



Bell IXL Investments Limited

ACN 113 669 908
ABN 80 113 669 908

Sixth Annual Report
30 June 2010

Bell IXL Investments Limited (ACN 113 669 908)

For the year ended 30 June 2010

Corporate Directory

Directors

Massimo Livio Cellante
Ramon Jimenez
Romano Livio Cellante

Company Secretary

Ramon Jimenez

Principal & Registered Office

Bell IXL Investments Limited
Level 2, 651-653 Doncaster Road
Doncaster, Victoria 3108

Mailing Address

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Doncaster, Victoria 3108

Contact Details

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Stock Exchange

National Stock Exchange of Australia Limited
Level 2, 117 Scott Street
Newcastle, New South Wales 2300
Ticker symbols:
BXL (ordinary shares)
BXLA (limited voting ordinary shares)

Share Registry

Link Market Services Limited
Level 1, 333 Collins Street
Melbourne, Victoria 3000

Auditor

Grant Thornton Australia Limited
Level 1, 67 Greenhill Road
Wayville, South Australia 5034

Legal Advisers

Pointon Partners
Level 2, 640 Bourke Street
Melbourne, Victoria 3000

Nominated Adviser

Taylor Collison Limited
Level 16, 211 Victoria Square
Adelaide, South Australia 5000

Bankers

Commonwealth Bank of Australia Limited
7-9 The Mall
Lower Templestowe, Victoria 3107

Annual General Meeting

Monday 18 October 2010
11:30am
The Board Room, Beau Monde International
934 Doncaster Road, Doncaster East, Victoria 3109

Bell IXL Investments Limited (ACN 113 669 908)

For the year ended 30 June 2010

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Bell IXL Investments Limited (ACN 113 669 908)

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Letter from the Executive Chairman

13 September 2010

Dear Shareholder

Bell IXL made a modest after tax loss of \$61,579 for the year which was primarily due to realised losses on the trading portfolio.

All non-strategic shareholdings are in the process of being realised so that we may build our cash reserves and concentrate our energies better on one or two bigger plays at any one time, rather than spreading ourselves too thin.

The directors remain committed to:

- Identifying potential targets that exhibit strong value characteristics, namely share prices that are significantly below their intrinsic value. The focus is on acquiring large strategic holdings in undervalued companies with little or no debt and easily identifiable assets including cash, listed securities and property;
- Building the company's net assets; and
- Graduating across to the ASX to provide greater liquidity for the company's shares.

We are confident that our strategy will begin to reap rewards and thank you for your continued support.

Kind regards



MASSIMO LIVIO CELLANTE
Executive Chairman and Managing Director

Bell IXL Investments Limited (ACN 113 669 908)

For the year ended 30 June 2010

History

2005

| | |
|--------------|--|
| 5 April | Bell IXL Investments Limited ("Bell IXL") is incorporated. |
| 20 June | Issues a prospectus seeking to raise \$500,000. |
| 15 September | Lists on the Newcastle Stock Exchange. |
| 23 September | The Bell IXL Group Limited becomes a substantial shareholder with 73.1%. |
| 26 September | Increases its shareholding in Queste Communications Limited to 19.9%. |
| 30 November | New Constitution adopted introducing limited voting ordinary shares. |

2006

| | |
|--------------|---|
| 21 April | Pays maiden dividend of one cent per fully paid ordinary share. |
| 8 May | Ceases to be a substantial shareholder of Winpar Holdings Limited. |
| 20 May | Becomes a substantial shareholder of Chapmans Limited. |
| 14 June | Makes offer to acquire 20% of Betta Stores Limited. |
| 17 September | The Bell IXL Group Limited decreases its shareholding to 48.75%. |
| 20 September | Biloclan Pty Ltd becomes a substantial shareholder with 19.6%. |
| 6 October | Withdraws offer following appointment of Administrator to Betta Stores Limited. |
| 3 November | Sunvest Corporation Limited becomes a substantial shareholder with 5.09%. |
| 8 November | The Bell IXL Group Limited increases its shareholding to 53.84%. |
| 30 November | Dean Pagnin is appointed a non-executive director of the company. |
| 15 December | Newcastle Stock Exchange changes its name to National Stock Exchange. |

2007

| | |
|--------------|--|
| 1 June | Sunvest Corporation Limited increases its shareholding to 5.6%. |
| 21 June | Sunvest Corporation Limited increases its shareholding to 6.28%. |
| 19 September | Sunvest Corporation Limited increases its shareholding to 6.7%. |
| 23 September | Massimo Cellante is nominated to board of Queste Communications Limited. |
| 2 October | Sunvest Corporation Limited increases its shareholding to 6.86%. |
| | Proposal submitted to restructure Goldlink Incomeplus Limited. |
| 15 October | Sunvest Corporation Limited increases its shareholding to 6.94%. |
| 20 October | The Bell IXL Group Limited increases its shareholding to 55.75%. |
| 31 October | Agrees to be a sub-underwriter in \$20m IPO for Austex Oil Limited. |
| 13 December | Becomes substantial shareholder of Goldlink Incomeplus Limited with 9.83%. |

2008

| | |
|--------------|--|
| 7 January | Increases its shareholding in Queste Communications Limited to 21.64%. |
| 14 January | Decreases its shareholding in Longreach Oil Limited to 16.15%. |
| 23 January | Sunvest Corporation Limited increases its shareholding to 7.49%. |
| 25 January | Increases its shareholding in Goldlink Incomeplus Limited to 11.12%. |
| 5 February | Requisition for Goldlink Incomeplus Limited to remove and replace board with Massimo Cellante, Ramon Jimenez and Anthony Lewis. |
| 22 February | Makes takeover bid for New Opportunity Limited. |
| 24 February | Increases its shareholding in Goldlink Incomeplus Limited to 19.91%. |
| 26 February | Increases its shareholding in Goldlink Incomeplus Limited to 20%. |
| 29 March | Decreases its shareholding in Goldlink Incomeplus Limited to 18.04%. |
| 3 April | Increases its shareholding in Longreach Oil Limited to 17.48%. |
| 4 April | Anthony Lewis is appointed to board of Goldlink Incomeplus Limited |
| 12 May | Sunvest Corporation Limited increases its shareholding to 7.57%. |
| 25 May | Decreases its shareholding in Longreach Oil Limited to 16.17%. |
| | Becomes a substantial shareholder of Life Therapeutics Limited with 8.75%. |
| | Requisitions a meeting for Life Therapeutics Limited to remove and replace the board with Massimo Cellante, Ramon Jimenez and Bradley Simpson. |
| 30 May | Requisitions a meeting for Chapmans Limited to remove and replace the board with Massimo Cellante, Ramon Jimenez and Romano Cellante. |
| 6 June | Requisitions a meeting for Longreach Oil Limited to appoint Massimo Cellante and Ramon Jimenez. |
| 7 June | Increases its shareholding in Life Therapeutics Limited to 10.17%. |
| 18 June | Massimo Cellante is appointed a director of Goldlink Incomeplus Limited |
| 9 July | Increases its shareholding in Life Therapeutics Limited to 11.71%. |
| 30 July | Sunvest Corporation Limited increases its shareholding to 7.74%. |
| 26 September | Increases its shareholding in Longreach Oil Limited to 16.72%. |
| | Increases its shareholding in Life Therapeutics Limited to 12.71%. |
| 11 November | Ceases to be a substantial shareholder of Life Therapeutics Limited. |
| 6 December | Sunvest Corporation Limited increases its shareholding to 8.08%. |

2009

| | |
|-------------|--|
| 11 February | Dean Pagnin resigns as a director of the company. |
| 11 March | Becomes a substantial shareholder of Botswana Metals Limited with 5.88%. |
| 7 August | Increases its shareholding in Botswana Metals Limited to 7.25%. |
| 4 September | Massimo Cellante is appointed a director of Botswana Metals Limited. |
| 25 November | Decreases its shareholding in Longreach Oil Limited to 14.99%. |
| 16 December | Decreases its shareholding in Chapmans Limited to 14%. |

Bell IXL Investments Limited (ACN 113 669 908)

For the year ended 30 June 2010

History (continued)

2010

11 February Ceases to be a shareholder of Blue Capital Limited.

Bell IXL's announcements can be viewed by clicking on 'Public Announcements' at: <http://www.bellixl.com/inv.htm>

Bell IXL Investments Limited (ACN 113 669 908)

For the year ended 30 June 2010

Investments

| Companies where the voting power of the group and associates exceeds 5% | Number of securities held by group | Market value |
|---|------------------------------------|--------------------|
| Botswana Metals Limited (ASX code: BML) <i>A base metals exploration company</i> The voting power of Bell IXL and its associates is 7.24% in this company Massimo Cellante is a director of this company (appointed 4 September 2009) | 6,839,709 | \$321,466 |
| Chapmans Limited (ASX code: CHP) <i>A share, property and venture capital investor</i> The voting power of Bell IXL and its associates is 14.60% in this company | 16,916,832 | \$338,337 |
| Longreach Oil Limited (ASX code: LGO) <i>An oil and gas exploration company</i> The voting power of Bell IXL and its associates is 9.71% in this company | 32,061,080 | \$224,428 |
| Queste Communications Limited (ASX code: QUE) <i>An investment holding company</i> The voting power of Bell IXL and its associates is 22.08% in this company | 3,576,159 | \$464,901 |
| + other securities | | \$572,193 |
| Total | | \$1,921,325 |
| + cash | | \$155,220 |
| = liquid assets | | \$2,076,545 |
| + other assets | | \$474,701 |
| - liabilities | | \$203,544 |
| = Net assets | | \$2,347,702 |
| Parent interest | | \$2,322,076 |
| Non-controlling interest | | \$25,626 |

Bell IXL Investments Limited (ACN 113 669 908)

For the year ended 30 June 2010

Directors' Report

The directors present their report together with the financial statements of Bell IXL Investments Limited ("parent entity") and its controlled entities ("consolidated group") for the financial year ended 30 June 2010.

Directors

The names of directors in office at any time during or since the end of the financial year are:



Massimo Livio Cellante BCom (Finance) (Law) *Deakin*
Executive Chairman and Managing Director (Age 35)
Appointed 5 April 2005.

