Appendix 4E

Preliminary final Report

Listing Rule 4.3A

Company	**Platinum Capital Limited**
ASX Code	PMC
Year Ended	30 June 2016
Previous corresponding Year Ended	30 June 2015
ABN	51 063 975 431

Results for Announcement to the Market

Announcement to the market should be read in conjunction with the 30 June 2016 Financial report:

	% Movement	$A'000
Total investment income	-128.57%	(20,310)
Loss from ordinary activities after tax attributable to members	-141.86%	(18,764)
Net loss for the year attributable to members	-141.86%	(18,764)

The net loss for the year reflects a decline in the fair value of investments when investments are valued on a mark to market basis. Under Australian Accounting Standards, realised profits and losses are added to, or reduced by, changes in the market value of the Company's total assets. This can lead to large variations in recorded statutory profits or losses from any one year to the next.

The Directors consider that the pre-tax Net Asset Value (NAV), after fees and expenses, combined with the flow of dividends is a better measure of performance of the Company.

For the 12 months to 30 June 2016, Company's pre-tax NAV, after fees and expenses, and assuming the reinvestment of dividends, decreased by 7.28% versus a decrease of 0.62% for the benchmark Morgan Stanley Capital International All Country World Net Index (MSCI) in A$ terms.

Below are the Company's pre-tax compound NAV returns in comparison to the benchmark for 3 years, 5 years and since inception.

Period	Pre-tax NAV Return (p.a.)	MSCI Return (p.a.)
3 years (compound)	8.55%	13.59%
5 years (compound)	10.92%	13.32%
Inception (compound)	12.04%	6.29%

The composition of the Company's portfolio differs from the MSCI benchmark. This will cause the Company's performance to vary markedly from the benchmark from time to time.

This variance is not unusual and the different investment methodology is the reason why the Company has been able to deliver strong absolute returns over the medium and long-term despite having lower net exposure (and therefore less risk) to the market, in keeping with the Company's stated absolute return focus.

Dividends

Final dividend declared	4 cents per share fully-franked
Ex-date	24 August 2016
Record date	25 August 2016
The last date for receipt of election notices for the dividend reinvestment plan	26 August 2016
Payable date	13 September 2016

A 3 cents per share fully-franked interim dividend was paid on 4 March 2016. The total interim and final dividend for the year is 7 cents per share.

The Directors are able to declare a dividend despite the Company making a current year operating loss, because prior year profits have built up over time and have been transferred to the dividend profit reserve. The Company has sufficient cash reserves to cover the final dividend.

The Company's ability to pay franked dividends is dependent on the Company paying income tax.
At 30 July 2016, the Company had a realised franking account balance of 7.67 cents per share, which has resulted in a capacity to pay a possible maximum fully-franked dividend of 17.90 cents per share. We are not paying out the full 17.90 cents per share as the Board has a policy of dividend smoothing and does its best to ensure that there are sufficient franking credits available to pay fully-franked dividends in the future

Shares on issue totalled 235,332,383 at 30 June 2016.

A 6 cents final fully-franked dividend was declared on 13 August 2015 for the year ended 30 June 2015.

Capital Management

Throughout the year to 30 June 2016, the Company's share price has traded at a premium to pre-tax NAV. The Board has actively considered capital management initiatives during the year, but after considering the view of the Investment Manager in regard to timing, we have not undertaken any initiatives. This is subject to ongoing review by the Board in conjunction with the input of the Investment Manager.

The Board advises that it has reconsidered its decision of 2010 to discontinue Share Purchase Plans and now may utilise them in future, if deemed appropriate.

Dividend Reinvestment Plan

The Dividend Reinvestment Plan is in operation and the final dividend of 4 cents per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded down to the nearest whole number) which the cash dividend would purchase at the relevant issue price.

The relevant issue price for the final dividend will be at a 2.5 percent discount on the prevailing stock market price (calculated as the average closing price over the five business days subsequent to the date on which the shares cease to trade cum dividend).

Further information

- Refer to the attached audited financial statements for financial data on the Company.
- Refer to the attached Chairman's report

Andrew Stannard
Interim Company Secretary
19 August 2016

PLATINUM CAPITAL LIMITED

Chairman's Report 2016

Investment Performance

The Platinum Capital Limited (PMC) portfolio is structured quite differently to that of its benchmark index. This is not unusual and is an outcome of the proven investment philosophy and process of our Investment Manager that has delivered well above average long-term results for shareholders of PMC. The price to be paid in following this investment process is that there will be shorter term periods when returns are below par – this was one of those years.

In the year ending 30 June 2016, Platinum Capital's Net Asset Value (NAV) decreased by 7.28% pre-tax, after fees and expenses and assuming the reinvestment of dividends, versus the benchmark Morgan Stanley Capital International All Country World Net Index [MSCI] in $A terms remaining flat. The 12 months return from the Australian All Ordinaries Accumulation Index was 2.01%. After allowing for all tax liabilities, both realised and unrealised, the Company's NAV decreased by 5.08%.

PMC's portfolio suffered from its underweighting to the strongly performing US market and commensurate overweighting to the weaker Chinese, Japanese and European markets. The US market, which comprises nearly 54% of the benchmark, delivered 6%, whilst the rest of the world decreased 7%. We are also underweight the strongly performing Consumer Staples sector which is slow-growing and regarded as overvalued. In contrast the Investment Manager advises that "the portfolio is predominantly composed of growing companies and those that are paying back decent amounts of income to shareholders and, by our calculations, likely to grow, though in the main slowly."

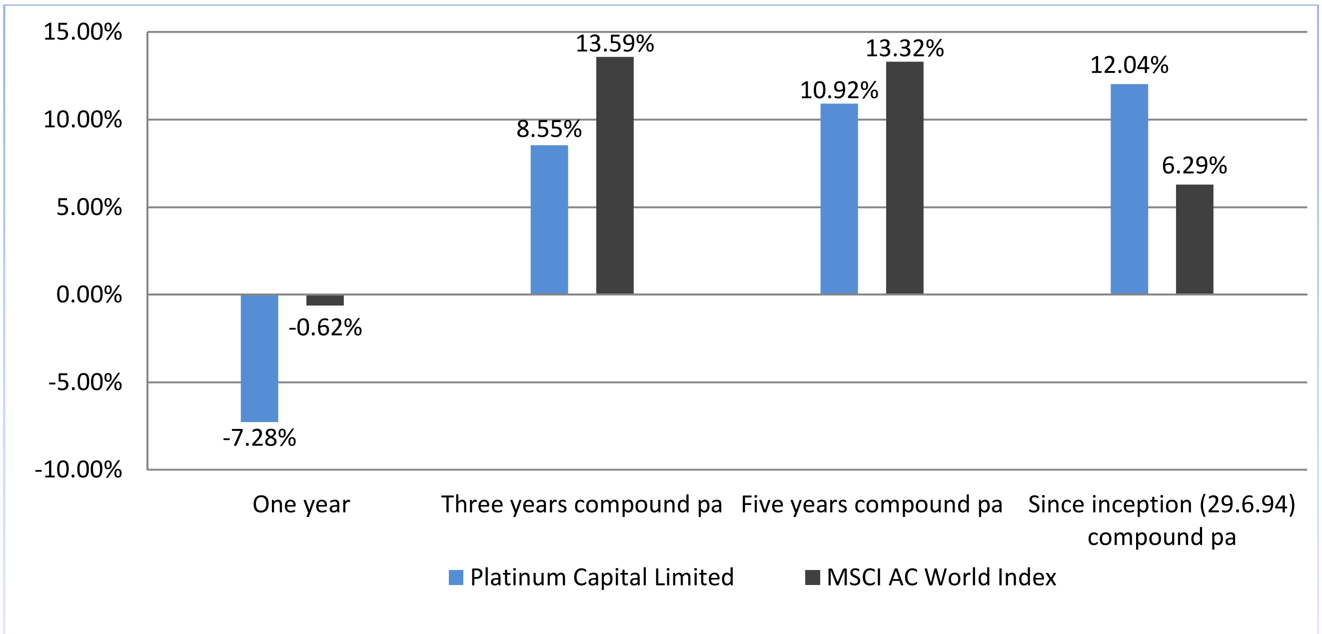
Shareholder Returns

Total shareholder return, measured in terms of the change in the Company share price plus dividends paid, was down 3.39% for the 12 months to 30 June 2016. However when added to the 5.95% return for the 12 months to 30 June 2015, and the exceptional 27.24% return for the 12 months to 30 June 2014, it is clear that shareholder return over the last three years has been good.

Since inception (in 1994), the compound annual appreciation of the Company's net assets on a pre-tax basis has been 12.04% per annum compared to the return from the MSCI World Net Index of 6.29%. The comparable return from the Australian All Ordinaries Accumulation Index has been 8.14% annually over the same 22 years.

Your Board believes the Company's long-term track record demonstrates that the investment philosophy and process of our Investment Manager delivers solid risk adjusted returns for patient investors.

Pre-Tax Net Asset Value Return (%) versus MSCI Index^ to 30 June 2016 (%)



^ Morgan Stanley Capital International All Country World Net Index
Note: Pre-tax NAV return is after the deduction of management fees and other expenses.
Source: Platinum and MSCI

For the year ended 30 June 2016, the Company made a statutory pre-tax operating loss of $26.8 million and a post-tax operating loss of $18.8 million.

However, under Australian Accounting Standards, realised profits and losses are added to, or reduced by, changes in the market value of the Company's total assets. This can lead to large variations in recorded statutory profits or losses from any one year to the next.

Therefore, despite the losses made this year, your Directors continue to maintain that a more appropriate measure of the Company's results is the percentage change in its pre-tax NAV plus dividends paid. On this measure, the Company's pre-tax NAV decreased to $1.44 at 30 June 2016 and, after adjusting for dividends and taxes, this represents a decrease of 7.28%.

Dividends

A fully-franked dividend of 4 cents will be paid for the year ended 30 June 2016, making 7 cents for the full year.

I am pleased to report that the Company has been steadily building up its pool of available franking credits as a result of realised profits derived during the year and the associated tax payments.

The Company continues its policy of dividend smoothing and does its best to ensure that there are sufficient franking credits available to pay fully-franked dividends in the future. The ability to generate fully-franked dividends will continue to be dependent on the Company's ability to generate realised profits and pay tax.

To the extent that any profits are not distributed as dividends, the Company has implemented a policy, where it may set aside some or all of its undistributed profits to a separate dividend profit reserve, to facilitate the payment of future fully-franked dividends. The benefit of the dividend profit reserve for the Company is that it will have a pool of undistributed profits available for distribution, subject to the balance of the franking account.

Hence, despite the current year operating loss, a dividend can be declared out of the dividend profit reserve, based on the cash reserves built up (from prior years) when returns were stronger, that were transferred into the dividend profit reserve.

Changes to the Board

As previously advised, Kerr Neilson was Managing Director until his resignation on 21 August 2015. Andrew Clifford was Executive Director until his resignation on 21 August 2015.

The changes to the Board were made for two reasons:

(a) to bring the Company in line with contemporary corporate governance practices by having independent directors comprising a majority of the Board; and

(b) to make the composition of the Company's Board consistent with the Board structure of the new Platinum LIC, Platinum Asia Investments Limited (ASX code: PAI).

Both Kerr Neilson and Andrew Clifford have continued in their positions as current Chief Executive Officer and Chief Investment Officer of Platinum Investment Management Limited (PIML) (the "Investment Manager").

Changes to Fee structure

At the 2015 Annual General Meeting (AGM) for the Company, shareholders passed a resolution that changed the management and performance fees payable by the Company to the Investment Manager, with effect on and from 1 January 2016.

The fee structure effective up until 31 December 2015 comprised of a base management fee of 1.5% per annum of the Company's portfolio value and a performance fee of 10% per annum of the amount by which the portfolio's annual performance (at 30 June) exceeded the return achieved by the benchmark Morgan Stanley Capital International All Country World Net Index (MSCI) in $A terms plus a 5% hurdle.

