

Australia & International Holdings Limited

ABN 98 009 706 414

Interim Financial Report for the half-year ended 31 December 2016

Australia & International Holdings Limited
Corporate Directory
31 December 2016

Directors	Bernard C E Rowley Christopher T Burrell Roger J Burrell Frank J Finn
Company secretary	Ian F Davey
Registered office	Level 4, 24 Little Edward Street Spring Hill QLD 4000 Phone: 61 7 3006 7200 Fax: 61 7 3839 6964
Principal place of business	Level 4, 24 Little Edward Street Spring Hill QLD 4000
Share register	Newcastle Capital Markets Registries Pty Limited 10 Murray Street Hamilton NSW 2303 Telephone: 61 2 4920 2877 Facsimile: 61 2 4920 2878
Auditor	PKF Hacketts Audit Level 6, 10 Eagle 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 National Stock Exchange (NSX code: AID)
Website	http://www.burrell.com.au

Australia & International Holdings Limited
Directors' Report
For the Half-year ended 31 December 2016

The directors present their report, together with the financial statements of Australia & International Holdings Limited for the half-year ended 31 December 2016.

Directors

The following persons were directors of Australia & International Holdings Limited during the whole of the half-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

Principal Activities

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

Dividends

Dividends paid or provided for during the half-year were as follows:

Final dividend

	31-Dec-16	31-Dec-15
	\$	\$
Final dividend paid	<u>88,253</u>	<u>87,836</u>
Year ended	30/06/2016	30/06/2015
Cents per share	6 ¢	6 ¢
Franking %	75%	80%
Date paid	21/10/2016	30/10/2015

Review of operations

	31-Dec-16	31-Dec-15
	\$	\$
Net profit for the Company for the half-financial year after providing for income tax	<u>89,917</u>	<u>68,599</u>

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 objectives are to provide returns from dividends and capital growth.

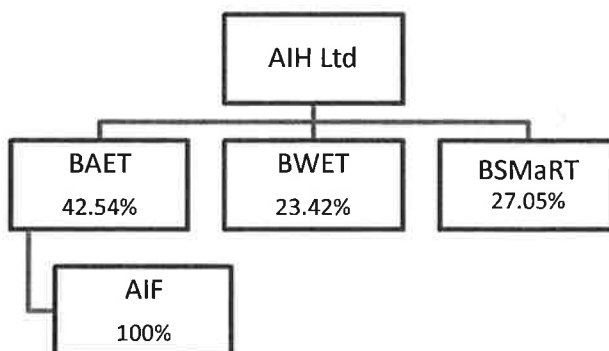
Structure

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 investment 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"), the Burrell World Equities Trust ("BWET"), and the Burrell Small-caps, Mid-caps and Resources Trust ("BSMaRT").

BAET is an unregistered managed investment scheme and open to wholesale investors only; whereas, BSMaRT and BWET are both registered managed investment schemes, which are open to both wholesale and retail investors. 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.

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As at 31 December 2016 approximately 84% of AIH's investment portfolio comprised of investments in BAET, BWET and BSMaRT in the percentages of 53.6%, 21.4% and 9.4% respectively. This was achieved through the following ownership structure, whereby AIH owned 42.54% of the units on issue in BAET, 23.42% of the units on issue in BWET and 27.05% of the units on issue in BSMaRT.



Performance Outcomes

Net Return of the Overall Company

The net return to shareholders for the half-year ended 31 December 2016 was 7.09%, based on a net asset value as at 31 December 2016 of \$2.96, plus the dividend of 6.0 cents, and compared to the net asset value per share as at 30 June 2016 of \$2.82. 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 mostly franked. As such we look at the 'gross returns' from the individual investment portfolios.

Gross Returns of the Individual Portfolios

For comparative purposes the international portfolio is benchmarked 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 that the Company invested in for the half-year ended 31 December 2016 and the comparative period are shown in the table below. These returns are expressed on a pre-tax basis and are defined as the movement for the period in the net asset values of the portfolios.

