

FORM: Half yearly/preliminary final report

Name of issuer

Australia & International Holdings Limited

ACN or ARBN

009 706 414

Half yearly
(tick)

Preliminary
final (tick)

✓

Half year/financial year ended
(‘Current period’)

30 June 2013

For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

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				\$A
Revenue (item 1.1)	down	40.69%	to	108,153
Profit (loss) for the period (item 1.9)	down	42.69%	to	81,053
Profit (loss) for the period attributable to members of the parent (item 1.11)	down	42.69%	to	81,053
Dividends		Current period	Previous corresponding period	
Franking rate applicable:		100%	100%	
Final dividend (preliminary final report only)(item 10.13-10.14)				
Amount per security		5.5 cents per share	5.0 cents per share	
Franked amount per security		5.5 cents per share	5.0 cents per share	
Interim dividend (Half yearly report only) (item 10.11 – 10.12)				
Amount per security		5.0 cents per share	5.0 cents per share	
Franked amount per security		5.5 cents per share	5.0 cents per share	
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
N/A				

Consolidated income statement *(The figures are not equity accounted)**(see note 3)**(as per paragraphs 81-85 and 88-94 of AASB 101: Presentation of Financial Statements)*

	Current period - \$A	Previous corresponding period - \$A
1.1 Revenues <i>(item 7.1)</i>	108,153	182,350
1.2 Expenses, excluding finance costs <i>(item 7.2)</i>	43,297	40,884
1.3 Finance costs		
1.4 Share of net profits (losses) of associates and joint ventures <i>(item 15.7)</i>		
1.5 Profit (loss) before income tax	64,856	141,466
1.6 Income tax expense <i>(see note 4)</i>	16,197	(26)
1.7 Profit (loss) from continuing operations	81,053	141,440
1.8 Profit (loss) from discontinued operations <i>(item 13.3)</i>	-	-
1.9 Profit (loss) for the period	81,053	141,440
1.10 Profit (loss) attributable to minority interests	-	-
1.11 Profit (loss) attributable to members of the parent	81,053	141,440
1.12 Basic earnings per security <i>(item 9.1)</i>	6.05 cents	11.12 cents
1.13 Diluted earnings per security <i>(item 9.1)</i>	6.05 cents	11.12 cents
1.14 Dividends per security <i>(item 9.1)</i>	10.5 cents	10.0 cents

Comparison of half-year profits*(Preliminary final statement only)*

	Current period - \$A	Previous corresponding period - \$A
2.1 Consolidated profit (loss) after tax attributable to members reported for the 1st half year <i>(item 1.11 in the half yearly statement)</i>	38,194	60,225
2.2 Consolidated profit (loss) after tax attributable to members for the 2nd half year	42,859	81,215

Consolidated balance sheet

(See note 5)

(as per paragraphs 68-69 of AASB 101: Financial Statement Presentation)

Current assets		Current period -\$A	Previous corresponding period - \$A
3.1	Cash and cash equivalents	110,585	243,448
3.2	Trade and other receivables	48,970	91,325
3.3	Inventories		-
3.4	Other current assets (provide details if material)	-	9,996
3.5	Total current assets	159,555	344,769
Non-current assets			
3.6	Available for sale investments	3,920,242	3,210,203
3.7	Other financial assets	-	-
3.8	Investments in associates	-	-
3.9	Deferred tax assets	32,675	6,482
3.10	Exploration and evaluation expenditure capitalised (see para. 71 of AASB 1022 – new standard not yet finalised)	-	-
3.11	Development properties (mining entities)	-	-
3.12	Property, plant and equipment (net)	-	-
3.13	Investment properties	-	-
3.14	Goodwill	-	-
3.15	Other intangible assets	-	-
3.16	Other (provide details if material)	-	-
3.17	Total non-current assets	3,952,917	3,216,685
3.18	Total assets	4,112,472	3,561,454
Current liabilities			
3.19	Trade and other payables	3,026	4,136
3.20	Short term borrowings	-	-
3.21	Current tax payable	-	-
3.22	Short term provisions	-	-
3.23	Current portion of long term borrowings	-	-
3.24	Other current liabilities (provide details if material)	-	-
		3,026	4,136
3.25	Liabilities directly associated with non-current assets classified as held for sale (para 38 of AASB 5)	-	-
3.26	Total current liabilities	3,026	4,136
Non-current liabilities		206,225	63,938

		Current period - \$A	Previous corresponding period - \$A
3.27	Long-term borrowings	-	-
3.28	Deferred tax liabilities	-	-
3.29	Long term provisions	-	-
3.30	Other (provide details if material)	-	-
3.31	Total non-current liabilities	206,225	63,938
3.32	Total liabilities	209,251	68,074
3.33	Net assets	3,903,221	3,493,380
	Equity		
3.34	Share capital	3,192,811	3,098,882
3.35	Other reserves	148,805	(219,617)
3.36	Retained earnings	561,605	614,115
	Amounts recognised directly in equity relating to non-current assets classified as held for sale	-	-
3.37	Parent interest	3,903,221	3,493,380
3.38	Minority interest	-	-
3.39	Total equity	3,903,221	3,493,380

Consolidated statement of changes in equity

(as per paragraphs 96-97 of AASB 101: Presentation of Financial Statements)

Australia & International Holdings Limited Statement of changes in equity For the year ended 30 June 2013

	Contributed equity \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2011	2,923,317	108,121	599,140	3,630,578
Profit after income tax (expense)/benefit for the year	-	-	141,440	141,440
Other comprehensive income for the year, net of tax	-	(327,738)	-	(327,738)
Total comprehensive income for the year	-	(327,738)	141,440	(186,298)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 14)	175,565	-	-	175,565
Dividends paid (note 17)	-	-	(126,465)	(126,465)
Balance at 30 June 2012	3,098,882	(219,617)	614,115	3,493,380

	Contributed equity \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2012	3,098,882	(219,617)	614,115	3,493,380
Profit after income tax (expense)/benefit for the year	-	-	81,053	81,053
Other comprehensive income for the year, net of tax	-	368,422	-	368,422
Total comprehensive income for the year	-	368,422	81,053	449,475
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 14)	93,929	-	-	93,929
Dividends paid (note 17)	-	-	(133,563)	(133,563)
Balance at 30 June 2013	3,192,811	148,805	561,605	3,903,221

Consolidated statement of cash flows*(See note 6)**(as per AASB 107: Cash Flow Statements)***Australia & International Holdings Limited****Statement of cash flows****For the year ended 30 June 2013**

	Note	2013 \$	2012 \$
Cash flows from operating activities			
Payments to suppliers (inclusive of GST)		(44,404)	(38,943)
Dividends received		19,476	18,270
Interest received		4,786	5,262
Other revenue		-	1,972
Trust distributions received from related parties		98,230	77,119
Income taxes refunded		28,014	-
Income taxes paid		-	(15,231)
Net cash from operating activities	21	106,102	48,449
Cash flows from investing activities			
Payments for investments		(199,331)	(125,457)
Proceeds from sale of investments		-	155,621
Net cash from/(used in) investing activities		(199,331)	30,164
Cash flows from financing activities			
Proceeds from issue of shares	14	93,929	175,565
Dividends paid	17	(133,563)	(126,445)
Net cash from/(used in) financing activities		(39,634)	49,120
Net increase/(decrease) in cash and cash equivalents		(132,863)	127,733
Cash and cash equivalents at the beginning of the financial year		243,448	115,715
Cash and cash equivalents at the end of the financial year	7	110,585	243,448

Reconciliation of cash provided by operating activities to profit or loss

(as per paragraph Aus20.1 of AASB 107: Cash Flow Statements)

Note 21. Reconciliation of profit after income tax to net cash from operating activities

	2013 \$	2012 \$
Profit after income tax (expense)/benefit for the year	81,053	141,440
Adjustments for: Net fair value gain on available-for-sale financial assets	-	(15,310)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	42,354	(92,431)
Decrease/(increase) in deferred tax assets	(26,193)	16,253
Increase/(decrease) in provision for income tax	9,996	(3,444)
Increase/(decrease) in other operating liabilities	<u>(1,108)</u>	<u>1,941</u>
Net cash from operating activities	<u>106,102</u>	<u>48,449</u>

Notes to the financial statements

Details of revenues and expenses

(see note 16)

(Where items of income and expense are material, disclose nature and amount below in accordance with paragraphs 86-87 of AASB 101: Presentation of Financial Statements)

