



Belmont Holdings Limited

ABN 65 000 144 561

- ASX Announcement -

Annual Report lodged - Net Assets at \$1.55 – proposed change of name

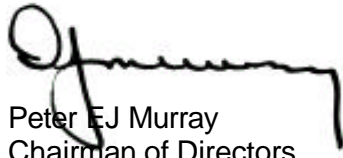
Belmont Holdings Limited confirms it has lodged its Annual Report with the Australian Securities Exchange.

Belmont also advises that the company will be submitting to shareholders special resolutions at the forthcoming shareholder meeting to (a) change the company's name to Imperial Pacific Limited and (b) to amend the Constitution to take account of the new Corporations Act amendments in relation to the payment of dividends.

The Directors also advise that the company's unaudited estimated net tangible assets now stand at \$4.495,000, or \$1.55 per share.

As previously announced, Belmont intends to pay a fully franked dividend of 3.5 cents per share to shareholders. As the dividend is subject to shareholders passing the proposed amendments to the Constitution, Directors advise that payment will be made after the shareholder meeting on Friday 29 October 2010.

Yours faithfully,



Peter EJ Murray
Chairman of Directors

24 September 2010





Belmont Holdings Limited

ABN 65 000 144 561

Annual Report

2010

Imperial Pacific
Asset Management
Pty Limited



Incorporated in 1937 - 100% owned

MAINSTREAMBPO
SPECIALISTS IN BUSINESS PROCESS OUTSOURCING

<2% direct and 18% via Convertible Notes>





Belmont Holdings Limited

ABN 65 000 144 561

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Shareholders of Belmont Holdings Limited will be held at Level 9, 33 Erskine Street, Sydney on Friday 29 October 2010 at 11.30 am.

Ordinary Business

1. To receive, consider and discuss the Directors' Report and Accounts for the year ended 30 June 2010 and payment of dividend.
2. To adopt the Remuneration Report for the year ended 30 June 2010 as disclosed in the Directors Report. (Note: The vote on this resolution is advisory only and does not bind the Directors.)
3. To elect a Director. In accordance with the Constitution Mr.R.Chenery retires by rotation, and being eligible, offers himself for re-election. (Details of Mr Chenery are shown later.)

Special Business – See Explanatory Notes on Page 3.

4. To consider and if thought fit, pass the following resolution as a special resolution:
“That the name of the company be changed to Imperial Pacific Limited”.
5. To consider and if thought fit, pass the following resolution as a special resolution:
“That the Constitution be changed by substituting Article 129 with the following new Article:
129. Dividends payable by the Company must meet all legislative and regulatory requirements in force at the time, and no dividend shall carry interest as against the Company.”

Other

6. To transact such other business as may be brought forward in accordance with the Constitution and the Corporations Act 2001.

By Order of the Board

Robert G. Pettener
Company Secretary

Sydney,

17 September 2010

PROXIES

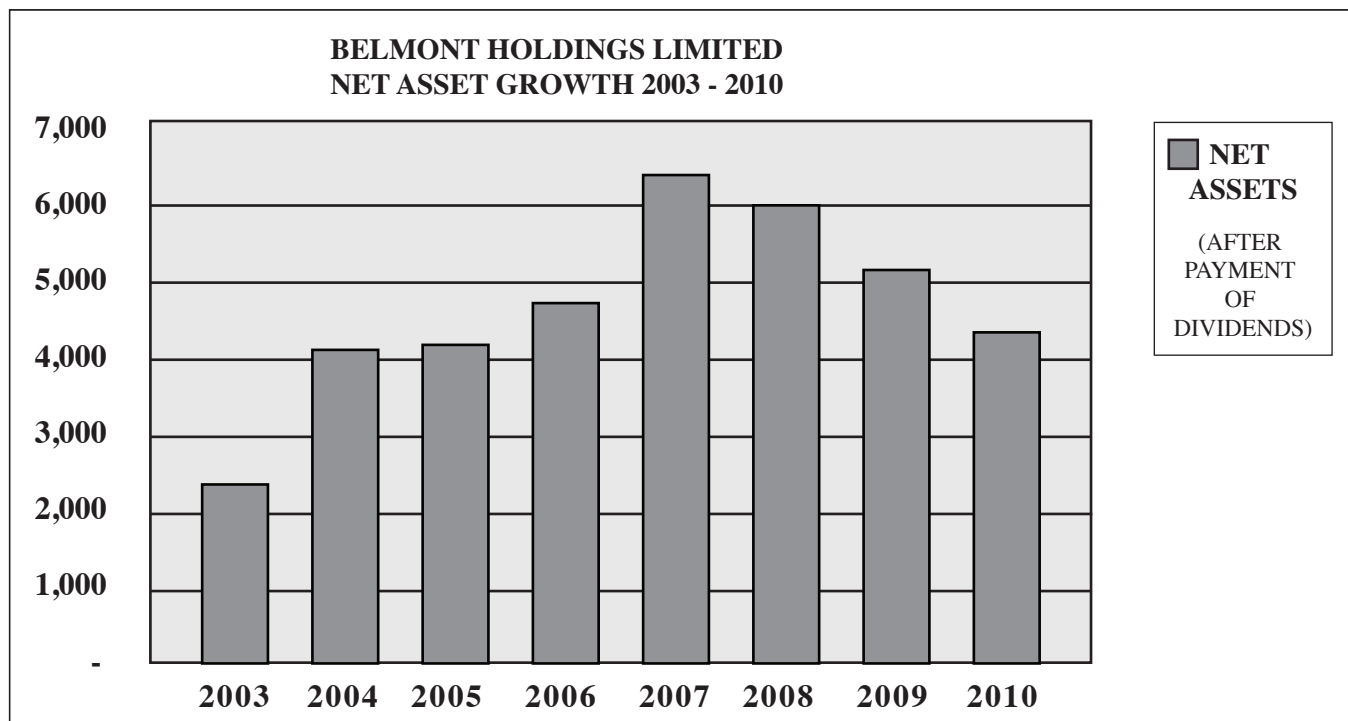
A member entitled to attend and vote is entitled to appoint no more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. A proxy need not be a member of the Company. Proxies must be deposited or sent electronically to the registered office of the Company not less than 48 hours before the time of the meeting. A proxy form is enclosed with this notice



BELMONT HOLDINGS LIMITED

ABN 65 000 144 561

NET ASSET GROWTH





Belmont Holdings Limited

Key Features for 2009/2010

- Holding pattern maintained in aftermath of GFC
- Research continues for appropriate group investments
- Action pursued on poor performers Mainstream and Penrice
 - Unsuccessful attempt to change two directors of Penrice
 - Legal advice sought and action pending with both investments
- Interest reinstated in resource sector

Corporate Directory

Directors:	P. E. J. Murray FCA, SA Finsia (Chairman of Directors) R. Chenery BSc, MBA J. C. Plummer BCom, MBA
Company Secretary:	R. G. Pettener MCom, CPA
Auditors	Cutcher & Neale, Chartered Accountants 25 Bolton Street, Newcastle, NSW 2300
Bankers	Westpac Banking Corporation Bank of Western Australia (BankWest)
Corporate and Registered Office:	Level 10, 19 Pitt Street, Sydney NSW 2000 Postal Address: PO Box R1414, Royal Exchange, NSW 1225 Telephone: (02) 9247-9315 Facsimile: (02) 9247-9336
Share Registrar	Registries Limited Level 7, 207 Kent Street, Sydney NSW 2000 Telephone: (02) 9290 9600 Facsimile: (02) 9279 0664
Web-site:	www.belmontholdings.com.au
Stock Exchange	Australian Securities Exchange Limited (Home Exchange – Sydney (Code - "BET") 20 Bridge Street, Sydney, NSW 2000



Belmont Holdings Limited

Chairman's Review of 2010

The Year - Our Strategy

Going into the difficult financial and stock-market conditions that erupted in late 2007 Belmont was well placed with group related assets showing significant cash levels and some modest holdings in companies we perceived to have good potential. As depressed market conditions continued, the group expanded its investment base sensibly. However, as shareholders know, a couple of these investments have caused pain. This has meant that most of the 2009-10 strategy has been directed to putting out fires. This task continues, but we have looked seriously at other areas of growth, including the financial service and resource sectors.

Results and Dividend

Belmont has reported a loss of \$72,000 for the year, primarily due to a lack of investment management performance fees. Directors have decided to pay a fully franked dividend of 3.5 cents for 2010.

Net Assets

Net assets at 30 June stood at \$4.3 million, down on 2009 because of the fall in the value of London City's 8% strategic stake in Penrice Soda Holdings Limited, a company that has annoyingly failed to make its proclaimed profit forecasts for some years. Or pay a dividend for two years.

Finance

Belmont is conservatively funded. It has no formal debt and has adequate resources for its current business.

Investment

The key investment, 28.5% of **London City Equities Limited** has reported a small but disappointing loss of \$110,000 (profit of \$237,000 for 2009). This loss was outside London City's control and is due entirely to the failure of 8% owned Penrice Soda Holdings Limited to meet profit forecasts or pay dividends. Belmont's investment in the Convertible Loan Notes of **MainstreamBPO Pty Limited** continues to be disappointing, although it recorded a profit for 2010. Mainstream owes Belmont over \$160,000 in interest. Efforts of some conciliation were wasted and legal process is imminent.

From time to time Belmont has been involved in the resources sector and its successful turn-around of Camelot Resources Limited was one example. Belmont's subsidiary, Imperial Pacific Resources Pty Limited is presently examining one resource project.

Outlook

Given the issues at both Penrice (with London City) and MainstreamBPO (with Belmont) it is presently difficult to predict what will happen in 2010-11. Action taken with Penrice is likely to take some time. MainstreamBPO is expected to be more immediate. Resources aspirations continue but will take time.

Name Change

Your Directors have decided to change the company's name to Imperial Pacific Limited to reflect more accurately the underlying businesses of the group which all operate under the title of "Imperial Pacific". We consider the move is positive. The change is inexpensive and It helps product marketability. The Board recommends the change.

On behalf of the Board

P. E. J. Murray
Chairman of Directors

17 September 2010



Belmont Holdings Limited

Explanatory Notes re Special Resolutions

Special Resolution – Change of Company Name

This resolution seeks approval for a change of the Company's name to "Imperial Pacific Limited". It amends the Constitution Memorandum Clause 1 and is in accordance with Section 157(a) of the Corporations Act. This resolution is a special resolution that requires a 75% majority of members present or voting by proxy.

The Directors point out that all of the Company's subsidiaries carry on their respective businesses under the title of "Imperial Pacific". These include Imperial Pacific Asset Management Pty Limited, Imperial Pacific Fund Managers Pty Limited and Imperial Pacific Resources Pty Limited. The current parent company name of Belmont Holdings Limited is not representative of these activities.

The Board believes the new name reflects more accurately the corporate group and recommends shareholders vote in favour of the resolution.

Special Resolution – Change of Constitution – Article 129

This resolution seeks approval for a change in the Company's Constitution to reflect the recent changes in the Corporations Act 2001 in which companies are now permitted to pay dividends to shareholders on the basis of meeting certain solvency criteria, despite the availability or otherwise of profits to pay such a dividend. This resolution is a special resolution that requires a 75% majority of members present or voting by proxy.

Article 129 of the Company's Constitution presently states that "No dividend shall be payable except out of the profits of the Company, and no dividend shall carry interest as against the Company." Given the parent company's current reserve and limited retained profit status, the Article is restrictive. The Company cannot pay a dividend to shareholders in the present circumstances although it holds significant franking credits and maintains a conservative balance sheet.