He has over 16 years experience in land development and is a director of numerous private companies in the Cellante group which trace their origins back to 1958. He is in control of the day-to-day activities and operations of the company which predominantly involve identifying and investing in undervalued publicly listed companies. He is experienced in negotiation, investment analysis, capital raisings, capital returns and corporate acquisitions. He was educated at both Carey Baptist Grammar School and Geelong Grammar School.

Interest in shares and options:

6,728,000 ordinary shares and 1,000,000 limited voting ordinary shares in the parent entity.
47,000 ordinary shares in Resorts International (Australia) Pty Ltd.

Directorships in other listed entities:

Current director of Botswana Metals Limited (since 4 September 2009), former director of Blue Capital Limited (from 18 June 2008 to 27 March 2009).



Ramon Jimenez MAICD
Executive Director and Company Secretary (Age 31)
Appointed 5 April 2005.

He has over 12 years experience in land development and has been a director of the Landwise Group of companies since 1997. He is an investor in real estate and equity securities. He has experience in administration matters, financial reporting and capital raisings. He was educated at Scotch College in Melbourne.

Interest in shares and options:

6,728,000 ordinary shares and 1,000,000 limited voting ordinary shares in the parent entity.
47,000 ordinary shares in Resorts International (Australia) Pty Ltd.



Romano Livio Cellante DipAcc Swinburne
Non-Executive Director (Age 37)
Appointed 5 April 2005.

He has over 17 years experience in land development and is a director of numerous private companies in the Cellante group which trace their origins back to 1958. He is experienced in negotiation, marketing and sales. He was educated at both Carey Baptist Grammar School and Geelong Grammar School.

Interest in shares and options:

6,728,000 ordinary shares and 1,000,000 limited voting ordinary shares in the parent entity.
47,000 ordinary shares in Resorts International (Australia) Pty Ltd.

Company secretary

Mr. Ramon Jimenez held the position of company secretary at the end of the financial year.

Principal activities

The principal activity of the consolidated group is investing and trading in listed equity securities. There has been no significant change in the nature of the consolidated group's activities during the financial year.

Operating result

The loss of the consolidated group after providing for income tax for the year ended 30 June 2010 amounted to \$61,579 of which \$11,140 was attributable to non-controlling interests in the group.

Dividends paid or recommended

No dividends have been paid or declared for payment during or subsequent to the end of the financial year. The directors do not recommend the payment of a final dividend.

General activities

The consolidated group operates as a strategic investor with a focus on acquiring at a discount and profitably realising strategic shareholdings in publicly listed companies. The parent entity has been admitted to the Official List of the National Stock Exchange of Australia Limited and the securities of the parent entity trade under the ticker symbols BXL and BXLA.

Bell IXL Investments Limited (ACN 113 669 908)

For the year ended 30 June 2010

Directors' Report (continued)

Review of operations

The consolidated group has continued to actively manage its portfolio of investments during the year and will continue to pursue the acquisition of investments and the successful realisation of those investments for the benefit of shareholders.

Companies in which the consolidated group held investments during the year include:

- **Amcom Telecommunications Limited (ASX code: AMMO)**
Provides fibre-based telecommunications services to corporate, government, SME, retail and other telecommunications. The company operates two divisions, Fibre Division and Amnet Division.
The company was undervalued and therefore Bell IXL saw an opportunity to profit from the options.
- **Austex Oil Limited (ASX code: AOK)**
An oil and gas exploration company focusing on reworking and development of oil and gas leases in the USA. The company produces oil from leases in Oklahoma and Kansas and has an active drilling program in both states.
Bell IXL has been an active trader of this stock and made good profits. We will continue to monitor it closely for further trading opportunities.
- **AVJennings Limited (ASX code: AVJ)**
A residential property development company. The company focuses on medium scale land developments, integrated housing and medium density developments in urban infill locations and contract home building. It operates in Victoria, New South Wales, Queensland and South Australia.
Bell IXL did not hold any shares in this company at year end.
- **Blue Capital Limited (formerly Goldlink Incomeplus Limited) (ASX code: BIV)**
An alternative investment company.
Bell IXL sold its residual holding out during the year.
- **Botswana Metals Limited (ASX code: BML)**
A base metals exploration company focused on projects in Botswana.
Bell IXL has been aggressively buying the stock due to the large levels of cash it holds as well the prospective nature of its nickel tenements. Massimo Cellante was appointed a director of the company on 4 September 2009.
- **Cardia Bioplastics Limited (ASX codes: CNN, CNNO)**
Involved in identifying and developing new technology opportunities and mineral exploration.
Bell IXL recently participated in a placement of shares in the company
- **Chapmans Limited (ASX code: CHP)**
Involved in investing through its share trading portfolio and seed capital projects. Its operations comprise investing in property, securities and venture capital financing.
Bell IXL has board aspirations and continues to closely monitor its investment in this stock.
- **Contango Microcap Limited (ASX code: CTN)**
A listed investment company that specialises in investing in microcap companies that are listed on the ASX.
This company continues to trade at a significant discount to underlying value and therefore Bell IXL has been trading it.
- **E-Pay Asia Limited (ASX code: EPY)**
Principally engaged in the provision of vouchers and online top-ups for various prepaid services in Malaysia, Indonesia, Pakistan and Thailand. The company is organized on a global basis with two main business segments which are prepaid top-up services and software solutions. E-Pay Asia operates in Australia, Asia and United Kingdom.
Bell IXL was attracted to this stock because of the large levels of cash it holds and will continue to monitor its investment.
- **Everest Financial Group Limited (ASX code: EFG)**
Formerly one of Australia's leading absolute return investment managers.
The company is in wind down phase and trades below intrinsic value. May also provide an opportunity for ASX graduation.
- **Hamilton Securities Limited (NSX codes: HSEA, HSEB, HSEOB)**
Established to provide investors with exposure to distressed debt, equity securities and other illiquid securities.
Bell IXL participated in the initial capital raising given its respect for the company's management.
- **Hastings Diversified Utilities Fund (ASX code: HDF)**
An utility vehicle with investments in gas transmission, electricity generation, hydro and wind power generation.
Bell IXL participated in a very small way in an equity raising which was heavily oversubscribed and made a modest profit.
- **India Equities Fund Limited (ASX code: INEO)**
Provides investors with exposure to a portfolio of listed public companies in India.
Bell IXL has kept an eye on this company following its recent capital return to shareholders with a view to ASX graduation.
- **JATOil Limited (ASX code: JAT)**
A producer of renewable energy. The company is focussed initially on developing bio-feedstock and biofuel businesses in Asia and Oceania by cultivating the second generation crop, jatropha curcas. Jatoil is also examining opportunities to establish a portfolio of renewable energy and technology investments.
The company has traded significantly below cash backing during the period and Bell IXL has traded its shares.

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For the year ended 30 June 2010

Directors' Report (continued)

- **Longreach Oil Limited (ASX code: LGO)**
An oil and gas exploration company with projects in Western Australia and Queensland.
Bell IXL has been a substantial shareholder of this stock for some time. The investment continues to be watched closely.
- **Macquarie Leisure Trust (ASX code: MLE)**
Effectively a leisure property operator and owner with large businesses in Australian theme parks, bowling alleys and health clubs together with smaller businesses in Australian marinas and US family entertainment centres.
Bell IXL participated in a small way in a share purchase plan which was heavily oversubscribed making a modest profit.
- **Namoi Cotton Co-operative Limited (ASX code: NAM)**
Engaged in cotton processing and marketing organisation. The company has an extensive network of ginning, marketing and logistics operations throughout the cotton growing regions of New South Wales and southern Queensland, while also being represented internationally with an office in Jakarta, Indonesia. As part of its business operations Namoi Cotton owns and operates warehouse facilities in Wee Waa, Warren and Goondiwindi.
Bell IXL considers this company to be undervalued.
- **Neptune Marine Services Limited (ASX code: NMSO)**
A provider of engineered solutions to the global oil and gas, marine and renewable energy industries. Neptune's global presence spans operational centres located in Australia, the UK, USA, Asia and the Middle East.
Bell IXL has been a heavy trader of the options due to a mis-pricing with the physical market.
- **Oakajee Corporation Limited (ASX code: OKJ)**
Provides the extract, manufacture and supply of building materials to the retail housing, commercial land development and industrial sectors in Australia, with an initial focus on reconstituted limestone products.
Has continued to trade at a discount to underlying value and provided Bell IXL with some trading opportunities.
- **Peters McGregor Investments Limited (ASX code: PET)**
An Australian based fund manager that specialises in global equities. The company invests in a portfolio of securities from North America, Australia and New Zealand. The investment manager is Peters MacGregor Capital Management.
Bell IXL considers this company to be undervalued.
- **Pritchard Equity Limited (NSX codes: PEQA, PEQB, PEQOP2, PEQOP3)**
A medium and long term investor in both listed and unlisted investments.
Bell IXL participated in the initial capital raising given its respect for the company's management and continues to monitor this investment.
- **Queste Communications Limited (ASX code: QUE)**
An investment holding company.
Bell IXL is the largest shareholder of this stock. It has continued to trade well below its intrinsic value and we continue to look at ways of unlocking its value.
- **Southern Cross Exploration NL (ASX code: SXX, SXXCA)**
Involved in exploration for gold/other minerals and examination of mineral/metal projects as its core activities. The company also undertakes investments in property, loans, shares and other securities.
Bell IXL has been a keen observer of this company given the fact that it is in the same stable of companies as CHP and LGO. If trading opportunities emerge then we will look at exploiting them given the fact that the intrinsic value of this company appears far greater than the market for its shares.

