

APPENDIX 2A - NSX

Preliminary Final Report

Company details

Name of entity:	Australia & International Holdings Limited
ABN:	98 009 706 414
Reporting period:	For the year ended 30 June 2019
Previous reporting period:	For the year ended 30 June 2018

Results for announcement to the market**Revenues**

Revenue	30-Jun-19	30-Jun-18	% Change	
Revenues from ordinary activities	\$322,191	\$355,661	Down	9.41%
Other income	\$-	\$23,964	Down	100.00%

Profit

	30-Jun-19	30-Jun-18	% Change	
Profit from ordinary activities after tax attributable to the owners of Australia & International Holdings Limited	\$258,925	\$288,239	Down	10.17%
Profit for the half-year attributable to the owners of Australia & International Holdings Limited	\$258,925	\$288,239	Down	10.17%

Dividends

2018 Final dividend	¢
Amount per security	6.000 cents
Franked amount per security (refer point 6. for further detail)	0.650 cents

Comments

The profit for the company after providing for income tax amounted to \$258,925 (30 June 2018: \$288,239). Revenue from ordinary activities for the financial year ended 30 June 2019 was \$322,191, which was \$ 33,470 or 9.41% lower than the prior comparable period. This was mainly attributable to lower distributions received and receivable from the Burrell investment trusts. Other income for the year was nil, following a change in accounting policy as a consequence of adopting AASB: 9 *Financial Instruments*, under which gains and losses from the sale of financial assets are now recorded in Other Comprehensive Income.

Expenses of \$60,185 in 2019 were \$2,857 or 5.0% higher than the previous year, mainly due to a increase in stock exchange fees and legal fees. Tax expense in 2019 was \$3,081 compared to \$34,058 for the previous year, mainly from a movement in the deferred tax asset. The net effect of these movements resulted in the profit being \$29,314 or 10.17% lower than the previous comparable period. The expense to average investments ratio was 1.19% (30 June 2018: 1.18%).

Australia & International Holdings Limited

Income statement

	2019 \$	2018 \$
Revenue	322,191	355,661
Other income	-	23,964
Expenses, excluding finance costs	(60,185)	(57,328)
Finance costs	-	-
Share of net profits(losses) of associates and joint ventures	-	-
Profit(loss) before income tax (expense)/benefit	262,006	322,297
Income tax (expense)/benefit	(3,081)	(34,058)
Profit(loss) from continuing operations	258,925	288,239
Profit(loss) attributable to minority interests	-	-
Profit(loss) attributable to members of the parent	258,925	288,239
	Cents	Cents
Basic earnings per share	16.57 ¢	18.53 ¢
Diluted earnings per share	16.57 ¢	18.53 ¢
Dividends per security	12 ¢	12 ¢

Comparison of half-year profits

	2019 \$	2018 \$
Profit(loss) after tax attributable to members for the 1st half-year	105,108	89,917
Profit(loss) after tax attributable to members for the 2nd half-year	153,817	198,322
	258,925	288,239

Australia & International Holdings Limited**Balance sheet**

	2019 \$	2018 \$
Assets		
Current assets		
Cash and cash equivalents	53,400	43,264
Trade and other receivables	181,804	195,247
Total current assets	235,204	238,511
Non-current assets		
Available-for-sale financial assets	5,150,604	4,954,752
Deferred tax	1,151	4,665
Total non-current assets	5,151,755	4,959,417
Total assets	5,386,959	5,197,928
Liabilities		
Current liabilities		
Trade and other payables	2,349	2,705
Total current liabilities	2,349	2,705
Non-current liabilities		
Deferred tax	443,062	413,457
Total non-current liabilities	443,062	413,457
Total liabilities	445,411	416,162
Net assets	4,941,548	4,781,766
Equity		
Issued capital	3,753,651	3,735,474
Reserves	700,683	631,604
Retained profits	487,214	414,688
Total equity	4,941,548	4,781,766
Parent interest	4,941,548	4,781,766
Minority interest	-	-
Total equity	4,941,548	4,781,766

Australia & International Holdings Limited

Statement of changes in equity

	Contributed equity \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2017	3,716,288	487,393	312,420	4,516,101
Profit after income tax (expense)/benefit for the financial year	-	-	288,239	288,239
Other comprehensive income for the financial year, net of tax	-	144,211	-	144,211
Total comprehensive income for the financial year	-	144,211	288,239	432,450
Transactions with owners in their capacity as owners:	-	-	-	-
Contributions of equity, net of transaction costs	19,186	-	-	19,186
Dividends paid	-	-	(185,971)	(185,971)
Balance at 30 June 2018	3,735,474	631,604	414,688	4,781,766
Balance at 1 July 2018	3,735,474	631,604	414,688	4,781,766
Profit after income tax (expense)/benefit for the financial year	-	-	258,925	258,925
Other comprehensive income for the financial year, net of tax	-	69,079	-	69,079
Total comprehensive income for the financial year	-	69,079	258,925	328,004
Transactions with owners in their capacity as owners:	-	-	-	-
Contributions of equity, net of transaction costs	18,177	-	-	18,177
Dividends paid	-	-	(186,399)	(186,399)
Balance at 30 June 2019	3,753,651	700,683	487,214	4,941,548

Australia & International Holdings Limited

Statement of cash flows

	2019 \$	2018 \$
Cash flows from operating activities		
Payments to suppliers (inclusive of GST)	(60,541)	(54,624)
Dividends received	22,490	22,908
Interest received	569	406
Trust distributions received from related parties	312,475	179,787
Other revenue	100	-
Income taxes (paid)/refunded	433	-
Net cash from/(used in) operating activities	275,526	148,477
Cash flows from investing activities		
Payments for investments	(97,168)	(23,050)
Proceeds from sale of investments	-	47,622
Net cash from/(used in) investing activities	(97,168)	24,572
Cash flows from financing activities		
Proceeds from the issue of shares	18,177	19,186
Dividends paid	(186,399)	(185,972)
Net cash used in financing activities	(168,222)	(166,786)
Net increase/(decrease) in cash and cash equivalents	10,136	6,263
Cash and cash equivalents at the beginning of the financial year	43,264	37,001
Cash and cash equivalents at the end of the financial year	53,400	43,264

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

	2019 \$	2018 \$
Profit after income tax expense for the year	258,925	288,239
Adjustments for:		
Net fair value loss/(gain) on available-for-sale financial assets	-	(23,964)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	13,443	(152,560)
Decrease/(increase) in deferred tax assets	3,514	33,315
Increase/(decrease) in provision for income tax	-	743
Increase/(decrease) in other operating liabilities	(356)	2,704
Net cash from/(used in) operating activities	275,526	148,477

Australia & International Holdings Limited

Notes to the financial statements

Details of revenues and expenses

	2019	2018
	\$	\$
Revenue		
Dividends	22,490	22,908
Interest	569	406
Trust distributions from related parties	299,032	332,347
Other revenue	100	-
Net gain on disposal of available-for-sale financial assets	-	23,964
Total revenue	322,191	379,625
Expenses		
Accounting and audit fees	(14,883)	(14,080)
Legal expenses	(3,224)	(1,201)
Listing fees	(9,363)	(11,699)
Managed portfolio service fees	(3,302)	(3,807)
Secretarial expenses	(9,572)	(11,275)
Stock exchange fees	(19,183)	(14,277)
Other expenses	(658)	(989)
Total expenses	(60,185)	(57,328)
Profit(loss) before tax	262,006	322,297
Income tax (expense)/benefit	(3,081)	(34,058)
Profit(loss) after tax	258,925	288,239

Ratios

	2019	2018
	%	%
Profit before tax/Revenue	81.32%	84.90%
Profit after tax/Equity interests	5.24%	6.03%

Earnings per security

	2019	2018
	\$	\$
Profit after tax attributable to the members	258,925	288,239
	#	#
Weighted average number of shares used in the calculation of basic earnings per share	1,562,258	1,555,620
Weighted average number of shares used in the calculation of diluted earnings per share	1,562,258	1,555,620
	¢	¢
Basic earnings per share (cents)	16.57	18.53
Diluted earnings per share (cents)	16.57	18.53

Australia & International Holdings Limited**Dividend information**

	30-Jun-19	30-Jun-18
Final dividend paid (\$)	92,860	93,148
Year ended	30/06/18	30/06/17
Final dividend (cps)	6.00 ¢	6.00 ¢
Franking %	65%	75%
Date paid	19/10/18	20/10/17
Interim dividend paid (\$)	93,539	92,823
Half-year ended	31/12/18	31/12/17
Final dividend (cps)	6.00 ¢	6.00 ¢
Franking %	100%	70%
Date paid	10/04/19	20/04/18

No final dividend for the current financial year has yet been declared.