Unless the Article is changed the Company can not take advantage of the new simplified legislation. Nor will it be able to pay a dividend for 2010. This is contrary to the Board's wish to maintain an appropriate fully franked dividend flow to shareholders.

For these reasons, the Board believes the former Article should be substituted by a new Article that reflects the new simplified legislative dividend regime. The Board recommends shareholders vote in favour of the resolution.



Belmont Holdings Limited

ABN 65 000 144 561

Statutory Directors' Report for the Year to 30 June 2010

Your Directors present their report on the Company and its controlled entities for the year ended 30 June 2010.

Strategic Positioning

Belmont Holdings' key objective is to create and maintain a group of entities that provide productive services to the financial sector. In addition to participating in equity ownership, Belmont offers traditional and innovative management and financial assistance to those entities in which it has an interest, such as London City Equities (28.5% owned) and MainstreamBPO Pty Limited (possible 20% owned). Belmont undertakes this specific and short term financial services focus, rather than operate as a longer term strategic equity holder in the broader investment sector such as London City Equities Limited. Belmont is risk averse. It can be assertive when required.

Directors and Officers

The Directors and officers of the Company in office at any time during of the year are as follows:

Peter E.J. Murray - Chairman of Directors.

Chartered Accountant, Senior Associate Financial Services Industry of Australia, Member Turnaround Management Association of Australia.

Mr Murray has spent over 35 years involved in company management, corporate finance and ASX listed company matters. He has been a senior executive in merchant banking and stockbroking at Director level. Experienced in corporate financial advice, mergers, fund raisings and general corporate management. Chairman of Belmont Holdings Limited since 1980. Past Chairman of Directors of Camelot Resources NL and CCI Holdings Limited. Director and Chief Operating Officer of London City Equities Limited.

John C Plummer - Non-Executive Director.

Special Responsibility: Chairman, Audit, Compliance and Risk Management Committee and Chairman of Remuneration Committee

Bachelor of Commerce; Master of Business Administration.

Mr Plummer's background has been in marketing, product purchasing and human resources. Experienced in general management, personnel and areas of investment. Deputy Chairman of Chandler Macleod Group Limited, a leading ASX listed personnel organisation. Director of London City Equities Limited and Professional Associations Superannuation Limited (Chairman of Investment Committee).

Robin Chenery - Non Executive Director.

Special Responsibility: Member of Audit, Compliance and Risk Management Committee and Member of Remuneration Committee

Bachelor of Science (Honours), Master of Business Administration

Mr Chenery's initial background was in manufacturing management. He has in excess of 35 years extensive Australian and international experience in the steel and coal industries. He has also held a significant number of Board positions throughout his career. Past Director of CCI Holdings Limited and currently a Director of London City Equities Limited.

Statutory Directors Report (Cont'd)

Directors and Officers (Cont'd)

Robert G Pettener – Company Secretary.
Master of Commerce, Certified Practising Accountant

Mr Pettener has been in accounting public practice for over 20 years. His expertise includes accounting, superannuation and taxation issues.

Particulars of Directors Interests in Shares in the Company are:

Ordinary Shares

PEJ Murray	1,145,994
JC Plummer	663.790
R Chenery	1,000

During the financial year the following formal meetings were held:

	Board Meetings		Audit, Compliance and Risk Committee		Remuneration Committee	
	Eligible to attend	Number Attended	Eligible to attend	Number Attended	Eligible to attend	Number Attended
P. E. J. Murray	5	5	-	-	-	-
J. C. Plummer	5	5	3	3	2	2
R. Chenery	5	5	3	3	2	2

In accordance with the Constitution, Mr. R. Chenery retires from the Board at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

Remuneration Report

The company has a Remuneration Committee which is responsible for remuneration policies and monitors the remuneration of Directors and officeholders with market conditions. Details of the emoluments of the Directors are set out in Note 20 of the financial statements and are also shown below:

	Fees	Super Contributions	Total
Mr P.E.J.Murray	\$130,720	-	\$130,720
Mr. J.C.Plummer	\$25,000	\$2,250	\$27,250
Mr R Chenery	\$25,000		\$25,000

Principal Activities

The principal activities of the economic entity in the course of the financial year were in strategic equity investment in financial services and the portfolio management of London City Equities Limited, this latter role carried out through the Australian Financial Services Licence held by subsidiary, Imperial Pacific Asset Management Pty Limited. Time was spent during the year to Belmont's convertible loan stock investment in MainstreamBPO Pty Limited, a fund administration service provider where \$175,000 was converted to equity. Efforts were also directed at strengthening London City's disappointing involvement in Penrice Soda Holdings Limited.

Statutory Directors Report (Cont'd)

Trading Results and Dividend Status

Belmont reports a loss for the year of \$72,000 (profit of \$5,000 in 2009). The Directors have declared the payment of a dividend of 3.5 cents per share , fully franked, for 2010.

Objectives, Achievements and Review of Operations

The Board's prime objective during the year was the protection of group assets in difficult market conditions, in particular undertaking legal and other activity relating to the unexpected poor performance of London City's portfolio holding of 8% in South Australian based Penrice Soda Holdings Limited.

Belmont's investment of \$1,925,000 in MainstreamBPO, a Sydney based fund management administration business with superannuation administration activities in Melbourne has been disappointing and frustrating, despite claims made at the time of the investment in 2006. \$175,000 of the 31 December 2011 unsecured convertible loan notes was converted to direct equity in April, leaving \$1,750,000 repayable next year. At the date of this report over \$160,000 of interest remains unpaid. MainstreamBPO is submitting that another financier, Investec Bank Australia is restricting payment due to loan covenant issues. Belmont is taking legal advice on the situation.

Belmont continues to have a debt free Balance Sheet and its key investment, London City Equities, reflects the same conservatism.

Environmental regulation

The Company is not subject to significant environmental regulations under any Commonwealth, State or Territory Law.

Future developments

Directors plan to continue to focus on enhancing the values of Belmont's assets, particularly its AFS licensed operator Imperial Pacific Asset Management Pty Limited. Attention will also be given to the group's part equity ownership and portfolio management of London City's portfolio. The MainstreamBPO investment is likely to be subject to very early legal process. Directors are submitting to shareholders a change in the company's name to Imperial Pacific Limited.

In the opinion of the Directors likely developments in the operations of the company known at the date of this report have been covered generally within the Annual Report.

Matters subsequent to 30 June 2010

Directors have declared the payment of a fully franked dividend of 3.5 cents per share for 2010.

Proceedings in relation to the company

At the date of this report 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.

Statutory Directors Report (Cont'd)

Directors and auditors indemnification

The company has not, during or since the end of the financial year in respect of any person who is or has been an officer or auditor of the company or a related body corporate indemnified or made any relevant agreement for indemnifying against a liability incurred by an officer, including costs and expenses in successfully defending legal proceedings; or paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings. There is at present no formal insurance policy in existence.

Risk and Compliance Control

The Board of Directors has in place an Audit, Compliance and Risk Management Committee to assist its deliberations in respect of these issues. The ACRM Committee meets regularly and considers, amongst other things, internal control processes of the company. All Board meetings consider issues raised by the ACRM Committee and formal management reports on the compliance by the company with its key obligations. The Board also notes the regulatory compliance obligations of its portfolio management subsidiary, Imperial Pacific Asset Management Pty Limited.

The Directors have received and considered the Section 295A certification from the two senior officeholders responsible for meeting the company's financial, operational and compliance requirements.

Auditor

The auditor continues in office in accordance with Section 327 of the Corporations Act 2001.

Non-audit Services.

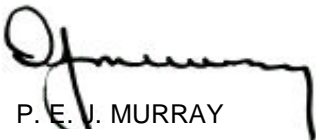
Details of the non-audit services provided by the auditor are set out at Note 21 of the financial statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means the auditor independence was not compromised.

Auditor's Independence Declaration

A copy of the auditor's declaration under Section 307C in relation to the audit for the financial year is provided later in this report.

Signed in accordance with a resolution of the Directors. Dated at Sydney this 17th day of September, 2010.

On behalf of the Board,



P. E. J. MURRAY



J. C. PLUMMER



Belmont Holdings Limited

ABN 65 000 144 561

Corporate Governance Matters - 2010

Belmont Holdings has noted the “best practice recommendations” of the ASX Corporate Governance Council. The Board of Belmont believes it carries out the broad thrust of the guidelines in a proper and pragmatic way for a small company such as Belmont in the strategic financial services investment business. In some cases it has not adopted a small number of the formal “best practice recommendations”. The corporate governance policies of the company and the departures from the recommendations are discussed below.

Principle 1 Lay solid foundations for management and oversight

Belmont has a Board Charter which establishes the functions reserved to the Board and to senior management. Belmont operates its business through its Board of Directors and management. The Board sets and monitors strategic business plans and shorter term operating challenges. The Board meets at least once a quarter. Belmont has a formal policy in relation to Core Business Processes as well as formal policies on investment processes and approvals. The operations of the company and delegation of duties are inherent in a public listed organisation with investments that may impact on other companies. A copy of the Board Charter is set out in the rear pages of this Annual Report.

Principle 2 Structure the Board to add value

The Board of Directors is structured to add long term value to Belmont. The Directors hold a variety of professional, securities market and corporate skills, operating in a climate where cost effectiveness is a key issue and shareholding interests encourage active participation. There are three Directors, of whom one is regarded for corporate governance purposes as an independent director. Directors believe it is not practical, nor cost-effective, for Belmont to have a majority of persons “independent” (as defined by the governance principles) on the Board of Belmont. Indeed the Directors believe it is positive that major shareholdings are held by Directors. Belmont’s policy allows Directors, subject to Board approval, to take independent professional advice at its expense.

Directors also point out that they regard a formal Board nomination committee as not being appropriate for a company like Belmont. This task is undertaken by the Board as a whole as and when circumstances dictate. The criteria set for membership of the Board and is to ensure that there exists a sufficient mix of skills and experience for a company of the nature of Belmont to add value and enhance shareholders’ wealth.

The Directors also believe they are very open and transparent in disclosing their plans, aspirations and financial results to the shareholders. They believe the annual shareholder meetings provide a good opportunity for shareholders to evaluate their performance. Directors are subject to re-election every three years. The Board has a policy of operating a tight structure, but appoints external parties experienced in specific sectors from time to time to provide the Board with expert advice.

Principle 3 Promote ethical and responsible decision-making

The Board is committed to ensuring that the group's affairs are conducted in a judicious and ethical manner. Belmont has a formal Code of Conduct Policy in place. Belmont has policies in dealing in the company’s securities in addition to complying with legislative and regulatory obligations, for example in regard to confidential information. Directors and officeholders are prohibited from dealing in Belmont between the end of accounting periods and the release of results without the consent of the Board. Investments on the Embargo list are also prohibited without the approval of the Board.



Belmont Holdings Limited

ABN 65 000 144 561

Corporate Governance (Continued)

A summary of terms of the Code of Conduct follows:

Belmont and its shareholders expect that each Director, member of staff and / or related personnel should pursue exemplary conduct in respect of ethics, roles and responsibilities of their office. The Group's directors and employees should conform with high community standards of corporate and individual behaviour., in particular:

PERSONAL BEHAVIOUR AND ACCOUNTABILITY

- a. Role and statutory responsibilities as an officer of the corporation
- b. Awareness of social responsibilities
- c. Obligations to all corporate stakeholders
- d. Honesty and fairness in dealings
- e. Pursuit of the best interests of the corporation
- f. Adherence to Group policies and practices
- g. Continuing assessment of corporate opportunity and risk
- h. Undertaking training and being informed on current commercial and business matters.