		Current period - \$A'	Previous corresponding period - \$A'
	Revenue		
	Dividends	19,476	18,270
	Interest	4,787	5,262
	Trust distributions	86,397	141,536
7.1	Other revenue (expenses)	(2,507)	1,972
	Net gain(loss) on available for sale financial assets	-	15,310
	Total Revenue	108,153	182,350
	Expenses		
	Accountancy & audit fees	(14,803)	(9,587)
	Managed portfolio services	(2,969)	(1,895)
7.2	Secretarial expenses	(1,204)	(7,672)
	Legal expenses	(1,086)	(1,425)
	Stock exchange fees	(9,811)	(6,231)
	Listing fees	(12,651)	(13,198)
	Other expenses	(773)	(876)
	Total expenses	43,297	(40,884)
	Profit (loss) before tax	64,856	141,466

Ratios		Current period	Previous corresponding period
Profit before tax / revenue			
8.1	Consolidated profit (loss) before tax (<i>item 1.5</i>) as a percentage of revenue (<i>item 1.1</i>)	59.97	77.58%
Profit after tax / equity interests			
8.2	Consolidated profit (loss) after tax attributable to members (<i>item 1.11</i>) as a percentage of equity (similarly attributable) at the end of the period (<i>item 3.37</i>)	2.08%	4.05%

Earnings per Security

- 9.1 Provide details of basic and fully diluted EPS in accordance with paragraph 70 and Aus 70.1 of AASB 133: Earnings per Share below:

	Current Period \$A	Previous corresponding period \$A
Profit after tax attributable to the members	81,053	141,440
	Number	Number
Weighted average number of shares used in calculating basic earnings per share	1,338,681	1,271,434
Weighted average number of shares used in calculating diluted earnings per share	1,338,681	1,271,434
	Cents	Cents
Basic earnings per share	6.05	11.12
Diluted earnings per share	6.05	11.12

Dividends

- 10.1 Date the dividend is payable

N/A

- 10.2 Record date to determine entitlements to the dividend (i.e. on the basis of registrable transfers received up to 5.00 pm if paper based, or by 'End of Day' if a proper ASTC/CHESS transfer)

N/A

- 10.3 If it is a final dividend, has it been declared?

(Preliminary final report only)

- 10.4 The *dividend or distribution plans* shown below are in operation.

The Company has a dividend reinvestment plan (DRP) under which shareholders have the option of electing to have their dividend payment reinvested in new ordinary shares. Pricing of the new DRP shares is based on the most recent Net Asset Value per share calculated at the time from the management accounts of the Company.

The last date(s) for receipt of election notices to the *dividend or distribution plans*

N/A

10.5 Any other disclosures in relation to *dividends or distributions*

N/A

Dividends paid or provided for on all *securities*

(as per paragraph Aus126.4 AASB 101: Presentation of Financial Statements)

	Current period - \$A'000	Previous corresponding period - \$A'000	Franking rate applicable
Dividends paid or provided for during the reporting period			
10.6 Current year interim	66,871	63,327	100%
10.7 Franked dividends	5.0 cents	5.0 cents	
10.8 Previous year final	66,692	63,138	100%
10.9 Franked dividends	5.0 cents	5.0 cents	
Dividends proposed and not recognised as a liability	-	-	
10.10 Franked dividends			

Dividends per *security*

(as per paragraph Aus126.4 of AASB 101: Presentation of Financial Statements)

	Current year	Previous year	Franking rate applicable
Dividends paid or provided for during the reporting period			
10.11 Current year interim	66,871	63,327	
10.12 Franked dividends – cents per share	5.0 cents	5.0 cents	
10.13 Previous year final	66,692	63,138	
10.14 Franked dividends – cents per share	5.0 cents	5.0 cents	
Dividends proposed and not recognised as a liability	-	-	
10.15 Franked dividends – cents per share			

Exploration and evaluation expenditure capitalised

To be completed only by issuers with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit

	Current period \$A'000	Previous corresponding period \$A'000
11.1 Opening balance	N/A	
11.2 Expenditure incurred during current period		
11.3 Expenditure written off during current period		
11.4 Acquisitions, disposals, revaluation increments, etc.		
11.5 Expenditure transferred to Development Properties		
11.6 Closing balance as shown in the consolidated balance sheet (item 3.10)		

Development properties

(To be completed only by issuers with mining interests if amounts are material)

	Current period \$A'000	Previous corresponding period \$A'000
12.1 Opening balance	N/A	
12.2 Expenditure incurred during current period		
12.3 Expenditure transferred from exploration and evaluation		
12.4 Expenditure written off during current period		
12.5 Acquisitions, disposals, revaluation increments, etc.		
12.6 Expenditure transferred to mine properties		
12.7 Closing balance as shown in the consolidated balance sheet (item 3.11)		

Discontinued Operations

(see note 18)

(as per paragraph 33 of AASB 5: Non-current Assets Held for Sale and Discontinued Operations)

	Current period – A\$'000	Previous corresponding period – A\$'000
13.1 Revenue	N/A	
13.2 Expense		
13.3 Profit (loss) from discontinued operations before income tax		
13.4 Income tax expense (as per para 81 (h) of AASB 112)		
13.5 Gain (loss) on sale/disposal of discontinued operations		
13.6 Income tax expense (as per paragraph 81(h) of AASB 112)		

Movements in Equity

(as per paragraph 97 of AASB 101: Financial Statement Presentation)

		Number issued	Number listed	Paid-up value (cents)	Current period – A\$'000	Previous corresponding period – A\$'000
14.1	Preference securities <i>(description)</i>	N/A				
14.2	Balance at start of period					
14.3	a) Increases through issues					
14.4	a) Decreases through returns of capital, buybacks etc.					
14.5	Balance at end of period					
14.6	Ordinary securities <i>(description)</i>					
14.7	Balance at start of period	1,334,043	1,334,043	2.32	3,098,882	2,923,317
14.8	a) Increases through issues	32,604	32,604	2.88	93,929	175,565
14.9	b) Decreases through returns of capital, buybacks etc.	-	-	-	-	-
14.10	Balance at end of period	1,366,647	1,366,647	2.34	3,192,811	3,098,882
14.11	Convertible Debt Securities <i>(description & conversion factor)</i>	N/A				
14.12	Balance at start of period					
14.13	a) Increases through issues					
14.14	b) Decreases through maturity, converted.					
14.15	Balance at end of period					

		Number issued	Number listed	Paid-up value (cents)	Current period – A\$'000	Previous corresponding period – A\$'000
14.16	Options <i>(description & conversion factor)</i>	N/A				
14.17	Balance at start of period					
14.18	Issued during period					
14.19	Exercised during period					
14.20	Expired during period					
14.21	Balance at end of period					
14.22	Debentures <i>(description)</i>	N/A				
14.23	Balance at start of period					
14.24	a) Increases through issues					
14.25	b) Decreases through maturity, converted					
14.26	Balance at end of period					
14.27	Unsecured Notes <i>(description)</i>	N/A				
14.28	Balance at start of period					
14.29	a) Increases through issues					
14.30	b) Decreases through maturity, converted					
14.31	Balance at end of period					
14.32	Total Securities	1,366,647	1,366,647	2.34	3,192,811	3,098,882

		Current period – A\$	Previous corresponding period – A\$
Reserves			
14.33	Balance at start of period	(219,617)	108,121
14.34	Transfers to/from reserves	368,422	(327,738)
14.35	Total for the period	368,422	(327,738)
14.36	Balance at end of period	148,805	(219,617)
14.37	Total reserves	148,805	(219,617)
Retained earnings			
14.38	Balance at start of period	614,115	599,140
14.39	Changes in accounting policy		-
14.40	Restated balance		-
14.41	Profit for the balance	81,053	141,440
14.42	Total for the period		
14.43	Dividends	(133,563)	(126,465)
14.44	Balance at end of period	561,605	614,115

Details of aggregate share of profits (losses) of associates and joint venture entities*(equity method)**(as per paragraph Aus 37.1 of AASB 128: Investments in Associates and paragraph Aus 57.3 of AASB 131: Interests in Joint Ventures)*

Name of associate or joint venture entity

N/A

Reporting entities percentage holding

N/A

		Current period - \$A'000	Previous corresponding period - \$A'000
15.1	Profit (loss) before income tax	N/A	
15.2	Income tax		
15.3	Profit (loss) after tax		
15.4	Impairment losses		
15.5	Reversals of impairment losses		
15.6	Share of non-capital expenditure contracted for (excluding the supply of inventories)		
15.7	Share of net profit (loss) of associates and joint venture entities		

Control gained over entities having material effect*(See note 8)*16.1 Name of *issuer* (or *group*)

N/A

16.2 Consolidated profit (loss) after tax of the *issuer* (or *group*) since
the date in the current period on which control was acquired16.3 Date from which profit (loss) in *item 16.2* has been calculated16.4 Profit (loss) after tax of the *issuer* (or *group*) for the whole of the
previous corresponding period

\$A'000

Loss of control of entities having material effect

(See note 8)

17.1	Name of issuer (or group)	N/A
		\$A'000
17.2	Consolidated profit (loss) after tax of the entity (or group) for the current period to the date of loss of control	
17.3	Date from which the profit (loss) in item 17.2 has been calculated	
17.4	Consolidated profit (loss) after tax of the entity (or group) while controlled during the whole of the previous corresponding period	
17.5	Contribution to consolidated profit (loss) from sale of interest leading to loss of control	

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities.