Dividend reinvestment plan

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

Exploration and evaluation expenditure capitalised	N/A
Development Properties	N/A
Discontinued Operations	N/A

Australia & International Holdings Limited

Movements in Equity

Ordinary securities

	Number Issued #	Number listed #	Paid up value ¢	30-Jun-19 \$	30-Jun-18 \$
Balance at start of period	1,559,305	1,559,305	240	3,735,174	3,716,288
Increases through issues	6,568	6,568	277	18,177	19,186
Decreases through returns of capital, buybacks, etc.	-	-	-	-	-
Balance at end of period	1,565,873	1,565,873	240	3,753,651	3,735,474
Total Securities	1,565,873	1,565,873	240	3,753,651	3,735,474

Reserves

	30-Jun-19 \$	30-Jun-18 \$
Balance at start of period	631,604	487,393
Transfers to/from reserves	69,079	144,211
Total for the period	69,079	144,211
Balance at end of period	700,683	631,604
Total reserves	700,683	631,604

Retained earnings

	30-Jun-19 \$	30-Jun-18 \$
Balance at start of period	414,688	312,421
Profit for the period	258,925	288,239
Total for the period	258,925	288,239
Dividends	(186,399)	(185,972)
Balance at end of period	487,214	414,688
Total reserves	487,214	414,688

Details of aggregate share of profits (losses) of associates and joint venture entities

N/A

Control gained over entities having material effect

N/A

Loss of control over entities having material effect

N/A

Australia & International Holdings Limited

Material interests in entities that are not controlled entities

Name of associate/joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Current period	Previous corresponding period	Current period	Previous corresponding period
	%	%	\$	\$
			Equity accounted	
Equity accounted associated entities	0.00%	0.00%	-	-
Total			-	-
			Non-equity accounted	
Other material interests				
Burrell Australian Equities Trust	42.07%	44.50%	238,529	162,186
Burrell World Equities Trust	22.02%	23.99%	50,329	91,395
Burrell Smallcaps Midcaps and Resources Trust	26.16%	25.43%	10,174	78,766
Total			299,032	332,347

Reports for industry and geographical segments

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

	Australian Large-cap Long-Term Shares	Australian Small-Mid-cap Shares	Overseas Long-Term Shares	Intersegment eliminations/unallocated	Total
30 June 2019	\$	\$	\$	\$	\$
Revenue					
Dividend income	22,490	-	-	-	22,490
Interest revenue	569	-	-	-	569
Trust distributions from related parties	238,529	10,174	50,329	-	299,032
Other trust income	-	-	-	-	-
Other income	100	-	-	-	100
Total revenue	<u>261,688</u>	<u>10,174</u>	<u>50,329</u>	<u>-</u>	<u>322,191</u>
Segment result	<u>261,688</u>	<u>10,174</u>	<u>50,329</u>	<u>(60,185)</u>	<u>262,006</u>
Net gain/(loss) on disposal of financial assets	-	-	-	-	-
Profit/(loss) before income tax benefit	<u>261,688</u>	<u>10,174</u>	<u>50,329</u>	<u>(60,185)</u>	<u>262,006</u>
Income tax expense					(3,081)
Profit after income tax benefit					<u>258,925</u>
Assets					
Segment assets	3,544,828	612,332	1,175,247	54,552	5,386,959
Total assets					<u>5,386,959</u>
Liabilities					
Segment liabilities	357,791	87,104	(1,833)	2,349	445,411
Total liabilities					<u>445,411</u>

Australia & International Holdings Limited

30 June 2018	Australian Large- cap Long-Term Shares \$	Australian Small- Mid-cap Shares \$	Overseas Long- Term Shares \$	Intersegment eliminations/ unallocated \$	Total \$
Revenue					
Dividend income	22,908	-	-	-	22,908
Interest revenue	406	-	-	-	406
Trust distributions from related	162,186	78,766	91,395	-	332,347
Other trust income	-	-	-	-	-
Other income	-	-	-	-	-
Total revenue	185,500	78,766	91,395	-	355,661
Segment result	185,500	78,766	91,395	(57,328)	298,333
Net gain/(loss) on disposal of financial assets	17,400	-	6,564	-	23,964
Profit/(loss) before income tax	202,900	78,766	97,959	(57,328)	322,297
Income tax expense					(34,058)
Profit after income tax benefit					288,239
Assets					
Segment assets	3,324,089	654,280	1,171,629	47,930	5,197,928
Total assets					5,197,928
Liabilities					
Segment liabilities	322,958	13,804	76,695	2,705	416,162
Total liabilities					416,162
NTA Backing					
				30-Jun-19	30-Jun-18
				¢	¢
Net tangible asset backing per ordinary security:				316	307
Non-cash financing and investing activities					N/A
International Financial Reporting Standards					N/A

Australia & International Holdings Limited

Basis of accounts preparation

Description of events having a material effect

Nil

Details of other factors affecting results

Nil

Franking credits available

30-Jun-19

30-Jun-18

\$

\$

Franking credits available for subsequent financial years based on a tax rate of 30%

60,573

26,185

Changes in accounting policies

N/A

Revisions of estimates

N/A

Changes in contingent liabilities and assets

N/A

Unusual items

N/A

Effect of changes in the composition of the entity during the period

N/A

Annual meeting

The annual general meeting of will be held at the offices of Burrell Stockbroking & Superannuation:

Place

Level 5, 24 Little Edward Street, Spring Hill, QLD

Date

Wednesday 20 November 2019

Time

12:00PM

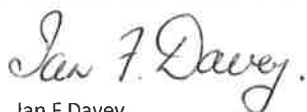
Approximate date the annual report will be available

Monday 21 October 2019

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting policies and accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange.
- 2 This statement, and the financial statements under the *Corporations Act*, use the same accounting policies.
- 3 This statement gives a true and fair view of the matters disclosed.
- 4 This statement is based on financial statements, which have been audited.
- 5 If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/~~will follow immediately they are available. (delete one).~~
- 6 The issuer does not have a formally constituted audit committee.

Signed:



Name: Ian F Davey

Title: Company Secretary

Date: 11 September 2019

Australia and International Holdings Limited

ABN 98 009 706 414

Financial Statements - 30 June 2019

Australia and International Holdings Limited
Corporate Directory
30 June 2019

Directors	Bernard C E Rowley Christopher T Burrell Roger J Burrell Frank J Finn
Company secretary	Ian F Davey
Notice of annual general meeting	The annual general meeting of Australia and International Holdings Limited will be held at the offices of Burrell Stockbroking & Superannuation: Level 4, 24 Little Edward Street Spring Hill QLD 4000, Wednesday 20 November 2019 12:00PM
Registered office	Level 4, 24 Little Edward Street Spring Hill QLD 4000 Phone: 61 7 3006 7200 Fax: 61 7 3839 6964
Principal place of business	Level 4, 24 Little Edward Street Spring Hill QLD 4000
Share register	Newcastle Capital Markets Registries Pty Limited 10 Murray Street Hamilton NSW 2303 Telephone: 61 2 4920 2877 Facsimile: 61 2 4920 2878
Auditor	PKF Brisbane Audit Level 6, 10 Eagle Street Brisbane QLD 4000
Bankers	DDH Graham Limited 18th Floor, 344 Queen Street Brisbane QLD 4000
Stock exchange listing	Australia & International Holdings Limited shares are listed on the National Securities Exchange (NSX code: AID)
Website	http://www.burrell.com.au

Australia & International Holdings Limited
Directors' Report
30 June 2019

The directors present their report, together with the financial statements of Australia and International Holdings Limited ('the Company') for the financial year ended 30 June 2019.