	31-Dec-16 %	31-Dec-15 %
Burrell Australian Equities Trust (excl. AIF)	12.1	-2.5
Burrell Australian Equities Trust (incl. AIF)	12.5	-2.9
Burrell World Equities Trust	4.0	-3.6
Burrell Small-cap, Mid-cap and Resources Trust	7.7	3.7
Australian All Ordinaries Accumulation Index	9.9	0.4
Australian Small Ordinaries Accumulation Index	5.8	7.0
MSCI World Index ex Australia (in AUD terms)	9.5	-0.8

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

	31-Dec-16	31-Dec-15
	%	%
Energy	3.6	3.9
Materials	6.6	6.2
Industrials	3.5	2.7
Consumer discretionary	6.1	4.8
Consumer staples	3.4	2.3
Financials	39.0	41.9
Real estate investment trusts	6.3	5.5
Managed funds and LICs	7.2	9.0
Exchange traded funds	4.6	4.9
Others – Health care, Information technology, Telecoms	19.7	18.8

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

	31-Dec-16	31-Dec-15
	%	%
Australia & New Zealand	77.0	77.1
Americas	9.8	9.8
United Kingdom	1.3	1.8
Europe excl. United Kingdom	2.0	2.2
Asia Pacific excl. Australia	0.7	2.4
Global	9.2	6.7

Securities representing 5% or more of the combined investments and trading portfolio as at 31 December 2016 are:

	31-Dec-16	31-Dec-15
	% of portfolio	% of portfolio
Commonwealth Bank of Australia	12.4	12.2
Westpac Banking Corporation	-	5.5

Net Asset Value per Share

	31-Dec-16	30-Jun-16
Net asset value per share for the Company	\$2.96	\$2.82

Earnings per Share

	31-Dec-16	31-Dec-15
Earnings per share based on the net operating result (cents)	6.06 ¢	4.68 ¢

Significant changes in the state of affairs

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

Australia & International Holdings Limited
Directors' Report
For the Half-year ended 31 December 2016

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Bernard Rowley
Chairman



Christopher T Burrell
Director

8 March 2017
Brisbane

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2016, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

PKF HACKETTS AUDIT



Cameron Bradley
Partner

Brisbane, 8th March 2017

Australia & International Holdings Limited
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For the Half-year ended 31 December 2016

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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:

Level 4, 24 Little Edward Street
Brisbane 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 8 March 2017. The directors have the power to amend and reissue the financial report.

Australia & International Holdings Limited
Condensed statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2016

	Note	31-Dec-16 \$	31-Dec-15 \$
Continuing operations			
Revenue	4	124,448	79,117
Expenses			
Accounting and audit fees		(6,215)	(6,292)
Legal expenses		(1,176)	(1,161)
Listing fees		(4,421)	(5,097)
Managed portfolio service fees		(1,596)	(1,662)
Net loss on disposal of available-for-sale financial assets		(2,240)	-
Secretarial expenses		(4,961)	(5,038)
Stock exchange fees		(8,692)	(6,078)
Other expenses		(434)	(408)
Profit before income tax (expense)/benefit		<u>94,713</u>	<u>53,381</u>
Income tax (expense)/benefit		<u>(4,796)</u>	<u>15,218</u>
Profit after income tax (expense)/benefit for the half-year attributable to the owners of Australia & International Holdings Limited		89,917	68,599
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Gain/(loss) on the revaluation of available-for-sale financial assets, net of tax		<u>230,161</u>	<u>(147,411)</u>
Other comprehensive income for the half-year, net of tax		<u>230,161</u>	<u>(147,411)</u>
Total comprehensive income for the half-year attributable to the owners of Australia & International Holdings Limited		<u><u>320,078</u></u>	<u><u>(78,812)</u></u>
		Cents	Cents
Basic earnings per share	10	6.06 ¢	4.68 ¢
Diluted earnings per share	10	6.06 ¢	4.68 ¢

Australia & International Holdings Limited
Condensed statement of financial position
As at 31 December 2016