The fee structure effective on and from 1 January 2016 comprised a lower base management fee of 1.1% per annum of the Company's portfolio value and a performance fee of 15% per annum of the amount by which the portfolio's annual return (at 30 June) exceeds the MSCI return.

Capital Management

Throughout the year to 30 June 2016, the Company's share price has traded at a premium to pre-tax NAV. The Board has actively considered capital management initiatives during the year, but after considering the view of the Investment Manager in regard to timing, we have not undertaken any initiatives. This is subject to ongoing review by the Board in conjunction with the input of the Investment Manager.

The Board advises that it has reconsidered its decision of 2010 to discontinue Share Purchase Plans and now may utilise them in future, if deemed appropriate.

Corporate Governance

As shareholders would be aware, Platinum Capital's funds are ultimately managed by Platinum Investment Management Limited through two key agreements previously approved by shareholders: the Investment Management Agreement and the Administration Services Agreement.

In the past year, the Non-Executive Directors report that they have continued to monitor the performance of the Investment Manager and its adherence to the agreements with the full and transparent co-operation of Platinum Investment Management Limited and its management team. We are accordingly confident in the integrity and reporting of the Company's financial results to shareholders.

Outlook for 2016-2017

As highlighted recently by our Investment Manager, "there are mixed signals about the general state of world growth. When assessing our portfolio, we assume relatively slow growth and, for the present, little threat of an inflation uplift notwithstanding the improving price trend of various commodities. Profits will remain hard to grow, but when companies with strong market positions are on offer at P/E multiples of 12 to 14 times this year's earnings, a degree of risk has already been accounted for."

Finally

The long-term performance of the Company continues to endorse the investment philosophy, process and expertise of the Investment Manager. Accordingly I wish to express my appreciation of the work done by Kerr Neilson, Andrew Clifford and their team over the last year.

Bruce Coleman
Chairman
19 August 2016

Platinum Capital Limited

ABN 51 063 975 431

Financial Report - 30 June 2016

Platinum Capital Limited
Corporate directory

Directors	Bruce Coleman Richard Morath Jim Clegg
Company secretary	Andrew Stannard (from 29 July 2016)
Investment Manager	Platinum Investment Management Limited (trading as Platinum Asset Management®) Platinum Investment Management Limited neither guarantees the repayment of capital nor the investment performance of the Company
Shareholder liaison	Liz Norman
Registered office	Level 8, 7 Macquarie Place Sydney NSW 2000 Phone 1300 726 700 (Australia only) Phone 0800 700 726 (New Zealand only) Phone +61 2 9255 7500 Fax +61 2 9254 5555
Share registrar	Computershare Investor Services Pty Ltd Level 3, 60 Carrington Street Sydney NSW 2000 Phone 1300 855 080 (Australia only) Phone +61 3 9415 4000 Fax +61 3 9473 2500
Auditor and taxation advisor	PricewaterhouseCoopers 201 Sussex Street Sydney NSW 2000
Securities exchange listing	Platinum Capital Limited shares are listed on the Australian Securities Exchange (ASX code: PMC)
Website	www.platinum.com.au/Our-Funds/Platinum-Capital-Limited/
Corporate governance statement	www.platinum.com.au/Documents/Shareholders/pmc_corp_gov.pdf

The shareholder information set out below was applicable as at 16 August 2016.

Distribution of equity securities

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

	Number of holders of ordinary shares
1 to 1,000	1,027
1,001 to 5,000	2,410
5,001 to 10,000	2,489
10,001 to 100,000	5,361
100,001 and over	242
	11,529
Holding less than a marketable parcel (of $500)	566

Substantial holders

Twenty largest quoted equity security holders

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

	ORDINARY SHARES	
	NUMBER HELD	% OF TOTAL SHARE ISSUED
Australian Executor Trustees Limited	4,533,700	1.93
Nulis Nominees (Australia) Limited	2,203,235	0.94
K Neilson	1,977,646	0.84
Moya Pty Limited	1,694,406	0.72
HSBC Custody Nominees (Australia) Limited	1,191,478	0.51
Navigator Australia Limited	1,062,574	0.45
Citicorp Nominees Pty Limited	1,043,765	0.44
Forsyth Barr Custodians Limited	918,019	0.39
Bond Street Custodians Limited	850,000	0.36
Netwealth Investments Limited	740,192	0.31
IOOF Investment Management Limited	732,894	0.31
Australian Executor Trustees Limited - a/c 2	700,030	0.30
J P Morgan Nominees Australia Limited	693,282	0.30
Metropolitan Cemeteries Board	645,000	0.27
Mr Raymond Ireson	613,843	0.26
HSBC Custody Nominees (Australia) Limited - a/c 2	595,679	0.25
O'Keefe Aus Holdings Pty Limited	525,000	0.22
Custodial Services Limited	514,373	0.22
Mr Robert John Webb	500,000	0.21
Bond St Custodians Limited	466,792	0.20
	22,201,908	9.43

There are no substantial holders in the Company.

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Distribution of Annual Report to Shareholders
The Law allows for an "opt in" regime through which shareholders will receive a printed "hard copy" version of the Annual Report only if they request one. The Directors have decided to only mail out an Annual Report to those shareholders who have "opted in".

Financial Calendar
24 August 2016 - Ordinary shares trade ex-dividend
25 August 2016 - Record (books close) date for dividend
13 September 2016 - Dividend paid
These dates are indicative and may be changed.

Notice of Annual General Meeting
The details of the Annual General Meeting (AGM) of Platinum Capital Limited are:
10am Thursday 27 October 2016
Ballroom 4
The Westin Sydney
1 Martin Place
NSW 2000

Questions for the AGM
If you would like to submit a question prior to the AGM to be addressed at the AGM you may e-mail your question to invest@platinum.com.au.

Investment Methodology
Platinum Capital Limited (the "Company") is an investment company listed on the Australian Securities Exchange and open to investors who wish to purchase shares in the same way as one might buy shares in NAB or BHP. The Company is taxed at source and pays dividends to shareholders (usually fully-franked) where possible. This feature, and the closed nature of the Company, distinguishes it from unlisted managed investment trusts.

The Company delegates the investment function to Platinum Investment Management Limited (trading as Platinum Asset Management) (the “Manager”). This entity employs an investment team which is responsible for managing the investments of the Company. The Company is a separate legal entity and shareholders in the Company have no ownership interest in Platinum Investment Management Limited.

Platinum Investment Management Limited’s investment process has been well tested over many years. The principles on which it is based have not varied since inception, although some refinements have evolved over time.

Platinum Investment Management Limited seeks a broad range of investments globally whose businesses and growth prospects, it believes, are being inappropriately valued by the market. After identifying key themes and preferred industries, with due consideration of the macro environment, the portfolio is then built up through individual stock selection. How each stock will fit and function within the portfolio is also carefully assessed.

By locating all research personnel together in one place, Platinum Investment Management Limited facilitates the cross pollination of ideas and free flow of information between managers with different geographic and industry responsibilities. It has the further benefit that distance acts as a filter and calming influence enabling a more objective assessment of “noisy” markets. This process is well supported by extensive visits to companies and key regions.

Investment Methodology (continued)

The wealth of research and detailed analysis that leads to the consideration of a stock addition/retention/reduction in the portfolio takes form in a disciplined reporting process that is open to the critical scrutiny of divergent thinking peers. This process serves to challenge and encourage analysts and to "test" each investment decision, as well as add accountability to the process.

For a more detailed look at Platinum Investment Management Limited's investment process, we would encourage you to visit Platinum's website at the following link:

www.platinum.com.au/About-Us/Investment-Process/

In respect of the year ended 30 June 2016, the Directors of Platinum Capital Limited (the "Company") submit the following report prepared in accordance with a resolution of the Directors.

Directors
The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Bruce Coleman - Chairman and Non-Executive Director
Richard Morath - Non-Executive, Independent Director
Jim Clegg - Non-Executive, Independent Director

Kerr Neilson was Managing Director until his resignation on 21 August 2015. Andrew Clifford was Executive Director until his resignation on 21 August 2015.

The changes to the Board were made for two reasons:

(a) to bring the Company in line with contemporary corporate governance practices by having independent directors comprising a majority of the Board; and
(b) to make the composition of the Company's Board consistent with the Board structure of the new Platinum LIC, Platinum Asia Investments Limited (ASX code: PAI).

Both Kerr Neilson and Andrew Clifford have continued in their positions as current Chief Executive Officer and Chief Investment Officer of Platinum Investment Management Limited (PIML) (the "Investment Manager").

Company secretary
Janna Vynokur was Company Secretary of the Company from her date of appointment (25 May 2015) to 29 July 2016. Andrew Stannard was appointed Interim Company Secretary of the Company on 29 July 2016.

Principal activities
The principal activity of the Company during the year was the investment of funds internationally into securities of companies, which are perceived by the Investment Manager, Platinum Investment Management Limited, to be undervalued.

Operating and Financial Review
The net loss before tax was $26,791,000 (2015: profit of $63,519,000) and net loss after tax was $18,764,000 (2015: profit of $44,826,000). The income tax benefit for the year was $8,027,000 (2015: expense of $18,693,000).

The Directors consider that pre-tax Net Asset Value (NAV), after fees and expenses, combined with the flow of dividends is a better measure of performance of the Company. For the 12 months to 30 June 2016, the Company's pre-tax NAV decreased from $1.70 per share to $1.44 per share. Part of this decline is attributed to the 2015 final fully-franked dividend of 6 cents per share and the 2016 interim fully-franked dividend of 3 cents per share which were paid to shareholders during the year ended 30 June 2016.

For the 12 months to 30 June 2016, the Company's pre-tax NAV, after fees and expenses, and assuming reinvestment of dividends, decreased by 7.28% whereas the benchmark Morgan Stanley Capital International All Country World Net Index (MSCI) in $A terms decreased by 0.62%. The Company's 3 year pre-tax compound NAV return was 8.55% per annum (versus the benchmark return of 13.59%) and the Company's 5 year pre-tax compound NAV return was 10.92% (versus the benchmark return of 13.32%).

The composition of the Company's portfolio is generally quite different to the MSCI benchmark. This will cause the Company's performance to vary markedly from the benchmark from time to time.

This variance is not unusual and this different investment methodology is the reason why the Company has been able to deliver strong absolute returns over the medium and long-term despite having lower net exposure (and therefore less risk) to the market, in keeping with the Company's stated absolute return focus.

The year ended 30 June 2016 was marked by low global economic growth, tremors in the Chinese share market, and more recently, uncertainty caused by the "Brexit" vote. These factors created a challenging investment environment.

The Company is in a strong financial position with an extremely strong balance sheet and few liabilities.

The Chairman's Report contains further information about the Company's performance for the year.

Adoption of New Fee Structure

At the 2015 Annual General Meeting (AGM) for the Company, shareholders passed a resolution that changed the management and performance fees payable by the Company to Platinum Investment Management Limited, with effect on and from 1 January 2016.

The fee structure effective up until 31 December 2015 comprised of a base management fee of 1.5% per annum of the Company's portfolio value and a performance fee of 10% per annum of the amount by which the portfolio's annual performance (at 30 June) exceeded the return achieved by the benchmark Morgan Stanley Capital International All Country World Net Index (MSCI) in $A terms plus a 5% hurdle.

The fee structure effective on and from 1 January 2016 comprises a lower base management fee of 1.1% per annum of the Company's portfolio value and a higher performance fee of 15% per annum of the amount by which the portfolio's annual return (at 30 June) exceeds the MSCI return. The 5% hurdle has been removed. Any accumulated underperformance by the Company against the MSCI must be made up first before a performance fee will be paid to Platinum Investment Management Limited. The accumulated underperformance to 31 December 2015 that has to be made up before a performance fee is payable was 10.4255%. PricewaterhouseCoopers were engaged by the Directors to undertake certain agreed upon procedures to assist the Directors in their review of the carried forward underperformance amount.

