

Money. Money. Money.

I'm talking about the Benjamins, the bread, cheddar cheese, the big ones, dough dough, the greenback, looto, smackeroonees and the big fat wad.

John Ruskin said – a little thought and a little kindness are often worth more than a great deal of money. Benjamin Franklin said – money has never made man happy, nor will it, there is nothing in its nature to produce happiness, the more of it one has the more one wants. Ayn Rand said – money is only a tool. It will take you wherever you wish, but it will not replace you as the driver.

To this I say, Johnny boy – give me money and I'd be a little bit more thoughtful and a little kinder to the hobos on my way to work; Benji – give me money and I'll go to the applestore, buy 2,000 iphones and then give them to bypasses on the street. Happiness produced. And Ms Rand – give me money, and I'll go down to the local Bentley showroom, purchase the latest model out, hire a butler and get him to drive me around. So, yes, it will replace me as the driver.

Profits.

Profits are reflected in reduction in liabilities, increase in assets, and/or increase in owners' equity. It furnishes resources for investing in future operations, and its absence may result in the extinction of a company.

Profits.

The financial year saw a consolidation of PISL's investment portfolio to a value of \$9,311, this assisted with the building of a healthy cash pile of \$12,372. Investment performance saw PISL make a marginal gain with a return of 0.14% for the period. However PISL's selective portfolio should place the company in a strong position to benefit from eventual economic recovery.

Profits.

Our company is founded with the intention of successfully building the foundations of today, tomorrow, and the future, on a big wad of mattress money. This past fiscal year has set the company up to pay huge dividends to all PISL shareholders, so much so that the company has generously liquidated underperforming shares in order to accommodate an all-expenses paid* trip to Thailand as a venue to host our LGM (Lustrum General Meeting). This meeting will focus on the future direction of the company and will no doubt result in stronger global relationships.

Profits.

As always, a special thanks must be relayed to Mr B Luxton for completing the PISL accounts and chasing up overdue debtors. On that note, I conclude my directors' report. Pleasure doing business with all PISL directors and I look forward to the LGM in Thailand to discuss profits while spending profits.



VINCENT TW CHAN

*not all expenses will be paid for.



Profits Incorporated Society Limited
Investment Performance Summary

Investment Portfolio Summary

	2014	2013	Gain/Loss	
Rakon Limited	426	511	-	85
Westpac Banking Corporation	4,689	4,547	-	128
Origin Energy Limited	-	1,316		400
Barramundi Limited	1,541	1,600	-	206
Algae.Tec Limited	400	897	-	496
BHP Billiton	-	1,183		234
Fletcher Buildings Limited	2,255	1,970		222
Adventure Artist Bond	-	2,000		-
Investment Total	9,312	14,024	-	60

Investments are quoted at the year end market value. Gain/loss is a total return for the period, including the impact of any purchases or sales. The total cost of investments at 31 March 2014 was \$10,376 (\$15,028 in 2013).

Total Return

Total return for the year ended 31 March 2014	0.14%
Total return for the year ended 31 March 2013	7.42%
Total return for the year ended 31 March 2012	-9.99%
Total return for the year ended 31 March 2011	9.92%
Total return for the year ended 31 March 2010	-1.09%
Total return for the period ended 31 March 2009	0.06%
Total return since inception	<u>1.05%</u>

Total returns reflect the market value of investments.

Earnings/Asset Per Share (cents)

	2014	2013	Gain/Loss
Earnings Per Share (EPS)	0.000001	0.000003	-64%
Net Total Assets Per Share (NTA/S)	0.000310	0.000253	22%



Profits Incorporated Society Limited
Statement of Financial Performance
For the Year Ended 31 March 2014

	Note	2014	2013
Interest		524	5
Dividends		562	507
Gain on Investment		-801	0
Total Income		<u>285</u>	<u>512</u>
Brokerage		64	0
Other		45	0
Total Expenses		<u>109</u>	<u>0</u>
Net Profit		<u>176</u>	<u>512</u>
Tax Paid	(4)	90	272
Net Profit After Tax		<u>87</u>	<u>240</u>

Profits Incorporated Society Limited
Statement of Movements in Equity
For the Year Ended 31 March 2014

