

**Australia & International Holdings Limited
and Controlled Entities**

A C N 009 706 414

Financial Statements

**For the Year Ended
30 June 2010**

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DIRECTORS' REPORT

The directors present their report together with the financial report of Australia & International Holdings Limited ("the Company") and the consolidated financial report of the economic entity, being the Company and its controlled entities, for the year ended 30 June 2010 and the auditors' report thereon.

Directors

The directors of the Company at any time during the whole of the financial year and up to the date of this report:

Bernard C E Rowley - Chairman

Fellow of Institute of Actuaries of Australia, Fellow of the Australian Institute of Company Directors

Bernard has been a Director since 1998 and Chairman since 2002. He is currently the Chairman of Cuna Mutual Group, Chairman of Burrell Stockbroking Pty Ltd, Director of River City Motor Way Group, Director of Texon Petroleum Ltd. He was previously the Chief Executive of Suncorp Insurance & Finance in 1986-1996.

Christopher T Burrell - Director, Company Secretary

MFM, B. Com. (Hons), L.L.B. (Hons), F.C.A., SF Fin, M.S.A.A.

Chris has been a Director since 1983. He was the Company's Chairman from 1983 to 2002. He has been the Managing Director of Burrell Stockbroking Pty Ltd since 1997. He is a former Partner from Coopers & Lybrand, Chartered Accountants for 15 years, a previous Director of Queensland, electricity retailer, ERGON, a former member of the Industrial Research & Development Committee within the Commonwealth Department of Industry, Science and Resources and a former State Councillor for the Securities Institute of Australia.

Roger J Burrell - Director

B.Com, L.L.B., F Fin, F.A.I.C.D., Dipl. of Fin. Services

Roger has been a Director since 1987. He is also currently a Director and Chief Executive Officer of Access Funds Management Ltd., Director of Multiple Sclerosis Australia, Vice-President of Multiple Sclerosis Society of Queensland and Legal Consultant to DLA Phillips Fox, QM Properties Group and Property Solutions Group. Roger is also a former Partner of national law firms Clayton Utz 1987-2000 and Phillips Fox 2000-2006.

Frank J Finn - Director

B. Com. (Hons), M.B.A. PhD, F.C.P.A., F Fin

Frank has been a Director since 1996. He was the Professor of Finance, Director of Studies at the Faculty of Business, Economics & Law of University of Queensland.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

DIRECTORS' REPORT CONTINUED

Company Secretary

Ian F Davey

B. Bus, CPA, F Fin, S.A.A.M.

Ian has been a Company Secretary of the Company since 2000 and is also an Associate Director of Burrell Stockbroking Pty Ltd. Prior to joining the Company, he was the Finance Controller of James Engineering Pty Ltd 1985-2000.

Directors' Meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Company

Director	Number of Meetings Attended	Number of Meetings Held While Director In Office
B. C. E. Rowley	4	4
C. T. Burrell	4	4
R. J. Burrell	3	4
F. J. Finn	4	4

Company Operations and Results

Overview

The Company provides investors with a medium to long-term investment vehicle with exposure to Australian and overseas listed equity investments. The primary objective is to provide returns from dividends and capital growth.

Performance Outcomes

Net Return

The net return to shareholders for the financial year ended 30 June 2010 was 7.90%. This return is after costs have been deducted for managing and administering the portfolios and the Company. It is also after an allowance for tax at the rate of 30% has been deducted from operating profits and on the increases in value of the investment portfolios. Further, the return shareholders in AIH received from dividends are fully franked. As such, our net return is not directly comparable to publicly reported share price or accumulation indices.

The net asset value per share was \$ 2.84 (30 June 2009: \$2.72). The 2009 final dividend was 4.5 cents per share and the 2010 interim dividend was 5.0 cents per share, fully franked.

AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2010

DIRECTORS' REPORT CONTINUED

Gross Return

For comparative purposes we benchmark the international portfolio against the "MSCI" World (excluding Australia) Accumulation Index in local currency; and, the Australian long-term portfolio against the ASX All Ordinaries Accumulation Index. The trading portfolio is more difficult to benchmark because it includes a mix of mid-cap shares and some overweight positions in blue-chip shares. However, we feel that the return from this portfolio is related to the performance of the Australian long-term portfolio.

Benchmarked returns are provided in the information below.

Performances of Individual Portfolios

The performances of individual portfolios for the year ended 30 June 2010 and the comparative period are as follows:

	2010	2009
	%	%
Australian Long -Term Portfolio	13.22	-26.42
International Long-Term Portfolio	0.58	-10.96
Trading Portfolio	21.08	-37.67
Australian All Ordinaries Accumulation Index	13.78	-22.15
MSCI World Index ex. Australia	3.72	-18.39

The Company's investments by sector are:	2010	2009
	%	%
Energy	10.85	12.71
Materials	16.77	20.43
Industrials	9.19	7.63
Consumer discretionary	9.42	7.44
Consumer staples	6.00	3.98
Financials	21.85	27.65
Real estate investment trust	5.33	2.48
Managed Funds & LICs	8.18	7.76
Exchange traded fund	3.32	2.16
Others - Health Care, Information Technology, Telecommunications & Utilities	9.09	7.76

AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2010

DIRECTORS' REPORT CONTINUED

The Company's investments by geographic area are:	2010	2009
	%	%
Australia	70.9	77.0
Americas	16.1	10.4
United Kingdom	4.0	2.7
Europe ex. United Kingdom	5.4	6.2
Japan	1.8	2.6
New Zealand	0.8	0.6
Asia ex. Japan	1.0	0.5

Securities representing 5% or more of the combined investments and trading portfolio at 30 June 2010 were:

	% of Portfolio
BHP Billiton	8.5%
Commonwealth Bank of Australia	5.7%
Westpac Banking Corporation	5.1%

Principal Activities

The consolidated entity's principal activity during the year consisted of long-term investing in publicly listed Australian and overseas companies.

	Consolidated		Parent entity	
	2010	2009	2010	2009
Operating Profit/(Loss) for the year after income tax	\$179,499	(\$262,245)	\$91,806	\$144,374

Net Assets Value per Share

Net assets value per share for the economic entity as at 30 June 2010 is \$2.84 (2009: \$2.72).

DIRECTORS' REPORT CONTINUED

Dividends Paid or Recommended

Details of dividends in respect of the current year are as follows:

	Fully franked dividends per share (cents)	Total (\$)
Ordinary dividend declared and paid during the year:		
Final 2009, paid 22 December 2009	4.5	85,126
Interim 2010, paid 15 April 2010	5.0	95,264
Total amount	9.5	180,390

The franked components of all dividends paid or declared since the end of the previous financial year were fully franked based on a tax rate of 30%.

The Directors of the Company have changed the dividend policy which will affect the timing of the dividend payments. Any interim dividend will be paid in April, and any final dividend in October of the year.

Significant Changes in State Affairs

There were no significant changes in the company's state of affairs during the financial year.

Events Subsequent to Balance Date

There were no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect:

- a) the economic entity's operations in future years, or
- b) the results of those operations in future financial years, or
- c) the economic entity's state of affairs in future financial years.

Environmental Regulations

The Company's operations are not materially affected by environmental regulations.

Likely Developments

The Company will continue to invest in publicly listed securities in Australia and overseas for the benefit of shareholders.

Retirement, Election and Continuation in Office of Directors

Messrs B. C. Rowley and R. J. Burrell are the Directors retiring by rotation, who, being eligible, offer themselves for re-election.