Dividends

On 19 August 2016, the Directors declared a final 2016 fully-franked dividend of 4 cents per share ($9,413,000), with a record date of 25 August 2016, payable to shareholders on 13 September 2016, out of the dividend profit reserve. The interim 2016 fully-franked dividend of 3 cents per share ($7,307,000) was paid on 4 March 2016.

The dividend reinvestment plan (DRP) discount is at a 2.5 per cent discount to the relevant share price.

Capital Management

Throughout the year to 30 June 2016, the Company's share price has traded at a premium to pre-tax NAV. The Board has actively considered capital management initiatives during the year, but after considering the view of the Investment Manager in regard to timing, we have not undertaken any initiatives. This is subject to ongoing review by the Board in conjunction with the input of the Investment Manager.

The Board advises that it has reconsidered its decision of 2010 to discontinue Share Purchase Plans and now may utilise them in future, if deemed appropriate.

Matters subsequent to the end of the financial year

Apart from the dividend declared, no other matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Likely developments and expected results of operations

The Company will continue to pursue its investment objective, which is to generate strong investment returns over time. The methods of operating the Company are not expected to change in the foreseeable future.

Environmental regulation

The Company is not adversely impacted by any particular or significant environmental regulation under Commonwealth, State or Territory law.

Information on Directors

Bruce Coleman BSc, BCom, CA, FFin

Chairman since 5 June 2015, Non-Executive Director since April 2004 and member of the Audit, Risk and Compliance Committee. (Age 66)

Mr Coleman has worked in the finance and Investment industry since 1986. He was the CEO of MLC Investment Management from 1996 to 2004. Mr Coleman has held various directorships within MLC Limited, Lend Lease and the National Australia Banking group. Mr Coleman is a Non-Executive Director of Platinum Asset Management Limited. Mr Coleman is Chairman of Resolution Capital Limited and on 24 June 2015, Mr Coleman was appointed as Chairman and Non-Executive Director of Platinum Asia Investments Limited.

Richard Morath BA, FIAA, ASIA
Independent Non-Executive Director since March 2009 and Chairman of the Audit, Risk and Compliance Committee. (Age 67)

Mr Morath has over 42 years of experience in life insurance, funds management, banking and financial planning. Mr Morath is currently Non-Executive Director and Chairman of the Advice & Licences Boards of all Financial Planning companies in National Australia Bank/MLC and Chairman of National Australia Trustees. Mr Morath is also a Director of JANA Investment Advisors Limited, BNZ Life and Chairman of BNZ Investments Services Limited, and Mr Morath was appointed as a Director of ASX listed, Wealth Defender Equities Limited in 2015.

Jim Clegg BRurSc (Hons), DipAgEc
Independent Non-Executive Director since 5 June 2015 and member of the Audit, Risk and Compliance Committee. (Age 66)

Mr Clegg has over 28 years of experience in the financial services industry. Mr Clegg has been a Director of Godfrey Pembroke, Berkley Group and Centric Wealth. Mr Clegg is a Trustee of The Walter and Eliza Hall Trust.

Meetings of Directors
The number of meetings of the Company's Board of Directors (the “Board”) held during the year ended 30 June 2016, and the number of meetings attended by each Director were:

	Board		Audit, Risk and Compliance Committee	
	Attended	Held	Attended	Held
Bruce Coleman	5	5	4	4
Richard Morath	5	5	4	4
Jim Clegg	5	5	4	4
Kerr Neilson (until 21 August 2015)	1	1	-	-
Andrew Clifford (until 21 August 2015)	1	1	-	-

Indemnity and insurance of officers
During the year, the Company incurred a premium in respect of a contract for indemnity insurance for the Directors of the Company named in this report.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company.

Non-audit services
Details of the amounts paid or payable to the auditor for other (taxation and analytical) services provided during the financial year by the auditor are outlined in Note 20 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Directors are of the opinion that the services as disclosed in Note 20 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110: *Code of Ethics for Professional Accountants* issued by the Accounting Professional and Ethical Standards Board.

Rounding of amounts
The Company is of a kind referred to in ASIC Corporations "Rounding in Financial/Directors’ Reports" Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with this Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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 12.

Auditor
PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors

Bruce Coleman Chairman	Richard Morath Director

19 August 2016
Sydney

Executive Summary
There were only three officers remunerated by the Company during the year (the Non-Executive Directors).

- From 1 July 2015, the base pay for the Company Chairman increased to $60,000 from $55,000 and other Non-Executive Directors' pay increased to $55,000 from $50,000. This was the first increase in 12 years.
- The Company does not pay bonuses to any of its Directors.
- Despite the approval of shareholders to pay Non-Executive Directors remuneration up to $350,000 per annum, only $186,150 in aggregate was paid in 2016 (2015: $169,725).
- On 21 August 2015, Kerr Neilson and Andrew Clifford resigned as Managing Director and Executive Director respectively. The Company did not pay Mr Neilson or Mr Clifford any remuneration during the year, and no termination payments were made.

Introduction
The Directors of Platinum Capital Limited present the Remuneration Report prepared in accordance with section 300A of the *Corporations Act 2001* for the year ended 30 June 2016.

The information provided in this Remuneration Report forms part of the Directors' Report and has been audited by the Company's auditor, PricewaterhouseCoopers, as required by section 308 of the *Corporations Act 2001*.

Key Management Personnel ("KMP")
For the purposes of this report, the KMP of the Company in office during the financial year were:

Name	Position
Bruce Coleman	Chairman and Non-Executive Director
Richard Morath	Non-Executive Director
Jim Clegg	Non-Executive Director
Kerr Neilson	Managing Director until 21 August 2015
Andrew Clifford	Executive Director until 21 August 2015

There are no employees within the Company, other than the Non-Executive Directors.

Shareholders' Approval of the 2015 Remuneration Report
A 25% or higher "no" vote on the remuneration report at an AGM triggers a reporting obligation on a listed company to explain in its next Annual Report how concerns are being addressed.

At the last AGM, the Company Remuneration Report passed unanimously on a show of hands. Despite this outcome, we have set out to fully explain the basis and structure of the remuneration paid to KMP.

Non-Executive Director Remuneration
The Constitution of the Company requires approval by shareholders at a general meeting of a maximum amount of remuneration to be paid to Non-Executive Directors.

The aggregate amount of remuneration that can be paid to the Non-Executive Directors, which was approved by shareholders at the 2005 Annual General Meeting, was $350,000 per annum (including superannuation). Despite the ability to pay remuneration up to this level, only $186,150 in aggregate was paid in 2016 (2015: $169,725).

Principles, Policy and Components of Non-Executive Directors' Remuneration
Remuneration paid to the Non-Executive Directors is designed to ensure that the Company can attract and retain suitably qualified and experienced directors.

It is the policy of the Board to remunerate at market rates commensurate with the responsibilities borne by the Non-Executive Directors.

Non-Executive Directors received a fixed fee and mandatory superannuation.

Directors do not receive performance-based or earnings-based remuneration and are not eligible to participate in any equity-based incentive plans.

Remuneration for the Non-Executive Directors is reviewed annually by the Board and set at market rates commensurate with the responsibilities borne by the Non-Executive Directors. Independent professional advice may be sought. No other retirement benefits (other than mandatory superannuation) are provided to the Directors.

From 1 July 2015, the base pay of the Company Chairman has increased to $60,000 (from $55,000) and other Non-Executive Directors' base pay to $55,000 (from $50,000). This represented the first increase in base pay in 12 years (since 2004), and reflected:

- The time needed for the task of the Non-Executive Directors to be performed;
- The risks inherent in the Directorship;
- Industry comparison to other Listed Investment Companies;
- The qualifications and experience of the Non-Executive Directors;
- The increase in size and complexity of PMCs operations; and
- The number and extent of Board and related sub-committee meetings (which appears on page 7 of the Directors' Report).

Remuneration for Non-Executive Directors
The table below presents amounts received by the Non-Executive Directors.

	Cash Salary	**Superannuation**	**Short-term incentives**	**Long-term incentives**	**Total**
Name	$	$	$	$	$
Bruce Coleman					
FY 2016 (Chairman)	60,000	5,700	-	-	65,700
FY 2015	50,000	4,750	-	-	54,750
Richard Morath					
FY 2016	55,000	5,225	-	-	60,225
FY 2015	50,000	4,750	-	-	54,750
Jim Clegg					
FY 2016	55,000	5,225	-	-	60,225
FY 2015(1)	3,591	341	-	-	3,932
Bruce Phillips					
FY 2016	-	-	-	-	-
FY 2015(2) (Chairman)	51,409	4,884	-	-	56,293
Total Non-Executive remuneration					
FY 2016	170,000	16,150	-	-	186,150
FY 2015	155,000	14,725	-	-	169,725

(1)Jim Clegg's remuneration in FY 2015 was for the period since his appointment on 5 June 2015 to 30 June 2015.
(2)The remuneration paid to Bruce Phillips is for the period 1 July 2014 to the date of his resignation as Chairman and Non-Executive Director on 5 June 2015. His annualised salary was $55,000.

Executive Directors Remuneration
Kerr Neilson and Andrew Clifford were Executive Directors on the Board until their resignation on 21 August 2015. The Executive Directors were employees of the Investment Manager, Platinum Investment Management Limited and waived their right to any remuneration or fee. The Company did not pay Kerr Neilson and Andrew Clifford any remuneration during the year and no termination payments were made.

Employment Arrangements of KMP
The key aspects of the KMP contracts are as follows:

- Remuneration and other terms of employment for Directors are formalised in letters of appointment that all Directors signed during the year.
- All contracts with Directors include the components of remuneration that are to be paid to KMP and provide for annual review, but do not prescribe how remuneration levels are to be modified from year to year.
- The tenure of the Directors is subject to approval by shareholders at every third AGM or other general meeting convened for the purposes of election of Directors.
- In the event of termination, all KMP are only entitled to receive their statutory entitlements.
- Directors may resign by written notice to the Chairman and where circumstances permit, it is desirable that reasonable notice of an intention to resign is given to assist the Board in succession planning.

Link between the Remuneration of the Directors and Company Performance

	2016	2015	2014	2013	2012
Total net investment income/(loss) ($'000)	(20,310)	71,098	53,662	79,555	(10,970)
Expenses ($'000)	(6,481)[1]	(7,579)[1]	(6,857)[1]	(4,707)	(4,294)
Profit/(loss) after tax ($'000)	(18,764)	44,826	32,885	58,802	(17,546)
Earnings per share (cents per share)	(8.00)	19.29	16.22	35.53	(10.59)
Dividends (cents per share)	7.0	11.0	8.0	7.0	-
Net asset value (pre-tax) (30 June) ($ per share)	1.44	1.70	1.64	1.51	1.07
Closing share price (30 June) ($)	1.62	1.77	1.765	1.45	0.97
Total fixed remuneration (salary and superannuation) paid ($)	186,150	169,725	169,338	168,950	168,950

The remuneration of the Directors is not linked to the performance of the Company.

[1]Expenses were lower in 2016 because of the reduced management fee rate of 1.1% that applied from 1 January 2016. The increase in expenses during 2014 and 2015 was primarily due to the increased portfolio size and the impact that this had on those costs that move in line with the increased portfolio size.

Interests of Directors in shares
The relevant interest in ordinary shares of the Company that each Director held at balance date was:

	Opening balance	Acquisitions	Disposals	Closing balance
Bruce Coleman	240,000	-	-	240,000
Richard Morath	32,400	-	-	32,400
Jim Clegg	20,000	-	-	20,000

Auditor's Independence Declaration

As lead auditor for the audit of Platinum Capital Limited for the year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

2. no contraventions of any applicable code of professional conduct in relation to the audit.