SECURITY AND CONFIDENTIALITY

- a. Boardroom confidentiality
- b. Security of corporate information
- c. Misuse of corporate information

MANAGEMENT OF PRIVATE INTERESTS

- a. Declaration of private interests including any interest in Group contracts
- b. Gratuities, gifts, and other benefits related to corporate office
- c. Potential and real conflicts of interest

COSTS TO THE CORPORATION

- a. Expenses incurred on corporation business
- b. Fringe benefits and allowances including leave and retirement allowances
- c. Sundry claimable expenses

Failure to observe high standards in relation to the foregoing will constitute grounds on which the Board of Belmont may by resolution of the directors institute such disciplinary or remedial action as it deems appropriate and necessary. This may include dismissal and/or reporting to relevant authorities.

Principle 4 Safeguard integrity in financial reporting

The Board has in place an Audit, Compliance and Risk Management Committee in place which comprises a non-executive Director (Mr Plummer) as Chairman and Mr Chenery as the other non-executive Director. Of these, Mr Chenery is regarded as an independent person. Their attendance at committee meetings during the year is set out elsewhere in this Annual Report. Belmont has further assurances in regard to financial reporting integrity because of the involvement of external auditors. Its subsidiary, Imperial Pacific Asset Management, has extensive ASIC obligations. Operating office-holders are professionally qualified in financial reporting matters. In relation to audit partner rotation of the company's external auditors, the Board monitors the situation in conjunction with the audit firm. The Audit, Compliance and Risk Management Committee has a formal charter. A summary is set out in the rear pages of this Annual Report.

Principle 5 Make timely and balanced disclosure

The Board aims to ensure timely, balanced and continuous disclosure to the market of all material matters concerning Belmont in accordance with the ASX continuous disclosure regime and appropriate corporate transparency. To carry out this obligation effectively the Board is both sensitive to the requirements of an informed market and it has in place a Communications Policy which encompasses a continuous disclosure policy. It seeks to keep its shareholders informed through reports to the Australian Stock Exchange, half and full-year profit disclosures, annual reports and material shareholder information announcements.



Belmont Holdings Limited

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Corporate Governance (Continued)

While the Board is ultimately responsible for this task, the Chief Operating Officer carries the immediate administrative obligation for meeting communications obligations and shareholder transparency. A summary of the Communications Policy follows:

The Board of Belmont firmly believes in providing quality communications to its shareholders and other stakeholders. This includes meeting the company's obligations to the Australian Securities Exchange ("ASX") in relation to Continuous Disclosure Obligations. Belmont aspires to over-deliver, rather than under-deliver information to its stakeholders. In view of this approach, Belmont meets the ASX Corporate Governance Principle No 5.

Belmont seeks to provide to its stakeholders the highest levels of communication standards by adopting the following focus:

- Shareholders are the owners of the company and are entitled to the maximum of information.
- The company will provide all regulatory documentation such as Annual Reports and other letters of advice on a consistent and timely basis
- Belmont will maintain a web site that provides information on its activities for external consumption.
- Communications will be set out in a clear way, be honest, be factual and endeavour to answer all likely queries that may arise.
- Belmont will not employ financial "spin doctors" or embellish a story.
- Annual Reports will be explanatory and will be mailed as soon as possible and sent to shareholders in a hard copy.
- Shareholders are encouraged to telephone management to discuss issues and subject to confidentiality issues, full explanations will be forthcoming.
- Belmont will announce all important and material items as soon as practicable. Where announcements may impact on other organisations, Belmont may advise that organisation on a confidential basis beforehand..

The Board of Belmont is primarily responsible for communicating matters to stakeholders. Management personnel will provide the support for the preparation and distribution of announcements. Mr Peter EJ Murray is the senior executive responsible for Belmont meeting its Continuous Disclosure obligations to the Australian Securities Exchange and any ASIC required communications.

Principle 6 Respect the rights of shareholders

Belmont, as reported earlier, has a communications policy in place. This recognises the importance of effective communications with shareholders and other parties. In addition the shareholders of Belmont have other formal and informal rights provided by the company's Constitution, regulatory bodies and proper public company behaviour. These rights include their entitlement to financial statements, attendance at shareholder meetings, participation by voting on the election of directors at the Annual General Meeting and on other important issues. The auditor is invited to attend the Annual General Meeting, however the board notes that auditor is professionally restricted from providing detailed financial information and limited to discussing audit process. Shareholder meetings are conducted in an open forum with wide discussion encouraged by the Chairman.

Principle 7 Recognise and manage risk

Belmont has established policies for the recognition, oversight and management of material business risks.

Given the volatility of equity markets and economic conditions, especially in recent times, Belmont regards risk management as a very important issue. In this regard the Board has in place an Audit, Compliance and Risk Management Committee. Risk recognition, oversight and management issues are carried out by senior personnel in conjunction with the Board, the Committee and in some cases, external professionals.



Belmont Holdings Limited

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Corporate Governance (Continued)

While the company's internal policies are considerable, the Board points out that, as a strategic holding company in financial services investing in other companies' equity, it can be difficult to monitor the behaviour of those entities. The Board has received positive written Section 295A assurances from the Chief Operating Officer and Chief Financial Officer equivalents. A summary of Belmont's policies on risk recognition, oversight and management follows:

Belmont believes in competent risk recognition, oversight and management. It recognises that as a strategic investment group in financial services there is some danger where the investee organisations do not provide proper business or financial reporting disclosures or does not meet competent risk management practices. For these reasons Belmont must continue to be vigilant in these procedures.

Belmont seeks, as far as practicable for an organisation in strategic investment in other companies, to undertake competent levels of risk management. These relate to its internal and external matters:

Internal Matters (Own resources)

- Belmont seeks to have a comfortable asset base in which it has no formal gearing.
- Investments must be selected carefully and generally monitored for some time before any shares are purchased.
- Belmont notes its key investee, London City, concentrates on investment opportunities where it can acquire a reasonably significant equity stake (eg 10%-20%) in a company that can be understood, has a leading position in its market, has good management and represents good investment value with attractive IRRs.
- Belmont must be available to work in with investee companies.
- Belmont must remain cost conscious.
- Surplus monies must be placed only with its trading bankers,
- Monies on Deposit and investments must take account of external advice when necessary.
- Good internal controls to be maintained, disaster recovery assessed and regulatory compliance pursued.

Other Matters (External Factors)

- Belmont must monitor economic, stock-market, industrial sector conditions and maintain close contact with existing investee companies
- Belmont must have the potential (where events prove unsatisfactory) to become active supporters of the investee company either through direct Board representation or by arms-length support.
- Belmont must maintain close contacts in various industries of interest.

The Board of Belmont is primarily responsible for risk recognition, oversight and management. The Board of Belmont is assisted in its deliberations by the Audit, Compliance and Risk Management Committee (ACRM). Both the Board and the ACRM Committee are assisted by the management of Belmont. Risk Management issues must be discussed regularly. All Board meetings must be provided with full details of current investments, targeted investments and funds on deposit

Principle 8 Remunerate fairly and responsibly

Belmont has a Remuneration Committee in place. The Remuneration Committee is responsible for assessing appropriate remuneration and payment for Directors as well as for other office holders and the portfolio management service provider. The Remuneration Committee comprises Mr Plummer (Chairman) and Mr Chenery. Mr Chenery is regarded as an independent director under the ASX definition. Details of their attendance at committee meetings are set out elsewhere in this Annual Report. Ultimately shareholders approve directors fees and in 2007 they approved a maximum payout of \$125,000 per annum. Current fees are significantly below this level.

Except for compulsory legislative obligations Belmont has no scheme for retirement benefits for non-executive directors. Furthermore, Belmont has no equity based remuneration scheme and has no requirement for policies in this regard. A summary of the Remuneration Committee Charter is set out in the rear pages of this Annual Report.

Belmont Holdings Limited

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Consolidated Income Statement for the year ended 30 June 2010

	Notes	2010 \$	2009 \$
Revenue from ordinary activities	3	209,451	241,781
Less:			
Depreciation expenses	4	(368)	(550)
Other expenses from ordinary activities	4	(265,761)	(301,927)
Share of net profit of associate accounted for using the equity accounting method	3	(31,508)	65,422
Profit from ordinary activities before income tax		(88,186)	4,726
Income tax credit (expense)	5	16,500	706
Net Profit (Loss) attributable to members of Belmont Holdings Limited		(71,686)	5,432

Earnings per share:

Earnings per share from profit from continuing operations attributable to the ordinary equity holders of the company.

Basic and diluted earnings per share (Cents)	33	(2.47)	0.19
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The accompanying notes form part of these financial statements.

Belmont Holdings Limited

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Consolidated Statement of Comprehensive Income for the year ended 30 June 2010

	<i>Notes</i>	2010 \$	2009 \$
Profit (Loss) for Year		(71,686)	5,432
Other Comprehensive Income:			
Unrealised valuation gain (loss) for the period on securities in the portfolio at balance date	16	(1,086,857)	(668,102)
Deferred tax (expense) credit on above	16	326,113	200,221
Total Comprehensive Income (Loss) for the year for equity holders		(832,430)	(462,449)

The accompanying notes form part of these financial statements.

Belmont Holdings Limited

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Consolidated Statement of Financial Position as at 30 June 2010

	Notes	2010 \$	2009 \$
Current assets			
Cash and cash equivalents	6	2,917	14,339
Receivables	7	193,384	91,684
Current Tax Asset	8	16,500	-
Total current assets		212,801	106,023
Non-current assets			
Investment Portfolio	9	4,359,469	5,181,743
Property, plant and equipment	10	1,271	1,638
Total non-current assets		4,360,740	5,183,381
Total assets		4,573,541	5,289,404
Current liabilities			
Trade and other payables	11	273,213	156,646
Tax liabilities	12	-	-
Total current liabilities		273,213	156,646
Non-current liabilities			
Deferred Tax liabilities - Investment Portfolio	13	-	-
Total Non-current liabilities		-	-
Total liabilities		273,213	156,646
Net assets		4,300,328	5,132,758
Equity			
Share Capital	14	1,560,970	1,560,970
Reserves	16	3,602,884	4,363,628
Retained Profits (Accumulated losses)	16	(863,526)	(791,840)
Total equity	17	4,300,328	5,132,758

The accompanying notes form part of these financial statements.

Belmont Holdings Limited

ABN 65 000 144 561



Statement of Changes in Consolidated Equity for the Year Ended 30 June 2010

	Notes	2010 \$	2009 \$
Total Equity at the beginning of the year		5,132,758	5,958,520
Transactions with Equity holders in their capacity as equity holders:			
Dividends provided or paid		-	(363,313)
Total transactions with Equity holders in their capacity as equity holders:		-	(363,313)
Income and Expense for Year:			
Profit (Loss) for Year		(71,686)	5,432
Revaluation of Investment Portfolio		(1,649,329)	(562,472)
Provision for Tax on unrealised gains		494,645	168,532
Less:			
- Reversal of Revaluation Last Year		562,472	(105,630)
- Reversal of Tax Provision Last Year		(168,532)	31,689
Total recognised income (including unrealised gains) and expenses for the Year		(832,430)	(462,449)
Total Equity at the end of the year	17	4,300,328	5,132,758

The accompanying notes form part of these financial statements.

