Appendix 4E

Preliminary final report
Current period ended 30 June 2016
Previous period ended 30 June 2015

ENTITY: HUNTER HALL INTERNATIONAL LIMITED
ABN: 43 059 300 426

The following information is given to the ASX under listing rule 4.3A.

Item 1:

This preliminary final report is for the reporting period to 30 June 2016 and the previous corresponding period is 30 June 2015, for Hunter Hall International Limited (the Company, HHL) and its controlled entities (the Consolidated Entity).

Item 2: **Results for announcement to the market**

Profit after tax, before unrealised movement in value of seeded funds attributable to HHL was $7.824m, up 86.8% on the $4.188m recorded in the previous comparable period. The Board considers this a key financial metric, and uses it as a guide to assessing the appropriate dividend to declare as it represents earnings excluding the consolidation of non-controlled interests in the Hunter Hall High Conviction Equities Trust (HCT) and unrealised fair value movements.

A detailed reconciliation of the Total profit after tax for the year from continuing and discontinued operations (Statutory profit) of $19.107m to Profit after tax, before unrealised movement in value of seeded funds attributable to HHL of $7.824m is provided below in section 2.4 and in more detail in Note 2 of the attached Hunter Hall International Limited 2016 Financial Statements.

		2016 $'000	**2015 $'000**		**Change %**
2.1:	Revenue attributable to:				
	continuing operations	18,938	18,600	up	2%
	discontinued operations	116	128	down	9%
	Total revenue	19,054	18,728	up	2%
2.2:	Profit for the year from:				
	continuing operations	19,306	7,766	up	149%
	discontinued operations	(199)	90	down	321%
	Total profit after tax for the year	19,107	7,856	up	143%
2.3:	Profit for the year from continuing and discontinued operations:				
	Attributable to members of the parent	10,402	6,969	up	49%
	Attributable to non-controlling interest	8,705	887	up	881%
	Total profit after tax for the year from continuing and discontinued	19,107	7,856	up	143%

2.4: Reconciliation of Total profit after tax for the year from continuing and discontinued operations (Statutory profit) to Profit after tax, before unrealised movement in value of seeded funds attributable to HHL

Profit after tax, before unrealised movement in value of seeded funds attributable to HHL is a financial measure which represents statutory profit adjusted for the impact of consolidation of non-controlled interests in the Hunter Hall High Conviction Equities Trust (HCT) and unrealised fair value movements. At 30 June 2016 HHL held 32.6% of the HCT.

The inclusion of Profit after tax, before unrealised movement in value of seeded funds attributable to HHL as a measure of the Group's profitability provides investors with the same basis that is used internally for evaluating operating segment performance. Profit after tax, before unrealised movement in value of seeded funds attributable to HHL is used by the Board as a guide to assessing the appropriate dividend to declare.

	2016 $'000	**2015 $'000**		**Change %**
Statutory profit	19,107	7,856	up	143%
less Net profit attributable to non-controlling interest	(8,705)	(887)		
Profit for the year from continuing and discontinued operations attributable to HHL	10,402	6,969	up	49%
less Unrealised movement in value of seeded funds	(2,578)	(2,781)		
Profit after tax, before unrealised movement in value of seeded funds attributable to HHL	**7,824**	**4,188**	**up**	**87%**
Split by segment:				
Investment Management Business	5,392	3,933	up	37%
Investing Activities	2,432	255	up	854%
Profit after tax, before unrealised movement in value of seeded funds attributable to HHL	**7,824**	**4,188**	**up**	**87%**

2.5: The amount of dividends for the period was 28.7 cents per share, fully franked. This is made up of a final fully franked dividend of 14.6 cents per share declared by the Board on 11 August 2016 and an interim fully franked dividend of 14.1 cents per share declared by the Board on 12 February 2016.

		Amount per share	**Franked amount per share**
Final dividend	(resolved, not yet provided for at 30 June 2016)	$0.146	$0.146
Interim dividend		$0.141	$0.141

Appendix 4E

Preliminary final report
Current period ended 30 June 2016
Previous period ended 30 June 2015

ENTITY: HUNTER HALL INTERNATIONAL LIMITED
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2.6:	Final dividend dates:	
	Ex date	9 September 2016
	Record date	12 September 2016
	Payment date	26 September 2016

Item 3: Net tangible assets per security

	2016 $	2015 $
Net Tangible Asset backing per ordinary share	**2.0005**	0.9761
Net Tangible Asset backing per ordinary share, attributable to HHL	**1.0564**	0.8653

Details of entities over which control has been gained or lost

The Company provided seed capital of $1m for the Hunter Hall Australian Equities Fund (AEF) on 16 July 2013 and of $5m for the Hunter Hall High Conviction Equities Trust (HCT) on 11 December 2014. During the year the Company redeemed $3m from its HCT investment (realising a $1.463m gain), reinvested $1.472m of the distribution received from the HCT into additional units and fully redeemed its investment in the AEF on 27 June 2016 (realising a $40k gain).

Item 4: **Dividends**

Final dividend	**Date dividend is payable**	**Amount per share**	**Franked amount per share**	**Amount per share of foreign source dividend**
Current year	26 September 2016	$0.146	$0.146	$0.000
Previous year	24 September 2015	$0.095	$0.095	$0.000

Item 5: **Dividend reinvestment**

Hunter Hall operates a Dividend Reinvestment Plan (DRP) whereby shareholders can elect that all or part of their dividends be used to apply for fully paid ordinary shares in the Company. From the date of allotment shares alloted under the Plan will rank equally in all respects with all other shares in the Company. The issue price will be the weighted average sale price of all Shares in the Company sold on the ASX during the five trading days commencing on the ex-date (as determined by the Listing Rules) immediately prior to the relevant Record Date rounded to the nearest full cent.

Copies of the Hunter Hall International Dividend Reinvestment Plan and DRP Election forms may be obtained by contacting the Registrar. (Computershare Investor Services Pty Limited, Level 4, 60 Carrington Street, Sydney NSW 2000. Investor Enquiries 1300 855 080.)

The last date for acceptance of an election form for this dividend payment is 13 September 2016, the business day after the record date.

Item 6: Audit Status

This report is based on finacial statements which have been audited by Grant Thornton Audit Pty Ltd without dispute or qualification.

Item 7: Attachments forming part of Appendix 4E

Hunter Hall International Limited 2016 Financial Statements.

Kevin Eley
Chairman

Dated this 11 of August 2016

Directors' Report

Your Directors present their report on Hunter Hall International Limited (the Company, HHL) and its controlled entities (the Consolidated Entity) for the year ended 30 June 2016.

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

Kevin Eley	Chairman (appointed 27 May 2016) Non-executive Director (appointed 23 September 2015)
Peter Hall AM	Managing Director, Chief Executive Officer (appointed 27 May 2016) and Chief Investment Officer
Wayne Hawkins	Non-executive Director
Mark Forstmann	Non-executive Director
David Groves	Non-executive Director (appointed 5 April 2016)
David Deverall	Managing Director and Chief Executive Officer (resigned 5 February 2016)

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

Information on Directors

Kevin J. Eley - CA, F FIN, FAICD
Chairman (appointed 27 May 2016)
Non-executive Director (appointed 23 September 2015)
Mr Eley is Chairman of Hunter Hall International Limited. He is also Non-executive Director of Hunter Hall Investment Management Limited and a member of the Hunter Hall Group Audit, Risk and Compliance Committee and of the Hunter Hall Group Nomination and Remuneration Committee.

Mr Eley is a Chartered Accountant, a Fellow of the Financial Services Institute of Australia and a Fellow of the Australian Institute of Company Directors.

He has over 31 years' experience in management, financing and investment and has worked for a major international accounting firm, two investment banks and was Chief Executive Officer of HGL Limited where he remains as a non-executive director.

Other current non-executive directorships include: Milton Corporation Limited and Equity Trustees Holdings Limited. Kevin is also a member of the Milton Investment Committee.

In the previous three years, Kevin sat on Kresta Holdings Limited Board and PO Valley Energy Limited and prior to that had numerous other listed company Board positions.

Peter James MacDonald Hall AM - B.A.
Managing Director, Chief Executive Officer (appointed 27 May 2016) and Chief Investment Officer
Mr Hall is Managing Director, Chief Executive Officer and Chief Investment Officer of Hunter Hall International Limited. Until 27 May 2016 he was Executive Chairman of Hunter Hall International Limited. He is also a Non-executive Director of Hunter Hall Global Value Limited, Chief Investment Officer of Hunter Hall Investment Management Limited and Executive Chairman of Hunter Hall International (UK) Limited. He is a Trustee of the Hunter Hall International Limited Charitable Trust.

Mr Hall is a patron of the Asian Rhino Project and Sea Shepherd UK, a Director of the International Rhino Foundation and Voiceless, Trustee of the Bedales Grants Trust Fund and a member of the Sydney Film Festival Council.

Mr Hall has 33 years' experience in investment markets. Previously he was Investment Manager of Hancock & Gore Limited, Portfolio Manager and Analyst with Mercantile Mutual Holdings Limited, Industrial Analyst with Pembroke Securities Limited, Investment Analyst with New Zealand South British Insurance Limited and a journalist with John Fairfax & Sons Limited.

Mr Hall completed the Harvard Business School Owner/President Management Program in 2003.

Mr Hall was awarded Member of the Order of Australia (AM) in 2010 for his philanthropic contributions to society and his service to the finance management industry.

Directors' Report

William Wayne Hawkins - B.Ec., F.Fin., FAICD
Non-executive Director
Mr Hawkins is Non-executive Director of Hunter Hall International Limited. He is also Chairman and Non-executive Director of Hunter Hall Investment Management Limited. He is Chairman of the Hunter Hall Group Nomination and Remuneration Committee and a member of the Hunter Hall Group Audit, Risk and Compliance Committee.

Mr Hawkins has over four decades experience in investment management. Previously he was Funds Manager and Investment Analyst with City Mutual Life Assurance Society Limited, Group Investment Manager with New Zealand South British Insurance, Chief Executive of NZI Investment Services Limited, Chief Investment Officer and Managing Director (Funds Management) with Oceanic Capital Corporation Group.

Mark Benedict Forstmann - B.Sc., B.A. (Comm.)
Non-executive Director
Mr Forstmann is a Non-executive Director of Hunter Hall International Limited. He is also Non-executive Director of Hunter Hall Investment Management Limited. He is Chairman of the Hunter Hall Group Audit, Risk and Compliance Committee and a member of the Hunter Hall Group Nomination and Remuneration Committee.

Mr Forstmann has 27 years' experience in investment markets including equities, currencies and fixed interest. Between 1986 and 1994 he worked at Bank of America and Banque Indosuez in Sydney and Paris. At Banque Indosuez he was primarily involved in proprietary trading of bonds and currencies in Australian and European markets. Since 1995 he has focused on film and television production.

Mr Forstmann served on the board of the Nature Conservation Trust of NSW between December 2009 and May 2015.

David F Groves – Bcom., MCom., CA, FAICD
Non-executive Director (appointed 5 April 2016)
Mr Groves is a Non-executive Director of Hunter Hall International Limited. He is also an alternate Director for Peter Hall for Hunter Hall Global Value Limited. He is a non-executive Director of Hunter Hall Investment Management Limited, a member of the Hunter Hall Group Audit, Risk and Compliance Committee and a member of the Hunter Hall Group Nomination and Remuneration Committee.

Mr Groves has 25 years' experience as a company director, including 15 years in financial services. Mr Groves' is a director of Pipers Brook Vineyard Pty Ltd and Tasman Sea Salt Pty Ltd. Mr Groves' is a former director of Equity Trustees Ltd, Tassal Group Ltd, GrainCorp Ltd and Camelot Resources N.L. and a former executive with Macquarie Bank Limited and its antecedent, Hill Samuel Australia.

Mr Groves is a member of the Australian Institute of Chartered Accountants and a fellow of the Australian Institute of Company Directors.

David Michael Deverall - B.E. (Hons), MBA
Managing Director and Chief Executive Officer (resigned 5 February 2016)
Mr Deverall was Managing Director and Chief Executive Officer (CEO) of Hunter Hall International Limited. He was also Managing Director and CEO of Hunter Hall Investment Management Limited and Executive Director of Hunter Hall International (UK) Limited.

Company Secretary
Christina Seppelt - BEcon, LL.B, MLM
Company Secretary
Ms Seppelt is the General Counsel and Company Secretary of Hunter Hall International Limited. She is also the Company Secretary of Hunter Hall Investment Management Limited and Hunter Hall Global Value Limited. Prior to joining Hunter Hall in October 2014, Ms Seppelt worked as a corporate lawyer at Henry Davis York and has over 18 years of legal experience in corporate advisory, regulated transactions and corporate governance.