	Note	31-Dec-16 \$	30-Jun-16 \$
Assets			
Current assets			
Cash and cash equivalents	5	202,862	5,902
Prepayments		4,257	-
Trade and other receivables		107,774	66,489
Total current assets		<u>314,893</u>	<u>72,391</u>
Non-current assets			
Available-for-sale financial assets	6	4,600,467	4,307,342
Deferred tax asset		27,689	32,485
Total non-current assets		<u>4,628,156</u>	<u>4,339,827</u>
Total assets		<u>4,943,049</u>	<u>4,412,218</u>
Liabilities			
Current liabilities			
Trade and other payables		2,100	2,769
Total current liabilities		<u>2,100</u>	<u>2,769</u>
Non-current liabilities			
Deferred tax liability		357,089	264,211
Total non-current liabilities		<u>357,089</u>	<u>264,211</u>
Total liabilities		<u>359,189</u>	<u>266,980</u>
Net assets		<u>4,583,860</u>	<u>4,145,238</u>
Equity			
Issued capital	7	3,707,506	3,500,709
Reserves		500,079	269,918
Retained profits		376,275	374,611
Total equity		<u>4,583,860</u>	<u>4,145,238</u>

Australia & International Holdings Limited
Condensed statement of changes in equity
For the half-year ended 31 December 2016

	Note	Contributed equity \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2015		3,478,635	533,067	448,703	4,460,405
Profit after income tax (expense)/benefit for the half-year		-	-	68,599	68,599
Other comprehensive income for the half-year, net of tax		-	(147,411)	-	(147,411)
Total comprehensive income for the half-year		-	(147,411)	68,599	(78,812)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs		10,457	-	-	10,457
Dividends paid	8	-	-	(87,836)	(87,836)
Balance at 31 December 2015		<u>3,489,092</u>	<u>385,656</u>	<u>429,466</u>	<u>4,304,214</u>
	Note	Contributed equity \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2016		3,500,709	269,918	374,611	4,145,238
Profit after income tax (expense)/benefit for the half-year		-	-	89,917	89,917
Other comprehensive income for the half-year, net of tax		-	230,161	-	230,161
Total comprehensive income for the half-year		-	230,161	89,917	320,078
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	7	206,797	-	-	206,797
Dividends paid	8	-	-	(88,253)	(88,253)
Balance at 31 December 2016		<u>3,707,506</u>	<u>500,079</u>	<u>376,275</u>	<u>4,583,860</u>

Australia & International Holdings Limited
Condensed statement of cash flows
For the half-year ended 31 December 2016

	Note	31-Dec-16	31-Dec-15
		\$	\$
Cash flows from operating activities			
Dividends received		11,925	11,799
Interest received		283	590
Trust distributions received from related parties		68,861	47,754
Other distributions received		2,093	2,318
Other expenses (paid)/income received		<u>(32,421)</u>	<u>(31,814)</u>
Net cash from/(used in) operating activities		<u>50,741</u>	<u>30,647</u>
Cash flows from investing activities			
Payments for investments		(59,062)	(15,587)
Proceeds from sale of investments		<u>86,737</u>	<u>-</u>
Net cash from/(used in) investing activities		<u>27,675</u>	<u>(15,587)</u>
Cash flows from financing activities			
Proceeds from the issue of shares		206,797	10,457
Dividends paid		<u>(88,253)</u>	<u>(87,836)</u>
Net cash from/(used in) financing activities		<u>118,544</u>	<u>(77,379)</u>
Net increase/(decrease) in cash and cash equivalents		196,960	(62,319)
Cash and cash equivalents at the beginning of the half-year		<u>5,902</u>	<u>88,029</u>
Cash and cash equivalents at the end of the half-year	5	<u><u>202,862</u></u>	<u><u>25,710</u></u>

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

Australia & International Holdings Limited
Notes to the condensed financial statements
For the Half-year ended 31 December 2016

Note 1. Significant accounting policies

Statement of compliance

These general purpose financial statements for the interim half-year reporting period ended 31 December 2016 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Australia & International Holdings Limited. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2016, together with any public announcements made during the following half-year.