Corporate matters

Corporate matters of interest include:

- **Capital raisings**
The consolidated group did not raise any new capital during the period.
- **Controlled entity**
On 1 July 2009 the parent entity acquired 50% of the issued capital of Resorts International (Australia) Pty Ltd ("RIA") from a third party. RIA is a private investment company with a small portfolio of listed securities. The consideration paid was \$33,417 cash which was equal to the projected net assets of the entity on the acquisition date allowing for the revaluation of investments to market value and after providing for tax and other expenses. Entities associated with Mr. M. L. Cellante, Mr. R. L. Cellante and Mr. R. Jimenez (all directors of the company) hold the other 50% of the issued capital of RIA.
- **Margin lending facility**
On 3 July 2009 the parent entity was granted approval by the Commonwealth Bank of Australia for a margin lending facility with a borrowing limit of \$500,000. Security for the facility consists of a registered charge over assets acquired using the facility or such assets that are transferred to the lender as collateral. The parent entity did not utilise the facility and the facility was subsequently closed with the registered charge being released.
- **Board representation**
On 4 September 2009 Mr. M. L. Cellante was appointed to the board of Botswana Metals Limited, a company in which the parent entity has a significant shareholding.

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Directors' Report (continued)

- **Disposal of investment in Blue Capital Limited (formerly Goldlink Incomeplus Limited) (ASX: BIV)**
On 11 February 2010 the parent entity disposed of the remainder of its investment in Blue Capital Limited and ceased to be a substantial shareholder of that company.
- **Merger discussions**
During the year discussions were entered into with a number of companies listed on the ASX with a view to negotiating a merger to be accomplished by a reverse takeover of the parent entity. The rationale for entering into these discussions is to consummate a transaction that will increase the capital available for investment activities whilst at the same time obtaining greater liquidity for shareholders of the parent entity by exchanging their shares in the parent entity for shares in a company listed on the ASX. The parent entity has not yet reached an agreement for the implementation of such a transaction but will keep the market fully informed.

Financial position

The net assets of the consolidated group as at 30 June 2010 decreased to \$2,347,702 (2009: \$2,372,515) resulting from the following:

- The net increase of \$36,766 in the net assets of the group arising from the acquisition of 50% of Resorts International (Australia) Pty Ltd and the consolidation of that company into the group.
- The consolidated group generating an after tax loss of \$61,579 for the year to 30 June 2010 which includes the revaluation of the investment portfolio.

The directors believe that the consolidated group is in a very strong and stable financial position.

Significant changes in the state of affairs

The following significant changes in the state of affairs of the consolidated group occurred during the financial year:

- The parent entity acquired 50% of Resorts International (Australia) Pty Ltd and consolidated that company into the group.
- The consolidated group generated an after tax loss for the year of \$61,579.
- The value of the investment portfolio of the group increased by \$514,730 mainly as a result of the acquisition of additional investments funded using the cash reserves of the group.

After balance date events

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

Future developments, prospects and business strategies

To further improve the profit of the consolidated group and maximise shareholder wealth, the following developments are intended to be implemented in the near future:

- The group will continue to pursue the acquisition of investments and the successful realisation of those investments.
- The group is a significant shareholder in a number of listed companies. The directors believe that obtaining representation on the board of directors of such companies will be of benefit to the company and therefore the group will be seeking representation on the board of directors of a number of companies.
- The directors will continue to pursue negotiations for a merger between the group and a company listed on the ASX market with the twin objectives being to increase funds available for investment whilst at the same time providing a more liquid market for the shares in the parent entity held by shareholders.

The directors are continuously examining opportunities to improve the profit of the group and maximise shareholder wealth.

Environmental issues

The operations of the group are not regulated by any significant environmental regulation under a law of the Commonwealth of Australia or the State of Victoria.

Audited remuneration report

This report details the nature and amount of remuneration for each director of the group, and for the executives receiving the highest remuneration.

Remuneration policy

Remuneration issues are addressed by the directors. The group has no employees and the executive directors are responsible for managing the affairs of the group.

The Constitution of the parent entity requires that shareholder approval be obtained for the payment of remuneration to non-executive directors. No approval has been obtained for the payment of remuneration to non-executive directors and therefore no remuneration is paid.

Performance based remuneration

No performance based remuneration is paid by the group.

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Directors' Report (continued)

Key management personnel remuneration policy

The parent entity pays each executive director \$50,000 per annum plus superannuation. No remuneration is presently paid to non-executive directors.

Resorts International (Australia) Pty Ltd pays each director \$5,000 per annum.

The employment terms and conditions relating to executive directors of the parent entity are formalised in executive service agreements. The service agreements continue indefinitely unless terminated by the company or the executive upon the giving of three months notice of termination where the termination is without cause. Shorter notice periods apply if the termination of the agreement is for cause. The parent entity may pay salary for the notice period in lieu of giving notice of termination. No other termination benefits are payable save and except the payment of any accrued leave entitlements.

The remuneration payable to executive directors was determined having regard to remuneration paid by similar sized companies to persons providing equivalent services. Executive directors receive only a base salary together with superannuation guarantee contributions required by the government. No other retirement benefits are payable. It is considered that the remuneration payable to the executive directors has been conservatively fixed having regard to the time and effort that the said directors devote to the company. The directors will review the remuneration payable to executive directors as required to take into account any change in the nature or scale of the activities of the group and its financial performance and having due regard to remuneration paid by comparable companies for comparable services.

All employees receive annual leave and long service leave benefits as mandated by relevant legislation.

Key management personnel remuneration

| 2010 | M.L. Cellante | R. Jimenez | R.L. Cellante | |
|---------------------------------|---------------|---------------|---------------|-----------|
| Short-term benefits | \$ | \$ | \$ | |
| Salary, fees and leave | 59,192 | 59,192 | - | |
| Post-employment benefits | | | | |
| Superannuation | 4,783 | 4,783 | - | |
| Long-term benefits | | | | |
| Long service leave | 4,914 | 4,914 | - | |
| TOTAL | 68,889 | 68,889 | - | |
| Performance related (%) | - | - | - | |
| Not performance related (%) | 100 | 100 | - | |
| 2009 | M.L. Cellante | R. Jimenez | R.L. Cellante | D. Pagnin |
| Short-term benefits | \$ | \$ | \$ | \$ |
| Salary, fees and leave | 54,192 | 54,192 | - | - |
| Post-employment benefits | | | | |
| Superannuation | 4,500 | 4,500 | - | - |
| Long-term benefits | | | | |
| Long service leave | 4,914 | 4,914 | - | - |
| TOTAL | 63,606 | 63,606 | - | - |
| Performance related (%) | - | - | - | - |
| Not performance related (%) | 100 | 100 | - | - |

Securities received that are not performance related

No members of key management personnel are entitled to receive securities which are not performance based as part of their remuneration package.

Options/rights granted as remuneration

No options or rights were issued as part of remuneration for the year ended 30 June 2010. No shares were issued during the year on the exercise of compensation options or rights.

Meetings of directors

During the financial year, one formal meeting of directors was held. Attendances by each director during the year were as follows:

| | Number eligible to attend | Number attended |
|------------------------|---------------------------|-----------------|
| Massimo Livio Cellante | 1 | 1 |
| Ramon Jimenez | 1 | 1 |
| Romano Livio Cellante | 1 | 1 |

Bell IXL Investments Limited (ACN 113 669 908)

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Directors' Report (continued)

Due to the size of the consolidated group and the nature of its activities all management issues are considered by the full board of directors. No committees of directors have been established.

The directors meet informally once each month to review the operations and affairs of the group and to discuss plans and strategies for the development of the company.

Options

At the date of this report, there are no unissued fully paid ordinary shares, or limited voting ordinary shares, of the parent entity or any member of the consolidated group under option.

Indemnifying officers or auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the consolidated group.

Proceedings on behalf of company

No person has applied for leave of Court to bring proceedings on behalf of a member of the consolidated group or intervene in any proceedings to which a group member is a party for the purpose of taking responsibility on behalf of the group member for all or any part of those proceedings. No member of the group was a party to any such proceedings during the year.

Non-audit services

The auditors did not provide any non-audit services to the consolidated group during the financial year.

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2010 has been received and can be found on page 15 of this Annual Report.

Signed on behalf of the board of the parent entity in accordance with a resolution of the directors.



MASSIMO LIVIO CELLANTE
Executive Chairman and Managing Director

Melbourne, 13 September 2010.

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67 Greenhill Rd
Wayville SA 5034
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Adelaide SA 5001

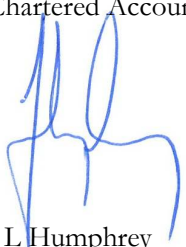
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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF BELL IXL INVESTMENTS LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Bell IXL Investments Limited 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 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON
South Australian Partnership
Chartered Accountants


J L Humphrey
Partner

Adelaide, 13 September 2010

Bell IXL Investments Limited (ACN 113 669 908)

For the year ended 30 June 2010

Corporate Governance Statement

This statement outlines the main corporate governance practices of Bell IXL that have been in place throughout the year.

Board of directors

The board of directors of the company has the responsibility for ensuring that the company is properly managed so that the interests of shareholders are protected and enhanced. The directors strive to ensure disclosure and reporting obligations are complied with in a timely manner and conflicts of interest are avoided.

The board sets strategic aims for the company, reviews the direction of the company and gives or withholds approval for all significant business transactions. Day-to-day operation and administration of the company has been delegated to the managing director.

Directors are encouraged to seek independent professional advice in the event of any doubt regarding any matter arising in the course of their duties. Under the Constitution of the company directors are periodically required to retire by rotation and seek re-election by the shareholders of the company.

Continuous disclosure and shareholder communication

The company secretary has been nominated as the person responsible for communications with the NSX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the NSX listing rules.

It is the goal of the company to ensure that shareholders are always in a position to assess the stewardship of the directors which is achieved through distribution to the shareholders of the Annual Report of the company. In addition, the company regularly releases public announcements and these announcements are accessible through the Internet at the web site operated by National Stock Exchange of Australia Limited at <http://www.nsx.com.au/>.

The company maintains its own web site which can be accessed at <http://www.bellixl.com/>.

The Annual General Meeting of the company provides an opportunity for shareholders to ask questions of the directors and the auditor. The company will hold informal discussions following the Annual General Meeting where shareholders will have the opportunity to meet and communicate with the directors on a casual basis.

Board committees

Due to the size of the company and the nature of its activities all management issues are considered by the full board of directors. No committees of directors have been established.