		Percentage of ownership interest (ordinary securities, units etc) held at end of period or date of disposal		Contribution to profit (loss) (item 1.9)	
18.1	Equity accounted associated entities	Current period	Previous corresponding period	Current period \$A	Previous corresponding period \$A
				Equity accounted	
18.2	Total				
18.3	Other material interests			Non equity accounted (i.e. part of item 1.9)	
	Burrell Australian Equities Trust	43.31%	43.82%	2,390,742	1,936,662
	Burrell World Equities Trust	26.55%	33.88%	859,421	722,267
18.4	Total			3,250,163	2,658,929

Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 114: Segment Reporting. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this statement. However, the following is the personation adopted in the Appendices to AASB 114 and indicates which amount should agree with items included elsewhere in this statement.

	Australian Long-Term Shares \$	Overseas Long-Term Shares \$	Intersegment eliminations/ unallocated \$	Total \$
2013				
Revenue				
Dividends	19,476	-	-	19,476
Interest	4,787	-	-	4,787
Trust income from related parties	85,517	4,387	-	89,904
Other Trust income	(3,507)	-	-	(3,507)
Other income	(2,507)	-	-	(2,507)
Total revenue	<u>103,766</u>	<u>4,387</u>	<u>-</u>	<u>108,153</u>
EBITDA	<u>103,766</u>	<u>4,387</u>	<u>(43,297)</u>	<u>64,856</u>
Profit/(loss) before income tax benefit	<u>103,766</u>	<u>4,387</u>	<u>(43,297)</u>	64,856
Income tax benefit				<u>16,197</u>
Profit after income tax benefit				<u>81,053</u>
Assets				
Segment assets	<u>3,105,405</u>	<u>863,808</u>	<u>143,259</u>	<u>4,112,472</u>
Total assets				<u>4,112,472</u>
Liabilities				
Segment liabilities	<u>211,325</u>	<u>(5,100)</u>	<u>3,026</u>	<u>209,251</u>
Total liabilities				<u>209,251</u>

Segment results (continued)

	Australian Long-Term Shares \$	Overseas Long-Term Shares \$	Intersegment eliminations/ unallocated \$	Total \$
2012				
Revenue				
Dividends	18,270	-	-	18,270
Interest	5,262	-	-	5,262
Trust distributions from related parties	114,060	27,476	-	141,536
Other income	<u>1,972</u>	<u>-</u>	<u>-</u>	<u>1,972</u>
Total revenue	<u>139,564</u>	<u>27,476</u>	<u>-</u>	<u>167,040</u>
EBITDA	139,564	27,476	(40,884)	126,156
Net gain/(loss) on disposal of available for sale financial assets	<u>21,483</u>	<u>(6,173)</u>	<u>-</u>	<u>15,310</u>
Profit/(loss) before income tax expense	<u>161,047</u>	<u>21,303</u>	<u>(40,884)</u>	141,466
Income tax expense				<u>(26)</u>
Profit after income tax expense				<u>141,440</u>
Assets				
Segment assets	<u>2,810,454</u>	<u>734,521</u>	<u>16,479</u>	<u>3,561,454</u>
Total assets				<u>3,561,454</u>
Liabilities				
Segment liabilities	<u>106,508</u>	<u>(42,570)</u>	<u>4,136</u>	<u>68,074</u>
Total liabilities				<u>68,074</u>

NTA Backing

(see note 7)

20.1	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$2.86	\$2.62

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

21.1	N/A
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International Financial Reporting Standards

Under paragraph 39 of AASB 1: First –time Adoption of Australian Equivalents to International Financial Reporting Standards, an entity's first Australian-equivalents-to-IFRS's financial report shall include reconciliations of its equity and profit or loss under previous GAAP to its equity and profit or loss under Australian equivalents to IFRS's. See IG63 in the appendix to AASB 1 for guidance.

22.1	N/A
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Under paragraph 4.2 of AASB 1047: Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards, an entity must disclose any known or reliably estimable information about the impacts on the financial report had it been prepared using the Australian equivalents to IFRSs or if the aforementioned impacts are not known or reliably estimable, a statement to that effect.

22.2	N/A
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Comments by directors

Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 134: Interim Financial Reporting. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) but may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.

Basis of accounts preparation

If this statement is a half yearly statement, it is a general purpose financial report prepared in accordance with the listing rules and AASB 134: Interim Financial Reporting. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period. This report does not include all notes of the type normally included in an annual financial report [Delete if inapplicable.]

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible). In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations (as per paragraphs 16(b), 16(b) and Aus 16.1 of AASB 134: Interim Financial Reporting)

N/A

Any other factors which have affected the results in the period, or which are likely to affect results in the future, including those where the effect could not be quantified.

N/A

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

2013: \$59,517
2012: \$71,148

Changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.

(Disclose changes in the half yearly statement in accordance with paragraph 16(a) of AASB 134: Interim Financial Reporting. Disclose changes in the preliminary final statement in accordance with paragraphs 28-29 of 108: Accounting Policies, Changes in Accounting Estimates and Errors.)

N/A

An issuer shall explain how the transition from previous GAAP to Australian equivalents to IFRS' affected its reported financial position, financial performance and cash flows. (as per paragraph 38 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards)

N/A

Revisions in estimates of amounts reported in previous periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year (as per paragraph 16(d) of AASB 134: Interim Financial Reporting)

N/A

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last annual report (as per paragraph 16(j) of AASB 134: Interim Financial Reporting)

N/A

The nature and amount of items affecting assets, liabilities, equity, profit or loss, or cash flows that are unusual because of their nature, size or incidence (as per paragraph 16(c) of AASB 134: Interim Financial Reporting)

N/A

Effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations (as per paragraph 16(i) of AASB 134: Interim Financial Reporting)

N/A

--

Annual meeting*(Preliminary final statement only)*

The annual meeting will be held as follows:

Place	Level 5, 24 Little Edward Street, Spring Hill, QLD 4000
Date	13 November 2013
Time	12.00PM
Approximate date the annual report will be available	13 September 2013

Compliance statement

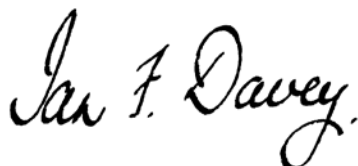
1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

N/A

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does/does not* (*delete one*) give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:
- ☒ The financial statements have been audited. ☐ The financial statements have been subject to review by a registered auditor (or overseas equivalent).
- ☐ The financial statements are in the process of being audited or subject to review. ☐ The financial statements have *not* yet been audited or reviewed.
5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/will follow immediately they are available* (*delete one*). (*Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Act.*)
6. The *issuer* has/does not have* (*delete one*) a formally constituted audit committee.

Sign here:



Name: **Ian F Davey**

Title: **Company Secretary**

Date: **13 September 2013**

Australia & International Holdings Limited

ABN 98 009 706 414

Financial Statements - 30 June 2013

Australia & International Holdings Limited
Corporate directory
30 June 2013

Directors	Bernard C E Rowley Christopher T Burrell Roger J Burrell Frank J Finn
Company secretary	Ian F Davey
Notice of annual general meeting	The annual general meeting of Australia & International Holdings Limited: will be held at the offices of Burrell Stockbroking & Superannuation, Level 4 24 Little Edward Street, Spring Hill QLD.
	time date
	12:00 PM Wednesday 13 November 2013
Registered office	24 Little Edward Street Spring Hill QLD 4000 Phone: 61 7 3006 7200 Fax: 61 7 3839 6964
Principal place of business	24 Little Edward Street Spring Hill QLD 4000
Share register	Newcastle Capital Markets Registries Pty Limited 10 Murray Street Hamilton NSW 2303 Phone 61 2 4920 2877 Fax 61 2 4920 2878
Auditor	Lawler Hacketts Audit Level 3, 549 Queen Street Brisbane QLD 4000
Bankers	DDH Graham Limited 18th Floor, 344 Queen Street Brisbane QLD 4000
Stock exchange listing	Australia & International Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: AID)
Website	http://www.burrell.com.au

Australia & International Holdings Limited
Directors' Report
30 June 2013

The directors present their report, together with the financial statements of Australia & International Holdings Limited ("AIH") for the year ended 30 June 2013.