Joe Sheeran
Partner
PricewaterhouseCoopers

Sydney
19 August 2016

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General information

The financial statements cover Platinum Capital Limited as an individual entity. The financial statements are presented in Australian dollars, which is Platinum Capital Limited's functional and presentation currency.

Platinum Capital Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 8, 7 Macquarie Place
Sydney NSW 2000

A description of the nature of the Company's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 19 August 2016. The Directors have the power to amend and reissue the financial statements.

Platinum Capital Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2016

	Note	2016 $'000	2015 $'000
Investment income			
Dividends		11,476	8,426
Interest		113	1
Net gains/(losses) on equities/derivatives		(31,203)	48,550
Net gains/(losses) on foreign currency forward contracts		(1,923)	9,831
Net foreign exchange gains on overseas bank accounts		1,227	4,290
Total net investment income/(loss)		(20,310)	71,098
Expenses			
Management fees	19	(4,845)	(5,831)
Custody		(245)	(353)
Share registry		(239)	(258)
Continuous reporting disclosure		(190)	(210)
Directors' fees		(186)	(170)
Auditor's remuneration and other services	20	(162)	(156)
Transaction costs		(362)	(363)
Other expenses		(252)	(238)
Total expenses		(6,481)	(7,579)
Profit/(loss) before income tax expense		(26,791)	63,519
Income tax benefit/(expense)	3(a)	8,027	(18,693)
Profit/(loss) after income tax (expense)/benefit for the year attributable to the owners of Platinum Capital Limited	10	(18,764)	44,826
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(loss) for the year attributable to the owners of Platinum Capital Limited		(18,764)	44,826
Basic earnings per share (cents per share)	9	(8.00)	19.29
Diluted earnings per share (cents per share)	9	(8.00)	19.29

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Platinum Capital Limited
Statement of financial position
As at 30 June 2016

	Note	2016 $'000	2015 $'000
Assets			
Cash and cash equivalents	13	45,070	37,076
Trade and other receivables	6	1,096	622
Financial assets at fair value through profit or loss	4	301,012	361,856
Income tax receivable	3(b)	3,873	265
Total assets		351,051	399,819
Liabilities			
Payables	7	3,325	881
Financial liabilities at fair value through profit or loss	5	3,161	1,408
Deferred tax liability	3(c)	2,350	18,955
Total liabilities		8,836	21,244
Net assets		342,215	378,575
Equity			
Issued capital	8	304,595	301,154
Retained earnings	10	(18,764)	77,421
Dividend profit reserve	12	56,384	-
Total equity		342,215	378,575

The above statement of financial position should be read in conjunction with the accompanying notes

Platinum Capital Limited
Statement of changes in equity
For the year ended 30 June 2016

	Issued capital $'000	Retained earnings $'000	Dividend profit reserve $'000	Total equity $'000
Balance at 1 July 2014	297,242	55,758	-	353,000
Profit after income tax expense for the year	-	44,826	-	44,826
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	44,826	-	44,826
Transactions with owners in their capacity as owners:				
Issue of shares in relation to the dividend reinvestment plan and unclaimed dividends	3,912	-	-	3,912
Dividends paid (Note 11)	-	(23,163)	-	(23,163)
Balance at 30 June 2015	301,154	77,421	-	378,575

	Issued capital $'000	Retained earnings $'000	Dividend profit reserve $'000	Total equity $'000
Balance at 1 July 2015	301,154	77,421	-	378,575
Transfer to dividend profit reserve (Note 12)	-	(77,421)	77,421	-
Profit/(loss) after income tax expense for the year	-	(18,764)	-	(18,764)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	(18,764)	-	(18,764)
Transactions with owners in their capacity as owners:				
Issue of shares in relation to the dividend reinvestment plan and unclaimed dividends	3,441	-	-	3,441
Dividends paid (Note 11)	-	-	(21,037)	(21,037)
Balance at 30 June 2016	304,595	(18,764)	56,384	342,215

The above statement of changes in equity should be read in conjunction with the accompanying notes

Platinum Capital Limited
Statement of cash flows
For the year ended 30 June 2016

	Note	2016 $'000	2015 $'000
Cash flows from operating activities			
Payments for purchase of financial assets		(182,628)	(198,309)
Proceeds from sale of financial assets		213,650	248,128
Dividends received		11,391	8,348
Interest received/(paid)		101	(6)
Management fees paid		(5,030)	(5,801)
Other expenses paid		(1,610)	(1,646)
Income tax paid		(11,462)	(19,989)
Net cash from operating activities	13(b)	24,412	30,725
Cash flows from financing activities			
Dividends paid - net of dividend re-investment plan		(17,703)	(19,400)
Proceeds from issue of shares in relation to unclaimed dividends	8	86	126
Net cash from/(used in) financing activities		(17,617)	(19,274)
Net increase in cash and cash equivalents		6,795	11,451
Cash and cash equivalents at the beginning of the financial year		37,076	21,024
Effects of exchange rate changes on cash and cash equivalents		1,199	4,601
Cash and cash equivalents at the end of the financial year	13(a)	45,070	37,076

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The financial statements have been prepared on the basis of fair-value measurement of assets and liabilities.

The Statement of Financial Position is presented on a liquidity basis. Specifically, assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current assets and liabilities. The majority of receivables and payables are expected to be recovered or settled within 12 months, whereas tax and investment balances may be recovered after 12 months.

Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, that management believes to be reasonable under the circumstances.

Fair value measurement hierarchy (refer to Note 17)
The Company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 (if any) is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Recovery of deferred tax assets (refer to Note 3)
Deferred tax assets are recognised for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Financial assets/liabilities at fair value through profit or loss
Under AASB 139: *Financial Instruments: Recognition and Measurement*, investments are classified in the Company's Statement of Financial Position as "financial assets at fair value through profit or loss". Derivatives and foreign currency forward contracts are classified as financial instruments "held for trading" and equity securities are designated at fair value through profit or loss upon initial recognition.

The Company has applied AASB 13: *Fair Value Measurement*. AASB 13 defines fair value as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”. AASB 13 increases transparency about fair value measurements, including the valuations techniques and inputs used to measure fair value.

The standard prescribes that the most representative price within the bid-ask spread should be used for valuation purposes. With respect to the Company, the last-sale or “last” price is the most representative price within the bid-ask spread, because it represents the price that the security last changed hands from seller to buyer.

Note 1. Significant accounting policies (continued)

Generally, derivatives take the form of long and short equity swap contracts. Equity swaps are valued based on the price of the underlying investment, which may be a specific share or a share market index. Daily fluctuations in the value of derivatives were recognised as part of “net gains/(losses) on equities/derivatives” in the Statement of Profit or Loss and other Comprehensive Income.

Long equity swap contracts allow the Company to gain exposure to price movements of underlying investments without buying the underlying investment. Under the term of each long equity swap contract, the Company makes a profit if the underlying share price was higher on the date that the contract was closed relative to the price when the contract commenced.

With respect to short equity swap contracts, the Company makes a profit if the underlying share price was lower on the date that the contract was closed relative to the price when the contract commenced.

Participatory Notes are sometimes used as a convenient means of investing in local securities by a foreign investor. Participatory Notes are generally traded over-the-counter, as they are issued by a counterparty to provide the investor with exposure to an individual equity or a basket or index of equities, in markets where liquidity, custody or other issues make ownership of the local shares sub-optimal. The valuation of Participatory Notes depends on the level of trading. If the Participatory Notes are actively traded, then the market price is used. Counterparties provide a daily valuation that is based on the intrinsic value of the individual security.

AASB 13 also requires reporting entities to disclose its valuation techniques and inputs. This is described below.

Fair value in an active market
The fair value of financial assets and liabilities traded in active markets uses quoted market prices at reporting date without any deduction for estimated future selling costs. Financial assets are valued using “last-sale” pricing. Gains and losses arising from changes in the fair value of the financial assets/liabilities are included in the Statement of Profit or Loss and other Comprehensive Income in the period they arise.

Foreign currency forward contracts are initially recognised at fair value on the date contracts are entered into and are subsequently remeasured at each reporting date. The fair value is the unrealised profit or loss on the foreign currency position (in Australian dollars).

Fair value in an inactive market or unquoted market
The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm’s length market transactions, discounted cash flow techniques or any other valuation techniques that provides a reliable estimate of prices obtained in actual market transactions. Options are valued with reference to the quoted price of the underlying index or share. If there is no liquid market available, the options are valued based on the option prices provided by an arm's length broker. These valuations are based on option pricing models.

Recognition/derecognition
The Company recognises financial assets and liabilities on the date they become party to the purchase contractual agreement (trade date) and recognises changes in fair value of the financial assets and liabilities from this date. Financial assets and liabilities are no longer recognised on the date they become party to the sale contractual agreement (trade date).

Offsetting a financial asset and a financial liability
Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position where there is a legally enforceable right to offset recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Transaction costs on financial assets
Initial measurement (cost) on purchase of trading securities shall not include directly attributable transaction costs, such as fees and commissions paid to agents. Incremental transaction costs on purchases of financial assets at fair value through profit or loss are expensed immediately.

Operating segments
Operating segments are presented using a single operating segment. However AASB 8: *Operating Segments* requires certain entity-wide disclosures. Refer to Note 2 for further information.

Note 1. Significant accounting policies (continued)

Foreign currency transactions
Items included in the Company's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the country that the Company is regulated, capital is raised and dividends are paid. The Australian dollar is also the Company's presentation currency.

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Investment income
Interest income
Interest income is recognised in the Statement of Profit or Loss and other Comprehensive Income based on nominated interest rates available on the bank accounts held at various locations.

Dividend income
Dividend income is brought to account on the applicable ex-dividend date.

Directors' entitlements
Liabilities for Directors' entitlements to fees are accrued at nominal amounts calculated on the basis of current fee rates. Contributions to Directors' superannuation plans are charged as an expense as the contributions are paid or become payable.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable. Withholding tax expense on foreign dividends has been included as part of income tax expense.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Receivables
All receivables are recognised when a right to receive payment is established. Debts that are known to be uncollectible are written off.

Cash and cash equivalents
For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, cash held in margin accounts and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Margin accounts comprise cash held as collateral for derivative transactions.

Payments and receipts relating to the purchase and sale of investment securities are classified as "cash flows from operating activities" as realised and unrealised gains (and losses) on financial assets and liabilities represent the Company's main operating activity.

Note 1. Significant accounting policies (continued)

Due from/due to brokers for unsettled trades
Amounts due from/due to brokers represent receivables for proceeds on sale of financial assets (as disclosed in Note 6) and payables on purchase of financial assets/liabilities (as disclosed in Note 7) that have been traded, but not yet settled at reporting date. Proceeds on sale of financial assets are usually received between two and five days after trade date. Payables on purchase of financial assets/liabilities are usually paid between two and five days after trade date.

Trade and other payables
These amounts represent liabilities for services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Issued capital
Ordinary shares are classified as equity.

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

Dividends
Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Dividend profit reserve
To the extent that any current year or prior period profits are not distributed as dividends, the Company may set aside some or all of the undistributed profits to a separate dividend profit reserve, to facilitate the payment of future franked dividends, rather than maintaining these profits within retained earnings.

Basic and diluted earnings per share
Basic and diluted earnings per share are calculated by dividing the profit attributable to the owners of Platinum Capital Limited, by the weighted average number of ordinary shares outstanding during the financial year.

Goods and Services Tax ('GST')
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts
The Company is of a kind referred to in ASIC Corporations "Rounding in Financial/Directors' Reports" Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in these financial statements have been rounded off in accordance with this Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet mandatory, and have not been early adopted by the Company for the annual reporting period ended 30 June 2016. The Company's assessment of the impact of the new or amended Accounting Standards and Interpretations, most relevant to the Company, are set out below and the following page.