Directors

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

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

Company Secretary

Ian F Davey

Principal Activities

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

Dividends

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

Final dividend

	30-Jun-19	30-Jun-18
	\$	\$
Final dividend paid	<u>92,860</u>	<u>93,148</u>
Year ended	30/06/2018	30/06/2017
Cents per share	6 ¢	6 ¢
Franking %	65%	75%
Date paid	19/10/2018	20/10/2017

Interim dividend

	30-Jun-19	30-Jun-18
	\$	\$
Interim dividend paid	<u>93,539</u>	<u>92,823</u>
Half-year ended	31/12/2018	31/12/2017
Cents per share	6 ¢	6 ¢
Franking %	100%	70%
Date paid	10/04/2019	20/04/2018

Review of operations

	30-Jun-19	30-Jun-18
Net profit for the Company for the financial year after providing for income tax	<u>258,925</u>	<u>288,239</u>

Overview

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

Australia & International Holdings Limited

Directors' Report

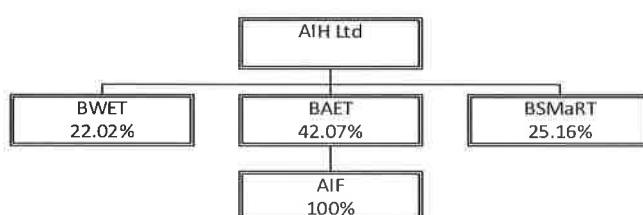
30 June 2019

Structure

The Company is structured in order to provide investors with the opportunity to invest in a vehicle that holds positions in a strategically balanced and well-diversified set of investment portfolios. The majority of shareholder funds are invested over the medium to long term period in both Australian and international companies and managed funds. This is facilitated through the Company's investments in the Burrell Australian Equities Trust ("BAET"), the Burrell World Equities Trust ("BWET"), and the Burrell Smallcaps Midcaps and Resources Trust ("BSMaRT").

BAET, BWET and BSMaRT are all managed investment schemes. BAET invests in listed Australian equities and managed funds. BWET invests in listed international equities and managed funds, and may use foreign exchange hedging instruments to hedge its exposure to fluctuations in foreign currencies. BSMaRT holds investments in the small cap, mid cap and resources sectors of the Australian equities market.

As at 30 June 2019 approximately 91% of AIH's investment portfolio comprised of investments in BAET, BWET and BSMaRT in the percentages of 57%, 22% and 12% respectively. This was achieved through the following ownership structure, whereby AIH owned 42.07% of the units on issue in BAET, 22.02% of the units on issue in BWET and 25.16% of the units on issue in BSMaRT.



Performance Outcomes

Net Return

The net return to shareholders for the financial year ended 30 June 2019 was 6.84% (30 June 2018: 9.62%) . This 'net return' is not directly comparable to publicly reported share price or accumulation indices because it is after costs have been deducted for managing and administering the portfolios and the Company. It is also after an allowance for tax at the rate of 30% has been deducted from operating profits and on the increases in value of the investment portfolios. Further, the return shareholders in AIH received from dividends are mostly franked. As such we look at the 'gross returns' from the individual investment portfolios.

Gross Returns

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

The performances of the individual portfolios the Company invested in for the financial year ended 30 June 2019 and the comparative period are as follows:

	30-Jun-19 %	30-Jun-18 %
Burrell Australian Equities Trust (excl. AIF)	14.2	16.1
Burrell Australian Equities Trust (incl. AIF)	15.0	16.1
Burrell World Equities Trust	8.5	12.0
Burrell Small-cap, Mid-cap and Resources Trust	-4.5	26.7
Australian All Ordinaries Accumulation Index	11.0	13.7
Australian Small Ordinaries Accumulation	1.9	24.3
MSCI World Index ex Australia (in Australian dollar terms)	10.3	13.3

Australia & International Holdings Limited
Directors' Report
30 June 2019

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

	30-Jun-19 %	30-Jun-18 %
Energy	4.8	5.4
Materials	10.3	11.5
Industrials	6.4	4.7
Consumer discretionary	6.6	5.0
Consumer staples	2.1	3.2
Financials	41.0	42.6
Real estate investment trusts	-	-
Managed funds and LICs	6.6	7.1
Exchange traded funds	5.0	3.1
Others – Health care, Information technology, Telecomms and Utilities	17.2	17.4

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

	30-Jun-19 %	30-Jun-18 %
Australia & New Zealand	79.7	77.7
Americas	8.5	9.7
United Kingdom	1.0	0.4
Europe excl. United Kingdom	2.4	3.2
Asia Pacific excl. Australia	0.5	0.8
Global	7.9	8.2

Securities representing 5% or more of the combined investments and trading portfolio as at 30 June 2019 are:

	30-Jun-19 % of portfolio	30-Jun-18 % of portfolio
Commonwealth Bank of Australia	11.3	10.6

Net Asset Value per Share

	30-Jun-19	30-Jun-18
Net asset value per share for the Company	\$3.16	\$3.07

Earnings per Share

	30-Jun-19	30-Jun-18
Earnings per share based on the net operating result (cents)	16.57 ¢	18.53 ¢

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

No matter of circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations

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

Environmental regulation

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

Australia & International Holdings Limited

Directors' Report

30 June 2019

Information on directors

Name:	Bernard C E Rowley
Title:	Chairman
Qualifications:	Fellow of the Institute of Actuaries of Australia, Fellow of the Australian Institute of Company Directors.
Experience and expertise:	Bernard has been a Director since 1998 and Chairman since 2002. He was previously the Chief Executive Officer of Suncorp Insurance & Finance for the years 1986 to 1996.
Other current directorships:	None.
Former directorships (in the last 3 years):	Chairman of Cuna Mutual Life, Chairman of Cuna Mutual Group, Director of River City Motorway Group and Director of Australian Shale and Oil Resources Company.
Interests in shares:	32,421 Fully Paid Ordinary Shares, Non-beneficially held.
Interests in options:	None.
Name:	Christopher T Burrell
Title:	Director
Qualifications:	M.F.M, B. Com (Hons), L.L.B. (Hons), F.C.A., SF Fin, M.S.A.A.
Experience and expertise:	Chris has been a Director since 1983. He was the Company's Chairman from 1983 to 2002. He has held the position of Managing Director of Burrell Stockbroking Pty Ltd since 1997. He was a Partner at Coopers and Lybrand, Chartered Accountants, for 15 years; a previous Director of Queensland electricity retailer, Ergon; a former member of the Industrial Research & Development Committee within the Commonwealth Department of Industry, Science and Resources; and a former State Councillor for the Securities Institute of Australia.
Other current directorships:	Director of Burrell Stockbroking Pty Ltd and Director of The Donald and Joan Wilson Foundation.
Former directorships (in the last 3 years):	None.
Interests in shares:	295,367 beneficially and 150,000 non-beneficially held Fully Paid Ordinary Shares.
Interests in options:	None.

Australia & International Holdings Limited
Directors' Report
30 June 2019

Name: **Roger J Burrell**

Title: Director

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

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

Other current directorships: Access Funds Management Ltd., Multiple Sclerosis Australia.

Former directorships (in the last 3 years): None.

Interests in shares: 80,008 beneficially held Fully Paid Ordinary Shares.

Interests in options: None.

Name: **Frank J Finn**

Title: Director

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

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

Other current directorships: None.

Former directorships (in the last 3 years): None.

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

Interests in options: None.