Ms Seppelt is admitted as a solicitor of the Supreme Court of New South Wales. She holds a Bachelor of Laws from the University of New South Wales, a Bachelor of Economics from the University of Queensland and a Masters of Law and Management from the Australian Graduate School of Management.

Directors' Report

Directors' Interests
As at 30 June 2016, the relevant interests of Directors and their related parties in the shares of the Company are:

	Shares Number
Kevin Eley	60,000
Peter Hall AM	12,002,270
Wayne Hawkins	48,000
Mark Forstmann	60,215
David Groves	31,221

Principal Activities
Through its wholly owned subsidiaries the Company operates an investment management business.

Hunter Hall Investment Management Limited (HHIML) is the responsible entity of five retail equity funds (Hunter Hall Equity Trusts) : the Hunter Hall Value Growth Trust (VGT), the Hunter Hall Australian Value Trust (AVT), the Hunter Hall Global Equities Trust (GET), the Hunter Hall Global Deep Green Trust (GDG) and the Hunter Hall High Conviction Equities Trust; and of a wholesale equity fund, the Hunter Hall Australian Equities Fund (AEF).

HHIML is also the Investment Manager for the Hunter Hall Global Value Limited (HHV), a listed investment company.

Hunter Hall International (UK) Limited, a company registered in the U.K., provides international investment research to the Consolidated Entity. This company is authorised to provide investment advisory, managing and dealing services.

There were no other significant changes in the nature of the Consolidated Entity's principal activities during the financial year.

OPERATING AND FINANCIAL REVIEW
The Consolidated Entity recorded a profit after tax of $10.402m for the year to 30 June 2016 from continuing and discontinued operations attributable to members of the parent company, up 49.3% on the $6.969m recorded in the previous comparable period, the year to 30 June 2015.

Note 2: Operating Segments presents the Consolidated Entity's performance of its core Investment Management business, stripping out the effect of consolidating the Hunter Hall High Conviction Equities Trust (HCT) including the performance of its investments.

Profit after tax, before unrealised movement in value of seeded funds attributable to HHL was $7.824m, up 86.8% on the $4.188m recorded in the previous comparable period. The Board considers this a key financial metric, and uses it as a guide to assessing the appropriate dividend to declare as it represents earnings excluding the consolidation of non-controlled interests in the Hunter Hall High Conviction Equities Trust (HCT) and unrealised fair value movements.

Revenue from Investment Management at $16.621m was up 4.5% on the $15.91m recorded in the previous comparable period.

Total Operating Expenses related to investment management activities at $10.251m were up 1.3% on the $10.121m recorded in the previous comparable period. The ongoing strategy to reduce operating expenses continued during the year but was largely offset by increased expenses for incentive payments to investment team professionals.

The Company received $1.782m in net performance fees from the Hunter Hall High Conviction Equities Trust (HCT) and the Hunter Hall Australian Value Trust (AVT), after allocating 50% as bonuses to the investment team. This was up $1.484m on the $298k recorded in the previous comparable period.

The Company donates 5% of pre-tax profits to Australian-registered charities. The amount available for donation to charitable purposes of $651k was up 74.1% on the previous comparable period's figure of $374k. Shareholders will be invited to nominate charities to which the Hunter Hall Charitable Trust donates. In the period since listing (February 2001) Hunter Hall shareholders have donated over $10.5m to good causes.

The Company provided seed capital of $1m for the Hunter Hall Australian Equities Fund (AEF) on 16 July 2013 and of $5m for the Hunter Hall High Conviction Equities Trust (HCT) on 11 December 2014. During the year the Company redeemed $3m from its HCT investment (realising a $1.463m gain), reinvested $1.472m of the distribution received from the HCT into additional units and fully redeemed its investment in the AEF on 27 June 2016 (realising a $40k gain).

The Company also invested a further $3.927m in Hunter Hall Global Value Limited (HHV). The total pre tax market value of the investment portfolio was $18.695m at 30 June 2016.

In addition to the $1.503m in realised gains mentioned above, these investments delivered $1.933m in dividend and distribution income during the year. The Company also held $12.041m in cash at 30 June 2016, earning $220k in interest income in the year.

The unrealised movement in the value of the Company's investments was $2.763m for the year to 30 June 2016, up on the $2.706m recorded in the previous comparable period, the year to 30 June 2015.

Funds under management increased 1.9% from $1.118m at 30 June 2015 to $1.139m at 30 June 2016 with investment performance of $114m comfortably offsetting net outflows and distributions of $93m. Net outflows reduced significantly during the period because of the strong performance of our funds with our flagship fund, the Hunter Hall Value Growth Trust (VGT), returning 11.4% in the 12 months to 30 June 2016 and the new Hunter Hall High Conviction Equities Trust (HCT) returning 121.3% over the same period.

Excluding the consolidated cash and investment balances of our seeded funds, our balance sheet has cash and pre-tax investments of $30.736m at 30 June 2016, up 29.3% or $6.965m from 30 June 2015.This represents $1.13 per share (2015: $0.88 per share).

Earnings per share

Basic earnings per share from continuing and discontinued operations for the period to 30 June 2016 was 38.41 cents per share (30 June 2015: 25.95 cents per share). Diluted earnings per share from continuing and discontinued operations for the period to 30 June 2016 was 38.34 cents per share (30 June 2015: 25.67 cents per share).

These EPS measures are based on Profit after tax for the year from continuing and discontinued operations, Attributable to members of the parent company of $10.402m which includes HHL's share of unrealised movements in the value of the HCT (30 June 2015: $6.969m).

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Consolidated Entity during the financial year other than as noted in the Operating and Financial Review and Note 14.

Dividends Paid or Recommended	**2016**	**2015**
	$	**$**
Final ordinary dividend of 14.6 cents per share (of which 14.6 cents per share is franked at 30%) declared by the Directors, with a record date of 12 September 2016, to be paid on 26 September 2016 not provided for in the attached financial reports (2015: 9.5 cents per share, fully franked franked at 30%)	3,976,948	2,559,318
Interim ordinary dividend of 14.1 cents per share, fully franked at 30%, declared by the Directors, with a record date of 7 March 2016, paid on 21 March 2016 (December 2014: 6.0 cents per share, fully franked).	3,822,946	1,613,380
	7,799,894	**4,172,698**

In conjunction with the interim dividend of 14.1 cents per share, the total dividend for the year, paid or to be paid is 28.7 cents, fully franked at 30% (2015: 15.5 cents, fully franked at 30%).

Events Subsequent to Reporting Date

There are no other matters or circumstances which have arisen since the end of the financial year that are not disclosed in Note 34 that significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

On 11 of August 2016 the Directors declared an final dividend of 14.6 cents per share fully franked, with a record date of 12 September 2016 and a payment date of 26 September 2016.

There were no other events subsequent to period end that require disclosure other than those matters referred to elsewhere in this report.

The financial report was authorised for issue on 11 of August 2016 by the Board of Directors.

Likely Developments

Please refer to the attached commentary for an update on strategy and outlook respectively.

Directors' Report

Meetings of Directors

	Directors' Meetings		Nomination and Remuneration Committee		Audit, Risk and Compliance Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Kevin Eley	8	8	2	2	3	3
Peter Hall	13	13	-	-	-	-
Wayne Hawkins	14	14	5	5	4	4
Mark Forstmann	14	14	5	5	4	4
David Groves	2	2	1	1	1	1
David Deverall	10	10	-	-	-	-

Unissued shares under option
At the date of this report, there are no unissued ordinary shares of Hunter Hall International Limited under option.

During the year ended 30 June 2016, no ordinary shares of Hunter Hall International Limited were issued on the exercise of options granted. 45,292 shares have been issued since year end. No person entitled to exercise options had or has any right by virtue of the options to participate in any share issue of any other body corporate.

Company Shares as Collateral
To protect the interest of all Shareholders and in keeping with the disclosure obligations of listed companies in respect of material financing arrangements by Company Directors that involve the use of Company shares as security (such as margin loans) the Company has adopted a policy that requires all employees and Directors taking out a loan that is ostensibly for the purpose of acquiring Company shares, or a loan that uses Company shares as security, to provide the Company with certain information to allow the Board to determine whether the level of Company shares used as security is material and requires disclosure under the ASX listing rules.

REMUNERATION REPORT (AUDITED)

The Directors of Hunter Hall International Limited (Hunter Hall, the Company) present the Remuneration Report for Non-executive Directors, Executive Directors and other Key Management Personnel, prepared in accordance with the *Corporations Act 2001* and the *Corporations Regulations 2001* .

The Remuneration Report is set out under the following main headings:

a. principles used to determine the nature and amount of remuneration;
b. details of remuneration;
c. service agreements;
d. share-based remuneration;
e. bonuses included in remuneration; and
f. other information.

a. Principles used to determine the nature and amount of remuneration

The remuneration policy has been developed to contribute to attracting, motivating and retaining the quality and personal characteristics of staff required at all levels of the Company. It follows a balanced approach, consisting of three key determinants:

i. to align rewards to business outcomes that deliver value to shareholders;
ii. to drive a high performance culture by setting challenging objectives and rewarding high performing individuals;
iii. to ensure remuneration is competitive in the relevant employment market place to support the attraction, motivation and retention of executive talent.

The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain Key Management Personnel to run and manage the Group.

The Board has established a Nomination and Remuneration Committee which operates in accordance with its charter as approved by the Board and is responsible for determining and reviewing compensation arrangements for the Directors and the Executive Team.

The remuneration structure that has been adopted by the Company consists of the following components:

i. fixed remuneration
ii. performance based incentives
iii. tenure based incentives

The Nomination and Remuneration Committee assess the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board, Investment and Executive Team.

The payment of bonuses, share options and other incentive payments are reviewed by the Nomination and Remuneration Committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval.

REMUNERATION REPORT (AUDITED) *continued*

i. Fixed Remuneration

Investment and Executive Teams

The objective of fixed remuneration is to provide a base level of remuneration which is appropriate to the Executive's responsibilities, the geographic location of the Executive and competitive standing in the appropriate market. Fixed remuneration is therefore determined with reference to available market data, the scope and any unique aspects of an individual's role and having regard to the qualifications and experience of the individual.

Fixed remuneration typically includes base salary and superannuation at the rate prescribed under the Superannuation Guarantee legislation. Fixed remuneration for the Executive and Investment Teams is assessed annually by the Managing Director and the Deputy CEO and is reviewed by the Nomination and Remuneration Committee and approved by the Board. The fixed remuneration of the Managing Director is reviewed by the Nomination and Remuneration Committee and approved by the Board.

Non-executive Directors

The Board's policy is to remunerate Non-executive Directors at market rates taking into account their time, commitment and responsibilities. The Remuneration and Nominations Committee makes recommendations to the Board on payments for the Non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

ii. Performance based incentives

Hunter Hall performance measures involve the use of performance objectives, metrics and performance appraisals.

The Investment Team's bonus structure links an individual's performance to the benchmark associated with the respective Fund and rewards the team primarily with cash based incentives.

The performance measures for the Executive Team and other employees are set annually and are tailored to the areas where each executive has a level of control. The measures target areas the Board believes hold the greatest potential for expansion and profit and cover financial (revenue growth, operating profit, fund performance) and non-financial measures (based on job descriptions).

Performance based incentives for the Executive Team and other employees are cash based.

iii. Tenure based incentives

Tenure based incentives are designed to align the long term interests of shareholders with employees by introducing retention measures for key members of staff.

The schemes are a combination of share based and cash payments, linked to tenure.

iv. Use of Remuneration Consultants

No remuneration consultants were used during the financial year.

v. Voting and comments made at the Company's last Annual General Meeting

Hunter Hall International Limited received more than 80% of 'yes' votes on its Remuneration Report for the financial year ending 30 June 2015. The Company received no specific feedback on its Remuneration Report at the Annual General Meeting.