AASB 15: *Revenue from contracts with customers and amendments to AASB 15*
The main objective of this new standard is to provide a single revenue recognition model based on the transfer of goods and services and the consideration expected to be received in return for that transfer. The Company's main source of income is gains on equities and derivatives, foreign currency forward contracts and overseas bank accounts, as well as interest and dividend income. All of these income types are outside the scope of the standard. The standard is applicable for reporting periods beginning on or after 1 January 2018.

The standard was assessed as not having a material impact on the Company in current or future reporting periods.

Note 1. Significant accounting policies (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted (continued)
AASB 2016-1: *Amendments: Recognition of deferred tax assets for unrealised losses.*
This amends the *AASB 12 Income taxes* to clarify the requirements on recognition of deferred tax assets for unrealised losses on debt instruments. This amendment is applicable for reporting periods beginning on or after 1 January 2017.

The standard was assessed as having no impact on the Company in the current or future reporting period, as the Company does not carry any debt instruments.

AASB 9: Financial Instruments (and applicable amendments)
AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities. It includes revised rules around hedge accounting and impairment. The standard is not applicable until 1 January 2018.

The standard has been assessed as not having a significant impact on the recognition and measurement of the Company's financial instruments as the financial instruments are carried at fair value through profit or loss.

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

Note 2. Operating segments

Identification of reportable operating segments

The Company is organised into one main operating segment with the key function of the investment of funds internationally. AASB 8: *Operating Segments* requires disclosure of revenue by investment type and geographical location, which is outlined below:

	2016 $'000	2015 $'000
a) Investment income by investment type		
Equity securities	(22,998)	61,236
Derivatives	3,271	(4,260)
Foreign currency forward contracts	(1,923)	9,831
Bank accounts	1,340	4,291
Total	(20,310)	71,098

	2016 $'000	2015 $'000
b) Investment income by geographical area		
Japan	(6,276)	6,915
Asia ex Japan	(4,955)	40,536
Australia	1,158	677
Europe - Euro	(7,880)	3,828
Europe - Other	(5,700)	7,699
North America	7,133	2,704
South America	44	(1,263)
Africa	(1,911)	171
Unallocated investment income - Net gains/(losses) on foreign currency forward contracts	(1,923)	9,831
Total	(20,310)	71,098

Note 3. Income tax

(a) Income tax benefit/(expense)

	2016 $'000	2015 $'000
The income tax benefit/(expense) attributable to the operating profit/(loss) comprises:		
Current income tax provision	(7,854)	(13,519)
Movement in deferred tax liability	16,605	(4,537)
Withholding tax on foreign dividends	(724)	(633)
Under provision of prior period tax	-	(4)
Income tax benefit/(expense)	8,027	(18,693)

The aggregate amount of income tax attributable to the financial year differs from the prima facie (amount payable)/benefit received on the profit/(loss).

	2016 $'000	2015 $'000
Profit/(loss) before income tax benefit/(expense)	(26,791)	63,519
Prima facie income tax at tax rate of 30%	8,037	(19,056)
Increase/(reduce) tax payable:		
Foreign tax credits	(10)	367
Under provision of prior period tax	-	(4)
Income tax benefit/(expense)	8,027	(18,693)

(b) Income tax receivable

The income tax receivable as disclosed in the Statement of Financial Position is comprised of:

	2016 $'000	2015 $'000
Current income tax provision	(7,854)	(13,519)
Income tax instalments paid during the year	11,727	13,784
Income tax receivable	3,873	265

(c) Deferred tax liability

In line with our existing accounting policy, the Company has exercised judgement in determining the extent of recognition of deferred tax balances.

The deferred tax liability figure in the Statement of Financial Position is comprised of:

	2016 $'000	2015 $'000
Dividends receivable	(178)	(152)
Unrealised gains on financial assets	(4,145)	(19,811)
Audit fees	13	9
Taxation services	6	10
Shareholder communication and reporting	51	55
Differences in cost base for tax compared to accounting	1,755	711
Capital raising and legal costs (deductible over 5 years)	148	223
Deferred tax liability	(2,350)	(18,955)

Note 3. Income tax (continued)

The net deferred tax liability is comprised of $1,973,000 (2015: $1,008,000) of deferred tax asset and $4,323,000 (2015: $19,963,000) of deferred tax liability.

The Company has accumulated net unrealised gains on investments of $13,815,000 (2015: $66,037,000). The tax impact on these unrealised gains of $4,145,000 (2015: $19,811,000) formed a major part of the overall net deferred tax liability.

The settlement of the deferred tax liability will depend on the timing of realisation of investments.

Note 4. Financial assets at fair value through profit or loss

	2016 $'000	2015 $'000
Equities securities	299,159	359,519
Corporate bonds	278	274
Derivatives	166	1,748
Foreign currency forward contracts	1,409	315
	301,012	361,856

Note 5. Financial liabilities at fair value through profit or loss

	2016 $'000	2015 $'000
Derivatives	634	689
Foreign currency forward contracts	2,527	719
	3,161	1,408

Note 6. Trade and other receivables

	2016 $'000	2015 $'000
Proceeds from sale of financial assets	413	19
Capital Gains Tax receivable	30	31
Dividends receivable	594	508
Interest receivable	20	7
Goods and Services Tax receivable	39	57
	1,096	622

Proceeds on sale of financial assets are usually received between two and five days after trade date. Dividends are usually received within approximately 30 days of the ex-dividend date. Information relating to the ageing of receivables is shown in Note 16.

Note 7. Payables

	2016 $'000	2015 $'000
Payables on purchase of financial assets	2,642	-
Trade creditors (unsecured)	639	816
Unclaimed dividends payable to shareholders	42	63
Group Tax payable	2	2
	3,325	881

Payables on purchase of financial assets are usually paid between two and five days after trade date. Trade creditors are payable between seven and 30 days after being incurred. These current payables are non-interest bearing. Information relating to the Company's exposure of payables to liquidity risk is shown in Note 16.

Note 8. Equity - issued capital

	2016 Shares	2015 Shares	2016 $'000	2015 $'000
Ordinary shares - fully paid	235,332,383	233,325,992	304,595	301,154

Movements in ordinary share capital

Details	**Date**	**Shares**	**$'000**
Balance	1 July 2014	231,071,938	297,242
Dividend reinvestment plan	8 September 2014	1,085,081	1,888
Reinvestment of unclaimed dividends	17 September 2014	33,240	59
Dividend reinvestment plan	13 March 2015	1,096,805	1,898
Reinvestment of unclaimed dividends	18 March 2015	38,928	67
Balance	30 June 2015	233,325,992	301,154
Dividend reinvestment plan	11 September 2015	1,222,509	2,225
Reinvestment of unclaimed dividends	17 September 2015	22,716	42
Dividend reinvestment plan	4 March 2016	733,819	1,130
Reinvestment of unclaimed dividends	15 March 2016	27,347	44
Balance	30 June 2016	235,332,383	**304,595**

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Note 9. Earnings per share

	2016 $'000	2015 $'000
Profit/(loss) after income tax attributable to the owners of Platinum Capital Limited	(18,764)	44,826

	Number	Number
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	234,572,543	232,319,773

	Cents	Cents
Basic earnings per share	(8.00)	19.29
Diluted earnings per share	(8.00)	19.29

There have been no conversions to, calls of, or subscriptions for ordinary shares during the current or previous period other than those issued under the Dividend Reinvestment Plan and, reinvestment of unclaimed dividends, therefore diluted earnings per share equals basic earnings per share.

Note 10. Equity - retained earnings

	2016 $'000	2015 $'000
Retained profits at the beginning of the financial year	77,421	55,758
Transfer to dividend profit reserve (see Note 12)*	(77,421)	-
Profit/(loss) after income tax benefit/(expense) for the year	(18,764)	44,826
Dividends paid (see Note 12)**	-	(23,163)
Retained profits/(losses) at the end of the financial year	(18,764)	77,421

*On 13 August 2015, the Directors decided to transfer the balance of the 30 June 2015 retained earnings of $77,421,000 to a newly created dividend profit reserve.

**Dividends are no longer paid out of retained earnings and are now paid out of the dividend profit reserve.

Note 11. Equity - dividends

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

	2016 $'000	2015 $'000
Final dividend for the year ended 30 June 2015 (2015: 30 June 2014) of 6 cents (2015: 5 cents) per ordinary share	14,000	11,554
Interim dividend for the year ended 31 December 2015 (2015: 31 December 2014) of 3 cents (2015: 5 cents) per ordinary share	7,037	11,609
	21,037	23,163

Dividends not recognised at year-end
In addition to the above dividends paid, on 19 August 2016, the Directors declared the payment of the 2016 final fully-franked dividend of 4 cents per fully paid ordinary share. The aggregate amount of the dividend expected to be paid on 13 September 2016, but not recognised as a liability at year-end, is $9,413,000. The dividend will be paid out of the dividend profit reserve.

Note 11. Equity – dividends (continued)

Franking credits

	2016 $'000	2015 $'000
Franking credits available at the balance date based on a tax rate of 30%	18,052	15,606
Franking debits that will arise from the tax receivable at balance date based on a tax rate of 30%	(3,873)	(265)
Franking credits available for subsequent financial years based on a tax rate of 30%	14,179	15,341
Franking debits that will arise from the payment of dividends declared subsequent to the balance date based on a tax rate of 30%	(4,034)	(6,000)
Net franking credits available based on a tax rate of 30%	10,145	9,341

Note 12. Dividend profit reserve

To the extent that any current year or prior period profits are not distributed as dividends, the Company may set aside some or all of the undistributed profits to a separate dividend profit reserve, to facilitate the payment of future franked dividends, rather than maintaining these profits within retained earnings. On 13 August 2015, the Directors decided to transfer the 30 June 2015 retained earnings balance to the newly created dividend profit reserve and then declared the 2015 final dividend of 6 cents per share ($14,000,000) and 2016 interim dividend of 3 cents per share ($7,037,000) out of the reserve, as follows:

	2016 $'000	2015 $'000
Opening balance as at 1 July 2015 (2014)	-	-
Transfer from retained earnings	77,421	-
Dividends paid during the year (see Note 11)	(21,037)	-
Closing balance	56,384	-

In addition to the above, on 19 August 2016, the Directors have declared the 2016 final fully-franked dividend of 4 cents per share ($9,413,000) out of the dividend profit reserve.

Note 13. Cash flow information

	2016 $'000	2015 $'000
(a) Components of cash and cash equivalents		
Cash at bank*	46	125
Cash on deposit**	45,024	36,951
	45,070	37,076

* Cash at bank includes $37,000 (2015: $57,000) held in respect of unclaimed dividends on behalf of shareholders.
** Cash on deposit includes $9,804,000 (2015: $12,946,000) on deposit to 'cash cover' derivative contracts' deposits and margin calls.

These amounts are held by the relevant derivative exchanges and counterparties as security. If losses are realised, the cash balances are set off against those losses. If profits are realised on the close out of derivative contracts, the money is returned to the Company.

The Company maintains bank accounts at various locations throughout the world to enable the settlement of purchases and sales of investments and to conduct other normal banking transactions.

All accounts are at call and majority bear floating interest rates in the range of -0.60% to 1.90% (2015: -1.00 % to 1.90%).