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

Meetings of directors

The number of meetings of the company's Board of Directors held during the year ended 30 June 2019, and the number of meetings attended by each director was:

	Full Board	
	Held	Attended
Bernard C Rowley	4	4
Christopher T Burrell	4	4
Roger J Burrell	4	3
Frank J Finn	4	2

Australia & International Holdings Limited
Directors' Report
30 June 2019

Retirement, election and continuation in office of directors

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

Remuneration report (audited)

No remuneration was paid to the Directors during the year ended 30 June 2019. No other management or staff is employed by the Company.

Director's shareholdings

The number of shares in the Company held during the financial year by each director of the entity, including their personally related parties, is set out below:

	Balance at the start of the year	Additions	Disposals	Balance at the end of the year
Mr C T Burrell	295,367	-	-	295,367
Mr C T Burrell (non-beneficial owner)	150,000	-	-	150,000
Mr R J Burrell	80,008	-	-	80,008
Prof F J Finn	35,681	-	-	35,681
Mr B C E Rowley (non-beneficial owner)	32,421	-	-	32,421
	<u>593,477</u>	<u>-</u>	<u>-</u>	<u>593,477</u>

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

Other transactions with Directors and Director-related entities

Mr C T Burrell, Mr B C E Rowley and Mr R J Burrell are Directors of Burrell Stockbroking Pty Ltd. This company provides stockbroking and secretarial, portfolio administration and management services to the Company. No brokerage was paid by the Company to Burrell Stockbroking Pty Ltd during the year, and an amount of \$15,866 was paid in respect of the other services. Mr C T Burrell, Mr B C E Rowley and Mr R J Burrell are Directors of Burrell & Co Holdings Pty Ltd. This company provides clearing and settlement services to the Company. There were no fees or charges paid by the Company to Burrell & Co Holdings Pty Ltd during the year.

Other details relating to Directors are set out at Note 23. Related Parties, in the Notes to and forming part of the Financial Statements for the year ended 30 June 2019.

Except as otherwise disclosed, no Director of the Company has received, or has become entitled to receive, a benefit because of a contract that the directors, or a firm of which the director is a member, or an entity in which the Director has a substantial financial interest, has made (during the year ended 30 June 2019 or at any other time) with the Company; or an entity that the Company controlled, or a body corporate that was related to the Company, when the contract was made or when the Director received, or became entitled to receive, the benefit.

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2019.

Options

There were no options issued to directors and other key management personnel as part of compensation during the year ended 30 June 2019.

There were no options granted to or exercised by directors and other key management personnel as part of compensation during the year ended 30 June 2019.

This concludes the remuneration report, which has been audited.

Australia & International Holdings Limited

Directors' Report

30 June 2019

Indemnity and insurance of officers

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

Indemnity and insurance of auditor

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

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

Proceedings of behalf of the company

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

Non-audit services

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

Officers of the company who are former audit partners of PKF Brisbane Audit

There are no officers of the company who are former audit partners of PKF Brisbane Audit.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 8.

Auditor

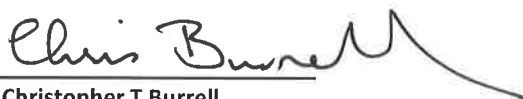
PKF Brisbane Audit continues in office in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the directors



Bernard C Rowley
Chairman



Christopher T Burrell
Director

11 September 2019
Brisbane

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, 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.

PKF BRISBANE AUDIT



**LIAM MURPHY
PARTNER**

**DATED THIS 11TH DAY OF SEPTEMBER 2019
BRISBANE**

Australia and International Holdings Limited
Financial report
30 June 2019

Corporate Governance Statement

The Board of Australia & International Holdings Limited is committed to high levels of accountability and integrity and adheres to the following principles of corporate governance:

- The adoption of transparent structures and operations;
- The application of robust risk management and internal structures; and
- Board accountability to shareholders and interested parties.

Structure of the Board

The Board is structured to maintain an appropriate balance of independent directors and to support a suitable degree of separation from the management of the Company. The Board currently consists of four directors, with the Chairman and one other director being fully independent.

Details of the qualifications and experience of the directors are included in the Directors' Report attached to the Financial Statements.

Roles, Responsibilities and Functioning of the Board

The main functions and responsibilities of the Board are:

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

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

Risk Management

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

Australia and International Holdings Limited
Financial report
30 June 2019

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General information

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

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

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

Level 4, 24 Little Edward Street
Brisbane QLD 4000

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

The financial report was authorised for issue, in accordance with a resolution of directors, on 11 September 2019. The directors have the power to amend and reissue the financial report.

Australia and International Holdings Limited
Statement of profit or loss and other comprehensive income
For the financial year ended 30 June 2019

	Note	2019 \$	2018 \$
Revenue	4	322,191	355,661
Other income	5	-	23,964
Expenses			
Accounting and audit fees		(14,883)	(14,080)
Legal expenses		(3,224)	(1,201)
Listing fees		(9,363)	(11,699)
Managed portfolio service fees		(3,302)	(3,807)
Secretarial expenses		(9,572)	(11,275)
Stock exchange fees		(19,183)	(14,277)
Other expenses		(658)	(989)
Profit before income tax (expense)/benefit		<u>262,006</u>	<u>322,297</u>
Income tax (expense)/benefit	6	<u>(3,081)</u>	<u>(34,058)</u>
Profit after income tax (expense)/benefit for the financial year attributable to the owners of Australia and International Holdings Limited	15	258,925	288,239
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Gain/(loss) on the revaluation of available-for-sale financial assets, net of tax		-	144,211
<i>Items that will not be reclassified to profit or loss</i>			
Unrealised changes in the value of equity investments at fair value		<u>69,079</u>	-
Other comprehensive income for the financial year, net of tax		<u>69,079</u>	<u>144,211</u>
Total comprehensive income for the financial year attributable to the owners of Australia and International Holdings Limited		<u>328,004</u>	<u>432,450</u>
		Cents	Cents
Basic earnings per share	22	16.57 ¢	18.53 ¢
Diluted earnings per share	22	16.57 ¢	18.53 ¢

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Australia and International Holdings Limited
Statement of financial position
As at 30 June 2019

	Note	2019 \$	2018 \$
Assets			
Current assets			
Cash and cash equivalents	7	53,400	43,264
Trade and other receivables	8	181,804	195,247
Total current assets		<u>235,204</u>	<u>238,511</u>
Non-current assets			
Financial assets	9	5,150,604	4,954,752
Deferred tax asset	10	1,151	4,665
Total non-current assets		<u>5,151,755</u>	<u>4,959,417</u>
Total assets		<u>5,386,959</u>	<u>5,197,928</u>
Liabilities			
Current liabilities			
Trade and other payables	11	2,349	2,705
Total current liabilities		<u>2,349</u>	<u>2,705</u>
Non-current liabilities			
Deferred tax liability	12	443,062	413,457
Total non-current liabilities		<u>443,062</u>	<u>413,457</u>
Total liabilities		<u>445,411</u>	<u>416,162</u>
Net assets		<u>4,941,548</u>	<u>4,781,766</u>
Equity			
Issued capital	13	3,753,651	3,735,474
Reserves	14	700,683	631,604
Retained profits	15	487,214	414,688
Total equity		<u>4,941,548</u>	<u>4,781,766</u>

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

Australia and International Holdings Limited
Statement of changes in equity
For the financial year ended 30 June 2019

	Note	Contributed equity \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 30 June 2017		3,716,288	487,393	312,420	4,516,101
Profit after income tax (expense)/benefit for the financial year		-	-	288,239	288,239
Other comprehensive income for the financial year, net of tax		-	144,211	-	144,211
Total comprehensive income for the financial year		-	144,211	288,239	432,450
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	13	19,186	-	-	19,186
Dividends paid	16	-	-	(185,971)	(185,971)
Balance at 30 June 2018		<u>3,735,474</u>	<u>631,604</u>	<u>414,688</u>	<u>4,781,766</u>
	Note	Contributed equity \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2018		3,735,474	631,604	414,688	4,781,766
Profit after income tax (expense)/benefit for the financial year		-	-	258,925	258,925
Other comprehensive income for the financial year, net of tax		-	69,079	-	69,079
Total comprehensive income for the financial year		-	69,079	258,925	328,004
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	13	18,177	-	-	18,177
Dividends paid	16	-	-	(186,399)	(186,399)
Balance at 30 June 2019		<u>3,753,651</u>	<u>700,683</u>	<u>487,214</u>	<u>4,941,548</u>