Indemnification and Insurance of Officers

The Company has agreed to indemnify the Directors and Officers of the Company against any liabilities that may arise as a result of their position in the Company except where the liability arises out of conduct involving lack of good faith.

DIRECTORS' REPORT CONTINUED

Remuneration Report

No remuneration was paid to the Directors of AIH during or after the year ended 30 June 2010. No other management or staff are employed by AIH.

Full details relating to the Directors are set out at Note 23 Related Parties, in the Notes to and forming part of the Financial Statements for the year ended 30 June 2010.

Except as otherwise disclosed, no director of the Company has received, or has become entitled to receive, a benefit because of a contract that the directors, or a firm of which the director is a member, or an entity in which the director has a substantial financial interest, has made (during the year ended 30 June 2010 or at any other time) with:

- a) the Company; or
- b) an entity that the Company controlled, or a body corporate that was related to the Company, when the contract was made or when the director received, or became entitled to receive, the benefit.

Directors Holdings of Securities Issued by Company

Details of Directors' holdings are to be found in Note 23 Related Parties of the Financial Statements.

Non-audit Services

Details of non-audit services performed by the auditors may be found in Note 4 of the Financial Statements. The Board of Directors is satisfied that the level of non-audit services provided would not compromise their ability to act independently and in the interests of shareholders.

Proceedings on behalf of the Company

No proceedings have been brought or intervened in on behalf of the Company with leave of the court under section 237 of the *Corporations Act 2001*.

DIRECTORS' REPORT CONTINUED

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2010 has been received and can be found on page 9 of the Directors' Report.

This report is made in accordance with a resolution of the Directors.

The image shows two handwritten signatures in black ink. The signature on the left is 'Chris Burrell' and the signature on the right is 'B.C. Rowley'.

C. T. Burrell
Director

B.C. Rowley
Chairman

Dated at Brisbane, 9 September 2010

CORPORATE GOVERNANCE

The Board of Australia & International Holdings Limited is committed to the highest level of honesty and integrity.

Roles and Functions of the Board

The main functions and responsibilities of the Board are:

- Oversight of the company;
- Setting the investment strategy for the portfolios;
- Ensuring systems are in place to ensure risks are controlled and internal and external compliance and legal obligations are met;
- Approving and monitoring financial and other reporting.

Structure of the Board and Establishment of Committees

The objective of the Board is to maintain a majority of independent directors so as to maintain an appropriate degree of separation from the management of AIH. The Chairman is an independent director. The size and nature of AIH does not warrant the establishment of a nomination committee, however, the Board seeks to maintain a balanced mix of investment, finance, business and legal skills in its composition. Further, the size and nature of AIH does not warrant the establishment of an audit or compliance committee. As the Directors have not to this date sought any remuneration for their services to shareholders, there has not been any need to establish a remuneration committee.

Risk Management

The Board is responsible for identifying and managing risks to AIH and these are set out in the Notes to these accounts. Some risks are reduced by having appropriate controls and policies and procedures in place with audit review. Investment risk is reduced by the setting of an appropriate investment strategy with guidelines and benchmarks for the investment manager to follow with regular Board review..

**AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF
AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED AND CONTROLLED ENTITIES**

In relation to our audit of the financial report of Australia & International Holdings Limited and Controlled Entities for the year ended 30 June 2010, I declare that, to the best of my knowledge and belief, there have been:

- (a) No contraventions of the auditor independence requirements of the *Corporations Act 2001*, and
- (b) No contraventions of any applicable code of professional conduct.

Lawler Hacketts Audit



Liam Murphy
Partner

Brisbane, 9 September 2010

AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2010

INCOME STATEMENTS

	Notes	Consolidated		Parent	
		2010	2009	2010	2009
		\$	\$	\$	\$
Revenue	3	360,554	(207,231)	177,449	245,143
Accountancy and audit fees		(47,486)	(28,136)	(22,948)	(27,514)
Managed portfolio fees		(45,227)	(33,855)	(3,171)	(2,236)
Secretarial expenses		(31,200)	(24,000)	(31,200)	(24,000)
Legal expenses		(5,011)	(12,556)	(2,212)	(12,344)
Stock exchange fees		(21,290)	(19,341)	(21,290)	(19,341)
Investments write-down		(5,000)	-	-	-
Other expenses		(11,956)	(6,501)	(9,600)	(4,955)
Profit/(loss) before income tax		193,383	(331,620)	87,028	154,753
Income tax (expense)/benefit	5(a)	(22,523)	86,050	4,778	(10,379)
Profit/(loss) for the year		170,860	(245,570)	91,806	144,374
Profit/(loss) is attributable to:					
Equity holders of Australia & International Holdings Limited		179,499	(262,245)	91,806	144,374
Non-controlling interests		(8,639)	16,675	-	-
		170,860	(245,570)	91,806	144,374

		Cents	Cents
Earnings per share for profit/(loss) attributable to the ordinary equity holders of the Company			
Basic earnings/(loss) per share	6	9.43	(14.64)
Diluted earnings/(loss) per share	6	9.43	(14.64)

The above Income Statements should be read in conjunction with the accompanying notes to the financial statements.

AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2010

STATEMENT OF COMPREHENSIVE INCOME

	Notes	Consolidated		Parent	
		2010	2009	2010	2009
		\$	\$	\$	\$
Profit for the year		170,860	(245,570)	91,806	144,374
Other comprehensive income after income tax					
Net gain/(loss) on revaluation of financial assets		226,920	(691,817)	269,461	(1,227,577)
Other comprehensive income/ (expense) for the year, net of tax		226,920	(691,817)	269,461	(1,227,577)
Total comprehensive income/(expense) for the year		397,780	(937,387)	361,267	(1,083,203)
Total comprehensive income for the year is attributable to					
Equity holders of Australia & International Holdings Limited		403,629	(906,461)	361,267	(1,083,203)
Non-controlling interests		(5,849)	(30,926)	-	-
		397,780	(937,387)	361,267	(1,083,203)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes to the financial statements.

STATEMENT OF FINANCIAL POSITION

	Notes	Consolidated		Parent	
		2010	2009	2010	2009
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	7	337,140	284,923	57,061	13,083
Receivables	8	-	105,986	39,065	220,462
Other financial assets	9	531,862	297,022	-	-
Option assets	10	6,699	22,458	-	-
Current tax benefits	5	37,026	25,240	-	-
Total Current Assets		912,727	735,629	96,126	233,545
NON-CURRENT ASSETS					
Other financial assets	9	6,513,987	4,653,668	5,528,537	5,010,501
Deferred tax assets	5	94,776	95,728	19,108	-
Total Non-Current Assets		6,608,763	4,749,396	5,547,645	5,010,501
Total Assets		7,521,490	5,485,025	5,643,771	5,244,046
CURRENT LIABILITIES					
Payables	11	82,588	43,207	25,655	23,300
Option liabilities	10	29,021	44,272	-	-
Current tax liabilities	5	-	-	-	736
Total Current Liabilities		111,609	87,479	25,655	24,036
NON-CURRENT LIABILITIES					
Deferred tax liability	5	140,883	24,331	139,355	22,753
Total Non-Current Liabilities		140,883	24,331	139,355	22,753
Total Liabilities		252,492	111,810	165,010	46,789
Net Assets		7,268,998	5,373,215	5,478,761	5,197,257

AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED AND CONTROLLED ENTITIES
AS AT 30 JUNE 2010

STATEMENT OF FINANCIAL POSITION CONTINUED

	Notes	Consolidated		Parent	
		2010	2009	2010	2009
		\$	\$	\$	\$
EQUITY					
Contributed equity	12	4,435,180	4,334,553	4,435,180	4,334,553
Reserves	13	342,923	118,793	612,283	342,822
Retained earnings	14	696,412	697,303	431,298	519,882
Parent entity interest	15	5,474,515	5,150,649	5,478,761	5,197,257
Non-controlling interests	16	1,794,483	222,566	-	-
Total Equity		7,268,998	5,373,215	5,478,761	5,197,257

The above Statement of Financial Position should be read in conjunction with the accompanying notes to the financial statements.

AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2010

STATEMENT OF CHANGES IN EQUITY

	Contributed Equity	Financial Asset Revaluation Reserve	Retained Earnings	Total
	\$	\$	\$	\$
Parent:				
As at 1 July 2008	4,074,364	1,570,399	530,669	6,175,432
Total comprehensive income	-	(1,227,577)	144,374	(1,083,203)
Transactions with owners in their capacity as owners:				
Issuance of shares	260,189	-	-	260,189
Dividends paid or declared	-	-	(155,161)	(155,161)
As at 30 June 2009	<u>4,334,553</u>	<u>342,822</u>	<u>519,882</u>	<u>5,197,257</u>
Total comprehensive income	-	269,461	91,806	361,267
Transactions with owners in their capacity as owners:				
Issuance of shares	100,627	-	-	100,627
Dividends paid or declared	-	-	(180,390)	(180,390)
As at 30 June 2010	<u>4,435,180</u>	<u>612,283</u>	<u>431,298</u>	<u>5,478,761</u>

AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2010

STATEMENT OF CHANGES IN EQUITY CONTINUED

	Contributed Equity \$	Financial Asset Revaluation Reserve \$	Retained Earnings \$	Total \$	Non- Controlling Interests \$	Total \$
Consolidated:						
As at 1 July 2008	4,074,364	763,008	1,114,710	5,952,082	156,821	6,108,903
Total comprehensive income	-	(644,215)	(262,246)	(906,461)	(30,926)	(937,387)
Transactions with owners in their capacity as owners:						
Issuance of shares	260,189	-	-	260,189	-	260,189
Issuance of units	-	-	-	-	113,347	113,347
Dividends paid or declared	-	-	(155,161)	(155,161)	-	(155,161)
Distributions paid or declared	-	-	-	-	(16,676)	(16,676)
As at 30 June 2009	4,334,553	118,793	697,303	5,150,649	222,566	5,373,215
Total comprehensive income	-	224,130	179,499	403,629	(5,849)	397,780
Transactions with owners in their capacity as owners:						
Issuance of shares	100,627	-	-	100,627	-	100,627
Issuance of units	-	-	-	-	1,612,346	1,612,346
Dividends paid or declared	-	-	(180,390)	(180,390)	-	(180,390)
Distributions paid or declared	-	-	-	-	(34,580)	(34,580)
As at 30 June 2010	4,435,180	342,923	696,412	5,474,515	1,794,483	7,268,998

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes to the financial statements.

AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2010

STATEMENT OF CASH FLOWS

	Notes	Consolidated		Parent	
		2010	2009	2010	2009
		\$	\$	\$	\$
Cash flows from operating activities					
Receipts from short-term trading activities		759,999	1,009,803	-	-
Payments to short-term trading activities		(887,311)	(928,242)	-	-
Dividends received		165,906	203,596	16,422	17,410
Interest received		13,531	10,847	1,884	346
Trust distributions received		31,004	41,703	-	-
Trust distributions received from related parties		-	-	310,861	17,627
Realised foreign exchange movements		25,692	6,271	-	-
Income taxes (paid)/refunded		(33,056)	(58,827)	(6,836)	(42,069)
Other expenses (paid)/income received		(34,330)	(129,546)	(52,993)	(82,489)
Net cash provided by (used in) operating activities	20	41,435	155,605	269,338	(89,175)
Cash flows from investing activities					
Receipts from long-term investing activities		1,012,561	935,045	-	55,549
Payments to long-term investing activities		(2,496,674)	(1,286,237)	(135,597)	(151,894)
Net cash provided by (used in) investing activities		(1,484,113)	(351,192)	(135,597)	(96,345)
Cash flows from financing activities					
Share applications monies received		100,627	260,188	100,627	260,188
Unit application monies received in sub-trust entities		1,612,346	113,348	-	-
Loans from/(to) controlled entities		-	-	(10,000)	88,669
Dividends paid	18	(180,390)	(155,161)	(180,390)	(155,161)
Distributions paid		(27,394)	(1,842)	-	-
Net cash provided by (used in) financing activities		1,505,189	216,533	(89,763)	193,696
Net increase (decrease) in cash held		62,511	20,946	43,978	8,176
Cash and cash equivalents at beginning of financial year		284,923	260,243	13,083	4,907
Effects of exchange rate fluctuations on the balances held in foreign currencies		(10,294)	3,734	-	-
Cash and cash equivalents at end of financial year	7	337,140	284,923	57,061	13,083

The above Statement of Cash Flows should be read in conjunction with the accompanying notes to the financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of financial report

The consolidated financial report is a general purpose financial report prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Boards, and the *Corporations Act 2001*. This financial report has been authorised for issue as per the Directors' Report.

Australia & International Holdings Limited (the Company) is a company limited by shares, incorporated and domiciled in Australia. The economic entity comprises the Company and its controlled entities for the year ended 30 June 2010.

Statement of Compliance

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss and certain classes of non-current assets.

The accounting policies have been consistently applied by each entity in the consolidated entity and, except where there is a change in accounting policy, are consistent with those of the previous year.

Where necessary comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

b. Principles of consolidation

The consolidated financial statements of the economic entity include the financial statements of the Company, being the parent entity, and its controlled entities ("the consolidated entity").

Where the entity began or ceased to be controlled during the year, the results are included only from the date control commenced or up to the date control ceased.

The balances and effects of transactions between controlled entities included in the consolidated financial statements have been eliminated.

Non-controlling interests in the results and equity of controlled entities are shown separately in the consolidated income statement and balance sheet respectively.

c. Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Revenue from passive dividends and trust income is recognised as it is received.

Revenue from interest and other income is recognised as it is accrued.

Revenue from investments in shares held on trading account (at fair value through profit or loss) is recognised as fair value adjustments, being the increase/(decrease) in the fair value at balance date.

Revenue from sale of investments is recognised from the date of contract and is the difference between the sale price less selling costs and the cost of purchase or if revalued, the revalued amount.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

d. Foreign currency translation

Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Amounts of receivables and payables in foreign currencies at balance date are translated at the rates of exchange ruling on that date.

Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the profit and loss account in the financial year in which the exchange rates change.

e. Income tax

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

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

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

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

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

f. Investments

Securities

All interests in listed securities are shown in the Company's accounts at net market value. The basis of determining net market value of quoted investments is at market value as quoted on the relevant stock exchange less an allowance for realisation costs. Unquoted investments are valued at the lower of cost or their estimated market value less an allowance for realisation costs.

Controlled Entities

The Company's investments in Burrell Australian Equities Trust and Burrell World Equities Trust and interests in listed securities are shown in the Company's accounts at net market value. The basis of determining net market value of quoted investments is at market value as quoted on the relevant stock exchanges less an allowance for realisation costs. Unquoted investments are valued at the lower of cost or their estimated market value less an allowance for realisation costs.