Directors

The following persons were directors of Australia & International Holdings Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Bernard C E Rowley
 Christopher T Burrell
 Roger J Burrell
 Frank J Finn

Company Secretary

Ian F Davey

Principal Activities

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

Dividends

Dividends paid during the financial year were as follows:

	2013 \$	2012 \$
Final dividend for the year ended 30 June 2012 (2012: 30 June 2011) of 5.0 cents (2012: 5.0 cents) per ordinary share paid on 22 October 2012 (2012: 21 October 2011) fully franked based on a tax rate of 30%.	66,692	63,138
Interim dividend for the year ended 30 June 2013 (2012: 30 June 2012) of 5.0 cents (2012: 5.0 cents) per ordinary share paid on 30 April 2013 (2012: 30 April 2012) fully franked based on a tax rate of 30%.	66,871	63,327
	<u>133,563</u>	<u>126,465</u>

Review of operations

The profit for the entity for the financial year after providing for income tax amounted to \$81,053 (30 June 2012: \$141,440).

Overview

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

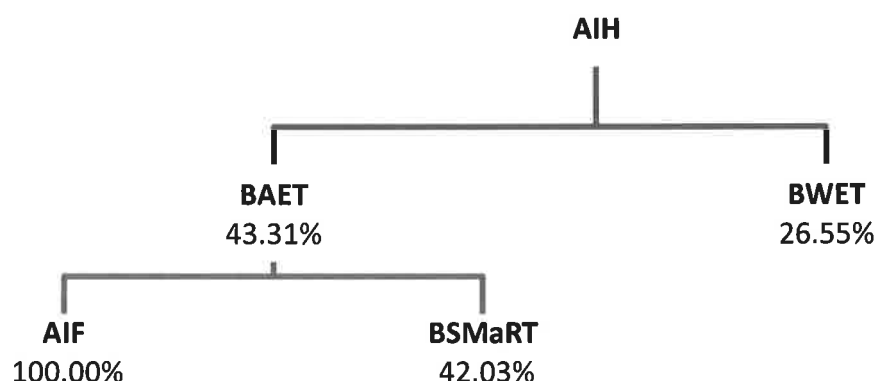
Structure

The Company is structured in order to provide investors with the opportunity to invest in a vehicle that holds positions in a strategically balanced and well-diversified set of portfolios. The majority of shareholder funds are invested over a medium to long term period in both Australian and international companies and managed funds. This is facilitated through the Company's investments in the Burrell Australian Equities Trust ("BAET") and the Burrell World Equities Trust ("BWET"). BAET further holds units in the Burrell Small-caps, Mid-caps and Resources Trust ("BSMaRT"), which holds some short term trading and sector overweight positions in the Australian equities market. Prior to July 2011 these short term and overweight positions were held in the Australian Index Fund Pty Ltd ("AIF"), but these investments have been transferred to BSMaRT, which is a managed trust akin to BAET and BWET. This allows outside sophisticated investors to buy units directly in the trust and makes it easier for unitholders to redeem their investment. AIF is now mainly used to hold ASX exchange traded options positions.

Australia & International Holdings Limited
Directors' Report (continued)
30 June 2013
Structure (continued)

BAET and BSMaRT are both unregistered managed investment schemes, whereas BWET is a registered managed investment scheme. BAET invests in listed Australian equities and managed funds. BWET invests in listed international equities and managed funds and may use foreign exchange hedging instruments to hedge its exposure to fluctuations in foreign currencies. BSMaRT holds short term trading and sector overweight positions in the Australian equities market.

As at 30 June 2013 approximately 80% of AIH's investment portfolio comprised of investments in BAET and BWET in the percentages of 59% and 21% respectively. This was achieved through the following ownership structure, whereby AIH owned 43.31% of the units on issue in BAET and 26.55% of the units on issue in BWET.



Performance Outcomes

Net Return

The net return to shareholders for the financial year ended 30 June 2013 was 13.04%. This 'net return' is not directly comparable to publicly reported share price or accumulation indices because it is after costs have been deducted for managing and administering the portfolios and the Company. It is also after an allowance for tax at the rate of 30% has been deducted from operating profits and on the increases in value of the investment portfolios. Further, the return shareholders in AIH received from dividends are fully franked. As such we look at the 'gross returns' from the individual investment portfolios.

Gross Returns

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

The performances of the individual portfolios the Company invested in for the year ended 30 June 2013 and the comparative period are as follows:

	30-Jun-13 %	30-Jun-12 %
Burrell Australian Equities Trust (excluding AIF)	19.6	-6.9
Burrell Australian Equities Trust (including AIF)	19.8	-8.6
Burrell World Equities Trust	16.4	-1.2
Burrell Small-cap, Mid-cap and Resources Trust	-2.6	-17.5
Australian All Ordinaries Accumulation Index	20.7	-7.0
Australian Small Ordinaries Accumulation Index	-5.3	-14.6
MSCI World Index ex Australia (in Australian dollar terms)	26.9	-2.6

Australia & International Holdings Limited
Directors' Report (continued)
30 June 2013

Gross Returns (continued)

The Company looks through to the investment portfolios of BAET, BWET and BSMaRT to see its investments by industry sector:

	30-Jun-13	30-Jun-12
	%	%
Energy	6.5	8.0
Materials	13.4	13.9
Industrials	3.7	4.0
Consumer discretionary	4.7	7.3
Consumer staples	0.5	4.8
Financials	35.0	29.3
Real estate investment trusts	6.0	7.8
Managed funds and LICs	12.8	12.1
Exchange traded funds	6.3	3.3
Others – Health care, Information technology, Telecommunications and Utilities	11.1	9.5

The Company's investments on a look-through basis by geographic area were:

	30-Jun-13	30-Jun-12
	%	%
Australia & New Zealand	83.2	84.2
Americas	6.6	7.7
United Kingdom	1.6	1.6
Europe excl. United Kingdom	2.6	2.3
Asia Pacific excl. Australia	2.0	0.8
Global	4.0	3.4

Securities representing 5% or more of the combined investments and trading portfolio as 30 June 2013 were:

	30-Jun-13	30-Jun-12
	% of	% of
	portfolio	portfolio
Commonwealth Bank of Australia	11.2	12.7
Sophisticated Investors Club	7.9	8.7
BHP Billiton	6.1	7.9
Westpac Banking Corporation	5.1	6.9

Net Asset Value per Share

The net asset value per share for the company as at 30 June 2013 was \$2.86 (30 June 2012: \$2.62).

Earnings per Share

Earnings per share based on the net operating result were 6.05 cents per share (30 June 2012: 11.2 cents per share).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the entity during the financial year.

Matters subsequent to the end of the financial year

No matter of circumstance has arisen since 30 June 2013 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Australia & International Holdings Limited
Directors' Report (continued)
30 June 2013

Likely developments and expected results of operations

Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Bernard C E Rowley
Title:	Chairman
Qualifications	Fellow of the Institute of Actuaries of Australia, Fellow of the Australian Institute of Company Directors.
Experience and expertise:	Bernard has been a Director since 1998 and Chairman since 2002. He was previously the Chief Executive Officer of Suncorp Insurance & Finance for the years 1986 to 1996.
Other current directorships:	Director of Australian Shale Oil Resources Company.
Former directorships (in the last 3 years):	Chairman of Cuna Mutual Life, Chairman of Cuna Mutual Group, and Director of River City Motorway Group.
Interests in shares:	32,421 Fully Paid Ordinary Shares, Non-beneficially held.
Interests in options:	None.
Name:	Christopher T Burrell
Title:	Director
Qualifications:	M.F.M, B. Com (Hons), L.L.B. (Hons), F.C.A., SF Fin, M.S.A.A.
Experience and expertise:	Chris has been a Director since 1983. He was the Company's Chairman from 1983 to 2002. He has held the position of Managing Director of Burrell Stockbroking Pty Ltd since 1997. He was a Partner at Coopers and Lybrand, Chartered Accountants, for 15 years; a previous Director of Queensland electricity retailer, Ergon; a former member of the Industrial Research & Development Committee within the Commonwealth Department of Industry, Science and Resources; and a former State Councillor for the Securities Institute of Australia.
Other current directorships:	Director of Burrell Stockbroking Pty Ltd
Interests in shares:	335,747 beneficially and 72,187 non-beneficially held Fully Paid Ordinary Shares.
Interests in options:	None.

Australia & International Holdings Limited
Directors' Report (continued)
30 June 2013

Name: Roger J Burrell

Title: Director

Qualifications: B. Com, L.L.B., F Fin, F.A.I.C.D., Diploma of Financial Services.