Belmont Holdings Limited

ABN 65 000 144 561



Consolidated Cash Flow Statement for the year ended 30 June 2010

	Notes	2010 \$	2009 \$
Cash flows from operating activities			
Receipts from Customers (inclusive of goods and services tax)		142,961	231,113
Cash paid to suppliers and management (inclusive of goods and services tax)		(180,312)	(231,392)
Interest Received		26,845	8,963
Dividends Received		61,316	-
Income Tax Refunded (Paid)		-	706
Net Cash provided by (used in) operating activities	32	50,810	9,390
Cash flows from investing activities			
Purchase of investments		(31,293)	(25,458)
Proceeds from sale of investments		-	24,547
Net Cash provided by (used in) investing activities		(31,293)	(911)
Cash flows from financing activities			
Payments to a related company		(330)	(6,463)
Payments to an associated company		(26,900)	
Proceeds from Borrowings		5,041	7,500
Repayments of Borrowings		(8,750)	-
Dividends Paid		-	(363,313)
Net Cash used in financing activities		(30,939)	(362,276)
Net increase (decrease) in cash held		(11,422)	(353,797)
Cash at beginning of the financial year		14,339	368,136
Cash at end of the financial year	6	2,917	14,339

The accompanying notes form part of these financial statements.

Belmont Holdings Limited

Notes to the financial statements - 30 June 2010



Note 1: Summary of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. International Financial Reporting Standards ("IFRS") form the basis of Australian Accounting Standards ("AASBs") adopted by the AASB. The financial report has been prepared in accordance with AIFRS (Australian Equivalents to International Financial Reporting Standards).

In this report "Group" refers to the consolidated entity and "Company" refers to the parent entity, Belmont Holdings Limited. This financial report consists of financial statements for the consolidated entity which consists of Belmont Holdings Limited and its respective subsidiaries and its equity accounted associate London City Equities Limited.

With effect from 1 July 2009, the Group has adopted the revised AASB 101 - Presentation of Financial Statements. This standard requires the presentation of a new Statement of Comprehensive Income separate from changes in equity arising from transactions with shareholders. The adoption of this new standard has no impact on the Group's net assets, net profit or total recognised gains and losses. The Group has also early adopted AASB 9 - Financial Instruments. The Company has voluntarily adopted this standard as it is considered to result in a presentation that better reflects the performance and operations of the Company. A feature of AASB 9 is that unrealised gains or losses to fair value are not treated as "impairment" charges in the Income Statement but are reflected in the unrealised reserve account.

The Group has attempted to adopt "plain English" where possible to assist in information transparency.

The following is a summary of the significant accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of Accounting

Belmont Holding Limited is a listed public company incorporated and domiciled in Australia. It has subsidiary companies also incorporated and domiciled in Australia. The financial statements are prepared using the valuation methods described below for holdings of securities. All other items have been treated in accordance with historical cost convention.

(b) Principles of Consolidation

A controlled entity is any entity controlled by Belmont Holdings Limited. Control exists where Belmont Holdings Limited has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Belmont Holdings Limited to achieve the objectives of Belmont Holdings Limited. A list of controlled entities is contained in Note 28 to the financial statements. All inter-company balances and transactions between entities in the economic entity, including including any unrealised profits or losses have been eliminated on consolidation.

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

The accounts of 28.5% owned London City Equities Limited are included by adopting the equity method of accounting (equity accounted as a 27.5% owned entity in 2009).

(c) Investments: Controlled Entities & Associates

The investments in subsidiary companies are carried at their cost of acquisition less any provision for impairment. Dividends are brought to account in the profit and loss account when they are credited or paid by the controlled entity.

London City Equities Limited is not recognised as a controlled entity because it is a company over which the group is not able to exercise control despite its 28.5% equity ownership, as two other shareholders control 48.9%. It is an associated company.

Investments in associated companies are recognised in the financial statements by applying the equity method of accounting.

Belmont Holdings Limited

Notes to the financial statements - 30 June 2010



(d) Income Tax Expense

The income tax expense or credit for the period is the tax payable on the current period's taxable income adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the asset bases of assets and liabilities and their carrying amounts in the financial statements and to unused tax losses. Deferred tax assets and liabilities are offset as all current and deferred taxes relate to the Australian Taxation Office and can legally be settled on a net basis.

A tax provision is made for the unrealised gain or loss on Trading Portfolio securities valued at market value through the Income Statement.

Where non-current Investment Portfolio securities are adjusted for unrealised gains or losses at balance date in the Unrealised Revaluation Reserve an assessed deferred tax liability or asset is created to reflect the applicable tax, even though there may be no intention to dispose of those holdings. The tax sum is applied to the Unrealised Revaluation Reserve on one hand and the deferred tax liability or asset on the other.

Where the company might dispose of such securities, tax is calculated on gains made according to the particular parcels allocated to the sale for tax purposes offset against any capital losses carried forward.

Belmont Holdings Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the Tax Consolidation Regime. Belmont Holdings Limited is responsible for recognising the current and deferred tax assets and liabilities for the tax consolidated group. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the consolidated group.

(e) Investments

The Company has two discrete types of investments. They are Trading Portfolio Financial Assets (Current Assets) and Investment Portfolio Financial Assets (Non-Current Assets).

All investments are initially recognised at the fair value of the consideration paid. After initial recognition, investments (classified as either Trading or Investment Portfolio) are measured at their fair value. Fair Value of listed securities is determined by reference to the last sale price at the close of business at balance date. Gains on Trading Portfolio investments are recognised in the Income Statement. In the case of the unlisted convertible loan note investment in Mainstream BPO Pty Limited fair value takes into account both the debt status of the investment and its future potential in the form of equity.

Gains on Investment Portfolio securities are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of.

Dividend income is only taken to account when the right to receive a dividend has been established, interest revenue is recognised on a proportional basis taking into account interest rates applicable to the financial assets.

(f) Non-Current Assets

The carrying amounts of all non-current assets other than investments are reviewed at least annually to determine whether they are in excess of their recoverable amount. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower value. In assessing recoverable amounts, the relevant cash flow have been discounted to their present value.

(g) Derivatives

The economic entity is from time to time exposed to fluctuations in interest rates from its activities. It is not the policy of the economic entity to use derivative financial instruments. The economic entity does not hedge its exposure to interest rate fluctuations. It has no foreign exchange exposure.

(h) Employee Entitlements

The company has no employees.

(i) Cash and cash equivalents

For cash flow statement presentation purposes, 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.

Belmont Holdings Limited

Notes to the financial statements - 30 June 2010



(j) Financial Risk issues

The economic entity has in place risk management controls supervised by the Board and the Audit, Compliance and Risk Management Committee. Risk issues are explained further in Note 19 of the financial statements.

(k) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it 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. The net amount of GST recoverable from, or payable to the ATO is included with other payables in the balance sheet. Cash Flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are reported as operating cash flow.

(l) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Revenues from the rendering of a service is recognised upon delivery of the service.

Management revenue is recognised on an accruals basis.

(m) Financial Statements Approval

The financial statements were authorised for issue by the Board of Directors on 13 August 2010.

Note 2. Segmental information

During 2009/10 the economic entity acted mainly in the investment and financial services sectors in Australia.

	Investment	Financial Services	Consolidated
2010	\$	\$	\$
Revenue			
Investment /other revenue	105,222	104,229	209,451
Segment Result			
Profit (Loss) after Tax	(37,625)	(34,061)	(71,686)
Segment Assets	4,570,812	2,730	4,573,541
Segment Liabilities	(81,964)	(191,249)	(273,213)
Other:			
Acquisition of Plant	-	-	-
Depreciation	-	(368)	(368)
Net cash inflow from operating activities	37,737	13,073	50,810
Share of net profits (losses) of equity accounted associates	(31,508)	-	(31,508)
Carrying amount of investment in Associates accounting for using the equity accounting method	2,434,469	-	2,434,469

Belmont Holdings Limited

Notes to the financial statements - 30 June 2010



Note 2. Segmental information (Cont'd)

During 2008/09 the economic entity acted mainly in the investment and financial services sectors in Australia.

	Investment	Financial Services	Consolidated
	\$	\$	\$
2009			
Revenue			
Investment /other revenue	83,577	158,204	241,781
Segment Result			
Profit after Tax	58,256	(52,824)	5,432
Segment Assets	5,280,597	8,808	5,289,405
Segment Liabilities	(46,994)	(109,652)	(156,646)
Other:			
Acquisition of Plant	-	-	-
Depreciation	-	(550)	(550)
Net cash inflow from operating activities	(56,545)	65,935	9,390
Share of net profits of equity accounted associates	65,422	-	65,422
Carrying amount of investment in Associates accounting for using the equity accounting method	3,256,743	-	3,256,743

Note 3. Revenue

From continuing operations

Dividend revenue from:

- associated companies

Interest

Management Fees Received:

- Base Management Fee

- Performance Fee

Other

Total Revenue

Share of net profit of associate accounted

	2010	2009
	\$	\$
	-	-
	105,222	83,577
	104,229	122,291
	-	-
	-	35,913
	209,451	241,781
	(31,508)	65,422

Note 4. Profit from ordinary activities

Net gains and expenses

Profit from ordinary activities before income tax

has been determined after:

(a) Expenses

Auditors Fees (Note 21)	(20,400)	(21,700)
Depreciation - plant and equipment	(368)	(550)
Directors fees	(50,000)	(50,000)
Directors superannuation	(2,250)	(2,250)
Loss on Sale of Shares	-	(452)
Professional fees - director related	(130,720)	(153,636)
Rental expense on operating leases	(16,852)	(15,988)
Other Expenses	(45,539)	(57,901)
Total Operating Expenses	(266,129)	(302,477)
Net Operating Gain (Loss) before Tax	(88,186)	4,726

Belmont Holdings Limited

Notes to the financial statements - 30 June 2010



Note 4. Profit from ordinary activities (Cont'd)

(b) Revenue and net gains

	2010	2009
Management fee - associated company - Base fee	104,229	122,291
Management fee - subsidiary company	-	-

Note 5. Income Tax Expense

(a) The components of income tax expense comprise:

Current Tax	16,500	-
Under/(Over) provision in respect of prior years	-	706
	<u>16,500</u>	<u>706</u>

(b) The income tax expense for the financial year differs from the amount calculated on the profit. The differences are reconciled as follows:

Profit (Loss) from ordinary activities before income tax	(88,186)	4,726
Income tax calculated at 30%	26,456	(1,418)
Plus (Less): Tax Effect of :		
- Rebatable fully franked dividends	(9,956)	2,124
Income tax benefit (expense)	<u>16,500</u>	<u>706</u>

(c) Amounts recognised directly in equity:

Decrease (Increase) in deferred tax liabilities relating to capital gains tax on the increase in unrealised changes in values of the investment portfolio

	326,113	200,221
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Note 6. Cash and Cash Equivalents

Cash at Bank and on Hand	2,917	14,339
	<u>2,917</u>	<u>14,339</u>

Note 7. Current assets - Receivables

Other Debtors	170,415	89,815
Amounts receivable from:		
Associated Company	22,969	1,869
	<u>193,384</u>	<u>91,684</u>

Note 8. Current assets - Tax

Current Tax Asset	16,500	-
	<u>16,500</u>	<u>-</u>

Belmont Holdings Limited

Notes to the financial statements - 30 June 2010



2010 2009

Note 9. Non current assets - Investment Portfolio

Listed investments

Shares in other corporations - at Market Value
Shares in associated corporations - at fair value

-	-
2,434,469	3,256,743
2,434,469	3,256,743

Unlisted investments

Shares in other corporations - at fair value
Convertible Notes - 31 December 2011 - at
fair value (cost)

175,000	-
1,750,000	1,925,000
1,925,000	1,925,000
4,359,469	5,181,743

Note: Non-traded unlisted investments in corporations relate to MainstreamBPO Pty Limited. The values adopted have taken into account various factors, including debt nature, equity values in the light of Shareholders Agreement and perceived future values of the entity. These are long term investments and the values are considered appropriate.