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

Australia and International Holdings Limited
Statement of cash flows
For the financial year ended 30 June 2019

	Note	2019	2018
		\$	\$
Cash flows from operating activities			
Payments to suppliers (inclusive of GST)		(60,541)	(54,624)
Dividends received		22,490	22,908
Interest received		569	406
Trust distributions received from related parties		312,475	179,787
Other revenue		100	-
Income taxes (paid)/refunded		433	-
		<u>275,526</u>	<u>148,477</u>
Net cash from/(used in) operating activities	21		
		<u>275,526</u>	<u>148,477</u>
Cash flows from investing activities			
Payments for investments		(97,168)	(23,050)
Proceeds from sale of investments		-	47,622
		<u>(97,168)</u>	<u>24,572</u>
Net cash from/(used in) investing activities			
		<u>(97,168)</u>	<u>24,572</u>
Cash flows from financing activities			
Proceeds from the issue of shares	13	18,177	19,186
Dividends paid	16	(186,399)	(185,972)
		<u>(168,222)</u>	<u>(166,786)</u>
Net cash provided by/(used in) financing activities			
		<u>(168,222)</u>	<u>(166,786)</u>
Net increase/(decrease) in cash and cash equivalents		10,136	6,263
Cash and cash equivalents at the beginning of the financial year		43,264	37,001
Cash and cash equivalents at the end of the financial year	7	<u>53,400</u>	<u>43,264</u>

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

Note 1. Significant accounting policies

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

New, revised or amending Accounting Standards and Interpretations adopted

A number of new and revised accounting standard requirements became mandatory for the first time during the full-year reporting period to 30 June 2019. The Company has adopted all of the new and revised standards and interpretations that are relevant to its operations and effective for the current financial year. Adoption has not resulted in any material changes to the Company's accounting policies and has no effect on the amounts reported for the current or prior financial year, with the exception of the adoption of AASB 9 Financial Instruments, which was generally adopted without restating comparative information.

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

Effect of changes in Accounting Standards

Initial application of AASB 9: Financial Instruments

With effect from 1 July 2018, the Company has adopted AASB 9 Financial Instruments. The adoption of this new standard has no impact on the Company's net assets, net profit or total comprehensive income.

(i) Old Accounting Treatment

Previously, the Company's investment portfolio was accounted for under AASB 139 Financial Instruments: Recognition and Measurement.

All investments were carried at fair value and classified as set out below:

Portfolio	AASB 139 Classification
Non-current financial assets	Available for sale financial assets

Unrealised gains and losses on investments held in the non-current financial assets were taken to the revaluation reserve, through the statement of changes in equity and reported as other comprehensive income.

On sale of investments in the investment portfolio, the cumulative gain or loss from purchase to sale of the non-current financial assets were transferred from the revaluation reserve to the Income Statement, and reported as part of profit.

Where there was objective evidence of impairment of an investment in the non-current financial assets, an impairment charge was required to be booked through the Income Statement (as a transfer from the revaluation reserve), even where no loss had been realised.

Note 1. Significant accounting policies (continued)

(ii) New Accounting Treatment

AASB 9 introduces new categories of classification for financial instruments. All the Company's non-current financial assets continue to be carried at fair value and are now classified as follows:

Portfolio	AASB 9 Classification
Non-current financial assets	Financial assets at fair value through other comprehensive income

Equity instruments in the Non-current financial assets portfolio:

All unrealised and realised gains and losses on equity instruments held in the non-current financial assets portfolio are reported as other comprehensive income and are accumulated in the revaluation and realised gains and losses reserves respectively. Realised gains and losses, are no longer reclassified from other comprehensive income to the Income Statement, and do not form part of the Company's profits.

Cumulative gains and losses are transferred from the revaluation reserve to the realised gains reserve when the investments are sold. The realised gains reserve is used primarily to record gains upon which income tax has been or will be paid, and which consequently are available for distributions to shareholders.

There are no impairment provisions in AASB 9 for investments designated at fair value through other comprehensive income.

(iii) Transitional provisions

Comparatives have not be restated, as AASB 9 only applied retrospectively to investments held at the date of adoption, being 1 July 2018.

Equity Instruments in the non-current financial assets portfolio: Non-current financial assets sold prior to this date are accounted for under AASB 139 as described above. Non-current financial assets sold after this date are accounted for under AASB 9 and the cumulative gains and losses remain in other comprehensive income

The election to present gains and losses in Other Comprehensive Income must either be made on an individual basis when an investment asset is purchased or it can be made under a blanket policy choice. The Company has elected to apply a blanket policy which means that both unrealised and realised gains and losses will be recorded in Other Comprehensive Income. This will eliminate the need to elect each time an investment asset is purchased.

At the end of the financial year the Company held investments in the Burrell Australian Equities Trust, the Burrell World Equities Trust and the Burrell Smallcaps Midcaps and Resources Trust ("the Trusts") representing 42.07%, 22.02% and 25.16% respectively of the units on issue of each trust. This would normally mean that the investments by the Company in these entities be accounted for by adopting the AASB 128 Investments in Associates Accounting Standard. However, the directors have considered the nature of the company's investment in the Trusts and determined the Company does not have significant influence. Accordingly, the Company, as an investor, has adopted the accounting treatment under AASB 9 and recorded the investments as 'financial assets at fair value through other comprehensive income', whereas previously they were recorded as 'available for sale' under AASB 139. This has been done because all three trusts are investment vehicles which invest in the shares of listed companies and managed funds and these assets held by the trusts are accounted for as 'financial assets at fair value through other comprehensive income' assets. Therefore, the Company has 'looked through' to the nature of its underlying assets and applied the same accounting treatment to maintain consistency and avoid confusion to the readers of these financial statements. It should be noted that the affect on the net assets of the Company under equity accounting and the current treatment is the same.

Note 1. Significant accounting policies (continued)

Initial application of AASB 15: *Revenue from Contracts with Customers*

The Company has adopted AASB 15: Revenue from Contracts with Customers with an initial application date of 1 July 2018. The standard establishes a principles-based approach for revenue recognition and is based on the concept of recognising revenue for performance obligations only when they are satisfied and the control of goods or services is transferred. In doing so, the standard applies a five-step approach to the timing of revenue recognition and applies to all contracts with customers, except those in the scope of other standards. It replaces the separate models for goods, services and construction contracts under the current accounting standards.

The majority of Company's revenue are trust distributions and dividends income, where there is no particular performance obligation attached and revenue is recognised when it is received or when the right to receive payment is established. There is no material impact from the adoption of AASB 15 on these revenue streams. Therefore, no impact is shown for AASB 15 as the directors, after applying the five-step model per AASB 15, assessed that there is no material difference in the results of the Company between applying AASB 118 and AASB 15.

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

Basis of preparation

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

Historical cost convention

The financial statements have been prepared under the historical cost convention, modified where applicable by the measurement at fair value of financial assets and liabilities.

Critical accounting estimates

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

Operating segments

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

Revenue recognition

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

Revenue from passive dividends and interest is recognised as it is received. Revenue from trust income is recognised when it is declared and is due and receivable.

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

Note 1. Significant accounting policies (continued)

Other revenue

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

Income tax

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

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

When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

Cash and cash equivalents

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

Trade and other receivables

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired.

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

Note 1. Significant accounting policies (continued)

Investments and other financial assets

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

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

Investments in Associates

AASB 128 – Investments in Associates

This accounting standard is applied in accounting for investments in entities where the investor has significant influence, which is presumed if the investor holds 20% or more of the voting power of the investee, unless it can be shown otherwise. Investments in associates are normally accounted for in the financial statements by applying the equity method of accounting whereby the investment is recognised at cost and adjusted for thereafter for the post acquisition change in the Company's share of the net assets of the associate entity.