Directors' Report

REMUNERATION REPORT (AUDITED) *continued*

vi. Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the Board has regard to the following indices in respect of the current financial year and the previous four financial years:

	2016	2015	2014	2013	2012
Net profit attributable to the parent company, before the movement in the value of seeded funds ($'000)	7,824	4,188	3,648	4,879	7,588
Dividends (cps)	28.7	15.5	13.4	18.6	32.0
Share price 30 June ($)	3.50	2.05	1.99	1.73	3.35
Statutory net profit attributable to the parent company ($'000)	10,402	6,969	3,715	4,812	7,111
Basic earnings per share (cps)	38.4	25.9	13.9	18.2	27.0

b. Details of remuneration

Details of the nature and amount of each element of the remuneration of each Key Management Personnel (KMP) of Hunter Hall are shown in the table below:

2016		**Short-term Benefits**		**Post Employment Benefits**	**Termination Benefits**	**Share based payments**		**Total**
Name		Salary and fees	Profit share and bonuses	Super-annuation	Termination Payments	Ordinary share options (1)	Ordinary Shares	Total
Directors		$	$	$		$	$	$
Kevin Eley		44,478	-	4,225	-	-	-	**48,703**
Peter Hall		373,476	401,943	8,676	-	-	-	**784,095**
Wayne Hawkins		69,863	-	6,637	-	-	-	**76,500**
Mark Forstmann		64,749	-	6,151	-	-	-	**70,900**
David Groves		3,558	-	338	-	-	-	**3,896**
David Deverall	(2)	260,495	162,945	12,020	-	-	106,167	**541,627**
Sub-total Directors		**816,619**	**564,888**	**38,047**	**-**	**-**	**106,167**	**1,525,721**
Other Key Management Personnel								
Shane Smith		270,692	31,500	19,308	-	-	19,333	**340,833**
Paula Ferrao		280,692	62,500	20,753	-	-	20,000	**383,945**
2016 Total		**1,368,003**	**658,888**	**78,108**	**-**	**-**	**145,500**	**2,250,499**

2015		**Short-term Benefits**		**Post Employment Benefits**	**Termination Benefits**	**Share based payments**		**Total**
Name		Salary and fees	Profit share and bonuses	Super-annuation	Termination Payments	Ordinary share options (1)	Ordinary Shares	Total
Directors		$	$	$		$	$	$
Peter Hall		399,178	-	10,845	-	-	-	**410,023**
David Deverall		416,950	52,480	18,383	-	-	120,400	**608,213**
Wayne Hawkins		69,863	-	6,637	-	-	-	**76,500**
Mark Forstmann		63,000	-	-	-	-	-	**63,000**
Naomi Edwards	(3)	53,182	-	5,052	-	-	-	**58,234**
Sub-total Directors		**1,002,173**	**52,480**	**40,917**	**-**	**-**	**120,400**	**1,215,970**
Other Key Management Personnel								
Shane Smith		271,217	20,000	18,783	-	249	19,333	**329,582**
Paula Ferrao		284,989	20,000	18,783	-	251	20,000	**344,023**
2015 Total		**1,558,379**	**92,480**	**78,483**	**-**	**500**	**159,733**	**1,889,576**

(1) Value of options granted in prior years, but expensed in current year

(2) Resigned 5 February 2016

(3) Resigned from the Board 2 June 2015

All benefits other than share based payments are shown on a cash paid basis. Profit share and bonuses relate, in part, to prior year performance targets. 100% of bonuses included in the remuneration of each Key Management Personnel vested in the year.

REMUNERATION REPORT (AUDITED) ***continued***

The table below illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options.

		Proportions of Elements of Remuneration Related to Performance			**Proportions of Elements of Remuneration Not Related to Performance**	
	Position held as at 30 June 2016 and any change during the year	Non salary cash based incentives	Shares	Options	Fixed salary/ fees	Total
Directors		%	%	%	%	%
Kevin Eley	Chairman (appointed 27 May 2016)	-	-	-	100.0	100.0
Peter Hall	Managing Director, Chief Executive Officer (appointed 27 May 2016) and Chief Investment Officer	51.3	-	-	48.7	100.0
Wayne Hawkins	Non-executive Director	-	-	-	100.0	100.0
Mark Forstmann	Non-executive Director	-	-	-	100.0	100.0
David Groves	Non-executive Director (appointed 5 April 2016)	-	-	-	100.0	100.0
David Deverall	Managing Director and Chief Executive Officer (resigned 5 February 2016)	30.1	19.6	-	50.3	100.0
Other Key Management Personnel						
Shane Smith	Head of Product, Risk & Client Services	9.2	5.7	-	85.1	100.0
Paula Ferrao	Chief Financial Officer	16.3	5.2	-	78.5	100.0

c. Service agreements

Remuneration and other terms of employment for the Executive Directors and other Key Management Personnel are formalised in a service agreement. The major provisions of the agreements relating to remuneration are set out below:

Name	**Base salary**	**Term of agreement**	**Notice period at 30 June 2016**
Peter Hall	$382,152	Unspecified	Six months
Shane Smith	$290,000	Unspecified	One month
Paula Ferrao	$300,000	Unspecified	One month

d. Share-based remuneration

There were no options over ordinary shares in the Company granted as remuneration to each Key Management Personnel during the financial year.

On 1 July 2013, the executive team was granted ordinary shares equivalent to 20% of their salary at grant date, for no consideration, contingent on being employed on 1 July 2016. As at reporting date no shares under this scheme have been issued with $154,900 worth of shares outstanding.

The number of shares issued under this Long Term Incentive Plan (LTIP) is measured in reference to the share price at grant date.

The cost of the LTIP is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are fulfilled, ending on the date on which the executive team becomes fully entitled to the award (vesting date).

e. Bonuses included in remuneration

All STI cash bonuses awarded as remuneration to each Key Management Personnel are paid under the Employee Bonus Scheme pool which is a fixed percentage of pre-tax profits (excluding investment gains). No part of these bonuses is payable in future years.

REMUNERATION REPORT (AUDITED) ***continued***

f. Other information

Options held by Key Management Personnel

No options were held by directors or Key Management Personnel during the 2016 reporting period. There were no vested and exercisable options held by Key Management Personnel as at reporting date.

Shares held by Key Management Personnel

The number of ordinary shares in the Company during the 2016 reporting period held by each of the Company's Key Management Personnel, including their related parties, is set out below:

2016		Balance at start of the year	Granted as remuneration during the year	Received during the year on the exercise of options	PM shares converted to ordinary shares	Other changes during the year	Balance at end of the year
Directors of Hunter Hall International Limited							
Kevin Eley	(1)	60,000	-	-	-	-	60,000
Peter Hall		12,002,270	-	-	-	-	12,002,270
Wayne Hawkins		48,000	-	-	-	-	48,000
Mark Forstmann		60,215	-	-	-	-	60,215
David Groves	(1)	31,221	-	-	-	-	31,221
David Deverall	(2)	70,000	70,000	-	-	(35,000)	105,000
Other Key Management Personnel of the Consolidated Entity							
Paula Ferrao		273	-	-	-	-	273
Shane Smith		487	-	-	-	44	531
Total		**12,212,466**	**70,000**	**-**	**-**	**(34,956)**	**12,247,510**

(1) opening balance as at appointment date

(2) closing balance as at resignation date

None of the shares included in the table above are held nominally by Key Management Personnel.

Loans to Key Management Personnel

There were no loans held by Key Management Personnel at the end of the year.

Other Key Management Personnel Transactions

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with Key Management Personnel, refer to Note 31: Related Party Transactions.

[End of audited remuneration report.]

Environmental Issues
The Consolidated Entity's operations are not subject to any environmental regulation under the law of the Commonwealth and State Government.

Proceedings on Behalf of the Company
No person has applied for leave of Court to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Indemnifying and Insurance of Directors and Officers
The Company has paid premiums to insure each of the Directors and Officers in office against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Directors and Officers of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

Details of the amount of the premium paid in respect of the insurance policies is not disclosed as such disclosure is prohibited under the terms of the contract.

Non-audit services
The Board of Directors, in accordance with advice from the Audit, Risk and Compliance Committee, is satisfied that the provision of non-audit services by Grant Thornton during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence as the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Grant Thornton Audit Pty Ltd provided other services to Hunter Hall International Limited totalling $35,737.

Grant Thornton UK LLP provided tax services to Hunter Hall International (UK) Limited totalling $13,468.

Auditor's Independence Declaration
A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 in relation to the audit of the financial report for the period ended 30 June 2016 is set out on page 53 and forms part of this report.

Tax Consolidation
The Company and its wholly owned subsidiaries formed a tax consolidated group, effective 1 July 2003. Members of the group have entered into a tax sharing arrangement in order to allocate income tax expenses to the wholly-owned subsidiaries on a pro-rata basis. In addition the agreement provides for the allocation of income tax liabilities between entities.

Rounding of Amounts
The Company is of a kind referred to in Class Order 2016/191, issued by the Australian Securities and Investments Commission, relating to the rounding off of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Signed in accordance with a resolution of the Board of Directors.

Kevin Eley
Chairman

Dated this 11 of August 2016

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 $'000	2015 $'000
Continuing operations			
Revenues	3	18,938	18,600
Other income	4	21,593	4,691
Employee benefits expense		(7,057)	(7,128)
Performance fee paid		(1,782)	(297)
Share based payments expense		(158)	(184)
Directors' fees		(316)	(298)
Consultancy fees		(54)	(33)
Marketing costs		(682)	(516)
Professional fees		(305)	(226)
Insurance costs		(261)	(270)
Occupancy costs		(531)	(630)
Depreciation and amortisation expense	5	(180)	(171)
Commissions and management fee rebates	5	(289)	(384)
Charitable donations		(651)	(374)
Reimbursable expenses		(1,871)	(2,524)
Realised/unrealised losses from derivative financial instruments		(17)	(4)
Other expenses		(3,737)	(596)
Total expenses		(17,891)	(13,635)
Profit before income tax expense		**22,640**	**9,656**
Income tax expense	6	(3,334)	(1,890)
Profit after tax for the year from continuing operations		**19,306**	**7,766**
(Loss)/profit for the year from discontinued operations	15	(199)	90
Profit after tax for the year from continuing and discontinued operations		**19,107**	**7,856**

	2016	2015
Profit after tax for the year from continuing and discontinued operations:		
Attributable to members of the parent company	10,402	6,969
Attributable to non-controlling interest	8,705	887
	19,107	**7,856**
Profit after tax for the year from continuing operations:		
Attributable to members of the parent company	10,587	6,894
Attributable to non-controlling interest	8,719	872
	19,306	**7,766**
(Loss)/profit for the year from discontinued operations:		
Attributable to members of the parent company	(185)	75
Attributable to non-controlling interest	(14)	15
	(199)	**90**

The Statement of Profit or Loss should be read in conjunction with the accompanying notes.

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2016
(continued)

	Note	2016 cents per share	2015 cents per share
Basic earnings per share continuing operations	10	**39.09**	**25.67**
Diluted earnings per share continuing operations	10	39.03	25.39
Basic earnings per share discontinued operations	10	**(0.68)**	**0.28**
Diluted earnings per share discontinued operations	10	(0.68)	0.28
Basic earnings per share continuing and discontinued operations	10	**38.41**	**25.95**
Diluted earnings per share continuing and discontinued operations	10	38.34	25.67

The Statement of Profit or Loss should be read in conjunction with the accompanying notes.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	2016 $'000	2015 $'000
Profit after tax for the year from continuing and discontinued operations:	19,107	7,856
Other comprehensive income		
Changes in fair value of available for sale financial instruments, after tax	642	130
Unrealised foreign exchange translation	85	361
Total comprehensive income from continuing and discontinued operations	**19,834**	**8,347**
Attributable to the parent company	11,129	7,460
Attributable to non-controlling interest	8,705	887
	19,834	**8,347**

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 $'000	2015 $'000
Current assets			
Cash and cash equivalents	11	16,261	14,238
Trade and other receivables	12	2,246	2,369
Other current assets	13	286	299
Total current assets		18,793	16,906
Non-current assets			
Financial assets	16	41,648	13,545
Plant and equipment	17	365	501
Deferred tax assets	18	795	857
Intangible assets	19	156	126
Total non-current assets		42,964	15,029
Total assets		61,757	31,935
Current liabilities			
Trade and other payables	20	4,434	3,334
Current tax liabilities	21	1,511	983
Short term provisions	22	854	648
Other current liabilities	23	-	81
Total current liabilities		6,799	5,046
Non-current liabilities			
Long term provisions	24	291	488
Deferred tax liabilities	25	333	57
Total non-current liabilities		624	545
Total liabilities		7,423	5,591
Net Assets		**54,334**	**26,344**
Equity			
Issued capital	26	18,571	17,891
Reserves	28	717	22
Retained earnings		9,477	5,456
Parent entity interest		28,765	23,369
Non-controlling interest		25,569	2,975
Total equity		**54,334**	**26,344**

The Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Note	Issued capital $'000	Reserves $'000	Retained earnings $'000	Non-controlling Interests $'000	Total $'000
Balance as at 1 July 2014		17,614	(617)	1,811	280	19,088
Total comprehensive income		-	491	6,969	887	8,347
Subtotal		17,614	(126)	8,780	1,167	27,435
Shares issued during the year	26	277	(36)	-	-	241
Purchase of shares of non-controlling interest		-	-	-	1,808	1,808
Dividends paid	9	-	-	(3,324)	-	(3,324)
Share based payments expense	27	-	184	-	-	184
Balance as at 30 June 2015		**17,891**	**22**	**5,456**	**2,975**	**26,344**
Balance as at 1 July 2015		17,891	22	5,456	2,975	26,344
Total comprehensive income		-	727	10,402	8,705	19,834
Subtotal		17,891	749	15,858	11,680	46,178
Shares issued during the year	26	490	-	-	-	490
Purchase of shares of non-controlling interest		-	-	-	14,148	14,148
Redemption of shares of non-controlling interest		-	-	-	(259)	(259)
Dividends paid	9	-	-	(6,381)	-	(6,381)
Shares issued under incentive plans	26	190	-	-	-	190
Share based payments expense	27	-	(32)	-	-	(32)
Balance as at 30 June 2016		**18,571**	**717**	**9,477**	**25,569**	**54,334**

The Statement of Changes in Equity should be read in conjunction with the accompanying Notes.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 $'000	2015 $'000
Cash flows from operating activities			
Receipts from customers		23,045	21,710
Payments to suppliers and employees		(18,125)	(14,620)
Dividends received		160	200
Interest received		259	219
Income tax paid		(2,744)	(1,570)
Net cash inflow from operating activities	29	**2,595**	**5,939**
Cash flows from investing activities			
Payments for investments of HHL		(3,762)	(514)
Proceeds from sale of investments of HHL		-	480
Payments for property, plant and equipment		(55)	(417)
Payments for investments by seeded funds		(24,913)	(9,253)
Proceeds from sale of investments of seeded funds		20,190	4,096
Payments from forward exchange contracts		(17)	(9)
Net cash outflow from investing activities		**(8,557)**	**(5,617)**
Cash flows from financing activities			
Receipts for issue of non-controlling interest shares		13,875	1,808
Dividends paid by HHL		(5,891)	(3,083)
Distributions paid by seeded funds		-	(4)
Net cash outflow from financing activities		**7,985**	**(1,279)**
Net increase/(decrease) in cash held		2,023	(957)
Cash and cash equivalents at beginning of year		14,238	15,195
Cash and cash equivalents at end of year	11	**16,261**	**14,238**

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report of Hunter Hall International Limited (the Company) and its controlled entities (the Consolidated Entity) complies with all International Financial Reporting Standards (IFRS) in their entirety. The financial report covers the consolidated entity of Hunter Hall International Limited and its controlled entities. The Company is a listed public company, incorporated and domiciled in Australia. The Company is a for-profit entity for the purpose of preparing the financial statements.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical cost modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Summary of Significant Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions and other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

a. Principles of consolidation

A controlled entity is any entity controlled by the Company. Control exists where the Company has the capacity to dominate the decision making in relation to the financial and operating policies of another entity so that the other entity operates with the Company to achieve the objectives of the Consolidated Entity. A list of controlled entities is contained in Note 14a. to the financial statements. All controlled entities have a 30 June financial year end.

All inter company balances and transactions between entities in the Consolidated Entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the Parent Company.

Where controlled entities have entered or left the Consolidated Entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Non controlling interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Income tax

The Consolidated Entity adopts the liability method of tax effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any non assessable or disallowed items.

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

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

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

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

Hunter Hall International Limited and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The group notified the Australian Tax Office that it had formed an income tax consolidated group, effective 1 July 2003. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

c. Plant and equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and any impairment losses.

Depreciation

The depreciable amounts of fixed assets purchased prior to 1 July 2010 are depreciated on a diminishing value basis.

The depreciable amounts of fixed assets purchased post 1 July 2010 are depreciated on a prime cost basis. The useful life used for office equipment, furniture & fixtures is between 2.5 and 8.5 years.

d. Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight line basis unless another systematic basis is more representative of the term pattern of the users benefits.

Lease incentives under operating leases are recognised as a liability. Lease payments received reduce the liability.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Financial instruments

Recognition and measurement

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

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the Profit and Loss Statement in the period in which they arise. The Consolidated Entity has also designated its investment portfolio as held at fair value through profit and loss as permitted by AASB 139 Financial Instruments: Recognition and Measurement. The performance of the investment portfolios of the Hunter Hall Australian Equities Fund (AEF) and of the Hunter Hall High Conviction Equities Trust (HCT) are measured and evaluated by management on the basis of fair value movement and managed in accordance with their documented investment strategy.

Loans and receivables

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

Available for sale financial assets

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

Financial liabilities

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

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the Profit and Loss Statement unless they are designated as hedges.

Fair value

Securities listed upon a recognised public stock exchange are valued at the closing price recorded by the exchange on which the security is principally traded, where the last traded price falls within that day's bid-ask spread. In circumstances where the closing price is not within the bid-ask spread, fair value is determined based on current bid prices. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, with reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Consolidated Entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the Profit and Loss Statement.

f. Impairment of non financial assets

At each reporting date, the Consolidated Entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Profit and Loss Statement. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Intangible assets

(i) Goodwill

Goodwill on consolidation is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at the date of acquisition. The balance is tested annually for impairment and carried at cost less accumulated impairment losses.

(ii) Software

Software is initially recorded at cost and amortised over 4.5 years on a diminishing value basis.

h. Foreign currency transactions and balances

(i) Functional and presentation currency

The functional currency of each of the Consolidated Entity's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the Profit and Loss Statement.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the Profit and Loss Statement.

(iii) Consolidated Entity companies

The financial results and position of foreign operations whose functional currency is different from the Consolidated Entity's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the period.
- Retained profits are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Consolidated Entity's foreign currency translation reserve in the Statement of Financial Position.

i. Employee benefits

A provision is made for the Consolidated Entity's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Contributions are made by the Consolidated Entity to employee superannuation funds and are charged as expenses when incurred.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Share-based payment transactions

The Consolidated Entity provides benefits to employees (including Directors) of the Consolidated Entity in the form of share-based payment transactions, whereby employees render services in exchange for rights over shares (equity-settled transactions).

The Consolidated Entity has an Employee Share Option Plan (ESOP) in place which provides benefits to Directors, senior executives and employees.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a Black Scholes model.

In valuing equity-settled transactions, no performance conditions are taken into account, other than conditions linked to the price of the shares of Hunter Hall International Limited (market conditions).

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the Directors of the Consolidated Entity, will ultimately vest. This opinion is formed based on the best available information at grant date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. No expense is recognised for awards that do not ultimately vest.

Where terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

In addition to the ESOP, the Consolidated Entity also has the Portfolio Manager Share Plan (PMSP), which was approved by shareholders on 26 September 2006. This plan provides benefits to eligible Portfolio Managers.

The cost of these equity-settled transactions with Portfolio Managers is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a binomial option pricing model.

In valuing equity-settled transactions, no performance conditions are taken into account, other than conditions linked to the price of the shares of Hunter Hall International Limited (market conditions).

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are fulfilled, ending on the estimated date on which the relevant Portfolio Managers become fully entitled to the award (vesting date). The vesting date is contingent upon the Consolidated Entity achieving certain pre-determined thresholds of half-yearly pre-tax profits.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the Directors of the Consolidated Entity, will ultimately vest. This opinion is formed based on the best available information at grant date. No adjustment is made for the likelihood of market conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Share-based payment transactions

Where terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

At the 28 November 2013 AGM of the members of Hunter Hall International, under ASX Listing Rule 10.14 shareholders approved the issue of up to 210,000 ordinary shares to Mr David Deverall under the long term incentive plan (LTIP) for no consideration on or about 30 November 2013, 2014 and 2015.

The cost of this LTIP is measured in reference to the share price at grant date (30 November 2013, 2014 and 2015).

The cost of the LTIP is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are fulfilled, ending on the date on which Mr David Deverall becomes fully entitled to the award (vesting date).

On the 1 July 2013, the executive team was granted ordinary shares equivalent to 20% of their salary at grant date, for no consideration, contingent on being employed on the 1 July 2016.

The number of shares issued under this LTIP is measured in reference to the share price at grant date.

The cost of the LTIP is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are fulfilled, ending on the date on which the executive team becomes fully entitled to the award (vesting date).

k. Bonus schemes

The Company recognises bonus schemes on an accrual basis and expenses as the employee provides the service.

l. Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts.

m. Revenue and other income

Interest revenue is recognised on an accruals basis. Dividend revenue is recognised when the right to receive a dividend has been established. Entry fees are recognised as revenue in the month that funds are received by the trusts. Management fees are recognised as revenue on a monthly basis, based on the fees receivable for funds under management for that month. Performance fees are recognised as revenue, on a six monthly basis (at 30 June and 31 December, except for HHV which is 30 June only) when the fee becomes unconditionally due. The fees are receivable within seven days from the end of the relevant period.

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

n. Goods and Services Tax (GST)

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

o. Charitable donations

The Company donates 5% of pre tax profits of the Consolidated Entity (excluding movement in value of seeded funds) to charities and charitable causes. This donation is recognised as an expense for the year and a liability is recognised at year end.

p. Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q. Critical Accounting Estimates and Judgements

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

Key estimates - Deferred Tax Assets

Deferred tax assets have been recognised for all deductible temporary differences to the extent that the Directors consider it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Key estimates - Impairment

At each reporting date, the Consolidated Entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Profit and Loss Statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

No impairment has been recognised in respect of goodwill for the year ended 30 June 2016.

Key estimates - Share based payments

The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Method and assumptions used in determining fair value are detailed in Note 27.

Key estimates - Employee Leave Entitlements

The liability for employee benefits is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

r. Class orders applied

Rounding of amounts

Unless otherwise shown in the financial statements, amounts have been rounded to the nearest thousand dollars and are shown in A$'000.

Hunter Hall International Limited is a company of the kind referred to in the Australian Securities and Investments Commission Class Order 98/100 issued 10 July 1998.

s. Adoption of new and revised accounting standards

There were no new and revised accounting standards adopted in the current financial year.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t. Accounting Standards issued but not yet effective

AASB 9 Financial Instruments (December 2014)

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

(a) Financial assets that are debt instruments will be classified based on: (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flows.

(b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

(c) Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments.

(d) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

(e) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
• the change attributable to changes in credit risk are presented in Other Comprehensive Income ('OCI')
• the remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:
• classification and measurement of financial liabilities; and
• derecognition requirements for financial assets and liabilities.

AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements.
Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.

The entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

AASB 1057 Application of Australian Accounting Standards

In May 2015, the AASB decided to revise Australian Accounting Standards that incorporate IFRSs to minimise Australian-specific wording even further. The AASB noted that IFRSs do not contain application paragraphs that identify the entities and financial reports to which the Standards (and Interpretations) apply. As a result, the AASB decided to move the application paragraphs previously contained in each Australian Accounting Standard (or Interpretation), unchanged, into a new Standard AASB 1057 Application of Australian Accounting Standards.

When this Standard is first adopted for the year ending 30 June 2017, there will be no impact on the financial statements.

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations:
− establishes a new revenue recognition model
− changes the basis for deciding whether revenue is to be recognised over time or at a point in time
− provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing)
− expands and improves disclosures about revenue

The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2018.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t. Accounting Standards issued but not yet effective (continued)

AASB 16 Leases

AASB 16:

- replaces AASB 117 Leases and some lease-related Interpretations
- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases
- provides new guidance on the application of the definition of lease and on sale and lease back accounting
- largely retains the existing lessor accounting requirements in AASB 117
- requires new and different disclosures about leases

The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.

AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to AASB 116 prohibit the use of a revenue based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment.

The amendments to AASB 138 present a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate. This rebuttable presumption can be overcome (i.e., a revenue-based amortisation method might be appropriate) only in two (2) limited circumstances:

i The intangible asset is expressed as a measure of revenue, for example when the predominant limiting factor inherent in an intangible asset is the achievement of a revenue threshold (for instance, the right to operate a toll road could be based on a fixed total amount of revenue to be generated from cumulative tolls charged); or

ii When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.

AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements

The amendments introduce the equity method of accounting as one of the options to account for an entity's investments in subsidiaries, joint ventures and associates in the entity's separate financial statements.

AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that, on a sale or contribution of assets to a joint venture or associate or on a loss of control when joint control or significant influence is retained in a transaction involving an associate or a joint venture, any gain or loss recognised will depend on whether the assets or subsidiary constitute a business, as defined in AASB 3 Business Combinations. Full gain or loss is recognised when the assets or subsidiary constitute a business, whereas gain or loss attributable to other investors' interests is recognised when the assets or subsidiary do not constitute a business.

This amendment effectively introduces an exception to the general requirement in AASB 10 to recognise full gain or loss on the loss of control over a subsidiary. The exception only applies to the loss of control over a subsidiary that does not contain a business, if the loss of control is the result of a transaction involving an associate or a joint venture that is accounted for using the equity method. Corresponding amendments have also been made to AASB 128 (2011).