Note 10. Non-current assets - Property, plant and equipment

Plant and Equipment

Plant and Equipment - at cost
Less: Accumulated Depreciation
Total Property, Plant & Equipment

11,229	11,229
(9,958)	(9,591)
1,271	1,638

Movement in carrying amount

Movements in the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

	Plant and Equipment	Total
Carrying amount at 1 July 2009	1,639	1,639
Depreciation expense	(368)	(368)
Carrying amount at 30 June 2010	1,271	1,271

Note 11. Current Liabilities - Payables

Wholly owned subsidiaries
Associated Entity
Directors or their Director Related Entities
Other Creditors

-	-
58,218	42,630
154,267	57,383
60,728	56,633
273,213	156,646

Note 12. Current Liabilities - Tax Liabilities

Income Tax

-	-
-	-

Note 13. Non-Current Liabilities - Deferred Tax Liabilities

Deferred Tax Liabilities - Investment Portfolio

-	-
-	-

Belmont Holdings Limited

Notes to the financial statements - 30 June 2010



Note 14. Share Capital

(a) Share capital

2,906,504 (2009: 2,906,504)

fully paid ordinary shares

2010

2009

1,560,970 1,560,970

(b) Movement in ordinary share capital:

Balance at beginning of accounting period

1,560,970 1,560,970

Movements during the year

- -

Balance at reporting date

1,560,970 1,560,970

(c) Movement in ordinary share numbers:

Balance at beginning of accounting period

2,906,504 2,906,504

Movements during the year

- -

Balance at reporting date

2,906,504 2,906,504

(d) Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number and amounts paid on the shares. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll is entitled to one vote.

Note 15. Capital Management

The Company's objective in managing capital is to continue to provide shareholders with attractive investment returns over the medium to longer term through access to investment management fee income, a steady stream of fully-franked dividends, minimum gearing and enhancement of capital invested. These goals include paying dividends that will, over time, grow faster than the rate of inflation. The Company recognises that its capital will fluctuate in accordance with market conditions, and may adjust the amount of dividends paid, issue new shares from time to time or buy-back its own shares or sell assets to reduce debt.

Note 16. Reserves and retained profits

2010

2009

\$

\$

(a) Reserves - as per below

Realised Capital Gains Reserve

4,757,568 4,757,568

Unrealised Revaluation Reserve

(1,154,684) (393,940)

3,602,884 4,363,628

Realised Capital Gains Reserve

Balance at 1 July 2009

4,757,568 4,757,568

Balance at 30 June 2010

4,757,568 4,757,568

Unrealised Revaluation Reserve

Balance at 1 July 2009

(393,940) 73,941

Add Back Previous Revaluation of Portfolio

562,472 (105,630)

Add Back previous Provision for Tax

(168,532) 31,689

Revaluation of Investment Portfolio

(1,649,329) (562,472)

Less Provision for Tax on Unrealised Gains

494,645 168,532

Balance at 30 June 2010

(1,154,684) (393,940)

(b) Retained Profits / (Accumulated losses)

Retained Earnings (accumulated losses)

- beginning of the financial year

(791,840) (433,959)

Net gain (loss) loss attributable to members of Belmont

Holdings Limited

(71,686) 5,432

Dividends paid

- (363,313)

Balance at 30 June 2010

(863,526) (791,840)

Belmont Holdings Limited

Notes to the financial statements - 30 June 2010



Note 16. Reserves and retained profits (Cont'd)

(c) Nature and purpose of reserves

Realised Capital Gains Reserve

The Realised Capital Gains Reserve records gains from the sale of non-current assets. The reserve may be used for the distribution of bonus shares to shareholders and is only available for the payment of cash dividends in limited circumstances as permitted by law.

Unrealised Revaluation Reserve

The Unrealised Revaluation Reserve is used to record increments and decrements on the revaluation of non-current available - for - sale assets, as described in the accounting policies, adjusted to reflect the applicable deferred tax liability or asset.

Note 17. Movements in Equity

	2010 \$	2009 \$
Total equity at the beginning of the financial year	5,132,758	5,958,520
Total changes in equity recognised in the income statement	(71,686)	5,432
Revaluation of Investment Portfolio (Net)	(1,086,857)	(668,102)
Less Provision for Tax on Unrealised Gains (Net)	326,113	200,221
Less Dividend Paid during Year	-	(363,313)
Total equity at the end of the financial year	4,300,328	5,132,758

Note 18. Dividends

(a) Dividends Payable

Dividend paid - Fully Franked	17 Oct 2008	-	363,313
Dividend proposed - Fully Franked	20 Oct 2010	101,728	-

(b) Franking credits

Franking credit tax component available for dividends in future years

	629,766	629,766
Fully franked dividends possible at tax rate of 30%	1,469,454	1,469,454

Note: The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for franking credits and debits arising from payment of tax liabilities and receipt of franked dividends.

Note 19. Financial instruments and risk

A. Financial instruments - net fair value of financial assets and liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary assets and financial liabilities of the company approximates their carrying value. The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rate for assets and liabilities with similar risk profiles. Equity investments traded on organised markets have been valued by reference to the last sale price at balance date. For non-traded equity investments the net fair value is an assessment by the directors based on the underlying net assets, future maintainable earnings and any special circumstances pertaining to a particular investment. In the case of the unlisted 2% shareholding and the \$1,750,000 convertible loan note due 31 December 2011 in Mainstream BPO Pty Limited fair value takes into account the debt status of the investment, the intrinsic value of the equity protection of the Shareholders Agreement and perceived future value either to other organisations or by way of enhancing its operations in the future.

Belmont Holdings Limited

Notes to the financial statements - 30 June 2010



Note 19. Financial instruments and risk (Cont'd)

The carrying amounts and net fair values of financial assets and liabilities at balance date are:-

	2010		2009	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
On-balance sheet financial instruments				
Financial assets				
Cash	2,917	2,917	14,339	14,339
Receivables	193,384	193,384	91,684	91,684
Other Investments	1,925,000	1,925,000	1,925,000	1,925,000
Non-traded financial assets	2,121,301	2,121,301	2,031,023	2,031,023
Traded investments - non current	2,434,469	2,434,469	3,256,743	3,256,743
	4,555,770	4,555,770	5,287,766	5,287,766
Financial liabilities				
Other creditors	273,213	273,213	156,646	156,646
Non-traded financial liabilities	273,213	273,213	156,646	156,646

Other than those classes of assets and liabilities denoted as "traded", none of the classes of financial assets and liabilities are readily traded on organised markets in standardised form.

Net fair value is exclusive of costs which would be incurred on realisation of an asset, and inclusive of costs which would be incurred on settlement of a liability. Financial assets where the carrying amount exceeds net fair values have not been written down as they represent the investment in an associated company which the economic entity intends to hold as a long term investment.

B. Risk Considerations - Main factors

The Group's activities expose it to various financial risks, mainly market risk, credit risk and liquidity risk. Risk management is carried out by senior management under policies and strategies approved by the Board and the Audit, Compliance and Risk Management Committee. The Group is not directly exposed to currency risk.

(a) Market Risk

This is the risk that the fair value of future cash flows of financial instruments may fluctuate because of changes in market prices. The Group seeks to reduce market risk by adhering to the prudent investment guidelines of its Board, including guidelines in respect of industry status, investee position in industry, performance outlook, management skills and level of strategic shareholding acquired. Price and Interest Rate risk issues are shown below.

(a) (i) Price Risk

The Group is exposed to price risk in relation to equities securities and convertible loan notes. These arise from:

- Investments held by the Group and classified on the balance sheet as either Trading or Portfolio; and
- Exposure to adverse movements in equity prices which may have negative flow-on effects to the revenue derived from the management of clients' investment portfolios.
- Investment in 31 December 2011 unsecured convertible loan notes in MainstreamBPO Pty Limited.

The Group is not directly exposed to commodity price risk or derivative securities risk.

Price Risk Sensitivity Analysis:

The table below summarises the pre-tax impact of both a general fall and general increase in stock-market prices on listed equity securities by 10%. The analysis is based on the assumption that the movements are spread equally over all assets in the investment and trading portfolios. It assumes no performance fees payable from managed funds.

	2010		2009	
	10.0% increase in market prices	10.0% decrease in market prices	10.0% increase in market prices	10.0% decrease in market prices
	\$	\$	\$	\$
Impact on Profit (Pre tax)	6,895	(6,895)	11,107	(11,107)
Impact on Equity (Pre tax)	243,447	(243,447)	325,674	(325,674)

Belmont Holdings Limited

Notes to the financial statements - 30 June 2009



Note 19. Financial instruments and risk (Cont'd)

(a) (ii) Interest Rate Risk

This is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At balance date the Group had a significant investment in Mainstream BPO unsecured convertible loan notes and money at the bank. As such, the Group's revenues and assets are subject to interest rate risk to the extent that the cash rate falls over any given period. Given that the Group does not have any interest bearing liabilities at balance date, however, the Board and management do not consider it necessary to hedge the group's exposure to interest rate risk.

Interest Rate Risk Sensitivity Analysis:

The table below summarises the pre-tax impact of both a decrease and an increase in interest rates by 100 basis points (1.00%). The analysis is based on the assumption that the change is based on the amounts of cash at bank and cash at year end.

	----- 2010 -----		----- 2009 -----	
	100 bps increase in Interest Rate	100 bps decrease in Interest Rate	100 bps increase in Interest Rate	100 bps decrease in Interest Rate
	\$	\$	\$	\$
Impact on profit (pre-tax)	17,529	(17,529)	19,393	(19,393)

(b) Credit Risk

The credit risk on the financial assets of the entity is the risk that one party to a financial instrument may cause a financial loss for the other party by failing to discharge an obligation. This credit risk for Belmont Holdings is minimised by its policy of placing surplus funds with the company's bankers. Other debt instruments are analysed closely. In the case of MainstreamBPO Unsecured Convertible Loan Notes, where interest of \$148,522 is unpaid at balance date, Belmont Holdings is taking legal advice and is also monitoring that company's accounts, budgets, management performance and remuneration.

(b) (i) Cash and Cash Equivalents

The credit risk of the Group in relation to cash and cash equivalents is the carrying amount and any accrued unpaid interest. The average weighted maturity of the cash portfolio at any time is no greater than 90 days. The credit quality of material deposits of cash and cash equivalents can be assessed by reference to external credit ratings.

	2010	2009
	\$	\$
Cash at bank and short-term bank deposits		
AA/A-1+	-	14,339
A-1+	2,917	-
Unrated	1,750,000	1,925,000

(b) (ii) Trade and sundry receivables

The credit risk of the Group in relation to trade and sundry receivables is their carrying amounts. The sums are minor and relate mainly to accrued unpaid interest and prepayments. The risk is mitigated by internal monitoring.

(c) Liquidity Risk

This risk is that experienced by an entity when it has difficulties meeting its financial obligations. The Belmont consolidated entity has no external borrowings. It manages liquidity carefully, maintaining appropriate maturity balances of short term deposits and marketable securities. The Group's management and its Board actively review the liquidity position on a regular basis to ensure that the Group can always meet its commitments, including investment programmes.