Note 13. Cash flow information (continued)

(b) Reconciliation of profit/(loss) after income tax to net cash from/(used in) operating activities

	2016 $'000	2015 $'000
Profit/(loss) after income tax expense for the year	(18,764)	44,826
Adjustments for:		
Foreign exchange differences	(1,199)	(4,601)
Decrease/(Increase) in investment securities and foreign currency forward contracts	62,597	(6,952)
Change in operating assets and liabilities:		
(Increase)/Decrease in deferred tax asset	(965)	77
Decrease in prepayments	-	81
(Increase) in settlements receivable	(394)	(19)
Increase/(Decrease) in settlement payable	2,642	(645)
(Increase) in interest receivable	(13)	(7)
(Increase) in dividends receivable	(86)	(78)
Decrease/(Increase) in Capital Gains Tax receivable	1	(4)
(Decrease)/Increase in trade and other payables	(177)	47
(Decrease) in provision for income tax	-	(6,200)
(Decrease)/Increase in deferred tax liability	(15,640)	4,460
Decrease in Goods and Services Tax receivable	18	5
(Increase) in income tax receivable	(3,608)	(265)
Net cash from/(used in) operating activities	24,412	30,725

Non-cash financing activities
During the year, 2,006,391 (205: 2,254,054) shares were issued under the Dividend Reinvestment plan (DRP) and re-investment of unclaimed dividends. Dividends settled in shares rather than cash during the year totalled $3,441,374 (2015: $3,911,442)

Note 14. Statement of Net Asset Value

	2016 $'000	2015 $'000
Reconciling Net Asset Value (Post-tax) in accordance with Australian Accounting Standards to that reported to the ASX*		
Post-tax Net Asset Value per Statement of Financial Position	342,215	378,575
Realisation costs* and accruals	(768)	(905)
Deferred income tax asset on realisation costs	225	270
Net Asset Value - (post-tax)	341,672	377,940

The post-tax Net Asset Value at 30 June 2016 was $1.4519 per share (30 June 2015: $1.6198).

*Financial assets and liabilities were valued at "last-sale" price for both ASX and financial accounts reporting. The difference between the ASX and financial accounts reporting is mainly caused by the ASX requirement that realisation costs need to be deducted for ASX reporting of NAV.

Note 15. Investment Portfolio

All Investments below are ordinary shares, unless stated otherwise.

	Quantity	2016 Fair Value $'000
Japan		
Alpine Electronics	100,200	1,295
Daiichi Sankyo	130,886	4,210
Ibiden	78,360	1,171
Inpex	685,100	7,069
JSR	152,362	2,667
Lixil Group	168,491	3,692
Mitsubishi Tanabe Pharmaceuticals	56,539	1,355
Nintendo	4,310	818
Rakuten	459,506	6,588
Sumitomo Metal Mining	105,410	1,410
Toyota Industries	88,233	4,630
Ushio	160,751	2,498
Total Japan		**37,403**
Asia ex Japan		
China		
Baidu - American Depository Receipt	19,196	4,255
China Mobile - H Shares	288,911	4,430
China Pacific Insurance	1,251,009	5,648
Chow Tai Fook	1,509,405	1,452
EcoGreen International	17,302,140	4,429
Jiangsu Yanghe Brewery - long equity swap	50,400	(31)
Jiangsu Yanghe Brewery - Participatory Notes	121,513	1,768
Kweichow Moutai - Participatory Notes	91,914	5,382
PICC Property & Casualty - H Shares	2,181,827	4,574
Qingdao Haier - Participatory Notes	1,389,576	2,489
Shandong Weigao	620,936	474
Sina	91,765	6,388
Tencent	351,422	10,705
Trina Solar - American Depository Receipt	195,435	2,030
Weichai Power	115,809	159
Weichai Power - long equity swap	397,734	9
Weifu High Technology - long equity swap	88,756	18
Weifu High Technology - B Shares	219,628	623
		54,802
Hong Kong		
CK Hutchison	130,347	1,906
Shangri-La Asia	995,714	1,335
Tingyi	866,049	1,095
		4,336

Note 15: Investment Portfolio (continued)	**Quantity**	**2016 Fair Value $'000**
Asia ex Japan (continued)		
India		
Adani Ports and Special Economic Zone	418,962	1,722
Gail India	365,645	2,799
ICICI Bank	847,979	4,054
IDFC	155,573	147
IDFC Bank	1,396,831	1,255
NTPC	1,416,341	4,400
NTPC - corporate bond	-	278
PTC India	901,128	1,380
Reliance Industries	169,951	3,274
		19,309
Korea		
KB Financial Group	130,340	4,951
Samsung Electronics	8,628	13,785
		18,736
Malaysia		
Genting Bhd	1,171,089	3,199
Genting Bhd - Warrants	118,561	61
		3,260
Vietnam		
Vietnam Enterprise	537,600	2,323
Vietnam Dairy Products - long equity swap	717,328	139
		2,462
Total Other Asia		**102,905**
Australia		
Newcrest Mining	113,149	2,602
Vantage Goldfields	1,000,000	-
Total Australia		**2,602**
Europe - Euro		
France		
Casino Guichard Perrachon	75,562	5,657
Kering	21,890	4,746
Sanofi	80,979	9,044
		19,447
Germany		
Hornbach Baumarkt	69,109	2,504
Hornbach Holding	8,721	793
Qiagen	143,088	4,158
Qiagen - American Depository Receipt	92,443	2,706
		10,161

Note 15. Investment Portfolio (continued)

	Quantity	2016 Fair Value $'000
Europe - Euro (continued)		
Italy		
Eni	401,716	8,695
Intesa Sanpaolo	2,472,989	6,275
Mediobanca	389,040	2,990
		17,960
Total Europe - Euro		**47,568**
Europe - Other		
Norway		
Schibsted - A Shares	47,441	1,894
Schibsted - B Shares	42,184	1,614
		3,508
Sweden		
Atlas Copco – short equity swap	(33,582)	(13)
Ericsson	685,816	6,997
		6,984
Switzerland		
Roche	6,400	2,254
		2,254
Russia		
QIWI - American Depository Receipt	73,626	1,294
Sberbank of Russia - American Depository Receipt	86,198	1,008
		2,302
United Kingdom		
AstraZeneca	98,041	7,824
Carnival	101,337	6,011
Gemfields	1,940,780	1,248
Lloyds Banking	3,995,497	3,859
		18,942
Total Europe - Other		**33,990**
North America		
Canada		
Great Basin Gold	192,636	-
Suncor Energy	71,955	2,678
		2,678

Note 15. Investment Portfolio (continued)

	Quantity	2016 Fair Value $'000
North America (continued)		
United States		
Allegheny Technologies	133,760	2,289
Alphabet	3,330	3,144
Alphabet - C Class	6,336	5,885
Cisco Systems	181,955	7,006
Coca Cola	56,493	3,437
Consumer Staples ETF - short equity swap	(19,500)	(42)
eBay	54,000	1,697
Gilead Sciences	33,100	3,706
Industrial Select Sector SPDR Fund - short equity swap	(68,600)	(92)
Intel	96,932	4,267
Johnson & Johnson	15,900	2,588
Level 3 Communications	78,248	5,407
McDonalds	21,700	3,505
MGIC Investment	31,183	249
Nielsen Holdings	63,526	4,431
Nordstrom - short equity swap	(7,824)	(11)
Oracle	71,500	3,928
Paypal Holdings	137,300	6,728
S&P 500 E-Mini Sept 16 – index future	(315)	(284)
Schlumberger	10,450	1,109
Skyworks Solutions	17,820	1,513
Smurfit Stone ESCROW	225,000	-
Stillwater Mining	164,925	2,625
Tesla Motors - short equity swap	(2,099)	(44)
Vaneck Vectors Gold Miners	121,206	4,508
Wal Mart Stores - short equity swap	(50,632)	(116)
Wynn Resorts	18,197	2,214
		69,647
Total North America		**72,325**
South America		
Brazil		
PDG Realty - Warrants	480,590	2
		2
Peru		
Peru Holding De Turismo	1,667,523	39
		39
Total South America		**41**
Africa		
Zimbabwe		
Axia	1,391,123	140
Econet Wireless	3,033,910	855
Innscor Africa	1,545,692	359
Masimba Holdings	6,879,563	70
Simbisa Brands	1,391,123	243
		1,667

Note 15. Investment Portfolio (continued)

	Quantity	2016 Fair Value $'000
Africa (continued)		
Nigeria		
Union Bank of Nigeria	19,198,940	468
		468
Total Africa		**2,135**
Total equities, corporate bonds and derivatives (Note 4 and Note 5)*		**298,969**

*From Note 4 (financial assets), the total of equity securities was $299,159,000, the total of corporate bonds was $278,000 and the total of derivatives was $166,000 *less* from Note 5 (financial liabilities), the total of derivatives of $634,000. This results in a total of $298,969,000.

Add	
Proceeds from sale of financial assets (Note 6)	413
Payables on purchase of financial assets (Note 7)	(2,642)
Dividends receivable (Note 6)	594
Cash on deposit (Note 13)	45,024
Foreign currency forward contracts (Note 4 and Note 5)	(1,118)
Total Investment Portfolio (reconciles to Note 16: Foreign exchange risk on page 36)	**341,240**

The total number of securities transactions entered into during the reporting period, together wit*h* total brokerage paid during the reporting period was:
Number of transactions - 1,720
Total brokerage paid - $1,093,760 ($362,090 on purchases and $731,670 on sales)

Note 16. Financial risk management

Financial risk management objectives

The Company's primary risks are related to the investment activities undertaken on its behalf by Platinum Investment Management Limited. The risks that the Company is exposed to include: market risk (including currency and price risk), credit risk and liquidity risk.

The Investment Manager, Platinum Investment Management Limited's investment style:
(i) adopts a bottom-up stock selection methodology, through which long-term capital growth is sought by investing in undervalued securities across the world;
(ii) seeks absolute returns and not returns relative to any index;
(iii) invests excess funds in cash when undervalued stocks cannot be found; and
(iv) actively manages currency.

Derivatives (which include equity swaps, futures and options) are utilised for risk management purposes and to take opportunities to increase returns.

The underlying value of derivatives held by the Company may not exceed 100% of the portfolio value. The underlying value of long stocks and derivative contracts may not exceed 150% of the portfolio value. Where options are employed, the underlying value will be the delta-adjusted exposure. Compliance with these limits is reviewed by the Board and the Audit, Risk and Compliance Committee on a regular basis.

The table below summarises the Company's investments at fair value and derivative exposure.

2016	**Physical $'000**	**Long Derivatives Contracts $'000**	**Short Derivatives Contracts $'000**	**Net Exposure $'000**
Japan	37,403	-	-	37,403
Asia ex Japan*	102,770	7,806	-	110,576
Australia	2,602	-	-	2,602
Europe - Euro	47,569	-	-	47,569
Europe - Other	34,003	-	(1,158)	32,845
North America	72,913	-	(56,743)	16,170
South America	42	-	-	42
Africa	2,135	-	-	2,135
	299,437	7,806	(57,901)	249,342

2015	**Physical $'000**	**Long Derivatives Contracts $'000**	**Short Derivatives Contracts $'000**	**Net Exposure $'000**
Japan	41,458	-	-	41,458
Asia ex Japan	147,969	11,056	-	159,025
Australia	1,522	-	-	1,522
Europe - Euro	39,426	-	-	39,426
Europe - Other	45,220	-	(359)	44,861
North America	79,028	-	(39,255)	39,773
South America	442	-	-	442
Africa	4,728	-	-	4,728
	359,793	11,056	(39,614)	331,235

Note 16. Financial risk management (continued)

The "Physical" column represents the location of the Company's investments. The Investments shown on the previous page in the "Physical" column (totalling $299,437,000 for 2016) reconcile to the fair value of equity securities and corporate bonds disclosed in Note 4, being $299,159,000 for equity securities and $278,000 for corporate bonds.

*The three largest contributors to the “Asia ex Japan” category were as follows:

	Physical Exposure $’000	Net Exposure $’000
Chinese investments (including Chinese investments listed on the Hong Kong stock exchange)	54,806	56,526
India	19,309	19,309
Korea	18,736	18,736

The "Long/Short Derivative Contracts" columns include the notional value of long/short equity swaps and futures. The "Net Exposure" column represents an approximation of the Investment Portfolio's exposure to movements in markets. This is calculated by making an adjustment to the "Physical" position, by adding any long (bought) derivative positions in shares or share index futures and subtracting the principal notional amount of any short (sold) positions. For example, if 5% of the Portfolio was invested in Japan, but there was a 2% short position in Nikkei futures, then the net exposure column would show 3%. Conceivably, the figure could show a negative exposure, which would indicate that the Portfolio was net short the Japanese market.