Share trading guidelines

Directors are encouraged to have a personal financial interest in Bell IXL by acquiring and holding shares on a long term basis. The buying or selling of shares in Bell IXL is not permitted by any director or any officer of the company or their associates when that person is in possession of price sensitive information not available to the market in relation to those shares. Apart from that, the directors and their associates may buy or sell shares in Bell IXL at any time during the year.

Bell IXL Investments Limited (ACN 113 669 908)

For the year ended 30 June 2010

Consolidated Statement of Comprehensive Income

| | Note | 2010 \$ | 2009 \$ |
|---|------|------------------|--------------------|
| Revenue | | | |
| Net realised gains from financial assets | 2 | - | 555,134 |
| Net unrealised gains from financial assets | 2 | 165,252 | - |
| Income from trading portfolio | 2 | - | 15,452 |
| Other revenue | 2 | 13,971 | 480,551 |
| | | <u>179,223</u> | <u>1,051,137</u> |
| Expenses | | | |
| Net realised losses from financial assets | 3 | (119,630) | - |
| Net unrealised losses from financial assets | 3 | - | (701,314) |
| Share of loss of associated company accounted for using the equity method | 3 | (100) | (4,310) |
| Impairment of assets | 3 | (2,635) | (10,509) |
| Finance charges | 3 | (283) | (287,479) |
| Employee benefits expense | 3 | (137,778) | (127,212) |
| Other expenses | 3 | (91,569) | (526,086) |
| | | <u>(351,995)</u> | <u>(1,656,910)</u> |
| Net profit/(loss) before income tax | | <u>(172,772)</u> | <u>(605,773)</u> |
| Income tax (expense)/benefit | 4 | 111,193 | 148,909 |
| Net profit/(loss) after income tax | | <u>(61,579)</u> | <u>(456,864)</u> |
| Other comprehensive income, net of tax | | - | - |
| Total comprehensive income | | <u>(61,579)</u> | <u>(456,864)</u> |
| Total comprehensive income is attributed to: | | | |
| Members of the parent entity | | (50,439) | (456,864) |
| Non-controlling interest | | (11,140) | - |
| | | <u>(61,579)</u> | <u>(456,864)</u> |
| Basic earnings per share (cents per share) | 8 | (0.36) | (3.30) |

The statement of comprehensive income is to be read in conjunction with the notes to the financial statements.

Bell IXL Investments Limited (ACN 113 669 908)

For the year ended 30 June 2010

Consolidated Statement of Financial Position

| | Note | 2010 \$ | 2009 \$ |
|---|------|------------------|------------------|
| Current assets | | | |
| Cash and cash equivalents | 9 | 155,220 | 712,733 |
| Trade and other receivables | 10 | 41,383 | 4,473 |
| Other financial assets | 11 | 1,921,325 | 1,406,595 |
| Total current assets | | 2,117,928 | 2,123,801 |
| Non-current assets | | | |
| Investments accounted for using the equity method | 12 | - | 100 |
| Investments in controlled entities | 13 | - | 20 |
| Deferred tax assets | 17 | 430,111 | 327,585 |
| Property, plant and equipment | 14 | 3,207 | 3,958 |
| Total non-current assets | | 433,318 | 331,663 |
| Total assets | | 2,551,246 | 2,455,464 |
| Current liabilities | | | |
| Trade and other payables | 15 | 139,714 | 23,803 |
| Borrowings | 16 | 1,674 | 248 |
| Current tax liabilities | 17 | - | 23,002 |
| Short-term provisions | 18 | 10,480 | 8,384 |
| Total current liabilities | | 151,868 | 55,437 |
| Non-current liabilities | | | |
| Deferred tax liabilities | 17 | 32,020 | 17,684 |
| Other long-term provisions | 18 | 19,656 | 9,828 |
| Total non-current liabilities | | 51,676 | 27,512 |
| Total liabilities | | 203,544 | 82,949 |
| Net assets | | 2,347,702 | 2,372,515 |
| Equity | | | |
| Issued capital | 19 | 3,059,654 | 3,059,654 |
| Retained profits | | (737,578) | (687,139) |
| Parent interest | | 2,322,076 | 2,372,515 |
| Non-controlling interest | | 25,626 | - |
| Total equity | | 2,347,702 | 2,372,515 |

The statement of financial position is to be read in conjunction with the notes to the financial statements.

Bell IXL Investments Limited (ACN 113 669 908)

For the year ended 30 June 2010

Consolidated Statement of Changes in Equity

| | Note | Issued capital \$ | Retained profits \$ | Non- controlling Interest \$ | TOTAL \$ |
|---|------|-------------------------|---------------------------|---------------------------------------|------------------|
| Balance at 1 July 2008 | | 3,059,654 | (230,275) | - | 2,829,379 |
| Total comprehensive income | | | (456,864) | - | (456,864) |
| Balance at 30 June 2009 | | 3,059,654 | (687,139) | - | 2,372,515 |
| Balance at 1 July 2009 | | 3,059,654 | (687,139) | - | 2,372,515 |
| Recognition of non-controlling interest | | - | - | 36,766 | 36,766 |
| Total comprehensive income | | - | (50,439) | (11,140) | (61,579) |
| Balance at 30 June 2010 | | 3,059,654 | (737,578) | 25,626 | 2,347,702 |

The statement of changes in equity is to be read in conjunction with the notes to the financial statements.

Bell IXL Investments Limited (ACN 113 669 908)

For the year ended 30 June 2010

Consolidated Statement of Cash Flows

| | Note | 2010 \$ | 2009 \$ |
|--|------|------------------|--------------------|
| Cash flows from operating activities | | | |
| Sale of investments | | 691,660 | 6,923,804 |
| Purchase of investments | | (984,573) | (1,792,759) |
| Payments to suppliers/employees | | (227,432) | (679,260) |
| Receipts from customers/employees/sundry | | 17,586 | 491,666 |
| Interest received | | 12,742 | 4,638 |
| Interest paid | | - | (456,540) |
| Dividends received | | - | 15,452 |
| Income taxes refunded | | - | - |
| Income taxes paid | | (36,557) | - |
| GST refund received | | 13 | 1,478 |
| Net cash from operating activities | 24a | (526,561) | 4,508,479 |
| Cash flows from investing activities | | | |
| Payment for subsidiary, net of cash acquired | 24c | (30,952) | - |
| Net cash from investing activities | | (30,952) | - |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | | - | 161,000 |
| Repayment of borrowings | | - | (3,964,663) |
| Net cash from financing activities | | - | (3,803,663) |
| Net increase (decrease) in cash held | | (557,513) | 704,816 |
| Cash at start of year | | 712,733 | 7,917 |
| Cash at end of year | 9 | 155,220 | 712,733 |

The cash flow statement is to be read in conjunction with the notes to the financial statements.

Bell IXL Investments Limited (ACN 113 669 908)

For the year ended 30 June 2010

Notes to the Financial Statements

This financial report comprises the consolidated financial statements and notes of Bell IXL Investments Limited and controlled entities as a consolidated group ("consolidated group" or "group"). Bell IXL Investments Limited is a company limited by shares, incorporated and domiciled in Australia.

1. Statement of significant accounting policies

Basis of Preparation

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

Compliance with Australian Accounting Standards ensures that the financial statements and notes 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.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Bell IXL Investments Limited at the end of the reporting period. A controlled entity is any entity over which Bell IXL Investments Limited has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 13 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the equity section of the consolidated Statement of Financial Position and Statement of Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (ie: parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at the acquisition date. All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

Bell IXL Investments Limited (ACN 113 669 908)

For the year ended 30 June 2010

Notes to the Financial Statements (continued)

b. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or the sale of the asset (ie: trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value.

It is the investment policy of the group to actively pursue opportunities for the successful realisation of investments for the benefit of shareholders. The group is not a long-term investor. Accordingly all equity investments and equity derivatives held by the group are classified at 'fair value through profit or loss' as they are held for trading for the purpose of short-term profit taking. If a company obtains significant influence in the affairs of an entity in which an investment is held then such investment may be classified differently depending on the particular circumstances.

Any change in the carrying value of such investments is included in profit or loss.

The group does not designate any interests in subsidiaries or associates as being subject to the requirement of accounting standards specifically applicable to financial instruments.

Fair value

Fair value represents the amount for which an asset could be exchanged between knowledgeable, willing parties.

Fair value of listed securities is determined by reference to market prices prevailing at the reporting date, predominantly the last sale price, where securities are traded on an organised market.

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 group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

Instruments used as consideration for acquisition of assets

Where the group issues financial instruments for the acquisition of assets or to discharge liabilities the group assesses the fair value of the instruments issued by reference to the market price at which those securities are being traded and/or by an assessment of the fair value of the instruments. The fair value of the acquired assets is assessed by reference to market prices, where possible, or by the application of valuation techniques.

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 subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets).

c. Revenue

Revenue is measured at the fair value of the consideration received or receivable. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of securities is recognised upon the formation of a binding contract for the sale of the securities with a creditworthy counterparty (ie: a participant of a recognised securities exchange).

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

All dividends and distributions are recognised as revenue when the right to receive the dividend has been established. For listed securities, dividends are recognised when the securities are quoted on an ex-distribution/ex-dividend basis. In the case of unlisted companies, the distributions and dividends are recognised when they are received.

Revenue items that arise outside the ordinary operations of the company are classified as 'Other revenue'. Such amounts are generally recognised on receipt.

All revenue is stated net of the amount of goods and services tax (GST).

d. Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Bell IXL Investments Limited (ACN 113 669 908)

For the year ended 30 June 2010

Notes to the Financial Statements (continued)

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or subsequently enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. 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 assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

e. Cash

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts (if any) are shown within short-term borrowings in current liabilities on the statement of financial position.

f. Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST. Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

g. Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current year. When the group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

h. Investments in associates

Associate companies are companies in which the group has significant influence through holding, directly or indirectly, 20% or more of the voting power of the company. Investments in associates are accounted for in the financial statements by applying the equity method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the group's share of net assets of the associate company. In addition the group's share of the profit or loss of the associate company is included in the group's profit or loss.

The carrying amount of the investment includes any goodwill relating to the associate. Any excess of the group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the investor's share of the associate's profit and loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the group and the associate are eliminated to the extent of the relation to the group's investment in the associate.