AASB 9 Financial Instruments

Initial recognition and measurement:

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

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Note 1. Significant accounting policies (continued)

Classification and subsequent measurement:

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss;

on the basis of the two primary criteria, being:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for derecognition of financial assets:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (i.e. no practical ability to make unilateral decision to sell the asset to a third party).

The Company recognised a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Note 1. Significant accounting policies (continued)

Recognition of expected credit losses in financial statements

At each reporting date, the Company recognised the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial asset that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

Trade and other payables

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

Issued capital

Ordinary shares are classified as equity.

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

Dividends

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

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the company, on or before the end of the financial year but not distributed at the reporting date.

Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

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

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

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

Cash flows are presented on a gross basis.

Note 1. Significant accounting policies (continued)

New Accounting Standards for Application in Future Periods

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Company, together with an assessment of the potential impact of such pronouncements on the Company when adopted in future periods, are discussed below:

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Management has reviewed the impact of this standard and notes that the new standard is not expected to have a material effect on the Company's financial statements.

Note 2. Critical accounting judgements, estimates and assumptions

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

Note 3. Operating segments

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

Note 3. Operating segments (continued)

Operating segment information

	Australian Large-cap Long-Term Shares \$	Australian Small-Mid- cap Shares \$	Overseas Long-Term Shares \$	Intersegment eliminations/ unallocated \$	Total \$
30 June 2019					
Revenue					
Dividend income	22,490	-	-	-	22,490
Interest revenue	569	-	-	-	569
Trust distributions from related parties	238,529	10,174	50,329	-	299,032
Other trust income	-	-	-	-	-
Other revenue	100	-	-	-	100
Total revenue	<u>261,688</u>	<u>10,174</u>	<u>50,329</u>	<u>-</u>	<u>322,191</u>
Segment result	<u>261,688</u>	<u>10,174</u>	<u>50,329</u>	<u>(60,185)</u>	<u>262,006</u>
Net gain/(loss) on disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-
Profit/(loss) before income tax	<u>261,688</u>	<u>10,174</u>	<u>50,329</u>	<u>(60,185)</u>	<u>262,006</u>
Income tax expense					(3,081)
Profit after income tax					<u>258,925</u>
Assets					
Segment assets	<u>3,544,828</u>	<u>612,332</u>	<u>1,175,247</u>	<u>54,552</u>	<u>5,386,959</u>
Total assets					<u>5,386,959</u>
Liabilities					
Segment liabilities	<u>357,791</u>	<u>87,104</u>	<u>(1,833)</u>	<u>2,349</u>	<u>445,411</u>
Total liabilities					<u>445,411</u>

Note 3. Operating segments (continued)

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	Australian Large-cap Long-Term Shares \$	Australian Small-Mid- cap Shares \$	Overseas Long-Term Shares \$	Intersegment eliminations/ unallocated \$	Total \$
30 June 2018					
Revenue					
Dividend income	22,908	-	-	-	22,908
Interest revenue	406	-	-	-	406
Trust distributions from related parties	162,186	78,766	91,395	-	332,347
Other trust income	-	-	-	-	-
Other income	-	-	-	-	-
Total revenue	<u>185,500</u>	<u>78,766</u>	<u>91,395</u>	<u>-</u>	<u>355,661</u>
Segment result	<u>185,500</u>	<u>78,766</u>	<u>91,395</u>	<u>(57,328)</u>	<u>298,333</u>
Net gain/(loss) on disposal of available-for-sale financial assets	<u>17,400</u>	<u>-</u>	<u>6,564</u>	<u>-</u>	<u>23,964</u>
Profit/(loss) before income tax	<u>202,900</u>	<u>78,766</u>	<u>97,959</u>	<u>(57,328)</u>	<u>322,297</u>
Income tax expense					(34,058)
Profit after income tax					<u>288,239</u>
Assets					
Segment assets	<u>3,324,089</u>	<u>654,280</u>	<u>1,171,629</u>	<u>47,930</u>	<u>5,197,928</u>
Total assets					<u>5,197,928</u>
Liabilities					
Segment liabilities	<u>322,958</u>	<u>13,804</u>	<u>76,695</u>	<u>2,705</u>	<u>416,162</u>
Total liabilities					<u>416,162</u>
Note 4. Revenue				2019	2018
				\$	\$
<i>Sales revenue</i>					
Dividends				22,490	22,908
Interest				569	406
Trust distributions from related parties				299,032	332,347
Other revenue				<u>100</u>	<u>-</u>
Revenue				<u>322,191</u>	<u>355,661</u>
Note 5. Other income				2019	2018
				\$	\$
Net gain/(loss) on disposal of available-for-sale financial assets				<u>-</u>	<u>23,964</u>

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Note 6. Income tax expense

	Note	2019 \$	2018 \$
<i>Income tax expense</i>			
Current tax		-	-
Deferred tax - origination and reversal of temporary differences		13,690	60,954
Adjustment recognised for prior periods		(10,609)	(26,896)
Aggregate income tax expense/(benefit)		<u>3,081</u>	<u>34,058</u>
Deferred tax included in income tax expense/(benefit) comprises:			
Decrease/(increase) in deferred tax assets	10	<u>13,690</u>	<u>60,954</u>
<i>Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate</i>			
Profit before income tax (expense)/benefit		<u>262,006</u>	<u>322,297</u>
Tax at the statutory tax rate of 30%		78,602	96,689
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:			
Entertainment expenses		-	126
Tax effect of timing differences not taken up as deferred tax items		9,051	3,999
Tax offsets		(73,963)	(39,860)
Adjustment recognised for prior periods		<u>13,690</u>	<u>60,954</u>
		<u>(10,609)</u>	<u>(26,896)</u>
Income tax expense/(benefit)		<u>3,081</u>	<u>34,058</u>
<i>Amounts charged/(credited) directly to equity</i>			
Deferred tax liabilities	12	<u>29,605</u>	<u>61,805</u>

Note 7. Current assets - cash and cash equivalents

	2019 \$	2018 \$
Cash and cash equivalents	<u>53,400</u>	<u>43,264</u>

Note 8. Current assets - trade and other receivables

	2019 \$	2018 \$
Distributions receivable from related parties	<u>181,804</u>	<u>195,247</u>

Note 9. Non-current assets - financial assets

	Note	2019	2018
		\$	\$
Equity investments at fair value	18	<u>5,150,604</u>	<u>4,954,752</u>
		<u>5,150,604</u>	<u>4,954,752</u>

Reconciliation

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

Opening fair value		4,954,752	4,760,312
Additions		97,167	23,050
Disposals		-	(23,658)
Adjustment to cost base of investments on capital reductions		-	(10,968)
Revaluation increments/(decrements)		<u>98,685</u>	<u>206,016</u>
Closing fair value		<u>5,150,604</u>	<u>4,954,752</u>

Refer to Note 17 for further information on financial instruments.