Experience and expertise: Roger has been a Director since 1987. He is also the Chief Executive Officer of Access Funds Management Ltd, Principal of AFM Property Services, Director of Multiple Sclerosis Society of Australia (MS Australia), deputy Chair and committee Member of Multiple Sclerosis Society of Queensland (MSQ), Legal Consultant to QM Properties Group, Property Solutions Group and Classic Holidays Group, and Compliance Committee Member of One Group Securities Ltd. Roger is also a former Partner at national law firm Clayton Utz, (1987 – 2000) and former Partner (2000 – 2006) and Consultant (2006 -2011 at Phillips Fox (subsequently DLA Piper/ DLA Phillips Fox).

Other current directorships: Access funds Management Ltd., and Multiple Sclerosis of Australia.
 59,349 beneficially held Fully Paid Ordinary Shares.

Interests in shares: None.

Interests in options:

Name: Frank J Finn

Title: Director

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

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

Interests in shares: 35,681 beneficially held Fully Paid Ordinary Shares.

Interests in options: None.

Company Secretary

Ian Davey has been a Company Secretary of the Company since 2000 and is also a Director of Burrell Stockbroking Pty Ltd. Prior to joining the Company, he was the Financial Controller of James Engineering Pty Ltd (1985 – 2000).

Australia & International Holdings Limited
Directors' Report (continued)
30 June 2013

Meetings of directors

The number of meetings of the company's Board of Directors held during the year ended 30 June 2013, and the number of meetings attended by each director was:

	Full Board	
	Attended	Held
Bernard C Rowley	3	4
Christopher T Burrell	4	4
Roger J Burrell	4	4
Frank J Finn	4	4

Retirement, election and continuation in office of directors

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

Remuneration report (audited)

No remuneration was paid to the Directors during the year ended 30 June 2013. No other management or staff is employed by the Company.

Full details relating to Directors are set out at Notes 22 and 23 – Related Parties, in the Notes to and forming part of the Financial Statements for the year ended 30 June 2013.

Except as otherwise disclosed, no Director of the Company has received, or has become entitled to receive, a benefit because of a contract that the directors, or a firm of which the director is a member, or an entity in which the Director has a substantial financial interest, has made (during the year ended 30 June 2013 or at any other time) with the Company; or an entity that the Company controlled, or a body corporate that was related to the Company, when the contract was made or when the Director received, or became entitled to receive, the benefit.

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2013.

Options

There were no options issued to directors and other key management personnel as part of compensation during the year ended 30 June 2013.

There were no options granted to or exercised by directors and other key management personnel as part of compensation during the year ended 30 June 2013.

This concludes the remuneration report, which has been audited.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is lack of good faith.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related party.

Proceedings of behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Australia & International Holdings Limited
Directors' Report (continued)
30 June 2013

Officers of the company who are former audit partners of Lawler Hacketts Audit

There are no officers of the company who are former audit partners of Lawler Hacketts Audit.

Auditor's independence declaration

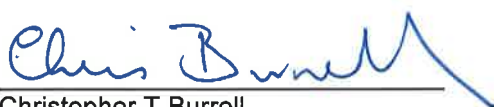
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Auditor


Lawler Hacketts Audit continues in office in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the directors



Christopher T Burrell
Director



Bernard CE Rowley
Director

11 September 2013
Brisbane

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED**

Brisbane
Rockhampton
Sydney
Melbourne
Newcastle

I declare that, to the best of my knowledge and belief, during the year ended
30 June 2013 there have been:

- i. no contraventions of the auditor independence requirements as set out in the
Corporations Act 2001 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the
audit.

Lawler Hacketts Audit



Liam Murphy

Partner

Brisbane, 11th September 2013

Australia & International Holdings Limited
Financial report
30 June 2013

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Statement of changes in equity	13
Statement of cash flows	14
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Independent auditor's report to the members of Australia & International Holdings Limited	34

General information

The financial report covers Australia & International Holdings Limited as an individual entity. The financial report is presented in Australian dollars, which is Australia & International Holdings Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

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

24 Little Edward Street
Spring Hill QLD 4000

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 11 September 2013.

Australia & International Holdings Limited
Statement of comprehensive income
For the year ended 30 June 2013

	Note	2013 \$	2012 \$
Revenue	4	108,153	167,040
Other income	5	-	15,310
Expenses			
Accountancy and audit fees		(14,803)	(9,587)
Managed portfolio fees		(2,969)	(1,895)
Secretarial expenses		(1,204)	(7,672)
Legal expenses		(1,086)	(1,425)
Stock exchange fees		(9,811)	(6,231)
Listing fees		(12,651)	(13,198)
Other expenses		(773)	(876)
Profit before income tax (expense)/benefit		64,856	141,466
Income tax (expense)/benefit	6	16,197	(26)
Profit after income tax (expense)/benefit for the year attributable to the owners of Australia & International Holdings Limited	16	81,053	141,440
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of available-for-sale financial assets, net of tax		368,422	-
Loss on the revaluation of available-for-sale financial assets, net of tax		-	(327,738)
Other comprehensive income for the year, net of tax		368,422	(327,738)
Total comprehensive income for the year attributable to the owners of Australia & International Holdings Limited		449,475	(186,298)
		Cents	Cents
Basic earnings per share	22	6.05	11.12
Diluted earnings per share	22	6.05	11.12

The above statement of comprehensive income should be read in conjunction with the accompanying notes

Australia & International Holdings Limited
Statement of financial position
As at 30 June 2013

	Note	2013 \$	2012 \$
Assets			
Current assets			
Cash and cash equivalents	7	110,585	243,448
Trade and other receivables	8	48,970	91,325
Income tax refund due	9	-	9,996
Total current assets		<u>159,555</u>	<u>344,769</u>
Non-current assets			
Available-for-sale financial assets	10	3,920,242	3,210,203
Deferred tax	11	32,675	6,482
Total non-current assets		<u>3,952,917</u>	<u>3,216,685</u>
Total assets		<u>4,112,472</u>	<u>3,561,454</u>
Liabilities			
Current liabilities			
Trade and other payables	12	3,026	4,136
Total current liabilities		<u>3,026</u>	<u>4,136</u>
Non-current liabilities			
Deferred tax	13	206,225	63,938
Total non-current liabilities		<u>206,225</u>	<u>63,938</u>
Total liabilities		<u>209,251</u>	<u>68,074</u>
Net assets		<u>3,903,221</u>	<u>3,493,380</u>
Equity			
Issued capital	14	3,192,811	3,098,882
Reserves	15	148,805	(219,617)
Retained profits	16	561,605	614,115
Total equity		<u>3,903,221</u>	<u>3,493,380</u>

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

Australia & International Holdings Limited
Statement of changes in equity
For the year ended 30 June 2013

	Contributed equity \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2011	2,923,317	108,121	599,140	3,630,578
Profit after income tax (expense)/benefit for the year	-	-	141,440	141,440
Other comprehensive income for the year, net of tax	-	(327,738)	-	(327,738)
Total comprehensive income for the year	-	(327,738)	141,440	(186,298)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 14)	175,565	-	-	175,565
Dividends paid (note 17)	-	-	(126,465)	(126,465)
Balance at 30 June 2012	<u>3,098,882</u>	<u>(219,617)</u>	<u>614,115</u>	<u>3,493,380</u>
	Contributed equity \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2012	3,098,882	(219,617)	614,115	3,493,380
Profit after income tax (expense)/benefit for the year	-	-	81,053	81,053
Other comprehensive income for the year, net of tax	-	368,422	-	368,422
Total comprehensive income for the year	-	368,422	81,053	449,475
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 14)	93,929	-	-	93,929
Dividends paid (note 17)	-	-	(133,563)	(133,563)
Balance at 30 June 2013	<u>3,192,811</u>	<u>148,805</u>	<u>561,605</u>	<u>3,903,221</u>

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

Australia & International Holdings Limited
Statement of cash flows
For the year ended 30 June 2013

	Note	2013 \$	2012 \$
Cash flows from operating activities			
Payments to suppliers (inclusive of GST)		(44,404)	(38,943)
Dividends received		19,476	18,270
Interest received		4,786	5,262
Other revenue		-	1,972
Trust distributions received from related parties		98,230	77,119
Income taxes refunded		28,014	-
Income taxes paid		-	(15,231)
		<u> </u>	<u> </u>
Net cash from operating activities	21	<u>106,102</u>	<u>48,449</u>
Cash flows from investing activities			
Payments for investments		(199,331)	(125,457)
Proceeds from sale of investments		-	155,621
		<u> </u>	<u> </u>
Net cash from/(used in) investing activities		<u>(199,331)</u>	<u>30,164</u>
Cash flows from financing activities			
Proceeds from issue of shares	14	93,929	175,565
Dividends paid	17	(133,563)	(126,445)
		<u> </u>	<u> </u>
Net cash from/(used in) financing activities		<u>(39,634)</u>	<u>49,120</u>
Net increase/(decrease) in cash and cash equivalents		(132,863)	127,733
Cash and cash equivalents at the beginning of the financial year		<u>243,448</u>	<u>115,715</u>
		<u> </u>	<u> </u>
Cash and cash equivalents at the end of the financial year	7	<u>110,585</u>	<u>243,448</u>

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

Australia & International Holdings Limited
Notes to the financial statements
30 June 2013

Note 1. Significant accounting policies

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

New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

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

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

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

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

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Australia & International Holdings Limited
Notes to the financial statements
30 June 2013

Note 1. Significant accounting policies (continued)

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

Cash and cash equivalents

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

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Australia & International Holdings Limited
Notes to the financial statements
30 June 2013

Note 1. Significant accounting policies (continued)

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted. The fair values of quoted investments are based on current bid prices. For unlisted investments, the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets, principally equity securities, that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised in other comprehensive income through the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised directly in the available-for-sale reserve.