(c) (i) Maturities of financial assets

The following table details the Group's maturity periods of its financial assets. This table has been prepared based on the fair values of financial assets as at 30 June and according to the committed deposit maturing dates. Estimates are continually evaluated and are based on historical experience and expectations which are considered reasonable.

	2010	2009
	\$	\$
Immediate	196,301	106,023
Between 1 and 3 years	1,750,000	1,925,000
Beyond 3 years	2,609,469	3,256,743

Belmont Holdings Limited

Notes to the financial statements - 30 June 2010



Note 19. Financial instruments and risk (Cont'd)

(c) (ii) Maturities of financial liabilities

The following table details the Group's maturity periods of its financial liabilities. This table has been prepared based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group is liable to meet its obligations. The table includes both interest (where applicable) and principal cash flows.

	2010	2009
Within 90 days	\$ 273,213	\$ 156,645
Between 1 and 3 years	\$ -	\$ -

Note 20. Directors and Executives' Remuneration

(a) Names and positions held of parent entity directors and specified executives in office at any time during the financial year are:

Parent Entity Directors:

Mr P E J Murray	- Chairman
Mr J C Plummer	- Director - Non-Executive
Mr R Chenery	- Director - Non-Executive

(b) Parent Entity Directors' Remuneration

2010	Salary, Fees & Commissions	Primary Superannuation Contributions	Post Employment	Other	Total
Mr P E J Murray	130,720	-	-	-	130,720
Mr J C Plummer	25,000	2,250	-	-	27,250
Mr R Chenery	-	25,000	-	-	25,000
	155,720	27,250	-	-	182,970

2009	Salary, Fees & Commissions	Primary Superannuation Contributions	Post Employment	Other	Total
Mr P E J Murray	153,636	-	-	-	153,636
Mr J C Plummer	25,000	2,250	-	-	27,250
Mr R Chenery	-	25,000	-	-	25,000
	178,636	27,250	-	-	205,886

(c) Shareholdings

Number of Shares held by Parent Entity Directors / Specified Executives

	Balance 1.7.09	Received as Remuneration	Options Exercised	Net change *	Balance 30.06.10
Mr P E J Murray	1,142,994	-	-	3,000	1,145,994
Mr R Chenery	1,000	-	-	-	1,000
Mr J C Plummer	578,790	-	-	85,000	663,790
	1,722,784	-	-	88,000	1,810,784

* Net change refers to shares purchased or sold during the financial year

(d) Remuneration Practices

The company's policy for determining the nature and amount of emoluments of board members and senior executives of the company is as follows:

1. The remuneration arrangements for directors are determined by the shareholders in general meeting. From time to time the Board may submit proposals to increase the fees, which are presently have a maximum of \$125,000. The company has scope to remunerate Directors for special duties that may be requested on occasion. Mr Murray does not receive Directors Fees from the Company.
2. The company has no formal executives. In the case of Mr Murray his remuneration is based on an assessment of his experience, performance and tasks undertaken through the year where, in the main, an hourly fee of \$80 is payable, plus a share of corporate advisory fee income.
3. The company has a Remuneration Committee in operation.

Belmont Holdings Limited

Notes to the financial statements - 30 June 2010



Note 21. Auditor's Remuneration

	2010	2009
	\$	\$
Remuneration for audit or review of the financial reports of the parent or any entity in the economic entity		
Cutcher & Neale - Assurance services	15,900	16,700
Remuneration for other services:		
Cutcher & Neale - Other compliance services	4,500	5,000
Total	20,400	21,700

Note. Belmont Holdings Limited's Audit, Compliance and Risk Management Committee oversees the relationship with the Auditors, including reviewing the scope of the audit and the proposed fee.

Note 22. Contingent Liabilities

In support of past and future financing needs the parent company and its subsidiary Imperial Pacific Asset Management Pty Ltd have in place cross-guarantees to a bank. Neither company presently has any bank loan facilities or arrangements.

Note 23. Capital and Leasing commitments

(a) Capital Expenditure Commitments

There are no material capital commitments outstanding at year end.

(b) Operating Lease Commitments

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable

Not later than one year	17,220	15,000
Between 1 & 2 years	5,740	5,000
Later than 2 years but not later than 5 years	-	-
	22,960	20,000

These commitments represent non-cancellable operating leases relating to office premises.

Note 24. Employee entitlements

There is no pension scheme within the immediate group entities as at 30 June 2010. The company has no formal employees.

Note 25. Related Party transactions

Directors

The names of persons who were Directors of Belmont Holdings Limited at any time during the financial year were Mr J.C.Plummer, Mr P.E.J.Murray and Mr R.Chenery. Mr Plummer, Mr Murray and Mr Chenery were directors during the full year ended 30 June 2010.

Each Director was also a Director of associated company London City Equities Limited during this period.

Remuneration

Information on remuneration of directors is disclosed in Note 20.

Belmont Holdings Limited

Notes to the financial statements - 30 June 2010



Note 25. Related Party transactions (Cont'd)

Other related parties

Aggregate amounts included in the determination of operating profit before income tax that resulted from transactions with each class of other related parties:

	2010 \$	2009 \$
Management fee revenue		
Associated corporation - London City Equities Limited	104,229	122,291

Aggregate amounts receivable from, and (payable to), each class of other related parties at balance date:

Current payables		
Controlled entities (intercompany balances)	-	-
Director related	(154,267)	(57,383)
Associated entity (intercompany balance)	(58,218)	(42,630)
Current receivables		
Controlled entities (loan)	-	-
Associated entity (intercompany balance)	22,969	1,869

Messrs J.C.Plummer and R. Chenery also received director fee remuneration from the associated corporation London City Equities Limited, of \$27,250 and \$25,000 respectively.

Note 27. Group Parent Entity - Belmont Holdings Limited

The ultimate parent company is Belmont Holdings Limited (ABN 65 000 144 561) which was incorporated on 13 December 1954. Its investments in subsidiary entities are shown in the following note. The parent entity's financial statements show the following summarised amounts:

	----- Parent Entity ----- 2010 \$	2009 \$
(a) <i>Balance Sheet</i>		
Current Assets	3,933,200	3,784,382
Non current Assets	6,721,714	7,244,376
Total Assets	10,654,914	11,028,758
Current Liabilities	(6,368,573)	(6,242,851)
Non current Liabilities	-	(350,946)
Total Liabilities	(6,368,573)	(6,593,797)
Net Assets	4,286,341	4,434,961
(b) <i>Shareholders Equity</i>		
Issued Capital	1,560,970	1,560,970
Unrealised Revaluation Reserve	2,989,639	3,161,149
Retained Profits (Accumulated Losses)	(337,941)	(287,158)
	4,212,668	4,434,961
(c) <i>Profit and Loss Account</i>		
Total Income	266,538	251,124
Total Expenses	(260,148)	(297,087)
Net Profit (Loss) Before Tax	6,390	(45,963)
Tax Credit (Expense)	16,500	706
Net Profit (Loss) after Tax	22,890	(45,257)

(d) *Guarantees re debts of subsidiaries*

As stated in Note 22 the parent company has in place a guarantee to a bank in respect of possible facilities of Imperial Pacific Asset Management Pty Limited. No such facilities exist.

(e) *Contingent Liabilities*

The parent company may have a liability to future legal costs relating to action taken in relation to its investments in MainstreamBPO Pty Limited.

(f) *Contractual Commitments*

As stated in Note 23 the parent company has office leasing commitments of \$22,960 for 2010, \$20,000 in 2009. There are no capital purchase commitments.

Belmont Holdings Limited

Notes to the financial statements - 30 June 2010



Note 28. Investment in controlled entities

The ultimate parent company Belmont Holdings Limited has the following direct and indirect investments in subsidiary companies:

Name of Entity	Country of Incorp'n	Class of shares	Equity holding		Cost of parent entity's investment	
			2010	2009	2010	2009
Imperial Pacific Asset Management Pty Limited	Australia	Ordinary Shares	100	100	1,000,000	1,000,000
Imperial Pacific Fund Managers Pty Limited (Note)	Australia	Ordinary Shares	100	100	1,700,000	1,700,000
Imperial Pacific Resources Pty Limited	Australia	Ordinary Shares	100	100	*	*

Note: Imperial Pacific Asset Management Pty Ltd and Imperial Pacific Fund Managers Pty Ltd are 100% directly controlled by Belmont Holdings Limited. Imperial Pacific Resources Pty Limited is wholly owned by Imperial Pacific Fund Managers Pty Limited.

Note 29. Investment in associate

Name of company	Ownership Interest		Consolidated carrying amount		Parent Entity carrying amount	
	2010	2009	2010	2009	2010	2009
Traded on organised markets:			\$	\$	\$	\$
London City Equities Limited	28.5%	27.5%	2,434,469	3,256,743	2,405,656	2,619,376
(Incorporated in Australia)						
Strategic holding company investing in shares and deposits						
			2,434,469	3,256,743	2,405,656	2,619,376

	Consolidated carrying amount	
	2010	2009
Movements in carrying amounts of investments in associate	\$	\$
Carrying amount at the beginning of the financial year	3,256,743	3,632,662
Additional Equity Purchased	31,294	84,657
Net Increase (Reduction) in Reserves	239,304	(466,799)
Share of operating profits after income tax	(1,031,556)	65,422
Less dividends received from associates	(61,316)	(59,199)
Carrying amount at the end of the financial year	2,434,469	3,256,743
Results attributable to associate	\$	\$
Operating profits (loss) before income tax	(31,508)	65,422
Income tax expense	-	-
Operating profits (loss) after income tax	(31,508)	65,422
Less dividends receivable	(61,316)	(59,199)
	(92,824)	6,223
Realised profits attributable at beginning of the financial year	2,201,126	2,194,903
Retained profits attributable at the end of the financial year	2,108,302	2,201,126

Reserves attributable to associate

Capital Profits Reserve	316,732	306,385
Share of associate's contingent liabilities	Nil	Nil
Share of associate's expenditure commitments	Nil	Nil

Summary of the performance and financial position of associates

The aggregate profits, assets and liabilities of associates are:

Profits from ordinary activities after income tax	(110,667)	237,572
Assets	8,750,080	11,895,347
Liabilities	(55,988)	(58,181)

Belmont Holdings Limited

Notes to the financial statements - 30 June 2010



Note 30. Economic dependency

The major business activities of the group during the year 2009/2010 were the portfolio management of London City Equities Limited and the monitoring of the group's investments in MainstreamBPO Pty Limited. The 28.5% owned London City Equities owns 8.0% of South Australian company Penrice Soda Holdings Limited, a chemical and quarry operator in that state presently performing poorly. London City retains strong liquidity with around 30% of its assets placed on deposit with that company's bankers. Its revenues will be impacted by Penrice dividend payout and also be subject to interest rate changes, pending reinvestment of those funds. Belmont also holds equity and convertible loan notes in MainstreamBPO Pty Limited, a business process outsourcing company. The value of the Mainstream investment will depend on the continuing ability of that company's Board to acquire customers, keep management costs under control and grow its business profitably in the financial services sector.

Note 31. Events occurring after balance date

The Directors have declared a fully franked dividend of 3.5 cents per share for 2010. This is not shown in the accounts.