The investment of Burrell Australian Equities Trust, in its controlled entity, Australian Index Fund Pty Ltd is at cost, but on consolidation the investments owned are shown at net market value as the principal activity of the subsidiary consists of share trading and overweight investment positions. Unrealised changes in the net market value of these investments are brought to account in determining the profit or loss for the year.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

f. Investments CONTINUED

Revaluation of Investments in and out of Controlled Entities

In relation to the parent entity, revaluation increments arising from revaluations are credited directly to the Asset Revaluation Reserve after deducting a provision for potential deferred capital gains tax liability, if applicable. Where there is a revaluation decrement this will be credited to the profit & loss unless reversing an increment.

g. Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company or consolidated entity, at balance date.

h. Derivatives

The consolidated entity uses equity options in the management of its investment portfolio.

The premium received on options contracts that are unexpired and open at balance date have initially been brought to account as deferred income and subsequently revalued at theoretical value. Increments or decrements are recognised in the Statement of Comprehensive Income.

i. Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in at call deposits with banks or financial institutions, investment in money market instruments maturing within less than two months, net of bank overdrafts.

j. Financial instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

j. Financial Instruments CONTINUED

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current closing prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

k. Critical Accounting Estimates and Judgements

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

l. Adoption of New and Revised Accounting Standards

During the current year the Group adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of the Company.

AASB 8: Operating Segments

In February 2007 the Australian Accounting Standards Board issued AASB 8 which replaced AASB 114: Segment Reporting.

Measurement impact

Identification and measurement of segments — AASB 8 requires the 'management approach' to the identification measurement and disclosure of operating segments. The 'management approach' requires that operating segments be identified on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker, for the purpose of allocating resources and assessing performance. Under AASB 114, segments were identified by business and geographical areas.

The adoption of the 'management approach' to segment reporting has not resulted in the identification of reportable segments different with the prior year.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

l. Adoption of New and Revised Accounting Standards CONTINUED

Disclosure impact

AASB 8 requires a number of additional quantitative and qualitative disclosures, not previously required under AASB 114. Management has considered the requirement of AASB and determined that no further disclosure requirements are necessary.

AASB 101: Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Company's financial statements.

Disclosure impact

Terminology changes — the revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity — the revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income — the revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Company's financial statements now contain a statement of comprehensive income.

Other comprehensive income — The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

m. New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Company has assessed that, with the exception of AASB 9, there will be no impact on the Company from amended Accounting Standards that will apply to future periods. The Company has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

•AASB 9: Financial Instruments and AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Group has not yet determined the potential impact on the financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

m. New Accounting Standards for Application in Future Periods CONTINUED

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:
 - a) the objective of the entity's business model for managing the financial assets; and
 - b) the characteristics of the contractual cash flows.

The Company does not anticipate the early adoption of any of the above Australian Accounting Standards.

NOTE 2: OPERATING SEGMENTS

Segment information

Identification of reportable segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The Company is managed primarily on the basis of portfolio type.

Australian long-term shares

This portfolio is made up of blue chip and quality shares in the ASX All Ordinaries Index.

Overseas long-term shares

Long-term shareholding in stocks traded on stock exchanges with similar corporate governance regimes as Australia. This portfolio is primarily made up of shares in companies operating in the USA, UK, Europe, and Asia.

Share trading portfolio

Comprised trading positions, including new floats where the long-term investment criteria are not met and some overweight positions.

AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2010

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 2: OPERATING SEGMENTS CONTINUED

Primary reporting - business segments

	Australian Long-Term Shares	Overseas Long-Term Shares	Australian Share Trading Portfolio	Inter-Segment Allocations/ Eliminations	Consolidated
2010	\$	\$	\$	\$	\$
Dividend income	172,747	35,934	7,259	(50,000)	165,940
Interest income	5,523	6,643	1,365	-	13,531
Trust income	21,755	1,906	7,343	-	31,004
Realised foreign exchange movements	-	25,693	-	-	25,693
Unrealised foreign exchange movements	-	(10,294)	-	-	(10,294)
Fair value movement in financial assets	-	-	60,034	-	60,034
Profits on trading in options	-	-	45,085	-	45,085
Profits/(loss) on sale of investments	38,403	(21,202)	14,537	-	31,738
Total segment revenue	238,428	38,680	135,623	(50,000)	362,731
Segment result	161,805	20,590	125,947	-	308,342
Unallocated expenses					(114,959)
Profit from ordinary activities before income tax (expense)/benefit					193,383
Income tax (expense)/benefit					(22,523)
Profit from ordinary activities after income tax (expense)/benefit					170,860
Segment assets	4,243,718	2,299,427	844,842	-	7,387,987
Unallocated assets					37,026
Total assets					7,425,013
Segment liabilities	10,159	9,307	45,289	-	64,755
Unallocated liabilities					91,260
Total liabilities					156,015
Net assets					7,268,998
Net cash inflow/(outflow) from operating activities	256,243	54,263	(121,055)	(148,016)	41,435

AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2010

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 2: OPERATING SEGMENTS CONTINUED

Primary reporting - business segments

	Australian Long-Term Shares	Overseas Long-Term Shares	Australian Share Trading Portfolio	Inter-Segment Allocations/ Eliminations	Consolidated
2009	\$	\$	\$	\$	\$
Dividend income	158,373	36,776	8,447	-	203,596
Interest income	3,259	6,860	728	-	10,847
Trust income	16,785	13,160	11,758	-	41,703
Other income	-	-	-	-	-
Realised foreign exchange movements	-	111,987	-	-	111,987
Unrealised foreign exchange movements	-	3,734	-	-	3,734
Fair value movement in financial assets	-	-	(213,483)	-	(213,483)
Profits on trading in options investments	-	-	30,408	-	30,408
	(201,465)	(50,493)	(144,065)	-	(396,023)
Total segment revenue	(23,048)	122,024	(306,207)	-	(207,231)
Segment result	(23,098)	120,478	(309,728)	-	(212,348)
Unallocated expenses					(119,272)
Loss from ordinary activities before income tax benefit					(331,620)
Income tax benefit					86,050
Loss from ordinary activities after income tax benefit					(245,570)
Segment assets	3,321,534	1,327,163	692,902	-	5,341,599
Unallocated assets					120,968
Total assets					5,462,567
Segment liabilities	-	15,588	26,135	-	41,723
Unallocated liabilities					47,629
Total liabilities					89,352
Net assets					5,373,215
Net cash inflow/(outflow) from operating activities	173,211	79,147	102,493	(181,619)	173,232

AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2010

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 3: REVENUES

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
Operating activities				
Net (loss)/gain on sale of available for sale financial assets	17,200	(251,958)	-	(11,451)
Net (loss)/gain on sale of financial assets at fair value through profit or loss	14,537	(144,065)	-	-
Net gain/(loss) on options trading	42,909	30,408	-	-
Dividend income	165,940	203,596	16,422	17,410
Interest income	13,531	10,847	1,884	346
Trust distributions	31,004	41,703	-	-
Trust distributions from related parties - BAET & BWET	-	-	121,044	226,097
Realised foreign exchange movements	25,693	111,987	-	-
	310,814	2,518	139,350	232,402
Revenue from outside operating activities				
Fair value adjustments on financial assets	60,034	(213,483)	-	-
Unrealised foreign exchange movements	(10,294)	3,734	-	-
Recovery of administration expense	-	-	38,099	12,741
	49,740	(209,749)	38,099	12,741
Total revenue from ordinary activities	360,554	(207,231)	177,449	245,143