	Invested Capital	Investment Reserve	Retained Earnings	Total
Balance at 1 April 2012	7	-1,850	1,264	-579
Net Profit for the period			240	240
Change in Investments		845		845
Balance at 31 March 2013	<u>7</u>	<u>-1,006</u>	<u>1,504</u>	<u>506</u>
Balance at 1 April 2013	7	-1,006	1,504	506
Net Profit for the period			87	87
Change in Investments		-60		-60
Balance at 31 March 2014	<u>7</u>	<u>-1,065</u>	<u>1,591</u>	<u>533</u>



Profits Incorporated Society Limited
Statement of Financial Position
As at 31 March 2014

	Note	2014	2013
Cash		12,372	3,683
Investments (cost)	(2)	10,376	15,028
Gain on Investments	(1)	-1,065	-1,006
Total Assets		<u>21,683</u>	<u>17,706</u>
Loans	(3)	21,150	17,200
Total Liabilities		<u>21,150</u>	<u>17,200</u>
Invested Capital		7	7
Investment Reserve	(1)	-1,065	-1,006
Retained Earnings		1,591	1,504
Total Shareholders Equity		<u>533</u>	<u>506</u>
Total Equity and Liabilities		<u>21,683</u>	<u>17,706</u>

Profits Incorporated Society Limited
Notes to the Financial Statements

Note 1 – General

Accounts are prepared on a cash basis, meaning income, expenses, assets, and liabilities are only recorded when cash is received or payments are made.

The exception to this is investments where the market value of existing investments is reflected through a separate reserve account. This is recorded directly in equity, and therefore gains or losses on investment will only be shown in income when all or part of an investment is sold. The investment portfolio summary on page 4 details the year end market value of each individual investment.

The income tax reported in the statement of financial performance is the amount of tax paid during the current financial year and does not reflect the tax liability of the company. These amounts are reconciles in note 4.

All amounts are stated in New Zealand Dollars unless otherwise noted.



Note 2 – Investments (Cost)

	2014	2013
Rakon Limited	2,002	2,002
Westpac Banking Corporation	3,593	3,323
Origin Energy Limited	–	1,716
Barramundi Limited	1,843	1,696
Algae.Tec Limited	1,409	1,409
BHP Billiton Limited	–	1,417
Fletcher Buildings Limited	1,529	1,466
Adventure Artist Bond	–	2,000
Total	<u>10,376</u>	<u>15,028</u>

Note 3 – Loans

	2014	2013
V Chan	3,050	2,500
K Haiden	3,050	2,450
B Luxton	3,050	2,450
M Patterson	3,050	2,450
D Pritchard	3,050	2,450
M Russell	3,050	2,450
G Wright	2,850	2,450
Total	<u>21,150</u>	<u>17,200</u>

Note 4 – Income Tax

	2014	2013
Opening Balance	67	255
Tax Paid	–90	–272
Other Tax Credits	–68	–47
Tax Liability	270	131
Closing Balance – Tax Liability / (Credit)	<u>181</u>	<u>67</u>

Income tax paid to IRD during the year to 31 March 2014 was \$67 (2013 \$255).

Note 5 – Imputation Credit Account

	2014	2013
Opening Balance	319	0
Imputation Credits Received	154	319
Imputation Credits Applied	0	0
Closing Balance – Credit / (Liability)	<u>473</u>	<u>319</u>



Profits Incorporated Society Limited
 LGM Special Update
 As at 24 June 2014

	<i>2014 Update</i>	<i>Gain/Loss since 2014 YE</i>
Investment Summary		
Rakon Limited	489	64
Westpac Banking Corporation	4,747	58
Barramundi Limited	1,541	-
Algae.Tec Limited	287	-
Fletcher Buildings Limited	2,089	-
Total	9,154	-

Total Return

Total return since inception	<u>0.68%</u>
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	<i>2014 Update</i>	<i>2014 Post LGM</i>
Summary Financial Position		
Cash	13,412	-588
Investments (cost)	10,376	10,376
Gain on Investments	-1,223	-1,223
Total Assets	22,566	8,566
Loans	22,200	8,200
Total Liabilities	22,200	8,200
Invested Capital	7	7
Investment Reserve	-1,223	-1,223
Retained Earnings	1,581	1,581
Total Shareholders Equity	366	366
Total Equity and Liabilities	22,566	8,566







INVESTMENTS