When the reporting dates of the group and the associate are different, the associate prepares, for the group's use, financial statements as of the same date as the financial statements of the group with adjustments being made for the effects of significant transactions or events that occur between that date and the date of the investor's financial statements.

When the group's share of losses in an associate equals or exceeds its interest in the associate, the group discontinues

Bell IXL Investments Limited (ACN 113 669 908)

For the year ended 30 June 2010

Notes to the Financial Statements (continued)

recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the group will resume the recognition of its share of those profits once its share of the profits equals the share of the losses not recognised.

Details of the group's investments in associates are shown at Note 12.

i. Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

j. Property, plant and equipment

Plant and equipment is measured on the cost basis.

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use.

Depreciation rates range from 7.5% to 22.5%.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

k. Impairment of assets

At the end of each reporting period, the group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income. Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

l. Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

m. Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow or economic benefits will result and that outflow can be reliably measured.

n. Borrowing costs

Borrowing costs are recognised in income in the period in which they are incurred.

o. Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

p. Critical Accounting Estimates and Judgments

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

Key judgments

Deferred tax assets have been recognised relating to carried forward revenue losses, based on current tax rates. Utilisation of the tax losses requires the realisation of assessable income in subsequent years and the ability to satisfy certain tests at the time the losses are recouped. The directors have considered the situation and are confident that the group will be able to utilise the tax losses in the future.

q. Adoption of New and Revised Accounting Standards

In the current year the group adopted all of the new and revised Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. The 2009 comparative figures contained in these financial statements therefore differ from those published in the

Bell IXL Investments Limited (ACN 113 669 908)

For the year ended 30 June 2010

Notes to the Financial Statements (continued)

financial statements for the year ended 30 June 2009 as described below. 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 Bell IXL Investments Limited.

AASB 8: Operating Segments

In February 2007 the Australian Accounting Standards Board issued AASB 8 which replaced AASB 114: Segment Reporting. As a result, some of the required operating segment disclosures have changed. Below is an overview of the key changes and the impact on the group's financial statements.

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 allocated resources and assessing performance. This could also include the identification of operating segments which sell primarily or exclusively to other internal operating segments. Under AASB 114, segments were identified by business and geographical areas, and only segments deriving revenue from external sources were considered.

The adoption of the 'management approach' to segment reporting has resulted in the identification of reportable segments largely consistent with the prior year.

The group has no segments which sell primarily or exclusively to other internal segments.

The group operates in Australia only and the principal activity is investment.

Disclosure impact

AASB 8 requires a number of additional quantitative and qualitative disclosures, not previously required under AASB 114, where such information is used by the chief operating decision maker. This information is now disclosed as part of the financial statements.

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 group'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 either in 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 group'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.

r. 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 group has decided against early adoption of these standards and the group will not adopt the standards until it is mandatory to do so. It is anticipated that adoption of these new and amended standards will not result in any material change in relation to the financial statements or have any impact on the group.

| | | 2010 | 2009 |
|--|------|----------------|------------------|
| 2. Revenue | Note | \$ | \$ |
| Net realised gains from financial assets | | - | 555,134 |
| Net unrealised gains from financial assets | | 165,252 | - |
| Dividends received | | - | 15,452 |
| Interest received | | 10,579 | 7,964 |
| Other revenue | | 3,392 | 472,587 |
| | | 179,223 | 1,051,137 |

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For the year ended 30 June 2010

Notes to the Financial Statements (continued)

| | | 2010 | 2009 |
|---|-------------|----------------|------------------|
| | | \$ | \$ |
| 3. Expenses | Note | | |
| Net realised losses from financial assets | | 119,630 | - |
| Net unrealised losses from financial assets | | - | 701,314 |
| Impairment of assets: | | | |
| - external parties | | 545 | 5,025 |
| - associated companies | 26 | 2,090 | 5,484 |
| Share of loss of associated company accounted for using the equity method | | 100 | 4,310 |
| Finance charges: | | | |
| - external parties | | 283 | 26,258 |
| - ultimate parent entity | | - | 5,152 |
| - key management personnel related entities | | - | 256,069 |
| Employee benefits expense | | 137,778 | 127,212 |
| Other expenses | | 91,569 | 526,086 |
| | | 351,995 | 1,656,910 |

4. Income tax expense

a. The components of tax expense comprise:

| | | |
|---|------------------|------------------|
| - current tax | (60,760) | (185,903) |
| - deferred tax | (27,431) | (2,832) |
| - under provision for tax in prior period | - | 39,826 |
| - over provision for tax in prior period | (23,002) | - |
| | (111,193) | (148,909) |

b. The prima facie tax on net profit before income tax is reconciled to the income tax as follows:

| | | |
|--|------------------|------------------|
| Net profit/(loss) | (172,772) | (605,773) |
| Prima facie tax payable on net profit/(loss) before income tax at 30%. | (51,832) | (181,732) |
| Add: | | |
| Tax effect of: | | |
| - movements in deferred tax assets/liabilities | - | 448 |
| - under provision for tax in prior period | - | 39,826 |
| Less: | | |
| Tax effect of: | | |
| - other deductible expenses | (36,359) | (7,451) |
| - over provision for tax in prior period | (23,002) | - |
| Income tax attributable to entity | (111,193) | (148,909) |

5. Key management personnel compensation

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

| Key management person | Position |
|-----------------------|--|
| Mr. M. L. Cellante | Executive Chairman and Managing Director |
| Mr. R. Jimenez | Executive Director and Company Secretary |
| Mr. R. L. Cellante | Non-executive Director |

Refer to the Remuneration Report contained in the Report of the Directors for details of the remuneration paid or payable to each key management person for the year ended 30 June 2010 and the year ended 30 June 2009.

The totals of remuneration paid to key management personnel are as follows:

| | 2010 | 2009 |
|------------------------------|----------------|----------------|
| | \$ | \$ |
| Short-term employee benefits | 118,384 | 108,384 |
| Post-employment benefits | 9,566 | 9,000 |
| Other long-term benefits | 9,828 | 9,828 |
| Termination benefits | - | - |
| Share based payments | - | - |
| | 137,778 | 127,212 |

b. Options and rights holdings

There were no options or rights held by key management personnel at the end of, or at any time during, the financial year. No options were granted to key management personnel as compensation and no such options were exercised during the year.

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For the year ended 30 June 2010

Notes to the Financial Statements (continued)

c. Shareholdings

Number of shares held by key management personnel

30 June 2010

| | M.L. Cellante | R. Jimenez | R.L. Cellante |
|---|---------------|------------|---------------|
| Balance at beginning of the year | 7,698,000 | 7,698,000 | 7,698,000 |
| Granted as remuneration during the year | - | - | - |
| Issued on exercise of options during the year | - | - | - |
| Other changes during the year | 30,000 | 30,000 | 30,000 |
| Balance at end of the year | 7,728,000* | 7,728,000* | 7,728,000* |

30 June 2009

| | M.L. Cellante | R. Jimenez | R.L. Cellante | D. Pagnin^ |
|---|---------------|------------|---------------|------------|
| Balance at beginning of the year | 7,698,000 | 7,698,000 | 7,698,000 | 2,310,000 |
| Granted as remuneration during the year | - | - | - | - |
| Issued on exercise of options during the year | - | - | - | - |
| Other changes during the year | - | - | - | - |
| Balance at end of the year | 7,698,000* | 7,698,000* | 7,698,000* | 2,310,000* |

* Indirect interest. ^ Resigned on 11/02/2009.

d. Other transactions

There have been no other transactions involving equity instruments other than those disclosed in the tables above. For details of other transactions with key management personnel, refer to Note 26 of these financial statements.

| 6. Auditors' remuneration | Note | 2010 \$ | 2009 \$ |
|--|------|------------|------------|
| Remuneration of the auditor for: | | | |
| - auditing or reviewing the financial report | | 20,900 | 17,050 |
| | | 20,900 | 17,050 |

7. Dividends

a. Dividends

No dividends have been paid or declared.

b. Franking account

Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax.

| | |
|--------|--------|
| - | - |
| 84,500 | 84,500 |

8. Earnings per shares

Earnings used in calculation of basic EPS
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS.
There are no dilutive securities on issue.

| | |
|------------|------------|
| (50,439) | (456,864) |
| 13,833,000 | 13,833,000 |

9. Cash and cash equivalents

Cash at bank and on hand
Deposits at call
Cash management trust

| | |
|---------|---------|
| 85,212 | 111,733 |
| 70,000 | 600,000 |
| 8 | 1,000 |
| 155,220 | 712,733 |

Cash at bank and on hand yields no interest. At the end of the period, deposits at call yielded interest at the rate of 4.25% per annum (2009: 2.75% per annum) and the cash management trust yielded interest of 3.32% per annum (2009: N/A). The credit risk exposure of the company in relation to cash is the carrying amount and any accrued unpaid interest.

Reconciliation of cash

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

| | | |
|-------------|---------|---------|
| Cash assets | 155,220 | 712,733 |
|-------------|---------|---------|

10. Trade and other receivables

CURRENT

| | | |
|---|----------|----------|
| Trade receivables | - | 689 |
| Interest accrued on deposits | 1,163 | 3,327 |
| Sundry receivables | 38,638 | - |
| Other amounts receivable from: | | |
| - external parties | 5,324 | 4,908 |
| - associated companies | 7,574 | 5,484 |
| - key management personnel related entities | 1,582 | 328 |
| Less provision for impairment | (12,898) | (10,263) |
| | 41,383 | 4,473 |

Bell IXL Investments Limited (ACN 113 669 908)

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Notes to the Financial Statements (continued)

Receivables are generally non-interest bearing and unsecured. The credit risk exposure of the company in relation to receivables is the carrying amount. Trade and other receivables were not past due as at 30 June 2010 or 30 June 2009.

| 11. Other financial assets | Note | 2010 \$ | 2009 \$ |
|---|------|------------------|------------------|
| CURRENT | | | |
| Financial assets at fair value through profit or loss | | | |
| - Australian listed shares held for trading | | 1,854,129 | 1,406,482 |
| - Australian listed options held for trading | | 67,196 | 113 |
| | | 1,921,325 | 1,406,595 |

Shares held for trading are traded for the purpose of short-term profit taking. Changes in fair value are included in profit or loss.