NOTE 4: REMUNERATION OF AUDITORS

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
Auditors remuneration				
Audit fees	30,800	22,550	30,800	22,550
Other services	3,000	5,850	3,000	5,850
	33,800	28,400	33,800	28,400

AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2010

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 5: TAX

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
(a) The components of tax expense/(benefit) comprises:				
Current tax	(10,215)	8,168	(10,879)	9,746
Deferred tax	26,638	(93,517)	-	633
Over/under-provision in respect of prior years	6,100	(701)	6,100	-
Total tax expense/(benefit)	22,523	(86,050)	(4,779)	10,379
(b) The prima facie tax expense on profit from ordinary activities before income tax is reconciled to the income tax as follows:				
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2009 - 30%)	64,566	(107,893)	26,108	46,426
Non-deductible entertainment and fines	146	73	146	73
Non-deductible legal fees	-	182	-	182
The difference of the trust distributions for tax purposes	(2,783)	-	3,997	(60,620)
Capital gains tax losses	(5,807)	72,802	(5,807)	72,802
Fair value adjustment on financial assets	(5,344)	800	-	-
Imputation credits	(42,998)	(47,718)	(41,374)	(45,603)
Adjustment to cost base of deferred tax assets	284	428	-	428
Restructuring legal costs s40-880	(1,322)	(1,025)	(1,322)	(1,025)
Under/(over)-provision from previous year	6,100	(701)	6,100	-
Other	9,680	(2,998)	7,373	(2,284)
Adjustment attributable to Non-Controlling Interests	-	-	-	-
Income tax expense	22,523	(86,050)	(4,779)	10,379
Income tax expense/(benefit) is attributable to:				
Equity holders of Australia & International Holdings Limited	17,745	(86,050)	(4,779)	10,379
Non-Controlling Interests	4,778	-	-	-
	22,523	(86,050)	(4,779)	10,379
The weighted average effective tax rates are as follows:	10.5%	-	-	6.7%

AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2010

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 5: TAX CONTINUED

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
(c) Current tax liabilities/(assets)				
Movements during the year:				
Balance at the beginning of the year	(25,240)	24,332	736	38,965
(paid)/refunded	(25,142)	(59,250)	(6,836)	(48,608)
Current year's income tax expense	13,356	9,678	6,100	10,379
	(37,026)	(25,240)	-	736

Current year's income tax liabilities/(assets) is attributable to:

Equity holders of Australia & International Holdings Limited	(30,546)	(25,240)	-	736
Non-Controlling Interests	(6,480)	-	-	-
	(37,026)	(25,240)	-	736

(d) Deferred tax liabilities

Provision for deferred tax comprises the estimated expense at the applicable rate of 30% on:

Unrealised capital gains	140,883	24,331	139,355	26,377
Total deferred tax liabilities	140,883	24,331	139,355	26,377

Reconciliation: Deferred Tax Liabilities

The movement in the deferred tax account is as follows

Opening balance	24,331	317,597	22,753	316,895
Charged to the income statement	-	-	-	-
Charged to the financial assets revaluation reserve	116,552	(293,266)	116,602	(294,142)
Closing balance	140,883	24,331	139,355	22,753

(e) Deferred tax assets

Deferred tax assets comprises the estimated future benefit at the applicable rate of 30% on:

Tax losses	94,776	95,728	19,108	-
Total deferred tax assets	94,776	95,728	19,108	-

Reconciliation: Deferred Tax Assets

The movement in the deferred tax account is as follows

Opening balance	95,728	-	-	-
Charged to the income statement	(952)	95,728	19,108	-
Closing balance	94,776	95,728	19,108	-

AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2010

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 6: EARNINGS PER SHARE

	Consolidated	
	2010	2009
	Cents	Cents
Basic earnings per share	9.43	(14.64)
Diluted earnings per share	9.43	(14.64)
	\$	\$

Earnings used in calculation of both basic and diluted earnings per share

	No. of shares	No. of shares
Weighted average number of ordinary shares used in calculation of basic EPS		
Adjustment for calculation of diluted EPS	1,903,205	1,791,733
Options	-	-
Weighted average number of ordinary shares used in calculation of diluted EPS	1,903,205	1,791,733

NOTE 7: CASH AND CASH EQUIVALENTS

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
DDH Graham Limited	138,706	156,688	57,061	13,083
Rahn & Bodmer - AUD bank account	9,539	268	-	-
Rahn & Bodmer - USD bank account	1,633	1,237	-	-
Rahn & Bodmer - CHF bank account	6,303	11,318	-	-
Rahn & Bodmer - EUR bank account	1,644	1,174	-	-
Rahn & Bodmer - GBP bank account	1,600	60,937	-	-
Fortrend - AUD bank account	15,169	46,739	-	-
Fortrend - EUR bank account	87,311	-	-	-
Fortrend - USD bank account	4,730	-	-	-
Fortrend - CHF bank account	19	19	-	-
Fortrend - JPY bank account	300	-	-	-
Citi Quilter	70,186	6,443	-	-
	337,140	284,823	57,061	13,083

AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2010

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 8: RECEIVABLES

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
Current Receivables				
Distributions receivable - Controlled entities	-	-	25,769	220,192
Loans to controlled entities	-	-	10,000	-
Other debtors - Controlled entities	-	-	3,296	-
Other debtors - External parties	-	105,986	-	270
	-	105,986	39,065	220,462

NOTE 9: OTHER FINANCIAL ASSETS

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
(a) Current Other Financial Assets				
Financial assets at fair value through profit and loss				
Quoted investments at fair value (refer Note1(j))	531,862	297,022	-	-
Total current other financial assets	531,862	297,022	-	-
(b) Non-Current Other Financial Assets				
Financial assets - available for sale				
Shares in other corporations - at fair value (refer Note 1(j))	6,207,476	4,368,440	335,394	278,480
Quoted investments at fair value (refer Note1(j))	311,511	285,228	-	-
Provision for impairment	(5,000)	-	-	-
Investments in controlled entities - at fair value (refer Note 1(j))	-	-	5,193,143	4,732,021
Total non-current other financial assets	6,513,987	4,653,668	5,528,537	5,010,501

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 10: OPTION ASSETS / LIABILITIES

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
Option assets on options written	6,699	22,458	-	-
Options liabilities on options written	29,021	44,272	-	-

Premium on sold options are initially brought to account as a liability at cost which equates to fair value. Option premium income is recognised when the options expire or as settled. At balance sheet date, outstanding options are valued at fair value, based on quoted price. Revaluation gains or losses are presented in the Statement of Comprehensive Income.

- 1) The Company uses options to earn additional income on the trading portfolio by either:
 - a. Writing call option contracts over shares which are currently held with the expectation that the price of the underlying shares will remain relatively stable or increase by a small amount over the option term; or
 - b. Writing put option contracts with the expectation that the price of the underlying shares will increase in the near term. These options are written at strike prices where, if the price of the underlying shares happens to fall and the options are exercised, the manager is comfortable with the price paid for the shares.
- 2) The Company also uses options to take synthetic trading or overweight positions in the shares of selected major liquid companies traded on the Australian Securities Exchange (ASX). These comprise of bought calls and sold puts at the same or near exercise price with the same expiry month. These positions trade a short-term positive view of the underlying shares. As in (1(b)) above, if the Company is exercised on the short put positions, they are at a price at which the manager is comfortable to buy the shares.