Investments in Associates

AASB 128 – Investments in Associates

This accounting standard is applied in accounting for investments in entities where the investor has significant influence, which is presumed if the investor holds 20% or more of the voting power of the investee, unless it can be shown otherwise. Investments in associates are normally accounted for in the financial statements by applying the equity method of accounting whereby the investment is recognised at cost and adjusted for thereafter for the post acquisition change in the Company's share of the net assets of the associate entity. This accounting standard does not contemplate 'available for sale' financial assets.

AASB 139 – Financial Instruments: Recognition and Measurement

This accounting standard is applied in accounting for investments in financial instruments and stipulates that where a financial asset is classified as 'available for sale' it should be initially recorded at cost and any changes in fair value recorded in the available for sale reserve in equity.

As at 30 June 2013 the Company held investments in the Burrell Australian Equities Trust and the Burrell World Equities Trust representing 43.41% and 26.55% respectively of the units on issue of each trust. This would normally mean that the investments by the Company in these entities be accounted for by adopting the AASB 128 Investments in Associates Accounting Standard. However, the Company has adopted the accounting treatment under AASB 139 and recorded the investments as 'available for sale'. This has been done because both of the trusts are investment vehicles which invest in the shares of listed companies and managed funds and these assets held by the trusts are accounted for as 'available for sale' assets. Therefore, the Company has 'looked through' to the nature of its underlying assets and applied the same accounting treatment to maintain consistency and avoid confusion to the readers of these financial statements. It should be noted that the affect on the net assets of the Company under either accounting policy is the same.

Australia & International Holdings Limited
Notes to the financial statements
30 June 2013

Note 1. Significant accounting policies (continued)

Trade and other payables

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

Issued capital

Ordinary shares are classified as equity.

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

Dividends

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

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Australia & International Holdings Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

GST incurred is not recoverable from the tax authority and is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable.

Cash flows are presented on a gross basis.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2013. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

AASB 9 Financial Instruments, 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and 2012-6 Amendments to Australian Accounting Standards arising from AASB 9

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2015 and completes phase I of the IASB's project to replace IAS 39 (being the international equivalent to AASB 139 'Financial Instruments: Recognition and Measurement'). This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The company will adopt this standard from 1 July 2015 but the impact of its adoption is yet to be assessed by the company.

Australia & International Holdings Limited
Notes to the financial statements
30 June 2013

Note 1. Significant accounting policies (continued)

AASB 1053 Application of Tiers of Australian Accounting Standards

This standard is applicable to annual reporting periods on or after 1 July 2013. This standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements, being Tier 1 Australian Accounting Standards and Tier 2 Australian Accounting Standards - Reduced Disclosure Requirements. Even though it qualifies as a Tier 2, the company will not adopt this standard for reduced disclosure.

AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements

These amendments are applicable to annual reporting periods beginning on or after 1 July 2013. These amendments make numerous amendments to a range of Australian Accounting Standards and Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities in preparing general purpose financial statements. Even though it qualifies as a Tier 2, the company will not adopt these amendments for reduced disclosure.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement

These amendments are applicable to annual reporting periods beginning on or after 1 July 2013, with early adoption not permitted. They amend AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). The adoption of these amendments from 1 July 2014 will remove the duplication of information relating to individual KMP in the notes to the financial statements and the directors report. As the aggregate disclosures are still required by AASB 124 and during the transitional period the requirements may be included in the Corporations Act or other legislation, it is expected that the amendments will not have a material impact on the company.

AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments make numerous consequential changes to a range of Australian Accounting Standards and Interpretations, following the issuance of AASB 10, AASB 11, AASB 12 and revised AASB 127 and AASB 128. The adoption of these amendments from 1 July 2013 will not have a material impact on the company.

AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income

These amendments are applicable to annual reporting periods beginning on or after 1 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation. The adoption of the revised standard from 1 January 2013 will impact the company's presentation of its statement of comprehensive income.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

Australia & International Holdings Limited
Notes to the financial statements
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Note 3. Operating segments

As previously noted, the Company is predominantly invested in the Burrell Australian Equities Trust and the Burrell World Equities Trust who in turn invest the majority of their funds for the long-term in blue-chip companies listed on the Australian and international stock exchanges and selected managed funds. The Company's allocation of investments and the performance of these investments are in line with the investment portfolios of the two trusts and it follows that an appropriate categorisation of segments for reporting purposes is into Australian long-term shares and overseas long-term shares. The Australian portfolio is made up of blue chip and quality shares in the ASX All Ordinaries Index, and the overseas portfolio consists of shareholdings in stocks traded on stock exchanges with similar corporate governance regimes as Australia. This portfolio is primarily made up of shares in companies operating in the USA, UK, Europe and Asia.

Operating segment information

	Australian Long-Term Shares \$	Overseas Long-Term Shares \$	Intersegment eliminations/ unallocated \$	Total \$
2013				
Revenue				
Dividends	19,476	-	-	19,476
Interest	4,787	-	-	4,787
Trust income from related parties	85,517	4,387	-	89,904
Other Trust income	(3,507)	-	-	(3,507)
Other income	(2,507)	-	-	(2,507)
Total revenue	<u>103,766</u>	<u>4,387</u>	<u>-</u>	<u>108,153</u>
EBITDA	<u>103,766</u>	<u>4,387</u>	<u>(43,297)</u>	<u>64,856</u>
Profit/(loss) before income tax benefit	<u>103,766</u>	<u>4,387</u>	<u>(43,297)</u>	<u>64,856</u>
Income tax benefit				16,197
Profit after income tax benefit				<u>81,053</u>
Assets				
Segment assets	<u>3,105,405</u>	<u>863,808</u>	<u>143,259</u>	<u>4,112,472</u>
Total assets				<u>4,112,472</u>
Liabilities				
Segment liabilities	<u>211,325</u>	<u>(5,100)</u>	<u>3,026</u>	<u>209,251</u>
Total liabilities				<u>209,251</u>

Australia & International Holdings Limited
Notes to the financial statements
30 June 2013

Note 3. Operating segments (continued)

	Australian Long-Term Shares \$	Overseas Long-Term Shares \$	Intersegment eliminations/ unallocated \$	Total \$
2012				
Revenue				
Dividends	18,270	-	-	18,270
Interest	5,262	-	-	5,262
Trust distributions from related parties	114,060	27,476	-	141,536
Other income	1,972	-	-	1,972
Total revenue	<u>139,564</u>	<u>27,476</u>	<u>-</u>	<u>167,040</u>
EBITDA	139,564	27,476	(40,884)	126,156
Net gain/(loss) on disposal of available for sale financial assets	21,483	(6,173)	-	15,310
Profit/(loss) before income tax expense	<u>161,047</u>	<u>21,303</u>	<u>(40,884)</u>	<u>141,466</u>
Income tax expense				(26)
Profit after income tax expense				<u>141,440</u>
Assets				
Segment assets	2,810,454	734,521	16,479	3,561,454
Total assets				<u>3,561,454</u>
Liabilities				
Segment liabilities	106,508	(42,570)	4,136	68,074
Total liabilities				<u>68,074</u>

Note 4. Revenue

	2013 \$	2012 \$
Dividends	19,476	18,270
Interest	4,787	5,262
Trust distributions from related parties	86,397	141,536
Other revenue (expenses)	<u>(2,507)</u>	<u>1,972</u>
Revenue	<u>108,153</u>	<u>167,040</u>

Note 5. Other income

	2013 \$	2012 \$
Net gain on disposal of available-for-sale financial assets	<u>-</u>	<u>15,310</u>

Australia & International Holdings Limited
Notes to the financial statements
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Note 6. Income tax expense/(benefit)