Information regarding key investments held by the company is set out in Note 28 to these financial statements.

12. Investments accounted for using the equity method

Investments are held in the following associated companies:

| Name | Activity | Country | Shares | Ownership | | Carrying amount of investment | |
|------------------------------------|-------------|-----------|--------|-----------|-----------|-------------------------------|------------|
| | | | | 2010 % | 2009 % | 2010 \$ | 2009 \$ |
| Unlisted: | | | | | | | |
| Tramcar Restaurant Company Limited | Hospitality | Australia | Ord | 30.00 | 30.00 | - | 100 |
| | | | | | | - | 100 |

a. Movements during the year in equity accounted investments in associated companies

| | | |
|--|-------|-------------|
| Balance at beginning of the financial year | 100 | 4,237,749 |
| Add: | | |
| - new investments during the year | - | 100 |
| Less: | | |
| - share of loss of associated companies | (100) | (4,310) |
| - disposals/transfers to trading portfolio during the year | - | (4,233,439) |
| Balance at end of the financial year | - | 100 |

b. Summarised presentation of aggregate assets, liabilities and performance of associate

| | | |
|-------------------------|----------|---------|
| Current assets | 33 | 163 |
| Non-current assets | 4 | 4 |
| Total assets | 37 | 167 |
| Current liabilities | 11,426 | 9,196 |
| Non-current liabilities | - | - |
| Total liabilities | 11,426 | 9,196 |
| Net assets | (11,389) | (9,029) |

| | | |
|---|---------|---|
| Revenues | - | - |
| Profit/(loss) after income tax of associate | (1,861) | - |

c. The company has significant influence over the associate Tramcar Restaurant Company Limited by virtue of its ability to control 30.00% of the voting shares of the associate. Mr. R. Jimenez, a director of the company, is also a director of Tramcar Restaurant Company Limited. Significant influence was obtained upon the acquisition of the shares on 8 May 2009.

d. Tramcar Restaurant Company Limited reported a loss of \$1,861 for the financial period ended 30 June 2010. The share of the loss attributable to the parent entity is \$558. The loss has been recognised by the parent entity only to the extent of \$100 being the carrying value of the investment in Tramcar Restaurant Company Limited. The unrecognised share of the loss for the period ended 30 June 2010 is therefore \$458.

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For the year ended 30 June 2010

Notes to the Financial Statements (continued)

| | | 2010 | 2009 |
|---|-------------|------|------|
| | | \$ | \$ |
| 13. Investments in controlled entities | Note | | |
| Unlisted investments at cost | | | |
| - shares | 13a | - | 20 |

a. Controlled entities consolidated

| | Country of incorporation and operation | Principal activity | Percentage Owned (%) [*] | |
|---|--|-----------------------|--------------------------------------|------|
| | | | 2010 | 2009 |
| Subsidiaries of Bell IXL Investments Limited: | | | | |
| Bell IXL Funds Manager Pty Ltd | Australia | Dormant | 100 | 100 |
| Fortina Pty Ltd | Australia | Dormant | 100 | 100 |
| Resorts International (Australia) Pty Ltd | Australia | Investment | 50 | - |

^{*} Percentage of voting power is in proportion to ownership

b. Acquisition of controlled entity

On 1 July 2009 the parent entity acquired 50% of the issued capital of a private investment company named Resorts International (Australia) Pty Ltd ("RIA") from a third party. The other 50% of RIA is held by entities associated with the directors of the parent entity. The acquisition was on commercial terms and the consideration paid was \$33,417 which was equal to 50% of the projected net assets of RIA on the acquisition date allowing for the revaluation of investments to market value and after providing for tax and other expenses. The parent entity is entitled to 50% of the profits of RIA earned from 1 July 2009 and the profit earned by RIA since that date has been included in the consolidated profit.

| | Acquiree's carrying amount \$ | Fair value \$ |
|---|--|------------------|
| The assets and liabilities arising from the acquisition are as follows: | | |
| Cash and cash equivalents | 2,465 | 2,465 |
| Trade and other receivables | 14 | 14 |
| Other financial assets | 66,583 | 73,898 |
| Trade and other payables | (650) | (650) |
| Deferred tax liabilities | - | (2,195) |
| | 68,412 | 73,532 |
| Non-controlling interest | | 36,766 |
| Net assets acquired | | 36,766 |
| Gain on business combination | | 3,349 |

c. Controlled Entities with Ownership Interest of 50% or less

The parent entity holds 50% of the ordinary shares of RIA. As noted above the balance of ordinary shares are held by entities associated with the directors of the parent entity. In addition two directors of the parent entity are also the only two directors of RIA. Given these facts the directors of the parent entity have determined that the parent entity is in a position to exercise control over RIA.

14. Property, plant and equipment

Office furniture and equipment:

| | | |
|----------------------------|---------|---------|
| - at cost | 5,000 | 5,000 |
| - accumulated depreciation | (1,793) | (1,042) |
| | 3,207 | 3,958 |

a. Movements in Carrying Amounts

Movements in the carrying amounts of property, plant and equipment between the beginning and the end of the financial year.

| | | |
|-----------------|-------|-------|
| Opening balance | 3,958 | 4,893 |
| - depreciation | (751) | (935) |
| Closing balance | 3,207 | 3,958 |

15. Trade and other payables

CURRENT

Unsecured liabilities

| | | |
|------------------|---------|--------|
| Trade payables | 109,090 | 3,719 |
| Accrued expenses | 20,083 | 20,084 |
| Sundry payables | 10,541 | - |
| | 139,714 | 23,803 |

Bell IXL Investments Limited (ACN 113 669 908)

For the year ended 30 June 2010

Notes to the Financial Statements (continued)

| | | 2010 \$ | 2009 \$ |
|---|-----|------------|------------|
| 16. Borrowings | | | |
| CURRENT | | | |
| <i>Unsecured liabilities</i> | | | |
| Corporate credit cards | | 1,674 | 248 |
| 17. Tax | | | |
| a. Liabilities | | | |
| CURRENT | | | |
| Income tax payable | | - | 23,002 |
| NON-CURRENT | | | |
| Deferred tax liability comprises: | | | |
| - deferred income tax on unrealised gains | | 32,020 | 17,684 |
| b. Assets | | | |
| NON-CURRENT | | | |
| Deferred tax assets comprise: | | | |
| - accrued expenses | | 3,300 | 3,300 |
| - transaction costs | | 4,234 | 11,858 |
| - unrealised losses | | 262,687 | 299,464 |
| - impairment provision | | 7,500 | 7,500 |
| - leave provisions | | 9,011 | 5,463 |
| - tax losses carried forward | | 143,379 | - |
| | | 430,111 | 327,585 |
| 18. Provisions | | | |
| CURRENT | | | |
| Short-term provisions: | | | |
| - annual leave | | 10,480 | 8,384 |
| NON-CURRENT | | | |
| Other long-term provisions: | | | |
| - long service leave | | 19,656 | 9,828 |
| 19. Issued capital | | | |
| 12,015,000 fully paid ordinary shares | | | |
| (2009: 12,015,000) | 19a | 2,514,254 | 2,514,254 |
| 1,818,000 fully paid limited voting ordinary shares (2009: 1,818,000) | 19b | 545,400 | 545,400 |
| | | 3,059,654 | 3,059,654 |

a. Ordinary shares

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b. Limited voting ordinary shares

Limited voting ordinary shares have the same rights as ordinary shares save and except that holders of limited voting ordinary shares may only vote on proposals that affect the rights attached to the limited voting ordinary shares.

c. Options

At 30 June 2010 there were no unissued ordinary shares, or limited voting ordinary shares, for which options were outstanding.

d. Capital management

Management controls the capital of the group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern. The debt and capital of the group includes ordinary share capital and financial liabilities supported by financial assets. There are no externally imposed capital requirements. Management effectively manages the capital of the group by assessing the financial risks of the company and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues. The nature of the business of the group requires flexibility and precludes the adoption of a fixed strategy to control the level of debt. Gearing ratios for the year ended 30 June 2010 and 30 June 2009 are as follows:

| | | |
|--------------------------------|-----------|-----------|
| Total borrowings | 1,674 | 248 |
| Less cash and cash equivalents | (155,220) | (712,733) |
| Net debt | (153,546) | (712,485) |
| Total equity | 2,347,702 | 2,372,515 |
| Total capital | 2,194,156 | 1,660,030 |
| Gearing ratio | N/A% | N/A% |

Bell IXL Investments Limited (ACN 113 669 908)

For the year ended 30 June 2010

Notes to the Financial Statements (continued)

| | Note | 2010 \$ | 2009 \$ |
|--|------|---------------|---------------|
| 20. Capital and leasing commitments | | | |
| Operating lease commitments | | | |
| Non-cancellable operating leases contracted for but not capitalised in the financial statements. | | | |
| Payable - minimum lease payments | | | |
| - not later than 12 months | | 22,332 | 21,024 |
| - between 12 months and 5 years | | 28,941 | 5,256 |
| | | 51,273 | 26,280 |

The property lease is a non-cancellable lease the term of which ends in September 2012. The lease is able to be extended at the option of the parent entity for a further term of two years. Rent is payable monthly in advance. The rent increases annually by 3.5% per year subject to a market review. The lease allows for subletting of lease areas with the approval of the landlord.

21. Contingent liabilities

The group does not have any material contingent liabilities or commitments for expenditure at 30 June 2010.

22. Segment reporting

The group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The group operates in Australia only and the principal activity is investment. There is only one reportable segment.

The group is domiciled in Australia and all its assets and liabilities are located in Australia.

Investments representing more than 5% of the investment portfolio are listed in Note 28d.

23. Share based payments

The group did not make any share based payments during the year.