Market risk

Foreign Exchange risk
Foreign exchange risk is the risk the fair values or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company operates internationally and is exposed to foreign exchange risk arising from buying, selling and holding investments denominated in foreign currency. Platinum Investment Management Limited selects stocks based on value regardless of geographic location. The Company undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Currency hedging is an integral part of the management of currency risk. Platinum Investment Management Limited may position the Company's Portfolio in what it believes will be a stronger currency(ies). The Company has increased its Australian Dollar and Euro exposure compared to a year ago (with the Australian Dollar exposure increasing from 0.5% at 30 June 2015 to 17% at 30 June 2016) and reduced its US Dollar exposure (reducing from 62% at 30 June 2015 to 43% at 30 June 2016). The Company is fully hedged out of the Chinese Yuan.

The Company remains heavily hedged back into US Dollars (43%, including nearly 12% in Hong Kong Dollars), with 27% in European currencies including Norwegian Krone and Swiss Francs.

Platinum Investment Management Limited may use foreign currency forward contracts, and futures and option contracts on foreign currency forward contracts to position the Portfolio in the desired currencies. A currency exposure may be hedged into a different currency from that which the exposure is maintained (for example, US Dollar hedges may be used to hedge the currency risk of holding investments in the Japanese Yen).

Where there have been major currency movements or where currencies are perceived to be over or undervalued, Platinum Investment Management Limited may look for investments whose operating environment has been distorted by the lower currency as part of the search for undervalued stocks. There may be even opportunities to invest in stocks impacted by a lower currency (for example, export-oriented stocks).

The table on the following page summarises the Company's investment exposure at fair value to foreign exchange risk. The total “Physical” and “Net Exposure” reconciles to the total investment portfolio in Note 15.

Note 16. Financial risk management (continued)

2016	**Physical $'000**	**Bought $'000**	**Sold $'000**	**Net Exposure $'000**
Japan	37,921	-	(36,987)	934
Asia ex Japan*	92,303	-	(61,504)	30,799
Australia	14,711	42,060	-	56,771
Europe - Euro	44,863	24,737	(16,571)	53,029
Europe - Other	25,683	14,657	-	40,340
North America	124,919	96,436	(62,828)	158,527
South America	372	-	-	372
Africa	468	-	-	468
	341,240	177,889	(177,889)	341,240

2015	**Physical $'000**	**Bought $'000**	**Sold $'000**	**Net Exposure $'000**
Japan	41,614	-	(33,515)	8,099
Asia ex Japan	109,221	1,245	(21,769)	88,697
Australia	4,561	-	(2,596)	1,965
Europe - Euro	37,233	-	(22,485)	14,748
Europe - Other	29,908	14,991	(16,611)	28,288
North America	173,421	89,347	(8,607)	254,161
South America	743	-	-	743
Africa	1,225	-	-	1,225
	397,926	105,583	(105,583)	397,926

*The largest contributors to the "Asia ex Japan" category at 30 June 2016 were as follows:

	Net Exposure $'000	Currency Exposure %
Hong Kong Dollar	40,690	11.9%
Indian Rupee	19,831	5.8%
Korean Won	6,795	2.0%
Chinese Yuan	(39,924)	(11.7%)
Other Asian currencies	3,407	1.0%
	30,799	9.0%

Foreign currency forward contracts and options on foreign currency forward contracts are adjusted against the "Physical" column to arrive at a "Net Exposure" for each currency grouping. The Company generally utilises short dated (90 day maturity) currency agreements with high-credit rated counterparties. The existing foreign currency forward contract positions' maturity dates range from 55 days to 174 days.

Foreign exchange risk sensitivity analysis

The table on the following page summarises the sensitivities of the Company's profit to foreign exchange risk. The analysis is based on the assumption that the Australian Dollar strengthened by 10% against the United Stated Dollar and Euro (shown in the +10% column) and weakened by 10% against the United States Dollar and Euro (shown in the -10% column). These two currencies are the material foreign currencies to which the Company was exposed at 30 June 2016.

A sensitivity of 10% has been selected as this is considered reasonably possible given current exchange rates and the volatility observed both on a historic basis and after factoring in possible future movements. The sensitivity has been undertaken on a combined basis for both monetary assets and liabilities and financial assets and liabilities measured at fair value through profit and loss, as the Company believes this accurately portrays the Company's exposure to foreign exchange risk.

Note 16. Financial risk management (continued)

2016	**% change**	**AUD strengthened Effect on profit before tax ($'000)**	**% change**	**AUD weakened Effect on profit before tax ($'000)**
United States Dollar	10%	(14,181)	(10%)	17,332
Euro	10%	(4,821)	(10%)	5,892
		(19,002)		23,224

2015	**% change**	**AUD strengthened Effect on profit before tax ($'000)**	**% change**	**AUD weakened Effect on profit before tax ($'000)**
United States Dollar	10%	(22,552)	(10%)	27,564
Euro	10%	(1,174)	(10%)	1,435
		(23,726)		28,999

The sensitivity analysis shows that the Company is materially affected by exchange rate movements (other things being equal), given the global nature of the investments held.

The above two currencies have been used as proxies for the Company's physical exposure in those currencies. If the Australian Dollar strengthened or weakened by 10% against all other currencies that the Company is exposed to, then the Company's profit would decrease by A$6,583,684 (2015: A$12,244,850) or increase by A$8,046,725 (2015: A$14,965,927). A sensitivity of 10% has been selected as this is considered reasonably possible.

Interest Rate Risk
Interest rate risk is the possibility the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The majority of the Company's financial assets and liabilities are non-interest bearing as the Company has a policy of not borrowing, other than for settlement of trades. Cash holdings are directly affected by interest rate movements, but at balance date, interest rates on these cash accounts are very low (and range from -0.60% to 1.90%).

Interest rate risk indirectly affects the Company as interest rate movements will affect forward points used in determining gains or losses on forward contracts.

The impact of interest rate movements on our investments is not capable of precise estimation. At 30 June 2016 and 2015, if interest rates had changed by +/- 100 basis points with all other variables held constant, the direct impact on interest income would not be significant for the Company.

Note 16. Financial risk management (continued)

Price risk

Market prices fluctuate due to a range of factors specific to the individual investments, or factors affecting the market in general. Platinum Investment Management Limited's stock selection process is core to the management of price risk. Platinum adopts a thematic stock selection approach and is referred to as being an "active manager". Platinum Investment Management Limited seeks a broad range of investments whose businesses and growth prospects, it believes, are being undervalued by the market. Accordingly, holdings in the Company may vary considerably from the make-up of a general index. Investment Managers such as Platinum Investment Management Limited seek to outperform the market as represented by an appropriate index.

As an additional risk management tool, the Company may enter into short equity swaps and futures to protect against market movements. At 30 June 2016, the Company maintained short positions against market indices or company-specific stocks. The use of index derivatives allows the Company to invest in specific companies, whilst providing some degree of protection against more general adverse market price movements. At 30 June 2016, the Company has increased its short positions compared to a year ago with a blend of both indices and stock specific positions.

Price risk sensitivity analysis

Price risk exposure arises from the Company's investment portfolio, which comprises investments in securities and derivatives. At 30 June 2016, the two markets that the Company had the biggest investment exposure to are China (including Chinese investments listed on the Hong Kong Stock exchange using the Shanghai-Hong Kong Stock connect facility) and the United States of America. The effect on profit due to a possible change in market factors, as represented by a -/+10% movement in these two markets with all other variables held constant, is illustrated in the table below:

2016	**Increase % change**	**Effect on profit before tax ($'000)**	**Decrease % change**	**Effect on profit before tax ($'000)**
S&P Index	10%	6,898	(10%)	(6,898)
Shanghai/Hong Kong*	10%	5,652	(10%)	(5,652)
		12,550		(12,550)

2015	**Increase % change**	**Effect on profit before tax ($'000)**	**Decrease % change**	**Effect on profit before tax ($'000)**
S&P Index	10%	8,727	(10%)	(8,727)
Shanghai/Hong Kong*	10%	9,624	(10%)	(9,624)
		18,351		(18,351)

* Shanghai/Hong Kong refers to Chinese stocks listed outside of mainland China.

The above two indices have been used as proxies for the Company's physical exposure in those markets. If all other share market indices that the Company invests moved by +/-10%, then the Company's profit would increase/(decrease) by A$16,686,047 (2015: A$17,925,408). A sensitivity of 10% has been selected as this is considered reasonably possible.

The above analysis is based on the assumption the Company's investments move in correlation with the indices. The indices provided above are a reference point only. Actual movements in the value of the investments held in the Company's portfolio will vary significantly to movements in the index.

Note 16. Financial risk management (continued)

Credit risk
Credit risk relates to the risk of a counterparty defaulting on a financial obligation resulting in a loss to the Company . (typically "non-equity" financial instruments or cash/deposit holdings).

The exposure to credit risk for cash and cash equivalent, futures, equity swaps, and foreign currency forward contracts is any unrealised profit, margins and collateral paid on the positions (the money the Company would lose if the counterparty defaulted) at reporting date.

The table below shows the Company's counterparty credit risk exposure by credit rating:

	2016 $'000	2015 $'000
Ratings		
A+	-	29,507
A	35,220	12,506
A-	11,264	9,747
BBB+	7,916	8,161
BBB	430	-
Total	54,830	59,921

Platinum Investment Management Limited regularly monitors the Company's credit risk exposure to counterparties and seeks to manage the risk by spreading exposure over a number of counterparties by signing standard ISDA (International Swaps and Derivatives Association) master agreements and net settlement contracts, employing two-way symmetrical margining of unrealised profits and losses and by controlling the duration of contracts to be short-term. Transactions in listed securities and investments are entered into with approved brokers. Payment is only made once a broker has received securities and delivery of securities sold only occurs once the broker receives payment.

	2016 $'000	2015 $'000
The Company's ageing analysis of receivables at 30 June 2016 is as follows:		
0-30 days	707	183
31-60 days	353	366
61-90 days	-	22
90+ days	3,909	316
Total*	4,969	887

*The total amount of $4,969,000 (2015: $887,000) reconciles to the balances shown in Note 6 of $1,096,000 (2015: $622,000) and Note 3(b) of $3,873,000 (2015: $265,000).

Liquidity risk
Liquidity risk is the risk the Company will encounter difficulty in meeting obligations associated with financial liabilities. This includes the risk that the Company:
(i) will not have sufficient funds to settle a transaction on the due date; and
(ii) will be forced to sell financial assets at a value which is less than they are worth.

Note 16. Financial risk management (continued)

Remaining contractual maturities
The following tables detail the Company's remaining contractual maturity for its financial and non-financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial and non-financial liabilities based on the earliest date on which the financial and non-financial liabilities are required to be paid.

2016	Within 3 months $'000	Between 3 and 6 months $'000	Total $'000
Non-financial			
Trade creditors and dividend payable	3,325	-	3,325
Total non-financial	3,325	-	3,325
Financial			
Derivative contractual outflows	634	-	634
Foreign currency forward contracts	2,269	258	2,527
Total financial	2,903	258	3,161

2015	Within 3 months $'000	Between 3 and 6 months $'000	Total $'000
Non-financial			
Trade creditors and dividend payable	881	-	881
Total non-financial	881	-	881
Financial			
Derivative contractual outflows	689	-	689
Foreign currency forward contracts	719	-	719
Total financial	1,408	-	1,408

At 30 June 2016, there are no other contractual amounts payable after six months.

The Company has sufficient funds to meet these liabilities as the value of total net assets realisable in one year or less is $347,860,000 (2015: $398,380,000). Assets that are realisable in one year or less include equities, derivatives, cash and cash equivalents.