	2013	2012
	\$	\$
<i>Income tax expense/(benefit)</i>		
Current tax	-	(9,996)
Deferred tax - origination and reversal of temporary differences	(14,379)	16,253
Adjustment recognised for prior periods	(1,818)	(6,231)
Aggregate income tax expense/(benefit)	<u>(16,197)</u>	<u>26</u>
Deferred tax included in income tax expense/(benefit) comprises:		
Decrease/(increase) in deferred tax assets (note 11)	<u>(14,379)</u>	<u>16,253</u>
<i>Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate</i>		
Profit before income tax (expense)/benefit	<u>64,856</u>	<u>141,466</u>
Tax at the statutory tax rate of 30%	19,457	42,440
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	141	161
Tax offset for franked dividends	(31,933)	(30,115)
Capital losses	-	(4,593)
Restructuring legal costs s 40-880	(1,711)	(2,218)
Accrued expenses	<u>(333)</u>	<u>582</u>
	(14,379)	6,257
Adjustment recognised for prior periods	<u>(1,818)</u>	<u>(6,231)</u>
Income tax expense/(benefit)	<u>(16,197)</u>	<u>26</u>
<i>Amounts charged/(credited) directly to equity</i>		
Deferred tax liabilities (note 13)	<u>142,287</u>	<u>(117,263)</u>

Note 7. Current assets - cash and cash equivalents

	2013	2012
	\$	\$
Cash and cash equivalents	<u>110,585</u>	<u>243,448</u>

Australia & International Holdings Limited
Notes to the financial statements
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Note 8. Current assets - trade and other receivables

	2013	2012
	\$	\$
Trade receivables	-	30,522
Distributions receivable	48,970	60,803
	<u>48,970</u>	<u>91,325</u>

Note 9. Current assets - income tax refund due

	2013	2012
	\$	\$
Income tax refund due	-	9,996
	<u>-</u>	<u>9,996</u>

Note 10. Non-current assets - available-for-sale financial assets

	2013	2012
	\$	\$
Quoted investments at fair value	3,920,242	3,210,203
	<u>3,920,242</u>	<u>3,210,203</u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out

Opening fair value	3,210,203	3,670,058
Additions	199,331	125,457
Disposals	-	(140,311)
Revaluation increments	510,708	-
Revaluation decrements	-	(445,001)
Closing fair value	<u>3,920,242</u>	<u>3,210,203</u>

Refer to note 18 for further information on financial instruments.

Australia & International Holdings Limited
Notes to the financial statements
30 June 2013

Note 11. Non-current assets - deferred tax

	2013	2012
	\$	\$
<i>Deferred tax asset comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Timing differences of revenue recognition	32,675	6,482
Deferred tax asset	<u>32,675</u>	<u>6,482</u>
<i>Movements:</i>		
Opening balance	6,482	22,735
Credited/(charged) to profit or loss (note 6)	14,379	(16,253)
Prior year adjustment	<u>11,814</u>	<u>-</u>
Closing balance	<u>32,675</u>	<u>6,482</u>

Note 12. Current liabilities - trade and other payables

	2013	2012
	\$	\$
Trade payables	2,976	4,086
Other payables	<u>50</u>	<u>50</u>
	<u>3,026</u>	<u>4,136</u>

Refer to note 18 for further information on financial instruments.

Note 13. Non-current liabilities - deferred tax

	2013	2012
	\$	\$
<i>Deferred tax liability comprises temporary differences attributable to:</i>		
Amounts recognised in equity:		
Revaluation of available-for-sale financial assets	206,225	63,938
Deferred tax liability	<u>206,225</u>	<u>63,938</u>
<i>Movements:</i>		
Opening balance	63,938	181,201
Charged/(credited) to equity	<u>142,287</u>	<u>(117,263)</u>
Closing balance	<u>206,225</u>	<u>63,938</u>

Australia & International Holdings Limited
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Note 14. Equity - issued capital

	2013 Shares	2012 Shares	2013 \$	2012 \$
Ordinary shares - fully paid	<u>1,366,647</u>	<u>1,334,043</u>	<u>3,192,811</u>	<u>3,098,882</u>

Movements in ordinary share capital

Details	Date	No of shares	Issue price	\$
Balance	1 July 2011	1,262,762		2,923,317
Dividend Reinvestment Plan	21 October 2011	3,780	\$2.62	9,990
Dividend Reinvestment Plan	30 April 2012	4,174	\$2.73	11,317
Rights Issue	30 May 2012	63,327	\$2.50	158,318
Rights issue cost	30 May 2012	-		(4,060)
Balance	30 June 2012	1,334,043		3,098,882
Dividend Reinvestment Plan	22 October 2012	3,574	\$2.70	9,735
Dividend Reinvestment Plan	30 April 2013	3,378	\$2.96	9,914
Rights Issue	7 June 2013	25,652	\$2.96	75,930
Rights issue cost	7 June 2013	-		(1,650)
Balance	30 June 2013	<u>1,366,647</u>		<u>3,192,811</u>

Ordinary shares

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

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

Capital risk management

The company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital risk management policy remains unchanged from the 30 June 2012 Annual Report.

Note 15. Equity - reserves

	2013 \$	2012 \$
Available-for-sale reserve	<u>148,805</u>	<u>(219,617)</u>

Australia & International Holdings Limited
Notes to the financial statements
30 June 2013

Note 15. Equity - reserves (continued)

	Other \$	Revaluation surplus \$	Available- for-sale \$	Foreign currency \$	Hedging \$	Total \$
Balance at 1 July 2011	-	-	108,121	-	-	108,121
Revaluation - gross	-	-	(445,001)	-	-	(445,001)
Deferred tax	-	-	117,263	-	-	117,263
Balance at 30 June 2012	-	-	(219,617)	-	-	(219,617)
Revaluation - gross	-	-	510,708	-	-	510,708
Deferred tax	-	-	(142,286)	-	-	(142,286)
Balance at 30 June 2013	-	-	148,805	-	-	148,805

Available-for-sale reserve

The reserve is used to recognise increments and decrements in the fair value of available-for-sale financial assets.

Note 16. Equity - retained profits

	2013 \$	2012 \$
Retained profits at the beginning of the financial year	614,115	599,140
Profit after income tax (expense)/benefit for the year	81,053	141,440
Dividends paid (note 17)	(133,563)	(126,465)
Retained profits at the end of the financial year	561,605	614,115

Note 17. Equity - dividends

Dividends

	2013 \$	2012 \$
Final dividend for the year ended 30 June 2012 (2012: 30 June 2011) of 5.0 cents (2012: 5.0 cents) per ordinary share paid on 22 October 2012 (2012: 21 October 2011) fully franked based on a tax rate of 30%	66,692	63,138
Interim dividend for the year ended 30 June 2013 (2012: 30 June 2012) of 5.0 cents (2012: 5.0 cents) per ordinary share paid on 30 April 2013 (2012: 30 April 2012) fully franked based on a tax rate of 30%	66,871	63,327
	133,563	126,465

Australia & International Holdings Limited
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30 June 2013

Note 17. Equity - dividends (continued)

Franking credits

	2013	2012
	\$	\$
Franking credits available for subsequent financial years based on a tax rate of 30%	<u>59,517</u>	<u>71,148</u>

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Note 18. Financial instruments

Financial risk management objectives

The company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company.

Market risk

Foreign currency risk

The company holds units in a trust that invests in Internationally listed shares and managed funds. The values of these holdings are converted from foreign currency to domestic currency at balance date, and as such the company is exposed to foreign currency risk through foreign exchange rate fluctuations. Under certain conditions the trust uses exchange traded options and foreign currency denominated currency accounts to hedge against adverse exchange rate movements.

Foreign exchange risk arises from recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency.

Changes in Value

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

The overall increase in the value of overall investments held as at 30th June 2013 over their cost, after allowing for selling costs was \$236 thousand (2012: \$275 thousand decrease). A fall in market values across all portfolios of 5% and 10% would reduce equity in the Company by approximately \$196 thousand and \$392 thousand respectively.

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

The Company holds units in a trust which through a sub-entity uses ASX exchange traded options to enhance income by taking a premium on options positions sold. The value of options will fluctuate according to price and volatility changes in the underlying securities over which they are written. Options values will also vary with changes to interest rates and company dividends. Further, they will decrease with the passage of time.

Price risk

The company is not exposed to any significant price risk.

Australia & International Holdings Limited
Notes to the financial statements
30 June 2013

Note 18. Financial instruments (continued)

Interest rate risk

The economic entity is exposed to interest rate risk on its cash holdings, which are generally subject to floating interest rates. The effective weighted average interest rate that applied to cash balances over the financial year was 3.7% (2012: 4.1%).