24. Cash flow information

a. Reconciliation of cash flow from operations with net profit after income tax

| | | |
|---|------------------|------------------|
| Net profit/(loss) after income tax | (61,579) | (456,864) |
| Non-cash flows in net profit after income tax: | | |
| - unrealised (gains)/losses on investments | (165,252) | (701,314) |
| - depreciation | 751 | 935 |
| - business combination adjustment | (3,349) | - |
| Changes in assets and liabilities: | | |
| - (increase)/decrease in receivables | 1,513 | (2,018) |
| - (increase)/decrease in prepayments | - | 9,566 |
| - net movement in investments | (275,580) | 5,977,867 |
| - increase/(decrease) in income taxes payable | (61,291) | 23,002 |
| - increase/(decrease) in deferred tax liabilities | - | 4,336 |
| - (increase)/decrease in deferred tax assets | (90,385) | (176,247) |
| - increase/(decrease) in accounts payable | 128,611 | (188,996) |
| - increase/(decrease) in provision for impairment | - | 18,212 |
| Cash flow from operations | (526,561) | 4,508,479 |

b. Non-cash Financing and Investing Activities

There were no non-cash financing or investing activities during the year.

c. Investing Activities - acquisition of controlled entity

On 1 July 2009 the parent entity paid \$33,417 cash to acquire 50% of Resorts International (Australia) Pty Ltd ("RIA"). RIA held cash of \$2,465 on the acquisition date. The net cash outflow arising from the acquisition was \$30,952.

25. Events after the balance sheet date

No significant events affecting the company occurred after balance date.

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For the year ended 30 June 2010

Notes to the Financial Statements (continued)

26. Related party transactions

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

| | | 2010 | 2009 |
|---|------|--------|-----------|
| | | \$ | \$ |
| Transactions with related parties: | Note | | |
| a. Former Ultimate Parent Entity: | | | |
| Loans received from | | - | 6,000 |
| Loans repaid to | | - | 93,153 |
| Interest paid to | | - | 8,162 |
| b. Associated Companies: | | | |
| Loans/payments to or on behalf of: | | | |
| - Tramcar Restaurant Company Limited | | 2,090 | 5,484 |
| Impairment of assets | | | |
| - Tramcar Restaurant Company Limited | | 2,090 | 5,484 |
| c. Other Related Parties | | | |
| Fortina Trusts: | | | |
| - Sale of listed securities to | | - | 4,387,584 |
| - Purchase of listed securities from | | - | 246,074 |
| - Distribution of share sale proceeds from | | - | 4,167,976 |
| d. Key Management Personnel Related Entities: | | | |
| Loans received from: | | | |
| - Cellante Group Finance Pty Ltd | | - | 50,000 |
| - Cellante Securities Pty Ltd | | - | 105,000 |
| Loans repaid to: | | | |
| - Biloclan Pty Ltd | | - | 2,500,000 |
| - Cellante Group Finance Pty Ltd | | - | 402,000 |
| - Cellante Securities Pty Ltd | | - | 105,000 |
| - L.W. Properties Pty Ltd | | - | 14,510 |
| - Romano L. Cellante & Massimo L. Cellante | | - | 400,000 |
| Interest paid to: | | | |
| - Biloclan Pty Ltd | | - | 339,740 |
| - Cellante Group Finance Pty Ltd | | - | 31,109 |
| - Cellante Securities Pty Ltd | | - | 2,982 |
| - L.W. Properties Pty Ltd | | - | 1,342 |
| - Romano L. Cellante & Massimo L. Cellante | | - | 37,151 |
| Purchase of listed securities from: | | | |
| - L.W. Superannuation Pty Ltd | | - | 54,589 |
| Purchase of listed securities issued by: | | | |
| - Botswana Metals Limited | | 36,963 | - |
| Sale of listed securities issued by: | | | |
| - Botswana Metals Limited | | 28 | - |
| Expenses and reimbursements: | | | |
| - In addition to the above, key management personnel and their related entities have paid expenses of the company and are reimbursed for such expenses and vice versa. The amounts are not material. No interest has been paid or received in respect of such reimbursements. The sum of \$1,582 (2009: \$328) was due to the parent entity from key management personnel or their related parties at year end in respect of expenses yet to be reimbursed. | | | |
| Key Management Personnel Remuneration: | | | |
| - Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of Key Management Personnel. | | | |

e. Identification of related parties – former ultimate parent entity

Prior to 3 February 2010 the company was controlled by The Bell IXL Group Pty Ltd (In Liq) which is a company incorporated and domiciled in Australia. The directors do not believe that there is any ultimate parent entity of the company.

f. Description of associations with related parties

- Mr. M. L. Cellante is a director of Botswana Metals Limited (appointed 4 September 2009).
- The parent entity is a substantial shareholder of Botswana Metals Limited.
- Mr. R. Jimenez is a director of, and has significant influence over, Tramcar Restaurant Company Limited.
- The parent entity owns 30% of the issued capital of Tramcar Restaurant Company Limited.

27. Company details

The registered office and principal place of business of the parent entity is situated at:
Bell IXL Investments Limited
Level 2, 651-653 Doncaster Road
Doncaster, Victoria 3108

Bell IXL Investments Limited (ACN 113 669 908)

For the year ended 30 June 2010

Notes to the Financial Statements (continued)

28. Financial risk management

The financial instruments held by the consolidated group consist mainly of deposits with banks and listed shares issued by Australian companies. The risks the consolidated group is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and market risk.

a. Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or the income generated from it will fluctuate as a result of changes in market interest rates. The consolidated group is vulnerable to movements in interest rates as its deposits earn interest at floating rates. Interest rates payable on borrowed funds may be fixed or variable. The consolidated group had no outstanding interest bearing borrowings as at 30 June 2010.

b. Liquidity risk

Liquidity risk is the risk that an entity will have difficulty in meeting its financial liabilities. The consolidated group is not vulnerable to liquidity risk as it carefully monitors its cash-flow requirements and ensures that it has access to sufficient funds to meet its obligations. In addition a large part of the assets of the consolidated group comprise listed shares which can be sold to raise funds if necessary.

c. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The consolidated group manages its credit risk by ensuring that surplus funds are only deposited with, or invested in, parties with a high degree of creditworthiness such as Australian banks.

d. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price. By its nature the consolidated group invests a substantial proportion of its assets in listed securities. The consolidated group is subject to market risk as such securities are not risk free (ie: the market price of these securities can and does fluctuate). A general fall in market prices of 5% and 10%, if spread equally over all listed investments held by the consolidated group, would lead to a reduction in the shareholders funds of the consolidated group of \$96,066 and \$192,132 respectively (before tax). The consolidated group seeks to minimise market risk by ensuring that it is not, in the opinion of management, overly exposed to one company or one particular sector of the market. The relative weightings of the individual securities and relevant market sectors are reviewed regularly and risk can be managed by reducing exposure where appropriate. The consolidated group does not have a set minimum or maximum amount of the portfolio that can be invested in a single company or sector.

The listed investments of the consolidated group by sector are as follows:

| Sector | 2010 % | 2009 % |
|------------------------------------|---------------|---------------|
| Asset management and custody banks | 3.55 | 3.53 |
| Capital goods | 3.90 | - |
| Diversified financials | 26.72 | 32.53 |
| Energy | 17.56 | 21.23 |
| Food, beverage and tobacco | 1.37 | - |
| Materials | 19.98 | 14.33 |
| Real estate | - | 0.80 |
| Software and services | 2.73 | 4.22 |
| Telecommunications | 24.19 | 23.36 |
| | 100.00 | 100.00 |

Listed investments representing over five per cent of the total value of listed investments held by the consolidated group were as follows:

| Company Name | 2010 % | 2009 % |
|---|---------------|---------------|
| Blue Capital Limited (ASX code: BIV) | - | 17.95 |
| Botswana Metals Limited (ASX code: BML) | 16.73 | 14.05 |
| Chapmans Limited (ASX code: CHP) | 17.61 | 14.57 |
| Contango Microcap Limited (ASX code: CTN) | 7.66 | - |
| Longreach Oil Limited (ASX code: LGO) | 11.68 | 21.23 |
| Queste Communications Limited (ASX code: QUE) | 24.20 | 23.36 |
| | 77.88 | 91.16 |
| Others | 22.12 | 8.84 |
| | 100.00 | 100.00 |

e. Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 - the fair value is calculated using quoted prices in active markets.

Bell IXL Investments Limited (ACN 113 669 908)

For the year ended 30 June 2010

Notes to the Financial Statements (continued)

e. Fair value estimation (continued)

Level 2 - the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 - the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of the financial instruments as well as the methods used to estimate fair value are summarised in the table below.

| | Quoted market price (Level 1) \$ | Valuation technique: market observable inputs (Level 2) \$ | Valuation technique: non-market observable inputs (Level 3) \$ | Total \$ |
|---|---|--|--|------------------|
| Consolidated group - year ended 30 June 2010 | | | | |
| Financial assets | | | | |
| - at fair value through profit and loss | 1,921,325 | - | - | 1,921,325 |
| Financial liabilities | - | - | - | - |
| Consolidated group - year ended 30 June 2009 | | | | |
| Financial assets | | | | |
| - at fair value through profit and loss | 1,406,595 | - | - | 1,406,595 |
| Financial liabilities | - | - | - | - |
| 29. Parent entity information | | | | |
| Assets | | | 2010 \$ | 2009 \$ |
| Current assets | | | 2,072,317 | 2,123,801 |
| Non-current assets | | | 459,429 | 331,663 |
| Total assets | | | 2,531,746 | 2,455,464 |
| Liabilities | | | | |
| Current liabilities | | | 150,204 | 55,437 |
| Non-current liabilities | | | 51,676 | 27,512 |
| Total liabilities | | | 201,880 | 82,949 |
| Equity | | | | |
| Issued capital | | | 3,059,654 | 3,059,654 |
| Retained profits/(losses) | | | (729,788) | (687,139) |
| Total equity | | | 2,329,866 | 2,372,515 |
| Financial performance | | | | |
| Profit/(loss) for the year after tax | | | (42,649) | (456,864) |
| Other comprehensive income | | | - | - |
| Total comprehensive income | | | (42,649) | (456,864) |

Bell IXL Investments Limited (ACN 113 669 908)

For the year ended 30 June 2010

Directors' Declaration

The directors of Bell IXL Investments Limited (ACN 113 669 908) declare that:

1. The financial statements and notes, as set out on pages 17 to 34, are in accordance with the *Corporations Act 2001* and:
 - a) comply with Accounting Standards; and
 - b) give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the consolidated group.
2. The Executive Chairman and Managing Director (being the person who performs the chief executive function) and the Company Secretary (being the person who performs the chief financial officer function) have each declared that:
 - a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c) the financial statements and notes for the financial year give a true and fair view.
3. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed on behalf of the board in accordance with a resolution of the directors.