Premiums on sold options are initially brought to account as a liability at cost which equates to fair value. Premiums on both the bought and sold legs of the synthetic long positions described in (2) above are netted and initially accounted for as either an asset or liability. Option premium income is recognised when the options expire or are settled. At balance date, outstanding options are valued at fair value, based on quoted price. Revaluation gains or losses are presented in the income statement.

All of the trading position options bought or sold by AIH are exchange trade options on the Australian Stock Exchange (ASX). Options positions are calculated daily and the total exposure is reviewed regularly. Collateral in the form of shares has been lodged with the Australian Clearing House to cover margin calls when they arise.

Writing (selling) a call option gives the buyer the right, but not the obligation, to buy shares at the exercise price on or before expiry of the option. As at 30 June 2010, AIH had no sold calls (2009:\$76.0 thousand) which, at the option of the buyer, may require AIH to sell shares.

Writing (selling) a put option gives the buyer the right, but not the obligation, to sell shares at the exercise price on or before expiry of the option. As at 30 June 2010, AIH had sold puts which, at the option of the buyer, may require AIH to buy \$360.3 thousand (2009: \$259.0 thousand) worth of shares.

Taking (buying) a call option gives the buyer the right, but not the obligation, to buy shares at the exercise price on or before expiry of the option. As at 30 June 2010, AIH had the right to buy \$165.0 thousand worth of shares.

AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2010

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 11: PAYABLES

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
Current Payables				
Distribution payable	19,466	15,587		
Burrell Stockbroking Pty Ltd	17,967	4,320	-	-
Other payables	45,155	23,300	25,655	23,300
	<u>82,588</u>	<u>43,207</u>	<u>25,655</u>	<u>23,300</u>

NOTE 12: CONTRIBUTED EQUITY

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
Fully paid ordinary shares				
Australia & International Holdings Limited				
1,924,555 (2009: 1,891,688) ordinary shares	<u>4,435,180</u>	<u>4,334,553</u>	<u>4,435,180</u>	<u>4,334,553</u>

Movement in issued and paid up ordinary share capital of Australia & International Holdings Limited are as follows:

	Date	No. of Shares	Issue Price	\$
On issue 30 June 2009		1,891,688		4,334,553
Dividend reinvestment plan	22/12/2009	14,962	\$3.11	46,661
Dividend reinvestment plan	15/04/2010	17,905	\$3.02	53,966
On issue 30 June 2010		<u>1,924,555</u>		<u>4,435,180</u>

The Company has a Dividend Reinvestment Plan (DRP) under which shareholders elected to have their dividend payment reinvested in new ordinary shares. Pricing of the new DRP shares was based on the most recent Net Asset Value per share calculated at the time from the management accounts of the Company.

AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2010

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 13: RESERVES

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
Asset revaluation reserve at the beginning of the financial year	118,793	763,008	342,822	1,570,399
Movement in revaluation of investments	337,108	(938,991)	382,439	(1,522,353)
Movement in deferred tax liability	(112,978)	294,776	(112,978)	294,776
Asset revaluation reserve at the end of the financial year	342,923	118,793	612,283	342,822

The asset revaluation reserve is used to record increments and decrements on the revaluation of the investment portfolio as described in accounting policy Note 1(f).

NOTE 14: RETAINED EARNINGS

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
Retained earnings at the beginning of the financial year	697,303	1,114,710	519,882	530,669
Net profit attributable to members of Australia & International Holdings Limited	179,499	(262,246)	91,806	144,374
Dividends paid or provided for	(180,390)	(155,161)	(180,390)	(155,161)
Retained earnings at the end of the financial year	696,412	697,303	431,297	519,882

NOTE 15: EQUITY

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
Total equity at the beginning of the financial year	5,150,649	5,952,082	5,197,257	6,175,432
Total comprehensive income	403,629	(906,461)	361,267	(1,083,203)
Transactions with owners as owners:				
Contributions of equity, net of transaction costs	100,627	260,189	100,627	260,189
Dividend paid or provided	(180,390)	(155,161)	(180,390)	(155,161)
Total equity at the end of the financial year	5,474,515	5,150,649	5,478,761	5,197,257

AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2010

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 16: NON-CONTROLLING INTERESTS

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
Interests in:				
Issued capital	1,892,157	279,811	-	-
Reserves	(54,455)	(57,245)	-	-
Retained profits	(43,219)	-	-	-
	<u>1,794,483</u>	<u>222,566</u>	<u>-</u>	<u>-</u>

As at 30 June 2010, the non-controlling interests hold 41.88% (2009: 15.58%) of Burrell World Equities Trust and 17.50% (2009: 0.00%) of Burrell Australian Equities Trust.

NOTE 17: CONTROLLED ENTITIES

	Class of Share	Interest Held	
		2010	2009
		%	%
Controlled entities:			
Australian Index Fund Pty Ltd	ORD	82.50	100.00
Burrell Australian Equities Trust	UNITS	82.50	100.00
Burrell World Equities Trust	UNITS	58.12	84.42

Australian Index Fund Pty Ltd is an Australian controlled entity and is considered a small proprietary as defined by the Corporations Law and is not required to be audited for statutory purposes

AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2010

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 18: DIVIDENDS AND CAPITAL MANAGEMENT

	Consolidated	
	2010	2009
	\$	\$
Final dividend of 4.5 cents (2009 - 4.0 cents) per fully ordinary share fully franked paid on 22 December 2009 (2009 - 30 December 2008)	85,126	70,822
Interim dividend of 5.0 cents (2009 - 4.5 cents) per fully ordinary share fully franked paid on 15 April 2010 (2009 - 29 June 2009)	95,264	84,339
	180,390	155,161

Dividends paid in cash or satisfied by the issue of shares under the Dividend Reinvestment Plan during the years ended 30th June 2010 and 30th June 2009 were as follows:

Paid in cash	79,763	69,448
Satisfied by issue of shares	100,627	85,713
	180,390	155,161

Dividend franking account:

The franked portion of the final dividends recommended after 30 June 2009 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ending 30 June 2010

Franking credits available for subsequent financial years based on a tax rate of 30%	182,819	162,948
--	---------	---------

A dividend reinvestment plan is in operation, under which holders of ordinary shares may elect to have all of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash.

The Company has adopted an investment strategy which seeks to maximise medium to long-term shareholder value.

Shareholder value comes from both increased capital value and a regular stream of dividend payments.

The amount of capital the Company has available will fluctuate according to market conditions and the Company may increase or reduce dividends, raise new capital, or buy back its own shares in accordance with those conditions.

The Directors of the Company have changed the dividend policy which will affect the timing of the dividend payment. Any interim dividend declared will be paid in April and any final dividend in October of the year.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 19: ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE

a) Interest Rate Risk

The economic entity is exposed to interest rate risk on its cash holdings, which are generally subject to floating interest rates. The effective weighted average interest rate at balance date is 4.0% (2009: 3.8%).

b) Foreign Exchange Risk

The economic entity holds some investments and cash denominated in foreign currencies. Fluctuations in exchange rates impact on the value of these investments and any movements in the value of investments caused by foreign exchange fluctuations are taken to the profit and loss account as either realised or unrealised gains or losses.