Basis of preparation

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the year ended 30 June 2016, except for the impact of the Accounting Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

New, revised or amending Accounting Standards and Interpretations applicable to the current half-year reporting period

A number of new and revised accounting standard requirements became mandatory for the first time during the half-year reporting period to 31 December 2016. The Company has adopted all of the new and revised standards and interpretations that are relevant to its operations and effective for the current half-year. Adoption has not resulted in any material changes to the Company's accounting policies and has no effect on the amounts reported for the current or prior half-year.

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.

At the end of the half-year the Company held investments in the Burrell Australian Equities Trust, the Burrell World Equities Trust and the Burrell Smallcaps Midcaps and Resources Trust ("the Trusts") representing 42.54%, 23.42% and 27.05% 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 directors have considered the nature of the company's investment in the Trusts and determined the Company does not have significant influence. Accordingly, the Company has adopted the accounting treatment under AASB 139 and recorded the investments as 'available for sale'. This has been done because all three 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 equity accounting and the current treatment is the same.

Australia & International Holdings Limited
Notes to the condensed financial statements
For the Half-year ended 31 December 2016

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 half-years.

Note 3. Operating segments

As previously noted, the Company is predominantly invested in the Burrell Australian Equities Trust, the Burrell World Equities Trust, and the Burrell Smallcaps Midcaps and Resources Trust, who in turn invest the majority of their funds in 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 three trusts and it follows that an appropriate categorisation of segments for reporting purposes is into: Australian large-cap long-term shares; Australian small and midcap shares; and overseas long-term shares. The Australian long term portfolio is made up of blue chip and quality shares in companies in the ASX All Ordinaries Index, whilst the Australian mid cap and small cap portfolio comprises shares in companies outside of the top 100 companies in the same index. 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

	Note	Australian Large-cap Long-Term Shares \$	Australian Small-Mid- cap Shares \$	Overseas Long-Term Shares \$	Intersegment eliminations/ unallocated \$	Total \$
31 December 2016						
Revenue						
Dividend income		11,925	-	-	-	11,925
Interest revenue		-	-	-	283	283
Trust distributions from related parties		90,121	14,021	8,098	-	112,240
Total revenue		<u>102,046</u>	<u>14,021</u>	<u>8,098</u>	<u>283</u>	<u>124,448</u>
Segment result		<u>102,046</u>	<u>14,021</u>	<u>8,098</u>	<u>(27,212)</u>	<u>96,953</u>
Net gain/(loss) on disposal of available-for-sale financial assets		(4,054)	-	1,813	-	(2,240)
Profit/(loss) before income tax		<u>97,992</u>	<u>14,021</u>	<u>9,911</u>	<u>(27,212)</u>	<u>94,713</u>
Income tax expense						(4,796)
Profit after income tax benefit						<u>89,917</u>
Assets						
Segment assets		3,174,133	477,097	1,057,010	234,808	4,943,049
Intersegment eliminations						-
Total assets						<u>4,943,049</u>
Liabilities						
Segment liabilities		292,336	8,608	56,145	2,100	359,189
Total liabilities						<u>359,189</u>

Australia & International Holdings Limited
Notes to the condensed financial statements
For the Half-year ended 31 December 2016

Note 3. Operating segments (continued)

	Note	Australian Large-cap Long-Term Shares \$	Australian Small-Mid- cap Shares \$	Overseas Long-Term Shares \$	Intersegment eliminations/ unallocated \$	Total \$
31 December 2015						
Revenue						
Dividend income		11,799	-	-	-	11,799
Interest revenue		-	-	-	590	590
Trust distributions from related parties		56,070	(76)	10,735	-	66,728
Total revenue		<u>67,869</u>	<u>(76)</u>	<u>10,735</u>	<u>590</u>	<u>79,117</u>
Segment result		<u>67,869</u>	<u>(76)</u>	<u>10,735</u>	<u>(25,146)</u>	<u>53,381</u>
Net gain/(loss) on disposal of available-for-sale financial assets		-	-	-	-	-
Profit/(loss) before income tax		<u>67,869</u>	<u>(76)</u>	<u>10,735</u>	<u>(25,146)</u>	<u>53,381</u>
Income tax benefit						15,218
Profit after income tax benefit						<u>68,599</u>
Assets						
Segment assets		<u>3,019,877</u>	<u>401,801</u>	<u>1,117,082</u>	<u>77,989</u>	<u>4,616,749</u>
Intersegment eliminations						-
Total assets						<u>4,616,749</u>
Liabilities						
Segment liabilities		<u>254,118</u>	<u>(9,250)</u>	<u>67,668</u>	<u>-</u>	<u>312,536</u>
Total liabilities						<u>312,536</u>