MASSIMO LIVIO CELLANTE
Executive Chairman and Managing Director

Melbourne, 13 September 2010.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BELL IXL INVESTMENTS LIMITED

Report on the financial report

We have audited the accompanying financial report of Bell IXL Investments Limited (the "Company"), which comprises the statement of financial position as at 30 June 2010, and the 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, other explanatory notes to the financial report 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 controls relevant to the preparation and fair presentation of the financial report that are 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. The directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

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

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BELL IXL INVESTMENTS LIMITED Cont**

Auditor's responsibility Cont

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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.

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 Bell IXL Investments Limited is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the consolidated entity'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; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements..

Report on the remuneration report

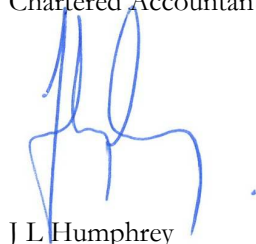
We have audited the Remuneration Report included in pages 12 and 13 of the directors' report for the year ended 30 June 2010. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BELL IXL INVESTMENTS LIMITED Cont**

Auditor's opinion on the remuneration report

In our opinion, the Remuneration Report of Bell IXL Investments Limited for the year ended 30 June 2010, complies with section 300A of the Corporations Act 2001.

GRANT THORNTON
South Australian Partnership
Chartered Accountants



J L Humphrey
Partner

Adelaide, 13 September 2010

Bell IXL Investments Limited (ACN 113 669 908)

For the year ended 30 June 2010

Investment Model

The investment objectives of the consolidated group are to:

- Apply a disciplined approach to investing;
- Achieve above average returns;
- Pay regular franked dividends; and
- Preserve the capital of the consolidated group.

The objectives are achieved by:

- Diversifying risk and return by directing investments in to investment streams.
 - Fixed Interest (0 - 50%)
 - Low risk.
 - Bank deposits and other liquid assets.
 - Preserve capital, interest income and cash flow.
 - Core Portfolio (0 - 50%)
 - Low to medium risk.
 - Diversified portfolio of shares.
 - Capital growth, dividend income and cash flow.
 - Special Situations (0 - 75%)
 - Medium to high risk.
 - Strategic investments in asset and other special situations which can be acquired at significant discounts to underlying value.
 - Board representation is sought.
 - High value capital growth.
- Acquiring investments at a discount.
- Seeking to obtain significant influence in the operations of those entities.
- Investing to achieve absolute returns.

The process employed by the consolidated group is to:

- Identify undervalued situations - companies with little or no debt and easily identifiable assets including cash, listed securities and property.
- Identify trigger events - action that unlocks hidden value of investments including takeovers, asset sales, capital returns and capital raisings.
- Quantify downside risk and upside potential and compare.
- Make investment decision and maintain asset allocations.

Bell IXL Investments Limited (ACN 113 669 908)

For the year ended 30 June 2010

NSX Additional Information

Additional information required by the National Stock Exchange of Australia Limited. This information is current as at 27 August 2010.

a. Statement of shareholdings

| Registered holder | No. | Fully Paid | No. | Limited Voting | %Held |
|--|-----------|-------------------|----------|------------------|---------------|
| Biloclan Pty Ltd | | 2,310,000 | | | 16.70 |
| Kintara Nominees Pty Ltd | | 2,241,000 | | | 16.20 |
| Monvale Investments Pty Ltd | | 2,241,000 | | | 16.20 |
| Productofam Holdings Pty Ltd | | 2,216,000 | | | 16.02 |
| Resorts International Pty Ltd | | | | 1,000,000 | 7.23 |
| Sunvest Corporation Limited | | 950,000 | | | 6.87 |
| Longreach Oil Limited | | | | 380,000 | 2.75 |
| Mr Simon Javor | | 290,000 | | | 2.10 |
| Bonds & Securities (Trading) Pty Ltd | | | | 273,000 | 1.97 |
| Mr Keith William Seabrook & Mrs Sylvia June Seabrook | | 250,000 | | | 1.81 |
| Longreach Oil Limited | | 215,000 | | | 1.55 |
| Miss Licia Nunzia Buccheri | | 200,000 | | | 1.45 |
| Southern Cross Exploration NL | | | | 165,000 | 1.19 |
| Mr Michael Damian Murphy & Mr Luke Gerard Murphy | | 155,000 | | | 1.12 |
| Mrs Josephine Cellante | | 151,100 | | | 1.09 |
| PEQ Nominees Pty Ltd | | 100,000 | | | 0.72 |
| Mr Michael Damian Murphy | | 100,000 | | | 0.72 |
| Mr Pat Lamanna | | 100,000 | | | 0.72 |
| Vince Lamanna | | 100,000 | | | 0.72 |
| Mr Robert Salvatore Bisignano | | 50,000 | | | 0.36 |
| Chapmans Limited | | 50,000 | | | 0.36 |
| Mr Douglas Gary Spencer & Mrs Angelique Rumbold | | 50,000 | | | 0.36 |
| Monvale Investments Pty Ltd | | 30,000 | | | 0.22 |
| Jawlea Investments Pty Ltd | | 30,000 | | | 0.22 |
| Total of 20 largest shareholders | 20 | 11,829,100 | 4 | 1,818,000 | 98.65 |
| 10,001 to 29,999 | 5 | 110,900 | | | 0.80 |
| 5,001 to 10,000 | 7 | 70,000 | | | 0.51 |
| 1,001 to 5,000 | 1 | 5,000 | | | 0.04 |
| 1 to 1,000 | 0 | 0 | | | 0.00 |
| Total | 33 | 12,015,000 | 4 | 1,818,000 | 100.00 |
| Number of unmarketable parcels | 0 | | 0 | | |

b. Voting rights

At meetings of shareholders each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. Holders of limited voting ordinary shares may only vote on proposals that affect the rights attached to limited voting ordinary shares.

c. Comparative Financial Information

| | 2006 | 2007 | 2008 | 2009 | 2010 |
|---------------------------------------|-----------|-----------|-------------|-----------|-----------|
| Gross revenue (\$) | 133,144 | 664,874 | 322,909 | 1,051,137 | 179,223 |
| Net profit/(loss) before tax (\$) | 100,385 | 424,782 | (849,282) | (605,773) | (172,772) |
| Total assets (\$) | 2,550,048 | 3,498,966 | 6,863,552 | 2,455,464 | 2,551,246 |
| Total liabilities (\$) | (69,644) | (290,941) | (4,034,173) | (82,949) | (203,544) |
| Shareholders funds - group (\$) | 2,480,404 | 3,208,025 | 2,829,379 | 2,372,515 | 2,347,702 |
| Financial data - parent entity | | | | | |
| After tax earnings p/share (cents) | 0.78 | 1.96 | (4.21) | (3.30) | (0.36) |
| Dividends p/share (cents) | 1.00 | - | - | - | - |
| NTA p/share (cents) | 21.42 | 24.34 | 20.45 | 17.15 | 16.79 |
| Price earnings ratio (x) | 24.36 | 9.44 | - | - | - |

Bell IXL Investments Limited (ACN 113 669 908)

For the year ended 30 June 2010

Why was the name 'Bell IXL' chosen?

In 1839, Alexander Lang Elder founded **Elders** in South Australia as a trading company and commission agent for wool and other agricultural products for sale back to Britain.

In 1888, **Goldsbrough Mort and Company** was founded as a wool trader.

In 1891, Henry Jones established **H. Jones & Company** in Hobart and in 1895 the company purchased a building in Melbourne and commenced the manufacture of jams and spreads. **Henry Jones IXL** was formed as a limited liability company in 1903 with the IXL brand being Henry's personal motto - 'I excel in everything I do'.

By 1962, **Elders** was known as **Elder Smith & Co.** and merged with **Goldsbrough Mort and Company** to become **Elder Smith Goldsbrough Mort**.

In 1970, Robert Holmes à Court acquired a controlling interest in the then smallest public company on the lists **The Western Australian Worsted & Woollen Mills** and used it to embark on a string of acquisitions including **Bell Brothers** which was a well known West Australian transport and contracting group. The name of the company was subsequently changed to **The Bell Group** and became his flagship company and in time he would become one of the world's most feared corporate raiders as he was an accomplished corporate strategist

In 1972, **Henry Jones IXL** became the target of Melbourne businessman John Elliott who organized a consortium of investors to acquire control.

In 1981, **The Bell Group** made a takeover bid for **Elder Smith Goldsbrough Mort** which by then was a major shareholder in **Henry Jones IXL**. A complex agreement was reached which saw **Carlton & United Breweries** acquire control of **Henry Jones IXL** by buying out **The Bell Group** to form a new company called **Elders IXL** with John Elliott and his management team assuming management control.

In 1983, **The Bell Group** bought control of Perth mining equipment company **Wigmores**, renamed it **Bell Resources** and then used it to make an astonishing takeover bid for Australia's then largest company **Broken Hill Proprietary ("BHP")**. **Bell Resources** made successive bids for **BHP** which saw its holding reach 28% by early 1986.

In April 1986, **Elders IXL** entered the market for **BHP** shares and snapped up 20% in what was then the world's biggest one day market raid. By September of that year both Robert Holmes à Court and John Elliott were invited to join the board of **BHP**.

In October 1987, world stock markets crashed including Australia and this forced Robert Holmes à Court into a massive asset sell off in an attempt to salvage his position and thereby foiling any plans for control of **BHP**.

Had the stock market crash not occurred, it is quite conceivable that **Bell Resources** would have bid for **Elders IXL** to deliver control of **BHP** and that the combined entity would have been named '**Bell IXL**'!

On 15 September 2005, **Bell IXL** was listed on the NSX as a strategic investment holding company which under the direction of Massimo Cellante and Ramon Jimenez focuses on acquiring at a discount and profitably realising strategic shareholdings in publicly listed companies.