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t. Accounting Standards issued but not yet effective (continued)

AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle

These amendments arise from the issuance of Annual Improvements to IFRSs 2012-2014 Cycle in September 2014 by the IASB.

Among other improvements, the amendments clarify that when an entity reclassifies an asset (or disposal group) directly from being held for sale to being held for distribution (or vice-versa), the accounting guidance in paragraphs 27-29 of AASB 5 Non-current Assets Held for Sale and Discontinued Operations does not apply. The amendments also state that when an entity determines that the asset (or disposal group) is no longer available for immediate distribution or that the distribution is no longer highly probable, it should cease held-for-distribution accounting and apply the guidance in paragraphs 27-29 of AASB 5.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.

AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101

The amendments:

- clarify the materiality requirements in AASB 101, including an emphasis on the potentially detrimental effect of obscuring useful information with immaterial information
- clarify that AASB 101's specified line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position can be disaggregated
- add requirements for how an entity should present subtotals in the statement(s) of profit and loss and other comprehensive income and the statement of financial position+A271:B285
- clarify that entities have flexibility as to the order in which they present the notes, but also emphasise that understandability and comparability should be considered by an entity when deciding that order
- remove potentially unhelpful guidance in AASB 101 for identifying a significant accounting policy

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.

AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

AASB 2016-2 amends AASB 107 Statement of Cash Flows to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

When these amendments are first adopted for the year ending 30 June 2018, there will be no material impact on the financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t. Accounting Standards issued but not yet effective (continued)

Clarifications to IFRS 15 Revenue from Contracts with Customers

The amendments clarify the application of IFRS 15 in three (3) specific areas to reduce the extent of diversity in practice that might otherwise result from differing views on how to implement the requirements of the new standard. They will help companies:

1 Identify performance obligations (by clarifying how to apply the concept of 'distinct');

2 Determine whether a company is a principal or an agent in a transaction (by clarifying how to apply the control principle);

3 Determine whether a licence transfers to a customer at a point in time or over time (by clarifying when a company's activities significantly affect the intellectual property to which the customer has rights).

The amendments also create two (2) additional practical expedients available for use when implementing IFRS 15:

1 For contracts that have been modified before the beginning of the earliest period presented, the amendments allow companies to use hindsight when identifying the performance obligations, determining the transaction price, and allocating the transaction price to the satisfied and unsatisfied performance obligations.

2 Companies applying the full retrospective method are permitted to ignore contracts already complete at the beginning of the earliest period presented.

The AASB is expected to publish the equivalent Australian amendments in quarter 2 of 2016.

When these amendments are first adopted for the year ending 30 June 2019, there will be no material impact on the financial statements.

NOTE 2 : OPERATING SEGMENTS

a. Segment Information

Identification of reportable segments

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

The Consolidated Entity is managed on the basis of its core investment management business and its investing activity which is primarily for capital management and the seeding of new funds. The two segments have notably different principal activities and hence risk profiles and performance assessment criteria. Performance and profitability is assessed excluding profit attributable to non controlling interests (unitholders of the seeded funds). Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

i. principal activities
ii. services provided by the segment

Principal activities by segment

In the period to 30 June 2016 Hunter Hall International Limited delivered a Profit after tax attributable to HHL of $10.402m (2015: $6.969m). The Profit after tax, before unrealised movement in value of seeded funds was $7.824m (2015: $4.188m). This comprised of $5.392m from the investment management business (2015: $3.933m) and $2.432m in income and realised gains from investing activities (2015: $0.255m).

i. *Investment management business*

Through its wholly owned subsidiaries the Company operates an investment management business. Hunter Hall Investment Management Limited (HHIML) is the responsible entity of five retail equity funds (Hunter Hall Equity Trusts) : the Hunter Hall Value Growth Trust (VGT), the Hunter Hall Australian Value Trust (AVT), the Hunter Hall Global Equities Trust (GET), the Hunter Hall Global Deep Green Trust (GDG) and the Hunter Hall High Conviction Equities Trust; and of a wholesale equity fund, the Hunter Hall Australian Equities Fund (AEF). HHIML is also the Investment Manager for the Hunter Hall Global Value Limited (HHV), a listed investment company.

ii. *Investing activities*

The Company provided seed capital of $1m for the Hunter Hall Australian Equities Fund (AEF) on 16 July 2013 and of $5m for the Hunter Hall High Conviction Equities Trust (HCT) on 11 December 2014. During the year the Company redeemed $3m from its HCT investment (realising a $1.463m gain), reinvested $1.472m of the distribution received from the HCT into additional units and fully redeemed its investment in the AEF on 27 June 2016 (realising a $40k gain).

The Company also invested a further $3.927m in Hunter Hall Global Value Limited (HHV). The total pre tax market value of the investment portfolio was $18.695m at 30 June 2016.

In addition to the $1.503m in realised gains mentioned above, these investments delivered $1.933m in dividend and distribution income during the year. The Company also held $12.041m in cash at 30 June 2016, earning $220k in interest income in the year.

Investing activities delivered a further $2.578m in unrealised gains from the investments in the seeded funds attributable to the shareholders of Hunter Hall International Limited, and $8.705m attributable to non controlling interests (2015: $2.781m and $0.887m respectively).

iii. *Consolidation of seeded funds*

From time to time, the Company will seed new funds. By virtue of the timing of these investments (on the inception of the fund), the Company is often deemed to initially hold a controlling stake, and is required to consolidate the entity's results. At 30 June 2016 the Company held 33% of the HCT, which is consolidated in the financial statements. The net profit after tax of $8.705m for this segment represents the profit attributable to external unitholders in this funds (non-controlling interests).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 2 : OPERATING SEGMENTS (continued)

a. Segment Information

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Consolidated Entity.

Inter-segment transactions

Sales transactions between seeded funds and all other segments are set by the Fund's constitution and are undertaken at arm's length. All such transactions are eliminated on consolidation for the Consolidated Entity's financial statements.

All segments are independent cost centres. Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. All segments are independent cost centres.

Segment assets

In all instances segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. In all instances segment liabilities are clearly identifiable on the basis of their nature.

b. Segment performance

Year ended 30 June 2016	**Investment Management Business $'000**	**Investing Activities $'000**	**Sub Total - Hunter Hall Group $'000**	**Consolidation of seeded funds $'000**	**Total - Consolidated Entity $'000**
Revenue from Investment Management	16,621	-	**16,621**	575	**17,196**
Trust expenses reimbursed	-	-	**-**	1,742	**1,742**
Total revenues from external customers	**16,621**	**-**	**16,621**	**2,317**	**18,938**
Investment and other income	-	3,657	**3,657**	17,936	**21,593**
Ongoing operating expenses	(10,251)	-	**(10,251)**	(5,207)	**(15,458)**
Total operating expenses	**(10,251)**	**-**	**(10,251)**	**(5,207)**	**(15,458)**
			-		**-**
Operating profit before tax	**6,370**	**3,657**	**10,027**	**15,046**	**25,073**
Performance fees	1,782	-	**1,782**	(3,564)	**(1,782)**
Charitable donations	(468)	(183)	**(651)**	-	**(651)**
Profit before tax	**7,684**	**3,474**	**11,158**	**11,482**	**22,640**
Tax	(2,292)	(1,042)	**(3,334)**	-	**(3,334)**
Profit after tax, before unrealised movement in value of seeded funds	**5,392**	**2,432**	**7,824**	**11,482**	**19,306**
Unrealised movement in value of seeded funds	-	2,763	**2,763**	(2,763)	**-**
Discontinued operations	-	(185)	**(185)**	(14)	**(199)**
Profit after tax	**5,392**	**5,010**	**10,402**	**8,705**	**19,107**
Net profit attributable to non-controlling interest	-	-	**-**	(8,705)	**(8,705)**
Profit after tax attributable to HHL	**5,392**	**5,010**	**10,402**	**-**	**10,402**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 2 : OPERATING SEGMENTS (continued)

Year ended 30 June 2015	**Investment Management Business $'000**	**Investing Activities $'000**	**Sub Total - Hunter Hall Group $'000**	**Consolidation of seeded funds $'000**	**Total - Consolidated Entity $'000**
Revenue from Investment Management	15,910	-	**15,910**	264	16,174
Trust expenses reimbursed	-	-	**-**	2,426	2,426
Total revenues from external customers	**15,910**	**-**	**15,910**	**2,690**	**18,600**
Investment and other income	-	365	**365**	4,326	4,691
Ongoing operating expenses	(9,917)	-	**(9,917)**	(416)	(10,333)
One-off expenses	(204)	-	**(204)**	-	(204)
Total operating expenses	**(10,121)**	**-**	**(10,121)**	**(416)**	**(10,537)**
			-		-
Operating profit before tax	**5,789**	**365**	**6,154**	**6,600**	**12,754**
Trust expenses reimbursed	-	-	**-**	(2,426)	(2,426)
Performance fees	298	-	**298**	(596)	(298)
Charitable donations	(374)	-	**(374)**	-	(374)
Profit before tax	**5,713**	**365**	**6,078**	**3,578**	**9,656**
Tax	(1,780)	(110)	**(1,890)**	-	(1,890)
Profit after tax, before unrealised movement in value of seeded funds	**3,933**	**255**	**4,188**	**3,578**	**7,766**
Unrealised movement in value of seeded funds	-	2,706	**2,706**	(2,706)	-
Discontinued operations	-	75	**75**	15	90
Profit after tax	**3,933**	**3,036**	**6,969**	**887**	**7,856**
Net profit attributable to non-controlling interest	-	-	**-**	(887)	(887)
Profit after tax attributable to HHL	**3,933**	**3,036**	**6,969**	**-**	**6,969**

All revenue is derived in Australia. Therefore a geographical split of external revenue has not been performed.

NOTE 2 : OPERATING SEGMENTS (continued)

c. Segment assets and liabilities

As at 30 June 2016	**Investment Management Business $'000**	**Investing Activities $'000**	**Sub Total - Hunter Hall Group $'000**	**Consolidation of seeded funds $'000**	**Total - Consolidated Entity $'000**
Cash	12,041	-	**12,041**	4,220	16,261
Current investments	-	-	**-**	-	-
Other current assets	4,731	-	**4,731**	(2,199)	2,532
Total current assets	*16,772*	-	***16,772***	*2,021*	*18,793*
Non-current investments at cost - unit trusts	-	20	**20**	-	20
Non-current investments at cost - HHV	-	5,524	**5,524**	-	5,524
Non-current investments at cost - HCT	-	4,934	**4,934**	13,156	18,090
Non-current investments unrealised gain	-	8,217	**8,217**	9,797	18,014
Other non-current assets	1,316	-	**1,316**	-	1,316
Total non-current assets	*1,316*	*18,695*	***20,011***	*22,953*	*42,964*
Current liabilities	*(5,761)*	-	***(5,761)***	*(1,038)*	(6,799)
Non-current liabilities	*(291)*	*(2,464)*	***(2,755)***	*2,131*	*(624)*
Net assets	**12,036**	**16,231**	**28,267**	**26,067**	**54,334**
Outside equity interest	-	-	**-**	*(25,569)*	*(25,569)*
Net assets attributable to HHL	**12,036**	**16,231**	**28,267**	**498**	**28,765**

As at 30 June 2015	**Investment Management Business $'000**	**Investing Activities $'000**	**Sub Total - Hunter Hall Group $'000**	**Consolidation of seeded funds $'000**	**Total - Consolidated Entity $'000**
Cash	12,734	-	**12,734**	1,504	14,238
Other current assets	2,365	-	**2,365**	303	2,668
Total current assets	*15,099*	-	***15,099***	*1,807*	*16,906*
Non-current investments at cost - unit trusts	-	20	**20**	-	20
Non-current investments at cost - HHV	-	1,597	**1,597**	-	1,597
Non-current investments at cost - AEF	-	1,198	**1,198**	331	1,529
Non-current investments at cost - HCT	-	5,000	**5,000**	1,181	6,181
Non-current investments unrealised gain	-	3,223	**3,223**	996	4,219
Other non-current assets	1,484	-	**1,484**	-	1,484
Total non-current assets	*1,484*	*11,037*	***12,521***	*2,508*	*15,029*
Current liabilities	*(3,570)*	-	***(3,570)***	*(1,476)*	(5,046)
Non-current liabilities	*(488)*	*(965)*	***(1,453)***	*908*	*(545)*
Net assets	**12,525**	**10,072**	**22,597**	**3,747**	**26,344**
Outside equity interest	-	-	**-**	*(2,975)*	*(2,975)*
Net assets attributable to HHL	**12,525**	**10,072**	**22,597**	**772**	**23,369**

Non-current assets located outside of Australia are deemed to be immaterial and therefore have not been split by geographical location.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 3 : REVENUE