Note 4. Revenue

	31-Dec-16 \$	31-Dec-15 \$
Dividends	11,925	11,799
Interest	283	590
Trust distributions from related parties	112,240	66,728
Revenue	<u>124,448</u>	<u>79,117</u>

Note 5. Current assets - cash and cash equivalents

	31-Dec-16 \$	30-Jun-16 \$
Cash and cash equivalents	<u>202,862</u>	<u>5,902</u>

Australia & International Holdings Limited
Notes to the condensed financial statements
For the Half-year ended 31 December 2016

Note 6. Non-current assets - available-for-sale financial assets

	31-Dec-16	30-Jun-16
	\$	\$
Investments at fair value	4,600,467	4,307,342
	<u>4,600,467</u>	<u>4,307,342</u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous period are set out below:

Opening fair value	4,307,342	4,661,615
Additions	59,062	17,441
Disposals	(88,977)	-
Revaluation increments/(decrements)	323,040	(371,714)
Closing fair value	<u>4,600,467</u>	<u>4,307,342</u>

Note 7. Equity - issued capital

	31-Dec-16	30-Jun-16	31-Dec-16	30-Jun-16
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>1,549,160</u>	<u>1,471,989</u>	<u>3,707,506</u>	<u>3,500,709</u>

Movements in ordinary share capital

	Date	No. of shares	Issue price	\$
Balance	30 Jun 2016	1,471,989		3,500,709
Costs relating to issue of shares	31 Aug 2016	-		(867)
Dividend reinvestment plan	21 Oct 2016	3,542	\$2.91	10,307
Costs relating to issue of shares	21 Oct 2016	-		(1,443)
Rights issue	8 Dec 2016	73,629	\$2.70	198,799
Balance	31 Dec 2016	<u>1,549,160</u>		<u>3,707,506</u>

Note 8. Equity - dividends

Dividends

Final dividend

	31-Dec-16	31-Dec-15
	\$	\$
Final dividend paid	<u>88,253</u>	<u>87,836</u>
Year ended	30/06/2016	30/06/2015
Cents per share	6 ¢	6 ¢
Franking %	75%	80%
Date paid	21/10/2016	30/10/2015

Note 9. Events after the reporting period

No matter or circumstance has arisen since 31 December 2016 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Australia & International Holdings Limited
Notes to the condensed financial statements
For the Half-year ended 31 December 2016

Note 10. Earnings per share

	31-Dec-16	31-Dec-15
	\$	\$
Profit after income tax attributable to the owners of Australia & International Holdings Limited	<u>89,917</u>	<u>68,599</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,482,559</u>	<u>1,465,413</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,482,559</u>	<u>1,465,413</u>
	Cents	Cents
Basic earnings per share	6.06 ¢	4.68 ¢
Diluted earnings per share	6.06 ¢	4.68 ¢

Australia & International Holdings Limited
Directors' declaration

In the directors' opinion:

- (a) the attached financial statements and notes thereto comply with the Corporations Act 2001, including compliance with the accounting standards;
- (b) the attached financial statements and notes thereto give a true and fair view of the company's financial position as at 31 December 2016 and of its performance for the half-year ended on that date;
- (c) the attached financial statements and notes thereto comply with Accounting Standard AASB 134: Interim Financial Reporting; and
- (d) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors



Bernard Rowley
Chairman



Christopher T Burrell
Director

Brisbane
8 March 2017

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Australia & International Holdings Ltd ("the Company"), which comprises the condensed statement of financial position as at 31 December 2016, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Australia & International Holdings Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Australia & International Holdings Ltd is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PKF Hacketts Audit

PKF HACKETTS AUDIT



Cameron Bradley
Partner

Brisbane, 8th March 2017