Note 32. Cash Flow Information

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

	2010 \$	2009 \$
Operating Profit (Loss) after Income Tax	(71,686)	5,432
Non cash flows in operating profit / (loss) :		
Income Tax received /paid re previous year	-	706
Depreciation	(368)	550
Loss on Sale of Shares	-	452
Management Fees received re prior year	-	28,159
Dividend Received - Related Company	61,316	-
Minority Interest in Associated company	31,508	(65,422)
Changes in assets and liabilities		
(Increase) Decrease in other Debtors	(106,605)	(62,344)
Increase (Decrease) in other Creditors	136,645	101,857
Changes in related party items for non-cash sums	-	-
Net Cash used by Operating Activities	50,810	9,390
Cash Balances at Year End comprise:		
Cash at Bank and on hand (Note 6)	2,917	14,339
Balance as per Cash Flow Statement	2,917	14,339

Note 33. Earnings per share

Basic and Diluted Earnings per share	Cents	(2.47)	0.19
(No dilution as no options in existence)			
Weighted average number of ordinary shares during the year used in the calculation of basic EPS		2,906,504	2,906,504

Note 34. New Accounting Standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2010 reporting periods. The company's assessment of the impact of these new standards is set out below.

The following Standards and interpretations, which are expected to be initially applied in the financial year ending 30 June 2010, unless otherwise stated, are not expected to have any material impact on the financial report of the company:

AASB 101: Presentation of Financial Statements	AASB 119: Employee Benefits
AASB 102: Inventories	AASB 123: Borrowing Costs
AASB 107: Cash Flow Statements	AASB 127: Consol. Separate Financial Statements
AASB 114: Segment Reporting	AASB 136: Impairment of Assets
AASB 116: Property, Plant and Equipment	AASB 138: Intangible Assets



Belmont Holdings Limited

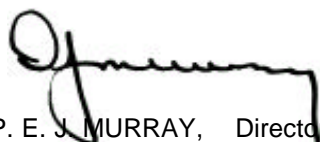
ABN 65 000 144 561

Directors' Declaration

In the opinion of the Directors of Belmont Holdings Limited ("the Company"):

- (a) the financial statements and notes as set out on pages 12 to 32 are in accordance with the Corporations Act 2001 including
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. complying with International Accounting Standards as indicated in Note 1; and
 - c. giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2010 and of its performance, as represented by the results of their operations, changes in equity and their cash flows, for the financial year on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (c) the audited remuneration disclosures set out in the financial report comply with Accounting Standards AASB 124 Related Party Disclosures and the Corporations Regulations 2001.
- (d) The Directors have been given the declarations by the effective chief executive officer and the effective chief financial officer required by Section 295A of the Corporations Act 2001.

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



P. E. J. MURRAY, Director



J. C. PLUMMER, Director

Sydney

Dated: 17 September 2010



**AUDITORS INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF**

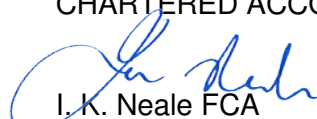
**BELMONT HOLDINGS LIMITED AND CONTROLLED ENTITIES
ABN 65 000 144 561**

I declare that to the best of my knowledge and belief, during the year ended 30 June 2010 there have been:

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

Dated this 16th day of September 2010
First Floor
25 Bolton Street
NEWCASTLE

CUTCHER & NEALE
CHARTERED ACCOUNTANTS


I. K. Neale FCA
Partner



INDEPENDENT AUDIT REPORT TO THE MEMBERS OF BELMONT HOLDINGS LIMITED AND CONTROLLED ENTITIES ABN 65 000 144 561

Report on the Financial Report

We have audited the accompanying financial report of Belmont Holdings Limited (the company) Belmont Holdings Limited and Controlled Entities (the consolidated entity), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cashflows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of Belmont Holdings Limited are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the Directors also state, in accordance with Accounting Standard AASB101: Presentation of Financial Statements, that compliance with Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

The directors also are responsible for preparation and presentation of the remuneration disclosures contained in the directors' report in accordance with the Corporations Regulations 2001.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and that the remuneration disclosures in the directors' report comply with Accounting Standard AASB 124.

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INDEPENDENT AUDIT REPORT TO THE MEMBERS (Cont'd)

Auditor's Responsibility (Cont'd)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement on the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting estimates made by the directors', as well as evaluating the overall presentation of the financial report and the remuneration disclosures in the directors' report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Belmont Holdings Limited (the company) Belmont Holdings Limited and Controlled Entities (the consolidated entity) on 16 September 2010, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion:

- (a) the financial report of Belmont Holdings Limited and Controlled Entities is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's and the consolidated entity's financial position as at 30 June 2010 and their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1

Dated this 18th day of September 2010
First Floor
25 Bolton Street
NEWCASTLE

CUTCHER & NEALE
CHARTERED ACCOUNTANTS



I. K. Neale FCA
Partner



Belmont Holdings Limited

ABN 65 000 144 561

Corporate Governance Charters - 2010

A – The Board Charter of Belmont Holdings Limited

The Board of Belmont Holdings Limited ("Belmont") recognises that formal and informal responsibilities and tasks are established in the company's Constitution, in legislation and in regulatory requirements.

The purpose of this Charter is to provide a structural framework to give the Board of Belmont direction and authority over non contractual, legislative or regulatory responsibilities and duties.

Terms of Reference

Complementary to contractual, legislative or regulatory responsibilities, the Board's responsibilities shall include the following:

- Considering and approving corporate strategies and policies, reviewing and approving business plans and major items of expenditure and reviewing and approving financial statements and their presentation to shareholders
- Monitoring and utilising bodies such as the Audit, Compliance and Risk Management Committee and the Remuneration Committee, ensuring that the company has in place a reporting system which enables it to address the compliance and risk management responsibilities of the business carried out by Belmont.
- Assessing management, including the appointment of executives to the organisation, including the Company Secretary and examining corporate and executive performance.
- Considering Board appointments
- Reviewing from time to time the compliance undertaken by the company's portfolio manager subsidiary, Imperial Pacific Asset Management Pty Limited.

Membership

The membership of the Board is determined by the Constitution and "shall be not less than 3 or more than 5". One-third of (non-executive) Directors must retire from office each year. They may seek re-election. From time to time the Board may consider it appropriate to appoint a new member (or members) to the Board. Personnel considered for selection shall be chosen in the first place on the basis of their requisite business, financial and communications skills. Assessments will then be made as to their suitability for the role in the light of other characteristics including conflicts of interest, personality, costs, availability and the ability to conform to a small company operation such as that of Belmont. (Independence (as defined by ASX Corporate Governance statements) is not considered an important characteristic for Belmont)

The Board continues to comprise the following members: P E J Murray (Chairman), R Chenery and J C Plummer

Meetings

The Board proposes to meet a minimum of four times each year. Additional meetings may be initiated by a Director or through requests from senior management.

External Reporting

The Board recognises its legislative and regulatory obligations to report financial and other events to its owners, the shareholders, on a continuous disclosure basis and to comply with other regulatory obligations such as those of ASIC and ATO and to undertake scrutiny and re-election at Shareholder Meetings.

Other Duties and Responsibilities

In addition to its formal legislative and regulatory obligations, the Board's responsibilities include the following:

Planning and Decision making

- Considering and approving corporate strategies and policies;
- Reviewing and approving business plans and major items of expenditure
- Assessing and deciding upon Investment opportunities.
- Assessing and deciding upon capital adequacy, gearing ratios and conservative placement of surplus monies on deposit.
- Meeting regularly, formally and informally

Board Charter (Cont'd)

Monitoring

- Monitoring the company's performance and its capital and funding adequacy.
- Creating, monitoring and utilising the Audit, Compliance and Risk Management Committee;
- Ensuring that the company has in place a reporting system which enables it to address the reporting, compliance and risk management responsibilities of the business carried out by Belmont Holdings.
- Reviewing from time to time the compliance undertaken by the company's portfolio manager subsidiary, Imperial Pacific Asset Management Pty Limited.

Reporting

- Ensuring that the company has in place a reporting system which enables it to produce effective, accurate and responsible financial reporting to the shareholders and other parties, including ASIC, ASX and ATO.
- Assessing Section 295A declarations by the CEO and the CFO.
- Reviewing and approving final financial statements and their presentation to shareholders.
- Maintaining open dialogue with all shareholders, especially at the Shareholder Meetings.

Management

- Assessing the need for additional or amended management personnel
- Examining corporate and executive performance
- Selecting and appointing executives to the organisation
- Delegating the task of managing the corporation to executive management, namely:
 - Creating structure of command and responsibilities
 - Day-to-day management of resources
 - Payments of accounts and receipt of monies
 - Recording of transactions
 - Preparation and presentation of investment proposals, updates on existing and potential investments to the Board and via Imperial Pacific Asset Management Pty Limited to portfolio clients
 - Preparation and presentation of various Board reports, agenda and minutes.
- Creating, monitoring and utilising the Remuneration Committee;

Liaison with Management

- The Board is ultimately responsible for the success of the entity and although it undertakes top level strategic planning and decision making for the entity, any Director is entitled to examine and if necessary, audit, any aspect of the company's operations or its management.

Codes of Conduct, Securities Dealings

- Considering and establishing codes of conduct about Director and personnel behaviour.
- Considering and establishing principles in relation to dealing in securities by Directors and company personnel, including Embargo Lists

Other

Any Director has the right, with Board approval, to seek independent professional advice where this is reasonably required for fulfillment of the responsibilities set out in this Charter.

B – The Audit, Compliance and Risk Management Committee Charter (Summary)

The Audit, Compliance and Risk Management ("ACRM") Committee's activities are directed towards satisfaction of Principles 4 and 7 of the ASX Corporate Governance Principles released in August 2007.

Terms of Reference

The primary function of the ACRM Committee is to assist the Board of Belmont Equities Limited ("Belmont") in fulfilling its governance responsibilities in the following areas of Audit, Compliance and Risk Management:

A. Audit

- a. Articulation of the guiding principles to be adopted by the external auditors;
- b. Consideration of operating functions that will ensure adequate internal controls and financial reporting systems are in place.

B. Compliance

- c. Consideration of operating functions that will provide adequate compliance with all relevant statutory and regulatory requirements and community obligations.

ACRM Charter (Summary) (Cont'd)

C. Risk Management

- d. Appropriate consideration of operating functions that will provide adequate protection of the company's tangible and intangible assets by acceptable management of risk;

Membership

The membership of the ACRM Committee will be determined from time to time by the Board and comprise two non-executive members of the Board appointed by the Board on the basis of requisite business, financial and communications skills. The Board appoints the Chairman of the Committee. The Chairman presides over the meetings of the Committee and reports, as necessary, its actions and recommendations to the Board. The company's Chief Operating Officer and other personnel may be invited to attend meetings. The Chairman may call special meetings of the Committee in addition to those regularly scheduled and may request the attendance of staff and / or external auditors. A Secretary of the Committee may be appointed to facilitate administrative functions including the preparation and circulation of notices of meetings and agendas, and the recording of minutes.

The ACRM Committee continues to comprise the following members: JC Plummer (Chairman) and R Chenery.

Meetings

The ACRM Committee shall meet a minimum of four times during each year. Additional meetings are held at the discretion of the Committee Chairman or by direction of the Board. Agendas and minutes shall be prepared in relation to the meetings.

Reporting to the Board

The outcomes of the Committee's deliberations are to be reported to the Board as soon as possible after each meeting of the Committee. The minutes of these meetings are to be circulated to the Board.