	2016	2015
	$'000	**$'000**
Management fee income	16,555	16,171
Performance fee income	641	-
Trust expenses reimbursed	1,742	2,429
	18,938	**18,600**

NOTE 4 : OTHER INCOME

	2016	2015
	$'000	**$'000**
Realised/unrealised gains from investments	20,812	4,205
Interest received	259	205
Dividend income	521	234
Rental income	1	47
	21,593	**4,691**

NOTE 5 : PROFIT FOR THE YEAR

	2016	2015
	$'000	**$'000**
Profit before income tax has been determined after charging:		
a. Expenses		
Depreciation of plant and equipment	155	155
Amortisation of intangible asset	25	16
Total depreciation and amortisation expense	**180**	**171**
Commissions and management fee rebates	289	384
Other relevant expenses:		
Operating lease expense	424	464
Defined contribution superannuation expense	339	331
b. Significant revenue, net gains and expenses		
Other Income		
Gains from investments	20,812	4,205

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 6 : INCOME TAX EXPENSE	Note	2016	2015
		$'000	$'000
a. The components of tax expense comprise:			
Current tax		3,573	1,890
Deferred tax assets	18	62	31
Deferred tax liabilities	25	(276)	(57)
Adjustments for current tax of prior periods		(25)	21
		3,334	**1,890**
b. The prima facie tax on profit before tax is reconciled to the income tax expense provided in the financial report as follows:			
Prima facie tax payable on profit before income tax at 30%			
Consolidated entity		6,792	2,897
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:			
Other non allowable items		7	(9)
Share based payment expenses during the year		47	55
Foreign tax losses not brought to account		(42)	-
		6,804	**2,943**
Under/(over) provision in prior years		(25)	21
Seeded funds not subject to income tax		(3,445)	(1,074)
Total income tax expense		**3,334**	**1,890**
Applicable weighted average effective tax rates		15%	20%

The decrease in the weighted average effective consolidated tax rate for 2016 is the result of increased profits from subsidiaries not subject to income tax.

NOTE 7 : KEY MANAGEMENT PERSONNEL COMPENSATION

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Consolidated Entity's Key Management Personnel (KMP) for the year ended 30 June 2016.

The totals of remuneration paid to KMP of the Company and the Consolidated Entity during the year are as follows:

	2016 $'000	2015 $'000
Short-term employee benefits	2,027	1,652
Post-employment benefits	78	78
Share-based payments	146	160
Total	**2,251**	**1,890**

Key Management Personnel

Names and positions held of Directors and other Key Management Personnel of the Company and Consolidated Entity in office at any time during the financial year are:

Kevin Eley	Chairman (appointed 27 May 2016)
Peter Hall	Managing Director, Chief Executive Officer (appointed 27 May 2016) and Chief Investment Officer
Wayne Hawkins	Non-executive Director
Mark Forstmann	Non-executive Director
David Groves	Non-executive Director (appointed 5 April 2016)
David Deverall	Managing Director and Chief Executive Officer (resigned 5 February 2016)
Paula Ferrao	Deputy Chief Executive Officer and Chief Financial Officer
Shane Smith	Head of Product, Risk & Client Services

There were no other employees meeting the definition of a Key Management Personnel.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 8 : REMUNERATION OF AUDITORS	2016 $	2015 $
Remuneration of the Auditor of the Consolidated Entity for:		
Audit and review of financial reports	101,529	94,012
Other audit and assurance services:		
Other assurance services	33,786	10,653
Other services	35,737	-
	171,052	**104,665**
Remuneration of overseas affiliates of the Consolidated Entity's Auditor for:		
Audit of the financial report of a subsidiary (HHUK)	20,917	20,917
Taxation services (HHUK)[1]	13,468	25,688
	34,385	**46,605**

[1] 2015 comprises two years of fees

NOTE 9 : DIVIDENDS	2016 $'000	2015 $'000
Ordinary dividend of 9.5 cents per share, paid on 24 September 2015 fully franked at the tax rate of 30% (2014: 6.4 cents, of which 6.3 cents was franked at the tax rate of 30%)	2,558	1,712
Interim dividend of 14.1 cents per share, paid on the 21 March 2016 (2015: 6 cents) franked at the tax rate of 30%	3,823	1,612
	6,381	**3,324**
Final ordinary dividend reinvestment	(235)	(118)
Interim ordinary dividend reinvestment	(255)	(123)
	(490)	**(241)**
Net dividends paid in cash	**5,891**	**3,083**
a. Proposed final fully franked dividend of 14.6 cents per share (2015: 9.5 cents) franked at the tax rate of 30%	3,977	2,559
b. Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables and franking debits arising from payment of dividends provided for	2,022	1,200
c. Subsequent to year end, reduction in the franking account due to proposed dividend reflected in Note 9a	(1,704)	(1,097)
Franking account post proposed dividend per Note 9a	**318**	**103**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 10 : EARNINGS PER SHARE

a. **Reconciliations of earnings used in calculating earnings per share**	**2016 $'000**	**2015 $'000**
Profit from continuing operations	19,306	7,766
Attributable to non controlling interests	(8,719)	(872)
Profit from continuing operations attributable to members of the parent company used in calculating basic and diluted earnings per share	**10,587**	**6,894**
(Loss)/profit from discontinuing operations	(199)	90
Profit/(loss) from discontinuing operations attributable to non controlling interests	14	(15)
(Loss)/profit from discontinuing operations attributable to members of the parent company used in calculating basic and diluted earnings per share	**(185)**	**75**
Profit after tax for the year from continuing and discontinued operations Attributable to members of the parent company used in calculating basic and diluted earnings per share	**10,402**	**6,969**

b. **Weighted average number of shares used as the denominator**	**2016 '000's**	**2015 '000's**
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	27,082	26,860
Effect of dilutive shares	45	288
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**27,127**	**27,148**

NOTE 11 : CASH AND CASH EQUIVALENTS

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position sheet as follows:	**2016 $'000**	**2015 $'000**
Cash at bank and in hand	16,261	14,238
	16,261	**14,238**

NOTE 12 : TRADE AND OTHER RECEIVABLES

Amounts receivable from related parties:	**2016 $'000**	**2015 $'000**
Managed investment entities	1,827	1,751
Hunter Hall Global Value Limited	14	18
	1,841	**1,769**
Other receivables	405	600
	405	**600**
	2,246	**2,369**

NOTE 13 : OTHER CURRENT ASSETS

	2016 $'000	**2015 $'000**
Prepayments	286	299
	286	**299**

NOTE 14 : SUBSIDIARIES

a. Details of entities

Name of entity	Country of incorporation	Class of shares	Percentage Owned 2016 %	2015 %
Hunter Hall Investment Management Ltd	Australia	Ordinary	**100**	100
Rushcutter Investments Pty Ltd	Australia	Ordinary	**100**	100
Bennelong Administration Services Pty Ltd	Australia	Ordinary	**100**	100
Hunter Hall International (UK) Ltd	United Kingdom	Ordinary	**100**	100
Hunter Hall International (Singapore) Pte Limited	Singapore	Ordinary	**100**	100
Hunter Hall High Conviction Equities Trust	Australia	Units	**33**	76
Hunter Hall Australian Equities Fund	Australia	Units	**0**	83

b. Details of acquisitions and disposals of controlled entities:

The Company provided seed capital of $1m for the Hunter Hall Australian Equities Fund (AEF) on 16 July 2013 and of $5m for the Hunter Hall High Conviction Equities Trust (HCT) on 11 December 2014. During the year the Company redeemed $3m from its HCT investment (realising a $1.463m gain), reinvested $1.472m of the distribution received from the HCT into additional units and fully redeemed its investment in the AEF on 27 June 2016 (realising a $40k gain).

NOTE 15 : DISCONTINUED OPERATIONS

	2016 $'000	2015 $'000
Revenue from discontinued operations	116	128
Expenses from discontinued operations	(335)	(38)
(Loss)/gain before tax from discontinued operations	**(199)**	**90**
Income tax from discontinued operations	-	-
(Loss)/gain after tax from discontinued operations	**(199)**	**90**
Other comprehensive income from discontinued operations	-	-
Total comprehensive (loss)/gain attributable to discontinued operations	**(199)**	**90**
Total comprehensive income attributable to continuing operations	20,033	8,257
Total comprehensive income	**19,834**	**8,347**

Cash flows generated by discontinued operations for the reporting period under review until disposal are as follows:

	2016 $'000	2015 $'000
Operating activities	44	41
Investing activities	659	(87)
Financing activities	(722)	50
Cashflows from discontinued operations	**(19)**	**5**

NOTE 16 : NON-CURRENT FINANCIAL ASSETS

	2016 $'000	2015 $'000
Shares in listed companies and other assets designated as fair value through the profit and loss	34,991	11,733
Investments available for sale at fair value	6,657	1,812
	41,648	**13,545**

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FOR THE YEAR ENDED 30 JUNE 2016

NOTE 17 : PLANT AND EQUIPMENT	2016	2015
Office equipment, furniture and fittings:	**$'000**	**$'000**
Balance at the beginning of the year	501	275
Additions	17	386
Foreign exchange translation	2	(5)
Depreciation expense	(155)	(155)
Carrying amount at the end of the year	**365**	**501**
Cost	1,338	1,338
Accumulated depreciation	(973)	(837)
Net book amount	**365**	**501**

NOTE 18 : DEFERRED TAX ASSETS	Note	2016	2015
a. The balance comprises temporary differences attributable to:		**$'000**	**$'000**
Provisions		795	857
		795	**857**
b. Reconciliations:			
Opening balance		857	888
Debited to the Profit and Loss Statement	6	(62)	(31)
Closing balance		**795**	**857**

Movements in carrying amounts

Movement in the carrying amounts for each class of deferred tax asset between the beginning and the end of the current financial year:

	2015	(Debited) to the Profit and Loss Statement	2016
	$'000	**$'000**	**$'000**
Provisions	857	(62)	**795**
Total	**857**	**(62)**	**795**

	2014	(Debited) to the Profit and Loss Statement	2015
	$'000	**$'000**	**$'000**
Provisions	888	(31)	**857**
Total	**888**	**(31)**	**857**

NOTE 19 : INTANGIBLE ASSETS	2016	2015
	$'000	**$'000**
Goodwill	110	110
Software		
At cost	248	193
Accumulated amortisation and impairment	(202)	(177)
Net carrying value	**46**	**16**
Total intangible assets	**156**	**126**

Movements in carrying amounts

Movement in the carrying amounts for each class of intangible asset between the beginning and the end of the current financial year:

	Goodwill	Computer Software	Total
	$'000	**$'000**	**$'000**
As at 30 June 2014	110	11	**121**
Additions	-	21	**21**
Amortisation charge	-	(16)	**(16)**
As at 30 June 2015	**110**	**16**	**126**
As at 30 June 2015	110	16	**126**
Additions	-	55	**55**
Amortisation charge	-	(25)	**(25)**
As at 30 June 2016	**110**	**46**	**156**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 20 : TRADE AND OTHER PAYABLES	**2016**	**2015**
Other payables:	**$'000**	**$'000**
Accrued charitable donations	340	316
Employee benefits payable	1,880	1,160
Sundry creditors and accrued expenses	2,214	1,858
	4,434	**3,334**

NOTE 21 : CURRENT TAX LIABILITIES	**2016**	**2015**
	$'000	**$'000**
Income tax	1,511	983
	1,511	**983**
Movements in tax liabilities		
Carrying amount at beginning of year	983	751
Current year tax expense	3,334	1,890
Movement in deferred tax	(62)	(88)
Tax paid	(2,744)	(1,570)
Carrying amount at end of year	**1,511**	**983**

NOTE 22 : SHORT TERM PROVISIONS	**2016**	**2015**
	$'000	**$'000**
Employee benefits provision	854	648
	854	**648**
Movements in provisions		
Opening employee benefits	648	624
Employee benefits accrued during the year	537	236
Employee benefits used during the year	(331)	(212)
Carrying amount at end of year	**854**	**648**

Employees

The Consolidated Entity employed 25 employees as at 30 June 2016 (2015: 27 employees), 3 of whom were employed by the London subsidiary, Hunter Hall International (UK) Limited.