Note 10. Non-current assets - deferred tax

	Note	2019	2018
		\$	\$
<i>Deferred tax asset comprises temporary differences attributable to:</i>			
Amounts recognised in profit or loss:			
Timing differences on revenue recognition and tax losses from excess franking credits		<u>1,151</u>	<u>4,665</u>
Deferred tax asset		<u>1,151</u>	<u>4,665</u>
<i>Movements</i>			
Opening balance		4,665	37,980
Credited/(charged) to profit or loss	6	(13,690)	(60,954)
Prior year adjustment		<u>10,176</u>	<u>27,639</u>
Closing balance		<u>1,151</u>	<u>4,665</u>

Note 11. Current liabilities - trade and other payables

	2019	2018
	\$	\$
Trade payables	<u>2,349</u>	<u>2,705</u>

Note 12. Non-current liabilities - deferred tax

	Note	2019 \$	2018 \$
<i>Deferred tax liability comprises temporary differences attributable to:</i>			
Amounts recognised in equity:			
Revaluation of available-for-sale financial assets		443,062	413,457
Deferred tax liability		<u>443,062</u>	<u>413,457</u>
<i>Movements</i>			
Opening balance		413,457	351,652
Credited/(charged) to equity	6	29,605	61,805
Prior year adjustment		-	-
Closing balance		<u>443,062</u>	<u>413,457</u>

Note 13. Equity - issued capital

	2019 Shares	2018 Shares	2019 \$	2018 \$
Ordinary shares - fully paid	<u>1,565,873</u>	<u>1,559,305</u>	<u>3,753,651</u>	<u>3,735,474</u>

Movements in ordinary share capital

	Date	No. of shares	Issue price	\$
Balance	30 Jun 2017	1,552,648		3,716,288
DRP cost	1 Jul 2017			(371)
Dividend reinvestment plan	20 Oct 2017	3,364	\$3.03	10,184
DRP cost	20 Oct 2017			(368)
Rights & entitlement cost	20 Apr 2018	3,293	\$3.07	10,110
Dividend reinvestment plan	20 Apr 2018			(369)
Balance	30 Jun 2018	1,559,305		3,735,474
Dividend reinvestment plan	19 Oct 2018	3,154	\$3.07	9,683
DRP cost	6 Nov 2018			(1,516)
DRP cost	19 Feb 2019			(369)
Dividend reinvestment plan	10 Apr 2019	3,414	\$3.04	10,379
Balance	30 Jun 2019	<u>1,565,873</u>		<u>3,753,651</u>

Ordinary shares

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

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

Capital risk management

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

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

The capital risk management policy remains unchanged from the 30 June 2018 Annual Report.

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Note 14. Equity - Reserves

	2019 \$	2018 \$
Fair value of equity investments revaluation reserve	700,683	631,604
Fair value of equity investments realised gains(losses) reserve	-	-
	<u>700,683</u>	<u>631,604</u>

Movements in reserves

	Note	Revaluation reserve	Realised gains (losses) reserve \$	Total reserves \$
Balance at 30 June 2017		487,393	-	487,393
Revaluation - gross		206,016	-	206,016
Deferred tax	6	(61,805)	-	(61,805)
Balance at 30 June 2018		631,604	-	631,604
Revaluation - gross		98,685	-	98,685
Deferred tax	6	(29,605)	-	(29,605)
Realised gains and losses		-	-	-
Balance at 30 June 2019		<u>700,683</u>	<u>-</u>	<u>700,683</u>

Fair value of equity investments revaluation reserve

The reserve is used to recognise increments and decrements in the fair value of equity investment financial assets

Fair value of equity investments realised gains(losses) reserve

The reserve is used to recognise realised gains and losses on the disposal of fair value equity investment financial assets

Note 15. Equity - retained profits

	Note	2019 \$	2018 \$
Retained profits at the beginning of the financial year		414,688	312,421
Profit after income tax (expense)/benefit for the year		258,925	288,239
Dividends paid	16	(186,399)	(185,972)
Retained profits at the end of the financial year		<u>487,214</u>	<u>414,688</u>

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Note 16. Equity - dividends

Dividends

Final dividend

	2019	2018
	\$	\$
Final dividend paid	<u>92,860</u>	<u>93,148</u>
Year ended	30/06/2018	30/06/2017
Cents per share	6 ¢	6 ¢
Franking %	65%	75%
Date paid	19/10/2018	20/10/2017

Interim dividend

	2019	2018
	\$	\$
Interim dividend paid	<u>93,539</u>	<u>92,823</u>
Half-year ended	31/12/2018	31/12/2017
Cents per share	6 ¢	6 ¢
Franking %	100%	70%
Date paid	10/04/2019	20/04/2018
Total dividends paid or payable	<u>186,399</u>	<u>185,972</u>

Franking credits

	2019	2018
	\$	\$
Franking credits available for subsequent financial years based on a tax rate of 30%	<u>60,573</u>	<u>26,185</u>

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:
franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date;

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

Note 17. Financial instruments

Financial risk management objectives

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

Market risk

Foreign currency risk

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

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

Changes in Value

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

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

Price risk

The company is not exposed to any significant price risk.

Interest rate risk

The economic entity is exposed to interest rate risk on its cash holdings, which are generally subject to floating interest rates. The effective weighted average interest rate that applied to cash balances over the financial year was 1.6% (2018: 1.6%).

Credit risk

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

Note 17. Financial instruments (continued)

Liquidity risk

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

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

Note 18. Fair Value measurement

The company measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- financial assets at fair value through other comprehensive income.

The company does not subsequently measure any liabilities at fair value on a non-recurring basis.

a. **Fair Value Hierarchy**

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

The company's financial assets that are measured using a Level 2 valuation comprise unlisted unit trusts. The unit prices used in determining the fair value of the company's investment in those trusts is determined based on the fair value (market value or Level 1 methodology) of the underlying assets in the trusts that are entirely held in listed securities. The company does not have any financial assets at fair value measured at Level 3.

Note 18. Fair Value measurement (continued)

The following tables provide the fair values of the company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

		30 June 2019			
	Note	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$
Recurring fair value measurements					
<i>Financial assets</i>					
at fair value through other comprehensive income					
shares in listed companies		426,547	-	-	426,547
units in unlisted trusts - related parties		-	4,724,057	-	4,724,057
Total financial assets recognised at fair value on a recurring basis	9	426,547	4,724,057	-	5,150,604

		30 June 2018			
	Note	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$
Recurring fair value measurements					
<i>Financial assets</i>					
Available-for-sale financial assets:					
shares in listed companies		375,483	-	-	375,483
units in unlisted trusts - related parties		-	4,579,269	-	4,579,269
Total financial assets recognised at fair value on a recurring basis	9	375,483	4,579,269	-	4,954,752

b. **Valuation Techniques and Inputs Used to Measure Level 2 Fair Values**

Description	Valuation Technique(s)	Inputs Used	Fair Value at 30 June 2019 \$
<i>Financial assets</i>			
Shares in unlisted unit trusts - related parties	Market approach using unit prices determined by underlying fair value of listed assets	Fair value of trust's listed investments	4,724,057

Note 19. Remuneration of auditors

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

	2019 \$	2018 \$
<i>Audit services - PKF Brisbane Audit</i>		
Audit of financial statements	15,700	15,200
	<u>15,700</u>	<u>15,200</u>

Note 20. Events after the reporting period

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 21. Reconciliation of profit after income tax to cash from/(used in) operating activities

	2019	2018
	\$	\$
Profit after income tax expense for the year	258,925	288,239
Adjustments for:		
Net fair value loss/(gain) on available-for-sale financial assets		(23,964)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	13,443	(152,560)
Decrease/(increase) in deferred tax assets	3,514	33,315
Increase/(decrease) in provision for income tax	-	743
Increase/(decrease) in other operating liabilities	(356)	2,704
Net cash from/(used in) operating activities	<u>275,526</u>	<u>148,477</u>

Note 22. Earnings per share

	2019	2018
	\$	\$
Profit after income tax attributable to the owners of Australia and International Holdings Limited	<u>258,925</u>	<u>288,239</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,562,258</u>	<u>1,555,620</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,562,258</u>	<u>1,555,620</u>
	Cents	Cents
Basic earnings per share	16.57 ¢	18.53 ¢
Diluted earnings per share	16.57 ¢	18.53 ¢

Note 23. Related Parties

Investments in related trusts

	2019	2018
	\$	\$
Investments - Non-current		
Investment in the Burrell Australian Equities Trust	2,981,872	2,887,277
Investment in the Burrell World Equities Trust	1,136,425	1,101,725
Investment in the Burrell Smallcap, Midcap and Resources Trust	605,760	590,266
	<u>4,724,057</u>	<u>4,579,269</u>
Total	<u>4,724,057</u>	<u>4,579,269</u>

Distributions from related trusts

Distributions received or due and receivable by the Company from:

	2019	2018
	\$	\$
The Burrell Australian Equities Trust	238,529	162,186
The Burrell World Equities Trust	50,329	91,395
The Burrell Smallcap, Midcap and Resources Trust	10,174	78,766
	<u>299,032</u>	<u>332,347</u>

Other transactions with Directors

Mr C T Burrell, Mr B C E Rowley and Mr R J Burrell are Directors of Burrell Stockbroking Pty Ltd. This company provides stockbroking and secretarial, portfolio administration and management services to the Company. No brokerage was paid by the Company to Burrell Stockbroking Pty Ltd during the year, and an amount of \$15,866 was paid in respect of the other services. Mr C T Burrell, Mr B C E Rowley and Mr R J Burrell are Directors of Burrell & Co Holdings Pty Ltd. This company provides clearing and settlement services to the Company. There were no fees or charges paid by the Company to Burrell & Co Holdings Pty Ltd during the year.