Except for equity swaps and futures, the maximum capital risk resulting from financial instruments is determined by the fair value of financial instruments. Potential losses from equity swaps and futures are limited to available capital.

The risk management guidelines adopted are designed to minimise liquidity risk through:
(i) ensuring that there is no significant exposure to illiquid or thinly traded financial instruments; and
(ii) applying limits to ensure there is no concentration of liquidity risk to a particular counterparty or market.

Platinum Investment Management Limited prepares daily cash forecasts for the Company and maintains sufficient cash to meet normal operating requirements. The Company has a policy of not borrowing money, other than on a short term basis for settlement, trading and like purposes.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 16. Financial risk management (continued)

Capital risk management
The Company considers its capital to comprise ordinary share capital and accumulated retained profits.

The Company's objective is to seek long-term capital growth by investing in undervalued securities across the world, so to continue to provide returns to shareholders. Under the capital management programme approved by shareholders, the Company may adjust its capital structure via rights issues and share buy-backs. The Company may announce a new share buy-back programme or commence a rights issue at a future point in time, if the premium or discount widens beyond the range of -10% (discount) or +15% (premium) respectively, and market conditions are considered suitable by the Investment Manager.

The Company is an ASX-listed investment company and is subject to various ASX Listing Rules requirements. For example, the Company must report its net asset value (NAV) to the ASX on a monthly basis. The Company complies with all externally-imposed capital requirements.

Note 17. Fair value measurement

Fair value hierarchy
AASB 13: *Fair Value Measurement* requires the Company to classify its assets and liabilities held at fair value using the following fair value hierarchy model (consistent with the hierarchy model applied to financial assets and liabilities at 30 June 2015):

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset and liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Company measures and recognises the following financial assets and liabilities at fair value, pursuant to AASB 13, on a recurring basis:
(i) Equity securities, long equity swaps and long futures;
(ii) Corporate bonds;
(iii) Short equity swaps and short futures; and
(iv) Foreign currency forward contracts

The following tables detail the Company's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy model. The Company has no assets or liabilities that are classified as Level 3.

2016	Level 1 $'000	Level 2 $'000	Total $'000
Assets			
Equity securities	287,197	11,962	299,159
Corporate bonds	-	278	278
Derivatives	-	166	166
Foreign currency forward contracts	-	1,409	1,409
Total assets	287,197	13,815	301,012
Liabilities			
Derivatives	284	350	634
Foreign currency forward contracts	-	2,527	2,527
Total liabilities	284	2,877	3,161

Note 17. Fair value measurement (continued)

2015	Level 1 $'000	Level 2 $'000	Total $'000
Assets			
Equity securities	336,386	23,133	359,519
Corporate bonds	-	274	274
Derivatives	391	1,357	1,748
Foreign currency forward contracts	-	315	315
Total assets	336,777	25,079	361,856
Liabilities			
Derivatives	-	689	689
Foreign currency forward contracts	-	719	719
Total liabilities	-	1,408	1,408

The totals above can be reconciled to Note 4 or Note 5 and the Statement of Financial Position.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers between levels 1 and 2 for any assets or liabilities measured at fair value during the year.

Rationale for classification of assets and liabilities as level 1
At 30 June 2016, 96% of the equity securities and derivatives held by the Company are valued using unadjusted quoted prices in active markets and are classified as Level 1 in the fair-value hierarchy model.

Rationale for classification of assets and liabilities as level 2
There are certain financial instruments that have been classified as level 2, because a degree of adjustment has been made to the quoted price i.e., whilst all significant inputs required for fair value measurement are observable and quoted in an active market, there is a degree of estimation involved in deriving the fair value. Examples include:

(i) foreign currency forward contracts are classified as level 2 even though forward points are quoted in an active and liquid market. The forward themselves are based on interest rate differentials;
(ii) Participatory Notes are classified as level 2 because they are generally traded over-the counter and are often priced in a different currency to the underlying security;
(iii) Over-The-Counter (OTC) equity swap contracts are classified as level 2 because the swap contract itself is not listed and therefore there is no directly observable market price; or the price is sourced from the relevant counterparty, even though the price (and in the case of options, the relevant delta) can be verified directly from Bloomberg or verified using option pricing models; and
(iv) certain index derivatives are classified as level 2 because the Company may agree with the counterparty to include or exclude one or more securities that make up the “basket” of securities that comprise the index derivative. Hence, the quoted price of the index derivative would be very similar, but not identical to the index derivative that the Company held.

Note 18. Offsetting of financial assets and financial liabilities

Offsetting and master netting agreements
The Company enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. In general, the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other, if

I. there is a legally enforceable right to set-off the financial asset and financial liability; and
II. the Company intends to settle the financial asset and financial liability on a net basis, or realise the financial asset and settle the financial liability simultaneously.

The gross and net positions of financial asset and liabilities that have been offset in the Statement of Financial Position are disclosed in the first three columns of the following table:

	Amounts offset in the Statement of Financial Position			**Related amounts not set-off in the Statement of Financial Position**		
	Gross amounts	**Gross amounts set-off in the Statement of Financial Position**	**Net amounts in the Statement of Financial Position**	**Financial Instruments[1]**	**Cash collateral**	**Net Amount**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets						
2016						
Derivatives	166	-	166	(157)	-	9
Foreign currency forward contracts	1,871	(462)	1,409	(1,368)	-	41
2015						
Derivatives	1,748	-	1,748	(689)	-	1,059
Foreign currency forward contracts	336	(21)	315	(315)	-	-
Financial liabilities						
2016						
Derivatives	634	-	634	(157)	(94)	383
Foreign currency forward contracts	2,989	(462)	2,527	(1,368)	(390)	769
2015						
Derivatives	689	-	689	(689)	-	-
Foreign currency forward contracts	740	(21)	719	(315)	(404)	-

1. shows the impact of arrangements between the Company and the relevant counterparty on financial instruments that provide a right to set-off that becomes enforceable and affects settlement of individual financial assets and liabilities only following a specified event of default or in other circumstances not expected to arise in the normal course of business. These arrangements are not set-off in the Statement of Financial Position, as they are not currently enforceable.

Note 19. Investment Manager

The fee structure effective on and from 1 January 2016 comprises a lower base management fee of 1.1% per annum of the Company's portfolio value and a higher performance fee of 15% per annum of the amount by which the portfolio's annual return (at 30 June) exceeds the MSCI return. Performance fee is calculated before income taxes but after the payment of management fees.

The 6 months pre-tax performance of the portfolio up to 30 June 2016, was negative 5.87% and the corresponding MSCI return was negative 1.09%. This represents an underperformance of 4.78% against the MSCI and once the prior period aggregate underperformance of 10.4255% is also included, a performance fee has not been accrued. The total aggregate underperformance of 15.21% will need to be made up before a performance fee will be paid.

Total fees paid and payable for the year ended 30 June 2016 are shown below:	**2016** **$'000**	**2015** **$'000**
Management fees	4,845	5,831

The management fees paid/payable has decreased in line with the reduction in the management fee rate from 1 January 2016.

In the event of termination, Platinum Investment Management Limited will be paid a 1.1% per annum lump sum termination fee payable by the Company equal to the management fee rate of 1.1% per annum in respect of the period from the first business day of the month in which termination is effective to the date which is the first anniversary of that date. Additionally, a performance fee is payable for the period from the last calculation of the performance fee (as described above) to the date of termination.

A summary of the salient provisions of the Investment Management Agreement ("Agreement") is contained below:

(a)The terms of the Agreement require Platinum Investment Management Limited to:
(i) invest and manage the Portfolio in accordance with the Agreement;
(ii) confer with the Board of the Company at regular intervals in respect of the investment and management of the Portfolio;
(iii) exercise all due diligence and vigilance in carrying out its functions, powers and duties under the Agreement; and
(iv) promptly notify the Board of any instructions given to it by the Company which have not been complied with.

(b) Each party is to provide three months' notice to terminate the Agreement. The Company may immediately terminate the Agreement where Platinum Investment Management Limited:
(i) becomes subject to a receiver, receiver and manager, administrative receiver or similar person;
(ii) goes into liquidation;
(iii) ceases to carry on business in relation to its activities as an Investment Manager;
(iv) breaches a material provision of the Agreement, or fails to observe or perform any representation, warranty or undertaking given by Platinum Investment Management Limited under the Agreement; or
(v) sells or transfers or makes any agreement for the sale or transfer of the main business and undertaking of Platinum Investment Management Limited or beneficial interest therein, other than to a related body corporate for purposes of corporate reconstruction on terms previously approved in writing by the Company.

The Agreement was entered into to (a) codify changes made to the ASX Listing Rules and (b) codify the range of services provided by Platinum Investment Management Limited to the Company.

Note 20. Remuneration of auditors

During the financial year, the following fees were paid or payable for services provided by PricewaterhouseCoopers, the auditor of the Company:

	2016 $	2015 $
Audit services relating to the financial statements		
Audit and review of the financial statements	105,000	110,589
Other services		
Taxation services	37,301	44,954
Analytical and assurance services – fee modelling* and agreed upon procedures of new performance fee structure calculation**	19,800	-
	162,101	155,540

*PwC was engaged to provide fee modelling analysis in relation to the management and performance fees payable, when comparing with the old fee structure (effective up to 31 December 2015) to the proposed new fee structure (effective on and from 1 January 2016).

******PricewaterhouseCoopers were engaged by the Directors to undertake certain agreed upon procedures to assist the Directors in their review of the carried forward underperformance amount.

Note 21. Key management personnel disclosures

Key Management Personnel
Details of remuneration paid to the Non-Executive Directors are outlined in the Statement of Profit or Loss and other Comprehensive Income and in the Remuneration Report and in aggregate terms was $186,150 (2015: $169,725).

Interests of Directors in shares
The relevant interest in ordinary shares of the Company that each Director held at balance date was:

	Opening balance	Acquisitions	Disposals	Closing balance
Bruce Coleman	240,000	-	-	240,000
Richard Morath	32,400	-	-	32,400
Jim Clegg	20,000	-	-	20,000

Note 22. Related party transactions

Management Fees
Disclosures relating to management fees paid and payable to the related party, Platinum Investment Management Limited are set out in Note 19.

Administration fees
Under the Administrative Services Agreement, Platinum Investment Management Limited provides various administrative services to the Company. These include accountancy, secretarial, performance analytics, taxation, compliance and risk monitoring services.

The services provided extend to liaison with the share registry to ensure that accurate share records are maintained and services are provided to shareholders in a timely and efficient manner.

In consideration for providing these services, Platinum Investment Management Limited received a payment of $1 from the Company.

Note 22. Related party transactions (continued)

Key management personnel
Disclosures relating to key management personnel are set out in Note 21 and the Remuneration Report.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 23. Contingent Assets, Liabilities and Commitments to Capital Expenditure

No contingent assets or liabilities exist at 30 June 2016 and 30 June 2015. The Company has no commitments for uncalled share capital on investments.

Note 24. Events after the reporting period

Apart from the dividend declared as disclosed in Note 11, no other matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Note 25. The Company

The Company

Platinum Capital Limited is a company limited by shares, incorporated and domiciled in New South Wales. Its current registered office and principal place of business is:
Level 8, 7 Macquarie Place
Sydney NSW 2000

A description of the nature of the Company's operations and its principal activities is included in the Directors' Report.

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and

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

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors

Bruce Coleman Chairman	Richard Morath Director

19 August 2016
Sydney

Independent auditor's report to the members of Platinum Capital Limited

Report on the financial report

We have audited the accompanying financial report of Platinum Capital Limited (the company), which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 Platinum Capital 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 2016 and of its performance for the year ended on that date; and
   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

b. the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 9 to 11 of the directors' report for the year ended 30 June 2016. 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

In our opinion, the remuneration report of Platinum Capital Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

Joe Sheeran
Partner

Sydney
19 August 2016