NOTE 23 : OTHER CURRENT LIABILITIES	**Note**	**2016**	**2015**
		$'000	**$'000**
PM shares deposits paid		-	81
		-	**81**

NOTE 24 : LONG TERM PROVISIONS	**2016**	**2015**
	$'000	**$'000**
Employee benefits provision	291	488
	291	**488**
Movements in provisions		
Opening employee benefits	488	340
Employee benefits (used) accrued during the year	(197)	148
Carrying amount at end of year	**291**	**488**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 25 : DEFERRED TAX LIABILITIES		2016	2015
		$'000	$'000
Fair value adjustments		333	57
		333	**57**
Movements in tax liabilities			
Opening balance		57	-
Credited to the Profit and Loss Statement	6	276	57
Closing balance		**333**	**57**

Movements in carrying amounts

Movement in the carrying amounts for each class of deferred tax liability between the beginning and the end of the current financial year:

	Fair value adjustments	Total
	$'000	$'000
As at 30 June 2014	-	-
Charged to the Profit and Loss Statement	57	57
As at 30 June 2015	**57**	**57**
As at 30 June 2015	57	57
Charged to the Profit and Loss Statement	276	276
As at 30 June 2016	**333**	**333**

NOTE 26 : ISSUED CAPITAL	2016	2015
	$'000	$'000
Ordinary shares at cost	18,571	17,891
	18,571	**17,891**

	2016	2015
	Number	Number
Ordinary shares on issue	27,194,079	26,940,194
	27,194,079	**26,940,194**

a. Movements in ordinary share capital	2016	2015
	$'000	$'000
Opening balance	17,891	17,614
Shares issued during the year	680	277
Closing balance	**18,571**	**17,891**

	Number	Number
Opening balance	26,940,194	26,762,157
Shares issued during the year under the Dividend Reinvestment Plan	183,885	108,037
Shares issued during the year to Mr Deverall (CEO, resigned 5 February 2016) as approved by shareholders	70,000	70,000
Closing balance	**27,194,079**	**26,940,194**

b. Share rights

Ordinary shares participate in dividends and the proceeds on winding up the Company in proportion to the number of shares held. At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. The share capital of the Company consists only of fully paid ordinary shares. The shares do not have a par value.

c. Share options

At the end of the year there were Nil (2015: Nil) unissued ordinary shares in respect of which options were outstanding.

d. Portfolio Manager Share Plan

PM shares are non-transferable, partly paid shares, with an issue price of $6.00 each. The shares are convertible to ordinary shares subject to certain hurdles being met. The Directors may, at their discretion, declare a non-cumulative dividend is payable on PM Shares up to a maximum of 4% on the amount paid on the shares, subject to the amount not exceeding the dividend for the ordinary shares. Ordinary shares issued because of a conversion of PM shares have the same rights as, and rank equally with, other ordinary shares on issue. For financial reporting purposes the PM shares are treated as options under AASB 2: Share Based Payments. No shares remain on issue at year end (2015: 240,000). For further details refer to Note 27b.

NOTE 27 : SHARE-BASED PAYMENTS

a. Employee share option plan

At the end of the year there were Nil (2015: Nil) unissued ordinary shares in respect of which options were outstanding. Vesting of options granted is subject to continuation of employment with the Company.

The Employee Share Option Plan (ESOP) allows the Company to grant options over shares to employees, key executives and Directors.

Eligibility
Under the ESOP the Board may offer options to purchase ordinary shares in the Company to Directors, executives and other employees of the Company (Eligible Executives), whom the Board in its sole discretion determines.

b. Portfolio Manager Share Plan

On 22 September 2006 Hunter Hall International Limited held a general meeting of shareholders to approve the adoption of the Portfolio Manager Share Plan (PMSP). The PMSP enables the Portfolio Managers to purchase up to 2.35m shares in HHL indirectly from Hampshire Assets and Services Pty Ltd (the largest shareholder of HHL and 100% owned by Chairman Peter Hall) for $6.00 each. Purchase of the shares is contingent upon the Company achieving each of the five thresholds of half yearly pre-tax profits starting at $8m and rising in four steps to $20m over the period to 31 December 2015.

Accounting standards require that PM shares issued under the PMSP be treated as options and expensed in the financial statements. This note therefore sets out the terms and inputs associated with valuation of the class PM shares as options in accordance with accounting standards.

Eligibility
The plan expired on 31 December 2015.

Share issue
In the half year to 31 December 2006 the Company achieved the first threshold of $8m in half yearly pre-tax profits, giving the Portfolio Managers the right to purchase 470,000 shares in the Company at $6.00 each. In the half year to 30 June 2007 the second threshold target of $10.5m pre-tax profits was met, giving the Portfolio Managers the right to purchase an additional 370,000 shares in the Company at $6.00 each. No further thresholds have been met during the subsequent financial years. As at the reporting date 240,000 shares have been purchased from Hampshire Assets and Services Pty Ltd.

Exercise Price, Exercise Period and other terms:
2016

Grant Date	Expire date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of the year	Vested and exercisable	Vested and un exercisable
22 September 2006	31-Dec-15	$6.00	240,000	-	-	(240,000)	-	-	-
Total			**240,000**	**-**	**-**	**(240,000)**	**-**	**-**	**-**
Weighted average exercise price			$6.00	-	-	$6.00	-	-	-

2015

Grant Date	Expire date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of the year	Vested and exercisable	Vested and un exercisable
22 September 2006	31-Dec-15	$6.00	240,000	-	-	-	240,000	-	-
Total			**240,000**	**-**	**-**	**-**	**240,000**	**-**	**-**
Weighted average exercise price			$6.00	$0.00	$0.00	$0.00	$6.00	$0.00	$0.00

No PM Share Options were granted during the financial year (2015: nil).

Included under Portfolio Manager equity plan expense in the Income Statement is an expense of $nil (2015: $nil).

NOTE 27 : SHARE-BASED PAYMENTS (continued)

c. CEO Long Term Incentive Plan

As part of his employment agreement, and as approved by shareholders, Mr. Deverall (CEO, resigned 5 February 2016) was to be granted 70,000 ordinary shares (Long Term Incentive Shares) for no consideration on each 30 November for each of the five years beginning 30 November 2013, up to a total of 350,000 shares.

As at reporting date 210,000 shares have been issued with Nil shares outstanding due to Mr Deverall's resignation during the period. Included in the income statement is $106,166 of LTI expense (2015: $120,400), and relates, in full, to equity-settled share-based payment transactions.

d. Executive Team Long Term Incentive Plan

On the 1 July 2013, the executive team was granted ordinary shares equivalent to 20% of their salary at grant date, for no consideration, contingent on being employed on the 1 July 2016.

As at reporting date no shares under this scheme have been issued with $154,900 worth of shares outstanding. Included in the income statement is $51,633 of Executive Team LTI expense (2015: $51,633), and relates, in full, to equity-settled share-based payment transactions.

e. Expenses arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	2016 $'000	2015 $'000
Employee share option plan expense	158	184
	158	**184**

NOTE 28 : RESERVES

	2016 $'000	2015 $'000
Available for sale investments revaluation reserve	780	138
Share-based payments reserve	155	187
Foreign currency translation reserve	(218)	(303)
	717	**22**

Movements in reserves

Available for sale investments revaluation reserve	**2016**	**2015**
The available for sale investments revaluation reserve records revaluations of non current assets	**$'000**	**$'000**
Opening balance	138	8
Changes in fair value	642	130
Balance 30 June	**780**	**138**

Share-based payments reserve		
The share-based payments reserve records items recognised as expenses on valuation of employee share options		
Opening balance	187	39
Shares exercised	(190)	(36)
Share based payments expense	158	184
Balance 30 June	**155**	**187**

Foreign currency translation reserve		
The foreign exchange reserve records exchange differences arising on translation of foreign controlled subsidiaries		
Opening balance	(303)	(664)
Unrealised foreign exchange translation of foreign controlled entities	85	361
Less: amount attributable to non controlling interest	-	-
Balance 30 June	**(218)**	**(303)**

NOTE 29 : CASH FLOW INFORMATION	**2016**	**2015**
Reconciliation of cash flow from operations with profit after income tax	**$'000**	**$'000**
Profit after income tax	19,306	7,766
Cash flows included in profit not attributable to operating activities		
Gain/(loss) on sale of investment	(7,955)	(385)
Gain on forward exchange contracts	17	19
Non cash flows		
Amortisation	25	16
Depreciation	136	155
Fair value (gains)/ losses - investments	(13,399)	(3,395)
Share based payments expense	158	184
Change in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
Decrease/(increase) in trade and term debtors	2,400	871
Decrease in deferred taxes	338	88
Decrease/(increase) in value of other assets	13	41
Increase in trade creditors and accruals	1,019	175
(Decrease)/increase in income taxes receivable	-	36
Increase/(decrease) in income taxes payable	528	196
Increase/(decrease) in employee entitlements	9	172
Net cash inflow from operating activities	**2,595**	**5,939**

a. Non-cash financial activity

In accordance with the Company's Dividend Reinvestment Plan, $490,007 (2015: $242,572) of dividends paid during the year were reinvested in the shares of the Company.

b. Standby facilities

No standby facilities exist.

NOTE 30 : LEASE COMMITMENTS	**2016**	**2015**
	$'000	**$'000**
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	354	353
Later than one year but not later than five years	668	1,048
	1,022	**1,401**

Sydney- The property lease is a non-cancellable lease with an expiry date of July 2019, with rent payable monthly in advance. The amount payable is subject to a 4% annual increase. An option exists to renew the least at the end of the 5 year period for an additional term of 5 years.

London - The property lease is a 5 year non-cancellable lease with a 2 year term remaining, with rent payable monthly in advance. The amount payable is fixed until the end of the existing term. An option exists to break the lease at the end of the 3 year term with six months notice. The lease allows for subletting of all lease areas.

Photocopiers - the photocopier lease is a non-cancellable lease with a 35 month term remaining, with rent payable monthly in advance.

NOTE 31 : RELATED PARTY TRANSACTIONS

a. Share transactions of Directors

Directors and Director related entities hold directly, indirectly or beneficially as at the reporting date equity interests in members of the Consolidated Entity, in the form of ordinary shares in the Company. Movements in equity interests during the year were as follows:

- Directors and their related entities acquired 70,000 ordinary shares (2015: 70,000) as part of the CEO remuneration package.
- Directors and their related entities acquired Nil ordinary shares in the Company (2015: 50,000) on the same terms and conditions available to other shareholders.
- Directors and their related entities disposed of 35,000 shares in the Company (2015: 35,000) for a total consideration of $89,600 (2015: $57,770) on the same terms and conditions available to other shareholders.
- Directors and their related entities acquired Nil ordinary shares (2015: Nil) under the Hunter Hall International Employee Staff Option Plan on the same terms and conditions available to other employees.

b. Unit Transaction of Directors

Directors and their related entities sold 90,604 units in the HCT, sold 146,785 units in the AEF and sold 44,207 units in the GET on the same terms and conditions available to other unitholders (2015: purchased 1,027,416 units in the HCT, purchased 96,455 units in the AEF and sold 109,676 units in the AEF).

c. Transactions with related parties

Directors and their related entities disposed of Nil shares in HHV (2015: Nil) for a total consideration of Nil (2015: Nil) on the same terms and conditions available to other shareholders.

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

d. Controlling entity

By virtue of its majority shareholding, the controlling entity of the Company is Hampshire Assets & Services Pty Limited (Hampshire). Dividends of $2,750,580 (2015: $1,445,840) were paid to Hampshire.

e. Transactions with Director related entities	**2016 $**	**2015 $**
(i) Managed Investment Entities		
Management fees received and receivable pursuant to investment management services provided by Hunter Hall Investment Management Ltd to the:		
Hunter Hall Equity Funds	11,933,603	12,163,524
Hunter Hall Global Value Limited	4,971,555	4,084,079
Amount receivable at year end	1,720,420	2,376,938
Performance fees received and receivable pursuant to investment management services provided by Hunter Hall Investment Management Ltd to the:		
Hunter Hall Equity Funds	3,563,990	595,315
Amount receivable / (payable) at year end	2,351,950	595,315
Expense reimbursements received in relation to:		
Hunter Hall Equity Funds	1,738,257	2,426,139
Amount receivable at year end	230,870	174,192
Expenses paid in relation to:		
Hunter Hall Equity Funds	(1,870,195)	(2,552,541)

f. Transactions with key management personnel	**2016 $**	**2015 $**
Short-term benefits		
Salary, fees and leave	1,368,003	1,558,379
Profit share and bonuses	658,888	92,480
Total short-term benefits	**2,026,891**	**1,650,859**
Post employment benefits		
Superannuation	78,108	78,483
Total post employment benefits	**78,108**	**78,483**
Share based payments	145,500	160,233
Total remuneration	**2,250,499**	**1,889,575**

NOTE 32 : FINANCIAL RISK MANAGEMENT

a. Capital risk management

The Consolidated Entity manages its capital to ensure that entities in the Consolidated Entity will be able to continue as a going concern while maximising the return to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

During the year ended 30 June 2016, the Company paid dividends of $6,382,268 (2015: $3,324,158).

The Consolidated Entity's overall strategy remains unchanged from 2015.

The capital structure of the Consolidated Entity consists of cash and cash equivalents, financial assets and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the Statement of Changes of Equity and Notes to this report.