Specific Duties and Responsibilities

The Committee is given responsibility for considering and advising Board on the following six areas:

One - Internal Controls and Procedures

- Ensuring through regular reviews that adequate procedures are in place to safeguard the company's assets provide informative financial statements and reports.
- Reviewing internal audit reports.
- Seeking to ensure that a system is in place to monitor legislative changes and current developments in accounting standards that might impact on the company.
- Assessing Section 295A declarations by the CEO and the CFO.

Two - External Audit

- Discussing with the external auditors the scope and extent of the half yearly and full year financial audits
- Reviewing and discussing findings of the external auditors and advising the Board of any issues of concern.

Three - Published Financial Statements

- Ensuring that systems are in place to allow the annual report statements to reflect properly the financial condition of the company and comply with ASX listing and other regulatory requirements

Four - Compliance

- Ensuring that the company has in place a reporting system which advises the Board periodically and addresses the compliance obligations of a public listed company such as Belmont.
- Reviewing from time to time the appropriateness of, and compliance action taken, by the company in maximising compliance obligations.
- Reviewing from time to time the compliance undertaken by the company's portfolio manager, Imperial Pacific Asset Management Pty Limited.

Five - Risk Management

- Ensuring that the company has in place a system which addresses risk recognition, oversight and management and reports as appropriate to the Board.
- Reviewing from time to time the appropriateness of, and risk management action taken by the company in maximising risk management protection.

Six - Special Assignments

- Subject to Board approval, doing such other things as are necessary or prudent to fulfil the responsibilities of the Committee.
- Undertaking other related activities referred to the ACRM Committee by the Board.

General

The ACRM Committee has the right at all times to obtain from all levels of management such information as is necessary to fulfil the responsibilities set out in this Charter. The Committee has the right, with Board approval, to seek independent professional advice where this is reasonably required for fulfilment of the responsibilities set out in this Charter.

C – The Remunerations Committee Charter (Summary)

The Remuneration Committee's activities are directed towards satisfaction of Principle 1 of the ASX Corporate Governance Principles released in August 2007. The primary function of the Remuneration Committee is to assist the Board of Belmont Equities Limited ("Belmont") in fulfilling its governance responsibilities in the following area:

Establishing the guiding principles and the actual approval process to be adopted in the payment of sums of remuneration (or applicable financial arrangements) for any Director, or employee of the organisation or related party such as a portfolio management service provider.

The membership of the Remuneration Committee will be determined from time to time by the Board and comprise two non-executive members of the Board appointed by the Board on the basis of requisite business, financial and communications skills. The Board appoints the Chairman of the Committee. The Chairman presides over the meetings of the Committee and reports, as necessary, its actions and recommendations to the Board. The company's Chief Operating Officer and other personnel may be invited to attend meetings.

The Chairman may call special meetings of the Committee in addition to those regularly scheduled and may request the attendance of staff. A Secretary of the Committee may be appointed to facilitate administrative functions including the preparation and circulation of notices of meetings and agendas, and the recording of minutes. The Remuneration Committee continues to comprise J C Plummer (Chairman) and R Chenery

The Remuneration Committee shall meet as required, expected to be not less than twice per year. Additional meetings are held at the discretion of the Committee Chairman or by direction of the Board. Agendas and minutes shall be prepared in relation to the meetings. The outcomes of the Committee's deliberations are to be reported to the Board as soon as possible after each meeting of the Committee. The minutes of these meetings are to be circulated to the Board.

The Committee is given responsibility for considering and advising Board on the following three areas:

One - The Board - Establishing the guiding principles and the actual approval process to be adopted in the payment of sums of remuneration (or applicable financial arrangements) for members of the Board, predominantly directors fees, examining comparative sums payable in the marketplace for similar services and ensuring proper compliance is undertaken for shareholder approval.

Two – Management - Establishing the guiding principles and the actual approval process to be adopted in the payment of sums of remuneration (or applicable financial arrangements) for executive management and examining comparative sums payable in the marketplace for similar services.

Three - Service Provider – Assessing and monitoring the payment of administration and management fees to service provider, Moorgate Pacific Corporate Services (associated with Mr PEJ Murray).

The Remuneration Committee has the right at all times to obtain from management such information as is necessary to fulfil the responsibilities set out in this Charter

Belmont Holdings Limited



Additional Information - Australian Securities Exchange Limited

Distribution of Equity Securities as at 19 September 2010

234 Shareholders held Ordinary Shares

The number of holders in the following categories are:-

1 - 1,000	112
1,001 - 5,000	73
5,001 - 10,000	10
10,001 - 100,000	27
100,001 and over	4
	<hr/>
	226

There were 19 shareholders with a non-marketable parcel of shares.

Substantial Shareholders - 19 September 2010

Shares in which a relevant
interest could be held

P.E.J.Murray	1,145,994
J.C.Plummer	663,790

Twenty Largest Shareholders as at 19 September 2010

The names of the 20 largest shareholders are:-

Name	Shares Held
P.E.J. Murray	802,500
J.C. Plummer	663,790
Capel Court Corporation Pty Limited	342,294
Embankment Nominees Pty Limited	145,197
Zoom Zoom Pty Limited	72,368
Peq Nominees Pty Limited	47,615
D. Murray	39,840
C.D. & G.H.Amor	39,000
Invia Custodian Pty Limited	38,392
C.D. Murphy	33,600
Symspur Pty Limited	31,277
Saddington's Holdings Pty Limited	28,428
M.C. Eckford	26,076
J.J.M. Eckford	26,075
P.H. Eckford	26,075
D. Laughlin	26,075
J.C.Petherick	23,315
R.W.Jarvie	21,052
Venasta Pty Limited	20,000
Valhalla Investments Pty Limited	19,440
	<hr/>
	2,472,409
Percentage of capital held by top twenty:	85.06%

Voting

Voting Rights are one vote per share held.

Service Agreements

There is no Contingent Liability for this company and its subsidiaries for the termination of benefits under service agreements as at the date of this report.

History – Belmont Group



1936 - Arrangements finalised by the Murphy family of New Zealand establishing a clay pipe factory at Belmont, Newcastle. Company to be the first manufacturer in Australia of de-aired clay pipes.

1937 - Northern Stoneware Pipe Pty Limited formed on 13 January 1937. The first Chairman was Mr R J Murphy. No.1 and No.2 kilns built and put into operation. Sales expanded to cover eventually most of NSW.

1954 - Belmont Stoneware Pipe Holdings Limited was formed as the group holding company and became listed on the Sydney Stock Exchange with Mr L E Thompson (Chairman) and Mr H C Eckford (Managing Director).

1979 - Clay pipe operations ceased and trading wound down. Shareholders funds fell to \$99,034.

1980 - Mr R.W. Jarvie joins Board. Name changed to Belmont Holdings Limited to reflect Board changes and redirection of the group towards investment banking. Mr P E J Murray appointed Chairman. Bonus Share Issue of 1 for 1.

1982 and 1983 - Strategic 15% shareholding in Dickson & Johnson Holdings Limited acquired. Formal offer made for Dickson & Johnson resulting in a sale for a large gain.

1984 and 1985 - Bonus Share Issue of 1 for 2. Belmont site re-developed with a local builder and sold.

1986 - Shareholders funds pass \$1.0 million. Strategic shareholdings increased. UK investments acquired.

1987 - Bonus share issue of 1 for 5 and a rights issue of 1 for 3. London City Equities (London City) formed as an associated listed company. Earnings and assets reach record levels.

1988 - \$12 million offer made for J C Ludowici & Son. Rights Issue of 1 for 2.

1989 - J C Ludowici shareholding sold for significant gain.

1990 - Shareholding in London City increased to 32.1% LCE increases its shareholding in Towles Plc to 40.2%

1991 - Camelot Resources Limited joins Belmont group

1992 – London City shareholding increased to 39% and Camelot to 15%.

1993 – London City shareholding increased to 42.1% and Camelot Resources to 19%. Dividend of 7.5 cents a share.

1995 – London City's bid for Towles completed and new management installed. Camelot accelerates its growth, based in Perth.

1996 - Camelot Resources shareholding sold for a profit of \$1.0 million. LCE share issue results in London City becoming a 51% owned subsidiary. Takeover made for Gearhart Australia. Towles moves into losses.

1997 - Gearhart shareholding sold for a good profit. Towles in serious state and London city sponsors appointment of receiver to Towles on 26 May 97.

1998 - Group in recovery mode, Attempts to have monies returned from UK. Camden properties enhanced.

1999 - Group in recovery mode. Some funds and properties returned to group from UK. Camden land on way to re-zoning. Successful holding by London City in Holyman.

2000 – London City reconstructed with Belmont exposure confirmed and supported by London City equity issue, interest falling from 51% to 35%. Camden properties revalued.

2001 – London City and Belmont return to ASX lists. Camden properties increase further in value. Finances enhanced.

2002 -Agreement reached granting an option to major home-builder to purchase Camden land for over \$8.0 million.

2003 -Spring Farm property negotiations at \$8.9 million.

2004 -Spring Farm property sold for \$8.9 million. London City acquires and accepts offer for 19% of PICA.

2005 - Spring Farm proceeds received. London City acquires 13.4% of CCI Holdings Limited. AFS Licence approved.

2006 – AFS Licence of Imperial Pacific Asset Management activated and its key client turns in a successful year. London City now owns 15.1% of CCI Holdings Limited.

2007 – London City sells its CCI holding via a merger of CCI with Bureau Veritas of France. London City and Belmont report record earnings and assets. Belmont invests in MainstreamBPO.

2008 – London City and Belmont retain high liquidity in the light of difficult market conditions.

2009 – London City acquires 9% cornerstone investment in Penrice Soda Holdings Limited.

2010 – Group focuses on key investments.

Belmont Holdings Limited

ABN 65 000 144 561



Proxy Form

To: The Company Secretary
Belmont Holdings Limited
Level 10
19 Pitt Street
SYDNEY NSW 2000 or Fax: 02 9247 9336

I/We..... of
..... hereby appoint of
..... or in the event that no person is nominated above, the
Chairman of the Meeting, as my/our proxy to vote for me/us at the Annual General Meeting of the company to be held at Level 9, 33
Erskine Street, Sydney NSW 2000 on Friday, 29 October 2010 at 11.30 am and at any adjournment thereof.

This proxy is to represent (proportion) of my/our voting rights. (Please complete if more than one proxy is being appointed,
otherwise one proxy will be assumed). This proxy is to be used to vote in respect of the resolutions and, unless instructed, the proxy
may vote as the proxyholder thinks fit. [Please mark as required.]

Ordinary Business

For Against Abstain

To adopt the Remuneration Report.

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To re-elect Mr.R.Chenery a Director of the Company.

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Special Business

For Against Abstain

To approve the change of the company's name
to Imperial Pacific Limited.

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To approve the replacement of Article 129 of
the Constitution

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IF YOU HAVE NOT DIRECTED YOUR PROXY HOW TO VOTE. If the Chairman of the meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote, please place a mark in this box to acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution. (However votes cast by him other than as a proxy holder will be disregarded because of that interest.) Where the proxy is undirected the Chairman intends to vote "FOR" the Resolutions.

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Signed by the said

.....
(Name of Member) (Signature of Member)

Dated this day of , 2010.

Please Note:

1. If you mark "Abstain" you are directing your proxyholder not to vote on your behalf on a show of hands or a poll and your vote will not be counted in calculating the required majority.
2. Where the member is a natural person this proxy must be signed by the member personally or by a duly appointed attorney. Where the member is a corporation this proxy must be executed under the common seal of the corporation or signed by an attorney duly appointed under the common seal of the corporation.