During the financial year ended 30 June 2010, the Company hedged a portion of the currency risk against assets denominated in US Dollars, Euro and Japanese Yen. The forward rate agreements sold USD 100 thousand at AUDUSD 0.8427, EUR 60 thousand at AUDEUR 0.59 and JPY 8.0 million at AUDJPY 78.24. They were expired on 31st March 2010. These foreign currency hedging resulted in realised foreign exchange profits of \$25.7 thousand.

During the financial year to 30 June 2010, the Company also hedged a portion of the currency risk against assets held in US Dollars using Australian currency options, settled in US Dollars, traded on the NASDAQ. At appropriate times, approximately 50% of the total US Dollar exposure is hedged for a three to six month period when the manager holds the view that the Australian Dollar will rise against the US Dollar. The hedge is affected by buying call options and then selling a greater number of out of the money put options to offset the cost. The hedge therefore provides protection within a currency movement range. There were no option hedging positions in place at the end of the financial year.

c) Credit Risk Exposure

Credit risk represents the loss that would be recognised if counterparts failed to perform as contracted. The economic entity minimizes credit risk by undertaking transactions with recognised financial intermediaries with acceptable credit ratings determined by a recognised ratings agency.

d) Net Fair Values of Financial Assets and Liabilities

The carrying value of financial assets and liabilities approximates net fair value. The carrying value of listed shares is determined by valuing them at the current market bid price, adjusted for transactions costs necessary to realise the asset.

e) Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will change due to changes in the market value for those instruments. Therefore, the portfolios of investments that make up most of the assets of AIH are subject to market risk as their values change as the market change.

The overall increase in the value of the long-term investments held as at 30th June 2010 over their cost, after allowing for selling costs and company tax at the rate of 30% was \$325 thousand (2009: \$96 thousand)

A fall in market values across all portfolios of 5% and 10% would reduce equity in AIH by approximately \$356 thousand and \$713 thousand respectively.

A fall in the market value of 5% and 10% if the equities held in the trading portfolio would decrease its value by \$42 thousand and \$84 thousand respectively.

Market risk cannot be diversified away, but it can be reduced by investing across a broad range of industry sectors and countries. The proportions of the portfolios invested across these two categories are shown in the Directors' Report.

As noted in Notes 1 and 10 of these financial statements, AIH uses options to enhance the income of the trading portfolio by taking a premium on options positions sold. The value of options will fluctuate according to price and volatility changes in the underlying securities over which they are written. Options values will also vary with changes to interest rates and company dividends. Further, they will decrease with the passage of time.

AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2010

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 20: RECONCILIATION OF OPERATING PROFIT AFTER INCOME TAX TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
Operating profit/(loss) after tax	170,860	(245,570)	91,806	144,374
Net (gain)/loss on sale of investments	(17,200)	251,957	-	11,451
Net exchange differences	10,294	(3,734)	-	-
Unrealised losses on financial assets through profit/(loss)	(60,034)	213,483	-	-
Changes in operating assets and liabilities:				
(Increase)/decrease in debtors	105,986	(75,000)	(3,026)	42
(Increase)/decrease in current trading investments	(201,089)	186,623	-	-
(Increase)/decrease in receivables from controlled entities	-	-	194,423	(202,565)
(Increase)/decrease in deferred tax assets	(15,534)	(94,218)	(15,484)	-
(Decrease)/increase in creditors	13,657	(2,058)	10	(1,194)
(Decrease)/increase in accrued expenses	21,845	(3,689)	2,345	(3,689)
(Decrease)/increase in provision for income tax	(15,094)	(50,659)	(736)	(38,228)
(Decrease)/increase in provision for deferred income tax	20,060	-	-	633
(Decrease)/increase in provision for investments write-down	5,000	-	-	-
(Decrease)/increase in deferred income	2,684	(21,530)	-	-
Net cash flow from operating activities	41,435	155,605	269,338	(89,176)

NOTE 21: COMMITMENTS AND CONTINGENT LIABILITIES

There are no outstanding commitments for expenditure and the Directors are not aware of any contingent liabilities that are likely to have a material effect on the results of the entity as disclosed in these financial statements.

AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2010

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 22: NON-CASH FINANCING AND INVESTING ACTIVITIES

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
Purchase of investments in subsidiaries through loan settlement	-	-	-	(1,178,000)
	-	-	-	(1,178,000)

NOTE 23: RELATED PARTIES

Directors

The names of each person holding the position of director of Australia & International Holdings Limited during the financial year were:

B. C. E. Rowley
C. T. Burrell
R. J. Burrell
F. J. Finn

Directors holdings of shares:

	2010	2009
	No. of Shares	No. of Shares
Mr C. T. Burrell	700,547	652,605
Mr C. T. Burrell (Non-beneficial holder)	70,963	68,812
Mr R. J. Burrell	82,076	82,076
Prof F. J. Finn	33,982	33,982
Mr B. C. E. Rowley	3,501	3,501
Mr B. C. E. Rowley (Non-beneficial holder)	31,345	30,395
Total Directors holdings of shares	922,414	871,371

Transactions of directors and director-related entities concerning shares or share options

Aggregate number of shares of Australia & International Holdings Limited acquired or disposed of by the directors of the Company and consolidated entity or their director-related entities from the Company:

AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2010

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 23: RELATED PARTIES CONTINUED

Acquisitions	2010	2009
	No. of Shares	No. of Shares
Ordinary shares, including shares issued under Dividend Reinvestment Plan, Rights issues and Share top-up plan	51,043	69,356
Disposals	NIL	NIL

Transactions relating to dividends, rights issues and subscriptions for new ordinary shares were on the same terms and conditions that applied to other shareholders.

Other transactions with directors and director-related entities

Mr C. T. Burrell and Mr B. C. E. Rowley are directors of Burrell Stockbroking Pty Ltd. This firm provides stockbroking services to the Australia & International Holdings Limited Group. Brokerage paid by the economic entity to Burrell Stockbroking during the year amounted to \$60,178 (2009: \$53,285)

No other remuneration of benefit was received by any director of the economic entity during the financial year.

Wholly-Owned Group

Details of interests in wholly-owned entities are set out in Note 18. Details of dealings with these entities are set out below:

Controlled Entity

	Parent Entity	
	2010	2009
	\$	\$
Receivables - current	10,000	-
Loan to Australian Index Fund Pty Ltd	10,000	-

No interest was due to the Company in relation to these receivables during the year.

Recovery of Administration Fees

The Company received a recovery of administration fees from its controlled entities at a rate of 0.5% from Burrell Australian Equities Trust and Burrell World Equities Trust, and 1.0% from Australian Index Fund Pty Ltd; from its portfolio values.

	Parent Entity	
	2010	2009
	\$	\$
Burrell Australian Equities Trust	19,019	6,393
Burrell World Equities Trust	10,502	3,745
Australian Index Fund Pty Ltd	8,578	3,309
	38,099	13,447

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 23: RELATED PARTIES CONTINUED

Trusts

Investments - non-current

Investments in Burrell Australian Equities Trust	3,061,533	2,982,724
Investments in Burrell World Equities Trust	1,613,350	1,561,948
	<u>4,674,883</u>	<u>4,544,672</u>

Distribution received or due and receivable by the Company from:

Burrell Australian Equities Trust	103,540	135,731
Burrell World Equities Trust	17,504	84,461
	<u>121,044</u>	<u>220,192</u>

NOTE 24: KEY MANAGEMENT PERSONNEL COMPENSATION

No remuneration or other benefits were received by any directors or specified executives of the consolidated entity in either the current or prior financial years.