Australia and International Holdings Limited
Directors' declaration

In the directors' opinion:

1. the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards as described in note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. the attached financial statements and notes thereto comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
3. the attached financial statements and notes thereto give a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
4. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors by the Managing Director and the Chief Financial Officer regarding the financial statements in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2019. The declarations received were that, in the opinion of the Managing Director and the Chief Financial Officer to the best of their knowledge, the financial records of the Company have been properly maintained, that the financial statements comply with accounting standards and that they give a true and fair view.

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

On behalf of the directors



Bernard C Rowley
Chairman



Christopher T Burrell
Director

Brisbane
11 September 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Australia & International Holdings Limited ("the company"), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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.

In our opinion the financial report of Australia & International Holdings Limited is in accordance with *the Corporations Act 2001*, including:

- (i) Giving a true and fair view of the company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibility for the Audit of the Financial Report* section of our report.

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

Independence

We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. This matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For the matter below, our description of how our audit addressed the matter is provided in that context.

Accounting treatment of investments in Burrell Australian Equities Trust, Burrell World Equities Trust and Burrell Smallcaps Midcaps and Resources Trust

Why significant

As at 30 June 2019, the carrying value of the investments in Burrell Australian Equities Trust, Burrell World Equities Trust and Burrell Smallcaps Midcaps and Resources Trust ("the Trusts") was \$4,724,057 (2018: \$4,579,269), as disclosed in Notes 9 & 18 representing 87.70% of total assets at that date.

The company accounted for the investment in the Trusts on a 'look-through' basis and recognised these investments in accordance with AASB 9 *Financial Instruments* as financial assets through other comprehensive income with the unrealised and realised gains and losses recorded in the reserves in equity.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- to assess whether the company has control or significant influence over the investments in the Trusts:
 - obtaining the position paper prepared by management and assessing whether the assumptions used by management are still appropriate;
 - assessing whether the company's accounting treatment complies with AASB 9; and
 - assessing the appropriateness of the related disclosures in Notes 1, 9 and 18.

Other Information

Other information is financial and non-financial information in the annual report of the company which is provided in addition to the Financial Report and the Auditor's Report. The directors are responsible for Other Information in the annual report.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' report and Shareholders' information. The remaining Other Information is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information in the Financial Report and based on the work we have performed on the Other Information that we obtained prior the date of this Auditor's Report we have nothing to report.

Directors' Responsibilities for the Financial Report

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

In preparing the financial report, the Directors are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using a going concern basis of accounting unless the Directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

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 assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of 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 conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Australia & International Holdings Limited for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

PKF BRISBANE AUDIT



Liam Murphy
Partner

Brisbane, 11 September 2019

Australia and International Holdings Limited
Shareholder information
30 June 2019

The shareholder information set out below was applicable as at 30 June 2019

Distribution of equitable securities

Analysis of the number of equitable security holders by size of holdings:

	Number of holders of ordinary shares	Number of ordinary shares held	% of total shares held
1 to 1,000	20	4,617	0.3%
1,001 to 5,000	37	114,373	7.3%
5,001 to 10,000	43	302,531	19.3%
10,001 to 100,000	25	698,985	44.6%
100,001 and over	3	445,367	28.4%
	128	1,565,873	100.0%
Holdings of less than a marketable parcel		847	0.1%

Equity security holders

Twenty largest quoted equity security holders

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

	Ordinary Shares	
	Number held	% of total shares held
Mr Christopher Thomas Burrell	157,766	10.1%
CTBFam Pty Ltd	150,000	9.6%
CTBFam Pty Ltd <Secret Super Fund>	137,601	8.8%
Sajrej Pty Ltd	77,713	5.0%
Ms Marian Micalizzi	59,876	3.8%
RJB Superannuation Pty Ltd <The RJ Burrell Superannuation Fund>	58,381	3.7%
Donna Irwin	47,352	3.0%
Mr Jason Edward Leggatt	45,312	2.9%
Wanstead Investment Company	45,000	2.9%
Prof. Francis James Finn	35,681	2.3%
JNBFam Pty Ltd	34,246	2.2%
Mrs Rosemary Josephine Burt	32,923	2.1%
Rowley Pty Ltd <Rowley Superannuation Fund>	32,421	2.1%
Sheford Investments Pty Ltd	29,467	1.9%
Mr Roger Burrell	21,627	1.4%
Mr Anthony Meale Killer & Mrs Sandra Marie Killer <The Killer Super Fund>	19,699	1.3%
<LAUREL YESBERG SUPER A/C>	18,732	1.2%
Dr Roger J Hartigan <Hartigan Fund A/c>	16,800	1.1%
Mr Peter MacDonald Byers and Mrs Pamela Anne Byers	15,444	1.0%
Mr Roger John Burrell & Mr Christopher Thomas Burrell <STUD TTF>	15,304	1.0%
	1,051,345	67.1%

Unquoted equity securities

There are no unquoted equity securities on issue.

Australia and International Holdings Limited
Shareholder information
30 June 2019

Substantial shareholders

Substantial shareholders in the company are set out below:

	Ordinary Shares	
	Number held	% of total shares held
Mr Christopher Thomas Burrell	157,766	10.1%
CTBFam Pty Ltd	150,000	9.6%
CTBFam Pty Ltd <Secret Super Fund>	137,601	8.8%
Sajrej Pty Ltd	77,713	5.0%

Voting rights

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

Ordinary shares

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

There are no other classes of equity securities.

Australia and International Holdings Limited
Five year summary of performance
30 June 2019

	2019 \$	2018 \$	2017 \$	2016 \$	2015 \$
Profit and Loss					
Revenue from operating activities	322,191	379,625	165,986	159,144	155,695
Total expenses	(60,185)	(57,328)	(53,224)	(56,509)	(50,215)
Profit from ordinary activities before income tax expense	262,006	322,297	112,762	102,635	105,480
Income tax benefit/(expense)	(3,081)	(34,058)	5,495	(761)	7,687
Net profit/(loss) after tax	258,925	288,239	118,257	101,874	113,167
Net profit/(loss) attributable to the owners of Australia & International Holdings Limited	258,925	288,239	118,257	101,874	113,167
Balance Sheet					
Current assets	235,204	238,511	69,461	72,391	140,583
Non-current assets	5,151,755	4,959,417	4,798,292	4,339,827	4,692,598
Total assets	5,386,959	5,197,928	4,867,753	4,412,218	4,833,181
Current liabilities	2,349	2,705	0	2,769	0
Non-current liabilities	443,062	413,457	351,652	264,211	372,776
Total liabilities	445,411	416,162	351,652	266,980	372,776
Shareholders' funds	4,941,548	4,781,766	4,516,101	4,145,238	4,460,405
Earnings per share	16.57 ¢	18.53 ¢	7.8 ¢	6.94 ¢	7.95 ¢
Dividends per share	12 ¢	12 ¢	12 ¢	12 ¢	12 ¢
Net assets value per share	316 ¢	307 ¢	291 ¢	282 ¢	305 ¢
Price earnings ratio (x)	19.07	16.57	37.31	40.62	38.38