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company minimises credit risk by undertaking transactions with recognised financial intermediaries with acceptable credit ratings determined by a recognised ratings agency.

Liquidity risk

Vigilant liquidity risk management requires the company to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

Note 19. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Lawler Hacketts Audit, the auditor of the company:

	2013 \$	2012 \$
<i>Audit services - Lawler Hacketts Audit</i>		
Audit or review of the financial statements	<u>16,000</u>	<u>15,000</u>

Note 20. Events after the reporting period

No matter or circumstance has arisen since 30 June 2013 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Australia & International Holdings Limited
Notes to the financial statements
30 June 2013

Note 21. Reconciliation of profit after income tax to net cash from operating activities

	2013	2012
	\$	\$
Profit after income tax (expense)/benefit for the year	81,053	141,440
Adjustments for:		
Net fair value gain on available-for-sale financial assets	-	(15,310)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	42,354	(92,431)
Decrease/(increase) in deferred tax assets	(26,193)	16,253
Increase/(decrease) in provision for income tax	9,996	(3,444)
Increase/(decrease) in other operating liabilities	(1,108)	1,941
Net cash from operating activities	<u>106,102</u>	<u>48,449</u>

Note 22. Earnings per share

	2013	2012
	\$	\$
Profit after income tax attributable to the owners of Australia & International Holdings Limited	<u>81,053</u>	<u>141,440</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,338,681</u>	<u>1,271,434</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,338,681</u>	<u>1,271,434</u>
	Cents	Cents
Basic earnings per share	6.05	11.12
Diluted earnings per share	6.05	11.12

Australia & International Holdings Limited
Notes to the financial statements
30 June 2013

Note 23. Related Parties - Director' shareholdings

Directors

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

	2013	2012
Shares Held by Directors		
Mr C T Burrell	335,747	335,747
Mr C T Burrell (non-beneficial owner)	72,187	72,187
Mr R J Burrell	59,349	59,349
Prof F J Finn	35,681	35,681
Mr B C E Rowley (non-beneficial owner)	32,421	32,421
	<u>535,385</u>	<u>535,385</u>
Total Director's holdings of shares		
	<u>535,385</u>	<u>535,385</u>

Note 24. Related Parties - Director' transactions

Transactions of Directors and Director-related entities concerning shares and options

The aggregate number of shares of Australia and International Holdings Ltd acquired or disposed of by the Directors of the Company or their Director-related entities during the year:

	2013	2012
Acquisitions of ordinary shares, including shares issued under a Dividend Reinvestment Plan, rights issue or share top-up plan	-	9,884
	<u>-</u>	<u>9,884</u>

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

Other transactions with Directors and Director-related entities

Mr C T Burrell and Mr B C E Rowley are Directors of Burrell Stockbroking Pty Ltd. This company provides stockbroking and secretarial, portfolio administration and management services to the Company. There was no brokerage paid by the Company to Burrell Stockbroking Pty Ltd during the year, and the amount of \$7,103 was paid in respect of the other services. Mr C T Burrell, Mr B C E Rowley and Mr R J Burrell are Directors of Burrell & Co Holdings Pty Ltd. This company provides clearing and settlement services to the Company. There were no fees or charges paid by the Company to Burrell & Co Holdings Pty Ltd during the year.

Note 25. Related Parties - Investments in related trusts

	2013 \$	2012 \$
Investments - Non-current		
Investment in the Burrell Australian Equities Trust	2,390,742	1,936,662
Investment in the Burrell World Equities Trust	859,421	722,267
Investment in the Burrell Smallcap, Midcap and Resources Trust	7	8
	<u>7</u>	<u>8</u>
Total	<u>3,250,170</u>	<u>2,658,937</u>

Australia & International Holdings Limited
Notes to the financial statements
30 June 2013

Note 26. Related Parties - Distributions from related trusts

Distributions received or due and receivable by the Company from:

	2013	2012
	\$	\$
Burrell Australian Equities Trust	85,517	114,060
Burrell World Equities Trust	<u>4,387</u>	<u>27,476</u>
Total	<u><u>89,904</u></u>	<u><u>141,536</u></u>

Australia & International Holdings Limited
Directors' declaration

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the directors



Bernard C E Rowley
Chairman



Christopher T Burrell
Director

11 September 2013
Brisbane

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED**

Report on the Financial Report

We have audited the accompanying financial report of Australia & International Holdings Limited (the company), which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Brisbane
Rockhampton
Sydney
Melbourne
Newcastle

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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*.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED
(CONTINUED)**

Opinion

In our opinion:

- a. the financial report of Australia & International Holdings Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2013 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Australia & International Holdings Limited for the year ended 30 June 2013 complies with s 300A of the *Corporations Act 2001*.



Lawler Hacketts Audit



Liam Murphy

Partner

Brisbane, 11th September 2013

Australia & International Holdings Limited
Shareholder information
30 June 2013

The shareholder information set out below was applicable as at .

Distribution of equitable securities

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

	Number of holders of ordinary shares
1 to 1,000	9,744
1,001 to 5,000	148,607
5,001 to 10,000	192,525
10,001 to 100,000	680,024
100,001 and over	335,747
	<u>1,366,647</u>
Holding less than a marketable parcel	<u>1,180</u>

Equity security holders

Twenty largest quoted equity security holders

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

	Ordinary shares % of total shares issued	
	Number held	
CTBFam Pty Ltd <Secret Super Fund>	205,089	15.01
Mr Christopher Thomas Burrell	130,658	9.56
CTBFam Pty Ltd	72,187	5.28
Sajrej Pty Ltd	64,819	4.74
Ms Marian Micalizzi	59,876	4.38
Donna Irwin	47,352	3.46
Wanstead Investment Company	45,000	3.29
Mr Jason Edward Leggat	43,154	3.16
Estate of Mrs Margaret W Burrell	41,645	3.05
RJB Superannuation Pty Ltd <The RJ Burrell Superannuation Fund>	41,549	3.04
Prof. Francis James Finn	35,681	2.61
Rowley Pty Ltd <Rowley Superannuation Fund>	32,421	2.37
Burrell Stockbroking Pty Ltd	26,547	1.94
Sheford Investments Pty Ltd	23,876	1.75
Mrs Rosemary Josephine Burt	23,644	1.73
Majella Pty Ltd <Higham Super Fund A/c>	18,070	1.32
Mr Roger J Burrell	17,800	1.30
Dr Roger J Hartigan <Hartigan Fund A/c>	15,000	1.10
Mrs Laurel A Yesberg & Mr Dean R Yesberg <Laurel Yesberg Super A/c>	14,112	1.03
B & I Super Pty Ltd	11,962	0.88
	<u>970,442</u>	<u>71.00</u>

Unquoted equity securities

There are no unquoted equity securities.

Australia and International Holdings Limited
Five year summary of performance
30 June 2013

	2013 \$	2012 \$	2011 \$	2010 \$	2009 \$
Profit and Loss					
Revenue from operating activities	108,153	182,350	564,204	177,449	245,143
Total expenses	(43,297)	(40,884)	(41,798)	(90,421)	(90,390)
Profit from ordinary activities before income tax expense	64,856	141,466	522,406	87,028	154,753
Income tax benefit/(expense)	16,197	(26)	(94,527)	4,778	(10,379)
Net profit/(loss) after tax	81,053	141,440	427,879	91,806	144,374
Net profit/(loss) attributable to the owners of Australia & International Holdings Limited	81,053	141,440	427,879	91,806	144,374
Balance Sheet					
Current assets	159,555	344,769	121,161	96,126	233,545
Non-current assets	3,952,917	3,216,685	3,692,793	5,547,645	5,010,501
Total assets	4,112,472	3,561,454	3,813,954	5,643,771	5,244,046
Current liabilities	3,026	4,136	2,175	25,655	24,036
Non-current liabilities	206,225	63,938	181,201	139,355	22,753
Total liabilities	209,251	68,074	183,376	165,010	46,789
Shareholders' funds	3,903,221	3,493,380	3,630,578	5,478,761	5,197,257
Earnings per share (in cents)	6.05	11.12	27.65	4.82	8.06
Dividends per share (in cents)	10.00	10.00	10.00	9.50	8.50
Net assets value per share (in cents)	285.61	261.86	287.51	284.68	274.74
Price earnings ratio (x)	47.21	23.55	10.40	59.06	34.09

Australia & International Holdings Limited
Shareholder information
30 June 2013

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares	
	% of total	
	shares	
	Number held	issued
CTBFam Pty Ltd <Secret Super Fund>	205,089	15.01
Mr Christopher Thomas Burrell	130,658	9.56
CTBFam Pty Ltd	72,187	5.28

Voting rights

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

Ordinary shares

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

There are no other classes of equity securities.