NOTE 25: EVENTS OCCURING AFTER BALANCE DATE

No matter or circumstances has arisen since the end of the financial year that has significantly affected, or may significantly affect the operations, the results of those operations or the state of affairs of the economic entity in subsequent financial years.

NOTE 26: CORPORATE INFORMATION

Australia & International Holdings Limited is a company limited by shares that is incorporated and domiciled in Australia.

The registered office and principal place of business of the Company is located at:

Level 4, 24 Little Edward Street, Spring Hill QLD 4000

The principal activities of the Company during the year were investing in equity markets.

DIRECTORS' DECLARATION

In the opinion of the Directors of Australia & International Holdings Limited ("the Company"):

- a) the financial statements and notes of the economic entity, set out on pages 10 to 39, are in accordance with the *Corporations Act 2001* including:
 - i. giving a true and fair view of the financial position of the Company and consolidated entity as at 30 June 2010 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date; and
 - ii. complying with Accounting Standards and the *Corporations Act 2001*; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



C. T. Burrell
Director



B. C. Rowley
Chairman

Dated at Brisbane, 9th September 2010

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES**

Brisbane
Rockhampton
Sydney
Melbourne
Newcastle

Report on the financial report

We have audited the accompanying financial report of Australia & International Holdings Limited (the company) and its controlled entities ("the group"), which comprises the statement of financial position as at 30 June 2010, income statement, statement of 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 and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: 'Presentation of Financial Statements', that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

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. These Auditing 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES**

(Continued)

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 Australia & International Holdings Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's and group's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- b. The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2010. 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 Australia & International Holdings Limited for the year ended 30 June 2010, complies with section 300A of the *Corporations Act 2001*.

Lawler Hacketts Audit



Liam Murphy
Partner

Brisbane, 9 September 2010

AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2010

NSX ADDITIONAL INFORMATION

Share Capital

Australia & International Holdings Limited has on issue 1,924,555 fully paid ordinary shares as at 30th June 2010. All ordinary shares of the Company carry one vote per share.

Top 20 Shareholders

The top twenty shareholders as at 30th June 2010 are as follows:

Investors	Listed Ordinary Units	
	No. of Shares	% of Issued Capital
CTBFam Pty Ltd <Secret Super Fund A/c>	556,118	28.90%
Mr Christopher Burrell	144,429	7.50%
Sajrej Pty Ltd	113,958	5.92%
Mr Trevor James Maloney & Mrs Margaret Ann Maloney <T & M Maloney Super Fund A/c>	113,171	5.88%
CTBFam Pty Ltd	70,963	3.69%
RJB Superannuation Pty Ltd <The R J Burrell Super A/c>	64,276	3.34%
Sheford Investments Pty Ltd	57,726	3.00%
Ms Marian Micalizzi	57,025	2.96%
Donna Irwin <Superannuation A/c>	47,352	2.46%
Mr Jason Edward Leggatt	37,278	1.94%
Prof Francis James Finn	33,982	1.77%
Rowley Pty Ltd <Rowley Superannuation A/c>	31,345	1.63%
Ms Lynda Kaye Myers	27,000	1.40%
Mrs Margaret Wells Burrell & Mr Christopher Thomas Burrell <TR Burrell Super Fund A/c>	24,940	1.30%
Wanstead Investment Company Pty Ltd	20,126	1.05%
Mrs Rosemary Josephine Burt	18,415	0.96%
Majella Pty Ltd <Higham Super Fund A/c>	18,070	0.94%
Mr Roger John Burrell	17,800	0.92%
Paxton-Hall Investments Pty Ltd <Paxton-Hall Super Fund A/c>	17,158	0.89%
Superhay Pty Ltd <R S Tibbits Super Fund A/c>	16,246	0.84%
	1,487,378	77.29%

Distribution of Equity Securities

Analysis of number of shareholders by size of holding

Range	No. of holders	No. of shares	% of Issued Capital
1 - 1,000	40	10,254	0.53%
1,001 -5,000	52	156,395	8.13%
5,001 - 10,000	27	188,535	9.80%
10,001 - 100,000	23	641,695	33.34%
100,001 and over	4	927,676	48.20%
	146	1,924,555	100.00%

AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2010

NSX ADDITIONAL INFORMATION

Five Year Summary of the Performance of Australia & International Holdings Limited

	2010	2009	Consolidated 2008	2007	2006
Profit & Loss					
Revenue from operating activities	360,554	(207,231)	456,954	777,638	490,202
Total expenses	(167,170)	(124,389)	(166,424)	(133,876)	(98,913)
Profit from ordinary activities before income tax expense	193,383	(331,620)	290,530	643,762	391,289
Income tax benefit/(expense)	(22,523)	86,050	(41,383)	(79,384)	(45,317)
Net profit/(loss)	170,860	(245,570)	249,147	564,378	345,972
Net profit/(loss) is attributable to:					
Equity holders of Australia & International Holdings Limited	179,499	(262,245)	246,927	564,378	345,972
Non-controlling interests	(8,639)	16,675	2,220	-	-
	170,860	(245,570)	249,147	564,378	345,972
Balance Sheet					
Current assets	912,727	998,399	1,269,229	1,488,874	1,280,677
Non-current assets	6,608,763	4,464,168	5,255,798	6,060,222	5,085,172
Total assets	7,521,490	5,462,567	6,525,027	7,549,096	6,365,849
Current liabilities	111,609	65,021	98,527	150,060	122,128
Non-current liabilities	140,883	24,331	317,597	541,087	401,504
Total liabilities	252,492	89,352	416,124	691,147	523,632
Shareholders' funds	7,268,998	5,373,215	6,108,903	6,857,949	5,842,217
Shareholders' funds is attributable to:					
Equity holders of Australia & International Holdings Limited	5,474,515	5,150,649	5,952,082	6,857,949	5,842,217
Non-controlling interests	1,794,483	222,566	156,821	-	-
	7,268,998	5,373,215	6,108,903	6,857,949	5,842,217
Earnings per share (in cents)	9.43	(14.64)	14.08	32.75	22.19
Dividends per share (in cents)	9.50	8.50	12.00	13.00	12.00
Net tangible assets per share (in cents)	288.04	273.56	362.97	423.15	369.69
Price earnings share (x)	30.50	(21.88)	24.50	12.20	16.90

AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2010

CORPORATE DIRECTORY

Directors	Bernard C E Rowley Christopher T Burrell Roger J Burrell Frank J Finn
Secretary	Ian F Davey
Registered Office	Level 4, 24 Little Edward Street Spring Hill QLD 4000 Phone 61 7 3006 7200 Fax 61 7 3839 6964
Postal Address	GPO Box 1398 Brisbane QLD 4001
Share Registrar	Newcastle Capital Markets Registries Pty Limited 10 Murray Street Hamilton, NSW 2303 Phone 61 2 4920 2877 Fax 61 2 4920 2878
Auditor	Lawler Hacketts Level 3, 549 Queen Street Brisbane QLD 4000
Nominated Adviser	Burrell Stockbroking Pty Ltd Level 4, 24 Little Edward Street Spring Hill QLD 4000
Bankers	DDH Graham Limited 18th Floor, 344 Queen Street Brisbane QLD 4000
Stock Exchange	National Stock Exchange of Australia Limited Ground Floor, 384 Hunter Street Newcastle NSW 2300 NSX Code: AID
Website	http://www.burrell.com.au