Operating cash flows are used to meet the Consolidated Entity's operating costs, as well as to make the routine outflows of tax, dividends and repayment of maturing debt.

The amounts managed as capital by the Company for the reporting periods under review are summarised as follows:

	2016 $'000	2015 $'000
Total equity	54,334	26,344
Cash and cash equivalents	16,261	14,238
Financial assets	41,648	13,545

The Company must adhere to the following financial covenants:

As a holder of an Australian financial services (AFS) licence, Hunter Hall Investment Management Limited (HHIML) must hold the greater of:

a. $150,000
b. 0.5% of the average value of scheme property (capped at $5 million), or
c. 10% of the average RE revenue (uncapped).

HHIML must hold at least 50% of the NTA requirement above in cash and cash equivalents and the balance as liquid assets.

The Company has met all its financial covenants throughout the year.

b. Categories of financial instruments

The Consolidated Entity's financial instruments consist mainly of deposits with banks, investments, accounts receivable and payable, loans to and from subsidiaries and derivatives. The main purpose of non derivative financial instruments is to manage the working capital of the Consolidated Entity. Derivatives are used by the Consolidated Entity for economic hedging purposes. Such instruments include forward exchange contracts. The Consolidated Entity does not speculate in the trading of derivative instruments.

The Consolidated Entity holds the following financial instruments:

	2016	2015
Financial assets	**$'000**	**$'000**
Cash and cash equivalents	16,261	14,238
Trade and other receivables	2,246	2,369
Financial assets at fair value through profit or loss	34,991	11,733
Available-for-sale financial assets	6,657	1,812
	60,155	**30,152**
Financial liabilities		
Trade and other payables	4,434	3,334
Current tax liabilities	1,511	983
Other financial liabilities	-	81
	5,945	**4,398**

NOTE 32 : FINANCIAL RISK MANAGEMENT (continued)

c. Market risk

Management fees are directly related to Funds Under Management (FUM) of the underlying investment vehicles. The risk of changes in FUM due to changes in the underlying net assets of the investment vehicles is the main market risk faced by the entity.

Factors impacting FUM include:
- Investment performance: changes in absolute investment performance directly impact FUM and have a strong correlation to the entity's ability to attract and retain investors
- Market volatility: changes in equity markets, exchange rates and/or interest rates directly impact FUM
- Inflows: the ability to attract and retain investors

FUM is reconciled as follows:

	2016	**2015**
	$'M	**$'M**
Opening FUM	1,118	960
Net outflows	(41)	(64)
Distributions paid	(27)	(13)
Dividends paid	(25)	(15)
Investment performance	114	250
Closing FUM	**1,139**	**1,118**

A 5% movement in investment performance would have a corresponding impact on management fees. Similarly, a 5% movement in net flows would also have a corresponding impact on management fees.

For the year to 30 June 2016 management fees made up 87% (2015: 87%) of the Consolidated Entity's revenue from operations.

(i) Cash flow and fair value interest rate risk
As at the reporting date, the Consolidated Entity had no borrowings.

(ii) Price risk
The Consolidated Entity is exposed to equity securities price risk arising from investments held by the Group and classified on the Statement of Financial Position as fair value through profit or loss. The majority of these investments are held by the Hunter Hall High Conviction Equities Trust (HCT) and managed by Hunter Hall Investment Management Ltd (the Investment Manager).

The Board of Hunter Hall Investment Management manages the market price risks inherent in the investment portfolio by ensuring full and timely access to relevant information from the Investment Manager. The Investment Manager monitors the investment performance of the funds and their overall market position on a daily basis and provides the Board with monthly investment performance reports which includes commentary on securities that have materially impacted on the value of the portfolio. The Board meets regularly and at each meeting review investment performance and overall market positions. It also monitors the Investment Manager’s compliance with the respective Fund's objectives on a monthly basis.

There were no material changes to the Consolidated Entity's policies and processes for managing market risk and the methods and assumptions used to measure risk during the year.

At reporting date, if the equity prices had been 5% higher or lower net profit and equity of the Consolidated Entity would have been $2,082,456 higher/lower (2015: $677,000 higher/lower).

The sensitivity to equity prices has not changed significantly from the prior year.

The basis of the sensitivity analysis above has been selected by Directors.

NOTE 32 : FINANCIAL RISK MANAGEMENT (continued)

c. Market risk (continued)

(iii) Structural foreign exchange risk

Structural foreign exchange risk is the risk that movements in foreign exchange rates may have an adverse effect on the Group's Australian dollar earnings and economic value when the Group's foreign currency denominated earnings and capital are translated into Australian dollars.

The Group's exposure to this risk arises from its subsidiary domiciled in the United Kingdom, Hunter Hall International (UK) Limited (HHUK), and from global equity investments held by the Hunter Hall High Conviction Equities Trust (HCT).

As a result of the requirement to translate earnings and net assets of HHUK into Australian dollar consolidated financial statements, movements in exchange rates could lead to changes in the Australian dollar equivalent of offshore earnings and capital which could introduce variability to the Group's reported financial results.

In order to minimise this exposure, the Group manages the foreign exchange rate risk associated with offshore earnings and capital as follows:

(1) capital that is defined to be permanently employed in an offshore jurisdiction (for example to meet regulatory or prudential requirements) and which has no fixed term and is not anticipated to be repatriated in the foreseeable future, remains unhedged.

(2) the economic risk of Great Britain Pounds future earnings are managed where the Group believes there is a strong likelihood of significant adverse moves in the AUD/GBP exchange rate.

The Group has $1.2m financial assets (2015: $2.767m) and $241k liabilities (2015: $455k) denominated in GBP, which expose the Group to currency risk.

The sensitivity analysis of profit and equity in regards to the Group's financial assets and financial liabilities and the AUD/GBP exchange rate has been calculated on an 'all other things being equal' basis. It assumes a 10% change of the AUD/GBP exchange rate (2015: 10%).

At reporting date, if the AUD had weakened against the GBP by 10% the net profit and equity of the Consolidated Entity would have been $160,000 lower (2015: $139,000 lower).

As at period end, the Hunter Hall High Conviction Equities Trust (HCT) held all of its assets in domestic equities. In the prior year, if the AUD had weakened against the following currencies by 10% the net profit and equity of the Consolidated Entity would have been $35,000 lower.

The total net exposure of the Hunter Hall High Conviction Equities Trust (HCT) to fluctuations in foreign currency exchange rates were as follows:

Financial Assets	**2016 $'000**	**2015 $'000**
Currency		
Australian Dollar	42,650	11,442
Hong Kong Dollar	-	350
United States Dollar	1	-
	42,651	**11,792**

Financial Liabilities		
Currency		
Australian Dollar	6,761	1,446
	6,761	**1,446**

NOTE 32 : FINANCIAL RISK MANAGEMENT (continued)

d. Credit risk

The Consolidated Entity takes on exposure to credit risk, which is the risk that a counterparty or an issuer will be unable to pay amounts in full when due.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as outstanding receivables.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date in respect of recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the Statement of Financial Position and Notes to the Financial Statements.

The Consolidated Entity has a concentration of credit risk exposure from amounts receivable from the investment vehicles it manages, which represents 81% of receivables (2015: 74%).

As at the reporting date the Consolidated Entity did not have any amounts receivable, whether from related entities or otherwise, which were past due or considered impaired (2015: Nil).

e. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Consolidated Entity's short, medium and long term funding and liquidity management requirements. The Consolidated Entity manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows.

Maturities of financial liabilities

The tables below analyse the Consolidated Entity’s financial liabilities, net and gross settled derivative financial instruments into relevant maturity based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

30 June 2016	**0-3 months $'000**	**4-6 months $'000**	**Between 6 and 12 months $'000**	**Over one year $'000**	**Total contractual cash flows $'000**	**Carrying amount $'000**
Non-derivatives						
Non-interest bearing	5,605	340	-	-	5,945	5,945
Total non-derivatives	5,605	340	-	-	5,945	5,945

Consolidated

30 June 2015	**0-3 months $'000**	**4-6 months $'000**	**Between 6 and 12 months $'000**	**Over one year $'000**	**Total contractual cash flows $'000**	**Carrying amount $'000**
Non-derivatives						
Non-interest bearing	4,082	316	-	-	4,398	4,398
Total non-derivatives	4,082	316	-	-	4,398	4,398

NOTE 32 : FINANCIAL RISK MANAGEMENT (continued)

f. Net fair values

The net fair values of listed investments have been valued at the quoted market close price at reporting date. For unlisted investments where there is no organised financial market the net fair value has been based on the redemption price published by the issuer at reporting date.

For other assets and other liabilities the net fair value approximates their carrying value.

Financial assets where the carrying amount exceeds net fair values have been written down.

The following table provides an analysis of financial instruments as at reporting date that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable.

• Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities.

• Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

• Level 3 fair value measurement are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There has been no transfer between levels from previous reporting period. Level 3 assets and liabilities, if any, are valued at the director's best estimates.

As at 30 June 2016

Financial assets at fair value through profit or loss	**Level 1**	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Listed investments at fair value	41,625	-	-	41,625
Unlisted investments at fair value	23	-	-	23
Total	41,648	-	-	41,648

As at 30 June 2015

Financial assets at fair value through profit or loss	**Level 1**	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Listed investments at fair value	13,521	-	-	13,521
Unlisted investments at fair value	24	-	-	24
Total	13,545	-	-	13,545

g. Treasury risk management

Senior executives of the Consolidated Entity meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. Exposure is managed through the use of derivative financial instruments as outlined below.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 33 : DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are used by the Consolidated Entity to hedge exposure to exchange rate risk associated with foreign currency borrowings and interest rate risk associated with movements in interest rates which impact on the borrowings of the Consolidated Entity. Transactions for hedging purposes are undertaken without the use of collateral as only reputable institutions with sound financial positions are dealt with.

Forward exchange contracts
The Consolidated Entity enters into forward exchange contracts to buy and sell specified amounts of foreign currencies in the future at stipulated exchange rates. The objective in entering the forward exchange contracts is to protect the economic entity against unfavourable exchange rate movements. For details of outstanding forward exchange contracts refer to Note 32c.(iii). There were no outstanding forward exchange contracts at year end.

The accounting policy in regard to forward exchange contracts is detailed in Note 1h.

NOTE 33 : PARENT ENTITY INFORMATION

Information relating to Hunter Hall International Limited (the parent entity):

	2016 $'000	2015 $'000
Statement of financial position		
Current assets	13,433	11,755
Total assets	26,517	24,413
Current liabilities	4,796	3,670
Total liabilities	5,282	4,190
Net assets	**21,235**	**20,223**
Issued capital	18,572	17,892
Reserves	611	320
Retained earnings	2,053	2,011
Total equity	**21,236**	**20,223**
Statement of profit or loss and other comprehensive income		
Profit for the year	6,426	4,460
Other comprehensive income	323	123
Total comprehensive income	6,749	4,583

The Parent Entity has not entered into a deed of cross guarantee nor are there any contingent liabilities at the year end.

NOTE 34 : EVENTS SUBSEQUENT TO REPORTING DATE

On 11 of August 2016 the Directors declared an final dividend of 14.6 cents per share fully franked, with a record date of 12 September 2016 and a payment date of 26 September 2016.

There were no other events subsequent to period end that require disclosure other than those matters referred to elsewhere in this report.

The financial report was authorised for issue on 11 of August 2016 by the Board of Directors.

NOTE 35 : CONTINGENT LIABILITIES

There were no contingent liabilities at year end that require disclosure.

DIRECTORS' DECLARATION

1 In the opinion of the Directors of Hunter Hall International Limited:

a. the consolidated financial statements and notes of Hunter Hall International Limited are in accordance with the Corporations Act 2001, including

i. giving a true and fair view of its financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and

ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

b. there are reasonable grounds to believe that Hunter Hall International Limited will be able to pay its debts as and when they become due and payable.

2 The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2016.

3 Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors of the Company.

Kevin Eley
Chairman

Dated this 11 of August 2016

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Auditor's Independence Declaration
To the Directors of Hunter Hall International Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Hunter Hall International Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

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

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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

G S Layland
Director - Audit & Assurance

Sydney, 11 August 2016

Grant Thornton

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Independent Auditor's Report
To the Members of Hunter Hall International Limited

Report on the financial report

We have audited the accompanying financial report of Hunter Hall International Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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 of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

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

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

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

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

Auditor's opinion
In our opinion:

a the financial report of Hunter Hall International Limited is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its 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 the notes to the financial statements.

Report on the remuneration report
We have audited the remuneration report included in pages 6 to 10 of the directors' report for the year ended 30 June 2016. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

G S Layland
Director - Audit & Assurance

Sydney, 11 August 2016